



# SUSTAINABLE FINANCE FRAMEWORK

September 2023



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# 1 Corporate structure

**ELO**, formerly named Auchan Holding, is a French limited liability company (Société anonyme) with family and employee shareholding.

ELO brings together two undertakings with complementary business lines:

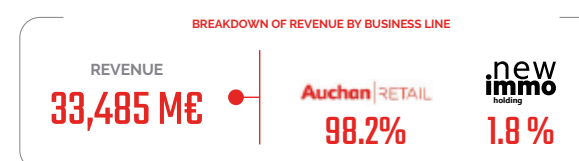
- **Auchan Retail** is a food retailer which brings together all food retail formats (hypermarkets, supermarkets, convenience stores, drive-throughs, digital);
- **New Immo Holding** is the holding company of the real estate business line which, since 2021, is itself composed of two businesses to broaden

its growth and development prospects: **Ceetrus** owns a portfolio of real estate assets, including but not limited to shopping centers, while **Nhood** is a mixed-use real estate operator acting through service provision mandates to manage, animate, develop, and transform existing sites into new living spaces.

ELO also holds a 49.9% equity investment in **Oney Bank** which, since 2019, has benefited from the joint expertise of BPCE and ELO to speed up its growth and increase its presence in Europe in payment, finance, and digital identification solutions.

# 2 Business overview

Present in 13 countries, Auchan Retail operates a multi-format network of some 2,321 points of sale. Auchan Retail develops its business with the help of more than 160,000 employees, who represent 99.3% of ELO's workforce. With revenues of 32,893 M€ Auchan Retail represents 98.2% of ELO's consolidated revenues.



Ceetrus owns a portfolio of real estate assets of 230 shopping centers in 11 countries across Europe and Western Africa. Nhood provides real estate services with the help of more than 1,000 employees.

Auchan Retail and New Immo Holding are in a process of continuous social and environmental improvement of their supply chains and pay particular attention to ensuring good working conditions for all their employees throughout the world.

## > Volume of GHG emissions, Scopes 1, 2 & 3

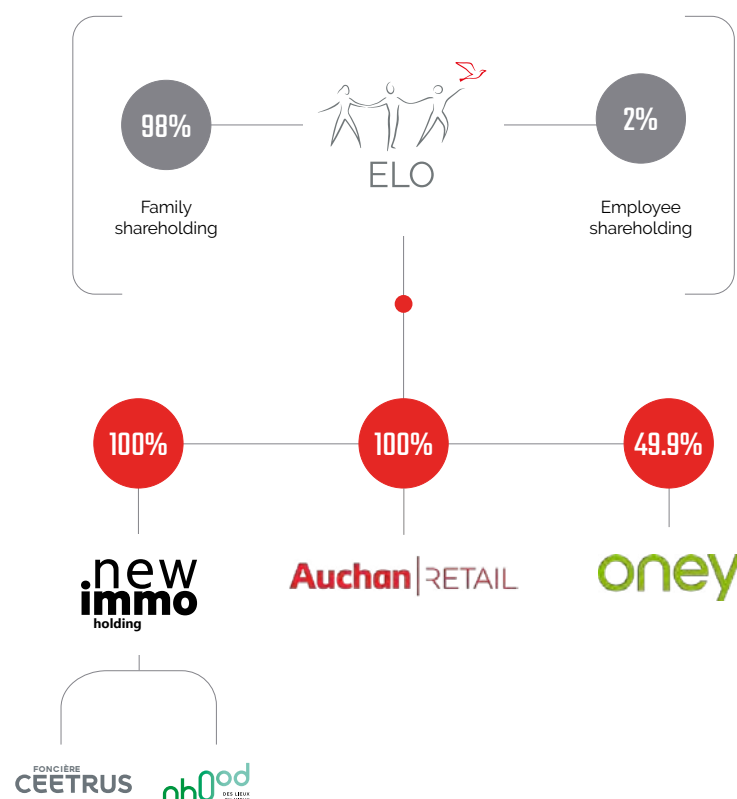
GHG emissions (tCO <sub>2</sub> eq.)	2020	2021	2022	Change
Auchan Retail Scope 1	544,660.13	397,031.33	355,628.47	(10.43)%
New Immo Holding Scope 1		21,968.06	27,404.84	24.75%
Auchan Retail Scope 2 - Location Based	698,700.65	653,238.53	730,858.34	11.88%
New Immo Holding Scope 2 - Location Based		63,761.29	69,585.83	9.13%
Auchan Retail Scope 2 - Market Based		523,971.50	588,220.31	12%
New Immo Holding Scope 2 - Market Based		NC *	NC *	
Auchan Retail Scope 3 - Goods transport	223,407.40	452,205.81	464,150.04	2.64%

\* New Immo Holding renounces to value its energy certificates of renewable origin in its carbon footprint.

ELO publishes the scopes 1 & 2 emissions of Auchan Retail and New Immo Holding in its non-financial statement. While regarding scope 3, as of 2022, only goods transport of Auchan Retail emissions is published, the following section includes the detail of Auchan Retail's full scope 3 emissions as calculated for the baseline year 2020. New Immo Holding's scope 3 emissions mainly result from customers' transport and are estimated

to represent less than 5 percent of ELO's total scope 3 emissions.

Given the weight that Auchan Retail represents in ELO's impacts, as a whole, on people and environment, the group's sustainability strategy focuses on the actions and performance at the level of Auchan Retail.



# 3 Sustainability strategy

With the aim of meeting the new expectations of consumers and citizens, Auchan Retail is adapting its model and practices to support its customers in all its countries of operation and strives to ensure that its mission of providing quality food at the fairest price remains as close as possible to inhabitants.

In 2022 Auchan Retail affirmed its 2032 Vision: "Eating well and living better while preserving the planet", aiming to give full meaning to the profession of retailer and reaffirm the ambition driven by its brand. This new roadmap embodies and guides the actions of Auchan Retail's teams, both daily and through two-year objectives.

This approach is based on three pillars – Planet (help preserve the planet), People (implement measures with the aim of meeting Auchan Retail social objectives) and Food (offer healthy, accessible food that contributes to better health) - and two cross-functional pillars: improve the management of its non-financial performance and develop a more intensive dialogue with stakeholders.

Auchan Retail also supports the principles of the United Nations Global Compact, committing to publish each year a communication on its progress, describing Auchan Retail's efforts to integrate the 10 principles.

## Auchan Retail's climate plan



Since 2015, Auchan Retail has been implementing measures and action plans to reduce direct emissions from stores in all the countries where it operates. At the COP21 conference in Paris, Auchan Retail made a commitment to reduce its energy consumption by 20% between 2015 and 2020. This commitment was met one year in advance (2019).



Auchan Retail's climate plan has expanded sharply over the last two years with the definition of a global strategy for all the countries where it operates.

In 2021/2022, Auchan Retail defined a decarbonization trajectory across its entire scope of activity (Scope 1, 2 and 3).

This trajectory is based on the following objectives:

• **Reduce direct emissions of its stores by 46% by 2030** (scopes 1 and 2, vs. 2019). The work undertaken continues proactively on energy and refrigeration equipment. The objectives and action plans set Auchan Retail on a **1.5° trajectory**. In 2022, Auchan Retail already reduced the direct emissions of its stores by 9% compared with 2019.

	2019	2022	Change
Total scopes 1 and 2 (in tCO <sub>2</sub> e)	1,190,806	1,086,487	(8.8)%

• **Reduce emissions downstream and upstream of its value chain by 25% by 2030** (scope 3 vs. 2020). The objectives and action plans implemented relate to the decarbonization of the supplier chain in the food and non-food sectors

as well as the actions undertaken in relation to the logistics and transport of goods. The objectives and action plans set Auchan Retail on a "Well Below 2°" trajectory.

These objectives were validated by the Science-Based Targets Initiative ("**SBTi**") in April 2023. The scope 3 objectives are based on the following emissions, as measured for reporting year 2020 (baseline):

	Auchan Retail 2020 tCO <sub>2</sub> e
1. Purchased goods and services - food	22 560 494
1. Purchased goods and services - non-food	5 117 316
1. Purchased goods and services - indirect purchasing	494 720
4. Upstream transportation & distribution	1 398 914
11. Use of sold products - fuels	7 459 337
11. Use of sold products - products	3 658 220
12. End-of-life treatment of sold products	202 283
<b>TOTAL emissions</b>	<b>40 891 284</b>

To comply with the new SBTi Forest, Land and Agriculture ("FLAG") methodology, Auchan Retail will have to reevaluate its scope 3 emissions. This

FLAG reevaluation will be conducted by 2024 and will result in updated GHG emissions baseline and targets.





# 2030 Climate Plan

The power of a retailer at the service  
of the great climate challenge

To reduce our greenhouse gas (GHG) emissions,

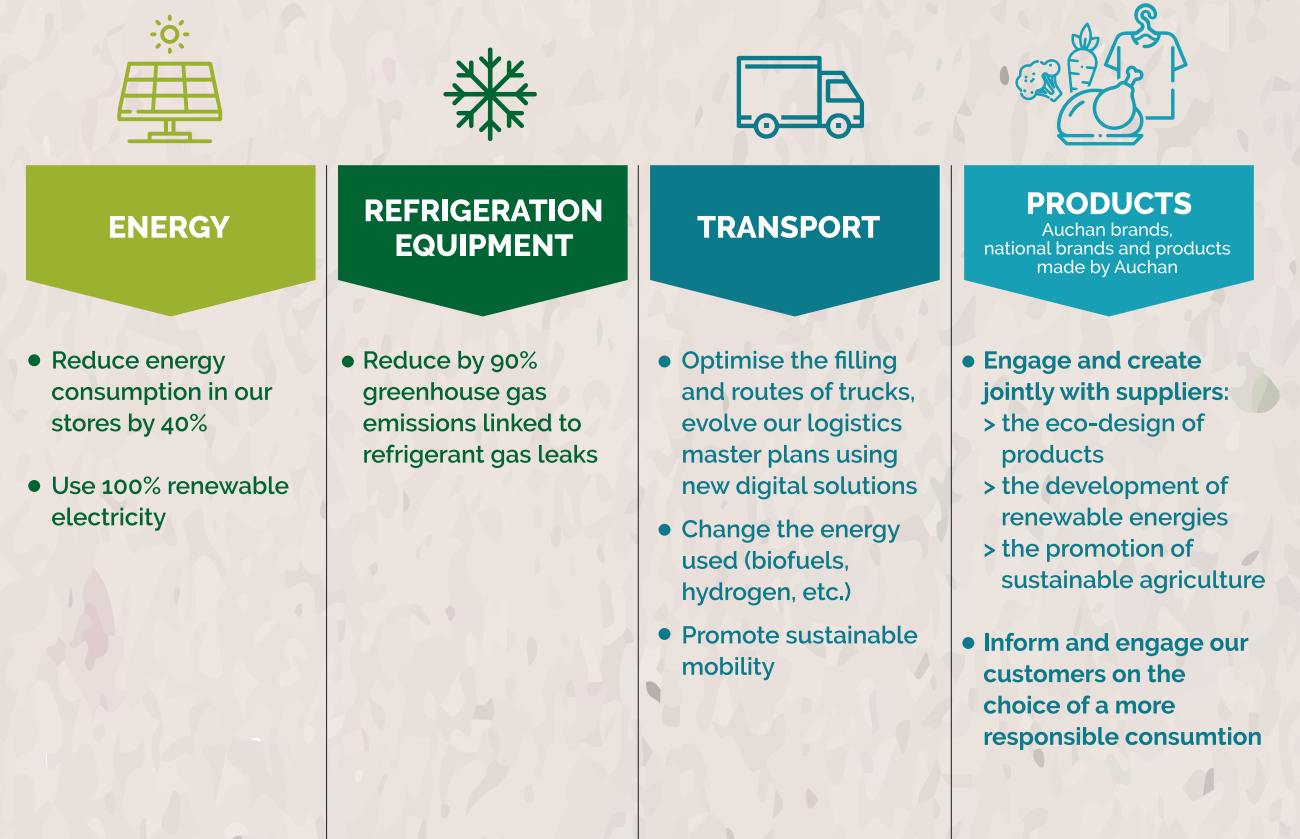
## Auchan Retail is committed

to all the CO<sub>2</sub> emission scopes:



To meet these targets,  
Auchan Retail's 2030 Climate Plan is focusing on

## 4 courses of action:



« My wish is that in 10 years Auchan is recognised as THE leading brand in terms of protecting the planet, as well as the most accessible and most committed brand! »

Yves CLAUDE, President and CEO of Auchan Retail



## New Immo Holding's climate plan

New Immo Holding is also stepping up its actions to reduce energy consumption across all its retail assets. Since 2010, New Immo Holding (via its subsidiary Nhood on behalf of the Ceetrus portfolio) has been working on a sobriety plan

which provides for a 50% reduction in the company's carbon footprint (scopes 1 and 2 vs 2019) as well as a 40% reduction in energy consumption by 2030.

## Biodiversity



Auchan Retail contributes to the preservation of forests and the sustainable use of natural resources through action plans aiming at fighting deforestation, supplying sustainable coffee, cocoa, and soybeans and by ensuring a sustainable offer of wood-based products on our own brand products.



Contributing to UN Sustainable Development Goal 6, Auchan Retail has also been practicing sustainable fishing and aquaculture since 2006 by stopping sales of endangered shark species, eels, grenadiers, emperors and Adour salmon on its stand's products ("cut-on-demand"). Auchan Retail has also been



working in increasing traceability of tuna-based products and in mobilizing a better use of water resources, whether in its supply chain or in its stores.

On its side, New Immo Holding has been implementing, since 2022, a common methodology for assessing the biodiversity performance of all of its portfolio assets in every country of operation.

## Fight against plastic pollution



The reduction of the use of virgin plastic, the improvement of recyclability and the integration of recycled material are all commitments made official by the signing by Auchan Retail of the European Plastics Pact in March 2020 and its renewal in 2022.

Special efforts are being made at the international level regarding packaging, with the aim of:

- having reusable private label packaging, recyclable or compostable at home,

with a target of 85% in 2024 and aim for 100% by 2025, while prioritizing the net reduction in plastic used, with a target of -20,000 tonnes by 2024 (i.e., -10% on food and -50% on non-food items based on 2021); and

- eliminating as much as possible plastics from the fresh food and self-service fruit and vegetable departments, aiming to eliminate 2,000 tonnes of plastic by 2024 and 6,000 by 2032 (baseline 2021).

## Reducing waste and fighting against food and non-food waste



By reducing its waste, Auchan Retail acts in favor of the circular economy through two main levers:

- **waste reduction:** as a distributor, Auchan Retail has a significant role to play in terms of innovation in stores, consumer support, management of unsold goods and recovery of operational waste. The initiatives deployed contribute to the achievement of Sustainable Development Goal 12 target 12.5 (significantly reducing waste production through prevention, reduction, recycling, and reuse). Auchan Retail is also contributing to reducing waste, whether from customers or from site operations, by implementing the principles of the circular economy; and

- **fight against food waste:** the initiatives deployed contribute to the achievement of UN Sustainable Development Goal 12 through target 12.3 (halve global food waste and food losses throughout the production and supply chains).

In terms of food waste, each Auchan Retail country has set a reduction target for 2024 and 2032, making it possible to move towards **0% food waste by 2032** at an international level. The KPI that Auchan Retail has defined to track food waste is the Food Waste Rate, expressed as breakage of fresh goods (€) to revenue of fresh goods sold (€, excluding taxes). In 2022, the Food Waste Rate was 1.43%, down from 1.66% in 2021. The scope of this KPI includes hypermarkets, supermarkets, drives, Auchan Piétons, and e-commerce, while franchises and affiliated supermarkets are excluded from the scope. The Food Waste Rate is verified by a third-party auditor and published in our annual report. Once further historic data are available, Auchan may explore benchmarking of this KPI against industry peers as well as external standards, to evaluate the possibility to include a food waste KPI in sustainability-linked funding instruments.

Auchan Retail has identified five levers in its anti-food waste policy on which the company wishes to act.



## ELO's progress recognized by non-financial ratings agencies

ELO has been engaged with CDP for several years and received a B score in 2022. This score recognizes the advanced management level on climate issues within ELO, particularly in terms of reducing greenhouse gas ("GHG") emissions (Scopes 1 and 2).

ELO has also been rated 62/100 by Moody's ESG Solutions in 2022, representing an increase of +25 points compared to 2019.



# 4 Sustainable finance framework

## 4.1 Rationale

With the publication of this sustainable finance framework (the "**Framework**"), ELO is looking to strengthen the link between its funding and its sustainability strategy. The sustainable finance

instruments issued under this Framework are intended to contribute to achieving the sustainability plans of ELO, especially the climate transition plan.

## 4.2 Framework

Based on this Framework, ELO may notably issue bonds, private placements, commercial papers, or other debt instruments with sustainable finance characteristics:

- whereby the proceeds serve to finance eligible green and/or social projects ("**Green and Social**

**Use-of-Proceeds Financing**"), or

- whereby the financial characteristics of the instrument are linked to the achievement of a sustainability performance target ("**Sustainability-linked Financing**")



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.

The Framework is available on the ELO website <https://groupe-elo.com/dette-et-rating>

ELO may review the Framework from time to time to align with industry best market practices and future market developments, regulations, and expectations. Any updated version of the Framework will be published on ELO's website and, if changes are not minor in nature, reviewed by an independent expert (the "**Second Party Opinion Provider**"). Instruments issued under previous versions will not be affected by any updates or new iterations of this document, unless explicitly stated by ELO.



# 5 Green and Social Use-of-Proceeds Financing






## 5.1 Use of proceeds

An amount equivalent to the net proceeds from the issuance of green and/or social debt instruments will be used to finance and/or refinance, in whole or in part, new or existing green or social assets, expenditures or cost of goods sold (COGS) that meet the eligibility criteria outlined in the below table (the "**Eligible Projects**").

ELO believes its green and/or social debt instruments will support the achievement of the UN SDGs referred to in the table below and will contribute to the EU environmental and social objectives referred to in the same table.

Moreover, the Framework takes into consideration the requirements of the EU regulation 2020/852 (the "**Taxonomy Regulation**") and its technical screening criteria, including the EU 2021/2139 delegated regulation (the "**Taxonomy Climate Delegated Act**"), where relevant and feasible.







GBP Category	Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental or social objectives <sup>1</sup>	EU Economic Activities
Green Buildings	<p>Acquisition, ownership, and renovation of stores, offices, or warehouses</p> <ul style="list-style-type: none"> <li>Buildings built before 31<sup>st</sup> December 2020 with an EPC label <math>\geq</math> "A"</li> <li>Buildings built before 31<sup>st</sup> December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED)</li> <li>Buildings built after 31<sup>st</sup> December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Building ("NZEB") in the local market</li> </ul>	 	Climate Change Mitigation	<b>7.7</b> 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) <sup>2</sup>		Climate Change Mitigation	<b>7.3</b> Installation, maintenance, and repair of energy efficiency equipment <b>7.5</b> Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
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"> <li>Zero-emissions vehicles: battery electric vehicles (BEV), hydrogen or otherwise zero-emission passenger and/or light/heavy-duty vehicles</li> <li>Infrastructure to support zero-emissions vehicles: EV charging stations and hydrogen fueling stations</li> </ul> <p><i>Exclusion criteria: transport or storage of fossil fuels</i></p>		Climate Change Mitigation	<b>6.5</b> Transport by motorbikes, passenger cars and light commercial vehicles <b>6.6</b> Freight transport services by road <b>6.15</b> Infrastructure enabling low-carbon road transport and public transport <b>7.4</b> Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
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"> <li>Solar power: Photovoltaics (PV);</li> <li>Wind power: onshore and offshore wind energy generation facilities</li> </ul>		Climate Change Mitigation	<b>4.1</b> Electricity generation using solar photovoltaic technology <b>4.3</b> Electricity generation using wind power

(1) The EU environmental objectives are defined in the Taxonomy Regulation. The social objectives are taken from the Final Report on Social Taxonomy as prepared and published by the EU Platform on Sustainable Finance in February 2022.

(2) Mitigation criteria are defined for individual investments made to adapt real estate assets to climate change, such as equipment promoting energy efficiency. Auchan Retail considered investments in refrigeration equipment as contributing substantially to climate change mitigation



SBP Category	Eligibility Criteria	Contribution to UN SDGs	Target Population	Contribution to EU Environmental or social objectives
Socioeconomic Advancement and Empowerment	<p>Procurement of sustainably produced products directly from the producers including:</p> <p>Agricultural raw materials, meat, seafood, and other products that comply with the quality requirements for the development of <i>Responsible Filières</i> products (as further described below) and that fulfil the following conditions:</p> <ul style="list-style-type: none"> <li>• purchased from an agricultural cooperative, or</li> <li>• purchased from a company fulfilling the <a href="#">EU Commission definition of an SME</a>,</li> <li>• and for which the purchase price exceeds the purchase price of a comparable non-filière product by at least 10% (and where such a benchmark is available)</li> </ul>	   	Producers, livestock farmers and processors of the food chain, including in emerging markets	Decent work;

Auchan's *Responsible Filières* offer a sustainable and balanced partnership with producers, livestock farmers and processors of the food chain and the living world to offer good, healthy products with differentiating or exclusive exemplary traceability that respects the environment and animal welfare. Through this approach, Auchan supports men and women passionate about their work in order to preserve know-how and resources for the consumer's entire satisfaction:

- Production modes that are respectful of the environment, including careful water management and animal welfare
- Partnerships with producers based on respect and trust for a positive social impact: fair

remuneration, employment security, financial sustainability

- Origin and traceability of products is ensured to guarantee food safety and taste

The "Quality requirements for the development of *Responsible Filières* products" have been defined by Auchan Retail's international quality committee to guarantee the quality and positioning of "*Responsible Filière*" products as well as framing the Quality organisation required to ensure implementation and compliance with this process. A *Responsible Filière* product must also comply with the quality rules for Auchan products. The requirements are applicable to all countries and approved partners.

## 5.2 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, decisions will be taken in consensus and documented in meeting notes. It is composed of representatives of Auchan retail functions (finance, sustainability, accounting, capex, financial control) as well as representatives of New Immo Holdings (finance and sustainability functions) as and when relevant. The committee is chaired by the treasurer of Auchan Retail.

The main responsibilities of the investment & commitment committee include, but are not limited to:

- evaluating and selecting the projects in line with the nature and criteria defined within the Framework and excluding projects that no longer comply with the criteria or have been disposed of and replacing them on a best-efforts basis.
- reviewing the content of the Framework and updating it to reflect changes in corporate strategy, technology, market, regulatory developments, applicable laws, and regulations on a best-efforts basis

- initiating the update of documents such as second party opinion ("**SPO**") and related documents from external consultants.
- overseeing, approving, and publishing the allocation and impact reporting, including external assurance statements. The investment & commitment committee may rely on external consultants and their data sources, in addition to its own assessment; and
- monitoring internal process to identify mitigants to material risk of negative social and/or environmental impacts associated with the Eligible Green project portfolio.

ELO's internal policies define sustainability requirements for ELO's activities. Their careful

implementation helps to mitigate ESG risks associated with the Eligible Projects. ELO ensures that all its activities, including the Eligible Projects, comply with applicable national and international environmental and social laws and regulations. Below are some examples of relevant internal codes and policies within the ELO group:

- Ethics Charter
- Vigilance Plan
- Business Ethics Code
- Quality commitments charter
- Food waste policy
- Anti-deforestation policies (France and Spain)
- Plastic pollution policy

## 5.3 Management of proceeds

Within 24 months of the issuance of any green or social debt instrument, ELO intends to allocate an amount equivalent to the net proceeds to Eligible Projects selected in accordance with the eligibility criteria and the process for project evaluation and selection presented above.

Projects financed under this framework may take the form of assets, expenditures or cost of goods sold (COGS). Eligible expenditures and COGS must have been incurred more recently than three years prior to the issuance of the green or social debt instrument.

ELO's investment & commitment committee will establish internal tracking systems to monitor and account for the allocation of the proceeds. Pending full allocation, unallocated net proceeds will be managed in accordance with ELO's treasury management policy and may be used for other cash management purposes or any other treasury business; unallocated net proceeds will not be invested in any activities related to fossil fuels, tobacco, cannabis, alcohol, gambling, weapons or adult entertainment.





## 5.4 Reporting

In accordance with the Principles, ELO will keep investors and other stakeholders updated on the allocation of proceeds and communicate on the expected impact of the Eligible Projects. On an annual basis, ELO publishes taxonomy information in accordance with the EU delegated Acts included in the Non-Financial Performance Report.

### Allocation reporting:

ELO's allocation reporting will include the following information:

- the list and description of the identified Eligible Projects, per category to which the proceeds have been allocated;

- the total amount of ELO green and/or social debt instruments outstanding;
- the amount of the proceeds allocated to Eligible Projects;
- the balance (if any) of unallocated proceeds;
- the amount and/or percentage of new financing and refinancing; and
- material developments/issues/controversies related to the Eligible Projects
- the amount and/or percentage of the Eligible Projects aligned with the EU taxonomy

### Impact reporting:

Relevant environmental and social impact reporting indicators associated with the Eligible Projects could include for example:

Eligible Projects categories	Potential Key Performance Indicators ("KPIs")
<b>Green Buildings</b>	
Green Buildings	<ul style="list-style-type: none"><li>• Estimated annual reduced and/or avoided GHG emissions [tCO<sub>2</sub>e/year]</li><li>• Estimated annual energy consumption [kWh/year]</li><li>• Estimated annual reduced and/or avoided energy consumption [kWh/year]</li><li>• Share of buildings with Energy Performance Certificate (EPC) [%]</li></ul>
<b>Energy efficiency</b>	
Energy efficiency projects	<ul style="list-style-type: none"><li>• Estimated annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li><li>• Estimated annual energy savings in KWh (electricity)</li></ul>
Refrigeration projects	<ul style="list-style-type: none"><li>• Estimated annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li><li>• Estimated annual energy savings in MWh (electricity) and GJ (other energy savings)</li></ul>
<b>Clean transportation</b>	
Low-carbon vehicles; low-carbon	<ul style="list-style-type: none"><li>• Number of EVs owned or leased by Auchan and related estimated annual GHG emissions avoided in tonnes of CO<sub>2</sub> equivalent (compared to a combustion engine vehicle baseline)</li><li>• Number of electric charging stations installed</li></ul>
<b>Renewable Energy</b>	
On-site or off-site renewable energy investments	<ul style="list-style-type: none"><li>• Total energy consumption in kWh</li><li>• Share of renewable electricity out of total electricity consumed</li><li>• Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li></ul>
<b>Socioeconomic Advancement and Empowerment</b>	
Procurement of sustainably produced products, including certified sustainable products	<ul style="list-style-type: none"><li>• Number of Responsible Filières and split by country</li><li>• Quantity of goods purchased from sources meeting Auchan's stringent selection criteria for its Responsible Filières and year-on-year evolution</li></ul>



## 5.5 External Review

### Second Party Opinion

ELO has retained Moody's to provide a SPO on the environmental and social benefits of the Framework as well as the alignment to the Principles.

The SPO is available on ELO's website <https://groupe-elo.com/dette-et-rating>

### Allocation reporting review

The allocation reporting may be externally verified, by an auditor or another independent third party, to verify the internal tracking method and the allocation of funds from the proceeds of a Green and/or Social Use-of-Proceeds Financing. This verification is expected to take place annually or until full allocation. This will be made available together with the relevant annual reporting on ELO's website.



# 6 Sustainability-Linked Financing

## 6.1 Selection of Key Performance Indicators (KPIs) and calibration of Sustainability Performance Targets ("SPTs")

The selected KPIs (Scope 1&2 GHG emissions reduction and Scope 3 GHG emissions reduction) 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. Auchan Retail has established a climate plan covering the entire scope of its business, including its own

operations and its supply chain. In April 2023, the SBTi approved the method adopted by Auchan Retail to monitor its GHG emissions and to meet the reduction targets set for 2030. This approval demonstrates that the stated objectives and the means to achieve them are consistent with the current climate science data.

### KPI 1: Absolute Scope 1 and 2 GHG emissions

#### Definition:

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

#### Scope:

All Auchan Retail countries: France, Spain, Portugal, Poland, Romania, Hungary, Luxembourg, Senegal, Russia, and Ukraine.

#### Methodology for measurement:

- Baseline 2019: 1,266,746 tCO<sub>2</sub>e
- 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

- The 2030 target was validated by the SBTi in April 2023, assessing an alignment with a 1.5°C scenario.
- This baseline and target originate from the SBTi certification approved in 2023. It slightly differs from the ones published in the annual report due to minor methodological changes. Methodologies will merge in the 2023 annual report to be published in 2024.

#### 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.

#### Intermediate Sustainability performance targets:

	Sustainability Performance Targets				
	2026	2027	2028	2029	2030 (SBTi-validated)
Scope 1&2 GHG emissions (tonnes of CO <sub>2</sub> equivalent)	837 852	798 766	759 680	720 595	681 509
Reduction vs 2019 (in %)	-34%	-37%	-40%	-43%	-46%

#### Sustainability performance target observation date:

- 31 December of the relevant year

#### 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 ("PPA"); 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.

#### Historic data:

	Historic data				Sustainability Performance Targets
	2019 (baseline)	2020	2021	2022	2030 (SBTi-validated)
Scope 1&2 GHG emissions* (tonnes of CO <sub>2</sub> equivalent)	1,266,746	NA	1,033,280	NA	681,509
Reduction vs 2019 (in %)	-	-	-18%	-	-46%

\* In the annual report, data is calculated from October to September (because ELO publishes too early to collect the calendar year data in time), whereas for the SBTi target setting process, data were recalculated from January to December.





KPI 2: Absolute scope 3 GHG emissions from purchased goods and services, upstream & downstream transportation, and use of sold products of Auchan Retail

**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.

**Scope:** -

**Methodology for measurement:**

A detailed definition of the KPI including scope, assumptions and measurement is available in a Scope 3 Methodological Note on ELO's website <https://groupe-elo.com/dette-et-rating>

**Intermediate Sustainability performance targets:**

	Sustainability Performance Targets				
	2026	2027	2028	2029	2030 (SBTi-validated)
Scope 3 GHG emissions (tonnes of CO2 equivalent)	34 757 594	33 735 311	32 713 028	31 690 745	30 668 462
Reduction vs 2020 (in %)	-15%	-18%	-20%	-23%	-25%

**Sustainability Performance Target Observation Date:**

31 December of the relevant year

**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.

**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.

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

- **Optimisation 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.)
- **Reduction of the food offering's carbon emissions** by reworking the specifications for own-brand products and across the entire value chain reduce such products' emission.

**Historic data:**

	Historic data			Sustainability Performance Targets
	2020 (baseline)	2021	2022	2030 (SBTi-validated)
Scope 3 GHG emissions (tonnes of CO2 equivalent)	40,891,282	NA	NA	30,668,462
Reduction vs 2020 (in %)	-	-	-	-25%

6.2 Bond's characteristics

Sustainability-linked bonds ("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.

The SLB characteristics are detailed in the terms and conditions included in the issuer's Euro Medium

Term Note Programme. The applicable KPIs, SPTs and coupon adjustment for a bond issuance will be specified in the bond's final terms. The final terms of any SLB may specify that one or more KPIs and associated SPTs are applicable.

6.3 Reporting

ELO will report annually on its performance related to the KPIs included in the Framework in its annual sustainability reporting, available on its website and benefiting from auditor limited assurance.

The annual reporting will contain:

- the level of the KPIs as of 31 December of the preceding year (not sooner than 31 December 2024 for KPI 2), including the baseline where relevant;
- auditor limited assurance on the level of the KPIs; and
- information related to any substitution or recalculation made in accordance with the applicable terms and conditions.

Moreover, the annual reporting may contain:

- an explanation of what has driven KPI-performance in the reporting year;
- an illustration of the actions and impacts related to the Framework's KPIs;
- how the bond is intended to contribute to the climate transition plans and other sustainability plans; and
- where relevant, how the bond is linked to the issuer's taxonomy-aligned turnover, capital expenditure and operating expenditure.



## 6.4 External verification

### Pre-Issuance review

The Framework has been reviewed by the Second Party Opinion Provider who provided a SPO confirming the alignment with the ICMA Sustainability-Linked bond Principles (2023) as to each of the five components described therein (Selection of Key Performance Indicators (KPIs), Calibration of Sustainability Performance Targets (SPTs), Bond Characteristics, Reporting, Verification). The SPO will be made available on ELO's website. (<https://groupe-elo.com/dette-et-rating>)

### Post-issuance review

An external verifier with the relevant expertise will issue **assurance reports** as to ELO's performance of each KPI at least once a year, except for the scope 3 KPI, which may be included in assurance reports not sooner than 2025.

In addition, following each date of assessment against an SPT, the issuer shall publish an **SPT assurance** statement including assurance by an external verifier confirming the level of the KPI(s) against the applicable SPT(s).

In the event of a **recalculation or substitution** pursuant to the terms and conditions of the SLBs, the consistency of the proposed revision with the initial level of ambition of the SPT taking into account the recalculation or substitution will be confirmed by an external verifier.

Reviews by the external verifier will be made available on ELO's website, as part of the KPI reporting or separately.

## 6.5 Substitution and Recalculation

### Substitution Policy

The SBTi Forest, Land and Agriculture (FLAG) project is the approach (including a tool and guidance) for companies in land-intensive sectors to set science-based targets in line with the goals of the Paris Agreement<sup>3</sup>. FLAG companies need to update their GHG emissions calculations in line with the GHG Protocol's Land Sector and Removals guidance<sup>4</sup>. To comply with the new SBTi FLAG methodology, Auchan Retail will therefore 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.

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 applicable KPI1 (scope 1 and 2 GHG emissions) baseline and SPT1 (reduction of scope 1 and 2 GHG emissions) will be updated accordingly, 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 replaced by a new SPT 2a (reduction of FLAG GHG emissions) and a new SPT 2b (reduction of non-FLAG GHG emissions).

(3) <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>  
(4) <https://ghgprotocol.org/land-sector-and-removals-guidance>



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.

### Recalculation Policy

The SPT(s), the KPI baseline(s) or the baseline date(s) may be recalculated or redefined in good faith by ELO and applied to outstanding sustainability-linked bonds to reflect any change, which, individually or in aggregate, has a significant impact on the level of any SPT or any KPI baseline, and which occurs between the issue date of a given SLB issue and the SPT observation date(s) of the KPI(s) in such given transaction:

- in the ELO group's perimeter (due to an acquisition, a merger or a demerger or other restructuring, *scission or apport partiel d'actifs*, an amalgamation, a consolidation or other form of reorganization with similar effect, a spin-off, a disposal, or a sale of assets); or
- in or any amendment to any applicable laws, regulations, rules, guidelines, and policies relating

to the business of ELO group, including transition plan disclosure regulation; or

- to the methodology for calculation of any KPI (including as outlined in the Scope 3 Methodological Note available on the issuer's website (<https://groupe-elo.com/dette-et-rating>) to reflect changes in the market practice, relevant market standards, or updated emissions factors;
- in ELO's ability and autonomy to calculate its KPIs, for example as a result of data accessibility, data quality, data error, or a number of cumulative errors that together are significant. In other cases, a proxy can be used. An example of such a proxy may be an extrapolation of earlier reported emissions if a supplier is not providing the figures in time.

The recalculation shall take place provided that the External Verifier has independently confirmed that the proposed revision is consistent with the initial level of ambition of the relevant Sustainability Performance Target taking into account the Recalculation Event.



# Disclaimer

The Framework contains certain forward-looking statements that reflect the ELO's management's current views with respect to future events and financial and operational performance of the ELO group. These forward-looking statements are based on ELO's current expectations and projections about future events.

Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of ELO to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as of the date of this document and are subject to change without notice. ELO does not undertake any obligation or responsibility to release any updates or revisions to any forward-looking statements and/or information to reflect events or circumstances after the date of publication of the Framework. The information contained in the Framework does not purport to be comprehensive and, unless differently specified hereby, has not been independently verified by any independent third party.

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