

SECOND PARTY OPINION

on Carrefour's Sustainability-Linked Bond Framework

V.E is of the opinion that Carrefour's Sustainability-Linked Bond Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020



Framework

	Weak	Limited	Robust	Advanced	Characteristics of the Framework	
KPI's Relevance*					Audit of the Data	Yes
Target's Ambition					Three-year Historical Data	For KPI 1 and 2
SDG Mapping					Nature of the Impacts on the Bond's Characteristics	Financial
					Disclosure of measures to achieve the SPT(s)	Yes

V.E's opinion on the KPIs' relevance is a consolidation of the materiality assessment of all 3 KPIs. However, V.E considers that the KPI 1 is partially relevant, core and material to the company's business strategy for its current and future operations and partially reflects relevant sustainability challenges for its industry sector. An area for improvement consists in integrating Scope 3 GHG emissions in the coverage of the selected KPI.

Sustainability Performance Target (SPT)

KPI 1: GHG emissions reduction (Scope 1 and 2) (in GtCO₂e)

- Reduce GHG emissions by 30% by 2030 and 55% by 2040, compared to 2019 levels

KPI 2: Tonnes of packaging avoided

- Avoid the placing on the market of 20,000 tonnes of packaging by 2025

KPI 3: Food waste generated by the stores (in tonnes / m₂)

- Reduce food waste by 50% by 2025 compared to 2016 levels

	2016	2019	2020	2025*	2030*	2040*
KPI 1	N/A	1,830	1,663	N/A	1,281	823
KPI 2	335	3,460	6,155	20,000	N/A	N/A
KPI 3	13.068	N/A	9.317	6.534	N/A	N/A

*Trigger event

Issuer

ESG Performance as of December 2020

	Weak	Limited	Robust	Advanced
Environment				
Social				
Governance				

Controversies

Number of controversies	14
Frequency	Occasional
Severity	High
Responsiveness	Reactive



Controversial Activities

Advanced	Limited	Robust	Weak
<input type="checkbox"/> Animal welfare	<input type="checkbox"/> Fossil Fuels industry	<input type="checkbox"/> High interest rate lending	<input type="checkbox"/> Pornography
<input type="checkbox"/> Cannabis	<input type="checkbox"/> Coal	<input type="checkbox"/> Human Embryonic Stem Cells	<input type="checkbox"/> Reproductive medicine
<input type="checkbox"/> Chemicals of concern	<input type="checkbox"/> Gambling	<input type="checkbox"/> Military	<input type="checkbox"/> Tar sands and oil shale
<input type="checkbox"/> Civilian firearms	<input checked="" type="checkbox"/> Genetic engineering	<input type="checkbox"/> Nuclear power	<input checked="" type="checkbox"/> Tobacco
<input checked="" type="checkbox"/> Alcohol			

Keys findings

V.E is of the opinion that Carrefour's Sustainability-Linked Bond Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020.

Selection of the Key Performance Indicator (KPI) – aligned with the SLBP

- KPI 2 and KPI 3 are relevant and material from an environmental standpoint while KPI 1 is partially relevant.
- The KPIs are measurable, externally verifiable and can be benchmarked.
- The KPIs' definition, the rationale behind their selection, the calculation methodologies and coverage are clearly defined.

Calibration of the Sustainability Performance Target (SPT) – aligned with the SLBP

- The SPTs demonstrate a robust level of ambition.
- The timeline, baseline and trigger events are clearly disclosed.
- The means to achieve the SPTs are clearly disclosed.

Bond Characteristics – aligned with the SLBP

- The nature of the bond characteristics' variation is clearly disclosed.
- The Issuer commits to disclose the actual financial impact in the relevant bond documentation for each issuance.

Reporting – aligned with the SLBP and best practices identified by V.E

- The internal control and reporting processes are relevant, transparent and support the provision of reliable data.
- The Issuer commits to annual reporting on all relevant information related to the KPIs and their associated SPTs, including results, underlying methodologies and assumptions.

Verification – aligned with the SLBP and best practices identified by V.E

- The KPIs will be externally verified on an annual basis and until maturity of the bonds.
- The achievement of the SPTs will be externally verified at least on an annual basis and the verification assurance reports will be made publicly available.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input checked="" type="checkbox"/>	Independent verification of KPI(s) reported data
<input checked="" type="checkbox"/>	Independent verification of SPT(s) achievement		

Contact

Sustainable Finance Team | VEsustainablefinance@vigeo-eiris.com

SCOPE

V.E was commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the integration of three environmental factors to the Sustainability-Linked Bonds (the “Bonds”) issued by Carrefour (the “Issuer”) in compliance with the Sustainability-Linked Bond Framework (the “Framework”) created to govern their issuances. The Framework aims to highlight both the Issuer’s sustainability strategy and sustainable finance strategy while demonstrating its alignment with the ICMA’s Sustainability-Linked Bond Principles. In addition, the Framework includes the Issuer’s commitment to achieve specific targets (“Sustainability Performance Targets” or “SPTs”) regarding three environmental key performance indicators (hereafter the “KPIs”) proposed as part of its sustainability strategy.

The debt instruments included in the Framework are intended to finance general corporate purposes, as opposed to other sustainable financial instruments such as green/social bonds or green/social loans. The facilities are agnostic on how funds are used. The main feature of this type of financing is the variation of the bond’s financial characteristics, depending on whether the Issuer achieves predefined sustainability performance objectives.

For these so-called Sustainability-Linked Bonds, the selected KPIs to be linked to the variation of the bonds’ financial characteristics are the following:

- KPI 1: GHG emissions reduction (Scope 1 and 2) (in in tCO₂e)
 - o Reduce GHG emissions by 30% by 2030 and 55% by 2040, compared to 2019 levels
- KPI 2: Tonnes of packaging avoided
 - o Avoid the placing on the market of 20,000 tonnes of packaging by 2025
- KPI 3: Food waste generated by the stores (in tonnes / m₂)
 - o Reduce food waste by 50% by 2025 compared to 2016 levels

Our opinion is established using V.E Environmental, Social and Governance (“ESG”) assessment methodology and the International Capital Market Association’s (ICMA) Sustainability-Linked Bond Principles (“SLBP”), voluntary guidelines, published in June 2020. This opinion is strictly limited to the integration of three environmental factors in the Bonds. This opinion does not cover the integration of broader sustainability factors (i.e. social and governance), or the labelling of the Bonds where the final decision is left to Carrefour. This opinion does not constitute a verification or certification.

Our opinion is built on the review of the following components:

1. Framework: we assessed the Framework’s alignment with the core components of the SLBP 2020.
2. Issuer: we assessed the Issuer’s ESG performance, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities¹.

Our sources of information are multi-channel, combining data from (i) public information gathered from public sources, press content providers and stakeholders, (ii) information from V.E exclusive ESG rating database, and (iii) information provided by the Issuer through documents.

We carried out our due diligence assessment from May 26th to June 25th, 2021. We consider that we were provided with access to all the appropriate documents we solicited. Reasonable efforts have been made to verify data accuracy.

¹The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalised Framework which covers the core components of the SLBP 2020 (the last updated version was provided to V.E on June 22nd, 2021). The Issuer has committed to make this document publicly accessible on its website at the first issuance date, in line with good market practices.

Alignment with Sustainability-Linked Bond Principles

Selection of the Key Performance Indicator (KPI)



- KPI 2 and KPI 3 are relevant and material from an environmental standpoint while KPI 1 is partially relevant.
- The KPIs are measurable, externally verifiable and can be benchmarked.
- The KPIs' definition, the rationale behind their selection, the calculation methodologies and coverage are clearly defined.

COHERENCE

V.E considers that the selected KPIs are coherent with Carrefour's strategy and priorities in terms of sustainability.

Carrefour's Corporate Social Responsibility (CSR) strategy is structured around the following policy areas:

- Products: Developing products and responsible purchasing
- Stores and operations: Limiting the environmental impact of its activities
- Customers and partners: Promoting quality relationships and getting its partners involved
- Employees: Growing and moving forward together to transform its business
- Responsible business conduct: Ensuring ethical and fair practices

In particular, for the "Products" policy area, the topics of interest are the following:

- Guaranteeing product quality, compliance and safety
- Promoting and developing sustainable agriculture
- Sourcing high-risk raw materials
- Protecting forests and biodiversity
- Promoting sustainable fishing and aquaculture
- Committing to eco-design and a circular economy for packaging

Regarding the "Stores and operations" policy area, the topics of interests are the following:

- Combating food waste
- Limiting pollution at our sites and restoring biodiversity
- Fighting and preparing for climate change
- Promoting responsible water consumption

In addition, Carrefour has set quantified corporate targets, such as:

- Reduce the amount of packaging placed on the market with a goal to save 10,000 tonnes of packaging placed on the market by 2025 (cumulative from 2017) as well as developing reusable, recyclable or compostable packaging with a goal of 100% reusable, recyclable or compostable packaging by 2025 for Carrefour brands.
- Reduce food waste through the Consumer Goods Forum (CGF) goal of reducing food waste by 50% by 2025 compared with 2016.

- Reduce the Group's GHG emissions and minimizing the climate risks to which its business is subject through the objective of reducing its Scope 1 and 2 GHG emissions by 30% by 2030, and 55% by 2040 and reducing its indirect (scope 3) GHG emissions by 29% by 2030, and by 55% by 2030, compared to 2019.

SDG CONTRIBUTION

The selected KPIs are likely to contribute to three of the United Nations' Sustainable Development Goals ("SDGs"), namely:




KPI	SDG	SDG TARGETS
GHG EMISSIONS (SCOPE 1 AND 2)	 7 Affordable and Clean Energy	7.2 By 2030, substantially increase the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency
	 13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
TONNES OF PACKAGING AVOIDED	 12 Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
FOOD WASTE GENERATED BY THE STORES		12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

Table 1. Analysis of the KPIs selected by the Issuer

MATERIALITY
<p>KPI 1: GHG EMISSIONS (SCOPE 1 AND 2)</p> <p>V.E considers that the selected KPI is partially relevant, core and material to the company's business strategy for its current and future operations and partially reflects relevant sustainability challenges for its industry sector.</p> <p>The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It also aims to strengthen companies' ability to deal with the impacts of climate change and support them in their efforts. The Paris Agreement is the first-ever universal, legally binding global climate change agreement, adopted at the Paris climate conference (COP21) in December 2015.</p> <p>In its Framework, Carrefour has disclosed the targets to reduce its Scope 1 and 2 GHG emissions by 30%, and by 55% by 2040. According to Carrefour's estimations, Scope 1 and 2 emissions account for 3% for its total emissions, and Scope 3 emissions for 97%-98%² (products and packaging sold in stores (72%), the use of products sold (12%) and upstream transport of goods (5%)). This estimation is in line with other reported data for companies involved in the food and beverages supply chain, for which Scope 3 are estimated to represent more than 75% of total GHG emissions³. Only integrated stores are included in the calculation which represent 73% of the company's total revenues (excluding oil sales and all other activities). Therefore, V.E considers that the indicator grasps only a marginal part of the company's total GHG emissions.</p> <p>Moreover, although 'Reducing greenhouse gas emissions' and 'Improving energy efficiency and reducing transport-related CO₂ emissions' are identified as issues in Carrefour's 2020 materiality analysis, publicly disclosed in its Universal Registration Document 2020, they are not flagged as the most important issues for the company and its stakeholders in terms of sustainability.</p> <p>As the KPI does not appear to be linked the core activity of the company and therefore does not capture the essential part of the company's GHG emissions, an area for improvement consists in integrating Scope 3 GHG emissions in the coverage of the selected KPI.</p>
<p>KPI 2: TONNES OF PACKAGING AVOIDED</p> <p>V.E considers that the selected KPI reflects one of the Issuer's most material sustainability issues as well as one of the most material challenges for its sector.</p> <p>More than 350 million tonnes of plastic are produced each year worldwide, with 40% for packaging, and the figure is constantly on the rise. Because packaging is considered throw-away by nature and of low cash value, and because collection infrastructures are not highly effective, the environmental impact is very considerable, as we can see with the proliferation of waste plastic in the ocean. To address this issue and as part of its 'Anti-waste law for a circular economy'⁴, France is developing a national strategy for the reduction, reuse, re-employment and recycling of single-use plastic packaging, in consultation with the industrial sectors concerned, local authorities and consumer and environmental protection associations. This strategy will define the sectoral or general actions and measures to be implemented to achieve the "3Rs" following objectives": (i) a target of 20% reduction in single-use plastic packaging by the end of 2025, at least half of which will be achieved through reuse and recycling, (ii) a target of 100% reduction of "unnecessary" single-use plastic packaging, such as plastic blisters around batteries and light bulbs, by the end of 2025 and (iii) a target of 100% recycling of single-use plastic packaging by January 1, 2025.</p>

² <https://www.carrefour.com/en/csr/commitment/reducing-ghg-emissions>

³ Tidy, M. et al. 2016. The Role of Supplier Relationship Management in Reducing Greenhouse Gas Emissions from Food Supply Chains: Supplier Engagement in the UK Supermarket Sector. Journal of Cleaner Production

⁴ https://www.ecologie.gouv.fr/loi-anti-gaspillage-economie-circulaire-1#scroll-nav_2

In addition, the National Pact on Plastic Packaging⁵ (of which Carrefour is a signatory) commits companies to (i) establish a list of packaging to be designated as problematic or unnecessary and for which measures for its elimination must be taken, (ii) collectively achieve 60% of plastic packaging effectively recycled by 2022 and (iii) eco-designing packaging to make it 100% reusable, recyclable or compostable by 2025.

Moreover, “Eco-design of products and packaging and the circular economy” is identified as one of the most important issues in Carrefour’s 2020 materiality analysis, publicly disclosed in its Universal Registration Document 2020.

KPI 3: FOOD WASTE GENERATED BY THE STORES

V.E considers that the selected KPI reflects one of the Issuer’s most material sustainability issues as well as one of the most material challenges for its sector.

In France, food losses and waste represent 10 million tonnes of products per year, with an estimated commercial value of 16 billion euros. Food waste represents an unnecessary withdrawal of natural resources, such as arable land and water, and greenhouse gas emissions that could be avoided. The latter are estimated by the Ademe to represent 3% of all national emissions. All stages of the food chain, production, processing, distribution and consumption, contribute to food loss and waste. The Ademe study on the state of the art of the masses of food waste and its management at the different stages of the food chain shows that the distribution of these losses and waste is as follows: 2% of food waste is generated at the agricultural production stage, 21% at the transformation stage, 14% at the retail stage, 14% at restaurants and in catering, and 19% in domestic consumption. To address this issue and as part of its ‘Anti-waste law for a circular economy’, France has introduced a series of measures in favour of the fight against food waste. The law sets the goal of reducing food waste by 50% from its 2015 level in food distribution and collective catering by 2025 and by 50% from its 2015 level in consumption, production, processing and commercial catering by 2030. The ambition of the law is also a better management of stocks in order to limit the waste which results from it: the deadline of consumption, the date of minimum durability and the number of batch will have to be integrated into the codifications of the products to allow a better computerized treatment of stocks. The law also provides for the creation of a national label “anti-food waste” to promote initiatives.⁶

Moreover, “Reducing food waste” is identified as one of the most important issues in Carrefour’s 2020 materiality analysis, publicly disclosed in its Universal Registration Document 2020.

MEASURABILITY AND VERIFICATION

The KPIs are measurable and externally verified. The calculation methodologies are consistent, and the Issuer commits to inform the investors of changes in the methodology.

All 3 KPIs are audited as part of Carrefour’s Universal Registration Document external verification process.

CLARITY

The KPIs are clearly defined and publicly disclosed.

KPI 1 and KPI 3 definitions rely on external references allowing their benchmark. KPI 1 relies on the GHG protocol⁷, Carbon Disclosure Project (CDP)⁸, the TCFD guidelines⁹ and for conversion factors (from kWh and kg to kg CO₂ equivalent) internationally recognized organizations calculations methods are used, such as the IPCC (Intergovernmental Panel on Climate Change)¹⁰ and the IEA (International Energy Agency)¹¹.

KPI 3 relies on the standard food waste accounting referent of the Food Loss and Waste Accounting and Reporting Standard (or FLW Standard)¹².

⁵ <https://www.ecologie.gouv.fr/signature-du-pacte-national-sur-emballages-plastiques>

⁶ <https://www.ecologie.gouv.fr/gaspillage-alimentaire-0>

⁷ <https://ghgprotocol.org/>

⁸ <https://www.cdp.net/en>

⁹ <https://www.fsb-tcf.org/>

¹⁰ <https://www.ipcc.ch/>

¹¹ <https://www.iea.org/>

¹² <https://flwprotocol.org/flw-standard/>

KPI 2 does not rely on external references but is able to be benchmarked.

The Issuer is communicative on the rationale and process for KPI selection, which are considered clearly defined.

EXHAUSTIVENESS

According to Carrefour's estimations Scope 1 and 2 emissions account for 3% for its total emissions, and Scope 3 emissions for 97%. Only integrated stores¹³ are covered by KPI 1. Therefore, KPI 1 covers less than 3% of the company's total GHG emissions.

KPI 2 covers all integrated stores¹³ in the Group's integrated countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania, Taiwan).

KPI 3 covers all integrated stores¹³ in the Group's integrated countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania, Taiwan).

An area for improvement consists in increasing the scope of the company's activity covered by KPI 1.

The Issuer reports that the coverage of the KPIs will not be subject to modifications.

BEST PRACTICES

- ⇒ The Issuer commits to conduct a post-issuance review (which will be made available to bondholders) in case of material changes to the KPI's coverage, calculation methodology, and in particular the SPT calibration.
- ⇒ The rationale and process for the KPI selected is clearly disclosed in the Framework.

¹³ All integrated stores represent between 50% and 90% of the company's total activity

Calibration of the Sustainability Performance Target (SPT)

Not Aligned	Partially Aligned	Aligned	Best Practices
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- The SPTs demonstrate a robust level of ambition.
- The timeline, baseline and trigger events are clearly disclosed.
- The means to achieve the SPTs are clearly disclosed.

AMBITION

KPI 1: GHG EMISSIONS (SCOPE 1 AND 2)

By using the reduction of the absolute value of GHG emissions per year, the data set should fairly show a positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 2 – GHG emissions Scope 1 and 2 (measured in in tCO₂e)

	REPORTED DATA				OBJECTIVES	
KPI	2010	2018	2019 (<u>Baseline</u>)	2020	2030*	2040*
	3,009,535	2,031,138	1,830,539	1,663,797	1,281,377	823,742
Variation with previous data		-33%	-10%	-9%	-23%	-35%
Total variation (2010-2019)	-39%					
Total variation compared with the baseline (2019-2030) – (2019-2040)			-30%			
			-55%			
Average annual variation (2010-2019)	5.37%					
Average annual variation (2018-2020)		9.49%				
Average annual variation (2019-2030/2040)			3.19%			
			3.50%			

*Trigger event

Based on several points of comparison, we consider that Carrefour's targets demonstrate a robust¹⁴ level of ambition.

The SPTs are consistent with the Issuer's existing targets set in its overall sustainability strategy, although they are considered less ambitious as the corporate target includes Scope 3 emissions. The SPTs are to reach a 30% reduction of the Group's Scope 1 and 2 GHG emissions by 2030 and a 55% reduction by 2040, compared to 2019 levels, representing a reduction of 665,881 tCO₂ and 1,006,796 tCO₂ respectively.

¹⁴ VE scale of assessment: Weak / Limited / Robust / Advanced

Business-as-usual Trajectory Benchmark Analysis

The SPTs demonstrate a limited level of ambition compared to the Issuer's Business as Usual. The Issuer has provided historical data on the KPI, which indicates that there has been a continuous decrease of absolute GHG emissions (Scope 1 and 2) over the years. Data show that between 2010 and 2019 (the baseline), absolute GHG emissions decreased by 39% in comparison to the 2010 value, which represents an average annual decrease of 5.37%. The average annual decrease between 2018 and 2020 reaches 9.49%. The target set in 2030 represents a 30% increase compared with the baseline and an average annual decrease of 3.19%. The target set in 2040 represents a 55% decrease and a 3.50% average annual decrease compared with 2019. The projected average annual variation for both targets is less ambitious than the company's past historical performance, thus the SPTs do not demonstrate a material improvement compared to the company's BaU's trajectory.

Sector Peers Benchmark

The SPTs demonstrate a robust level of ambition compared to sector peers' performances. According to V.E's methodology, the 2030 SPT (reduction of 30% by 2030 compared to the 2019 baseline) is considered more ambitious than a majority of its peers' targets at European and world levels included in V.E's 'Supermarkets' sector - that either disclose less ambitious targets or do not disclose targets at all. However, some peers have disclosed targets that include Scope 3 emissions of greenhouse-gas emissions attributable to transport.

Official International Targets and Scenarios Benchmark Analysis

The SPTs demonstrate a robust level of ambition compared to sector standards. According to the SBTi¹⁵, a certain number of companies pertaining to the 'Food and Staples Retailing' sector have disclosed Scope 1 and 2 GHG emissions reduction targets, while some other companies did not. By pertaining to the companies disclosing a well-below 2° scenario-aligned 2030 target, the Issuer appears to be aligned with official international targets. However, a majority of companies disclosing targets, have disclosed targets aligned with a 1.5° scenario. Consequently, Carrefour appears to not be aligned with best performers/most ambitious international targets for its sector.

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPTs are disclosed in the Framework and credible. The SPTs will be achieved through three main strategies:

- Reducing energy consumption;
- Increasing the proportion of renewable energies in power consumed;
- A 40% reduction in refrigerant-related CO₂ emissions by 2025, compared to 2010, by phasing out hydrofluorocarbon (HFC) refrigerants and limiting coolant fluid leakage.

¹⁵<https://sciencebasedtargets.org/companies-taking-action?sector=Food%20and%20Staples%20Retailing#table>

KPI 2: TONNES OF PACKAGING AVOIDED

By using the reduction of packaging in absolute values, the data set should fairly show a positive or negative KPI trend, reflecting the Issuer's commitment to reduce its environmental footprint, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 3 – Cumulative packaging avoided (measured in tonnes)

	REPORTED DATA					OBJECTIVE
KPI 2	2016 ¹⁶ (Baseline)	2017 ¹⁷	2018	2019	2020	2025*
	335	938	1,867	3,460	6,155	20,000
Annual variation (%)		180%	99%	85%	78%	
Additional tonnes per year		603	929	1,593	2,695	13,845
Annual variation (%)			54%	71%	69%	
Average annual variation (2017-2020)		65%				
Average annual variation (2020-2025)					39%	

*Trigger event

Based on several points of comparison, we consider that Carrefour's target demonstrates a limited¹⁸ level of ambition.

The SPT is consistent with the Issuer's existing targets set in its overall sustainability strategy. The objective is to reach 20,000 tonnes of packaging avoided in 2025 which represents 19,665 tonnes increase compared with the 2016 baseline.

Business-as-usual Trajectory Benchmark Analysis

The SPT demonstrates a limited level of ambition compared to the Issuer's Business as Usual. The Issuer has provided historical data on the KPI demonstrating that between 2016 and 2020, the average annual increase in tonnes of packaging avoided represented 65%, while the average annual increase between 2020 and 2025 will represent 39%. The projected average annual variation appears to be less ambitious than the company's past historical performance, thus the SPT does not demonstrate a material improvement compared to the company's BaU trajectory.

Moreover, the data provided by Carrefour only covers a part of the total packaging. The data is linked to Carrefour's own-branded products that account for 30% of the products sold in their integrated stores in some European countries, which represent 70% of the company's revenues and more than 123,000 tonnes of packaging per year. V.E considers that the company's target of 20,000 tonnes of waste avoided over a 9 years period is tackling only a minor part of the total packaging handled by Carrefour.

Sector Peers Benchmark

Of note, the calculation methodology used for this KPI is currently not widely used, therefore limiting V.E's capacity to appropriately compare the performance with relevant sector peers.

The SPT demonstrates a robust level of ambition compared to sector peers' performances. According to V.E's methodology, most of the companies included in V.E's 'Supermarkets' sector do not disclose targets related to the reduction of the impact of their 'own-branded products'. For those disclosing a quantified target, Carrefour appears to be among the most ambitious.

¹⁶ Universal Registration Document 2016 - p61

¹⁷ Universal Registration Document 2017 - p38

¹⁸ VE scale of assessment: Weak / Limited / Robust / Advanced

For 'non-owned products', a majority of companies included in V.E's 'Supermarkets' sector have disclosed targets either related to the inclusion of recycled plastic in packaging sold (in relative values) or related to the reduction of plastic consumption (e.g. through the end of single-used plastics), which appear to be overall aligned with Carrefour's targets to reducing the impact of its packaging. Of note, targets and data related to packaging avoided are rarely disclosed.

Official International Targets and Scenarios Benchmark Analysis

As of today, there is no official sector standard to appropriately benchmark this indicator. Therefore V.E cannot assess the ambition of this indicator against international targets¹⁹.

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPT are disclosed in the Framework and credible. The SPT will be achieved through four main strategies:

- Participate in the market transformation through joint initiatives and partnerships;
- Get customers involved: Zero plastic challenge, Défi Zéro Plastique;
- Implement innovative solutions to transform practices: Loop, (Re)set packaging;
- Make initiatives visible in stores: Developing bulk grocery shopping (1,100 stores equipped), Possibility of bringing refillable containers to all stores.

¹⁹ Under the SLBP, the assessment of the ambition of a target requires the KPI to be benchmarked against (i) the Issuer's Business as Usual (BaU) performance, (ii) against its sector peers, and (iii) compared to an official sector standard. The lack of an official sector standard to appropriately assess the KPI's ambition does not allow V.E to provide an advanced level of ambition for the defined SPT, therefore robust is the highest possible score to be achieved.

KPI 3: FOOD WASTE GENERATED BY THE STORES

By using the reduction of food waste generated by the stores, the data set should fairly show a positive or negative KPI trend, reflecting the Issuer's commitment to fight against waste, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 4 –Food waste generated by the stores (measured in tonnes/m₂)

	REPORTED DATA				OBJECTIVES
KPI	2016 (<u>Baseline</u>)	2018	2019	2020	2025*
	13.068		11.8	9.317	6.534
Overall variation (%)	-9,7%				
	-28,7%			-27.4%	
	-50%				

*Trigger event

Based on several points of comparison, we consider that Carrefour's target demonstrates an advanced²⁰ level of ambition.

The SPT is consistent with the Issuer's existing target set in its overall sustainability strategy. The objective is to reduce food waste by 50% by the end of 2025 (i.e. 6.354 tonnes/m₂) compared to the 2016 baseline (i.e. 13.068 tonnes/m₂) which represents an average annual reduction of 5.5%.

Business-as-usual Trajectory Benchmark Analysis

The SPT demonstrates a robust level of ambition compared to the Issuer's Business as Usual (BaU). The Issuer has provided historical data on the KPI, which indicates that there has been a continuous decrease over the years since 2016. Data also show a consistent decrease between the KPI's performance over the 4 past years (2016-2020), with an overall decrease of 28.7%, while the decrease between 2020 and 2025 is estimated at -27.4%, demonstrating a trend aligned with the company's BaU.

Sector Peers Benchmark

The SPT demonstrates an advanced level of ambition compared to sector peers' performances. Carrefour's target to reduce its food waste by half by 2025 compared to 2016 appears to be more ambitious than its sector peers. For instance, as of today, French large-scale distribution companies such as Casino and Auchan have not disclosed any quantified targets in terms of food waste reduction. Both Belgian-Dutch group Ahold Delhaize and Tesco aim to reduce their food waste by 50% by 2030 compared to 2016, while Carrefour aims to achieve this same target by 2025. Portuguese company Jeronimo Martins aims to reduce the Group's food waste by 50% by 2025 compared to 2016, which is in line with Carrefour's target.

Official International Targets and Scenarios Benchmark Analysis

The SPT demonstrates an advanced level of ambition compared to sector standards. The European Union and the EU countries and notably the food and drink industry are committed to the current indicative EU wide food waste reduction target of 30% by 2025 and 50% by 2030²¹, which are in line with the UN Sustainable Development Goal (SDG) 12.3 target to "halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses, by 2030".

²⁰ V.E scale of assessment: Weak / Limited / Robust / Advanced

²¹ https://ec.europa.eu/food/food/food-waste/eu-actions-against-food-waste_en

In addition, the French 'Anti-waste law for a circular economy' has introduced a series of measures in favour of the fight against food waste. The law sets a goal of reducing food waste by 50% from its 2015 level in food distribution and collective catering by 2025 and by 50% from its 2015 level in consumption, production, processing and commercial catering by 2030.²²

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPT are disclosed in the Framework and credible. The SPT will be achieved through three main strategies following Carrefour's food waste reduction policy²³:

- Adopting a more professional approach to waste at stores: matching stock levels to demand flows, running special offers as use-by dates approach, devising product second-life solutions, making donations to food aid charities or subsidised grocery stores and recycling waste;
- Developing solutions with suppliers: extending the shelf life of Carrefour's own-brand products, conducting surveys on production waste, and selling visually defective products that are as good and safe as non-defective ones, etc.;
- Promoting waste reduction among customers: developing innovative solutions, raising awareness and offering support to make progress in this area.

BEST PRACTICES

⇒ The measures for achieving the SPTs are disclosed.

²² <https://www.ecologie.gouv.fr/loi-anti-gaspillage-economie-circulaire-1>

²³ <https://www.carrefour.com/en/csr/commitment/combating-food-waste>

Bond Characteristics



- The nature of the bond characteristics' variation is clearly disclosed.
- The Issuer commits to disclose the actual financial impact in the relevant bond documentation for each issuance.

Carrefour confirms that the bonds issued under this Framework will be subject to variations in their financial characteristics depending on the achievement of the defined trigger events. The exact mechanism and impacts will be detailed for each bond in the corresponding bond documentation (i.e. final terms).

If the SPT is not met at the target observation date (i.e. the date on which the relevant target should be achieved), it will trigger an interest step up (which will be specified in the relevant final terms).

The Issuer also reports that, if for any reason, Carrefour does not publish the applicable sustainability performance report, the assurance report or, if applicable, the SPT verification assurance certificate, before the date falling five business days prior to the date specified as being an interest step up payment date in the terms and conditions of the SLBs, the interest step up will be applicable.

*V.E considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the bond characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by Issuers on this pillar. In addition, the meaningfulness of the variation of the SLB's financial characteristics of the Bond cannot be assessed due to i) lack of details of financial implications at Framework level and ii) lack of comparison data.

Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices
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- The internal control and reporting processes are relevant, transparent and support the provision of reliable data.
- The Issuer commits to annual reporting on all relevant information related to the KPIs and their associated SPTs, including results, underlying methodologies and assumptions.

KPI 1, KPI 2, KPI 3

REPORTING PROCESS

The Issuer has provided its internal extra-financial reporting manual, which covers all 3 KPIs and includes the company's data collection, consolidation and control procedures.

The CSR report is based on the coordination of the CSR Department, Human Resources Department, Legal Department, Marketing Department, Assets Department, Merchandise Department, Logistics Department and representatives of the CSR Quality line from the main European countries.

CONTROL

KPI related data for all KPIs are appropriately controlled by the company's internal process and tools as well as verified annually by external auditors.

ACCESIBILITY OF RESULTS

The intended scope and granularity of the reporting is clear and covers all the required elements.

All relevant information is publicly disclosed by the company in public documentation (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines)

The reporting on the KPIs will be published annually until maturity of the bond.

BEST PRACTICES

- ⇒ KPI data undergoes both internal and external verification
- ⇒ The reporting on the KPIs will be published annually until maturity of the bond

Verification



- The KPIs will be externally verified on an annual basis and until maturity of the bonds.
- The achievement of the SPTs will be externally verified at least on an annual basis and the verification assurance reports will be made publicly available.

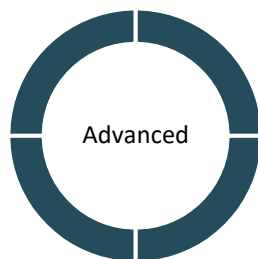
The Issuer commits to undergoing an external verification of the performance of each KPI against each SPT, and the related impact, and timing of such impact, on the bond's financial characteristics.

The verification will be conducted annually and in case of material changes impacting the bond's financial characteristics (such as a trigger event), until maturity of the bond.

The verification assurance reports will be publicly available.

BEST PRACTICES	
⇒	The verification will be conducted annually for the SPT of the KPI until Bond maturity

ISSUER



Carrefour SA engages in the provision of supermarkets and retail stores. The Company was founded in 1959 and is headquartered in Boulogne-Billancourt, France. In 2018, Carrefour SA acquired QuiToque, a Company which offers a French meal kit delivery service. In 2020, the Company acquired Dejbox to boost its e-commerce operations.

ESG Performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmarking.

As of December 2020, Carrefour displays an advanced ESG performance, ranking 2nd in our Supermarkets sector, which covers 19 companies. The company is advanced in the Environmental and Social pillars, and robust in the Governance pillar.

DOMAIN	COMMENTS	OPINION
Environment	<p>Carrefour's performance in the Environmental pillar is considered <u>advanced</u>.</p> <p>The company has issued a formalised commitment to environmental protection in its CSR Strategy. In addition, the company sets specific targets on the reduction of the environmental impacts from energy use, CO₂ and HFC emissions including reaching 100% of reusable, compostable or recyclable packaging by 2025 for Carrefour branded products. These targets are backed by different measures including resources allocated to eco-design linked with own-branded products as well as a stores and warehouses.</p> <p>Carrefour has also set quantified targets with regard to the environmental impacts related to the transport of its products, and these cover the entire group.</p> <p>The company targets to reduce CO₂ emissions linked to transport by 20% by 2030 compared to 2019 levels backed by relevant measures to reduce its environmental impacts related to the transport of its products, which are additionally innovative compared to its peers.</p> <p>Moreover, results in terms of biodiversity and disposal of products are positive, and the share of energy consumption has decreased over the past five years.</p>	Advanced
		Robust
		Limited
		Weak
Social	<p>Carrefour's performance in the Social pillar is considered <u>advanced</u>.</p> <p>The Company formalised its commitment towards health and safety issues and has set up significant measures in this regard. In terms of social dialogue, all of employees are covered by collective agreements. In addition, the rules for setting variable remuneration are disclosed and verifiable by employees' representatives. Moreover, Carrefour reports on significant resources to compensate for atypical working hours and has also allocated measures regarding reorganisations such as internal mobility.</p> <p>Carrefour's system to prevent discrimination appears to be rather extensive, including measures such as monitoring of diversity indicators. Also, the Company has set up a permanent system, with third-party involvement, to ensure the respect and promotion of human rights. Moreover, the Company's trend on the share of women in management has increased over the last five years, as well as the share of people with disabilities in the workforce.</p> <p>The Company reports extensively on the issues of social and economic development and general interest causes and has allocated significant measures in this regard.</p> <p>In addition, the Company monitors indicators on contributions to general interest causes, and these continue to improve over time.</p> <p>The Company continues to demonstrate transparency regarding supply chain issues through comprehensive initiatives such as supplier support and questionnaires, in addition to external social audits. As regards to customer relations, Carrefour appears to have developed comprehensive measures such as transparent labelling of GMOs and of products.</p>	Advanced
		Robust
		Limited
		Weak

DOMAIN	COMMENTS	OPINION
Governance	<p>Carrefour's performance in the Governance pillar is considered <u>robust</u>.</p> <p>The Company discusses CSR issues at Board level and has set up a CSR Committee that is part of the Board. Moreover, the Audit Committee has a comprehensive role that covers all major issues and the Company has presented to shareholders and investors its CSR strategy covering relevant CSR issues. Finally, all elements of executive remuneration are disclosed on an individual basis while CSR performance objectives are considered in the determination of variable remuneration of senior executives.</p> <p>Carrefour discloses formal commitments towards business ethics issues and reports on some measures to uphold them, such as internal audits and confidential reporting systems.</p>	Advanced
		Robust
		Limited
		Weak

Management of ESG Controversies

As of today, Carrefour is facing 14 stakeholders related ESG controversies, linked to three of the six domains we analyse:

- Business Behaviour, in the criteria "Product Safety", "Responsible Customer Relations", "Supplier relations", "Environmental standards in the supply chain", "Social standards in the supply chain", "Prevention of corruption" and "Anti-competitive practices"
- Human Resources, in the criteria "Social Dialogue", "Reorganisation" and "Remuneration and Health and safety"
- Corporate Governance, in the criterion of "Audit & Internal Controls".

Frequency: The controversies are considered occasional, below the sector average.

Severity: The severity of the impact on both the company and its stakeholders for both controversies is considered high, below the sector average.

Responsiveness: Carrefour is considered to be reactive, higher than the sector average.

Involvement in Controversial Activities

Regarding the 17 controversial activities screened under our methodology, Carrefour appears to have minor involvements in Alcohol, Genetic engineering and Tobacco:

- Alcohol: This turnover is derived from the sale of alcoholic beverages in the Company's stores and websites. The Company operates hypermarkets, supermarkets, convenience stores and e-commerce in more than 30 countries. The Company sells a wide variety of goods including alcoholic beverages in its stores and websites.
- Genetic engineering: Through its stores and websites, the Company sells a wide variety of own-branded food products and beverages. As of 2018, the Company stated that "no own-brand food product in any of our own-brand ranges contains GMOs and derivatives with the exception of Argentina". In addition, the Company has launched several GMO-free products and has adopted a GMO labelling policy.
- Tobacco: Carrefour SA has an estimated turnover from tobacco which is below 5% of total turnover. This turnover is derived from the sale of tobacco products in the Company's stores. Carrefour operates hypermarkets, supermarkets, convenience stores and e-commerce in more than 30 countries.

The Issuer appear to be not involved in any of the 14 controversial activities screened under our methodology, namely: Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography and Reproductive Medicine.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from V.E.

METHODOLOGY

In V.E' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the Issuer; then the Executive Director in charge of Methods, Innovation & Quality; and finally, V.E' Scientific Council. All employees are signatories of V.E' Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

FRAMEWORK

Alignment with the Sustainability-Linked Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework/Bond has been evaluated by V.E according to the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer overall sustainability strategy and with the Issuer sector's main sustainability challenges. KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Bond characteristics

Disclosure of the bond characteristics' variation, meaningfulness of these variation.

Reporting

Reporting process formalisation and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.

ISSUER

Issuer's ESG performance

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by V.E.

The Issuer's ESG performance has been assessed by V.E on the basis of its:

- **Leadership:** relevance of the commitments (content, visibility and ownership).
- **Implementation:** coherence of the implementation (process, means, control/reporting).
- **Results:** indicators, stakeholders' feedbacks and controversies.

Management of stakeholder-related ESG controversies

V.E defines a controversy as public information or contradictory opinions from reliable²⁴ sources that incriminate or make allegations against an issuer regarding how it handles ESG issues as defined in V.E ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- **Frequency:** reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- **Severity:** the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the Issuer, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the Issuer (scale: Minor, Significant, High, Critical).
- **Responsiveness:** ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Issuer for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on an Issuer's reputation reduces with time, depending on the severity of the event and the Issuer's responsiveness to this event. Conventionally, V.E' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to screen the Issuer's involvement in any of them. The Issuer's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the Issuer.

V.E'S ASSESSMENT SCALES

Scale of assessment of the Issuer's ESG performance, the KPI(s) materiality and the associated SPT(s) ambition.	
Advanced	<p>Advanced commitment: strong evidence of command over the issues dedicated to achieving the sustainability objective.</p> <p>The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector.</p>

Scale of assessment of financial instrument's alignment with Sustainability-Linked Bond and Loan Principles	
Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles by adopting recommended and best practices.

²⁴ 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. V.E draws on investigative journalism, the business press, NGO and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.

	An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (when available) (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance.		
Robust	<p>Convincing commitment; significant and consistent evidence of command over the issues.</p> <p>The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector.</p> <p>A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.</p>	Aligned	The Instrument has adopted all the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles.
Limited	<p>Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues.</p> <p>The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector.</p> <p>A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.</p>	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles, but not all of them.
Weak	<p>Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues.</p> <p>The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector.</p> <p>A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance.</p>	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the Loan Market Association's Sustainability-Linked Loan Principles.

Statement on V.E.'s independence and conflict-of-interest policy

Transparency on the relation between V.E and the Issuer: V.E has carried out audit missions or consultancy activity for Carrefour. No established relation (financial or commercial) exists between V.E and the Issuer. V.E's conflict of interest policy is covered by its Code of Conduct, which can be found at <http://vigeo-eiris.com/wp-content/uploads/2018/07/Code-of-Conduct-Vigeo-Eiris-EN.pdf>.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bonds, based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bonds, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the client. V.E grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond (s) issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E website and on V.E internal and external communication supporting documents.

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