

Annual Report

with sustainability reporting

2020/21



Together, we create sustainable added value through value-driven craftsmanship in retail



Halle, 11 June 2021

FINANCIAL YEAR 2020/21

Annual report presented by the Board of Directors
to the Ordinary General Meeting of Shareholders
of 29 September 2021 and Independent auditor's report

The Dutch language version of the annual report is the only official version.
Dit jaarverslag is ook verkrijgbaar in het Nederlands.
Ce rapport annuel est également disponible en français.

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Word from the Chairman



In the 2020/21 financial year, the global pandemic had an unprecedented and far-reaching impact on our group, affecting areas from sales to production, logistics and administration. Faced with a succession of rapidly changing events, measures and regulations, we showed incredible **flexibility, creativity** and **solidarity** as a group. In a rapidly evolving context, we continually reinvented ourselves and made the best of the situation, together with our customers, suppliers and other partners. I am particularly proud that we managed to continue to fulfil our social role at all times and to maintain the **food supply**, with as our utmost priority the safety of employees and customers.

Fortunately, we were able to create some **bright spots**. For instance, we rewarded the efforts of sales employees with an extra day off on 2 January, when more than 500 stores remained closed. We offered temporary employment to more than two thousand employees from hard-hit sectors. We also distributed free sewing packages, with which people made facemasks for healthcare at home en masse. Then there was home delivery of shopping to healthcare workers, free hygiene packs for youth camps and removable grips for shopping carts. And Dreamland, which arranged for many children to meet Saint Nicholas virtually.

As a group we had a decent financial year overall. We saw our group revenue increase by 3,7%, while we achieved a net result of 4,2% of revenue. The coronavirus pandemic required substantial expenditure on safety and remuneration, for example, and had a far-reaching impact on our activities. While fuel sales fell sharply, our neighbourhood stores and online sales grew strongly. Even in these exceptional times, Colruyt remained true to its Lowest Prices promise and protected customers' purchasing power.⁽¹⁾

During the last financial year, it was often all hands on deck, but we remained focused on the

long-term perspective, with EUR 469 million worth of investments in stores, distribution centres, innovation and sustainability projects. After a brief pause, we resumed the renovation and expansion of our store estate, with 18 new stores and 24 reopenings. Fiets! was renamed Bike Republic and right away opened three new stores. Our online shopping service Collect&Go doubled its capacity and tested future-oriented services such as mobile pick-up points, home delivery and delivery by neighbourhood volunteers. We are constantly reinventing ourselves as a retailer, with the launch of brand-new concepts such as the 'Deals' platform, for true discount hunters.

Also with a view to the future, we took the difficult but necessary decision to stop non-food sales via the **Collishop** webshop completely. This is because sustainable growth in a highly competitive non-food market requires us to specialise further in our non-food activities. We will retain our network of 400 physical collection points for other online orders. All employees affected remained employed within the group.

In addition to this, we continued to strengthen our family company via (increased) **stakes** in clothing chain ZEB and data specialists Daltix

and WeConnectData, as well as the **acquisition** of document specialist Joos Hybrid. Every one of these transactions is part of our long-term strategy to offer our customers relevant solutions in all phases of their lives.

Sustainable entrepreneurship is and remains the common thread running through all our activities. As far as agriculture is concerned, we continue to support our local producers and their craftsmanship. We invested in additional farming land and obtained a permit for a sea farm in the North Sea. In all of this, we are committed,

⁽¹⁾ The federal government's decision to ban promotions and discounts temporarily in March and April 2020 led to a general price increase in Belgium. This temporary increase in market prices was therefore not driven by retailers. After the ban on promotions was lifted, prices gradually fell. Before, during and after the ban on promotions, Colruyt steadfastly continued to guarantee its customers the lowest price for every product. In fact, in February 2021, Colruyt's average price level was lower than before the start of the pandemic at the end of 2019.

together with Belgian partners and in all transparency, to bring about sustainable change.

Another priority is to **provide our customers with maximum information**, to make it easier for them to make more sustainable choices. I am therefore proud that we are the first Belgian retailer to roll out the Eco-Score. That label gives an idea of the ecological footprint of products and appears together with the Nutri-Score firstly on our digital channels and gradually on packaging as well. Under the banner of 'Step By Step', we constantly inspire the public to consume and live more sustainably. For instance, we distributed tens of thousands of free card games that are fun for the whole family and highlighted the sustainable aspects of our products in large-scale media campaigns.

Meanwhile, we continue to invest heavily in the production and distribution of **renewable energy**. DATS 24 now offers private customers green electricity directly. We continue to pioneer the production of green hydrogen and its use for heavy transport. We were the first retailer in Europe to test a 44-tonne hydrogen truck and will take the final investment decision for an industrial hydrogen production site this year. The consolidation of our energy activities in holding

company Virya Energy results in considerable economies of scale and greater strength.

As last year, this annual report contains our **sustainability reporting**, in a more concise version centred around the Sustainable Development Goals of the UN. The full stories can be found on our website colruytgroup.com.

In this incredibly challenging year, we 'challenged' ourselves as a group on several occasions. We frequently made a virtue of necessity and managed to identify opportunities. For example, we worked out new arrangements for our office staff allowing room for working from home. Even in complex, uncertain circumstances, we kept working together and assumed our social responsibility. As safely as possible and to the best of our ability.

I want to express my sincerest thanks for this, once more, dear colleague, customer, supplier or partner. You can all continue to count on Colruyt Group.



Jef Colruyt
CEO Colruyt Group

Who are we?

A family business

Colruyt Group is a family business that has grown over three generations into a retail group with nearly 33.000 employees and a diverse portfolio of food and non-food formats, in Belgium and abroad. The biggest activity remains our supermarket Colruyt, which has delivered on its brand promise of “Lowest Prices” day after day for 45 years. Over the last half a century, we have diversified our activities substantially.

However, we remain true to **retail**, which still accounts for four fifths of our revenue. Today, we are active in retail with around ten business formats, with both physical outlets and online shops in Belgium, Luxembourg and France.

In addition, we operate in **foodservice** and **wholesale**, for instance as a dedicated partner for the independent Spar stores. In recent years, we have also grown strongly as a producer and supplier of **renewable** wind and solar **energy**. Finally, it is typical of Colruyt Group that we continue to do many things ourselves. We possess a wealth of experience and expertise in areas such as technology, IT and communication, as well as production and packaging of meat, coffee, cheese and wine, for example.

Complementary brands, shared values

At Colruyt Group, we want to make a positive difference with everything we do. At every stage of life and at all important moments in our customers’ lives, we want to be there for them in a suitable way. For this reason, we aim for maximum complementarity between our different brands. One by one, they differentiate themselves with simple solutions for specific requirements. Each in their own, authentic way, our brands express the ‘**simplicity in retail**’ that we represent as Colruyt Group. In this way, each brand helps achieve our common mission. Each business format also embodies the same group values. Together, they form the foundation on which we continue to build as a group and a point of reference in this rapidly changing world. For ourselves, for our partners and for our customers. So they all know what they can expect of us, and that creates trust in turn.



Working towards our goals

In stormy times, it is the roots that determine how firmly our tree stands. The fruits on our tree are our results. But results are merely a consequence. They merely tell us something about how we performed in a given context. That's why, at Colruyt Group, we don't focus on results but on goals. That means setting a goal and doing the right thing towards it in the here and now. We are focussed, have confidence in our own ability and hope for the best possible outcome. Not by concentrating on the fruits, but by staying focussed on our orchard and looking after our 'terroir'.



Firm roots

Knowing where you come from helps you understand where you are going. At Colruyt Group, we greatly value the insights and experience that three generations of entrepreneurship have brought us. We know who we are, what we stand for together, we appreciate our own strengths, identity and culture. In this way, we manage to keep a family atmosphere and an SME attitude, as a company that now has nearly 33.000 employees.

Faith in people

At Colruyt Group, we always start with a positive view of people. We believe in people's creative power to see and seize opportunities. We assume that every employee is driven to deliver quality and can add something to the greater whole. So, we do all we can to allow our employees' natural life energy to flow as effectively as possible. That stimulates their **entrepreneurship** and **growth**, in their craft and as people. After all, as the people grow, our company will grow.

Our positive view of people stems from a wider, more positive worldview and our optimistic nature. We are convinced that through our enterprise, we help build a world in which we all want to live. Step by step, together with colleagues, customers and partners.

Common purpose

Our group mission is to channel the creative power of our people.

That is our shared 'why'. At Colruyt Group we want to:

Create sustainable added value together through value-driven craftsmanship in retail.

- **Together.** Only together with our colleagues, suppliers, business partners, investors and customers can we make a positive difference.
- **Added value.** Creating social added value gives our work meaning, generates satisfaction and makes us wiser. Those are the true, lasting 'rewards'. Money, on the other hand, is merely a resource that we invest to realise our common dream.
- **Sustainable creation.** Every day, we start with a blank page. We gaze in amazement at the world to see what is possible, conscious of our strengths and limitations. And we don't waste energy needlessly from ourselves, our environment or nature.
- **Value-driven.** Our values form a common frame of reference that determines how we behave and cooperate with one another. They ensure that we act coherently and consistently, in everything we do.
- **Craftsmanship.** Living craftsmanship is a source of joy and pride. Our company's success is determined by the skills, attitudes and knowledge of our employees and their teams.
- **In retail.** Our craft is still retail, even though, over time, our entrepreneurship and creative drive have spawned many other initiatives.



Our ambitions

In order to realise our mission and strategy, we have formulated several ambitions and strategic objectives, in which the ultimate focus is always on **the customer**.

By creating **simplicity in retail**, we want to make our customers' lives easier. To this end, we want to offer them the right products and services and assist them in all phases of their lives with often innovative but always relevant and simple solutions. Mainly in food and non-food but also in other, related categories such as energy, mobility and health.

We reach our customers via diverse, complementary formats focusing on efficiency and the lowest price, on proximity and convenience, on organic or quality in fresh

products from a short chain, etc. We operate most of these store formats ourselves but they also include various forms of partnerships. Finally, we not only focus on individuals, but also offer business customers a growing range of quality services in areas such as foodservice and document management.

Colruyt Group **leads the way** in many areas of sustainability. We continuously improve the sustainability of our assortment and provide our customers with maximum information via the Eco-Score and the Nutri-Score, for example. In this way, we aim to inspire them to make more conscious and sustainable choices. We also want to strengthen our special relationship with customers and maintain our dialogue, even in an increasingly digital world.

We want to approach this in a coherent, **value-driven** and sustainable way. As a family business, we keep our unique company culture alive and are an attractive employer for thousands of people. We reach out to partners from all segments of society and work hard to build on the local connections of production and craftsmanship. Together with partners and the public, we create added value in diverse areas such as climate, mobility or energy supply.

With our positive attitude, we want to continue to make a meaningful difference in the world in many ways, for current and future generations.

Driven by values

At Colruyt Group, we identify nine core attitudes that we consider valuable in helping us realise our mission. They have grown historically and capture the essence of what we all stand for. These values form, so to speak, the roots that feed our tree and determine who we are. Our values inspire us and give meaning to what we do. But they only 'live' insofar as we actually apply them in our everyday work. In order to focus on that, at Colruyt Group we also link nine focus points to our values. These help us act consistently and authentically.



Our values story

- We have **Respect** for every individual. That is the basis for our interaction. Every person is equal, despite the great differences in appearance, culture, background, skills, knowledge, interests, etc. Our **Togetherness**, the realisation that we all rely on one another to be able to work well, is the basic attitude that enables us to work together as a team. We love to serve others. Our **Readiness to serve** is therefore the basic attitude required to be able to deliver quality day after day. In this, we aim for **Simplicity** by reducing things to essentials. That helps us work efficiently and essentially.
- To be able to produce good work, we need several other things. Starting with our **Faith** in people's positive intentions. That is essential if we are to trust. Our **Hope** then invites us to invest the necessary time and resources, to be clear in our expectations and eventually to let go and be open to the results that follow. It is essential here that we allow ourselves the **Space** to pause, take a step back and consider what we are doing. As soon as our head is too 'full', that consciousness vanishes and we fall behind.
- Finally, we demonstrate inner **Courage** in showing enterprise. With a positive attitude and a fresh, creative view, constantly working hard and mastering our craft, step by step. That is where our **Strength** lies, through which we experience satisfaction and fulfilment in our job.

Our vision on sustainability

Our ambition

To be a reference point for sustainable entrepreneurship and a source of inspiration for conscious consumption

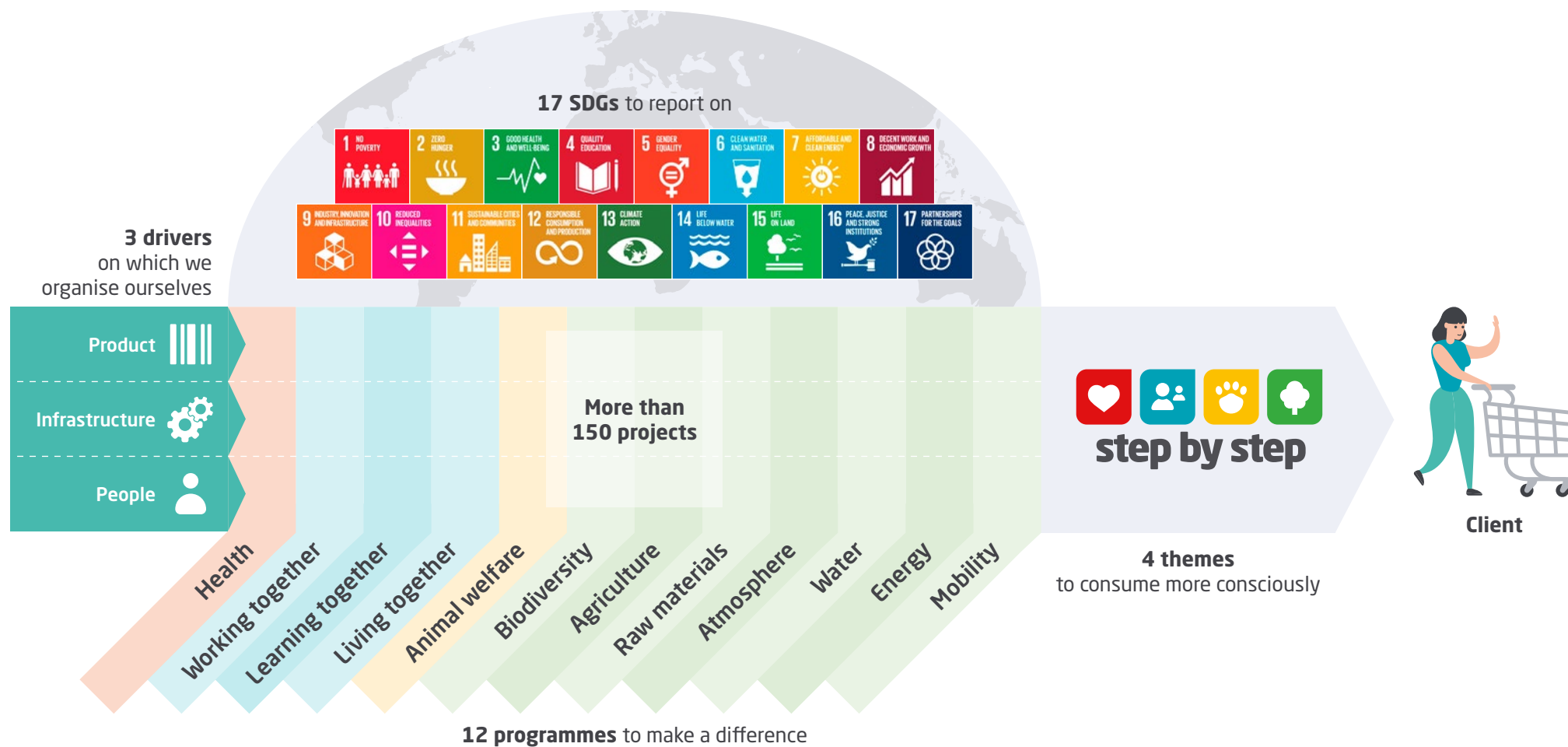
Sustainable entrepreneurship is in Colruyt Group's DNA and runs as a common element through all our operations. At the same time, starting with an economic impetus, we aim to make a positive difference, socially and ecologically, always with long-term results in mind. We believe that, in this way, our entrepreneurship drives sustainable change.

Through our strategic place in the chain, we have an impact on our customers, suppliers, partners and society at large. Conscious of this strong connection and constant interaction, we want to play a meaningful role for everyone who is involved in our business. And create added social value. To this end, we have worked for years to **make our own operations and activities more sustainable**, are investing heavily in innovation and – more than ever – building **sustainable partnerships** with various partners.

Despite a particularly challenging year, we have continued to invest all-out in sustainability and not a single project was shelved. In short: even in challenging times we continue to raise the bar for sustainability.

We are also proud of what we have already achieved over the years, but are equally aware that the sustainability story is never complete. That is what makes us constantly dedicated to making a positive difference together.

Our approach



12 programmes to make a difference

Our vision on sustainable entrepreneurship is set out in twelve programmes, on which we can make a difference with our day-to-day activities.

Health	Biodiversity
Working together	Agriculture
Learning together	Raw materials
Living together	Atmosphere
Animal welfare	Water
	Energy
	Mobility

This financial year, each programme was assigned a clear scope, vision and measurable objectives. Several programmes were renamed, adding consistency to the set of programmes.

4 themes to consume more consciously

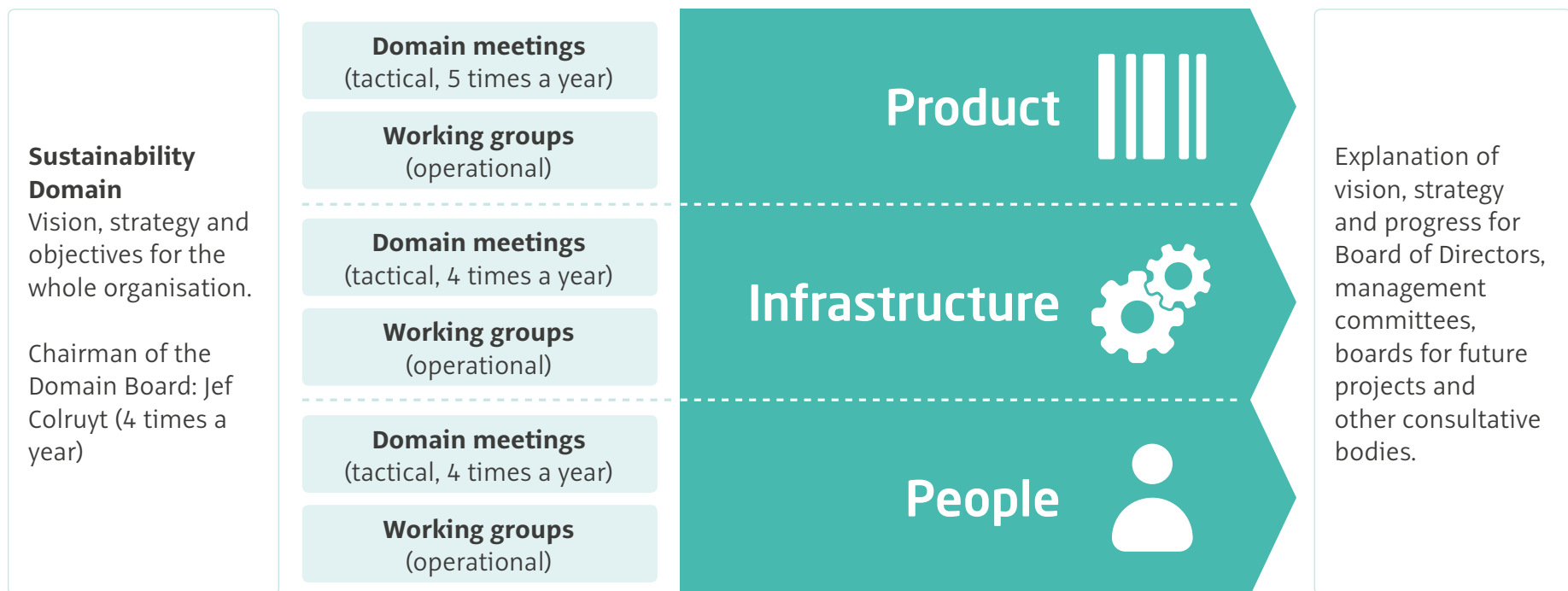
We want to set an example for our employees and consumers and inspire them to **do business sustainably, and consume consciously**. This is expressed through our product range, service offer, infrastructure, communication and tools. We want to offer them simple assistance so that they can make more sustainable choices more easily and take the initiative.



We want to roll out this commitment widely through '**Step by step**', a clear **common language** for all aspects of sustainability. For this reason, we link products, services and initiatives with clear, strong aims and a demonstrable impact on health, society, animal welfare or the environment to one or more icons. That way, our efforts towards sustainability are visible at a glance and we give consumers and employees tools for making **more conscious, better choices**, intuitively. We bring a distinctive story that motivates and inspires consumers and increases confidence in Colruyt Group.

3 drivers on which we organise ourselves

'Creating sustainable added value' is at the heart of our mission. To permanently track the theme within the organisation, we have divided the Sustainability domain into three pillars: **People**, **Infrastructure** and **Product**. Within these pillars, aspirations are formulated as to the direction in which we want to head. This organisational culture ensures that sustainability is deeply rooted in every part of Colruyt Group.





17 Sustainable Development Goals to report on

The internationally recognised sustainability agenda of the United Nations, with its seventeen **Sustainable Development Goals (SDGs)**, forms a common global basis for tackling social challenges. They act as a driver for every public authority, organisation or individual wanting to do their bit to create a more sustainable world. The **international consensus** around the agenda, the goals and the language used makes it easier to combine forces in a targeted way and to make progress together, both locally and globally.

Now more than ever, the common thread of the UN sustainability agenda takes on its full significance: **Leave no one behind**. The coronavirus crisis impacts all aspects of the seventeen goals and demonstrates the importance and absolute necessity to realise the Agenda 2030.

At Colruyt Group, we are fully behind the SDG agenda. As of 2017, we are one of the '**SDG Voices**' and will continue this commitment. As of January 2020, for this reason, we are a member of the Board of Directors of CIFAL Flanders.

Measurement of impact








With our products, services and initiatives, we want to create **clearly identifiable sustainable added value**. To measure and analyse our impact and draw up improvement plans, we always aim to apply science-based methodologies. For this reason, for several years, we have used **footprint techniques** such as PEF (Product Environmental Footprint) and OEF (Organisation Environmental Footprint). Via these techniques, we consider the whole life cycle of our own organisation and of our products, to gain an insight into the actual impact we have. Guided by these methodologies, we intend to use the insights gathered as input for the development of our strategy and objectives.

Materiality

For us, the SDGs are an important guide for realising our sustainability ambitions. From this year, we link all of our sustainability reporting to the Agenda 2030.

Based on the seventeen sustainable development goals, we have chosen **seven SDGs** on which we believe we can make the biggest impact, thanks to the uniqueness of our organisation.

These are the most material SDGs for us:

-  SDG 2 Zero hunger
-  SDG 3 Good health and well-being
-  SDG 6 Clean water and sanitation
-  SDG 7 Affordable and clean energy
-  SDG 8 Decent work and economic growth
-  SDG 12 Responsible consumption and production
-  SDG 13 Climate action

Naturally, we remain committed to the other SDGs as well. For example, we view **Peace, justice and strong institutions (SDG 16)** and **Partnerships for the goals (SDG 17)** as drivers for realising all other SDGs. We work closely with all of our partners and suppliers, with mutual respect at all times and based on dialogue and trust.

The goals set in this report apply mostly to Colruyt Group in Belgium, since more than 90% of our activities are concentrated there. We aim to expand this scope in the coming years. Where we speak of 'financial year' and use '2020' as a reference, this relates to financial year 2020/21 (1 April 2020 to 31 March 2021 inclusive). Where we use the term 'products', this refers to our private label products.



Our sustainability reporting can be found in the Corporate sustainability chapter, from page 162. This presentation of non-financial information and diversity is based on Article 96 para. 4 or 119, para. 2 of the Belgian Companies Code, implemented by the Belgian Law of 03/09/2017 transposing EU Directive 2014/95/EU.

Continuity, even during the pandemic

The 2020/21 financial year was characterised by the coronavirus pandemic in many areas. Even in this turbulent period, we managed to ensure continuity, first and foremost of the food supply. At the same time, we continued to appreciate our privileged relationships with tens of thousands of customers and many partners. We continued to look forward and invest in our people and the future.

All of our **food stores** continued to operate for the entire period, apart from a few temporary closures in the spring of 2020, due to sickness or self-isolation. Nevertheless, for store employees it was never business as usual, given the frequently changing guidelines for opening hours, the number of customers allowed and compulsory mask-wearing, or the temporary ban on the sale of non-food items when non-essential shops were closed. Throughout the year, more than a thousand employees from across the whole group stepped in to help cope with peaks in sales. After the exceptionally busy period in March-April 2020 due to volume purchases, retail activity gradually stabilised, partly because customers switched en masse to shopping online with Collect&Go.

Our **non-food stores'** webshops also experienced huge growth, particularly in periods when physical stores were completely closed. In no time at all they came up with creative solutions and new

services, such as remote advice, Click&Collect or home delivery. Only a few colleagues were furloughed, and many of them were temporarily redeployed to our food stores, logistics or production. Because, behind the scenes too, it was often all hands on deck to keep up. This was an amazing success, thanks to the huge efforts and solidarity among colleagues.

In view of their outstanding performance, we rewarded employees from sales, logistics and production with extra bonuses, meal vouchers and paid leave, amongst others. On Saturday 2 January 2021, more than 500 of our stores in Belgium remained closed. These **financial efforts** from February 2020 to June 2021 represent an estimated amount of 40 million euros, equivalent to one extra net monthly salary on average per store or logistics employee involved.

To guarantee maximum **safety** for customers and employees, we followed government guidelines to

the letter. We provided our store employees with maximum support in implementing the changing public health measures, while also giving the government feedback on what was and was not feasible in practice, often in close consultation with the retail federation Comeos. We frequently went a step further than the requirements. For instance, we provided our customers with removable grips for shopping carts and our employees with free facemasks. And we developed many safety measures ourselves, such as plexiglass screens and useful hand sanitiser stations for stores.

While day-to-day contact with customers did not always go smoothly for sales employees, compulsory working from home raised other challenges for our office workers. For this reason, from mid-2020 onwards, our training offer focused on mental **well-being** and self-care, both at work and at home. We organised courses in assertiveness and coping with stress, as well as workshops on resilience, guided group walks in nature or online yoga and meditation sessions. Our service The Connection proactively called many co-workers and extended its opening hours, to offer a listening ear to whoever was struggling.



We pulled out all of the stops to make sure **annual events** still went ahead, with adjustments where necessary. More than 470 colleagues were rewarded for their long careers with an online event, a medal, a gift voucher, flowers, a surprise package and a commemorative newsletter. In view of the high demand for blood, the annual collection went ahead as usual, as did the free flu vaccination, with priority for employees over 50. We postponed the election of employee representatives from May to November 2020 and enabled postal voting. We made up for the cancellation of the many New Year drinks parties with a card featuring a personal greeting from Jef Colruyt and a magnificent *bouquet* for every

employee. However much time and energy it took to keep our 'store' running, we continued to look outwards and launched many warmly received **social initiatives**. For example, we distributed free sewing packages to customers and employees, leading to the supply of 150.000 facemasks to 600 healthcare institutions and 50.000 to Special Olympics Belgium. We made home deliveries to healthcare workers and repaired their bicycles for free. We actively contributed to the extra donation of 460.000 meals to Foodbanks and provided youth associations with 19.000 hygiene packs for their summer camps.

Last financial year, we continued to **recruit** people, preferably on full-time permanent contracts. Following the outbreak of the pandemic, all vacancies were rapidly reprioritised, depending on the changing urgency. Partly to reduce the load on our permanent employees in the busy run-up to the end-of-year period, we launched a national call for people on furlough. In the space of just a week, more than 5.000 people came forward. After a shortened selection procedure, two weeks later nearly 1.500 of them were working (temporarily) in our stores.

Finally, along with many other companies, we lent our support to the '**Sterker dan corona**' (Stronger than corona) initiative. A campaign that thanks everyone for their efforts, from employees to business owners, from students to pensioners. At Colruyt Group, we are grateful for the opportunities and challenges we successfully negotiated last year. And we are convinced that, thanks to our optimistic disposition, we will always find the necessary courage, strength and creative entrepreneurship to come through difficult times successfully.

Management report

Revenue grows 3,7%

Net result excluding one-off effects increases slightly

The evolution of our results was impacted by specific effects this financial year:

- Diverse impacts as a result of the **COVID-19 health crisis** since the end of financial year 2019/20.
The food stores handled higher volumes and thus again fulfilled their essential role in the food chain. Revenue from the non-food stores and the foodservice and fuel distribution activities declined as a result of the crisis.
At all its sites, the group has taken measures to ensure the continuity of the operations as well as the health and safety of employees and customers. We have also again taken on our social role through various actions such as the donation of food and face masks.
The COVID-19 impact could however not be clearly isolated this financial year.
- Contribution of assets relating to **Eoly's** renewable wind energy activities into the energy holding Virya Energy.
This contribution resulted in a one-off gain of EUR 31 million in financial year 2020/21.
Contribution of the stake in **Parkwind** (offshore wind energy) into Virya Energy in the second half of last financial year.
This contribution resulted in a one-off positive effect of EUR 45 million in 2019/20.
These transactions have no material impact on the cash flow statement.
- Acquisition of 100% of the shares of **Joos Hybrid** and increase of the stake in **The Fashion Society**.
Joos Hybrid provides companies with hybrid total solutions for document and communication management. The Fashion Society (formerly Fraluc Group) includes the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars.
Both are fully consolidated as from August 2020, which has enhanced the revenue growth. The impact on the operating profit and the net result of financial year 2020/21 was limited.
- Discontinuation of the sale of the general non-food range through the Collishop website as from October 2020.
This allows the group to focus on and invest in **further specialisation within the non-food activities** of, inter alia, Dreamland, Dreambaby and Bike Republic (formerly Fiets!) and thus to accommodate sustainable growth through a multi-channel approach.
The discontinuation of the non-food sales through the Collishop website has negatively impacted revenue growth. The impact on the 2020/21 operating profit and net result was limited.

Consolidated key figures

(In million EUR)	1/04/2020 - 31/03/2021 ⁽¹⁾	1/04/2019 - 31/03/2020 ⁽²⁾	Variance
Revenue	9.931	9.581	+3,7%
Gross profit	2.792	2.565	+8,9%
% of revenue	28,1%	26,8%	
Operating cash flow (EBITDA)	850	807	+5,4%
% of revenue	8,6%	8,4%	
Operating profit (EBIT)	523	511	+2,4%
% of revenue	5,3%	5,3%	
Profit before tax	521	561	-7,2%
% of revenue	5,2%	5,9%	
Profit for the financial year	416	431	-3,6%
% of revenue	4,2%	4,5%	
Earnings per share (in EUR) ⁽³⁾	3,06	3,14	-2,4%

(1) The 2020/21 results were impacted by the COVID-19 crisis, the full consolidation of The Fashion Society and Joos Hybrid (as from August 2020) and the discontinuation of the non-food sales through the Collishop website (as from October 2020).

(2) The 2019/20 results were impacted by the COVID-19 crisis as from the end of February 2020.

(3) The weighted average number of outstanding shares equalled 135.503.424 in 2020/21 and 137.279.011 in 2019/20.

Consolidated income statement

The group **revenue** rose by 3,7% to over EUR 9,9 billion in 2020/21. The fuel distribution activities of DATS 24 recorded a revenue decrease. Excluding petrol, revenue increased by 6,4%. The revenue performance was impacted by the COVID-19 crisis (both at the end of 2019/20 and in 2020/21), the full consolidation of The Fashion Society and Joos Hybrid, and the discontinuation of the non-food sales through the Collishop website.

The food revenue grew at a slower pace than the overall Belgian market, as Colruyt Group proportionally has fewer neighbourhood stores than the market average. Neighbourhood store concepts experienced higher growth than the other store formats during the COVID-19 health crisis, causing the market share of Colruyt Group in Belgium (Colruyt Lowest Prices, OKay and Spar) to decline to 31,3% in financial year 2020/21 (32,1% in 2019/20).

The **gross profit margin** increased to 28,1% of revenue. Excluding petrol, the gross margin improved by 71 basis points. The margin evolution mainly reflects lower promotional pressure at the start of the financial year (ban on promotions and discounts in Belgian supermarkets), miscellaneous product mix effects, COVID-19-related provisions, operational improvements and the full consolidation of The Fashion Society and Joos Hybrid.

Net operating expenses climbed from 18,4% to 19,6% of revenue. The increase is mainly the result of COVID-19 and the ongoing investments in employees, house-brand products, distribution channels and change projects. The percentage was also impacted by the revenue decrease of the fuel distribution activities and the full consolidation of The Fashion Society and Joos Hybrid.

The COVID-19-related costs essentially cover the various measures taken to ensure the health and safety of employees and customers. During the COVID-19 health crisis, we also granted additional benefits and days of leave to employees in sales, logistics and production as a token of gratitude for the efforts made, for an estimated amount of EUR 40 million (from the end of February 2020 up to June 2021). The food stores, logistics and production departments were reinforced with both internal and external employees. At the end of March 2021, Colruyt Group had 31.189 employees (full-time equivalents). The increase by 2.133 full-time equivalents compared to 31 March 2020 is partly due to the acquisition of The Fashion Society and Joos Hybrid.

Following the contribution of Eoly's renewable wind energy activities into the energy holding Virya Energy, a one-off positive effect of EUR 31 million was realised in the first semester of 2020/21.

The **operating cash flow (EBITDA)** amounted to 8,6% of revenue. Excluding the gain realised on the contribution of Eoly Energy, the EBITDA margin was 8,3% of revenue (8,4% in 2019/20). The gross margin increase was offset by higher operating expenses.

The depreciation, amortisation and impairment charges rose by EUR 32 million. The increase is mainly attributable to the full consolidation of The Fashion Society and Joos Hybrid (EUR 15 million) and to the continuous investments in stores, distribution centres and transformation programmes.

The **operating profit (EBIT)** totalled EUR 523 million or 5,3% of revenue in 2020/21. Excluding the gain realised on the contribution of Eoly Energy, the EBIT margin was 5,0% of revenue (5,3% in 2019/20).

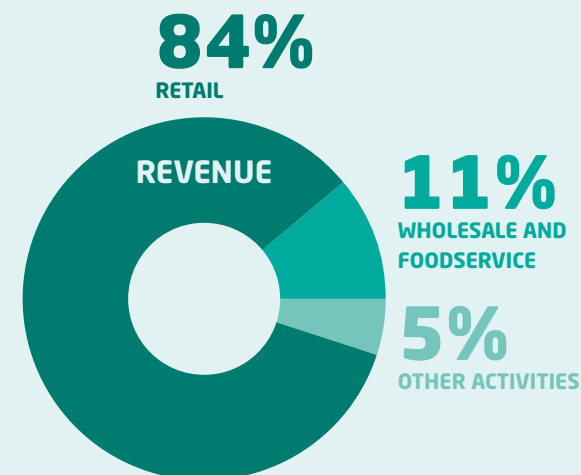
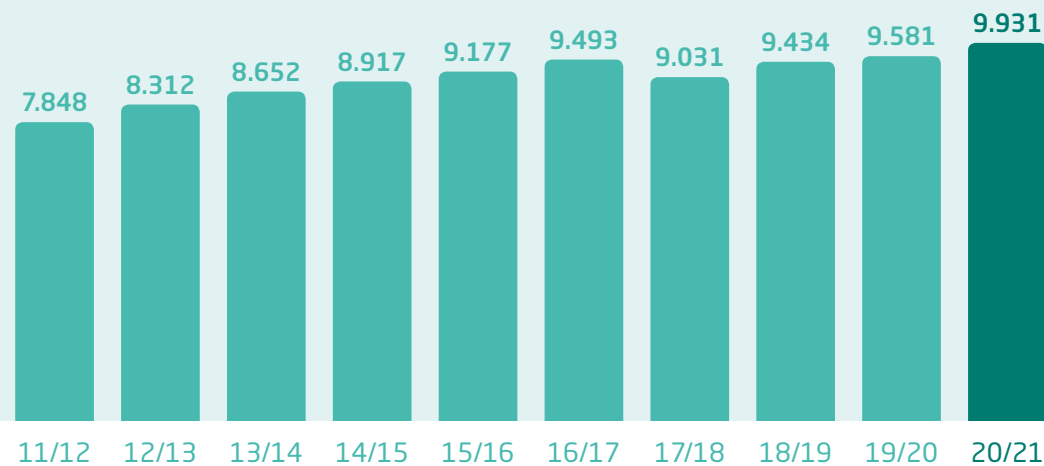
The share in the result of investments decreased to EUR -4 million in 2020/21 (EUR 52 million in 2019/20).

Virya Energy reported a result increase in the first semester and lower results in the second semester, primarily due to one-off effects. In the second half of 2019/20, Colruyt Group realised a one-off positive effect of EUR 45 million from the contribution of Parkwind (off-shore wind energy) into Virya Energy. The Fashion Society and Vendis Capital reported lower results, mainly due to COVID-19. As of August 2020, The Fashion Society is fully consolidated and no longer accounted for as a joint venture using the equity method.

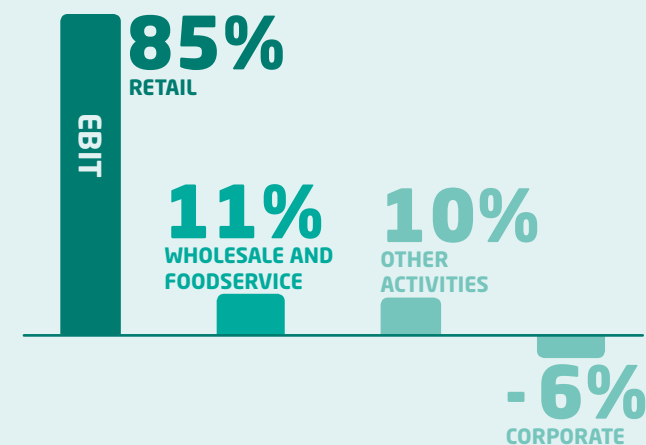
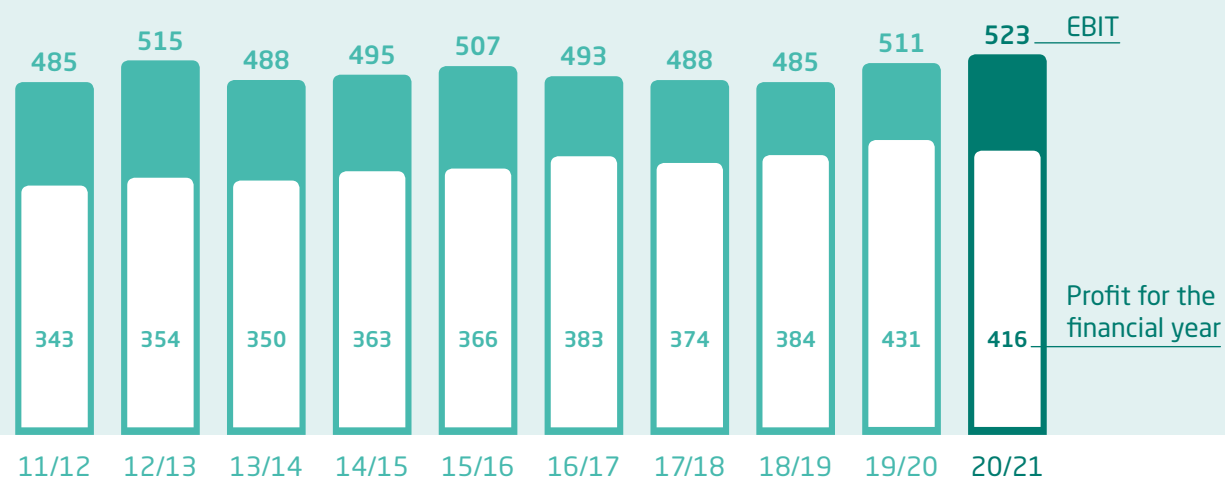
The effective tax rate amounted to 20,0% and was impacted by the reform of the Belgian corporation tax, the investments in innovation and change projects and the contribution of Eoly Energy.

The **profit for the financial year** totalled EUR 416 million (4,2% of revenue). **Excluding the gain realised on the contribution of Eoly Energy, the net result equalled EUR 385 million or 3,9% of revenue in 2020/21** (EUR 380 million excluding one-off effects or 4,0% of revenue in 2019/20).

Colruyt Group revenue (in million EUR)



Colruyt Group results (in million EUR)



Income statement per segment

Retail

Revenue from the retail activities grew by 5,2% to EUR 8.308 million. Revenue was impacted by the COVID-19 crisis (both at the end of 2019/20 and in 2020/21), the discontinuation of the non-food sales through the Collishop website as of October 2020 and the full consolidation of the Fashion Society. Excluding The Fashion Society, retail revenue improved by 3,8%. The retail activities accounted for 83,7% of the consolidated revenue in 2020/21.

The **food retail revenue** grew, essentially as a result of expansion and higher volumes (offline and online) during the COVID-19 crisis. At the end of last financial year, when the health crisis set in, the food stores in Belgium, France and Luxembourg were already reporting significant revenue growth.

Revenue of **Colruyt in Belgium and Luxembourg** climbed 3,0%. Colruyt Lowest Prices continued to invest in the modernisation of the existing stores and also opened four new stores. The COVID-19 crisis resulted in higher sales volumes, both offline and online. The discontinuation of the non-food sales through the Collishop website negatively impacted revenue growth as from October 2020.

Colruyt Lowest Prices delivers on its brand promise day after day by guaranteeing the lowest price for every product (10.500 food references and 7.500 non-food references) at every moment. Price reductions and promotions offered by competitors are immediately integrated in the sales prices.

OKay, Bio-Planet and Cru reported an aggregate revenue growth of 12,5%, mainly as a result of expansion and of volume gains during the COVID-19 crisis.

The OKay neighbourhood stores, where customers can do their daily shopping quickly, cheaply and easily, opened five new stores. OKay continued the roll-out of its renewed store concept and furthers its investments in convenience and in more than 4.500 high-quality and fresh products.

Bio-Planet remains the group's pioneer in sustainability, organic products and healthy food and offers more than 6.000 organic and eco-friendly products. Bio-Planet wants to make conscious and healthy eating more accessible and continues to focus on Belgian and local connections.

The Cru multi-experience markets in Overijse, Ghent and Antwerp pursued their efforts to drive revenue growth and improve operational efficiency in 2020/21. Artisan products (850

references) and customer experience, combined with craftsmanship, remain at the forefront.

Excluding petrol, the revenue of **Colruyt in France** rose by 7,2%. The revenue increase is mainly attributable to organic growth, partly due to COVID-19, and to expansion. Colruyt Prix-Qualité is a clearly laid out neighbourhood super-market, where customers can find everything they need for their daily and weekly shop.

Colruyt Group continues to invest in its French retail activities by renewing existing stores, opening new stores and doubling the logistical capacity in the years ahead. In April 2021, the new distribution centre near Nancy was brought into operation.

The fuel distribution activities of DATS 24 in France recorded a revenue decrease during the COVID-19 crisis. Including petrol, the revenue of Colruyt in France rose by 1,6%.

The **non-food retail revenue** grew by 37,6% compared to last year, primarily reflecting the full consolidation of The Fashion Society. Due to the COVID-19 crisis, all non-essential businesses in Belgium, including Colruyt Group's non-food stores, were required to temporarily close (from 18 March up to and including 10 May 2020, and in November 2020).

The combined store revenue of **Dreamland, Dreambaby and Bike Republic** (formerly Fiets!) declined by 2,7% as a result of the enforced store closures. The online non-food revenue, which is included in the store format where the goods are collected, experienced strong growth. Colruyt Group increased its stake in **The Fashion Society** (formerly Fraluc Group) from 68% to 98%. As a result, The Fashion Society, the holding that includes the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars, is fully consolidated as of August 2020. The multi-brand chain comprises 114 stores in Belgium and Luxembourg and two stores in France. The four store concepts are complementary, cover a large proportion of the fashion market and are aimed at different target groups.

Colruyt Group continues to invest in and innovate its **online store concepts and digital applications**.

The growth in online sales (of both food and non-food) accelerated in 2020/21, partly due to COVID-19. Our online revenue is primarily generated by **Collect&Go**. The shopping service of Colruyt and Bio-Planet is the market leader in the Belgian online food market and further expanded its capacity in 2020/21. A new Belgian e-commerce distribution centre for Collect&Go is

scheduled to open in the autumn of 2021. Since May 2020, Collect&Go has been testing a home delivery service bringing groceries to people's doorsteps through a network of neighbours. Since the COVID-19 crisis, we have been testing additional temporary takeaway and delivery services, for instance in the Cru markets. Late March 2021, we launched the online promotions platform Deals!, which is provided via Collect&Go and offers customers new, strong volume promotions every week.

Innovation and sustainability remain key priorities at Colruyt Group. We are a reference point for sustainable entrepreneurship and a source of inspiration for conscious consumption. We work towards this objective step by step, through a wide array of initiatives and partnerships.

As far as agriculture is concerned, the group remains committed to Belgian connections, craftsmanship and more transparent supply chains. In March 2021, we introduced the Eco-Score. The Eco-Score indicates a product's environmental footprint and complements the Nutri-Score. In this way, we want to inspire the consumer to consume consciously, in terms of both environment (Eco-Score) and health (Nutri-Score). In the years ahead, we will continue to

invest in the sustainable conversion of existing stores into low-energy stores.

Wholesale & Foodservice

Revenue from the wholesale and foodservice segment grew by 11,7% to EUR 1.075 million and was impacted by the COVID-19 health crisis (at the end of 2019/20 as well as in 2020/21). These activities accounted for 10,8% of the group revenue in financial year 2020/21.

The increase of the **wholesale** revenue by 15,5% is attributed to higher sales volumes in Belgium and France, mainly due to COVID-19. The Spar Colruyt Group stores in Belgium are known to be friendly neighbourhood supermarkets for daily grocery shopping, with a strong range of fresh products, personal service and competitive prices. The profitability of the independent Spar entrepreneurs continues to rank among the best on the market.

Colruyt Group systematically opts for a close, long-term collaboration with the independent entrepreneurs and intends to further expand its efficient independent store network in Belgium and France over the coming years.

Solucious, Colruyt Group's **foodservice** specialist, delivers foodservice and retail products to

professional customers throughout Belgium, including hospitals, SMEs and the hospitality sector. Solucious stands out by its convenience, its wide product range, its smooth and reliable deliveries and its transparent prices. Solucious recorded a 13,4% revenue decline in financial year 2020/21. Due to the COVID-19 health crisis, the deliveries to the hospitality sector in particular dropped.

As part of its social role, Solucious contributed to various initiatives to support the healthcare sector and youth associations during the COVID-19 crisis. From March to May 2020, Solucious delivered groceries to more than ten major Belgian hospitals directly at no additional charge, to support healthcare workers. At the end of 2020 and in 2021, Solucious also delivered groceries to the homes of healthcare professionals working within and outside of hospitals.

Solucious is also committed to innovation and started rolling out an application for its deliverers in 2021. Solucious is the first Belgian food service player to digitalise the administration and reporting of the delivery process, with the aim of fostering its growth in a customer-oriented and efficient manner.

Other activities

Revenue from the other activities decreased by 24,2% to EUR 547 million in financial year 2020/21. These activities accounted for 5,5% of the consolidated revenue.

This segment basically comprises the revenue of the Belgian **DATS 24** filling stations. The revenue of DATS 24 fell by more than 25% as a result of price and volume declines during the COVID-19 crisis.

The DATS 24 network currently comprises more than 80 CNG stations, one public hydrogen filling station and over 120 electric charging posts on car parks of Colruyt Group stores. Step by step, DATS 24 furthers its efforts to promote greener mobility and it will unabatedly continue its investments in sustainable alternative fuels and green energy in the years to come, including through the construction of additional public hydrogen filling stations.

Since April 2021, customers can also rely on DATS 24 for the supply of natural gas and green, Belgian electricity. DATS 24 thus provides energy at home, at work and on the road.

The revenue from **printing and document management solutions** relates to the activities of Symeta and Joos Hybrid (jointly Symeta

Hybrid). In August 2020, Colruyt Group acquired 100% of the shares of Joos Hybrid. Joos Hybrid provides hybrid total solutions for document and communication management, thus supporting large companies, SMEs and various organisations in their digital transformation. The acquisition fits with our ambition to respond to evolving consumer needs and to further our continuous investments in process optimisation and digitalisation. Joos Hybrid's activities are complementary to the activities of Symeta, our printing and document management specialist.

Colruyt Group is the majority shareholder of the energy holding **Virya Energy**. Virya Energy is active in the production of sustainable energy, with a major focus on offshore and onshore wind energy. Virya Energy focuses on the development, financing, construction and operation of renewable energy assets and aims for international expansion. The energy holding currently holds stakes in, inter alia, Parkwind, Eurowatt and Eoly Energy.

In April 2020, Virya Energy increased its stake in Parkwind (offshore wind energy) to 100%. Eoly Energy (onshore wind energy) was transferred into the energy holding in May 2020. In February 2021, Virya Energy increased its stake in Eurowatt (onshore wind energy) to 100%.

Consolidated balance sheet

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 323 million to EUR 2.979 million. The increase is primarily the net effect of new investments (EUR 469 million), the full consolidation of The Fashion Society and Joos Hybrid (EUR 173 million) and depreciation charges (EUR 323 million).

Colruyt Group continues to invest in its distribution channels, logistics and production departments, in renewable energy and in innovative future-oriented transformation programmes.

In financial year 2020/21, **Virya Energy** issued convertible bonds, which were subscribed to by its shareholders Colruyt Group and Korys. This bond issuance fitted with Virya Energy's expansion plans. As a result of the subscription, our cash flow statement included a cash outflow of EUR 97 million (EUR 64 million in the first semester and EUR 33 million in the second semester of 2020/21). The subscription also explains the increase in the financial non-current assets compared to last year. The bonds are interest-bearing and can either be converted into Virya Energy shares or redeemed. The parties

have taken the necessary measures in view of the conflict of interest rules.

The **net cash and cash equivalents** amounted to EUR 106 million at 31 March 2021 (net of EUR 178 million of short-term financing).

Colruyt Group's **equity** totalled EUR 2.527 million at year-end, accounting for 48,6% of the balance sheet total.

The increase in **interest-bearing liabilities** (current and non-current) by EUR 313 million is essentially due to short-term financing at year-end and to the full consolidation of The Fashion Society and Joos Hybrid (including IFRS 16 liabilities).

Treasury shares

In 2020/21, 1.068.520 treasury shares were purchased for an amount of EUR 52,5 million. In October 2020, 2.500.000 treasury shares were cancelled.

After year-end, 452.765 treasury shares were purchased for an amount of EUR 22,4 million.

On 11 June 2021, Colruyt Group held 1.821.153 **treasury shares**, representing 1,34% of the total number of shares issued.

Events after the reporting period

After year-end, Colruyt Group is once again experiencing diverse impacts of the **COVID-19 health crisis**. We continue to implement measures at all our sites to protect the health and safety of all those present and to ensure the continuity of the operations. These measures are being monitored regularly and adjusted as needed based on the latest information available. Costs related to the measures introduced will be reflected in the income statement of financial year 2021/22.

As from 27 March to 26 April 2021, shopping in all non-essential stores in Belgium, including Colruyt Group's non-food stores, was allowed by appointment only.

Continuity risks and other risks are being monitored on a regular basis, both in the subsidiaries and in the companies in which Colruyt Group has an interest. To date, we have no knowledge of information that would lead to a material adjustment of the results or the notes thereto.

In April 2021, Colruyt Group acquired 100% of the shares of **Culinoa**. As a foodservice partner Culinoa guides and supports over 100 large-scale kitchens of healthcare institutions in Belgium. The services Culinoa provides are complementary to the activities of Solucious, our foodservice specialist. Thanks to this investment, we are able to reinforce our foodservice expertise, to respond even better to the needs of healthcare facilities and to promote qualitative meal catering in Belgium.

In April 2021, Colruyt Group acquired 100% of the shares of the Belgian fitness chain **JIMS**. In addition to 27 traditional fitness centres and the possibility to attend group exercise classes, JIMS also provides digital coaching. This acquisition fits with our ambition to respond to the consumer's needs in the different stages of his life cycle and with our continuous investments in health.

There were no further significant events after year-end.

Outlook

Given the uncertainty caused by the COVID-19 health crisis, we are unable to make any statements regarding expected macroeconomic, competitive or other trends. We continue to closely monitor relevant trends in market conditions and in customer behaviour and will decide on an appropriate response where needed.

Colruyt Group maintains its long-term focus and will continue to consistently pursue its long-term strategy. Colruyt Lowest Prices will continue to consistently implement its lowest prices strategy, guaranteeing its customers the lowest price for each article at each moment.

We will continue to keep our operating expenses under control, while pursuing the investments in employees, high-quality house-brand products, efficiency, innovation, sustainability and change projects.

Colruyt Group expects that the 2020/21 consolidated net result (EUR 385 million excluding the gain on the contribution of Eoly Energy) will be difficult to match in financial year 2021/22. We point out that the uncertainty caused by the COVID-19 health crisis may impact

the 2021/22 result outlook.

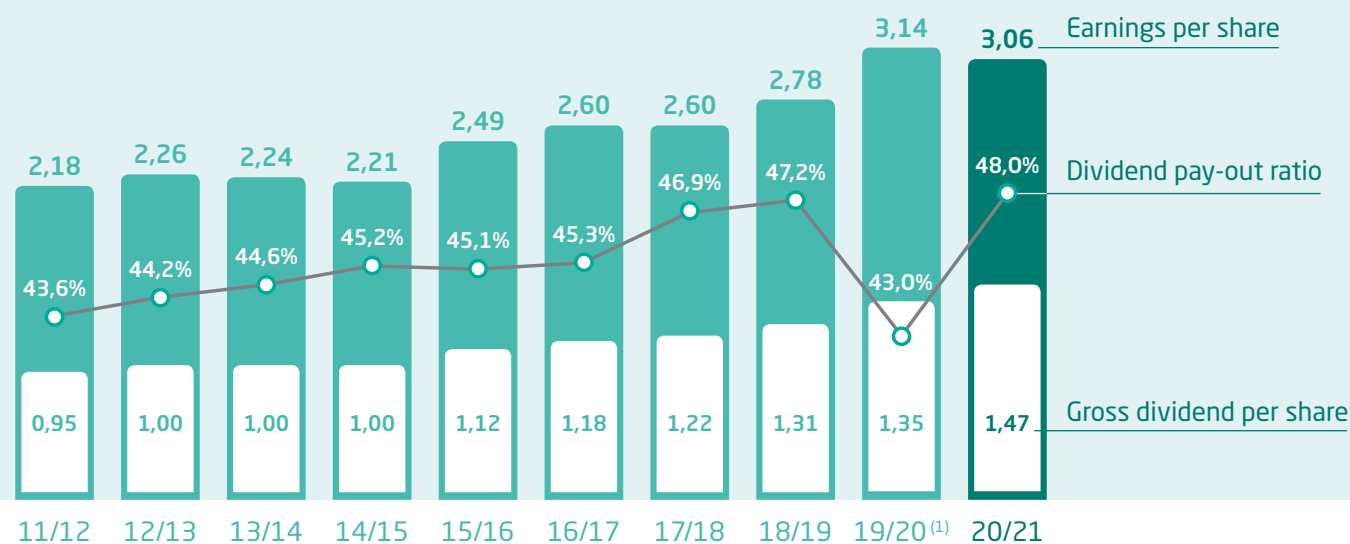
We expect the acquisition of the foodservice partner Culinoa and of the fitness chain JIMS to have no material impact on Colruyt Group's net result of financial year 2021/22.

Colruyt Group will present its full-year 2021/22 guidance at the General Meeting of Shareholders on 29 September 2021.

Dividend

The Board of Directors will propose a **gross dividend** of EUR 1,47 per share to the General Meeting of Shareholders.

Earnings and gross dividend per share (in EUR)



(1) Excluding the one-off gain related to the contribution of Parkwind into Virya Energy, which had no material impact on the 2019/20 cash flow statement, the **net earnings per share amounted to EUR 2,81** and the **pay-out ratio to 48,0%**.

Segment information

(In million EUR)

	Revenue	EBITDA	EBIT
Retail ⁽¹⁾	8.373	694	445
Retail Food	7.960		
• Colruyt Belgium and Luxembourg ⁽²⁾	6.258		
• OKay, Bio-Planet and Cru ⁽³⁾	1.136		
• Colruyt France and DATS 24 France	566		
Retail Non-food ⁽⁴⁾	348		
Transactions with other operating segments	65		
Wholesale and Foodservice ⁽¹⁾	1.088	77	57
Wholesale	966		
Foodservice	109		
Transactions with other operating segments	13		
Other activities ⁽¹⁾	557	63	51
DATS 24 Belgium	532		
Printing and document management solutions ⁽⁵⁾	16		
Transactions with other operating segments	9		
Eliminations between operating segments	- 87	0	0
Corporate (not allocated)	0	17	- 29
Total Colruyt Group consolidated	9.931	850	523

(1) Including transactions with other operating segments.

(2) Including the revenue from the Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby webshops realised by Colruyt stores.

(3) Including the revenue from the Collishop, Dreamland and Dreambaby webshops realised by OKay and Bio-Planet stores.

(4) Includes the store revenue of Dreamland and Dreambaby and the revenue of Bike Republic and The Fashion Society (as from 1 August 2020).

(5) Includes the revenue from Symeta and Joos Hybrid (as from 1 August 2020).

Key figures

Investments realised

(In million EUR)	2020/21 ⁽¹⁾	2019/20 ⁽¹⁾
I. Retail	313	309
Colruyt (Belgium and Luxembourg)	137	171
OKay, Bio-Planet and Cru	18	17
Dreamland, Dreambaby, Bike Republic and The Fashion Society ⁽²⁾	8	7
Colruyt France and DATS 24 France	17	13
Other retail and real estate	134	101
II. Wholesale and Foodservice	15	8
Wholesale	5	4
Foodservice	1	1
Real estate	9	3
III. Other activities ⁽³⁾	20	16
IV. Unallocated corporate activities	121	77
Total Colruyt Group	469	410

(1) Excluding IFRS 16 right-of-use assets.

(2) Includes The Fashion Society as from August 2020

(3) Includes Joos Hybrid as from August 2020. The renewable wind energy activities of Eoly were contributed in financial year 2020/21 to the energy holding company Virya Energy.

EUR **469**
million
investments

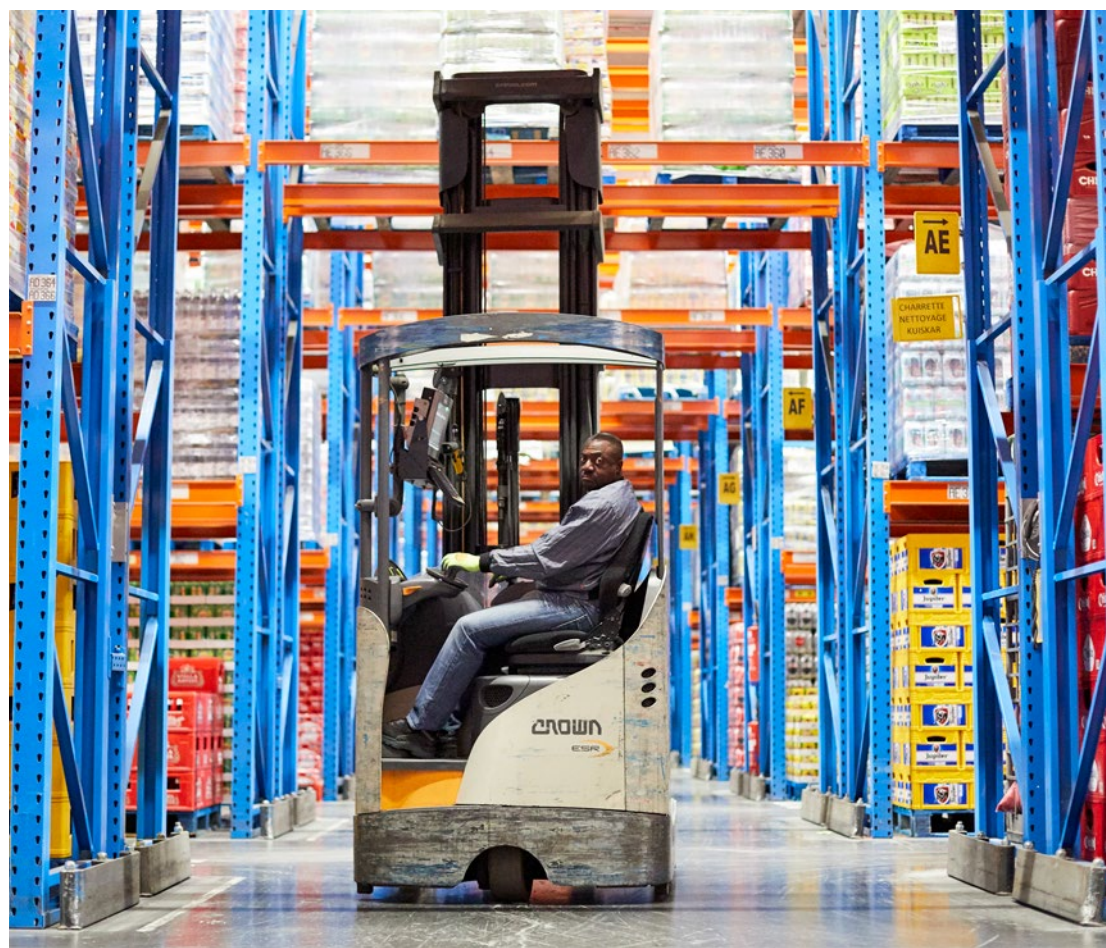
The investments in 2020/21 mainly related to:

- the construction and renovation of stores in Belgium and France
- the production facilities of Colruyt Group Fine Food
- new refrigerated containers with liquid ice technology and vehicles
- the sustainable renovation of distribution centres and administrative buildings
- new e-commerce distribution centres for Collect&Go and Newpharma
- purchase of a new administrative building
- green energy (solar panels, hydrogen, CNG and charging stations)
- our future-oriented transformation programmes

Excluding any acquisitions or participations, Colruyt Group expects to carry out in financial year 2021/22 an investment programme of between **EUR 490 million and EUR 520 million**. Colruyt Group continues to invest in its distribution channels, logistics and production departments, in renewable energy and in innovative future-oriented transformation programmes. The group will also continue to invest in the new e-commerce distribution centres for Collect&Go and Newpharma, in the expansion of logistics capacity in France, in the sustainable renovation of buildings and in the roll-out of smart electronic price labelling at Okay.

Production and distribution centres

	m ²	number
Production and distribution centres		
Belgium	606.700	24
France	64.417	4



Company-operated stores of Colruyt Group

		2020/21	2019/20	2018/19	2017/18	2016/17
BELGIUM AND LUXEMBOURG						
Colruyt	- number	252	248	243	239	237
	of which leased externally	22	19	19	19	19
	- in '000 m ²	444	437	426	414	403
OKay	- number	150	145	141	135	129
	of which leased externally	32	29	30	25	26
	- in '000 m ²	89	86	82	80	75
Bio-Planet	- number	31	31	29	27	24
	of which leased externally	15	15	15	13	12
	- in '000 m ²	20	20	19	18	16
Cru	- number	3	3	3	3	3
	of which leased externally	2	2	2	2	2
	- in '000 m ²	2	2	2	2	2
Dreamland	- number	47	45	42	43	43
	of which leased externally	16	15	15	15	15
	- in '000 m ²	83	80	76	80	79
Dreambaby	- aantal	30	29	29	26	24
	of which leased externally	15	15	15	13	11
	- in '000 m ²	18	17	17	15	14
Bike Republic	- number	15	13			
	of which leased externally	15	13			
	- in '000 m ²	18	16			
The Fashion Society⁽¹⁾	- number	101				
	of which leased externally	100				
	- in '000 m ²	99				
FRANCE⁽²⁾						
Colruyt	- number	91	87	85	78	74
	of which leased externally	4	4	3	3	3
	- in '000 m ²	89	85	81	76	72
Dreamland	- number	0	0	0	2	2
	of which leased externally	0	0	0	2	2
	- in '000 m ²	0	0	0	4	4

(1) The Fashion Society includes the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars as well as 13 stores in Belgium operated by franchisees.

(2) For the French retail activity, as of financial year 2018/19, these figures relate to the number of stores on closing date 31 March. For financial years 2016/16 and 2017/18, this is the number on closing date 31 December.

Key figures over five years

(In million EUR)	2020/21	2019/20	2018/19	2017/18 ⁽¹⁾	2016/17
Revenue	9.931	9.581	9.434	9.031	9.493
Retail	8.373	7.956	7.837	7.551	7.319
Wholesale and foodservice	1.088	969	958	933	1.688
Other activities	557	731	713	690	638
Intersegment	-87	-75	-73	-143	-152
Gross profit	2.792	2.565	2.471	2.350	2.415
EBITDA	850	807	758	734	744
EBITDA margin	8,6%	8,4%	8,0%	8,1%	7,8%
EBIT	523	511	485	488	493
EBIT margin	5,3%	5,3%	5,1%	5,4%	5,2%
Profit before tax	521	561	519	519	510
Taxes	105	130	135	145	126
Net profit	416	431	384	374	383
Net profit margin	4,2%	4,5%	4,1%	4,1%	4,0%
Cash flow from operating activities	708	830	565	497	537
Free cash flow	114	462	260	70	352
Total equity	2.527	2.359	2.208	2.042	2.140
Balance sheet total	5.195	4.565	4.147	4.054	4.095
Investments ⁽²⁾	469	410	378	392	387
ROCE ⁽³⁾	17,6%	18,5%	17,3%	18,9%	20,2%

(1) The figures from financial year 2017/18 onwards exclude the French foodservice business Pro à Pro.

(2) Exclusive of IFRS 16 right-of-use assets.

(3) Exclusive of IFRS 16 impact.

Key figures over five years (sequel)

	2020/21	2019/20	2018/19	2017/18	2016/17
Market capitalisation at year-end (in million EUR)	6.925	6.821	9.460	6.747	6.900
Weighted average number of outstanding shares	135.503.424	137.279.011	137.758.364	143.361.535	146.729.840
Number of outstanding shares on 31/3	136.154.960	138.432.588	143.552.090	150.196.352	149.935.894
Earnings per share (EPS) (in EUR)	3,06	3,14	2,78	2,60	2,60
Gross dividend per share (in EUR)	1,47	1,35	1,31	1,22	1,18
Dividend yield	2,89%	2,74%	1,99%	2,72%	2,56%
Number of employees	32.945	30.631	29.903	29.388	29.255
Number of employees in FTE	31.189	29.056	28.339	27.795	27.633
Number of own stores in Belgium, Luxembourg and France	720	601	572	553	536
Store area of own stores in '000 m ²	861	743	704	687	665
Number of independent storekeepers in Belgium, affiliated stores in France (excluding independent retailers) and franchisees of the multi-brand chain The Fashion Society.	591	583	579	581	667

Contributions paid to the Belgian treasury in proportion to the added value

In the last financial year, all Belgian companies of Colruyt Group together passed on **EUR 952,6 million** in social, fiscal and product-related taxes to the Belgian treasury. In addition, the net VAT payment (difference between payable and deductible VAT) to the tax authorities amounted to EUR 318,4 million.

Payments made to the Belgian treasury	(in million EUR)
Social security ⁽¹⁾	353,8
Withholding tax on wages ⁽¹⁾	136,9
Income tax on profits	73,9
Product-related taxes (customs, excise)	338,6
Withholding tax on income from investments	25,0
Property withholding tax	11,7
Registration duties, provincial and municipal taxes and other federal taxes	12,7
Total	952,6

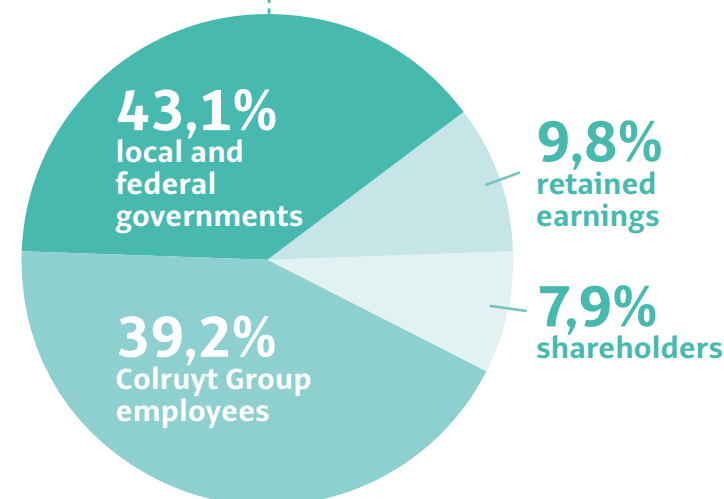
(1) Including charge reductions obtained at federal and regional level.

Distribution of the net added value generated by Colruyt Group in Belgium

All these taxes are the result of the creation by the group of added value. The net added value ⁽¹⁾ generated by Colruyt Group in Belgium amounts to EUR 2,2 billion. Of this, 43,1% goes as taxes to the various local and federal governments and 39,2% is paid to employees for services rendered. 7,9% is distributed to shareholders ⁽²⁾ and the remaining 9,8% is invested back into the group to finance future projects.

(1) The excise duties paid have been integrated into the net added value so as to be able to express the total contribution to the treasury of EUR 952,6 million as a percentage of the net added value corrected in this way.

(2) This calculation method takes no account of purchases or cancellations of treasury shares.





861.000 m²
retail space of
own stores



EUR 952,6 million
contributed to the
Belgian treasury

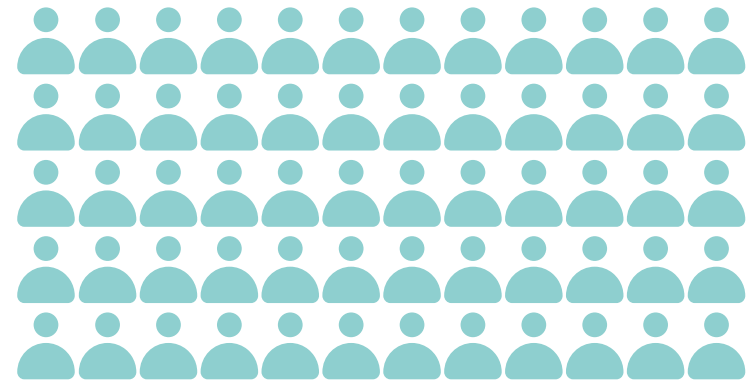


720
own stores

591
independent
storekeepers

in Belgium, affiliated stores in
France (excluding independent
retailers) and franchisees of
The Fashion Society

32.945
employees





Activities

Geographic segmentation of revenue



The operational activities of Colruyt Group are subdivided into retail, wholesale, foodservice, other activities and group support activities. The retail store formats and deliveries to independent storekeepers (wholesale) and to professional customers in foodservice represent the lion's share of our commercial activities. We include DATS 24, Symeta Hybrid and our interest in Virya Energy under 'other activities'.

Retail
83,7%
 of group revenue
EUR 8.308 million



Interests

newpharma

MyComfort24
 bed • bad • ondergoed • altijd goed

Scallog
 SCALABLE LOGISTICS

Wholesale
 and foodservice
10,8%
 of group revenue
EUR 1.075 million



France Wholesale



Belgium Foodservice

Solucious
 a taste for solutions

Other activities
5,5%
 of group revenue
EUR 547 million

DATS 24

Symeta
 Hybrid

Interests

virya
 energy



° 1976



EUR 6.258 million revenue (+ 3,0%)



248 stores in Belgium and
4 in the Grand Duchy of Luxembourg



1.700 m² average store area



10.500 food and **7.500 non-food** items



More than 15.900 employees in FTE



Lowest Prices



colruyt.be / colruyt.lu

colruyt lowest prices

Colruyt is primarily aimed at families who do their weekly shopping in a price-conscious way. It is also the ideal format for associations, businesses and households doing big shops for various events in an efficient way.

Colruyt has a wide range, as well as a considerably expanded butcher's section and fresh food department. Day after day, the store chain offers its customers the lowest prices for national brands as well as own brands Boni Selection and Everyday. Is a product cheaper elsewhere nearby? Colruyt immediately lowers its price. The store format prioritises simplicity, efficiency and readiness to serve.



Good increase in revenue

- Colruyt recorded a good increase in revenue, as a result of higher consumer spending during the coronavirus pandemic and also thanks to new stores and renovation of existing stores. Sales mainly peaked in April 2020, but remained at a high level throughout the year, partly due to compulsory closures of hospitality and increased at-home consumption.
- The revenue increase was slightly below that of the wider Belgian food retail market. This is because, during the pandemic, the proximity factor benefited smaller neighbourhood stores more.
- Thanks to operational excellence, sound basic processes and fall-back procedures, Colruyt managed to supply all stores daily, even in the busiest periods.
- Under the influence of the coronavirus pandemic, average shopping frequency fell, but was amply offset by higher takings. Customers bought larger volumes and adjusted their product mix. As a result, and partly due to the extra day off given on 2 January, the traditionally busy end of year period was somewhat quieter than normal.
- Colruyt continues to fulfil its 'Lowest prices' promise consistently, thanks to strong cost awareness, operational efficiency, sustainable partnerships with suppliers and international cooperation in the area of procurement, among other factors.



- 4 new stores: Merchtem, Bilzen, Meiser and Colruyt for Professionals Meiser
- 9 renovations and 2 relocations
- 2 new stores next financial year



Parapharmaceuticals on the shelves

Colruyt is tapping into the growing interest in prevention and health, and has introduced a new parapharmacy section, with dietary supplements and first aid, skincare, cough and cold products, for example. Really **convenient** as customers can stock up with them when they do their food shopping.

By the end of 2021, the section will be present in eighty stores.

In addition, as of February 2021, customers can also collect their purchases in our online pharmacy Newpharma at Colruyt stores. This gives them convenient access to 40.000 items.



Digital innovations

Colruyt continues to develop digital solutions so that customers can do their shopping more easily, efficiently and safely.

- The digital **footfall counter** estimates how busy the coming week will be for each store per hour.
- Successful first test of **product location** in the MyColruyt app: eventually customers will be able to see instantly in which aisle their products are located.
- The Colruyt **voice assistant** now helps customers find recipes and guides them through them step by step. It was already possible to dictate shopping lists.

Award for 'De Pottenlikkers'

At the beginning of 2020, Colruyt and Studio 100 launched the cookery programme 'De Pottenlikkers', to make balanced eating more accessible to children. This co-creation could be viewed on colruyt.be and various Studio 100 channels, and was followed by a free holiday book and a cookery book. The 52 shows reached nearly a third of Belgian children aged between 6 and 12, many of whom had a go at cooking at home. The initiative won the sustainability award '**Ik ben meer dan mijn kassaticket**' (I am more than my receipt) from NGO Rikolto, Test Aankoop and Fairtrade Belgium. Colruyt already won the award in 2020, with the project 'Dinner is served at 1-2-3 euros' for people experiencing financial difficulties.



New: Colruyt for Professionals

In June 2020, Colruyt opened a new store format in Schaerbeek (Meiser) aimed at professional customers in the city, such as corner shops and late-night convenience stores. Access to the shop and car park is reserved for customers with a Colruyt Professional Plus card. They can **shop more efficiently** there, and as a result nearby Colruyt stores are less busy. In the autumn of 2021, a second branch is planned in the Brussels-Capital Region.

- Guaranteed lowest prices in the neighbourhood, plus regular exclusive discounts
- Special range of approximately 2.500 items over 2.500 m², with wider aisles and higher shelves
- Flat shopping carts for buying large volumes, practical loading platform to load the goods into the vehicle
- Longer opening hours: 7 am to 8 pm

Among the prizes

- 'Salesforce Beste Winkelketen van België 2020-21' (Best Retail Chain) in the Supermarket category
- First place in the general ranking of the GfK winter report 2020
- 'Best Retail Food Brand' and 'Best Sustainable Brand' 2021, awarded by GfK

While Colruyt is delighted with these and other awards, we do not see them as an end in themselves, but the result of focussing consistently on our own strengths. To sum up: offering customers quality products at the lowest prices, within an efficient store concept with competent and attentive staff.



**10 op 10 voor
slim omgaan
met je budget.**

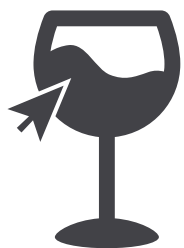
Je kan op ons rekenen.

colruyt.be/rekenopons

colruyt laagste prijzen

Lowest prices

- Lowest Prices: for many years, that promise has adorned the front of Colruyt stores. Colruyt offers the lowest price in the area, for each product at every moment. To this end, it monitors all prices and promotions of competitors, amounting to more than 60.000 price recordings per day in stores, flyers and online.
- During the ban on promotions in March and April 2020, market prices rose. Even then, customers invariably found the lowest price for each product at Colruyt.
- After the ban on promotions ended, Colruyt matched all discounts and campaigns of competitors just like before. In fact, in February 2021, Colruyt's average price level was lower than before the start of the pandemic at the end of 2019.
- Colruyt continued to present itself as the **defender of its customers' purchasing power**, with the branding campaign 'You can count on us'.
- In 2021, Colruyt was confirmed as cheapest supermarket in Belgium in the annual supermarket survey of the Belgian consumer organisation.



Wine tasting goes online

The annual tasting event of the First-class Wines webshop was replaced by a home tasting with online guidance from buyers and consultants with a passion for wine. Around 225 customers registered and collected a trial pack from their Colruyt store. The four 90-minute online tastings were a lively affair, with live chapter and verse by the wine consultants.



19.000 hygiene packs for youth camps

By tradition, Colruyt gives youth associations who do their shopping for camp there plenty of extras. On top of this, in the summer of 2020, they were also offered 19.000 free hygiene packs, containing facemasks, disinfecting gel and all-purpose cleaner.

In partnership with the Flemish government, 15.600 packs were distributed to Flemish youth associations. A first lot of 10.000 packs was reserved after just two hours online; our foodservice partner Solucious took care of the distribution. In Wallonia, Colruyt donated 3.400 packs directly to the five largest youth associations.

Ambassador for Belgian sheltered workshops

Colruyt was chosen as the first 'Ambassador of the Year' by Belgian sheltered workshops. This means that Colruyt regularly highlights sheltered workshops in 2021, with the focus on close collaboration and their specialities.

Colruyt has worked with sheltered workshops for more than thirty years. There are currently twenty partners employing around 300 people, including thirty on our sites. They put together beer baskets, pack products, maintain electronic price labels, etc.

Sheltered workshops are an important link in our supply chain since a quarter of all products in a shopping cart pass through the hands of one of their workers. For our part, we are glad to support the social economy and create sustainable, valuable employment.



Greater autonomy for employees

Since mid-2020, store employees have a greater say in their roster, which changes on a weekly basis. Via 'self-rostering', they can specify times at which they would prefer not to be rostered. This leads to a better work-life balance, as well as a better atmosphere at work, which ultimately benefits customers.



6 million sets of reusable grips

From June 2020, all customers received an exclusive set of removable and reusable grips. Customers simply click the grips onto their shopping trolley, so they do not need to touch it themselves. When they are done shopping, they can simply remove the grips from the shopping trolley.



More efficient communication

Features are gradually being added to the personal smartphones issued to every store employee in 2020, with a view to more efficient communication between them and better provision of information to customers. For instance, there is a chat function for sharing practical info such as rosters or article numbers and photos quickly and efficiently with colleagues. This does away with a lot of walking back and forth and separate notes on memo boards. Employees are also more available for customers and can help them more quickly with questions about reservations for example or show them product info such as the Eco-Score.

Retail alliance AgeCore

After seven years of close collaboration, German retailer Edeka and French Intermarché have decided to leave the international retail alliance AgeCore SA at the end of 2021. Together with Colruyt Group, Conad from Italy, Coop from Switzerland and Eroski from Spain will continue their successful collaboration. The remaining members of AgeCore and Edeka and Intermarché will continue to respect all existing agreements with suppliers as long as they remain in force. Most agreements run until the end of 2021, some until the end of 2022.

° More than **1 million** app downloads

👤 Approximately **600.000** frequent app users



Xtra is the joint loyalty card and app for more than ten Colruyt Group stores and webshops. Through it, customers can automatically take advantage of all current discounts and promotions for the various brands. Launched at the beginning of 2017, Xtra intends to grow into one of the best and most used personal assistants in Belgium.

Xtra is much more than just a loyalty card. Customers can easily find local stores, pay in-store and online, or fill up with contactless payment. They can also manage their data and newsletter preferences, track bills and spending, make and share lists and much more besides. Xtra is making the app popular with more and more customers, with new tools and services that make life easier:

- **Simple gift giving.** Customers upload a physical gift voucher and send it digitally to the lucky recipient, who simply cashes the voucher in the store or webshop. The app also sends a notification when the voucher is about to expire.
- **Keep in touch,** with the varied flow of news items. This channel avoids a mass of emails and letters, and easily reaches a large audience. That has been worth its weight in gold for informing customers rapidly about new measures for shopping safely during the coronavirus pandemic.
- **Conscious choices and eating,** with the new Product info tool. The user simply scans the barcode of a food product and can instantly see the ingredients, nutritional values, allergens, Nutri-Score and Eco-Score. Ideal for anyone wanting to keep track of food allergies and intolerances or vegan or halal lifestyles, for example.

Personal service

At Colruyt Group, we collect many customer insights via Xtra. These help us match our information, assortments and services as closely as possible to the personal needs and interests of our customers. We treat all customer data as strictly confidential information and act with the utmost respect for privacy. That means, for example, that we never sell customer data to third parties.

Towards one app for everything

From the end of 2021, Xtra will run on a brand-new platform with much more possibilities. Besides the Product info tool, Xtra will gradually integrate more features from the SmartWithFood app. The Collect&Go and MyColruyt apps will follow during 2022.



° 2000



221 collection points in Belgium and Luxembourg



More than 450 employees in FTE



We do the shopping for you



collectandgo.be

Collect&Go



Collect&Go has been the market leader in the Belgian online food market for over 20 years. Customers reserve their shopping via the website or app, choosing from the Colruyt and Bio-Planet ranges. Staff in the stores and the Zaventem and Erpe-Mere distribution centres carefully select the best products and prepare the order. Customers reserving before midnight can collect their groceries the next day from over 200 collection points at Colruyt, OKay, Bio-Planet or standalone. The online shopping service stands for quality, reliability, expertise and personal service.



On track for spectacular growth

- Collect&Go saw its revenue increase by more than 50% during the past financial year. Since the outbreak of the coronavirus crisis, the service has gained enormously in popularity. Existing customers ordered more frequently and in bigger volumes. They were joined by **140.000 new customers**, one fifth of whom were not yet known to Colruyt Group. Net customer gains remained constantly at a high level. Customer satisfaction fluctuated depending on the availability of collection slots, but was far higher than before the coronavirus crisis by the end of the financial year.
- Due to the sudden influx of orders in March 2020, Collect&Go decided to cut activities to one third for a few weeks, in order to be able to guarantee the necessary quality. After this, **capacity** was gradually scaled up, so that it almost **doubled** (to 90.000 orders per week) by the end of the financial year. This succeeded thanks to better use of infrastructure, expansion of collection slots, deployment of extra people and resources and more efficient cooperation between central services, stores and distribution centres.
- Around three quarters of orders are prepared in-store, the remainder in the Zaventem and Erpe-Mere distribution centres. Collect&Go will retain this **hybrid model**, in order to balance the workload between employees in stores and distribution centres.
- Collect&Go is currently mainly meeting the needs of customers who do big weekly shops online. Eventually it wants to offer more solutions, for smaller, **more frequent shops** too. The service is investigating all possible options for this, in terms of assortment and pricing and in terms of preparation, collection and (home) delivery of orders.



Londerzeel distribution centre

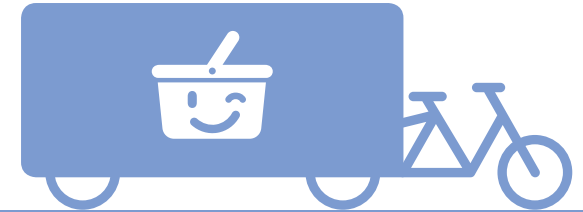
As planned, Collect&Go will move to a new 18.000 m² distribution centre in Londerzeel in the autumn of 2021. In the first phase, the service will use half of the area and the other half will become a test space for innovative supply chain solutions. After three years, the whole site will serve as a distribution centre for food delivery to Collect&Go collection points. Most of the employees in the current Zaventem distribution centre are moving to Londerzeel too, where it is planned to take on new staff as well.



Home delivery by neighbourhood couriers catches on

In May 2020, Collect&Go began a small-scale test of home delivery of shopping by neighbourhood couriers. Customers order online, Collect&Go.be prepares the order, a volunteer picks it up and delivers it to their home. The volunteer receives a payment of 7 euros from the customer for this, in line with the principles of the sharing economy.

Collect&Go connects couriers and customers and takes care of the practical organisation, including a courier platform on which people choose which orders they want to deliver. The service is now available at nine collection points in Halle, Bruges and Ghent.



First mobile collection point tested

At the end of 2020, an innovative, sustainable concept was tested, specially designed for ecologically conscious city people in search of time saving, nearness and inspiration. Via **Collect&Go City**, customers could order online and choose from 500 fresh products and ready meals from Colruyt and our startup Rose Mary. The order was prepared in the Colruyt store in Etterbeek and taken by cargo bike to another pop-up cargo bike next to the Flagey building in Elsene. Customers ordering before 5 pm could pick up their shopping just three hours later, on foot or by bike on the way home.

The test provided interesting insights into the typical requirements of urban customers.



More convenient ordering

From mid-2021, the **new website and app** make online shopping even easier and better value. Both have not only been given a thorough facelift, but now also offer customers handy new features. New filters and assortment names make it even easier to find products. Relevant campaigns and discounts are more clearly displayed. And sent reservations can still be changed later.



New promotions platform

DEALS!

A quality Belgian response to the growing demand for large quantities at a substantial discount. That is the idea behind the online promotion concept Deals!, launched at the end of March 2021 and offered by Collect&Go. Deals! has a separate platform and ordering process, separate from other online shopping. The launch met with a huge response in the press and on social media, with a reach of around three million people.

- Every week 10 to 20 strong promotions on large volumes of well-known branded products including pet food, care and maintenance products, paper products and baby items.
- The products are not available from other Colruyt Group formats because they vary (slightly) in terms of fragrance, taste or packaging. When it's gone, it's gone.
- Discounts of 50 to more than 60%.
- Offer for individuals, limited number of deals per person.
- Home delivery in Belgium within 2 to 14 days. The delivery charge of 3,99 euros does not apply to orders over 60 euros.



° 1985



Around 200 active customers



5.000 items



More than 40 employees in FTE



Bringing quality products to the world



colex-export.com



Colex (Colruyt Export) supplies retail and foodservice products to distributors, wholesalers and supermarkets all over the world, with a focus on the continent of Africa. The export department does especially well in Central and Western Africa and is also successful in French Overseas Territories. Colex offers a wide range of groceries, fresh produce and frozen food under Colruyt Group's private labels, supplemented by a peripheral range of A-brands. Colex also stands out due to its unique all-in export service and support for the customer in marketing the products.



Relocation to Willebroek

In order to facilitate further growth, Colex is relocating its logistics from Bornem to a new distribution centre in Willebroek in the autumn of 2021. An added bonus is that sea containers can be transported from there to the port of Antwerp by barge, eliminating the need for road transport. Based on around one thousand containers per year, this mode of transport prevents 80 tonnes of CO₂ emissions each year.

Easy to do business with



Colex wants to grow further with a focus on those countries in which it is already very active. With this in mind, the organisation continues to strive for reliability of service, combining its in-house expertise with the local partners' market knowledge.



Colex has begun product group management: tailoring a wide basic range to the requirements of each market, with fair pricing of each product.

Continued growth in Africa

- Colex achieved further **growth** during the past financial year, mainly in the Democratic Republic of Congo and Senegal, but also in Rwanda, Cameroon, Guinea-Conakry and Gambia. Growth also consolidated in the French Overseas Territories of French Polynesia, New Caledonia and Guadeloupe.
- In the Democratic Republic of Congo, Colruyt Group's discount brand **Everyday** is gradually taking on the allure of a national brand. Colex helps its customers there increase the visibility of the brand in their stores, via a combination of local campaigns and national media campaigns. In Senegal, together with a preferred partner, Colex ensures the presence of a sufficiently large stock, for permanent availability of goods.
- The export department constantly strives to strengthen **long-term relationships** with a small number of major customers in the focus regions. This enables Colex to integrate better into the local ecosystem and tap into the needs of each market more effectively.





° 1998



EUR 1.136 million combined revenue for OKay, Bio-Planet and Cru (+ 12,5%)



150 stores, including 139 OKay and 11 OKay Compact



400 - 650 m² average store area



4.500 items, up to **3.500** in OKay Compact



More than 2.300 employees in FTE



Fast, inexpensive and convenient



okay.be



For more than 20 years, **OKay** has been the handy neighbourhood store where customers can do their daily shopping quickly, inexpensively and conveniently. The easy-to-reach stores are conveniently laid out, with a balanced range in a compact area. OKay is strong in fresh products, including convenience foods, a range of ready-made dishes and bread baked on site. The store format stands for a warm welcome, guarantees the lowest prices in the neighbourhood and inspires its customers with simplicity and convenience.

OKay Compact has been the metro store concept since 2012. Fast, inexpensive and convenient shopping in the city centre.



Excellent financial year

- OKay had an excellent financial year. The revenue increase was driven by the opening of five new stores, strong promotional campaigns and behavioural changes as a result of the coronavirus crisis.
- Lockdowns, limited shopping times and compulsory working from home encouraged noticeably more consumers to opt for the **convenience** of shopping locally. Combined with lower visit frequency, this translated into an increase in shopping baskets by more than one third.
- OKay accelerated the renovation of its store estate. This not only creates a fresh, modern look and feel, but simplifies the layout for customers and leads to a smoother shopping experience. To foster local connections, a sensory garden has been created at three stores, available by appointment for organisations such as schools and youth associations.
- OKay also managed to keep its costs under control last year. The format intends to open four new branches each year for the next few years and sees potential for some 200 stores in Belgium.



- 3 new OKay stores in Courcelles, Oudenburg and Dessel
- 2 new OKay Compact stores in Saint-Gilles and Ghent
- 4 expansions and 3 refurbishments

Electronic price labels

In March 2021, OKay began installing electronic price labels in three stores, followed by a dozen stores in the autumn. National rollout is scheduled for early 2022.

Above all, the electronic labels lead to **efficiency gains**. Price adjustments are carried out rapidly centrally, store employees can focus more on their core tasks and serving customers.

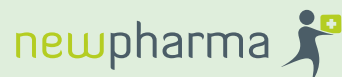
To enable them to work and communicate more efficiently, all store employees will eventually be issued with a **smartphone** as a communication device.

Satisfied customers

Since OKay has many fans among its loyal customers, it has consistently scored well in various satisfaction surveys in recent years.

- Voted 'Best Neighbourhood Supermarket' in the 'Salesforce Beste Winkelketen van België 2020-2021' (Best Belgian Retail Chain) awards.
- Winner of 'Proximity stores' subcategory in the GfK winter report. Second place after Colruyt in the general ranking, and once again first place for the criterion of 'customer-friendliness'.





Extra services

OKay is offering more and more services that people would like in their neighbourhood, on top of the existing offer, including the Bringme parcel box, stamps, bus passes and top-up cards, newspapers and magazines. Customers will now find a range of **National Lottery** products in all stores and can collect orders from the **Newpharma** webshop there (see p. 79). Through this service, OKay makes a wide range of parapharmaceutical OTC products more accessible. In addition, from mid-2021, stores will have a separate section for dietary supplements, first aid, skincare, coughs and colds.

Expanded assortment

In its assortment choices, OKay remains focused on convenience, speed, quality and flavour.

- New fresh packs, with all of the necessary (whole) ingredients for soup, Tandoori, vegetable risotto, etc.
- More choice in ready to heat, to eat or to cook, headed by the exclusive One Meal Box for two or four persons and the end-of-year festive menus, 8% more of which were sold at the end of 2020 than in 2019.
- Exclusive, high-quality range of 'Tapero' tapas, more exclusive wines, ...
- More regional touches depending on whether the stores are located in Flanders or Wallonia.



OKay Compact

- By the end of the financial year, the metro chain had eleven stores in the centre of four cities (Brussels, Antwerp, Liège and Ghent). OKay Compact is popular with local residents, commuters, students and passers-by for its lowest price guarantee, wide assortment in a compact space, tidiness and customer-friendliness. The extensive 'on the go' offer continues to perform well, particularly sushi and poke bowls.
- The chain intends to open three new stores each year, including in smaller town centres. The stores will have a modular design, depending on the layout, space available and the existing retail offer in the immediate vicinity.



° 2014



EUR 1.136 million combined revenue for OKay, Bio-Planet and Cru (+ 12,5%)



3 markets: Overijse, Ghent Kouter and Antwerp Groenplaats



650 m² average store area



850 items



More than 100 employees in FTE



Market every day



cru.be



Cru is a multi-experience market, for people who are passionate about food. Cru brings together ten artisan specialities under one roof, and offers a unique selection of fruit and vegetables, meat and charcuterie, fish and poultry, as well as cheeses, drinks, chocolate, sourdough bread and flowers.

Cru follows the rhythm of the seasons and offers authentic, 'ordinary' pure-tasting products that are extraordinarily good. Expert staff present the products in their purest form, ready to cook or pre-prepared.

Customers can taste the products at their leisure in the market, and enjoy breakfast, drinks, lunch and coffee in the adjacent **Cuit** eating facilities (Ghent and Overijse). Cru Groenplaats has an eating area for breakfast and snacks.

Webshop orders can be delivered to home or collected from the market.





Substantial revenue increase

- Cru achieved a substantial increase in revenue during the financial year. Shopping frequency declined slightly, but baskets grew spectacularly. Due to the closures of hospitality, more cooking took place at home and consumers tended to treat themselves to fine food from Cru as an alternative to dining out in a restaurant.
- This was certainly the case in the record month of December 2020, when Cru inspired its customers with a sophisticated end-of-year range, ready-made or for them to prepare themselves. Customers received expert guidance from Cru's own festive coaches and could collect their reservations from the market themselves or have them delivered by (bicycle) couriers.
- Cru is particularly pleased with the results achieved, in view of the difficult circumstances. The Cuit eating facilities remained closed for long periods and numbers of day trippers and passers-by fell sharply in city centres.
- The three markets generated the extra revenue with the same workforce and managed to keep their costs under control.

Growing brand awareness

The Cru markets are seeing their customer base growing, and the brand rings a bell with more and more people. A study on this awareness showed that Cru is recognised by around 15% of respondents in provinces with a branch. In view of this, the format wants to expand and is planning a fourth market in Dilbeek at the start of 2022.

Comprehensive webshop

Shortly before the end of 2020, Cru launched a comprehensive webshop, with the full range, clearly divided per speciality. Customers who reserve online by 12 noon can collect their order from the market the next day at no additional cost. Those within an approximate 30 km radius of the market can also opt for home delivery, for a fixed delivery charge of 15 euros. Deliveries in the city centre take place by cargo bike.


Celebrating with Cru

Cru makes the most of celebrations such as Christmas, New Year, Easter and Valentine's Day. Customers put together their menus themselves, from a choice of starters, mains and sides, desserts and drinks. In addition, Cru generally offers five **gift boxes** and a breakfast box on Sundays, an ideal treat at any time of year.





° 2001

 **EUR 1.136 million** combined revenue for OKay, Bio-Planet and Cru (+ 12,5%)

 **31 stores**

 **650 m²** average store area

 **6.000** items

 **More than 500** employees in FTE

 **Truly good**

 **bioplanet.be**



Bio-Planet is a 20-year-old supermarket offering organic and eco-friendly products, now with more than 6.000 items. Highlights include the fresh food market and the self-service counter offering a quality range of meat, cheese, vegetarian products and ready-made dishes.

Under the slogan 'Truly good', Bio-Planet inspires its customers to eat, enjoy and live consciously. Highly trained staff are there to advise and assist customers in stores. Bio-Planet plays a leading role in making products more sustainable, working closely with growers and producers. It makes maximum use of sustainable materials and technologies in its stores as well.



- 31 stores
- Opening Sint-Denijs-Westrem in March 2022. Then 1 to 3 new stores every year
- Potential for fifty stores in Belgium
- 134 collection points for online orders (7 in-store and 127 at Colruyt)

Online on the rise

- Online sales generated via the Collect&Go platform grew strongly. To support this activity, towards the end of the financial year, Bio-Planet started a test with seven **Collect&Go collection points** in its stores (before this, orders could only be collected from 127 Colruyt stores). The goal is for all stores to have a collection point by autumn 2021.
- As of mid-2021, customers can simply forward their shopping list compiled on bioplanet.be to the new Collect&Go website.
- The redesigned bioplanet.be website has been given a new look, highlighting the assortment, promotions and recipes. The site is attracting more visitors than before.

20 years young

In 2001, Bio-Planet opened its first store, in Kortrijk. To celebrate its twentieth birthday, the chain is planning plenty of events and campaigns in 2021.

Trusted name



Bio-Planet recorded strong sales growth last financial year, thanks partly to the influx of new customers, and more generally a bigger and broader basket per customer. This illustrates that the format is increasingly perceived as a **supermarket** for all daily or weekly shopping, including quality fresh bread.



This perception was heightened partially by the coronavirus crisis, when more and more consumers came to see Bio-Planet as a **trusted** name. Even at peak times, the supermarket could guarantee a pleasant shopping experience and sufficient product availability.



Bio-Planet has also benefited from the **sustained pricing policy** in recent years, to make organic widely accessible. A competitively priced basic assortment encourages customers to come and shop more regularly on a weekly basis. In addition, Bio-Planet is increasingly engaging in bold promotions, announced in both the ordinary leaflet and the special Boost leaflet.

Innovative store concept raises the bar

The totally new store concept excels in sustainability and customer-friendliness. It was premiered at Eigenbrakel at the start of 2021, where many innovations are being thoroughly tested. After possible refinement, it will be rolled out further from 2023.

- Separate **greenhouse** for fruit and vegetables, with the best storage conditions without using extra energy.
- Own **bakery**, with ten types of bread baked daily.
- New assortment of artisan **pastries and cakes**, handy to take away in compostable boxes.
- Fitted out with **circular panels** made of recycled wood and plant-based waste.
- **Recycling hub** for used batteries, Brita filters and plastic film.
- Introduction of **shopping baskets** in addition to carts. Made from recycled ocean plastics such as used fishing nets.
- Bigger service counter with fifty kinds of **pre-packed** meat and cheese. Ideal for anyone who wants to shop quickly or keep their products longer.

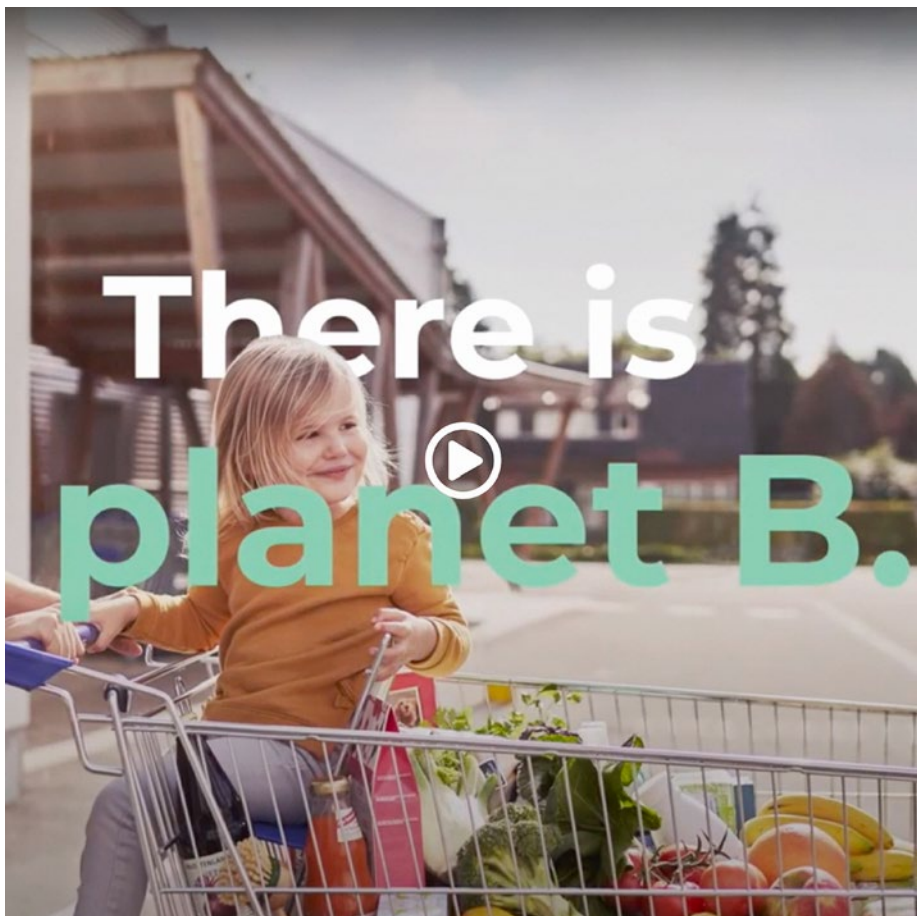


More bulk products

Bio-Planet continues the path of shopping with less packaging, where customers fill their own containers or bags with bulk products. The store at Eigenbrakel is pioneering three varieties of loose coffee beans and a filling station with three cleaning products. As in Corbais, customers can also find 25 kinds of nuts, cereals and dried fruit in bulk there.

Branding campaign goes down well

Bio-Planet continued the 'There is a Planet B' campaign launched at the end of 2019. Inspiring videos on themes such as health, ecology and pure flavour were released in three waves online, on social media and on TV. The campaign was positively received and increased brand awareness among the general public.



New to the assortment

- Organic **flowers** and **plants**, headed by Belgian strawberries and Dutch tulips.
- Organic **wheat flour** from Belgium, a more sustainable alternative to foreign products.
- As well as plenty of '**truly good**' products, from vegan cheese to top Romanian wines and fresh North Sea shrimps peeled in the Netherlands, free of preservatives.



Partner of drought study

Bio-Planet is the proud partner of the large-scale Flemish study 'CurieuzeNeuzen in de Tuin' by the University of Antwerp and De Standaard newspaper. 5.000 citizens place a sensor in their garden to track drought and heat. In return for taking part, they receive a 20-euro voucher for Bio-Planet, which is itself installing several sensors at its stores.



° 1996



EUR 566 million revenue (+1,6%)



91 stores, 90 Collect&Go collection points



750 to 1.000 m² average store area



9.000 food, 2.500 non-food items



More than 1.950 employees in FTE



42 DATS 24 filling stations



Tout simplement l'essentiel



colruyt.fr

colruyt
prix · qualité

Colruyt Prix-Qualité is a clearly laid out neighbourhood supermarket where customers can find everything they need for their daily and weekly shopping. The stores offer the best value in the neighbourhood for a similar shopping cart, and are strong on fresh produce, meat, charcuterie and bread. Other strengths include the wine section and the growing range of organic, regional and local products.

Almost all stores have a Collect&Go collection point and around half of them a DATS 24 filling station as well.

The contribution of the DATS 24 filling stations is included in Colruyt Prix-Qualité's revenue.



Revenue and brand awareness on the rise

- Colruyt-Prix Qualité's revenue has risen steadily, thanks partly to a larger influx of customers and higher spending in existing stores, partly to the opening of four new stores. This trend was also noticeable in regions where the format was less well-known.
- The combination of proximity, a full range and low prices was more popular than ever, driven by long periods of restrictions on movement, closed hospitality and working from home en masse due to the coronavirus pandemic. In the regions in which Colruyt operates, it outperformed the market, and made strong gains in market share and awareness.
- The online shopping service **Collect&Go** managed to more than double its volumes, without disrupting normal shopping activity. The service is investing further in processes and systems to optimise both the ordering process and order processing.
- Due to the travel restrictions, **DATS 24** experienced a sharp drop in revenue. However, profitability held up. In general, our French retail activity managed to keep its costs constantly under control and improve its profitability.



- 4 new stores: Belleville-en-Beaujolais, Saint-André-les-Vergers, Saint-Étienne and Uxegney
- 1 relocation (with hot bakery) and 2 renovations (with bake-off point)
- By mid-2021 all three stores in the Paris region will be sold
- Ongoing focus on **expansion in North-East** France, with the first stores in Alsace in 2021 and then 5 to 8 new stores each year

Proximité et Prix bas

Under the motto 'Proximité et Prix bas', Colruyt continues to highlight its low prices, lower than French consumers are used to from a neighbourhood supermarket. Customers get the lowest price in the area for comparable products of national brands. Colruyt also offers the **best value for money** for the total shopping basket of own brands, fresh produce and meat.

- Each week, one million prices are compared.
- Colruyt compares with all retailers in the perimeter, including large hypermarkets or hard discounters.
- There is no difference between the prices in the physical store and the online prices for Collect&Go.

A well-balanced assortment

Colruyt has the right assortment for shopping every few days, and for bigger weekly shops. The neighbourhood supermarkets also foster local connections and short supply chains, including via a growing range of regional products. At the same time, attention is paid to logistical efficiency and simplicity of the assortment.

Colruyt actively works to make the assortment more **sustainable**, with respect for the environment, animal welfare, etc.

All stores have a **butcher's department**, nearly all with service. The service counter has become smaller and self-service with fresh pre-packed products larger.

Every year, five stores are given a 'point chaud' to bake off bread. When larger stores are refurbished, a hot **bakery** is usually added.


Gondreville distribution centre operational

- At the end of the financial year, Colruyt brought a brand new 12.000 m² distribution centre into service at Gondreville (near Nancy), mainly intended for fresh produce and fast-moving dry goods. Around a third of all Colruyt stores, mostly in the Grand Est region, are supplied from Gondreville. The first deliveries took place in mid-April and the site was 100% operational from mid-May.
- The new site reduces transport times and makes supplying stores more efficient and eco-friendly.
- Planning permission has also been applied for the construction of a new headquarters and 25.000 m² distribution centre near Dôle. Colruyt plans to bring this site into service in mid-2023.
- Overall, logistical capacity will double by 2023, enabling the further expansion of the store estate.





° **1994**, acquisition of Droomland, renamed Dreamland in 2002

 **EUR 348 million** combined revenue for Dreamland, Dreambaby, Bike Republic and The Fashion Society (+ 37,6%) ⁽¹⁾

 **47 stores**

 **1.600 m²** average store area

 **60.000** items offline and online

 **More than 850** employees in FTE

 **[dreamland.be](https://www.dreamland.be)**

(1) Including The Fashion Society from August 2020



Family and seasonal store Dreamland has an extensive range of toys, outdoor toys, garden furniture, school supplies, multimedia and gaming, children's bedrooms, books, comic books, etc. Dreamland wants to inspire children and their parents to have fun connecting. The format consists of physical stores and an online shop.

Customers can collect their online reservations from a Dreamland, Colruyt or OKay store or from a Collect&Go collection point. Home delivery is also an option. Dreamland is the market leader in toy sales in Belgium, both offline and in the webshop.

Dreamland's online revenue is included in the store format from where the goods are collected.

Strong online growth

- Dreamland performed better than forecast last financial year, partly due to the opening of two new stores and strong online growth. When the stores were completely closed for two months from mid-March 2020, sales moved en masse to the webshop. Online sales (with home delivery) largely offset the loss of revenue from the closed stores. The Click&Collect service was ready to be rolled out in all stores in good time for the second closure period in November 2020. This remained available during the third wave of coronavirus from March 2021, when it was also possible to shop by appointment.
- Customers bought larger quantities on average and the number of items per online order doubled.
- In a slightly increased toy market, Dreamland managed to considerably **strengthen** its **position** as an omnichannel player, partly due to a further thinning out of the competition. This resulted in a further increase in market share for toys.
- Dreamland aims to continue to open one or two new stores each year.



- 2 new stores: Sambreville and Hasselt
- 1 total renovation: Waterloo

On- and offline, a perfect match

- DreamLand continues to focus on an **omnichannel** strategy, a combination of 'clicks & bricks', which complement and reinforce one another. The webshop offset the store closures and customers quickly found their way back to the stores afterwards.
- Ten years after its launch, dreamland.be has grown into the **largest toy webshop** in Belgium. In 2020, the site was visited 38 million times, or 150% more than in 2019. Various review scores show that customers are highly satisfied with the online purchasing and delivery process.
- The **Click & Collect** service launched at the end of 2019 uses the webshop as a digital store window for the physical stores. Customers reserve items online from stock and can collect them in-store three hours later. After a huge peak during the second closure (due to COVID-19), around 10% of customers continue to opt for this service.



Vast network of collection points

One of the main assets of Dreamland.be is the combined network of collection points at more than **400** Dreamland, Colruyt and OKay **stores**. Customers can pick up their purchases while doing their shopping.

This network allows Dreamland to operate **more sustainably** than the average webshop. As orders travel with the daily store deliveries, this requires less transportation and packaging.

On average, around two thirds of online customers opt for **collection**. That number rose during the first lockdown, when all parcel services experienced long delays, while the smooth flow to the collection points was still guaranteed.



24.000 children videocall with St Nicholas

At the end of 2020, Dreamland came up with a safe, digital alternative to the annual visit of St Nicholas to stores: a personal online video call with the holy man himself. 14.250 calls were arranged, so that more than 24.000 children could talk to St Nicholas. This technological feat met with an enthusiastic reception from children and parents.

The striking, inclusive St Nicholas campaign 'Pak je dromen uit' (Unpack your dreams) won a bronze Effie Award, a prestigious award for marketing communication. Dreamland also won two prizes at the Creative Belgium Awards for the most innovative creations.

New store concept under preparation

Dreamland constantly tests a range of innovations in the layout of new stores. For instance, in Sambreville, there was central routing with the assortments arranged in 'worlds' on either side. The collection point is at the front of the store, with a separate checkout for customers who are not doing any other shopping. Initial sales results are positive and demonstrate the potential of the store.

The best elements of all recent stores will be incorporated in the development of a totally new store concept to be trialled in 2022. That promises even more inspiration and experience, with profitability in mind.



Innovative services

Dreamland wants to be more than just a product retailer and is gradually offering more and more additional services.

DreamBuddy. An online tool that helps customers pick the perfect gift. With an online wish list, they can share gift tips with friends and family.

Birthday parties. Trial concept 'My Dream Party @Home', a box containing all you need for a birthday party, in various themes, including an entertainer if desired. Following a trial with a hundred boxes on sale from May 2021, the possible rollout is planned for the end of September.

Kangourou goes green

Dreamland wants to become a benchmark for sustainability with its Kangourou own brand. By the start of the new school year in 2021, the range of satchels for primary school will be made from 100% recycled PET. By September 2023, ranges for toddlers and teenagers will be added.

NEWSTORY
eersteklas tweedehands

85% actually sold

Dreamland and Dreambaby have their own platform in the second-hand market, where individuals can buy and sell baby and children's items. Potential sellers bring items meeting certain requirements to a collection point (three stand-alone and 11 in Dreamland stores). NewStory puts the items on the online platform. The seller receives 75% of the selling price in the form of a Colruyt Group voucher. 85% of items offered are actually sold.



° 2001



EUR 348 million combined revenue for Dreamland, Dreambaby, Bike Republic and The Fashion (+ 37,6%) ⁽¹⁾



30 stores and
6 shops in Dreamland stores



600 m² average store area



8.000 items instore and online



More than 300 employees in FTE



The best start for you and your baby



[dreambaby.be](https://www.dreambaby.be)

(1) Including The Fashion Society as from August 2020



Dreambaby is the largest national player in the Belgian baby market, with a quality, wide and competitively priced offer for babies and toddlers up to 30 months. The physical stores and the online shop offer a choice of most major brands and the own brand Dreambee. Baby gift lists, which customers can put together and manage online and instore, are very popular. Online reservations can be collected from more than 400 collection points at Colruyt and OKay, or delivered to the customer's home. Dreambaby stands out through its personal guidance and advice from experienced staff.

Dreambaby's online revenue is included in the store format from where the goods are collected.

Satisfactory result

Last financial year, Dreambaby recorded a satisfactory result, despite a slight fall in the birth rate and the negative impact of the coronavirus pandemic. The physical stores experienced a lower frequency combined with a higher basket. In-store sales fell slightly, while online sales grew strongly.

During the two months of compulsory closure from mid-March 2020, sales shifted to the webshop. Dreambaby offered free delivery of all reserved and paid-for goods from active baby gift lists. During the second closure period at the end of 2020, many customers made use of the online reservation and collection service Click&Collect. From March 2021, the stores were officially classed as 'essential' and remained open as usual.

Throughout the year, Dreambaby more than ever managed to play its role as a committed, **reliable** and **solution-oriented partner**, for example during video calls with customers. Besides the contact with employees, customers also appreciated the nearness and security of the network of 30 stores and more than 400 collection points.

The new store in Ben-Ahin was the first to showcase the partially redesigned store concept, with more warmth and colour and a clearer layout. Its instant success reinforces the baby specialist's belief in physical stores.

In an altered competitive landscape, Dreambaby managed to strengthen its position.



- 1 new store in Ben-Ahin (Huy)
- Future openings planned in La Louvière, Hasselt and Zaventem



Constantly changing assortment

- In the last few years, Dreambaby has introduced innovation in the assortment several times a year, instead of the previous bigger wave of innovation in November or December.
- The assortment for mums (to be) was expanded to include more trendy items and was given a more prominent place in the stores.

Marriage between physical and digital

Dreambaby strengthened its expertise and communication in e-commerce, and notices a closer interplay between physical stores and digital channels. During the compulsory closures, customers quickly found their way to the webshop. Afterwards, they headed back to the physical stores just as quickly, but the webshop and the Click&Collect service still performed well.



ColliShop

Webshop stops, network of collection points continues

In November 2020 we completely stopped the sale of around 24.000 non-food articles via the Collishop webshop. The reason for this is that, in the highly competitive non-food market, further **specialisation** is necessary for sustainable growth. Colruyt Group continues to believe in a **multichannel approach** and continues to invest in both physical stores and webshops as well as digital applications. We continue to capitalise on a number of strengths of Collishop:

- Sale of the bed & bath range via our online textile specialist MyUnderwear24. The cooking & dining range found a place in Colruyt's non-food aisles.
- Our network of more than 400 in-person **Collishop collection points** in Colruyt and OKay stores for the collection of online orders from Dreamland, Dreambaby, First-class Wines and since February 2021 Newpharma too.
- B2B service from **Collishop Professional** to businesses (mainly gift vouchers) and nurseries.


Following the closure of Collishop.be, the distribution centre in Pommeroeul shut in the autumn of 2021. All non-food logistics are centralised at the distribution centre in Lot, which will increase **logistical efficiency**.


All Collishop employees are redeployed within the group.

Collishop's revenue up to and including November 2020 was allocated to the store format from which the orders were collected.




° **2019:** acquisition of Fiets! by Colruyt Group, renamed Bike Republic in 2021

 **EUR 348 million** combined revenue for Dreamland, Dreambaby, Bike Republic and The Fashion Society (+ 37,6%) ⁽¹⁾

 **15 stores** with showroom and workshop, including 5 with a large sports range

 **800 to 1.200 m²** average store area

 **More than 5.000 bikes permanently** in central stock. Choice of more than 1.600 bikes, accessories and items of clothing

 **More than 90** employees in FTE

 **Cycling along with you**

 **bikerepublic.be**

(1) Including The Fashion Society as from August 2020

Bike **REPUBLIC**

Bike Republic is a leading player in the sale of branded bikes, cycling clothing and accessories and makes around three quarters of its sales from e-bikes. The wide range covers twenty top brands, including own brand Hiron. As a constant *compagnon de route*, Bike Republic wants to bring pure biking fun to as many people as possible, from commuters to leisure cyclists and sportspeople. The cycling specialist excels in accessibility, through its attractive stores, user-friendly website and easy contactability via live chat, phone and social media. Bike Republic also stands out through first-class service: experts offer both individuals and companies sound advice, an excellent after-sales service, maintenance in its own workshops, bicycle insurance and so on.

Strong performance

- Bike Republic has had a strong financial year. While the stores were closed for two months from mid-March 2020, online sales enjoyed a substantial boost. The company accelerated the development of services such as remote selling, live chat, home delivery of new and refurbished bikes and home repair service. As a result, it still managed to achieve a substantial amount of the planned revenue during the first lockdown. During the subsequent lockdowns, customers could use the Click&Collect service: reserve online and collect from the store or have it delivered to their home.
- Bike Republic benefitted from the rediscovery of cycling by the general public, for both recreation and commuting. By the summer of 2020, all lost store revenue was made up and sales remained at a high level throughout the year. Sufficient stock meant that the right bike could be supplied to almost every customer.
- The organisation is gradually integrating further into Colruyt Group and has already entered into cooperation agreements with technical and recruitment departments, for example.
- Bike Republic intends to open five new stores each year for the next few years, including in Brussels and Wallonia. Eventually it wants to double its store estate.



- 3 new stores: Diksmuide, Dilbeek and Ghent Dampoort
- 2 relocations: Kuurne and Ghent Rooigem
- Opening Oudenaarde in April and Grimbergen mid-2021



New name, concept and story

- At the beginning of March 2021, the Fiets! chain was renamed Bike Republic, identifiable to both Dutch and French speakers. Bike refers to the product, which remains central. Republic stands for togetherness, the community around cycling experience and fun.
- The new store concept has been rolled out in three new stores and the others are gradually being converted. The design is influenced more strongly by **pure cycling fun** and guides customers more clearly through the range.
- Communication is now geared to customers' needs and speaks directly to them.
- The uniform rebranding helps Bike Republic evolve from a historically grown network of stores with their own offer into a bike retailer that guarantees customers the same experience and service everywhere. This ambition is also central to the further development of partnerships with suppliers, leasing companies, insurers and so on.



Compagnon de route

Bike Republic wants to constantly ride alongside its customers as a trusty companion. Hence its ongoing focus on accessibility, with a larger store network, a wide assortment of bikes and accessories and a broader range of services, during and after sales. The brand adopts an omnichannel approach here. Customers can ask for advice or book an appointment online and easily find and order the right model of bike in the right size. In the actual stores, there are digital and touchscreens to browse the assortment.

Service at work

Bike Republic wants to inspire companies and their employees to opt for a company bicycle, via various tailor-made leasing and purchasing packages. Companies can count on a total service, including advice on procurement, tax advice, cycling proficiency courses, maintenance and repair in the workshop or on site.

An expert team

The new 'Bike Academy' brings together all education and training to increase the expertise of staff, with the focus on product, service and customer centricity. The training centre develops face-to-face and online packages for onboarding and coaching of new and existing colleagues, from both sales and the service centre. Since there is a shortage of technicians, two workshops are provided for technical training in the new store in Grimbergen.





° **2020:** Colruyt Group increases its stake from 68% to over 96%



EUR 348 million combined revenue for Dreamland, Dreambaby, Bike Republic and The Fashion Society (+ 37,6)⁽¹⁾



116 stores of ZEB, PointCarré, The Fashion Store and ZEB For Stars



1.000 m² average store area



Average 7.500 items annually



More than 700 employees in FTE



zeb.be
zebforstars.be **pointcarre.be**
thefashionstore.be

(1) Including The Fashion Society as from August 2020

FS
FASHION SOCIETY

- The Fashion Society groups together four retail chains for women's, men's and children's fashion, mainly active in Belgium but also in Luxembourg and France. This involves out-of-town destination stores, with a focus on customer satisfaction.
- The four store concepts are aimed at distinct target groups, covering a large proportion of the fashion market.
- ZEB is designed for confident, fashion-conscious customers seeking inspiration. Family stores PointCarré and The Fashion Store target trend followers and are strong on personal advice while ZEB For Stars focuses on hip kids aged from 0 to 16.





- 71 stores
- New stores in Waremmes and Couvin
- Potential for more than 100 stores in Belgium

ZEB continues to focus on an on-trend range, including co-creations with well-known names. These include TV phenomenon Olga Leyers (first collection), French-speaking influencer Aurélie Van Daelen (second) and cycling star Remco Evenepoel (third).



- 5 stores

Due to the cancellation of first communions and festivals in the spring, sales of occasion wear dropped. ZEB For Stars responded agilely and shifted the focus from luxurious outfits for special events to clothing for every occasion. That partially offset the loss of revenue.

The chain offers the second collection by CEMI, well-known influencers Céline Dept and Michiel Callebaut, as an exclusive.

ZEB For Everyone

In February 2021, together with Hart voor Handicap, ZEB launched an initiative to offer people with disabilities a better shopping experience. After surveys and panel discussions with experts with practical experience, ZEB drew up an action plan for making stores more accessible, with extra parking spaces, wheelchair-friendly toilets, online apps for the visually impaired and training to help employees understand the situation of people with disabilities. The action plan received a great deal of attention in the media.



THE FASHION STORE

- 13 stores
- New stores in Dendermonde, Rijkevorsel and Couvin

The Fashion Store found that it was mostly the older customer group that stayed away. This was mainly apparent from lower sales in brands popular with the over 75s.

PointCarré

- 12 own stores and 15 franchise stores
- 1 new franchise store in Briey in France, half an hour from Kortrijk.

In April 2020, PointCarré launched a new webshop that is doing well. The chain is focusing on further growth in Wallonia and France, where the new store concept is especially popular. PointCarré intends to achieve this growth via franchising in the first instance.



MyComfort24 is the new name of MyUnderwear24, which has been the largest Belgian webshop for underwear, nightwear, hosiery and swimwear from leading brands for more than 10 years. MyComfort24 is more representative, since the webshop took over the bed linen and bathroom textiles assortment of the closed Collishop at the end of 2020. MyComfort24 then launched its new webshop in a fresh house style with the baseline 'Bed. Bath. Underwear. Always good.' The expansion of the assortment and the sharp increase in online shopping led to strong revenue growth last financial year.

An eventful year



The fashion group suffered severely from the coronavirus pandemic, especially the 3,5 month store closure and outside this the quasi-permanent restrictions on shopping, which hampered shopping for fun. During the closure in March/April 2020, the majority of employees were furloughed, while others continued to work in the stores preparing online orders.



After the first lockdown in the spring of 2020, customer visits slowly picked up. A telephone survey revealed that the main fear was of busy places, after which stores began trialling **private shopping** (by reservation) or personal shopping (with personal advice, by appointment). Following positive feedback, this system was rolled out nationally.



When shopping in person revived in the summer months, the four formats significantly outperformed the market, thanks partly to strong promotions and increased, mainly digital communication. After a difficult month in December, the fashion group managed to limit losses somewhat during the sales at the beginning of 2021.



A small part of the revenue loss was recouped via **online sales**. These peaked during the lockdowns and grew by more than 150% year on year, requiring extra logistical effort. The group expects that a large proportion of the extra online volumes will shift back to the stores after the coronavirus pandemic, but that online sales will also remain at a higher level than before.



The group remains committed to a multichannel approach and continues to focus on relevance to customers and sustainable growth.



In August 2020, Colruyt Group increased its stake in the fashion group from 68% to meanwhile 98% and, as a result, the group is fully consolidated since August 2020. At the end of January 2021 the group name was changed from Fraluc to The Fashion Society, with a new logo as well.

Participating interests



° Since December **2017**
Stake: **26,0%**

Newpharma is the **largest Belgian online pharmacy**, with more than 1.700 brands and 40.000 OTC products at reasonable prices. A team of ten pharmacists screens orders and sends customers advice about products ordered, for instance in conjunction with previous purchases.

During the 2020 financial and calendar year, Newpharma managed to win **many new customers** and achieve even stronger revenue growth. Sales peaked in the spring of 2020, due mainly to massive demand for hygiene and health products, in response to the coronavirus pandemic.

To facilitate future growth, the company will bring a new 20.000 m² distribution centre in Liège, owned by Colruyt Group, into service in July 2021.

Newpharma focuses on international growth in neighbouring countries the Netherlands and France, as well as in Switzerland. Accordingly, it adapts its assortments, price and promotion policy more closely to local markets.

Synergy with Colruyt Group

Newpharma is developing synergies with various Colruyt Group store formats in 2021.

- Since February customers can also collect their Newpharma pack from around four hundred **Collishop collection points** in Colruyt and OKay stores.
- Since May, a care range for babies and mums is on the shelves of the thirty **Dreambaby** stores.
- From the end of 2021, Newpharma also wants to introduce a range in **Colruyt** stores.



° Since August **2019**
Stake: **23,7%**

French company Scallog specialises in robotisation of order-picking in logistics centres. Although business declined temporarily in 2020 as a result of the coronavirus pandemic, order books have since filled up again. Scallog continues to invest in R&D to optimise its offering and works closely with Colruyt Group.

- Pilot project at Newpharma's new distribution centre, for automatic picking of 3.000 items, with a view to more accurate picking and a substantial productivity gain.
- Test project at the new distribution centre of our online shopping service Collect&Go.
- Scallog prospects in the French and international markets, while sales experts from Colruyt Group approach the Dutch-speaking market.



° **2003** Spar Retail, in **2014** renamed
Retail Partners Colruyt Group

211 Spar stores



64 Alvo stores

89 unaffiliated clients,
including **24** Mini Markets



More than 800 employees in FTE



Doing business together is growing



retailpartnerscolruytgroup.be

RETAIL PARTNERS³ COLRUYTGROUP

Retail Partners Colruyt Group is the licensee of the Spar formula in Belgium and works closely with the independent Spar storekeepers. Besides supply and assortment management, the organisation also takes care of the commercial policy, from pricing and promotion policy to marketing and sales support. RPCG has a unique consultation model, in partnership with the elected delegation of entrepreneurs. Together they shape the look of the stores, range, commercial focus and the future of Spar Colruyt Group.

RPCG also supplies fresh products and groceries to independent storekeepers from Alvo and unaffiliated clients.





Excellent financial year, supply secured

- Retail Partners Colruyt Group had an excellent financial year. The revenue increase was largely driven by changing purchasing behaviour as a result of the coronavirus pandemic, where Belgian consumers tended to shop close to home, including for big shops.
- The newest Spar Colruyt Group stores led the way, with individual revenue increases of easily a quarter over the whole financial year. At the same time, RPCG saw deliveries to Alvo stores and unaffiliated clients increase substantially.
- Despite the sudden and significant volume increases, RPCG managed to maintain its deliveries and service to the independent storekeepers at a high level throughout the year. To this end, the distribution centre in Mechelen took on many extra temporary staff from March 2020, as well as a night shift until past the end of the financial year.
- RPCG is convinced that the new customers will continue to find their way to Spar stores, in view of the greater awareness and increased homeworking.

Profitable business model

- RPCG saw interest in becoming an independent storekeeper grow last year and continues to look out for **new storekeepers**, including for the 2 stores it temporarily operates itself. Last year, four stores in the portfolio were taken over by independent storekeepers. In essence, candidates can count on a profitable business model with a broad range of support services and advice.
- The Spar franchise model offers the store operator the best of both worlds: far more scope for **entrepreneurship** than a hard franchise and considerably more **support** than a pure logistical partnership.
- RPCG works more closely with partners within Colruyt Group, due to higher quality, efficiency and effectiveness throughout the chain and **better service** to storekeepers. For example, there is close cooperation in operational procurement and optimisation of underlying processes and systems. In addition, RPCG now uses the same IT platform for the grocery supply chain as other Colruyt Group food brands.



211 stores, including 169 in the Spar Colruyt Group format



350 - 1.800 m² average store area



mijnspar.be



Spar Colruyt Group is the friendly neighbourhood supermarket for daily grocery shopping and offers a strong range of fresh products, personal service and competitive prices. The independent storekeepers add their own touches with their expertise and local specialities. Spar inspires with the free magazine KOOK and is famous for the weekly Top Deals with 50% off. Most stores open on Sunday (morning).

Spar was founded in the Netherlands in 1932 as the first cooperative of independent retailers. With more than 13.300 member stores in 48 countries, Spar International is now the food distributor with the largest number of stores in the world.



Recipe for success

- Last financial year, 5 Spar stores underwent a total **remodelling**, often combined with expansion. That requires considerable investment, but the storekeeper can count on technical advice, sales and marketing support and a partial loan. Stores meeting a number of criteria (such as automatic stock management) also receive the Colruyt Group signature on the front.
- The profitability of the Spar storekeepers remains among the best in the market. The new and remodelled Spar Colruyt Group stores in particular are recording **above-average results**, which inspires RPCG and the storekeepers to accelerate the renovation process. By the end of the financial year, 45 stores had been given a new look, with the goal of 65 stores by the end of March 2022.
- The new stores generally have a professional kitchen, for preparing home-made specialities, according to centrally provided and own recipes. Close to the entrance, there is often also a bakery department with its own proving cabinets for ultra-fresh bread products.
- To generate enthusiasm among storekeepers for the format, a virtual Spar Colruyt Group store was developed, that offers visitors an authentic shopping experience.
- In mid-2021, RPCG will open a physical mock-up store at the headquarters in Mechelen. Both employees and (prospective) storekeepers can discover innovations, find inspiration or take training there.



- 9 new stores
- 5 renovations
- 6 closures
- 6 new stores and 14 reopenings in 2021/22



Dynamic relationship with storekeepers

RPCG is developing various levers to strengthen the partnership with the independent Spar storekeepers.

- Further expansion of the vertical sales organisation, with regional business consultants to provide financial and economic support and specialist consultants for butcher, fruit and vegetables, bakery, etc. Together, they provide more coordinated and **targeted support** for the storekeepers.
- Accelerated development of alternative **digital** communication channels with storekeepers.
- Wider service, with more support for the relationship between storekeeper and end customer (**B2B2C**).
- More **engagement** with representatives of RPCG and storekeepers via the modernised Future board. The strategy targets added value for the storekeepers, through the development of new services and (digital) tools, for example.

Innovative assortment

- For the second time, Spar stores could sign up for complete **festive menus** for the end-of-year period, including communication materials. 109 participating stores sold a total of more than 6.000 menus, an increase of more than 200%.
- Together with storekeepers and suppliers, Spar Colruyt Group developed an alternative to the traditional end-of-year tasting in-store. In December 2020, 83.000 customers received a hugely popular 6-item **tasting pack** on presentation of Xtra.
- In **fresh** the cold meat and sushi ranges in particular were optimised. The **deli section** stands out with new, healthier recipes and redesigned packaging.
- Updated offer of **flowers & plants**, generating 40% revenue growth.
- More **organic** in all food categories.
- In 2021, all Spar products will display the **Nutri-Score** on the packaging.

Appreciation for healthcare workers

To mark 'Healthcare Day', Spar gave out 2.200 packs containing thank-you cards and bakery products to all staff of AZ Sint-Maarten hospital in Mechelen. The nice gesture was greatly appreciated.



62 stores install defibrillator

Following a successful crowdfunding campaign in the spring, during 2021, more than 60 Spar stores have installed a brand new automated external defibrillator (AED) on their front, permanently available to all local residents. The purchase of the life-saving devices was funded by the stores and customer donations.

Digital end-of-year trade fair

The end-of-year trade fair in September is the ideal annual meeting point for RPCG, storekeepers and suppliers. In 2020, a fully-fledged alternative was devised to help storekeepers engage with the end-of-year range, including an inspiration brochure, a tasting box, 10 online inspirational videos co-created with suppliers, and personal explanations by business consultants. All of this led to good advance sales of new items.

More intensive customer communication

Spar supported the new stores in their communication with customers, including six eye-catching campaigns and promotions. The common theme: making life easier and more financially bearable during the coronavirus pandemic.



° **2004:** acquisition of Panier Sympa and start of Coccinelle and Coccimarket licence



301 affiliated stores: **181** Panier Sympa, **95** Coccimarket and **25** Coccinelle



More than 1.500 independent storekeepers



100 - 400 m² average store area



More than 8.000 items



Represented on three quarters of French territory



More than 200 employees in FTE



codifrance.fr



Codifrance supplies around three hundred affiliated neighbourhood stores of Coccinelle, Coccimarket and Panier Sympa in France with dry goods, fresh produce and frozen food. These are mini-markets located in town or village centres that focus on customers doing their daily shopping.

Codifrance offers the independent operators a wide assortment of national brands, private labels (Belle-France) and discount brands. They can also count on assistance with deciding on their range, pricing, marketing and communication.

In addition, the organisation simply supplies over 1.500 independent retailers in more than 70 departments.



Record year



Codifrance achieved record sales last financial year. In the face of strict coronavirus measures (6pm curfew, temporary 1km travel perimeter, etc.), consumers tended to visit small(er) neighbourhood stores. Many consumers appreciated the local store (once again) for meeting their basic needs, and the contact with the local shopkeeper.



The wholesale arm managed to adapt rapidly to this sudden influx of customers, and to maintain its service and supply to the independent neighbourhood stores. It will support stores to consolidate on the increased loyalty.



A pleasing increase in profitability was recorded once more, partly by keeping costs under control. Transport costs in particular fell thanks to optimisation of the transportation schedule. Secondly, operational excellence continued to grow and the organisation reaped the rewards of strict credit management in recent years.



Besides supplying stores directly, Codifrance also delivers to a number of wholesalers, who in turn supply small stores.



More efficient logistics

- At the beginning of 2020, a new **warehouse management system** was brought in, with a view to efficiency gains and better tools in the distribution centre. Since then, the quality of the service provided has improved significantly.
- Codifrance will implement a new, high-end ERP tool tailored to B2B activity by 2022. The organisation expects this to lead to major progress in operational excellence, cost control and work simplification.





° 2013



EUR 109 million revenue (~ 13,4%)



25.000 customers



13.000 items in food, fresh and frozen



Around 450 employees in FTE



solucious.be



Foodservice business Solucious supplies food products to professional customers throughout Belgium, primarily social catering (schools, hospitals, care homes, etc.), hospitality and corporate catering. The assortment covers groceries, fresh and frozen, in small and large packs. Customers can choose from national brands, own retail brands Boni Selection and Everyday, and its own foodservice brands Culino and Econom, especially for professional chefs. Solucious stands out by its convenience, fair and consistent pricing with bulk discount and constant reliability, about which it communicates transparently.



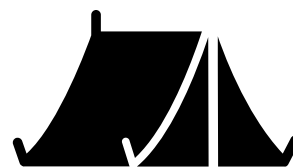
Stronger position in difficult circumstances

Solucious ended the financial year with a significant volume and revenue loss, mainly due to coronavirus measures such as the (partial) closures of the education, hospitality, theme parks and cultural and events sectors, for example. Compulsory working from home also led to a heavy decline in volume in corporate catering. On the other hand, supply to the healthcare sector remained at around the same level as last financial year.

Thanks partly to its strong customer mix, Solucious outperformed the market average. Furthermore, even in this difficult period, it managed to **consolidate its position**, partly by attracting major new customers in healthcare and hospitality. Overall, therefore, Solucious looks back on the financial year with satisfaction.

Solucious continued to guarantee its customers a **reliable service**: deliveries respecting the coronavirus measures, sufficient stock availability and an adapted offer, including takeaway packs for caterers and hygiene products such as facemasks and hand gel.

All managers and staff members were trained to replace the order pickers in the event of large-scale self-isolation. For around one and a half months, several senior staff members worked in the Bornem distribution centre.



Support for youth

Over the summer, Solucious scaled up its capacity, to supply as many youth camps as possible safely. The company also delivered 15.600 free hygiene packs donated by Colruyt Lowest Prices to youth associations (see p. 45).



Festive food box for associations and companies

With the Dinner Box, Solucious created an original solution in November to raise funds for associations and clubs. Companies also used the Dinner Box as an alternative festive gift. Michelin-starred chef Marcelo Ballardín composed the festive menu for two, Solucious put together the ingredients and delivered the food boxes. The 2.500 festive boxes were sent out in no time at all, as was the special spring edition in March 2021.

Delivery process digitised

In January 2020, Solucious began to roll out its courier app. This digital assistant optimises the management of the truck fleet, transport planning, customer contact and delivery itself. Result: greater **convenience**, **efficiency** and **reliability** for both courier and customer.

It is even easier for couriers to deliver the order and logistics services to every customer. The entire delivery process is easier, more accurate and paperless: the courier registers the delivery, returns and empties on his/her PDA and sends everything to the customer simply in one digital receipt.

The tool also offers a track & trace solution. Customers can track their delivery online to within one hour. This helps them organise their working day.

Solucious is the first Belgian foodservice player to digitise the administration and reporting of the delivery process. This enables the company to continue to grow while guaranteeing reliability. The app was developed in partnership with Belgian company Urbantz, which specialises in last-mile delivery technology.

"You provide care, we provide groceries"

- From March to May 2020, Solucious delivered online orders of healthcare workers at the car parks of 13 major hospitals at no extra cost.
- At the beginning of November, home delivery of orders became available via Solucious.be to all healthcare workers in Belgium. The range was supplemented with products of relevance to private customers.
- For Healthcare Day on 21 March 2021, Solucious distributed 3.000 surprise boxes to Flemish hospitals, nurseries, care homes and daycare centres. Solucious covered the delivery cost, while Spar, Collect&Go and Colruyt Group Academy contributed products and vouchers.

A heart for hospitality

- During the lockdowns, Solucious informed all hospitality customers of Colruyt Group's call for people on furlough to lend a hand with sales, logistics and production.



#HORECA
COMEBACK

- Solucious was a premium partner of the #HorecaComeback (hospitality comeback) initiative. Consumers could buy vouchers for their favourite business to be used after reopening. The amounts paid went directly to the participating hospitality businesses.



° **2020** Merger of Symeta and Joos Hybrid

👤 **Around 270** employees in FTE

💻 **symeta-hybrid.com**

Symeta Hybrid

Symeta Hybrid is one of the largest Belgian specialists in personalised marketing communication and administrative document flows. The company processes data and sends communications physically or via digital channels. Symeta Hybrid has state-of-the-art printing technology and a powerful information management platform for electronic billing, payment and archiving. It guarantees the highest possible security for confidential data such as personal data. Flexible all-in-one solutions result in efficiency for companies and user-friendliness and freedom of choice for the end customer. Symeta Hybrid serves both internal and external clients ⁽¹⁾ in sectors such as HR, finance, healthcare, utilities, government, industry and services.

(1) External revenue is recorded under 'Other activities'.

Merger of Symeta and Joos Hybrid

- In August 2020, Colruyt Group acquired 100% of the shares of Joos Hybrid, a subsidiary of Belgian family business Group Joos. All activities of Joos Hybrid were combined with those of our company Symeta in the newly founded company Symeta Hybrid.
- Via this acquisition, we want to **optimise** our own processes **sustainably** and support external clients in their **digital transformation**. The transaction had no material impact on the net result for financial year 2020/21.



Complementary activities

- The activities of the former Symeta and Joos Hybrid complement one another well. The combined expertise in personalised marketing communication and administrative document flows is unique in Belgium. The same applies to the combination of two separate production sites, which function perfectly as one another's back-up.
- The acquisition soon delivered synergy benefits and was well-received in the market, partly due to the confidence Colruyt Group enjoys. Accordingly, Symeta Hybrid has already managed to win new clients in the telecom and public sectors, as well as service voucher company Easy Life, coffee roaster Ray & Jules and fashion chain The Fashion Store.



° 1972



EUR 532 million revenue (-25,7%)



137 filling stations including **84** with CNG



116 stores with charging stations



More than 70 employees in FTE



Smart refuelling



dats24.be

DATS 24

DATS 24 offers all common and alternative energy sources in Belgium, increasingly offering natural gas (CNG), electricity and hydrogen as well as petrol and diesel. Colruyt Group's energy specialist works towards greener mobility and continues to invest in the expansion of its network of CNG stations, electric charging infrastructure and public hydrogen stations in Belgium. DATS 24 informs and inspires individuals and companies about how to achieve more sustainable mobility via workshops, talks and webinars. It holds ISO 14001 certification for the ecological management of its stations.



Reduced mobility leads to substantial fall in volume

- DATS 24 had an extremely tough financial year. In the first few weeks, sales volumes dropped to 75%, as a result of heavily reduced mobility at the time of the outbreak of the coronavirus pandemic. Sales of CNG held up best, because this tends to be purchased by B2B customers.
- Over the financial year as a whole, the volume shrinkage stood at around 20% and revenue loss at over 25%. However, DATS 24 managed to maintain its profitability at a decent level.
- DATS 24 responded agilely to the coronavirus pandemic, was the first in Belgium to make disinfecting hand gel available at filling stations and took extra trouble to disinfect all contact surfaces. It also ran a campaign to promote refuelling and (contactless) payment with the Xtra app.
- The rollout of more pumps with AdBlue was accelerated. By the end of the financial year, the additive which heavily reduces NOx emissions of diesel engines was available at 37 stations, a number that will double by mid-2021.
- DATS 24 still sees potential for sales of conventional fossil fuels for some time to come. At the same time, the company is fully committed to greener mobility and renewable energy, both on the road and at home and work.



4 new filling stations
8 extra CNG refuelling points
16 more stores with electric charging stations



First steps in the private energy market

After thorough preparations, DATS 24 started supplying natural gas and 100% green, Belgian electricity to private customers in Flanders and Wallonia in April 2021. Around 1.500 Colruyt Group employees had already signed up from October 2020, allowing scope to refine the processes and systems before scaling up. DATS 24 is prospecting step by step, firstly among familiar customers within the group.

- **100% local, green electricity**, for instance from the wind farm on the Colruyt Group site in Halle and the North Sea wind farms in which the group has a stake. Customers choose their favourite energy source themselves.
- **Simplicity and transparency**, with three products: electricity (with or without an injection fee), natural gas or both, in a single tariff plan with attractive, variable pricing. In surveys, variable tariffs have usually turned out to be the best option in recent years. In this way, DATS 24 aims to give customers peace of mind in the long term.
- **Convenience and autonomy**. Via their Xtra profile, customers can easily register online, perform a cost simulation, manage their energy sources and bills and so on.



Hydrogen becomes accessible

DATS 24 sees great potential in hydrogen as a **sustainable fuel** for vehicles. Since 2018, the public filling station in Halle has offered 100% green hydrogen, produced with power from local wind turbines. Colruyt Group has 25 hydrogen-powered vehicles.

- In the second half of 2021, four new **hydrogen stations** will open in Haasrode, Wilrijk, Erpe-Mere and Herve. At the beginning of 2022, the first hydrogen station for heavy-duty logistics will open next to the distribution centre in Ollignies.
- DATS 24 is working with various partners on a number of test projects involving hydrogen-powered vehicles. For instance, since the end of 2020, a 44-tonne hydrogen-powered truck has been in use in logistics, a European first.

The aim is to gain expertise and eventually make hydrogen accessible for passenger and goods transport.



More electricity and natural gas for vehicles

- The network of **electric charging points** on store sites is gradually expanding, as stores are built and renovated. Including office sites, the network had 294 charging points at the end of the financial year.
- Last financial year, DATS 24 sold more than 200 MWh of electricity, or the equivalent of 1.250.000 electric kilometres travelled (at a consumption of 16KWh per 100 km).
- The DATS 24 **charging card** gives access to almost 300 own charging points and 7.600 points throughout Belgium. During the financial year as a whole, more than 29.000 charging sessions took place using the card.
- DATS 24 continues to steadily expand its **CNG network** and had 84 stations with a natural gas pump by the end of the financial year. The company looks forward to a regulatory framework for injecting biogas into the natural gas grid. This more sustainable mixture does not require the adaptation of CNG pumps or vehicles.
- DATS 24 plays a pioneering role in the market, with mobile refuelling and payment via the **Xtra app**. By the end of the financial year there were 28.000 unique users of the refuelling function.

Best Brand Award 2021

Market research agency GfK presented DATS 24 with the Best Brand Award 2021 in the Fuel category, based on market share and a consumer brand perception survey. DATS 24 scored highest on the criteria of value for money and innovation. The respondents particularly appreciated the hand gel at the stations and the more frequent, more intensive cleaning. DATS 24 is proud to have succeeded in standing out in a commodity market.



° **2019:** establishment by Colruyt Group and Korys

● Stake: **60,87%**

virya energy

Energy holding company Virya Energy is active in the development, financing, construction and operation of renewable energy sources, with a particular focus on offshore and onshore wind energy.

Virya Energy was established at the end of 2019 by Colruyt Group and its majority shareholder Korys. The holding company owns 100% stakes in Parkwind, Eurowatt, Eoly Energy and Sanchore, and aims for international expansion. Combining all of these activities allows Virya Energy to promote the sharing of technology and knowledge between the various teams and create economies of scale, so as to remain a key player in the rapidly changing renewable energy sector.



**1.865 GWh
of green
electricity**

In 2020, Virya Energy produced more than 1.865 GWh of green electricity. Via its interest in Virya Energy, Colruyt Group has a stake of around sixty percent. This stake represents around five times Colruyt Group's annual consumption in Belgium and Luxembourg for 2020.



Belgian company Parkwind is active in the production of offshore wind energy, in the North Sea and further afield.

Offshore wind farms in Belgium

The four wind farms off the Belgian coast in which Parkwind has a stake produced a total of 2.708 GWh of green electricity in 2020, or the equivalent of the annual consumption of over 770.000 households. That makes Parkwind one of the largest producers of green electricity in Belgium.

	Parkwind stake	Capacity	Production 2020
Belwind (2010)	78,5%	165 MW	588 GWh
Northwind (2014)	30%	216 MW	850 GWh
Nobelwind (2017)	41%	165 MW	686 GWh
Northwester 2 (2020)	70%	219 MW	584 GWh
TOTAL		765 MW	2.708 GWh

2020 was an above-average year for wind, with an above-average wind yield in the first and last quarters in particular. General availability remained at the same high level as the previous year. Despite the restrictions due to COVID-19 (such as the requirement to work from home and the social distancing rules for offshore activities), operational continuity was assured throughout the year and yields and costs remained in line with the budgets set.



The **Northwester 2** wind farm has been fully operational since May 2020, while full closure with the banks was achieved by the end of 2020 as planned. The 23 turbines are among the largest in the world and represent a total installed capacity of some 219 MW.

International activities

- Preparations for the future German wind farm **Arcadis Ost I** in the Baltic Sea are going according to plan. Contracts for supply, placement and installation of the turbines have already been signed, while the financial close is scheduled for mid-2021. The wind farm is scheduled to be constructed in 2022, and to be fully operational at the start of 2023. With a capacity of 247 MW, it will be able to supply up to 300.000 German households with green electricity.
- In **Scotland**, Parkwind has a stake of around 32,5% in a project company to be established in future to bid for concessions in Scottish waters.
- In **Japan**, Parkwind is working on a consortium led by trusted partner Sumitomo Corporation. In May 2021, a bid was made for the first Japanese tender for offshore wind.
- Parkwind and Irish electricity company ESB are busy preparing for the auction, expected in 2022, for the future Oriel wind farm in the **Irish** Sea.



Eoly Energy is active in Belgium in the production of renewable energy via 15 onshore wind turbines with an installed capacity of 38 MW, producing 94 GWh in the year 2020. The producer sells its green electricity to DATS 24, which in turn supplies it to various Colruyt Group organisations, external companies and individuals.

Eoly Energy was 100% owned by Colruyt Group and was transferred to Virya Energy in May 2020.

Eoly Energy has an ambitious **expansion plan** and intends to invest around EUR 160 million in new onshore wind farms in the period of 2020-2029. That would eventually increase capacity more than fivefold.

- The Rebaix wind farm was completed in 2020 and commissioned at the beginning of 2021. One of the three turbines was transferred to Eoly Cooperative.
- Meanwhile, preparations have begun for the construction of a wind farm at Lessines/Silly.
- Permit applications are in hand for the wind farms at Bassilly, Ciney-Sovet, Frasnes-Lez-Anvaing, Fernelmont and Zele.



Investing in hydrogen production

Virya Energy is joining forces with gas network operator Fluxys to develop a power-to-gas plant in Zeebrugge, called Hyoffwind. The plant will convert electricity from offshore windfarms into **green hydrogen** on an industrial scale. The project is fully authorised. The consortium hopes to obtain the final investment decision in 2021 and the first production of green hydrogen is scheduled for 2023. This Belgian first will make a great contribution to making the Belgian energy landscape more sustainable and is a perfect fit for the Flemish hydrogen strategy and the European Green Deal.

Virya Energy sees great potential in marketing hydrogen as a **sustainable energy source** for heavy duty transport and buses, since 100% electrification is not necessarily an option for these applications. Hydrogen is also a good buffer for temporary storage of surplus energy, to help achieve the necessary balance between energy production and consumption.



Investment opportunities for individuals

Where possible, Eoly Energy works with **Eoly Cooperative**, which offers local residents and other individuals the opportunity to invest directly in onshore wind energy.

- Last financial year, the necessary steps were taken to assume operational responsibility for the cooperative as far as possible.
- The raising of EUR 4,4 million in capital for the wind turbine in Rebaix was completed in just six weeks. This means that the cooperative now has two wind turbines in its portfolio, while the number of member-owners has doubled.
- The general meeting held in June 2020 approved a pleasing gross dividend of 5,5% based on the results for 2019, almost as high as the legal maximum of 6%.

The **North Sea Wind** cooperative was established in 2018 by Parkwind, Colruyt Group and Korys Investments. It offered the general public the opportunity to invest directly in offshore wind energy projects and so be part of sustainable change.

In the second half of 2019, the cooperative raised EUR 13.195.660, a record amount for public participation in green energy. With that amount, at the end of 2019, North Sea Wind granted a loan with an in-principal term of seven years to Parkwind, which is investing the funds raised in the maintenance of existing wind farms and the construction of new ones.

The gross actuarial return per share is estimated at roughly 4% over the period of the investment.



Eurowatt SA is a European independent electricity producer based in Luxembourg, mainly active in onshore wind activities in France since 1994. The company also has onshore wind assets in Poland and Portugal and small-scale hydroelectric plants in Portugal and Spain. Eurowatt operates a total capacity of 470 MW, installed and under construction, across thirty sites, besides 300 MW in various stages of development.



Korys acquired 51% of Eurowatt's shares in 2014 and transferred this majority stake to Virya Energy at the beginning of 2019. At the end of February 2021, Virya Energy acquired the remaining 49% from the minority shareholders and the management, becoming the 100% owner of Eurowatt.

In 2020, the wind farms managed by Eurowatt produced a total of more than 900 GWh, partly thanks to exceptionally favourable wind conditions in the first and last quarters of the year.

France

During the financial year, four new sites were brought into service in Northern France, with a combined capacity of 57,5 MW. Construction of Parc Eolien de l'Extension des Rossignols (14 MW) has begun and this wind farm is expected to be operational by the end of 2021.

Eurowatt continues to develop new onshore wind projects in France and has strengthened its development team in order to attract new projects for future growth.

Poland

Eurowatt holds a 15,6% stake in C&C Wind, which operates a wind farm with 15 turbines (37,5 MW) in Eastern Poland.

Eurowatt owns 100% of Baltic Sea Polska II, which has the necessary permits for the construction of nine turbines. Negotiations for the supply of the turbines have begun and a downpayment to reserve them will be paid in the coming months.

Sanchore

The Sanchore wind farm in Karnataka (India) has 20 turbines with a total installed capacity of 40 MW and has been fully operational since March 2018.

The total output of the wind farm in 2020 was 93 GWh. The high availability was unable to offset the exceptionally low winds in the region.

Group support activities



- Colruyt Group Academy provides all education and training programmes for employees, for both professional and personal development. Last financial year, the activity accounted for an investment of around EUR 32 million, or 2,4% of the payroll.
- The Academy also has a broad training offer for individuals and companies, with face-to-face and online workshops packed with inspiration and experience. It has 10 meeting centres spread across Belgium and offers affordable prices thanks to sustainable partnerships.
- The Academy has grown into a major actor in the Belgian training sector, with a pool of some 500 lecturers and trainers delivering 4.500 training sessions for employees and 6.000 workshops for private individuals.

Offer for employees

Accelerated digitalisation

- Last financial year, Colruyt Group Academy made a virtue of necessity and accelerated the shift to remote training and education. The offer of e-learnings was substantially expanded, with online group sessions, for example. As a result, a **digital alternative** is now available for around **70%** of the training offer.
- Several business-critical training programmes still took place (partly) face to face, for fewer participants or in larger spaces, and respecting the coronavirus measures. These ranged from practical first aid or fire safety training to sessions on leadership or group values. In 'culture

bubbles' senior management reflected on the impact of the pandemic at the heart of our organisation.

- Digital learning gives greater flexibility: employees follow individual e-learnings when it suits them best, while online workshops require less travel and are easier to schedule.
- Meanwhile, our trainers have acquired plenty of expertise in remote training, in terms of both methodology and technology. The Academy will remain creative in matching the training offer to employees' needs, with a focus on connection.

Finding alternatives

- The coronavirus pandemic had an unprecedented impact on activities. All workshops planned from mid-March 2020 were cancelled (whereas more than 4.000 took place during the 2019/20 financial year).
- As early as April, the Academy set up an innovation unit, which quickly developed alternative formats, including 14 online cooking workshops and tastings. There were also online versions of previously planned Tips & Talks sessions about nutrition, health, media and so on.
- In the autumn, several face-to-face workshops and talks were able to take place for a month and a half, in small bubbles or with a limited audience.
- To keep in touch with consumers, the Academy launched 'Stay inspired', a combination of a printed magazine and 150 online videos.
- The Academy is working further on a mixed face-to-face and online offer and continues to realise its mission in a creative way: to make it possible to meet, discover and undertake, in an inspiring and uniting way.

Little use of furlough scheme

- As a result of the cancellation of workshops, around 40% of the Academy's employees found themselves out of a job in spring 2020. Some of them joined various innovation tracks, while others were redeployed elsewhere in the group. All in all, very few were furloughed.
- Digital workshops were recorded at the meeting centres in Melle and Namur, as well as the cooking programme De Pottenlikkers by Colruyt and Studio 100. Five sites served temporarily as regional offices, while our start-up Rose Mary used the kitchen in Uccle. Previously planned openings of new centres are on hold.



New: Workshop@home

In the run-up to the festive period at the end of 2020, the Academy launched the successful 'Workshop@home' concept: experience boxes containing all the ingredients, accessories and a guide to use at home. Three themes were available: creating coffee blends, making toiletries and cooking/craft for Christmas. All accessible and sociable activities, developed in conjunction with our store formats. Following the success of the first series, three new themes were added in March 2021, including chocolate creations. By the end of the financial year, a total of 1.465 were sold.



Corporate Marketing

Corporate Marketing sets the strategy for marketing communication for Colruyt Group and corporate sub-brands such as Colibri Foundation. This includes brand management for private labels such as Boni Selection, Everyday and Kangourou, including design and production of all packaging. In addition, the department provides services in the areas of press and PR, market research, digital communication and customer data. Most services not only operate at group level but also support individual operating units.

Stake in We Connect Data

In August 2020, Colruyt Group took a minority stake in Ghent start-up We Connect Data. They have developed a digital platform via which our corporate marketers rapidly and efficiently form a complete picture of relevant actors, relationships and trends on various markets. In a rapidly evolving world, reliable data and insights are becoming more and more important for good decision-making and strategic strength.

Focus on sustainable entrepreneurship and consumption

Last financial year, Corporate Marketing initiated several major communication programmes in national media and on online channels, with the focus on sustainability.



Boni Selection. Following Belgian milk in the spring of 2020, we presented the story behind our Magic Star apples in the autumn. With this more sustainable variety, we create greater income security for Belgian growers and prevent a large amount of food waste. Apples that are not fit for sale are processed into apple juice, apple cake and apple sorbet under our private label Boni Selection. This completes the circle.



Step by step. Continued rollout of our four icons for products, services or initiatives with a positive impact on health, society, animal welfare and environment. Alongside a national communication campaign, we developed and distributed a free card game for the whole family. Specific situations involve young and old in our sustainability story and inspire them to make more sustainable choices every day, step by step.



Eco-Score. A Belgian first, this indicator that makes it easier to buy in a more environmentally conscious way and consume more sustainably. The campaign familiarised consumers with the Eco-Score and encouraged them to look it up in the Xtra app. Corporate marketing will eventually roll out the Eco-Score on all Boni Selection packaging.



Customer Communication & eXperiences

Communication agency CCX translates the marketing objectives of Colruyt Group and all the various brands into targeted offline and online marketing communication. The department has around 450 permanent employees, from designers, copywriters, photographers and video specialists to media and digital experts.

For (print) production and sending of communications, CCX works closely with our print and document specialist Symeta Hybrid.

Continuity assured

- Partly thanks to the new partnership with Symeta Hybrid, CCX managed to ensure the necessary continuity, even in the difficult year of coronavirus. Despite the frequently urgent assignments and short turnaround times, all corporate communication to the general public and advertising of our store formats proceeded as planned, both in printed media and online and at the point of sale.
- The video and event services specialised in digital alternatives to live events, from pre-recorded webinars to livestreams of information sessions. The knowhow acquired in technology, presentation and interaction with participants will also prove useful post-Covid.



Fine Food

Colruyt Group is the only food retailer in Belgium with industrial-scale production departments, grouped under Colruyt Group Fine Food. Thanks to in-house production and years of expertise, we can operate in a cost-effective manner, guarantee constant quality and create added value for our private labels and ultimately for customers.

Meat processing is Fine Food's biggest activity, alongside a salad department, a coffee roasting house, a wine-bottling plant, cheese-processing departments, a bakery and a 'vertical farm' for fresh herbs. Fine Food has more than a thousand employees on nine production sites.

Strong increases in production

- The production departments delivered higher volumes throughout the financial year, partly due to increased retail sales and product diversification and partly as a result of higher demand due to the coronavirus pandemic. From mid-March to past the summer of 2020, the meat and cheese departments in particular turned out higher volumes than normal. Unprocessed fresh meat did particularly well, partly because consumers cooked more often at home when it was impossible to visit a restaurant. The coffee roasting house and wine-bottling plant experienced smaller production increases, while bread production declined slightly, as a result of reduced shopping frequency in our supermarkets.
- Fine Food managed to cope with the volume increases thanks to the exceptional efforts of its own employees and temporary support from Colruyt Group colleagues. For months, it also relied on 200 temporary staff, 39 of whom were taken on permanently in the end.
- Except for a few minor incidents, production was barely disrupted by the coronavirus. Facemasks, hairnets and hand hygiene are part of the daily routine in any case. However, with adapted shifts and routes, the number of people in changing rooms and canteens for example was limited. All the familiar 'golden rules of hygiene' were communicated in many ways and stewards ensured that they were correctly respected.

-  **47.000** tonnes of meat processed
-  **27.325.000** litres of wine bottled
-  **49.587.000** pieces of cheese packaged
-  **7.200** tonnes of coffee roasted
-  **25.150.000** loaves baked

Salad production site operational

- As planned, Fine Food Meat occupied a brand-new building in April 2021, intended exclusively for the production and packaging of salad spreads. With an area of 4.200 m², the site is large enough to allow for current and future **growth**.
- The EUR 26 million investment illustrates our **belief** in in-house production to make a difference as a retailer. With products for our own brands Everyday and Boni Selection, and for Colruyt and OKay's butcher labels.
- The site functions totally **autonomously**, with its own reception, stores, technical services, etc.
- Two fully automatic lines can produce up to **120 pots per minute**. There is also a semi-automatic line for smaller runs and new products, and a new line for cold and hot sauces.
- The building and the state-of-the-art machines offer potential for further **improvements in sustainability** and **innovations** in the assortment, as consumer preferences evolve. For example, meat and vegetarian production can operate with perfect segregation there.



Maximum sustainable technologies

- The **solar energy system** can cover an estimated one quarter of energy consumption in fine weather.
- **Ventilation** with cold recovery from production zones and heat recovery from offices and social areas, automatically adapted to the CO₂ content and the number of people present.
- The heat released by the refrigeration systems during the day is used to **heat water** and stored in a buffer tank to be used for cleaning the workshops overnight.
- **Automatic atomisation** for disinfection of spaces and plant. This water-saving system uses less, more eco-friendly chemicals, thoroughly disinfects difficult to reach surfaces and requires far fewer manhours. Its application on an industrial scale is a first for Belgium.
- Natural refrigerants, water purification, rainwater recovery, automatic blinds, ...



Business Processes & Systems

BP&S supports the whole of Colruyt Group in the area of IT and process optimisation. As a reliable partner, BP&S tracks technological developments and innovations and applies them to the specific needs of the various departments and businesses of the group. The organisation does not just supply tools, but offers its partners all-in services: a total package ranging from building and implementing IT solutions to managing, maintaining and updating them. The organisation has over a thousand permanent employees in Belgium and around 450 in India.

Transition to service-oriented working

In the last two years, BP&S has transformed into a service-oriented organisation that responds efficiently and agilely to the needs of its partners and shields them from the underlying complexity. Thirty former departments have turned into service centres, with clearly defined services, roles, responsibilities and arrangements with the partners. This new way of working requires effort and flexibility on the part of employees, but also gives them **greater responsibility and autonomy**. This results in more service-mindedness throughout the organisation, a greater sense of initiative and a higher level of service.

Traineeships pay off

BP&S constantly strives to attract and retain (young) talent, partly via traineeships for school leavers and candidates with little experience. In September 2020, eleven trainees began a one-year programme that immerses them in the world of analysis via trainings, work placements and project work. An ideal formula for familiarising themselves with all facets of the job and the company. It is also a **sustainable model**, as 90% of the trainees from the six previous intakes still work for the company. In addition, BP&S recruits many employees each year following internships for recent Bachelors and Masters graduates.



Convenient teleworking

To enable teleworking, in a short time, BP&S installed VPN connections for more than 6.000 employees in Belgium, France and India. In the interests of reliability and convenience, network capacity was gradually increased. And thanks to the accelerated rollout of communication and meeting tools, online information sessions or trainings can take place without a hitch.





Innovation galore

BP&S is pioneering the use of new technology and pressing ahead with the digitalisation of the group, including the totally redesigned Xtra app and new websites for Cru and Collect&Go. Our French wholesale business has introduced a new warehouse management system, extra apps have been added to store employees' smartphones and electronic price labels have been rolled out further. Plenty of future-oriented applications are also being tested:

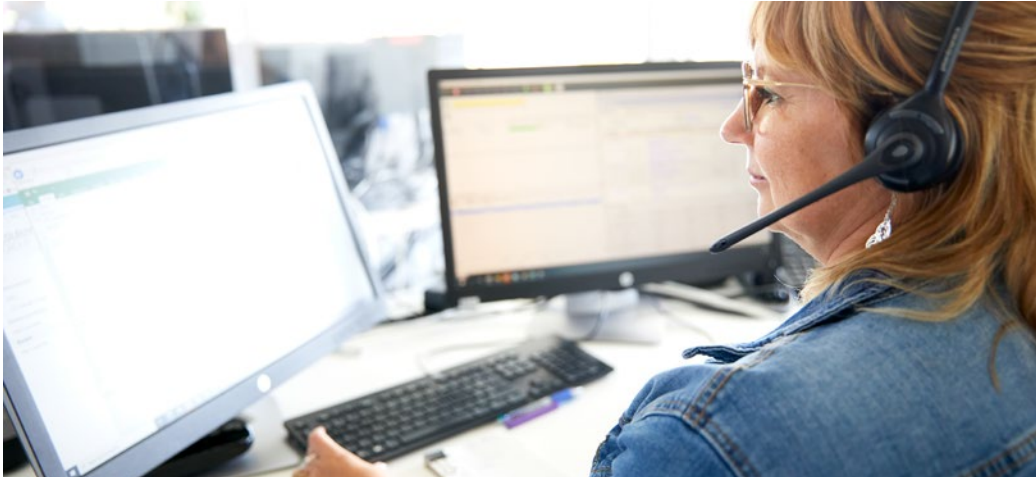
- 5G internet.
- Drone delivery of small IT equipment at our headquarters.
- First steps in building our own Internet-of-Things platform.
- Prototype for an augmented reality app that guides customers to the right aisle in-store.



Corporate services

Colruyt Group has dedicated professional services for strategical and tactical support. These corporate services assist the management bodies and consultation platforms in outlining the framework for our commercial activities, in carrying them out and in the expansion and development of our organisation. The group can rely on their broad expertise of diverse areas such as:

- Business development and investment management
- Business analysis, data capture and analysis
- Public affairs, market research, corporate branding and marketing
- Sustainability and innovation
- Business and IT architecture
- Change, portfolio and programme management
- Communication and cooperation
- Digital development and services
- Organisation & partnership development, culture & identity
- Risk management, resource planning, ...



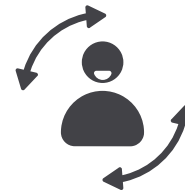
In Contact

In Contact handles all enquiries from customers, employees, suppliers and other partners. Specialist contact centres serve all store formats as well as internal departments such as HR and IT. The 300 or so staff can be reached by phone, email, various websites and social media. Together they handle around 4 million contacts a year. The strength of In Contact lies in the combination of smart technology and standardised processes and systems with competent, customer-focused employees.



The right place for a prompt response

Customers can make contact quickly by telephone, (web) mail or social media. In addition, they can find answers to many questions on the store formats' FAQ pages 24/7. Customers can also fill in a web form that automatically goes to the right specialist, who serves them quickly and efficiently. The contact platform also processes emails and calls, is testing a chatbot and will integrate the group's social media channels at a later date. In Contact informs our store formats in a structured way about their customers' views and concerns. This allows them to adapt relatively quickly where necessary.



Record number of contacts

In Contact had an exceptionally busy financial year, with record numbers of enquiries, from the first wave of coronavirus in April 2020, about availability of products in-store or Collect&Go collection slots. Further peaks followed new public health measures for stores, the closure of the Collishop webshop or the launch of new services such as Click&Collect. In periods during which e-commerce boomed, customer services of our non-food stores in particular were flooded with enquiries mainly about the status of orders. The telephony platform reached its maximum capacity and was shut down for a week in order to focus on dealing with unanswered emails. Throughout the period, In Contact revealed itself to be an **agile and essential link** to steer the group through the crisis, which met with an overwhelmingly positive reaction from customers.



Retail Services Center

Retail Services Center combines several departments that support our store formats in terms of pricing, quality, safety, product information and packaging, market insights, etc. This support allows our stores to focus on their core business and continue to stand out in an extremely competitive retail market. Retail Services Center helps put into practice and realise our broader commitment to sustainability. The various departments put to good use the substantial expertise that has already been present in the group for years, and acquire further maturity in their particular areas.



40-year cast-iron price guarantee

The 135-strong Service Center Price helps each of our store formats apply their own pricing policy. The team checks some 60.000 prices each day in physical stores, on flyers and online, and data analysts, price and product managers and price setters then go to work on them. The service centre possesses considerable expertise in price monitoring and setting, since it has ensured that Colruyt abides by its **lowest price guarantee** for more than **40 years**.

- The price survey published by Test Aankoop in May 2021 once again confirmed Colruyt as the cheapest supermarket in Belgium, both for the shopping basket of national brands alone and for that with 'budget brands' (such as Everyday) and the mixed basket.
- Test Aankoop only found the basket of 'private labels' (such as Boni Selection) slightly cheaper at Aldi and Lidl. We disagree with this because Test Aankoop included products from hard discounters in the basket of private labels, which we believe belong with budget products and should therefore be compared with our Everyday products. On this basis, Colruyt clearly remains cheapest for private labels too.
- Moreover, the survey showed that Colruyt is constantly widening the price gap with other retailers and has never been such good value.





People & Organization

People & Organisation coordinates and supports Colruyt Group's HR policy. The 350 employees have one common purpose: to ensure that Colruyt Group and its employees grow into the best version of themselves. The HR partner offers a variety of services for this: from payroll and recruitment, health and safety, work simplification and a medical department to legal advice and negotiations with social partners. The HR knowledge centre works around themes such as personal and team development, remuneration, personal growth, leadership, well-being and craftsmanship.

Building on 50 years of work simplification

Everything can always be made better, and everyone can do their bit. With this in mind, we have had a separate fifty-strong 'work simplification' department for more than 50 years. Mission: to optimise processes and systems in all possible areas. Every employee can think of ways of working to a **higher standard, more efficiently** and **effectively**, and suggest improvements on our ideas platform. We tend to test these suggestions on a small scale first, to refine them before rolling them out more widely.

Permanently striving to do better forms part of our DNA and has contributed substantially to our growth. We still see plenty of potential for improvement, for instance through the use of new technology and data. For this reason, we have transferred the work simplification department to the new service organisation "Operate&Improve", together with specialists in process-oriented business. This organisation will develop skills and services with a focus on operational excellence and an end-to-end chain-based approach.

Shift towards agile and output-oriented working

Last financial year, we decided to eventually (post-COVID) abolish clocking in and out for around 4.400 office staff in Belgium and switch to more 'agile and output-oriented cooperation'. In doing so, we want to perpetuate the possibility of teleworking in a structured way, confining the time clock to history. Our office employees retain our unique time saving possibilities. In this way, we aim to become more **agile, future-proof** and **sustainable** as an organisation. The practicalities and timing of the switch are being worked out together with the social partners. For approximately 85% of our employees who work time and/or location-bound in our retail, logistics and production units, nothing will change.



More flexible rewards

After a successful pilot project at board level in the autumn of 2020, we rolled out our flexible reward plan to all 3.500 employees from middle management up. As many as two thirds of them joined the system.

Via the flex budget, employees can assemble part of their pay package themselves, incorporating extra mobility measures or days' leave, a bicycle or repayment of pension savings, for example. This gives them more freedom of choice in their pay package, increases their satisfaction and makes our company more attractive for future employees.

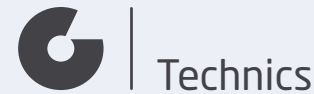
Clearly laid-out personal benefit statement

To give our 8.000 executives a more complete view of their pay and benefits package, we have redesigned their annual benefit statement. In mid-2020, everyone received a personalised brochure giving a detailed overall picture of the remuneration package for 2019. Besides the gross basic salary, variable salary and bonuses, this covers accumulated overtime, net allowances and luncheon vouchers, plus benefits such as hospitalisation and group insurance. The brochure also focuses on our investments in education and training. And on the security of a sound, value-driven family business, with a focus on sustainable careers.



Training and connecting: face-to-face and online

- In a year of mass working from home, we found other ways of welcoming, training and integrating new employees. From an online newcomers day to a **video** in which CEO Jef Colruyt recounts our history, identity and culture.
- Last year, 208 new graduates joined us. Via our **Young Grad Community**, we put them in touch with one another. At the beginning of 2020, we organised online New Year drinks to get to know one another and share tips & tricks.
- Through the monthly **Getting2Know Colruyt Group** sessions, we thoroughly familiarise executives who have worked with us for six months with who we are and what we do. From the outset, we focus on connecting with the organisation and lay the foundation for long-term engagement. On the programme: individual e-learning, two videos and two days' training in small groups including a tour, a brand game and a series of guest speakers.
- The **leadership programme** immerses recently started managers in our corporate culture and unique leadership model. The main goal is to support them in developing self-insight and leadership skills. The participants follow a series of individual e-learnings and come together in small groups on twelve days, spread over a year.



Technics

Technics is Colruyt Group's technical department in Belgium and Luxembourg. The 1.600 or so employees offer a complete service, from study, design and procurement to construction, installation, maintenance and prevention. Not just for stores, offices, data centres, distribution centres and production buildings, but also for vehicles and machines. Technics sets itself apart by its pursuit of sustainable, innovative solutions. It systematically applies sustainable techniques, meticulously follows environmental management rules and often goes beyond what is required by law.

Largest crate washing installation in Europe

In September 2020, Technics began building a gigantic installation for washing the recently introduced green folding crates for fruit and vegetables. Its construction coincided with the dismantling of the old washing line for blue crates, without disrupting the logistic flows. The new installation uses considerably less water and energy, and in-house washing saves a great deal of transportation. We do not need to send used crates to Euro Pool System's washing installations and can hand over clean crates to suppliers of fruit and vegetables right away. The goal is for the installation to be fully operational by September 2021.

The folding crates will replace around eight million rigid blue crates by the end of 2021, making our logistics even more sustainable. Four collapsed units take up as much room as one old crate, meaning that we will send back 500.000 fewer pallets of empty crates from the stores to our return centres every year.

Greener company fleet

- We continue to make our **truck fleet** greener and want to totally phase out diesel trucks eventually. In 2021, we are bringing six natural gas trucks into service and are testing an electric truck for city-centre deliveries. Finally, as a (European) first we are testing different types of hydrogen trucks. Read more on page 176.
- At the beginning of 2020, we decided to eliminate all diesel vehicles from our **company car** fleet. Around half of our company cars now run on natural gas (CNG), and we continue to offer our employees a wide choice of natural gas vehicles. We also have a growing offer with 100% electric, hybrid or plug-in hybrid drive systems, plus a few hydrogen and petrol models. We inform our employees fully about the pros and cons of each technology and encourage them to make a sustainable choice.



Focus on education and training

In view of the shortage of technical profiles in the labour market, we invest in our own technical training for young people or employees wanting to make the switch to a technical job. At the same time, we work closely with schools and universities.

- Further expansion of our own technical school, where 11 employees have now completed the 'basic techniques machinery' course.
- 5 young engineers have completed their engineering traineeship.
- Assistance with 21 Bachelors and Masters theses.
- Partner of competitions for secondary schools such as the B-Photonics Cup and the Solar Olympiad.
- Since mid-2020 a special newsletter is sent to 17 technical schools highlighting Colruyt Group as an attractive place to work.



The real estate department ensures the fulfilment and optimisation of accommodation requirements (of the internal partners). This team of expansion officers, property managers and back office staff listens to the needs for new sites, takes care of all administrative matters (including applications and permits), sets the schedule and priorities, considers the optimal building placement and ensures that the cost of the development falls within the agreed budgets. Every year, Real Estate manages forty real estate projects in Belgium and Luxembourg.

New office in Zwijnaarde

In mid-2020, Real Estate purchased a 9.600 m² office block on Zwijnaarde technology park with nearly 300 parking spaces, the former headquarters of Thomas Cook. Technics is renovating the 25-year-old building to turn it into pleasant offices in line with market standards. Following its completion, scheduled for the end of 2021, this building will replace the current rented premises in Deinze and Merelbeke and also house Bike Republic and SmartWithFood. Part will serve as a regional office and a substantial part will be let out. The site is close to the E17 and E40 junctions and is also easily accessible from the centre of Ghent.

9.350
young people
reached directly



14 training projects
in 10 countries

EUR 798.860

Donations to projects in 2020,
25% of which donated by
customers and individuals



Through education, coaching and exchanges, Collibri Foundation offers young people in vulnerable situations more opportunities for a successful future, in Belgium and in countries from which we source products. There, we support small-scale education and training programmes for children and young people, from primary to university education. We want to offer them a good education (**educate**), help them grow as a person (**develop**) and foster a spirit of cooperation and entrepreneurship (**empower**).

Collibri Foundation develops a learning partner network, together with NGOs, the education sector and local government, involving employees and customers as much as possible. Where possible, we link the training projects to sustainable supply chain projects, creating a mutually enriching exchange.

Public benefit purpose foundation

Collibri Foundation has converted itself from a company fund into an autonomous public benefit purpose foundation. This will be able to develop a more coherent project portfolio, in line with the vision and values of the group. With its own board and input from various advisory committees, the foundation will **professionalise** its operations further. It will be more closely involved in the training projects and be able to manage and supervise them more effectively, as well as involving the group's employees more.

Between 2010 and 2020, Collibri Foundation was partly run by the **King Baudouin Foundation**, which besides the financial management was also responsible for the quality, in-depth follow-up and documentary checks. We continue to work closely with the King Baudouin Foundation, for instance for the issue of tax certificates to our donors.



New training projects

- Since the beginning of 2021, Collibri Foundation supports the Brussels project **Debateville**, which organises after-school debating workshops for around 80 young people aged between 10 and 14 from vulnerable environments. From September to May they practise their speaking skills for 90 minutes each week, learning to form an opinion, construct an argument or make a speech. They have fun developing critical thinking, digital literacy, persistence and mutual respect. Debateville offers innovative and effective solutions for complex issues such as inequality in education.
- In Benin, Collibri Foundation supports a project by Liège-based NGO **Eclosio** that helps 120 young cashew farmers. The aim is to improve their organisation, optimise cashew production and promote local processing.



Creative solutions

During the coronavirus pandemic, the training projects had to be scaled back and were unable to fully achieve their goals. The partner organisations and Collibri Foundation came up with creative ways of working and keeping in touch with the young people as much as possible. Digital sessions and social media created the necessary connection.

- First digital edition of the annual event **Tomorrow's Voices**. More than a hundred young people from 14 training projects shared ideas and experiences about living and studying online, and challenges such as coping with technology and staying motivated. Collibri supplied extra inspiration to support partners and young people during this period.
- **Hygiene packs** containing facemasks and disinfectant products for young people in Peru and Colombia, for example, to take part in distance learning together in places with internet access.
- **Conversation tables**. Young people from Brussels training project Boost practise their Dutch during fortnightly videocalls with employees.
- **Computers** and internet access for unaccompanied minor refugees from Brussels partner Mentor Escale to follow distance learning.
- Belgian organisation Youca replaced the planned exchange trips in Brazil and Belgium with an online **exchange**, an immersion trip in their own country, an app for walking buddies, etc.



Corporate governance

This chapter contains information about the governance, operation and internal controls of Colruyt Group and about all aspects of corporate governance. We divide 'Corporate Governance' into three main sections. One about governance, supervision and management, another about sustainable corporate governance and a third about share ownership.

Governance, supervision and management

1. Board of Directors

1.1. Composition of the Board of Directors - 2020/21 financial year

Capacity	Name	Member of the Audit Committee	Member of the Rem. Committee	Appointment expires at GM in
Representative of the principal shareholders, executive director	• Jef Colruyt (Chairman)			2022
Representatives of the principal shareholders, non-executive directors	• François Gillet – Member of the Executive Committee at Sofina NV – mandate until 30/09/2020	X		2020
	• Korys NV, permanently represented by: Dries Colpaert	X		2024
	• Korys Business Services I NV, permanently represented by: Hilde Cerstelotte		X	2021
	• Korys Business Services II NV, permanently represented by: Frans Colruyt			2021
	• Korys Business Services III NV, permanently represented by: Wim Colruyt	X		2022
Independent directors	• ADL CommV, permanently represented by: Astrid De Lathauwer		X	2021
	• 7 Capital SRL, permanently represented by: Chantal De Vrieze		X	2023
	• Fast Forward Services BV, permanently represented by: Rika Coppens	X		2021
Secretary	• Kris Castelein			

The following change occurred during the 2020/21 financial year: the mandate as director of François Gillet (Sofina NV) expired at the General Meeting of 30/09/2020 and was not renewed. Director Rika Coppens, permanent representative of Fast Forward Services BV, has since the end of September 2020 taken over from François Gillet as Chairman of the Audit Committee. Independent director Chantal De Vrieze, permanent representative of 7 Capital SRL, is replaced in the Audit Committee by Dries Colpaert, permanent representative of Korys NV.

The Board would like to thank François Gillet (Sofina NV) for his highly valued contribution to the design and implementation of the group's long-term strategy and for the long-term collaboration with the Sofina Group holding company.

In addition to their appointments as directors of the Colruyt Group companies, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt, Dries Colpaert and François Gillet, as well as Ms Astrid De Lathauwer, Ms Chantal De Vrieze and Ms Rika Coppens, also hold other external directorships. However, in accordance with the recommendations of the Belgian Corporate Governance Code 2020, the above-mentioned directors do not exceed the

maximum number of five directorships in listed companies.

1.2. Auditor

ERNST&YOUNG BEDRIJFSREVISOREN BV (B00160), indirectly represented by Daniël Wuyts [A01979]. The appointment of the auditor expires after the General Meeting of 2022.

1.3. Reappointment and appointment of directors at the General Meeting of 29 September 2021

The directorship of ADL CommV, whose permanent representative is Astrid De Lathauwer, as independent director of the company, expires after the General Meeting of 29 September 2021. The company is no longer eligible for re-election after exercising a maximum of three consecutive mandates as an independent director on the board of directors (this period may not exceed twelve years). The Board of Directors will propose to the General Meeting of Shareholders

on 29 September 2021 to appoint a new independent director for two years.

The following directorships also expire after the General Meeting of 29 September 2021: the directorship of Korys Business Services I NV, permanently represented by Hilde Cerstelotte, the directorship of Korys Business Services II NV, permanently represented by Frans Colruyt, and the directorship of Fast Forward Services BV, permanently represented by Rika Coppens, independent director of the company. All are eligible for re-election and therefore present themselves as candidates. The Board of Directors therefore proposes to reappoint each of them for four years, until the end of the General Meeting in 2025.

Subject to their approval by the General Meeting of 29 September 2021, the composition of the Board of Directors will then be as follows::

Capacity	Name	Member of the Audit Committee	Member of the Rem. Committee	Appointment expires at GM in
Representative of the principal shareholders, executive director	• Jef Colruyt (Chairman)			2022
Representatives of the principal shareholders, non-executive directors	• Korys NV, permanently represented by: Dries Colpaert	X		2024
	• Korys Business Services I NV, permanently represented by: Hilde Cerstelotte		X	2025
	• Korys Business Services II NV, permanently represented by: Frans Colruyt			2025
	• Korys Business Services III NV, permanently represented by: Wim Colruyt	X		2022
Independent directors	• 7 Capital SRL, permanently represented by: Chantal De Vrieze		X	2023
	• Fast Forward Services BV, permanently represented by: Rika Coppens	X		2025
	• New independent director		X	2023
Secretary	• Kris Castelein			

In addition to their appointments as directors of the Colruyt Group companies, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt and Dries Colpaert, as well as Ms Astrid De Lathauwer, Ms Chantal De Vrieze and Ms Rika Coppens, also hold other external directorships. However, in accordance with the recommendations of the new Belgian Corporate Governance Code 2020, the above-

mentioned directors do not exceed the maximum number of five directorships in listed companies.

1.4. Honorary directors

- Independent director Delvaux Transfer BV with Willy Delvaux as permanent representative (for a period of five years from the end of the appointment in 2017).
- Director François Gillet (for a period of five years from the end of the appointment in 2020).

2. Colruyt Group Management

2.1. Changes to the Management during the reporting period

The following manager or deputy manager appointments and changes were made in the past financial year:

- **Gunther UYTENHOVE** Manager Colruyt Group Fine Food from 01/11/2020 (formerly Deputy Director Production)
- **Christophe BURLET** Deputy Sales Manager Colruyt Central West from 01/01/2021 (formerly Division Manager Meat)
- **Johan VERMEIRE** General Manager RPCG from 01/03/2021 (formerly Deputy Sales Manager Colruyt Central West)

Members of management who have ended their positions as managers in the group and whom we would like to thank for their many years of dedicated service and valued contribution to the sustainable growth of Colruyt Group:

- **Erik PAPPAERT** Deputy Manager RPCG (in end-of-career from 01/07/2020)
- **Dirk DEPOORTER** (General Manager Retail Partners Colruyt Group) left Colruyt Group on 01/03/2021 to become CEO of AgeCore, the international purchasing alliance of which Colruyt Group is a member..

2.2. Management Committee - end of financial year 2020/21

- **Jef COLRUYT** Managing Director, CEO and COO Services
- **Marc HOFMAN** COO Retail
- **Chris VAN WETTERE** General Manager Colruyt Lowest Prices
- **Bart DE SCHUTTER** General Manager Colruyt France (integrated and affiliated stores)
- **Fabrice GOBBATO** General Manager OKay, OKay Compact and Bio-Planet
- **Johan VERMEIRE** General Manager Retail Partners Colruyt Group
- **Dieter STRUYE** General Manager Dreamland, Dreambaby and Bike Republic
- **Stefan GOETHAERT** Manager Colruyt Group Fine Food, Retail Services, Private Label and Cru
- **Jo WILLEMYNS** Marketing Manager Colruyt Group and Customer Communication & Experiences
- **Stefaan VANDAMME** Manager Finance
- **Liesbeth SABBE** Manager People & Organisation
- **Peter VANBELLINGEN** Manager Business Processes & Systems
- **Koen BAETENS** Manager Technics, Real Estate and DATS 24

2.3. Future board - end of 2020/21 financial year

- **Jef COLRUYT** CEO

2.3.1. Colruyt Group Services

- **Jef COLRUYT** COO Services
- **Stefaan VANDAMME** Manager Finance
- **Liesbeth SABBE** Manager People & Organisation
- **Wim MERTENS** Deputy Manager Social Relations
- **Peter VANBELLINGEN** Manager Business Processes & Systems
- **Koen BAETENS** Manager Technics, Real Estate and DATS 24
- **Jo WILLEMYNS** Marketing Manager Colruyt Group and Customer Communication & Experiences

2.3.2. Retail, Retail Services and Fine Food Production

- **Marc HOFMAN** COO Retail

2.3.2.1. Retail Services and Fine Food Production

- **Stefan GOETHAERT** General Manager Colruyt Group Fine Food, Retail Services and Private Label
- **Gunther UYTENHOVE** Manager Colruyt Group Fine Food

2.3.2.2. Retail

COLRUYT LOWEST PRICES

- **Chris VAN WETTERE** General Manager
- **Guy ELEWAUT** Marketing Manager
- **Martine PAUWELS** Logistics and Transport Manager
- **Geert ROELS** Purchasing Manager
- **Christophe DEHANDSCHUTTER** Sales Manager
- **Rudi DEWULF** Deputy Sales Manager Colruyt West
- **Christophe BURLET** Deputy Sales Manager Colruyt Central West
- **André GIGLIO** Deputy Sales Manager Colruyt South East
- **Geert GILLIS** Deputy Sales Manager Colruyt Central North

OKAY AND BIO-PLANET

- **Fabrice GOBBATO** General Manager OKay, OKay Compact and Bio-Planet

DREAMLAND, DREAMBABY AND BIKE REPUBLIC

- **Dieter STRUYE** General Manager Dreamland, Dreambaby and Bike Republic

RETAIL PARTNERS COLRUYT GROUP

- **Johan VERMEIRE** General Manager
- **Guido SORET** Sales Manager
- **André CERON** Deputy Manager Logistics

RETAIL FRANCE (INTEGRATED AND AFFILIATED STORES)

- **Bart DE SCHUTTER** General Manager Colruyt France (integrated and affiliated stores)
- **Antonio LOPEZ** Deputy Sales Manager Colruyt (integrated stores)
- **Anthony MEILLER** Deputy Manager affiliated stores

FOODSERVICE BELGIUM

- **Marc HOFMAN** General Manager Foodservice Belgium

CRU

- **Stefan GOETHAERT** Manager Cru

Sustainable corporate governance

1. Sustainable corporate governance statement

1.1. Reference code

Pursuant to the Royal Decree of 12 May 2019, designating the corporate governance code to be complied with by listed companies, all Belgian listed companies must follow the Belgian Code on Corporate Governance 2020 (1) as a reference code within the meaning of Article 3:6, § 2,4 of the Code on Companies and Associations. The Company follows this Belgian Code on Corporate Governance 2020 as its mandatory frame of reference for sound/sustainable management governance in Colruyt Group.

On 28 February 2019, the new Code on Companies and Associations was approved with effect on all new Belgian companies from 1 May 2019. Since 1 January 2020, the existing Belgian companies of Colruyt Group have been subject to its mandatory provisions and, except where otherwise provided in their articles of association, also the supplementary provisions of the revised company law. In October 2020, the Extraordinary

General Meeting of Etn. Fr. Colruyt NV approved the aligning of the Company's articles of association with the new Code. The articles of association of all other group companies will be adjusted to the new Code on Companies and Associations in the course of 2021 and 2022.

The transposition into Belgian law of Directive 2017/828/EU of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC on the promotion of long-term involvement of shareholders and containing various provisions regarding companies and associations was adopted on 28 April 2020 and published in the Belgian Official Gazette on 6 May 2020. The new provisions regarding the remuneration report and remuneration policy will apply to the Company as from the completed 2020/21 financial year. The remuneration policy will therefore be submitted for approval to the General Meeting of 29 September 2021, that will be asked to approve the financial statements for the 2020/21 financial year.

The corporate governance statement contains the information in line with the Code on Companies and Associations and the provisions of the 2020 Code. For positions during the 2020/21 financial year that are not in line with the 2020 Code, the reasons for deviating from the 2020 Code have been stated by the Board. We give below the following disclosures and deviations from the principles and provisions of the Belgian Code on Corporate Governance 2020 as applicable to listed companies. Most of the deviations are due to the fact that the Colruyt family is the main reference shareholder of Colruyt Group. The Colruyt family wants to concentrate fully on guiding all companies of the group and wants to propagate in them the values of sustainability and sustainable entrepreneurship. In addition, the reference shareholder places stability and long-term vision above short-term profit.

- **Principle 1** - For the management of the Company, the Board has chosen to continue the existing one-tier board model, consisting

(1) <https://www.corporategovernancecommittee.be/en/about-2020-code>

of a Board of Directors that can perform all actions with the exception of those reserved for the General Meeting. The Board of Directors has delegated part of its decision-making powers to a managing director for operational implementation. Every five years, the Board will conduct a thorough reflection on the governance structure.

- **Principle 2** - The powers of the members of the Management Committee, other than the CEO, are determined by the CEO and not by the Board of Directors. This deviation from provision 2.19 of the 2020 Code is explained by the fact that the members of the Management Committee exercise their duties under the leadership of the CEO, to whom day-to-day management and additional specific powers have been delegated by the Board of Directors.

- **Principle 3** - In line with the long-standing tradition of Colruyt Group, Jef Colruyt is simultaneously Managing Director, Chairman of the Board of Directors and Chairman of the Colruyt Group Management Committee and the Future Board. This departure from provision 3:1 of the 2020 Code is justified in the light of the history of Colruyt Group and the desire of the reference shareholders to entrust the leadership

of the Management Committee to one of their own. Where appropriate, strict application of the conflict of interest rules protects all shareholders from any abuse. In addition, within the Board of Directors the Chairman applies the rule of a unanimous vote for every decision or investment with material consequences for the future of the group.

- **Principle 3** - At the end of financial year 2019/20, the Board of Directors is composed of one executive director and seven non-executive directors, three of whom are independent directors. The three independent directors meet the independence criteria as set out in the 2020 Code and the Code on Companies and Associations. The Board of Directors believes that any increase in the number of members should be accompanied by an enrichment in experience and skills, without jeopardising its efficient operation.

Since the Board functions and takes its decisions as a collegial body, only the general attendance rate of the Board and its committees is given, with no information about the attendance rate of each director individually.

The Board does not consider it opportune for the non-executive directors to meet annually without the CEO, because Jef Colruyt, in his capacity as executive director, is both Chairman of the Board of Directors and Chairman of the Colruyt Group Management Committee, and therefore has contacts with directors and senior management as well as access to the documentation and records of all bodies.

- **Principle 4** - The Board of Directors has appointed an Audit Committee composed of one independent director and two non-executive directors. Based on the current composition of the board, as well as the various skills present, this composition is optimal for the efficient operation of this committee.

- **Principle 4/5** - Notwithstanding provision 4.19 of the 2020 Code, the Board of Directors has not established an Appointments Committee. Appointments therefore remain the responsibility of the entire Board of Directors. Prospective directors are proposed to the General Meeting by the entire Board of Directors. Managers are appointed at the proposal of the Chairman of the Management Committee, with the approval of the entire Board of Directors. The limited number of directors means that this procedure works perfectly well.

- **Principle 7** - The Board of Directors has opted not to grant share-related payments to directors or executive management. Non-executive directors do not receive remuneration in the form of shares of the company and members of the executive management are not required to hold a minimum threshold of shares in the company. The group wishes in this way to avoid any form of speculative behaviour.

This deviation from provisions 7.6 and 7.9 of the 2020 Code is justified, since the Board of Directors has a dual role in our one-tier board model, which is to support entrepreneurship on the one hand and to ensure effective supervision and control on the other. To avoid the granting of shares to them increasing the likelihood of a conflict of interest, non-executive directors do not receive performance-related remuneration or share-based compensation. The Board of Directors is of the opinion that the directors and executive management are sufficiently focused on sustainable long-term value creation.

With regard to provision 7.12 of the 2020 Code, the Board of Directors has decided for the time being not to avail of the option to reclaim variable compensation paid or to withhold payment of the same, as considerable uncertainty remains as to

the legal validity and enforceability under Belgian law of a right of recovery of variable remuneration in favour of the company.

The Board of Directors will reassess the outlines of the remuneration policy, including the share-based compensation, on an annual basis.

- **Principle 9** - With a view to the efficient and effective functioning of its governing bodies, the Board evaluates its own performance as well as that of the committees on a continuous basis. To ensure their commitment and constructive involvement in decision-making, the performance of the directors is also evaluated on an ongoing basis.
- Pursuant to the new Code on Companies and Associations, the articles of association may provide for double voting rights for registered shares that have been held by the shareholder for a minimum of 2 years. In view of their administrative complexity, the Board of Directors has decided not to propose double voting rights at this stage.

1.2. Charter

1.2.1. General Shareholders' Meeting

The annual General Meeting of Shareholders takes place on the last Wednesday of the month of September at 16h00 at the registered office. If this day is a public holiday, the meeting will be held on the next working day.

The Board of Directors and the auditor may convene the General Meeting and set the agenda.

The General Meeting must also be convened within three weeks of the request, written or otherwise, of shareholders who together represent at least one tenth of the capital.

All General Meetings are convened in accordance with the law.

One or more shareholders who together hold at least 3% of the capital, and who satisfy the statutory formalities to participate in the meeting, may have items placed on the agenda of the meeting and submit motions. The formalities for having agenda items and proposals registered must take place in accordance with the statutory requirement and must be made known to the

company no later than the 22nd day before the meeting.

Each share entitles its owner to one vote. In order to be admitted to the meeting, before the opening of the meeting, each owner of shares must provide proof of his capacity as shareholder by having his shares registered in the books, at the latest on the registration date, and he must also inform the company in writing of his intention to participate in the meeting, at the latest on the sixth day before the date of the meeting.

The shares are either registered or dematerialised. The registered shares are entered in the company's register of shareholders. In accordance with Article 7:35 of the Code on Companies and Associations, dematerialised shares must be registered in an account of a recognised account holder or settlement institution.

Shareholders vote in person or by proxy. The proxy must be appointed in accordance with article 28 of the articles of association. Each proxy must have satisfied the conditions for being admitted to the meeting. Except in the cases provided for by law, a shareholder may only

appoint one person per meeting as proxy.

Shareholders who satisfy the legal and statutory formalities for admission to the meeting, as stipulated in article 27 of the articles of association, may put their questions in writing at the company's registered office or electronically, as soon as the notice of the meeting is published and no later than the sixth day before the start of the meeting. This right to put questions is regulated by article 32 of the articles of association.

The Board of Directors may decide to organise the General Meeting in a digital format. If necessary, the Board will explicitly state this in the notice convening the meeting. The Company will then make available to the shareholders an electronic means of communication through which the remote shareholders can participate directly, simultaneously and without interruption in the discussions and deliberations of the General Meeting, and through which they can also exercise rights to vote and to put questions. The Board of Directors may impose additional conditions on the electronic means of communication used, with the sole objective of guaranteeing the security of the means of communication.

The General Meeting may not deliberate on items that are not on the agenda.

1.2.2. Board of Directors

COMPOSITION

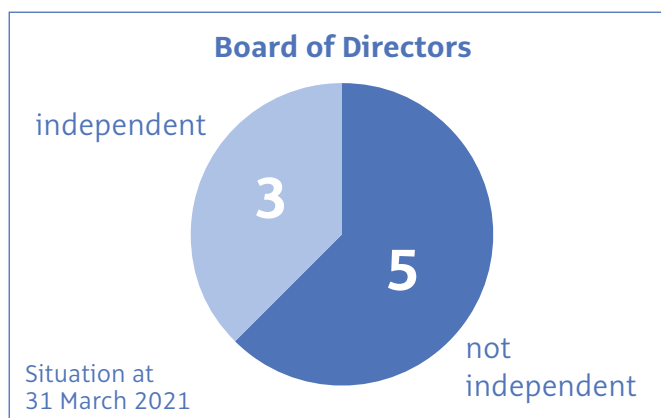
The composition of the Board of Directors is the result of the structure of the share ownership of the company, in which family shareholders are reference shareholders. As evidenced by the past, the family shareholders ensure the stability and continuity of the company, and thus protect the interests of all shareholders. They choose to propose a limited number of representatives with diverse backgrounds, extensive experience and sound knowledge of the company as directors. The directors form a small team with the necessary flexibility and efficiency to be able to adapt constantly to market events and opportunities.

There are no rules in the articles of association regarding the appointment of the directors and the renewal of their appointments. However, the Board of Directors has decided to nominate candidates for terms of no more than four years, which may or may not be renewed.

The General Meeting has the exclusive right to appoint the directors. Directors can be dismissed *ad nutum*, but the General Meeting can, on dismissing them, grant a severance payment or notice period.

Since March 2019, three independent directors have been active on the Board. The Board of Directors believes that an increase in the number of members should be accompanied by an enrichment in skills and experience supporting the development of Colruyt Group. At the end of financial year 2020/21, the Board of Directors is composed of one executive director and seven non-executive directors, three of whom are independent directors.

In line with the long-standing tradition of Colruyt Group, Jef Colruyt is both Chairman of the Board of Directors and Chairman of the Colruyt Group Management Committee and the Future Board. This departure from the recommendations of the Belgian Corporate Governance Code 2020 is justified in the light of the history of Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Management Committee to one of their own.



FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors meets every quarter according to a predetermined schedule. Meetings are always held in September, December, March and June. When necessary, interim meetings are held to discuss specific subjects or to make decisions within specific time frames.

The Board of Directors may only take valid decisions if at least half of the members of the board are present or represented. All decisions of the Board of Directors are taken by an absolute majority of votes. In the event of a tie, the vote of the Chairman is decisive.

During the quarterly meetings of the Board of Directors, opinions are exchanged and decisions are taken on general strategic, cultural,

economic, commercial, financial and accounting matters concerning the companies that belong to the group. This is done on the basis of a dossier, which, in addition to the consolidated information on Colruyt Group, also contains extensive information on each of the activities of the group and its various companies, as well as on the application of the sustainability policy. Fixed items on the agenda include the discussion and approval of the annual and half-yearly results and their publication, the financial outlook, investment prospects, investment dossiers and the discussion of the activity reports per sector of Colruyt Group. All directors are invited, on a regular basis, to report on their activities or management and, if necessary, to report on the progress of the sustainability projects. The board discusses the findings as discussed in the Audit and Remuneration Committees and decides on their recommendations. The directors receive their dossiers at least five days prior to the meeting.

COMMITTEES WITHIN THE BOARD OF DIRECTORS

The Board of Directors has had an **Audit Committee** since September 2006. This committee liaises with the group's Management Committee and the auditor. Since the 2019/20 financial year, the Audit Committee has included,

as independent director within the meaning of Article 7:87 of the Belgian Code on Companies and Associations, Fast Forward Services BV (with Ms Rika Coppens as its permanent representative). Ms Coppens has many years' experience in general and financial management and holds independent directorships in other companies.

All members of the Audit Committee possess the necessary experience and financial knowledge to be able to properly fulfil their role. In general, the role of the Audit Committee is to supervise the correctness of the quantitative (accounting and financial) information of Colruyt Group for the Board of Directors, the shareholders and third parties from the financial world and to report its findings in this respect to the Board of Directors. The operation of the Audit Committee is also discussed in point 2 of this Corporate Governance chapter. The members of the Audit Committee receive no special remuneration as members of this committee.

The Board of Directors has also had a **Remuneration Committee** since September 2011. The Remuneration Committee fulfils the roles described in article 7:100 § 5 of the Code on Companies and Associations regarding

remuneration policy (in the broadest sense) for directors and members of the Management Committee. The Remuneration Committee also prepares the remuneration report for the Board of Directors each year. After approval by the entire board, this remuneration report is added to the corporate governance statement. The explanation of the remuneration report for the General Meeting of Shareholders, as well as its communication to the Works Council, also come under the responsibility of the Remuneration Committee.

The members of the Remuneration Committee receive no special remuneration as members of this committee.

Both the Audit Committee and the Remuneration Committee have fulfilled their tasks on the basis of the internal regulations, which can be consulted on our website [colruytgroup.com/investors/ shareholders](https://colruytgroup.com/investors/shareholders). At the quarterly meetings of the Board of Directors, both committees report on their findings and present their recommendations to the Board of Directors for approval. On the basis of an informal evaluation, each year both committees review their internal operations and report on this to the Board of Directors.

In view of the small number of members of the Board of Directors, there is currently no Appointments Committee.

REMUNERATION

There is no protocol regarding the performance of the role of director. It is not customary to grant loans or advances to directors. Directors do not receive bonuses or share-related incentive programmes, or benefits in kind or benefits attached to a pension plan. In his capacity as CEO the managing director receives the same remuneration elements and benefits as the remaining executive management of Colruyt Group. The remuneration of the directors and CEO (individually) and members of the Management Committee (collectively) are published in the remuneration report under point 2.4.

1.2.3. Day-to-day management

Under the chairmanship of Jef Colruyt, the Colruyt Group Management Committee consists of the General Managers of the group's various commercial and production activities and the managers of the corporate services (Finance, People & Organisation, Business Processes & Systems, Technics, Real Estate & Energy, Customer Communication & Experiences and Corporate Marketing).

The Colruyt Group Management Committee determines general strategy and policy options at group level and coordinates the group's various activities and corporate services.

The General Future Board consists of all managers of Colruyt Group. As a consultation and contact platform, it focuses primarily on the group's long-term development and consults on Colruyt Group's common vision and objectives.

Management Committee and Future Board meetings are scheduled at fixed intervals, every four and eight weeks respectively, and are chaired by Jef Colruyt, Chairman of the Management Committee.

Every month, plateau meetings are held where the general policy lines for retail activities and corporate services are developed.

Since 2018/19, a Future Board meets periodically for each sub-activity, and umbrella domain boards have been established to help define the strategy to be followed around specific themes such as 'sustainable entrepreneurship', 'innovation', 'pricing policy', 'logistics', 'marketing', 'purchasing', 'information management', 'human resources policy', and so on.

There are also fortnightly/monthly management meetings, chaired by the general managers, with the managers of the various activities and corporate services. The practical implementation of the chosen policy options takes place here.

The day-to-day management of the company is in the hands of managing director Jef Colruyt, who in turn mandates a number of powers internally to COO Retail Marc Hofman and to the general managers of the commercial activities and the managers of the corporate services (Finance, People & Organisation, Business Processes & Systems, Technics, Real Estate & Energy, Customer Communication & Experiences and Corporate Marketing).

Each manager listed as a member of the Future Board, is required, separately within his/her department, to ensure compliance with all statutory, regulatory, organisational and contractual provisions and bears responsibility in the event of a breach.

With the exception of Jef Colruyt, the members of the Colruyt Group Management Committee are bound to their employer by contracts of employment.

1.2.4. Diversity policy

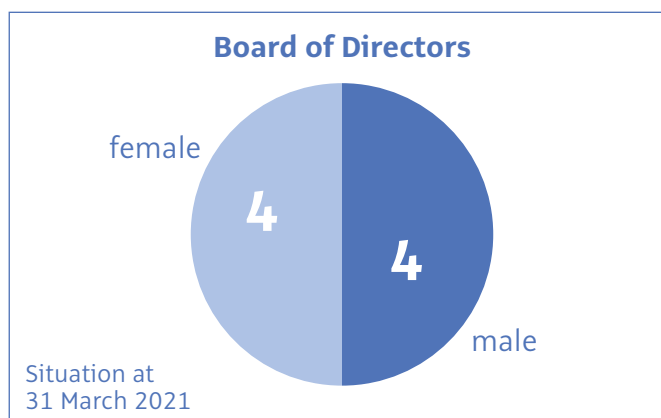
Colruyt Group carefully applies Article 3:6 (§2.6° and §4) of the Code on Companies and Associations regarding information on the diversity policy pursued. In general terms, an equality principle is applied within Colruyt Group, whereby each employee is selected and coached in their career based on factors such as competencies, talents and skills. As a result, our diversity policy forms part of our DNA and emanates from our core value 'respect'. The group is convinced that diversity of employees (including in terms of age, gender, cultural and professional background) is an absolute asset for a fresh, agile and growing company. A company which also operates in a society characterised by diversity. We endeavour to display this throughout the organisation, including in the management teams. Aiming for teams that are as diverse as possible at all levels of management raises the quality of leadership and therefore inherently contributes to the realisation of the group's strategy.

The Board of Directors of the Company consists of representatives with sufficient diversity of backgrounds, competences and experience, who support the development of Colruyt Group. In

this way, the board members representing the family shareholders can present a thorough knowledge of the company. Director Jef Colruyt has held several roles in the company since 1984, becoming Chairman of the Board of Directors at the end of 1994 and since then managing the entire operation as CEO. Director Wim Colruyt has an IT-technical background and is well versed in business architecture. Finally, director Hilde Cerstelotte is an expert in the field of work simplification. Directors Frans Colruyt and Dries Colpaert have played active roles within the group in the past. As COO Retail, Frans Colruyt has managed all retail activities in the group, while Dries Colpaert has headed up the retail and foodservice activities in France. The independent directors can also present solid credentials. Astrid De Lathauwer has many years' expertise in HR policy, Chantal De Vrieze, as a CEO, is at home in general management and also in the IT world. Rika Coppens also has CEO experience both in retail and in HR services, and also brings comprehensive financial expertise.

The Council also scores well on gender diversity. Today the Board of Directors has four female directors: (i) Hilde Cerstelotte, permanent representative of Korys Business Services I NV, (ii) independent director Chantal De Vrieze,

permanent representative of 7 Capital SPRL, (iii) Astrid De Lathauwer, permanent representative of ADL CommV and (iv), since March 2019, independent director Rika Coppens, permanent representative of Fast Forward Services BV. In this way the board complies with article 7:86 of the Code on Companies and Associations which stipulates that, from 2017, at least one third of the members of the Boards of Directors of listed companies must be of a different gender than that of the other members. Since October 2015, the Management Committee has one female member.



More detailed information about diversity in Colruyt Group and the non-financial information which must be reported can be found under 'Who are we?' and 'Corporate Sustainability'.

1.2.5. Appropriation of profit - dividend policy

At the proposal of the Board of Directors, the General Meeting may decide to allocate the distributable profit entirely or partially to a free reserve or to carry it forward to the following financial year.

The Board of Directors endeavours to increase the annual dividend per share at least in proportion to the increase in group profit. Although this is not a fixed rule, at least one third of the economic group profit is paid out annually.

According to the articles of association, at least 5% of the net profit for appropriation must be allocated to the statutory reserve fund. This deduction is no longer mandatory within the limits determined by law. At least 90% of the balance (excluding the employee profit sharing) is reserved for the shareholders and a maximum of 10% for the directors.

1.2.6. Shareholders / Shares

TRANSPARENCY NOTIFICATION

Every shareholder who holds at least 5% of the voting rights must comply with the Act of 2 May 2007 on the disclosure of significant holdings, the

Royal Decree of 14 February 2008 and the Code on Companies and Associations.

The statutory thresholds per 5% bracket apply. To this end, those concerned must send a notification to the Financial Services and Markets Authority (FSMA) and to the Company.

The most recent transparency notification received is always published in the Company's annual report and on the website at colruytgroup.com/investors/shareholders.

The most recent transparency notification shows that a reference shareholder group exists within the share ownership structure. The Colruyt family and relatives, Colruyt Group and Sofina NV are shareholders acting in concert. These shareholders have also reported that they hold more than 30% of the issued securities with voting rights, on the basis of the Act of 1 April 2007 on public takeover bids. Under the existing agreements, the mutual consultation agreement between the Colruyt family and relatives and Colruyt Group on the one hand and Sofina NV on the other end will expire not later than the end of September 2021. This does not affect the mutual consultation agreement between the Colruyt family and relatives.

INSIDE INFORMATION - MEASURES TO PREVENT MARKET ABUSE AND THE USE OF INSIDE INFORMATION

Etn. Fr. Colruyt NV has drawn up trading regulations containing measures to prevent market abuse and the use of inside information. These regulations were adapted further to the Market Abuse Regulation (MAR), which came into force on 3 July 2016.

With regard to transactions for their own account in shares of the Company or in derivatives or other related financial instruments by directors and other persons with executive responsibilities, the Board of Directors of Etn. Fr. Colruyt NV has drawn up a series of rules regarding the execution of such transactions and their disclosure (referred to below as the 'trading regulations').

The trading regulations apply to the members of the Board of Directors, the members of the Management Committee and all key employees of Etn. Fr. Colruyt NV and its subsidiaries, who, due to their position or employment at Colruyt Group, have regular or occasional access to prior information as a result of their participation in operations involving price-sensitive information (referred to below as 'insiders'). It is absolutely forbidden for insiders of Etn. Fr. Colruyt NV and its subsidiaries to engage in insider trading or to

share this inside information with others.

Etn. Fr. Colruyt NV has appointed an internal supervisor who is responsible for monitoring compliance with these trading regulations. Unless otherwise announced, the supervisor is the Secretary of the Board of Directors. His tasks include drawing up and maintaining a list of insiders, co-determining closed and restricted periods, checking transactions, granting clearing, etc. Etn. Fr. Colruyt NV has specified a number of periods during which transactions in financial instruments are prohibited. The periods in which no trading of shares may take place are determined by the CFO. In addition, the supervisor may insert additional restricted periods during all other periods which are regarded as sensitive, when people have knowledge of sensitive information which has not yet been published. Insiders are alerted regularly (in writing) to the existence of closed and restricted periods and the statutory and administrative obligations connected to them relating to the abuse or unlawful distribution of this confidential information.

Outside of restricted periods, directors, all persons with executive responsibilities and the key employees involved must inform the

supervisor before entering into a transaction in financial instruments of the company. For members of the Board of Directors and the Management Committee, the trading regulations contain an additional requirement to inform the supervisor at all times before they intend to acquire or dispose of financial instruments, directly or indirectly. Once the transaction has been concluded, the directors and members of the Management Committee must also inform the supervisor of this in writing.

All persons with executive responsibility within Etn. Fr. Colruyt NV and its subsidiaries and, if applicable, those closely associated with these persons, must inform the Financial Services and Markets Authority (FSMA) of transactions executed in their name (or on their behalf) in shares, derivatives or other related financial instruments of the company. They can also request the supervisor of the Company to fulfil the notification obligation to the FSMA in their place.

Finally, in accordance with the Act of 2 August 2002, the Royal Decree of 5 March 2006 and the MAR of 3 July 2016, Etn. Fr. Colruyt NV maintains lists of employees or persons who work for it or its subsidiaries under a contract of employment

or the like, and who have regular or sporadic access to prior information in one way or another, due to their participation in an operation involving price-sensitive information. Each person whose name is on the list(s) is informed of this and is requested to read and sign the trading regulations. In so doing, they acknowledge that they are aware of their status as an insider and conscious of the related statutory and administrative obligations associated with this inside information..

1.2.7. Information for shareholders

All useful information for shareholders is published on our website at colruytgroup.com/investors/shareholders. Any interested persons may register with the Company to be informed automatically by e-mail alerts whenever the website is updated or when new financial information is published on the website.

2. Events during the financial year

2.1. Audit Committee

Since the end of September 2020, Rika Coppens, permanent representative of Fast Forward Services BV, has taken over the chairmanship from François Gillet who had been chairman since the committee was set up in 2006 (and whose directorship ended after the General Meeting of September 2020). Non-executive directors Wim Colruyt, permanent representative of Korys Business Services III NV, and Dries Colpaert, permanent representative of Korys NV, are the other permanent members of the committee.

The internal rules of the Audit Committee are published at colruytgroup.com/investors/shareholders.

Chaired by François Gillet, the Audit committee met on 5 June 2020 and 18 September 2020. On 4 December 2020 and 19 March 2021, the committee was chaired by Rika Coppens, permanent representative of Fast Forward Services BV. Due to the COVID-19 epidemic, all meetings could also be followed via video conference. All members of the committee were present at every meeting with the exception of 1 absentee during the 18 September 2020 meeting.

On each occasion, the figures in the working document for the meeting of the Board of Directors were examined in detail and explained by the finance department. The auditor is invited to attend all meetings and also presents his audit approach and his findings from the audit of the half-yearly and annual results. The Risk Management Cell (internal audit) of Colruyt Group also drafted a quarterly report for the Audit Committee on each occasion. The experts of the consolidation cell are also regularly invited to explain the application of the IFRS standards. The recommendations and findings of the Audit Committee are a fixed item on the agenda of meetings of the Board of Directors.

2.2. Remuneration Committee

The Remuneration Committee was formed in September 2011. Independent director Astrid De Lathauwer, permanent representative of ADL CV, has fulfilled the role of Chairman since its formation. Non-executive director Hilde Cerstelotte, permanent representative of Korys Business Services I NV, and independent director Chantal De Vrieze, permanent representative of 7 Capital SRL, are also permanent members of the Remuneration Committee.

The Remuneration Committee has published its internal rules on our website at colruytgroup.com/investors/shareholders. Chaired by Astrid De Lathauwer, the Remuneration Committee held its regular meetings on 5 June 2020, 23 September 2020, 4 December 2020 and 19 March 2021. The attendance rate at each meeting was 100%. Due to the COVID-19 epidemic, all meetings could also be followed via video conference.

The main objective of the meetings was to define, formalise and evaluate the general group remuneration policy at the proposal of the Chairman of the Management Committee of Colruyt Group. The fixed and variable remuneration components for the CEO (Jef Colruyt) and the entire Management Committee were also discussed by the Committee.

The Committee also formulated proposals concerning the remuneration of the members of the Board of Directors. The results of all these activities as well as the general principles of the remuneration policy, which must be approved every two years by the General Meeting, are set out in a Remuneration Report that is published in full under point 2.4. The final version of this report was finalised during the Remuneration Committee meeting of 4 June 2021.

The Compensation & Benefits Cell of the People & Organisation Department assisted the Committee at each meeting.

2.3. Meetings of the Board of Directors

The Board of Directors held its four ordinary quarterly meetings during this financial year, on 11 and 12 June 2020, 24 and 25 September 2020, 10 and 11 December 2020 and 25 and 26 March 2021. The main discussion points at the meetings were the evolution of the performance of the group's various store formats and trading activities. Owing to the COVID-19 pandemic, all board meetings were held at headquarters and simultaneously via video conference. This also applied to the board meeting in March, which normally takes place every year at Rochefort-sur-Nenon (Dole, France). The meetings in June and December were preceded by half a day of information on the half-yearly and annual results presented by the finance department. During the December 2020 board meeting, in the context of the Sancore project (cf. point 2.3.1), the conflict of interest procedure (article 7:96 Code on Companies and Associations) was applied. The average attendance rate of directors at the

aforementioned ordinary quarterly meetings can be summarised as follows: 97% in June 2020 and 100% in September 2020, December 2020 and March 2021.

Furthermore, the board held an additional meeting on 5 June 2020 to discuss the project Subscription to the issue of convertible bonds issued by Virya Energy (Aura 2 - cf. point 2.3.1.). During this meeting, the intra-group conflict of interest procedure of Article 7:97 of the Code on Companies and Associations was applied. All directors were present during this meeting. Finally, the board also held an additional board meeting on 24 August 2020 to decide on the termination of the Collishop activity. Only 1 director was excused at this hearing.

Other than the remuneration and variable pay of Jef Colruyt and the Aura 2 and Sancore projects (cf. point 2.3.1. below), no other situations of possible conflicts of interest were reported by the directors. The fixed and variable remuneration of Jef Colruyt as a member of the Management Committee was discussed and finalised by the Remuneration Committee and approved by the Board of Directors, each time in the absence of the person concerned, who did not participate in the deliberations or the decision. The result of

these decisions is described in the Remuneration Report.

Finally, in the light of the mission and values of the group, at all meetings, the board evaluated the internal cooperation but also the interactions with the Audit and Remuneration Committees on a permanent basis.

2.3.1. Transactions with application of the conflict of interest rules

2.3.1.1. Project Subscription to the issue of convertible bonds issued by Virya Energy (Aura 2) – Extract from the minutes of the Board of Directors meeting of 5 June 2020, with the decision of the committee of three independent directors – application of Art 7:97 of the Code on Companies and Associations

Virya Energy NV, a subsidiary of the Company, ("Virya") is considering the issuing of convertible bonds with a maturity of 24 months and at an interest rate of 2,86% per annum (respectively the "Initial Issue" and the "Initial Bonds"), to which its shareholders, the Company and Korys Investments NV ("Korys Investments"), intend to subscribe. The Company intends to subscribe to the Initial Bonds in an amount of

EUR 63.910.129,52. Korys Investments intends to subscribe to the Initial Bonds in an additional amount of EUR 41.089.299,00, with the same maturity and interest rate. In addition, depending on its financial needs, Virya would have the option to issue additional convertible bonds in an aggregate amount of EUR 55.000.000 with the same terms as the Initial Bonds (the "Additional Bonds" and together with the Initial Bonds, the "Bonds"). The Company and Korys Investments intend to undertake, in a commitment letter to Virya, to subscribe to the Additional Bonds pro rata to their shareholding in Virya (the "Additional Issue" and together with the Initial Issue, the "Issue"). The Company and Korys Investments intend to fulfil their commitments in connection with the Additional Offering subject to conditions and for a period of one year from the Initial Issue.

The directors declare, each individually, that they do not have a conflict of interest of a financial nature within the meaning of Article 7:96 CCA with regard to the intended transaction.

The board of directors of the Company is required to decide on the following transactions that fall within the scope of the procedure provided for in Article 7:97 CCA (together, the "Transaction"):

- i. the issuance of the Bonds by Virya, subscribed to by the Company, and by Korys Investments; and
- ii. the subscription by the Company to certain Bonds issued by Virya.

Since the Transaction falls within the scope of article 7:97 CCA, the chairman of the board of directors on 7 May 2020 requested a committee of the 3 independent directors of the Company to issue a written, reasoned opinion as referred to in Article 7:97 CCA, if necessary assisted by an independent expert.

The procedure as provided for in Article 7:97 of the CCA has been complied with and the board of directors has taken note of the advice of the committee on 3 June 2020, that has come to the following conclusion:

"Given the above considerations, the Committee is of the opinion that the Transaction is not obviously unlawful in nature and that it is unlikely that the Transaction would lead to disadvantages for the Company that are not offset by benefits gained by the Company from the Transaction. The Committee therefore advises favourably on the proposed Transaction."

The board of directors takes note of the main terms of the Issue and discusses the opinion of

the committee. The board of directors decides to follow the opinion of the committee and to approve the Transaction, including the issuance of the Initial Bonds by Virya in an amount of EUR 104.999.428,52, to be subscribed to by the Company and by Korys Investments, and the subscription by the Company to certain Bonds issued by Virya in an amount of EUR 63.910.129,52, under the conditions described in the committee's opinion. The board of directors also decides to authorise two members of the Management Committee to execute these decisions, including a power of attorney to draw up and sign the final legal documentation necessary for the implementation of the Transaction, based on the established conditions and the negotiated term sheet, including any non-material changes that could still be required, and including a power of attorney to proceed with the public announcement of the Transaction, as referred to in Article 7:97, § 4/1 CCA. The approval of the board of directors also includes the authorisation for Virya to do everything necessary to implement the Transaction.

STATUTORY AUDITOR'S OPINION

Based on our assessment, conducted in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the

Independent Auditor of the entity”, nothing has come to our attention that causes us to believe that the accounting and financial data, included in the minutes of the Board of Directors and in the advice of the independent directors, both prepared in accordance with the requirements of Article 7:97 of the Code on Companies and Associations, might contain material inconsistencies compared to the information available to us in the course of our engagement. We do not express an opinion on the suitability or expediency of the transaction, nor on whether the transaction is lawful and fair (“no fairness opinion”). This report has been prepared solely to meet the requirements of Article 7:97 of the Code on Companies and Associations and may not be used for any other purpose.

Diegem, 5 June 2021

*Ernst & Young Bedrijfsrevisoren CVBA,
Represented by Daniël Wuyts
Auditor*

In accordance with Article 7:97, §4 of the Code on Companies and Associations, we also refer to the press release published on 12 June 2020, which can be consulted on our website www.colruytgroup.com/financial-press-releases.

2.3.1.2. Sanchore Project – Extract from the minutes of the Board of Directors meeting of 10 and 11 December 2020 – application of Art 7:96 of the Code on Companies and Associations

Korys intends to contribute the Indian wind farm structured in the holding company Korys Renewables Energy BV/Sanchore (“Sanchore”) into Virya Energy in the course of the fourth quarter of financial year 2020/21. Before the meeting takes a decision on the contribution of the Sanchore wind farm, the following two directors make the following declarations:

- Mr Dries Colpaert, in his capacity as permanent representative of Korys NV, announces that Korys NV has an interest of a financial nature that conflicts with the interest of the Company with regard to the contribution by Korys NV of the Sanchore wind farm into Virya Energy NV. He announces that the interests of Korys NV in the contribution conflict with the interests of the Company, given that the consequences of the valuation of the contribution and of Virya Energy NV are not equal for Korys NV and the Company.*
- Mr Jozef Colruyt, in his capacity as director, announces that he, as a shareholder in Korys NV, has an interest of a financial nature that conflicts with the interest of the Company*

with regard to the contribution by Korys NV of the Sanchore wind farm into Virya Energy NV. He announces that the interests of Korys NV, and by extension his interest as an (indirect) shareholder in Korys NV, conflict with the interests of the Company in the contribution, as the consequences of the valuation of the contribution and of Virya Energy NV are not equal for Korys NV and the Company.

As a result, Mr Dries Colpaert, in his capacity as permanent representative of Korys NV (director), as well as Mr Jozef Colruyt, in his capacity as director, do not participate in the deliberation or voting on this item, as prescribed by Article 7:96 of the Code on Companies and Associations. The other directors, who can validly deliberate and decide together on the point concerned, have resolved as follows:

Sanchore is a wind farm that was developed by Colruyt Group at the beginning of 2018 and sold to Korys at the end of 2018. In the light of bringing all green energy activities together under the Virya Energy holding company, the Sanchore park in India will be contributed to Virya Energy. The transaction will take place through a contribution of Sanchore via Korys Renewables Energy BV whereby Virya Energy will become the 100% owner of Sanchore. The valuation of Sanchore was updated based on the model

initially used for the sale of Sanchore by Colruyt Group to Korys. The main deviations concern the impact of renegotiated loans, an adjusted tax regime in India and the time value of money by applying a different measurement date. The value of Sanchore is estimated at EUR 14,1M of which approximately EUR 5,2M is represented by a shareholder loan from Korys and EUR 8,9M is the underlying share value. The total value is approximately EUR 2,7M higher than the one paid by Korys in 2018, due to the deviations mentioned above. At the level of Virya Energy, the contribution will lead to a shift in the shareholder percentage held by Korys (from 39,1% to 40,2%) and by Colruyt Group (from 60,9% to 59,8%). Because the measurement of the contribution is covered by the 'de minimis' exception provided for by law, the legal procedure of Art. 7:97 of the Code on Companies and Associations on Conflicts of Interest does not apply.

The Board of Directors takes note of the main details of the contribution of Sanchore by Korys to Virya Energy. This transaction reinforces Virya Energy's strategy to coordinate all green energy activities. Notwithstanding the existence of conflicting interests of a financial nature, the Board is of the opinion that the valuation of the contribution of the Sanchore wind farm by Korys to Virya Energy, as described above, is in line with

the valuation method and techniques that have already been applied in the past in the context of the sale, at the time, of the wind farm and that thus the real economic value of the contribution is reflected. The Board therefore declares that it has no further objections and that it endorses the transaction.

2.4. Remuneration Policy

Introduction

The Remuneration Committee is responsible for assessing and drawing up Colruyt Group's remuneration policy. The Board of Directors decides on the proposals elaborated by the Remuneration Committee. In the event of a material change and at least every 4 years, the remuneration policy is submitted for approval to the General Meeting of Shareholders of Colruyt Group.

The Remuneration Committee makes recommendations regarding the level of the remuneration of directors, including the Chairman of the Board of Directors, as reported in the remuneration report. These recommendations are subject to approval by the entire Board of Directors and subsequently by the

General Meeting. The policy as described here will be submitted for approval for the first time to the general meeting of 29/09/2021. If approved, the policy will apply for the coming 4 years.

The Remuneration Committee has also submitted recommendations to the Board of Directors for approval regarding the remuneration of the CEO and the COO and, on the recommendation of the Chairman of the Management Committee, with regard to the other members of the Management Committee.

Information on the general principles of the remuneration policy

GENERAL PRINCIPLES OF THE COLRUYT GROUP REMUNERATION POLICY

Colruyt Group is a family business with various food and non-food formulas operating in Belgium and abroad. At the same time, these different business formulas share a single common identity and culture, which is translated into our mission statement and nine core values. With the Colruyt Group remuneration policy, we are therefore committed to maximally stimulating the group's interests and achieving our strategic objectives. For this reason, the Colruyt Group remuneration policy starts from the following principles:

- **A single group-wide remuneration policy that applies to all employees.** In this way all business formulas are guided by the same guidelines and we strive to stimulate internal job mobility as much as possible across the entire group.
- **Everyone shares in the collective result of Colruyt Group.** We are committed to a collective variable wage for all employees.
- **Fair remuneration for every employee.** At Colruyt Group we strive for a fair salary for every employee linked to his or her responsibilities and work context. We compare each salary package with both the internal and external market to arrive at a fair remuneration.
- **We want to honour visible individual performance and growth potential.** That is why we focus on various remuneration elements (both financial and non-financial).
- **Remuneration is more than just salary.** At Colruyt Group, opportunities for growth and development, a sustainable context, and a work-life balance, in addition to salary, are an essential part of the total remuneration package.

With its remuneration policy, Colruyt Group strives to contribute to its business strategy, to the realisation of both short and long-term objectives, to promoting sustainable value

creation for the company and to safeguarding the group's ability to recruit and retain employees and motivate them on a daily basis.

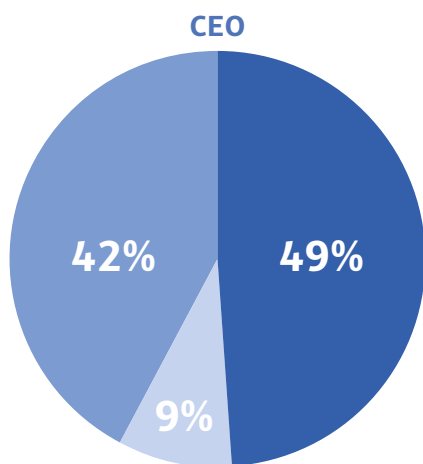
COMPOSITION OF THE REMUNERATION PACKAGE MANAGEMENT COMMITTEE

The remuneration package consists of two main elements: a basic salary and a variable salary. In order to guarantee fair remuneration to the members of the Management Committee, the remuneration package is compared with that of a relevant basket of companies. The companies whose remuneration practices are consulted include large Belgian companies and foreign companies with significant operations in Belgium, which are sufficiently comparable to Colruyt Group in terms of size and complexity. The market comparison is intended to aim the gross annual salary, consisting of the basic salary and the variable salary if targets are met, at the median of the market so as to achieve a remuneration package that is sustainable in the long term.

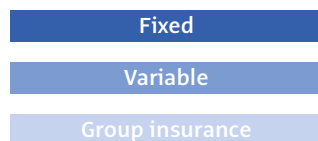
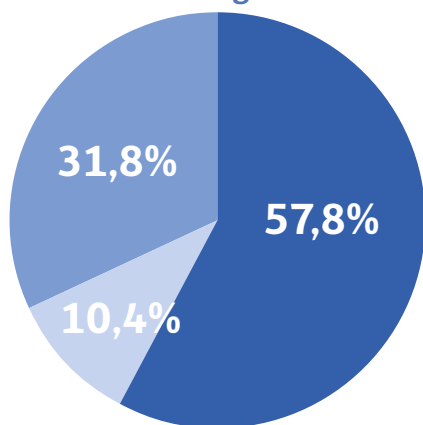
The remuneration package is supplemented by a competitive group insurance policy, and disability and hospitalisation insurance. Added to this is a company car and a fixed expense allowance.

The diagram below shows the relative portions of the fixed salary, the variable salary and the

group insurance in the target remuneration package (assuming 100% achievement of the target performance criteria) for the CEO and the members of the Management Committee (excluding CEO). The ratio of fixed salary/variable salary/group insurance may vary between the members of the Management Committee.



Members of the Management Committee



VARIABLE SALARY

In order to establish a direct link between remuneration and performance of both employee and organisation, a significant part of the remuneration package consists of a variable remuneration.

• TARGET LEVEL

The CEO acts as Chairman of the Management Committee. The variable salary, if targets are met, is 85% of the base salary for the CEO, 75% for the COO Retail, 62,5% for the General Manager Colruyt Lowest Prices and 50% for the other members of the Management Committee.

• PERFORMANCE CRITERIA

70% of the annual variable remuneration of the CEO and the other Management Committee members is determined according to **collective criteria** based on the operating profit targets of Colruyt Group. The Board of Directors determines every four years what level of operating profit we set as the target level. In setting this target level, performance relative to other retail companies is also taken into account.

Operating profit as the financial performance criterion reflects Colruyt Group's ambition to create added value in a sustainable way. Any good company needs to generate a profit to continue to grow in a sustainable way. By focusing on profitability, we generate sufficient cash to continue investing in the long term and

thus realise our strategy. In order to give priority to the group interest, these performance criteria apply to the entire Management Committee and also form the basis for determining the level of profit sharing for all employees of Colruyt Group Belgium.

The remaining 30% is determined by **individual criteria** including, in particular:

- participation in the group's mission and vision creation
- determining and implementing strategy
- development of potential
- supporting and stimulating the corporate culture
- other qualitative criteria such as working atmosphere, staff turnover, team building, readiness of staff to serve, policy for preventing occupational accidents, etc.

The individual performance criteria are determined annually for each individual and embody the various levers identified from the strategic objectives. For the CEO and COO, these performance criteria are drawn up and evaluated by the Board of Directors. For the other Management Committee members, these are proposed and evaluated by the Remuneration Committee and validated by the Board of Directors on the basis of recommendations from the CEO/COO.

• EVALUATION

The CEO and Management Committee members are evaluated annually, during the first few months following the end of the financial year.

The variable salary is a maximum of 1,75 times the target variable remuneration. If the performance falls below a predetermined minimum level, no variable remuneration is awarded.

The amount of the variable remuneration of each Management Committee member is determined as follows, depending on their individual evaluation:

- If the Management Committee member has achieved less than half of the individual performance criteria:

- ▷ up to half the collective variable remuneration can be awarded
- ▷ but no individual variable remuneration will be awarded
- If the Management Committee member has achieved half of the individual performance criteria:
 - ▷ up to half the collective variable remuneration can be awarded
 - ▷ half of the variable remuneration resulting from the achievement of the individual performance criteria can be awarded
- If the Management Committee member has achieved more than half of the individual performance criteria:
 - ▷ the collective variable remuneration can be awarded in full
 - ▷ the variable remuneration resulting from the achievement of the individual

performance criteria can be granted only pro rata to the criteria achieved.

In the event of exceptional circumstances or performance by one or more members of the Management Committee, the Chairman of the Management Committee may draw from an extra budget over and above the aforementioned variable remuneration. This envelope can amount to a maximum of 10% of the fixed basic compensation.

If the group's EBIT falls for the relevant financial year below a certain threshold, then, on the recommendation of the Board of Directors, no variable remuneration at all is paid.

Performance criteria	Relative weight	a) Performance – lower limit b) Corresponding payout level	a) Performance – maximum b) Corresponding payout level
Collective	70%	a) EBIT lower limit b) 0	a) EBIT upper limit b) Factor x 1,75
Individual	30%	a) < 50% achieved b) Individual: 0 Collective: max 50%	a) > 50% achieved b) Individual: Pro rata to level achieved Collective: max 100%

OTHER PROVISIONS

The Extraordinary General Meeting of 13 October 2011 decided to make use of the authorisation provided by article 7:91 of the Code on Companies and Associations (formerly article 520ter of the Companies Code) and expressly decided not to apply the provision regarding the permanent acquisition of shares and share options or the provision regarding the staged payment of the variable remuneration to all persons covered by these provisions. Article 13 of the articles of association has been amended accordingly. The company will therefore not be bound by the restrictions stipulated by article 7:91 of the Code on Companies and Associations regarding the staged payment of the variable remuneration to the executive management. In Belgian law, there is still considerable uncertainty as to the legal validity and enforceability of a right of recovery, in favour of the company, of variable remuneration. For this reason, Colruyt Group has opted to refrain for the time being from regulating on a right of recovery of the variable remuneration.

The variable pay of the members of the Management Committee does not include any share-based compensation, except for that acquired by the members of the Management Committee in the 2019/20 financial year in

respect of the profit sharing plan for the 2018/19 financial year. In this way, the Board of Directors aims to avoid any motivation for speculative behaviour.

For the next two financial years, no radical changes are expected in the remuneration policy compared to the reported financial year.

DIRECTORS

The directors are remunerated with a fixed remuneration (emolument), regardless of the number of meetings of the Board of Directors or one of its committees. We assume that a director works between 20 and 25 days a year in his or her director's role. We believe that structuring the board and its committees with a single clear and transparent remuneration for the efforts of the directors is more desirable for corporate governance in a listed company. The Board of Directors has a collective responsibility and we also want to approach the remuneration of the directors from this perspective.

In line with previous years, non-executive directors at Colruyt Group did not receive any share-based remuneration. This deviation from the recommendations of the Belgian Corporate Governance Code 2020 is in our view justified, since the Board of Directors has a dual role in

our one-tier board model, which is to support entrepreneurship on the one hand and to ensure effective supervision and control on the other. To avoid the granting of shares to non-executive directors increasing the likelihood of a conflict of interest, these persons do not receive performance-related remuneration or share-related compensation.

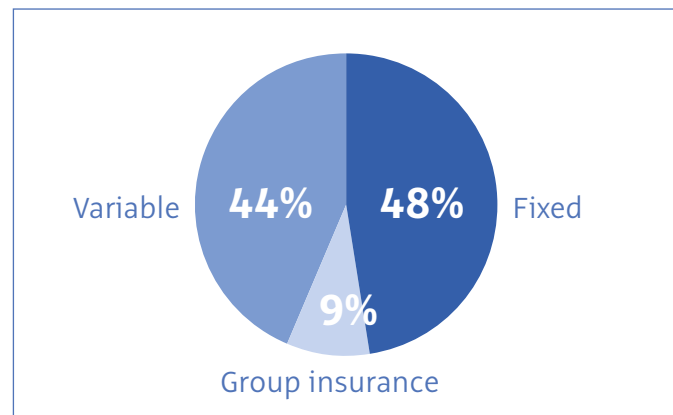
2.5. Remuneration report for financial year 2020/21

Introduction

A general overview of the company's performance and the main environmental factors, relevant events, developments and decisions that have influenced this can be found in the management report (page 20-31).

REMUNERATION OF THE CEO (CHAIRMAN OF THE MANAGEMENT COMMITTEE)

The remuneration paid directly or indirectly to the CEO in financial year 2020/21 comprised:



Basic salary	EUR 693.588
Variable remuneration in cash	EUR 631.977
Contributions paid for group insurance ⁽¹⁾	EUR 124.846
Other components ⁽²⁾	EUR 7.920
Total	EUR 1.458.331

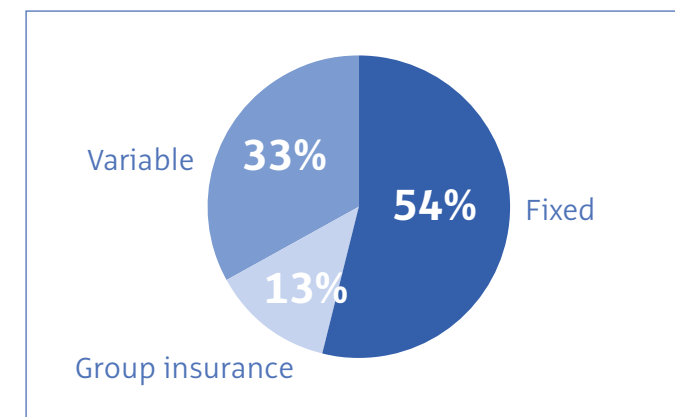
- (1) The CEO benefits from a supplementary pension plan. This supplementary pension plan is of a defined contribution type, with Colruyt Group paying an annual contribution of 18% of the basic compensation.
- (2) Other components consist solely of a fixed expense allowance. This is not included in the above table.

The basic salary was increased by 5,36 % starting from the 2019/20 financial year. The increase is due to indexation (0,8%) and an individual supplement. The variable remuneration in cash for services in financial year 2019/20, paid to the CEO in financial year 2020/21, rose in comparison to the variable remuneration in cash paid in financial year 2019/20. The higher variable remuneration is mainly due to the increase in the collective performance criterion operating profit in financial year 2019/20. The individual performance criteria in terms of strategy, sustainable value creation and succession planning were, as in the previous financial year, positively assessed given the achievement of predefined objectives.

The pay ratio within Colruyt Group is 1,9%. This is the ratio of the lowest Belgian salary in the group to the CEO's salary. When using the average salary for the comparison, this pay ratio is 3,1%. It should be noted that the CEO's remuneration (under his service contract) is taken here as the cost of the package, while for employees this is the gross pay excluding employer's social security contributions. In this calculation, we have included only employees in Belgium who worked continuously for a full year during the 2020/21 financial year.

REMUNERATION OF OTHER MEMBERS OF THE MANAGEMENT COMMITTEE

The remuneration paid directly or indirectly to the other members of the Management Committee in financial year 2020/21 comprised overall:



Basic salary	EUR 3.397.731
Variable remuneration in cash	EUR 2.078.325
Contributions paid for group insurance ⁽¹⁾	EUR 840.745
Other components ⁽²⁾	EUR 40.590
Total	EUR 6.357.391

- (1) The members of the Management Committee benefit from a supplementary pension plan. This supplementary pension plan is of the defined contribution type, with Colruyt Group paying an annual contribution of 18% of the monthly salary x 13,92. As of this year, this amount also includes additional individual pension commitments. This explains the strong increase compared to the previous financial year.
- (2) Other components consist solely of a fixed expense allowance. The members of the Management Committee are also entitled to other benefits, such as disability insurance, hospitalisation insurance and a company car. This is not included in the above table.

These figures show the remuneration in gross amounts for a complete financial year. Compared to the previous financial year, the number of management committee members has remained stable. Dirk Depoorter (General Manager Retail Partners Colruyt Group) left the group on 01/03/2021 to become CEO of AgeCore, the international purchasing alliance of which Colruyt Group is a part. He is replaced by Johan Vermeire, who was already active in Colruyt Group as Deputy Sales Manager Colruyt Lowest Prices. Johan Vermeire will join the Management Committee

from the 2021/22 financial year.

In the context of a market comparison during the 2020/21 financial year, provision was made for salary increases for Management Committee members where necessary. This exercise is part of the policy to provide a competitive salary. This explains the increase in basic remuneration compared to the 2019/20 financial year.

This increase in the basic remuneration, in combination with the increase in the collective performance criterion operating profit for financial year 2019/20, also results in an increase in variable remuneration.

The variable remuneration comprises payment for services for the group during financial year 2019/20. All members of the Management Committee included in the above overview are salaried employees, with Colruyt Group paying social security contributions on their gross salaries.

Information on exit payments

Managers who are members of the Management Committee and bound to their employer by employment contracts have no individual contractual claims with respect to Colruyt Group regarding their exit payment. Following the retirement of Dirk Depoorter, an individual pension commitment was granted in financial year 2020/21 to the value of approximately 1 year's salary. This remuneration consisted of (i) variable pay for his performance in the 2020/21 financial year and (ii) an additional bonus in recognition of his many years' dedicated service as a manager at Colruyt Group.

EVOLUTION OF THE REMUNERATION OF CEO AND MANAGEMENT COMMITTEE MEMBERS AND OF THE PERFORMANCE OF COLRUYT GROUP

	FY 2019/20 vs FY 2018/19
Total Remuneration ⁽¹⁾	
CEO	4,38%
Management Committee	10,87%
Variable pay ⁽¹⁾	
CEO	7,31%
Management Committee	10,30%
Performance Colruyt Group	
EBIT margin	0,16%
Social added value	
Employment FTE	2,53%
CO ₂ per million EUR turnover (tonnes)	-7,34%
Food donated to social organisations (tonnes)	26,27%
Average pay FTE Colruyt Group ⁽²⁾	
Wage mass / FTE	1%

(1) For the calculation of total remuneration and variable remuneration, we operate here with the accumulated salary. This means that we always take into account the variable remuneration paid in year X+1, which was accumulated in year X.

(2) This is based on the total remuneration as stated in the consolidated annual report divided by the total number of FTEs.

As mentioned in the footnote, we work with the accumulated salary in the table above. The basis for this is that the variable salary paid in financial year 2020/21 is determined on the basis of performance in financial year 2019/20. In this way the total remuneration stated above for financial year 2019/20 consists of the fixed salary, contributions to group insurance and other components received in financial year 2019/20, supplemented by the variable salary received in financial year 2020/21. This approach simplifies comparison between the group's results and the remuneration paid.

We note that the evolution of the variable remuneration follows the evolution of the EBIT margin. As described in the remuneration report, 70% of the annual variable remuneration of the CEO and the other Management Committee members is determined according to collective criteria based on the EBIT margin of Colruyt Group.

In addition to the financial results, Colruyt Group focuses strongly on social aspects and sustainability. In recent years, the group has made great strides in achieving the objectives in this regard.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

EMOLUMENTS

All directors of the group receive emoluments as payment for their appointments. On the advice of the Remuneration Committee, the Board of Directors decided to keep the directors' individual emoluments for financial year 2020/21 at the same level as the previous financial year. Thus, in financial year 2020/21, the members of the Board of Directors received the following emoluments:

EMOLUMENTS RECEIVED IN 2020/21 ⁽¹⁾

Korys NV (with permanent representative Dries Colpaert)	EUR 94.000
Korys Business Services I NV (with permanent representative Hilde Cerstelotte)	EUR 94.000
Korys Business Services II NV (with permanent representative Frans Colruyt)	EUR 94.000
Korys Business Services III NV (with permanent representative Wim Colruyt)	EUR 94.000
Jef Colruyt (Chairman) ⁽²⁾	EUR 282.000
François Gillet ⁽³⁾	EUR 47.000
ADL CommV (with permanent representative Astrid De Lathauwer, independent director)	EUR 94.000
7 Capital SRL (with permanent representative Chantal De Vrieze, independent director)	EUR 94.000
Fast Forward Services BV (with permanent representative Rika Coppens, independent director)	EUR 94.000
TOTAL	EUR 987.000

(1) Gross amounts on an annual basis.

(2) Since 1 January 2020, Jef Colruyt, as a natural person, has assumed the chairmanship of the Board of Directors.

(3) The directorship of François Gillet (Sofina NV) was not renewed at the General Meeting of September 2020. He therefore received directors' emoluments for two quarters in the 2020/21 financial year.

OPINION FROM SHAREHOLDERS

In accordance with article 7:149 of the Belgian Code on Companies and Associations, we inform you that the previous remuneration report as part of the annual report for the 2019/20 financial year was presented at the General Meeting of Shareholders of 30 September 2020, and was approved by 81,61% of those present and shareholders represented by proxies.

3. Risk management and internal controls

3.1. General

Colruyt Group aims to pursue a policy of sustainable entrepreneurship. In practice, this policy is converted into the strategic and operational objectives of the group and of each division within the group. However, the group is exposed to a number of operating risks in the context of its normal business operations, which could mean that it is possible to achieve the aforementioned objectives only in part. Controlling these risks is a core task of each member of the Management Committee, within his/her domain of responsibility. To assist management, the group has set up a series of risk management systems with the aim of providing reasonable certainty in the following domains:

- realisation of strategic objectives
- effectiveness and efficiency of business processes
- reliability of financial reporting
- compliance with applicable laws and regulations

The main characteristics of these systems as well as the most relevant risks for the group are discussed in this section of the annual report.

The principles of the COSO reference framework have served as a source of inspiration for the

group in setting up these risk management systems.

3.2. Components of risk management and internal control systems

3.2.1. Management environment

The group's management environment forms the basis for all other components of the risk management systems and is mainly represented by the company culture. The uniqueness of this is based on a number of pillars such as our group mission, values, employees and organisational structure, which are attuned to one another (the group's 'organisation model'). These pillars help increase risk awareness in the context of 'craftsmanship' and 'entrepreneurship' when weighing up opportunities and making decisions.

In concrete terms, the group's management environment includes the following elements:

- Propagating and living out the group values ('value immersion'), policy frameworks and codes of conduct

- Leadership style and exemplary role of management
- A culture of cost efficiency
- Establishing delegation and responsibilities ('decision matrix' and 'responsibilities table')
- Ensuring the expertise of our employees (job descriptions, selection process, competence management through development interviews and training plans)

3.2.2. Risk management process

A. BACKGROUND AND OBJECTIVE

Colruyt Group has developed an overarching risk management system based on the principles of Enterprise Risk Management (ERM) under the name of 'Coris' (Colruyt Group Risk Management). The main objectives are to increase the risk awareness of all employees and to draw up an inventory of the risks to which the group is exposed in order to then control them. We wish to encourage our employees to take controlled risks, as entrepreneurship is based on taking risks. To this end, all supervisors and employees concerned participate in Coris training sessions. All operating units of the group have gone through the Coris process as described below, and this is updated on a regular basis.

B. PROCESS AND METHODOLOGY

The entire group is divided into Business and Service Operating Units (BSOU). Each BSOU must go through the following process steps in a structured manner:

- risk identification
- risk analysis and risk evaluation
- risk response (set up additional management measures if necessary), monitoring and adjustment

The entire process is coordinated and facilitated by the Risk and Compliance department, in consultation with the Management Committee. Reporting takes place on a quarterly basis to the Management Committee and, via the Audit Committee, to the Board of Directors.

The main risks relating to Colruyt Group's operations are reflected in a risk universe divided into five categories:

- strategic risks: such as market dynamics, governance, planning and the allocation of resources, major initiatives, acquisitions and communication
- operational risks: these include marketing and sales, purchasing, stocks and production, human resources and organisation, information technology, fixed assets and theft
- financial risks: these comprise risks associated with the financial markets (interest rates,

currencies, commodities), liquidity and loans, capital structure, accounting and financial reporting

- legal risks: codes of conduct (ethics, fraud), legal risks and legislation
- risks of force majeure: natural disasters, fire, acts of terrorism and power failures

In order to allocate a risk score to the identified risks in a consistent manner, scales have been developed for 'probability' and 'impact'. The impact scale is based on the risk appetite determined by the Board of Directors for the group, together with the respective operating units. A risk matrix is drawn up for each operating unit based on the risk scores, with risks classified as critical, high, moderate, low or insignificant. Critical risks must be avoided as much as possible; where this is not possible, mitigation plans are to be introduced immediately. High risks must be accompanied by a risk response. Moderate risks should be monitored periodically and action plans implemented if necessary. Low risks may be accepted; though quick wins may be implemented. Insignificant risks must be accepted.

All risks are recorded in the risk register of the operating unit concerned, specifying any relevant KRIs (Key Risk Indicators). Furthermore, each risk is allocated to a risk owner who is responsible for setting up and implementing action plans and

for the monitoring and follow-up of his/her risks. A risk coordinator is appointed for each OU and keeps risk management alive in the OU through the administration and management of the risk registers.

The members of the Management Committee are instructed to include risk management as an explicit chapter in their periodic activity reports.

3.2.3. Measures regarding risk management and internal controls

A. GENERAL: PROCESS AND SYSTEM APPROACH

Identified risks are provided with a risk response through management measures and internal controls that are built into processes and systems. For new processes and systems, this is done at the time of design and development. For existing processes and systems, newly occurring risks are controlled through the introduction of additional measures and internal controls (process and system optimisation). The Business Processes & Systems department supports the design and optimisation of processes and systems and thus also the integration of management measures and internal controls into them. The process managers are the risk owners and thus bear the final responsibility for their process being 'under control'.

B. MAIN RISKS AND MANAGEMENT MEASURES OF COLRUYT GROUP

Strategic risks

- *Risks related to market dynamics*

A major strategic risk of the group relates to trends in consumer spending and cost inflation. As Colruyt wants to guarantee the lowest prices on the market for the consumer, the actions of competitors can affect the group's profitability. Therefore, where possible the group continually endeavours to introduce efficiency improvements and reviews its cost structure where necessary.

- *Risks relating to expansion*

The group is committed to a growth strategy that includes both organic growth and growth through acquisitions. The success of this growth thus also depends on the extent to which the group is able to make acquisitions which it can integrate successfully into its existing operations. In the event of cross-border acquisitions, the group is also exposed to the economic, social and political risks associated with operating in these countries. The group strives to mitigate the aforementioned acquisition risks as far as possible through a formalised acquisition process, including robust due diligence activities.

Operational risks

- *Supply risk (supply chain)*

The continuous supply of goods to the group's distribution centres and stores is of vital importance for achieving our performance objectives. In order to reduce supply chain risks, the group aims for a transparent, long-term relationship with all of its suppliers. Moreover, no single supplier has a dominant position that could jeopardise the supply process. Finally, scarcity or supply problems can be absorbed within the network of the AgeCore purchasing group. The unavailability or inaccessibility of the distribution centres can also have a significant impact on the continuity of our activities. The group has implemented the necessary continuity programmes and contingency measures in order to mitigate this risk as far as possible. The consequences of Brexit have also been investigated for potential supply chain risks. In view of the small number of direct single suppliers from the UK, this risk is not material.

- *HR-related risks*

Trade union representation exists in most of the group's operations in Belgium and France. A positive and constructive social climate contributes to the company's growth and development. Industrial action within or outside our organisation may have a negative impact

on the continuity of the group's activities in that deliveries, sales, production or corporate services may be temporarily disrupted. Colruyt Group endeavours to minimise this risk by pursuing a strategy of open and transparent communication with all employees and social partners.

- *IT risk*

The group relies considerably on its IT systems: infrastructure, networks, operating systems, applications and databases. Over the years, these systems have become increasingly important for Colruyt Group. Although these systems are maintained by a team of experienced specialists, their failure, even for just one day, could result in an immediate loss of revenue for the group. The group endeavours to safeguard the continuity of data processing through various mirror and backup systems, continuity plans and contingency scenarios. Additionally, the group invests in various transformation programs and projects to renew and strengthen its current infrastructure, in which disaster recovery and business continuity play an important role.

Financial risks

- *Financial reporting*

The risk management systems and internal control systems relating to the financial

reporting process are described in detail in paragraph 3.3. below.

- *Currency, interest rate, credit and liquidity risks*
Given the nature and structure of its activities, the group is exposed only to a limited extent, with the exception of credit risk, to these financial risks, which are described in more detail in the 'Notes to the consolidated financial statements' under the chapter 'Risks associated with financial instruments'.

Legal risks

- *Risks associated with product liability*
The production, packaging and selling of goods for resale may entail risks of product liability, and obligations to take back and/or replace goods. Products may be soiled, contaminated or defective and still be distributed by the group unintentionally. As a result, the group may be exposed to claims relating to product liability. Even if the product liability claims are not successful, the group could still suffer as a result, due to the impact that such a claim could have on its reputation. The group insures itself against the risks of product liability and recalls. The group itself is also active in the area of food safety, including quality audits on products intended for sale. Together with suppliers, programmes are developed to permanently

monitor quality. As far as non-food articles are concerned, the group requires its suppliers to adhere to the pre-agreed return and/or replacement obligations.

- *Risks relating to environmental liability*
The group may be held liable for remedying accidental damage to the environment, regardless of whether this environmental damage was caused by the group or by a previous owner or tenant. The group has taken out insurance policies for this type of risk. As far as its filling station operations are concerned, the group complies with the statutory inspection obligations. It also carries out additional inspections to detect pollution in good time. A decontamination plan is immediately drawn up for any pollution found.
- *Regulatory risks*
The group is subject to the laws and regulations applying in every country in which it operates, as well as to the laws and regulations imposed by the European Union. As a result of its listing on Euronext Brussels, the group is subject to Belgian and European corporate governance laws applying to listed companies. The group strives to respect its statutory obligations. Due to changing laws or regulations, the group may have to invest further in its administrative or other processes.

Changes in the regulations in a country or region where the group operates may have an impact on Colruyt Group's results. As far as possible, the group endeavours to accommodate changes in a proactive manner, in other words, by adopting an innovative and progressive approach. The best example of this approach is environmental legislation, where possible stricter emission controls have already been accommodated by proactive investments in solar and wind energy. Furthermore, changes in tax laws may affect the profit made by the group, both positively and negatively.

In order to keep the regulatory risks under control, the group has set up the necessary competence centres and compliance activities.

- *Competition*
Since 2007, a number of new and specific control measures have been developed and implemented to monitor the group's compliance with the competition regulations.
- *Health and safety risks*
The risks relating to occupational accidents and obligations regarding personnel are covered by insurance policies with external insurers. The group strives to prevent health and safety incidents as far as possible through extensive safety and prevention programmes.

- *GDPR-related risks*

Since 2018, a number of new and specific control measures have been developed and implemented in the group to monitor its compliance with the regulations concerning the protection of data.

Risks of force majeure

- *Fire, natural disasters, terrorism, malicious acts*

The group manages these risks partly by insuring them on the external insurance market, combined with its internal captive reinsurance company Locré. The group bases its decisions on the cost of external cover on the one hand and the level of its safety and prevention programmes on the other. External insurance is also used whenever this is compulsory by law. The objective of this reinsurance programme is to provide permanent flexibility in its risk programme and to optimise the cost of this according to the risks. The group seeks to prevent damage to buildings and business interruption due to fire, explosion or other perils as far as possible through fire safety and prevention programmes.

- *Blackouts and power failures*

The detrimental consequences of these risks are covered by insurance policies. In addition, the group has a number of continuity programmes

and contingency plans and resources at its disposal in the event of an incident occurring.

- *Pandemic*

Following the outbreak of the COVID-19 virus, pandemic risk is now included in Colruyt Group's global risk register. To ensure the continuity of the group's activities, a number of business continuity plans have been drawn up to manage this risk. These plans serve to guarantee the continuity of purchase, logistics and sales as well as all necessary corporate services.

Risks of corruption and bribery

We actively monitor the corruption risk in our Enterprise Risk Management (ERM) in the form of a **fraud dashboard**. This dashboard has been developed on the basis of 13 different fraud risks. For each risk we analyse its causes and consequences, provide the necessary control measures and monitor these periodically. We apply the group values, policy frameworks and **codes of conduct** throughout the group. All our employees follow training on values perception and ethics. New buyers sign an **ethics charter**, with explicit guidelines for gifts, hospitality benefits and screening of suppliers in high-risk countries. Buyers switch jobs, product area or business unit regularly and there is a strict **segregation of functions** within the different

steps of the purchase process. **Purchasing** takes place **centrally**, with systematic application of the four-eyes principle. Finally, buyers undergo continuing education and training, including mandatory **compliance training** and an annual test.

C. RISKS ASSOCIATED WITH THE NON-FINANCIAL REPORTING OF COLRUYT GROUP

The following risks have been defined with regard to Corporate Sustainability. These risks are managed and reported in a structured and systematic manner via Colruyt Group's Enterprise Risk Management Platform. Our approach to managing these risks can be found in the Corporate Sustainability chapter.

Risks related to environmental matters (SDG 2, 6, 7, 12 and 13)

As a retailer, we have a major impact on the environment through the product chains. To keep this impact to a minimum, we dedicate a lot of effort to measuring and mapping. Increasing transparency appears to be a challenge for the entire food and non-food sector. A possibility exists that the actors in the chain will be unwilling or unable to share their **data**, or will pass on incorrect data. From our strategic position in the chain, we want to exert leverage by pointing to the

importance of measuring, collecting and analysing the impact of each actor in the chain on the environment and on animal welfare.

In addition, we are taking steps to make the product chains and activities more sustainable in a systematic way. Our involvement in product chains can vary. First of all, we opt for the **local delivery of products**. In this way, we have greater impact on improving production and distribution conditions. Despite our own willingness to invest in sustainability, there is a risk of receiving **insufficient support from other actors in the value chain**.

In addition, we are very much committed to new and long-term collaboration models in existing and new production chains. We prefer products that are certified with a focus on good management and restoration of existing ecosystems. There is a risk of our being unable to source sustainably in an optimal way owing to **excessive dependence** on one or a limited number of suppliers.

With a lack of control on environmental and animal welfare matters, there is a risk of accidental environmental damage being caused by the group. As a result, we can suffer reputational damage and be perceived as an organisation that fails to realise its sustainability goals.

Natural disasters can damage both supply chains and our own infrastructure. We provide the

necessary monitoring for this and have drawn up risk management and business continuity plans.

Sustainability risks related to social affairs (SDG 2, 3 and 8)

Colruyt Group is strongly anchored in the social fabric, both through its own production and retail sites as well as through local and international supply chains.

Local anchoring points to the importance of close contact with consumers, producers and site neighbours. Social unrest can arise from the activities we carry out. It is important to capture this in time and enter into dialogue.

Supply chains involving foreign players are more difficult to control. For example, social unrest can arise due to political and economic instability in countries from which products are supplied. There is a risk that goods can no longer be sourced or distributed locally. We have the necessary monitoring for this and have drawn up business continuity plans.

Sustainability risks related to personnel matters (SDG 3 and 8)

We seek to organise the work of all our employees in a safe and physically and mentally healthy way. Even so, **risks of (occupational) diseases, occupational accidents and psychosocial risks**

are inherent in the company's activities. The group therefore pays the necessary attention to ensure that the current jobs can be performed optimally with a view to physical and mental well-being. Important factors are the nature and meaningfulness of the work, as well as the degree of work pressure. We provide our employees with a wide range of training courses to broaden their professional competences or for further personal growth.

In the current coronavirus crisis, the **workplace safety** of our employees can potentially be jeopardised. To cope with these greater risks, we have increased the control measures, monitoring has been tightened and the majority of employees of the central services can work from home. Working from home, in turn, leads to an increased risk of **unhealthy work-life balance**. As an employer, we are aware of this and we are fully committed to raising awareness.

In addition, different types of **social unrest among own employees** influence the objectives of the group. We are committed to maintaining a constructive social dialogue to manage this risk. Finally, with regard to personnel policy, we may experience difficulties in **recruiting suitable employees**. Insufficient influx of properly trained and experienced staff, especially in shortage professions, can result in a lack of new insights and potentially jeopardise business continuity. We are therefore committed to offering a stimulating

career policy and a supportive remuneration package.

Sustainability risks related to human rights (SDG 8 and 12)

In a people-oriented organisation, respect for human rights is always paramount. And that applies as much to our own employees as right along the value chain. The biggest challenge in terms of risk management lies here in **monitoring compliance with human rights**. Initially with regard to our own brands, but also in the product chains of the brands that we distribute as a retailer.

When human rights violations by chain actors come to light, we run the risk of being held liable and suffering reputational damage. The group manages this risk, among other things, by working with suppliers of private-label products with the **amfori BSCI Code of Conduct** that subscribes to universal human rights principles.

Sustainability risks related to corruption and bribery

In the field of corruption and bribery, Colruyt Group may run the risk of becoming involved in **unwanted influence**, conflicts of interest, non-objective pricing and subjective awarding of contracts. We monitor this risk within our Enterprise Risk Management. More information

can be found in section Risks of corruption and bribery on page 149.

3.2.4. Information and communication

In order to enable employees at different hierarchical levels of the group to perform their jobs properly and to assume their responsibilities, the group has extensive and intensive information and communication flows. This ranges from transactional data, which is used to support the completion of individual transactions, to operational and financial information with regard to the performance of processes and activities, from department to group level. The general principle that applies here is that employees receive the information they need to perform their work, while supervisors receive information regarding the elements on which they have an impact. The main control information concerns cockpit reporting on achievement versus expectation for the main financial and operational KPIs:

- financial scorecards: revenue, gross profit, wage costs, other direct and indirect costs and depreciation, EBIT and EBITDA
- operational reporting: detailed reporting on revenue, gross profit, wage costs, store contribution, store productivity
- project reporting for the purpose of project monitoring

3.2.5. Monitoring

The Board of Directors supervises the proper functioning of the risk management systems through the Audit Committee. For this, the Audit Committee uses the information provided by the external auditors as well as the interaction with the Risk & Compliance (Internal Audit) department. The latter reports on a quarterly basis on the activities performed and results.

Both external audit and the Risk & Compliance department assess the organisation and functioning of the internal controls contained in processes and systems, from their respective perspectives: for external audit this concerns the certification of the group financial statements, for risk management the emphasis lies more on controlling process risks and possible negative consequences of these risks.

Day-to-day monitoring is done by management itself based on supervision, analysis and monitoring of the information mentioned in the previous paragraph, monitoring of exception reports and monitoring in the context of the Coris programme (Key Risk Indicators). If necessary, corrective measures are initiated. It is generally the process manager who performs these monitoring activities. In this regard, the financial controllers fulfil a reporting and advisory role with respect to the operational managers.

3.3. Risk management and internal controls regarding the financial reporting process

Late or incorrect reporting of financial figures can have a considerable impact on Colruyt Group's reputation. In order to ensure the quality and timeliness of the financial figures produced and reported, the group has introduced the following management measures and internal controls:

3.3.1. Closing process

While the accounts are closed on a monthly basis, mainly for management reporting, the group financial figures are consolidated four times per year based on a formalised closing process. This process specifies the various process steps and the timeline for each step, the figures and other information to be supplied, as well as the roles and responsibilities of and the interaction between the different parties in the process. The process is monitored by a closing coordinator, who has no further involvement in the process himself. At the end of each closure, the process is evaluated and adjusted if necessary. During the half-yearly and annual closure, the process also provides for coordination with external auditors at regular points in time. To support the closing

process, a reporting manual has been prepared and introduced and an IFRS competence cell set up.

3.3.2. Monitoring of the quality of the figures supplied

The closing process passes through different departments such as Accounting, Financial Controlling, Consolidation and Investor Relations, the purpose of the last two being to provide information to the Board of Directors. Each department carries out quality controls in functional separation, both with regard to the figures obtained from the previous process step and with regard to the figures that they produce themselves. These quality controls mainly concern links (for example with the various ledgers), reconciliations (for example of accounts), alignment of financial reporting with management and operational reporting, variance analyses and validation rules (for example of consolidation flows and consolidated figures). At the end of the closing process, the consolidated figures are analysed with respect to previous periods and fluctuations must be substantiated. The financial results achieved are also checked against the expectations in this respect. In the case of figures for publication, the printer's proofs are aligned with the system figures provided. Lastly, there is a final check for validation by the financial

management.

3.3.3. Communication of financial reporting

In order to communicate and publish information as transparently as possible, Colruyt Group publishes financial press releases on pre-agreed dates. The communication efforts of management also find expression via financial roadshows and regular telephone contacts, as well as actual visits by and with investors and analysts. Finally, around twenty analysts publish reports containing financial information about Colruyt Group at regular points in time.

Share ownership - Colruyt shares

1. Calendar for shareholders

15/09/2021	Record date for depositing of shares for participation in the annual General Meeting of Shareholders
29/09/2021 (16h00)	General Meeting of Shareholders for financial year 2020/21
01/10/2021	Dividend for financial year 2020/21 (coupon no. 11)
04/10/2021	Ex-date (detachment of coupons)
05/10/2021	Record date (centralisation of coupons)
15/10/2021	Payability
	Certificates relating to exemption from or reduction of withholding tax on dividends must be in our possession
07/10/2021	Extraordinary General Meeting Capital increase Etn. Fr. Colruyt NV reserved for employees of Colruyt Group (art. 7:204 Code on Companies and Associations)
14/12/2021	Publication of consolidated information on the first half of financial year 2021/22
15/12/2021	Information meeting for financial analysts
14/06/2022	Publication of consolidated information on financial year 2021/22
15/06/2022	Information meeting for financial analysts
29/07/2022	Publication of annual report for financial year 2021/22
28/09/2022	General Meeting of Shareholders for financial year 2021/22

2. Dividend for financial year 2020/21 ⁽¹⁾

The Board of Directors endeavours to increase the annual dividend per share in proportion to the increase in group profit. The Board of Directors consequently proposes to grant a gross dividend of **EUR 1,47** for the shares of Etn. Fr. Colruyt NV participating in the profit for financial year 2020/21. Of the gross dividend of EUR 1,47, shareholders will receive a net amount of EUR 1,029 after deduction of 30% withholding tax.

On income from movable property such as dividends, under current tax regulations, **30%** withholding tax is due. Originally the rate for dividends was 15% and then 21%. Following the Programme Law of 27 December 2012, the tax rate for the withholding tax was set at 25% as of 1 January 2013. Within the framework of the '2016 tax shift', the Belgian government decided to increase the withholding tax on dividends from 25% to 27% as of 1 January 2016. As part of the federal policy declaration, at the end of 2016 it was decided to again increase the standard rate of withholding tax from 27% to 30% for dividends and interests allocated or payable as of 1 January 2017. The amount of the net dividend for foreign

shareholders may vary, depending on the double taxation treaties applying between Belgium and the various countries. The necessary certificates must be in our possession by 15 October 2021 at the latest.

The dividend for financial year 2020/21 will be made payable as of 5 October 2021, against (electronic) submission of **coupon no. 11** at the counters of the financial institutions. BNP Paribas Fortis Bank will act as the Principal Paying Agent for the dividends.

Since the stock market flotation in 1976, the Colruyt share has been split a number of times. The most recent split dates from 15 October 2010 when the share was divided by five. Since 15 October 2010 only shares with ISIN code BE0974256852 have been listed on Euronext Brussels. Referring to the Act of 14 December 2005 abolishing bearer securities, as amended by the Act of 21 December 2013, Colruyt sold its remaining bearer shares (in total 28.395 shares) on the regulated market of Euronext Brussels on 24 March 2015. As of 1 January 2016, those

who are still in possession of old paper Colruyt shares and who can demonstrate their capacity as shareholders of these documents, can obtain the exchange value in cash from the Deposit and Consignment Office. They can seek assistance from the issuer for the collection of dividends on these (sold) paper shares (with attached coupons).

(1) Subject to the approval of the General Meeting of Shareholders of 29 September 2021.

Colruyt share information



Market listing:

Euronext Brussels (since 1976)

Member of Bel20 index

Share ticker COLR

ISIN code BE0974256852

Change in Colruyt share price over the previous financial year



Change in Colruyt share price compared to Bel20 over the last five financial years



source: www.euronext.com

3. Overview of Etn. Fr. Colruyt NV shares

On 31 March 2021, the capital of the Company amounts to EUR 357.404.044,93, which is represented by 136.154.960 shares without par value. All shares are registered or dematerialised.

Overview of changes	2020/21	
Total number of shares at 01/04/2020	138.432.588	
Cancellation of own shares on 08/10/2020	- 2.500.000	
Creation of new shares following the capital increase reserved for employees on 16/12/2020	+ 222.372	
Total number of shares at 31/03/2021	136.154.960	

Number of shares	2020/21	2019/20
Ordinary shares ⁽¹⁾	136.154.960	138.432.588
Shares participating in profit ⁽¹⁾	136.154.960	138.432.588
Treasury shares ⁽¹⁾	- 1.821.153	- 2.799.868
Shares held by subsidiaries ⁽¹⁾	0	0
Balance of profit-participating shares in June ⁽¹⁾	134.333.807	135.632.720

Data per share (in EUR) on closing date of the reporting period (31 March)		
Gross dividend	1,47	1,35
Net dividend	1,029	0,945
Profit	3,06	3,14
Calculation base (weighted average) ⁽²⁾	135.503.424 shares	137.279.011 shares

Market price in Brussels (in EUR)		
Market price on 31 March	50,86	49,27
Highest price of the financial year (closing price)	60,00	67,50
Lowest price of the financial year (closing price)	47,92	40,97
Market value on 31 March (in million EUR)	6.924,84	6.820,57

(1) Situation on 11/06/2021 and 12/06/2020 respectively.

(2) Calculated on the basis of the number of shares participating in the profit, after deduction of the shares participating in profit owned by the company and subsidiaries.

4. Purchase of treasury shares

For several years, the Extraordinary General Meeting of Shareholders has granted authorisation to the Board of Directors of Etn. Fr. Colruyt NV to acquire treasury shares. These acquisitions of shares take place in accordance with article 7:215 of the Code on Companies and Associations and in accordance with articles 8:3 and 8:4 of the Royal Decree of 29 April 2019. Purchases of treasury shares are aimed at reducing both the Company's available cash and its capital, by cancelling the repurchased shares. Purchases of treasury shares are carried out by an independent intermediary under a discretionary mandate, making it possible to purchase shares during both open and closed periods.

The Extraordinary General Meeting of Shareholders of 10 October 2019 decided to renew the aforementioned authorisation of the Board of Directors for a period of five years. The Board of Directors has already made use of the authorisation granted to it several times by acquiring treasury shares on the stock exchange via financial institutions. The Board of Directors authorises the Chairman and CFO of the company to determine the execution terms within which

treasury shares can be purchased. In accordance with article 8:4 of the Royal Decree of 29 April 2019, information on purchasing transactions executed is reported to the Financial Services and Markets Authority (FSMA), at the latest on the seventh trading day following the date of the transaction, and is published by the company simultaneously through a press release on our website colruytgroup.com.

Within the mandate granted by the Extraordinary General Meeting of 10 October 2019, Colruyt Group has repurchased a total of 1.068.520 treasury shares over the period from 1 April 2020 to 31 March 2021. During financial year 2020/21, Colruyt Group cancelled a total of 2.500.000 treasury shares by notarial deed dated 8 October 2020.

On 31 March 2021, Etn. Fr. Colruyt NV held 1.368.388 treasury shares. These represent 1,01% of the total number of issued shares (136.154.960) at the end of the reporting period.

In accordance with article 7:217, § 1 of the Code on Companies and Associations, the Board

of Directors decided that the dividend rights attached to the shares or certificates held by Etn. Fr. Colruyt NV are continuously suspended and lapse for the period that they are held. Consequently, no dividends are paid and the voting rights attached to these shares are also suspended.

Overview of treasury share purchases

During the reporting period	2020/21
Total treasury shares held at the start of the reporting period (01/04/2020)	2.799.868
Cancellation of treasury shares by notarial deed dated 08/10/2020	- 2.500.000
Purchase of treasury shares in 2020/21	+ 1.068.520
Total treasury shares held at the end of the reporting period (31/03/2021)	1.368.388
After the reporting period	2021/22
Total treasury shares held at the start of the reporting period (01/04/2021)	1.368.388
Purchase of treasury shares in the period from 01/04/2020 to 11/06/2021	452.765
Total treasury shares in our possession on 11/06/2021	1.821.153

5. Structure of share ownership

5.1. Transparency notification of 15/02/2019 (Act of 2 May 2007)

Pursuant to the Act of 2 May 2007 and the Royal Decree of 14 February 2008 (publication of significant holdings in listed companies), we received on 15 February 2019 a notification of holdings from the Colruyt family and relatives, Sofina NV and Colruyt Group, which act in concert. This transparency notification, dated 15 February 2019, revealed that, following a sale of shares between the reference shareholders acting in concert, Sofina NV fell below the shareholding threshold of 5%. On 15 February 2019, the shareholders acting in concert (Colruyt family and relatives, Sofina NV and Colruyt Group) held a total of 90.955.630 Colruyt shares, together representing 63,36% of the then total number of shares in the company (143.552.090). The company has no knowledge of other agreements between shareholders. The statutory thresholds per 5% bracket apply.

Latest transparency notification received dd. 15/02/2019

Holders of voting rights	Previous notification	After the transaction	
	# voting rights	# voting rights attached to securities	% voting rights attached to securities
Stichting Administratiekantoor Cozin	0	0	0,00%
Korys NV	68.776.546	68.773.546	4,91%
Korys Business Services I NV	1.000	1.000	0,001%
Korys Business Services II NV	1.000	1.000	0,001%
Korys Business Services III NV	1.000	1.000	0,001%
Korys Investments NV	0	1.435.520	1,00%
Stiftung Pro Creatura	149.005	148.255	0,10%
Impact Capital NV	90.000	90.000	0,06%
Colruyt family shareholders	8.994.894	8.965.169	6,25%
Etn. Fr. Colruyt NV	5.695.660	5.695.660	3,97%
Sofina NV	7.510.000	5.844.480	4,07%
TOTAL	91.219.105	90.955.630	63,36%

Denominator: 143.552.090

Complete chain of controlled companies through which the holding is actually held:

- Korys NV is controlled by Stichting Administratiekantoor Cozin.
- Etn. Fr. Colruyt NV is controlled by Korys NV.
- Korys Investments NV is controlled by Korys NV.
- Korys Business Services I NV, Korys Business Services II NV and Korys Business Services III NV are controlled by Korys NV.
- Stiftung Pro Creatura, foundation under Swiss law, and Impact Capital NV are controlled by natural persons (who directly or indirectly hold less than 3% of the securities with voting rights of the Company).

- Sofina NV is controlled by the companies of the consortium Union Financière Boël SA, Société de Participations Industrielles SA and Mobilière et Immobilière du Centre SA.

No new notifications or changes were received during financial year 2020/21. All transparency notifications are available on the website www.colruytgroup.com under Investors/Shareholders' Information.

5.2. Notice of an agreement to act in concert dd. 27/08/2020 (art. 74 Act of 1 April 2007 on public takeover bids)

The above parties also have an agreement to act in concert in accordance with art. 74 § 7,3 of the Act of 1 April 2007 on public takeover bids, notified to the company and to the Financial Services and Markets Authority (FSMA). Korys NV sent an update of the holdings to the company and to the FSMA on 27 August 2020, on behalf of all parties acting in concert.

Under the same law, an update of the holdings concerned must be communicated once per year at the end of August. The full letter can be found on our website colruytgroup.com/investors.

Shareholding structure based on the latest update following the notification of acting in concert dated 27/08/2020

Parties involved	Situation at 29/08/2019	Situation at 27/08/2020
Korys NV	68.800.459	68.811.959
Korys Investments NV	1.435.520	1.435.520
Sofina NV	4.450.115	3.765.115
Etn. Fr. Colruyt NV	432.080	2.799.868
Korys Business Services I NV	1.000	1.000
Korys Business Services II NV	1.000	1.000
Korys Business Services III NV	1.000	1.000
Stiftung Pro Creatura, foundation under Swiss law	147.755	146.755
Impact Capital NV	90.000	60.000
Natural persons (who directly or indirectly own less than 3% of the voting securities of the Company)	8.930.956	8.709.175
TOTAL	84.289.885	85.731.392

On 27 August 2020, the number of shares acting in concert amounted to 85.731.392 or 61,93% of the total number of outstanding Colruyt shares on that date (138.432.588).

5.2. Updating of share ownership at end of financial year 2020/21

At the start of the financial year on 1 April 2020, the total share capital was represented by 138.432.588 shares. Following the cancellation of 2.500.000 treasury shares on 8 October 2020 and the creation of 222.372 new shares on the occasion of the capital increase reserved for staff, notarised on 16 December 2020, there are at the end of the financial year as at 31 March 2021 a total of 136.154.960 voting shares.

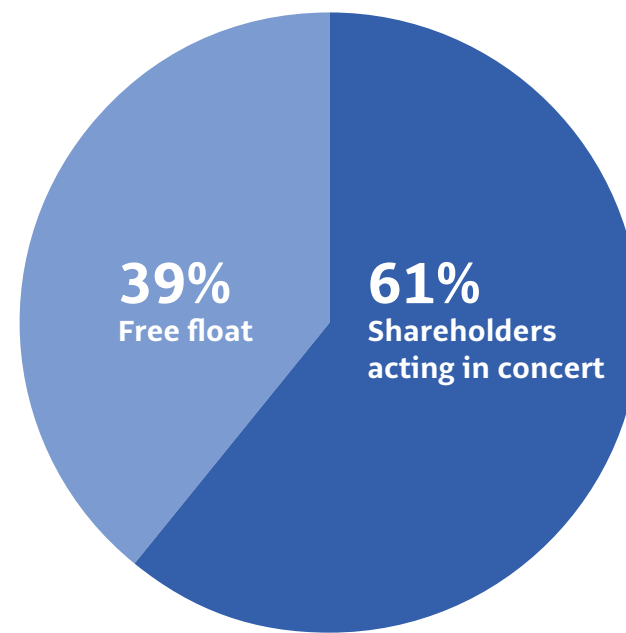
Based on the shareholding structure following the above notification of the agreement to act in concert between the reference shareholders as of 27/08/2020 and the treasury shares held by the company as of 31/03/2021, the distribution of the total number of shares at the end of the financial year as at 31/03/2021 was as follows::

Shareholders acting in concert	82.916.861
Colruyt family and Korys companies ⁽¹⁾	79.166.409
Sofina NV ⁽²⁾	2.382.064
Colruyt Group ⁽³⁾	1.368.388
Free float	53.238.099
TOTAL	136.154.960

(1) Source: Announcement of agreement to act in concert dd. 27/08/2020

(2) Source: Sofina annual report, financial year 2020

(3) Source: Status of treasury shares held by Colruyt Group, dd. 31/03/2021



Based on the existing agreements, the mutual consultation agreement between the Colruyt family and relatives and Colruyt Group on the one hand and Sofina NV on the other will expire not later than the end of September 2021. This does not affect the mutual consultation agreement between the Colruyt family and relatives.

The remaining shares (free float of 39%) are held by institutional or individual shareholders who, individually or in concert, do not exceed the statutory threshold of 5% for making a transparency notification.



Corporate sustainability

For more than fifty years, sustainability has run through all of our activities as a common thread. At the same time, starting with an economic impetus, we aim to make a positive difference, socially and ecologically, always with long-term results in mind. And with ambition, since we want to be a reference point and source of inspiration for sustainable entrepreneurship in Belgium.

This year, for the first time, we link our sustainability reporting completely to the Sustainable Development Goals. Based on the seventeen sustainable development goals, we report on seven SDGs on which we believe we can make the biggest impact, thanks to the uniqueness of our organisation. Read on for our full sustainability reporting.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Our social contribution (to the sdg)

We strive to make **balanced and healthy nutrition more accessible** to everyone, especially people who are struggling (financially), all year round.

We also want to work with the **Belgian agricultural sector** to create added value socially, economically and ecologically. We do this by forming partnerships in which we operate structurally, efficiently and respectfully.

Our approach

1. Enable access to balanced nutrition

Dinner is served at 1-2-3 euros

Making balanced and budget-friendly meals accessible to all, that is the aim of the Colruyt 'Dinner is served at 1-2-3 euros' programme. Vulnerable families are informed without obligation by their trusted social organisations such as the Public Centre for Social Welfare (OCMW), Centre for General Well-being (CAW) or 'Kind & Gezin'. Those who register will find a Colruyt cookery booklet in their mailbox every two weeks. Each recipe costs a maximum of 1, 2 or 3 euros per portion. Since 2016, the programme has already reached over **7.500 families** in more than **200 municipalities**.

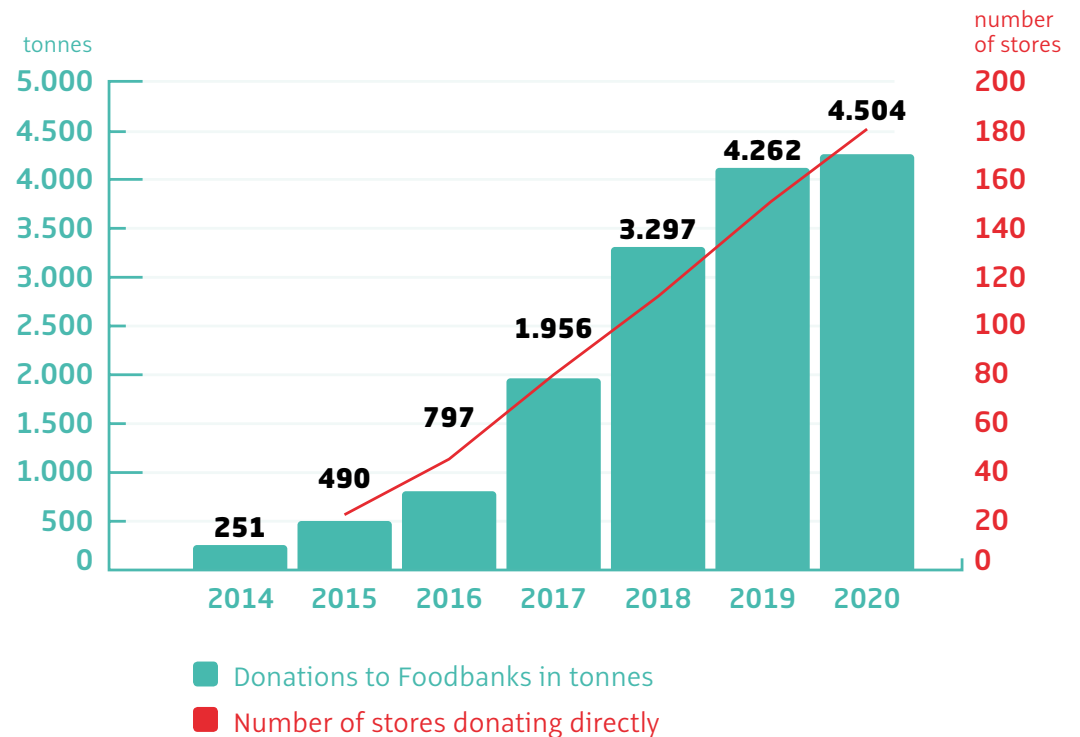




Food donations

We donate **as much as possible** of the unsold food that is still perfectly edible **exclusively** to **social organisations** such as Foodbanks. In 2020, this totalled a record 4.504 tonnes. Our customers do their bit too: during Colruyt's annual collection campaign in June 2020, they donated a total of 43.692 meals to Foodbanks.

We also lent our support to the **Christmas campaign 'Iedereen Voedselbank'** ('Everyone Foodbank') in which members of the public were encouraged to make an extra portion of their Christmas meal for a local family or single person.



2. Collaborating with Belgian agricultural projects

We want to establish new, sustainable collaboration models and partnerships in the agricultural sector. For this, we prefer to work **directly with producers**, or with multiple links if necessary.

Where possible and relevant, we base this on **transparent pricing**. This unique pricing model within an existing chain allows farmers to continue to invest in sustainable growth.

Last year, we continued to focus on intensifying our existing partnerships.



RESULTS

Creating new collaboration models

- As of 2019, we are committed to a unique partnership with Belgian **dairy company Inex** and some 330 Belgian dairy farmers. Participating farms receive a fixed price for their milk volume for a minimum of five years.
- The apple varieties **Magic Star** and **Coryphée** were developed especially for Boni Selection and Spar in partnership with three Belgian fruit growers. We offer the growers guaranteed sale, pay a fair price and support them in developing a profitable crop. In addition, we reduce food loss by turning rejected fruit into by-products such as apple juice, cake or sorbet.
- For our **beef**, we work with three officially recognised producer organisations, specialising in Belgian blue cattle. The guarantee of buying a certain number of animals results in more stability and financial security for the cattle breeders.
- There is a unique, direct partnership with **sixteen potato growers**, offering growers greater income stability so that they are less affected by price fluctuations.
- Several years ago, we joined forces with non-profit organisation **De Lochting**, a sheltered workshop and organic farm from Roeselare, for our organic vegetables. In 2021, we set ourselves some clear aims: ranging from sustainable land use and growing policy to sustainable water and emission management. Our goal: to create maximum added value for people and environment together.

3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

Our social contribution (to the sdc)

At Colruyt Group, we focus strongly on health. This is based on a state of complete physical, mental and social well-being. We aim to play a leading role and help **raise awareness around health in all its dimensions**. As a retailer, we also have a social role in promoting a healthy lifestyle among our customers and employees and empowering them to make more conscious choices.

Our approach

1. Balanced nutrition

To help consumers make healthier choices, we continuously work on the **nutritional composition** of our private label products. We want to offer them an appropriate, balanced range. That means: matching individual needs and requirements as far as possible. Services play a big role too, from training to digital tools. We focus especially on the target group of children and want to help them develop healthy eating habits in a simple, fun way.



RESULTS

Make our range healthier

- For years, we have focused on making nutritional improvements to our range. Last calendar year, this resulted in **206 products with an improved nutritional composition** and:
 - 88,4 tonnes less sugar;
 - 38,4 tonnes less salt;
 - 151,1 tonnes less fat;
 - 38 tonnes added fibre.
- As a result of our nutritional adjustments, 87 Boni Selection products received an improved Nutri-Score.
- We go to great lengths to ensure that our suggested recipes focus on providing a balanced diet. In our leaflets, cookery books and online.
- We offer our employees **balanced food in our canteens** as well.

Balanced food, suitable for children

- At the end of 2020, the **Belgian Pledge** launched a renewed commitment to stricter nutritional criteria for advertising aimed at children, extended to online influencers and a trial complaints system. Colruyt Group signed the Belgian Pledge in 2017, demonstrating our commitment to responsible advertising aimed at under-12s.
- Boni Selection's **kids assortment** fulfils all of the nutritional criteria set by the Belgian Pledge.

88,4 tonnes

less sugar
or 22.100.000
4-gram sugar cubes



38,4 tonnes

less salt



151,1 tonnes

less fat



38 tonnes

added fibre



De Pottenlikkers

Colruyt and Studio 100 make a balanced diet more attractive to children in the educational **cookery programme** 'De Pottenlikkers'. In 2021, Colruyt won the '**Ik ben meer dan mijn kassaticket**' award ('I'm more than my checkout receipt') for this initiative. This award honours initiatives of Belgian supermarkets which make it easier for customers to shop in a more balanced, fairer and more ecofriendly way.

2. Give consumers correct information and inspire them

We are convinced that everyone has the right to know what is in their favourite product. We also want to use our strength as a market leader to help consumers and employees move towards a healthier lifestyle. That means **giving them correct information, inspiring them** and **offering them insights**, in an accessible and transparent way. In this way, we empower them to make conscious choices for themselves, leading to **sustainable behavioural change**.

RESULTS

Guide consumers

- The Nutri-Score is clearly displayed on the front of the packaging of **91% of Boni Selection products**. We aim for 100% by the end of 2021.
- The Nutri-Score can also be found on **29% of Spar products**.
- The Nutri-Score is available on **various channels and media**, both in-store and online.

Provide customised information

- Last year, Colruyt Group Academy launched a series of **online Tips & Talks**, in which experts shared insights and tips on themes such as nutrition, health and media.

SmartWithFood: a true food coaching companion



In 2021, we want to continue to help our employees move towards a healthier lifestyle, joining forces with our spin-off **SmartWithFood**.

Based on a scientific

questionnaire about factors such as exercise, sleep and diet, everyone will be able to gain an insight into their general fitness. Anyone who wants to can also have a blood test and discuss the results with a doctor and a lifestyle coach. There are also longer programmes with blood tests, medical consultations and digital coaching to adopt and maintain a healthier lifestyle.

Last year, SmartWithFood lent its support to two new projects to help people struggling with the physical consequences of COVID-19 move towards a healthier lifestyle. The **Healthrichious** project supports people who are overweight in particular acquire habits that strengthen immunity. The **Matching** project offers another response to the rising demand for online health coaching through responsible matching of nutritional experts and users. Both projects are realised in collaboration with the European Institute of Innovation and Technology (EIT).



3. Safe and healthy working environment

Our guiding principle remains: Colruyt Group grows when our people grow. For our employees, **health** is a driver of their job satisfaction. With this in mind, we intend to offer them the best possible support, socially, physically and mentally, and actively work towards a **safe and healthy working environment** via various initiatives.



//
65% of our employees have voluntarily joined the Solidarity Fund

RESULTS

A state of complete physical, mental and social well-being for all employees

- 65% of our employees have voluntarily joined the **Solidarity Fund**, our social fund that assists them in situations such as long-term sickness.
- We are firmly committed to **prevention and risk analysis** of occupational accidents. Last financial year, there were 860 occupational accidents.
- With extended opening hours, our neutral service **The Connection** was even more accessible to employees struggling during the pandemic.
- The Connection supports long-term absent employees via the **Restart to work programme**. Last financial year, a total of 1.814 long-term sick employees were contacted.
- In 2020, our **training offer** focused much more on the mental well-being of our employees. This included a choice of courses in assertiveness, workshops on resilience and stress management, group walks and online yoga and meditation sessions at different times in the day.
- Free support to stop smoking.
- Medical examination: our company doctors and nurses also provide advice on nutrition and/or general health.
- The **'Shocking events' relief team** helps employees cope with a harrowing event at work, such as an accident, a hold-up or a death.
- **Confidential advisers** help with problems at work such as conflicts, stress or bullying.

6 CLEAN WATER AND SANITATION



Ensure availability and sustainable management of water and sanitation for all

Our social contribution (to the sdg)

*Water is indispensable to people and nature and therefore one of the most valuable resources. So, it is essential to use it economically. For years, we have applied **circular water management** with the optimum balance between sustainability and cost-efficiency.*

*We aim for minimal impact on ground and surface water, focussing primarily on **prevention** and **reduction**. Then on **reusing** water, as long as water quality can be guaranteed. Finally, we focus on **purification** of rainwater and wastewater into rinse or drinking water. Discharging it is a last resort.*

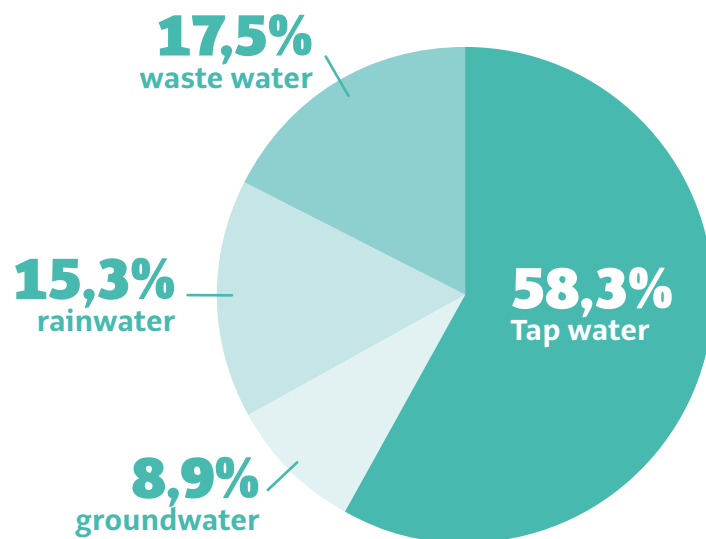
Our approach

1. Circular water management

At Colruyt Group, we treat **rainwater and wastewater** to turn them into drinking quality water. We make use of this recycled water on a daily basis at our biggest consumers – the Fine Food Meat meat-processing activity and the Dassenveld distribution centre. Our goal: for 50% of our total water consumption to come from rainwater and wastewater by 2025. We strive for **zero discharge** of rainwater into the sewers.

In each new-build or renovation project, we try to minimise our water footprint, starting with the design. **Circular water management** is key here. In practice this means: making more efficient use of water on our sites, for example by optimising installations. Using the right type of water for the right purpose, for instance not using drinking quality water when this is not necessary. Treating, then reusing wastewater. Collecting and using as much rainwater as possible, treated or not. Buffering surplus rainwater or letting it soak away into the groundwater. The ultimate aim: **to close the water loop**.





623.220 m³ water
used in 2020 (Belgium)

RESULTS

Measure water consumption

- Last calendar year, our water consumption totalled **623.220 m³**.

Water management by our biggest consumers

- In 2020, we produced 109.199 m³ of drinking water from wastewater from our meat division Fine Food Meat. This represents a **recovery rate of 56%**.
- At Fine Food Meat, some of the rainwater collected goes to the sanitary facilities and

some is treated to make it drinkable. Via the **PURA (PURification of RAinwater) process**, we treated 4.242 m³ of rainwater in 2020.

- We also collect rainwater at our Dassenveld distribution centre, in two buffer tanks with a **capacity of 4.100 m³**. We reuse the rainwater for the crate washing installations and the sanitary facilities.
- We continue to optimise our existing facilities and collect plenty of data to gain further insights.

Focus on water reduction

- We reduce the water used for sanitary purposes in the central buildings by installing a minimum flushing flow. We apply the same approach when refurbishing our stores. By 2030, we aim to have converted **340 branches**. This will lead to a water saving of more than 50.000 m³ per year.

2. Preserve & protect water resources

On our own sites, we collect **rainwater** from roofs and paved surfaces and allow it to soak away into the soil. If soaking away will not work (everywhere), we seek the optimal combined solutions.

We also treat the underlying groundwater in **water extraction areas** from which we source water with respect.

3. Reduce water footprint in the offer

We make every effort to minimise the **water footprint in our offer**. To this end, we run various projects and form partnerships to gain further insight and reduce our consumption.

Water is also included in our **ecological footprint analysis**. This analysis enables us to identify hotspots which we want to improve. For water, these include eutrophication and ecotoxicity.

RESULTS

Soak away into groundwater

- This can be by using surfaces that let through as much water as possible, such as water-permeable **clinkers** or grass and gravel pavers for parking areas, installing above-ground **infiltration systems** such as wadis or infiltration channels in green spaces, or via underground systems such as infiltration crates, sewers or infiltration pits. Only if the subsoil does not allow it to soak away do we buffer the water on our own site during peak downpours before discharging it later.

RESULTS

Form partnerships

- In our partnership with **SIFAV**, a sustainability initiative for fruit and vegetables, we strive to reduce water consumption to best practice level in three selected catchments. In addition, we intend to implement independent audits or water standards for 70% of volume from high water risk countries.
- It is our ambition to launch **Belgian agricultural projects** to give us more insight into water management among our primary producers.

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

Our social contribution (to the sdg)

We are convinced that **the most sustainable energy is the energy we do not use.**

Our energy policy is based on two key principles. We are firmly committed to **prevention and reduction** of our energy consumption. We also deliberately choose **sustainable alternatives**. For example, renewable electricity from wind turbines and solar panels, or green hydrogen as a fuel. In choosing sustainable alternatives, we look for two things: firstly how we can produce sustainable energy as a company, and secondly how we can give consumers access to sustainable and affordable energy.

Our approach

1. Reduce energy consumption

By 2030, we aim to consume **20% less energy** than in the base year 2009 (relative to revenue). By the end of the financial year, we achieved a reduction of 11,8%.

By 2030, we want **at least 60%** of our energy consumption to come from **non-fossil fuels**. We intend to achieve this by installing heat recovery and heat pumps in our buildings and focusing on more environmentally friendly fuels. Finally, by 2030, we want 100% of our **non-fossil energy** to come from our own or local production units.



In order to realise the above objectives, we follow a four-track approach::

- **Infrastructuur:** reduce energy consumption of buildings via energy upgrades with improved insulation and airtightness.
- **Heating:** via heat recovery as standard in new and renovated food stores, combined with further rollout of heat pumps.
- **Mobility:** focus on lower fuel consumption and switch to renewable fuels.
- **Lighting:** further rollout of LED lighting, as well as measures such as automatic switching on and off and lighting control in smaller zones.



RESULTS

Heating

- We have **44 fossil fuel-free stores** that use no fuel oil or natural gas. The stores are heated using only residual heat and green electricity.
- About ten years ago, we decided to build only **low-energy stores**. As of 2017, we are also committed to converting our existing stores from before this period into low-energy ones. By 2029, we want all our stores to be low-energy stores.
- All new and renovated Bio-Planet, Colruyt and OKay stores are now equipped with **heat recovery**.

Natural refrigerants

- By 2030, we intend to equip all Bio-Planet, Colruyt and OKay stores with a refrigeration system that uses natural substances. This reduces the greenhouse gas emissions of our food stores by 11%.
- We have developed a **liquid ice container (LIC)** for fresh and frozen products that has a 73% lower environmental impact than our conventional mobile refrigerated container using CO₂.
- In March 2021, we signed the **Green Deal for Climate-friendly Refrigeration**. We are systematically replacing old refrigeration systems using fluorinated greenhouse gases (F-gases) with more sustainable alternatives. We aim to reduce emissions of these F-gases in our stores to an absolute minimum by 2030.

2. Green electricity production

Our investments in renewable energy now cover **100% of our energy consumption**.

For example, we produce our green electricity from **solar energy** and invest in onshore and offshore **wind energy** via Virya Energy. With this renewable solar and wind energy, we have been producing our **own green hydrogen** for nearly a decade, mainly as energy support for forklift trucks and passenger cars in our fleet.

In producing sustainable energy, we aim for **optimal alignment between consumption and production**. In this way, we reduce overproduction and contribute to greater grid stability. By 2030, we aim to achieve 90% synchronisation between our electricity production and energy requirements at the central sites in Halle, Ollignies and Ghislenghien.



RESULTS

Production of renewable solar and wind energy

- We have joined forces with Korys to invest in energy holding company **Virya Energy**. This company is active in the production of sustainable energy, with a major focus on wind energy. In 2020, 1.135.562 MWh of green electricity was generated for Colruyt Group.
- **87 solar installations** on our own buildings, representing a production of 10.319 MWh.
- The synchronisation between electricity production and consumption at our central sites with a **wind turbine** was 72% last year.

Green hydrogen production

- We can **convert** surplus solar and wind energy **into hydrogen** via electrolysis.
- Finally, via Virya Energy and in partnership with gas network operator Fluxys, we are helping build **Hyoffwind**, a power-to-gas installation in Zeebrugge. This investment is in line with our ambition to produce green hydrogen on an industrial scale.



With DATS 24 we also offer hydrogen and green electricity

3. Offer sustainable energy

We strongly believe in the potential of green hydrogen as a clean and renewable fuel and play a leading role in this. We do this by investing in **innovations** around hydrogen and making hydrogen **more accessible** to consumers as a fuel.



RESULTS

Offer of renewable energy

- With **DATS 24**, alongside traditional fuels and natural gas for vehicles (CNG), we also offer hydrogen and green electricity.
- Last financial year, the **network of electric charging stations** was expanded to 147 charging stations.

Hydrogen as a fuel

- In the second half of 2021, we are opening **four new hydrogen stations** in Haasrode, Erpe-Mere, Wilrijk and Herve.
- We are the first in Europe to **test a 44-tonne hydrogen-powered fully electric truck**. The fuel cell onboard the vehicle converts

hydrogen into electricity to recharge the batteries on the way.

- As part of the **H2-Share** project, we tested a 27-tonne truck at the beginning of 2021.
- From mid-2021, Colruyt Group will use four trucks for deliveries to stores from our distribution centre in Ollignies. To this end, the first hydrogen refuelling station for heavy transport is being built on this logistics site. This initiative is part of the **H2Haul** project.
- We have joined forces with **AB InBev** to deploy hydrogen trucks for transport in Belgium.



The H2Haul project has received funding from the Fuel Cells and Hydrogen 2 Joint Undertaking under grant agreement No 826236. This Joint Undertaking receives support from the European Union's Horizon 2020 research and innovation programme, Hydrogen Europe and Hydrogen Europe Research.



Waterstofregio 2.0 is part of the Interreg V programma Vlaanderen-Nederland (Flanders-The Netherlands Interreg V programme). This is a cross-border cooperation programme with financial support from the European Fund for Regional Development.





Promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all

Our social contribution (to the sdg)

At Colruyt Group, we want to **do business in an inclusive and people-oriented manner**. Based on integrity and trust, and with respect for one another's rights. Key concepts include decent work, a stimulating working environment and greater transparency in the chain.

We are convinced that the company grows when our people grow. Therefore, we offer our people a wide range of **trainings** so that they can develop their professional and personal skills to the full. Besides the development of our employees, we also focus on other target groups, such as our consumers and young people. We run specific initiatives for them through Colruyt Group Academy and Collibri Foundation.

We also attach great importance to **the right working conditions**, both in our own company and at our producers and suppliers in the chain. For instance, we carry out audits on our producers in at-risk countries, and provide them with the necessary guidance and support to achieve the right working conditions.

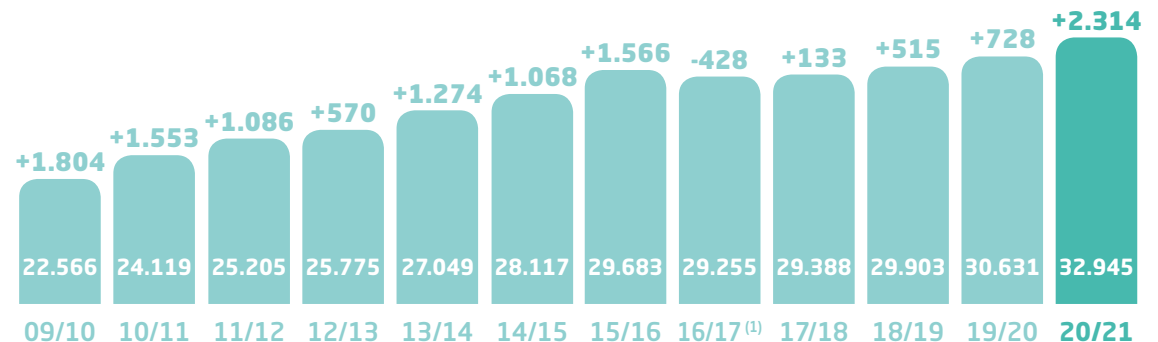
Our approach

1. Working for Colruyt Group

We promote **sustainable job creation** and decent work where every employee can make a positive contribution. We want to form a long-term relationship with every one of our employees. That's why we deliberately offer them permanent contracts, preferably for full-time employment.

We believe in the power of diversity. Colruyt Group stands for an inclusive corporate culture based on the **added value of diversity**. Our selection process is open to everyone. The best candidate is selected in an objective and professional manner.

Evolution of our workforce



(1) Sale of the French foodservice business Pro à Pro (-1.837 employees).

RESULTS

Focus on a sustainable workforce

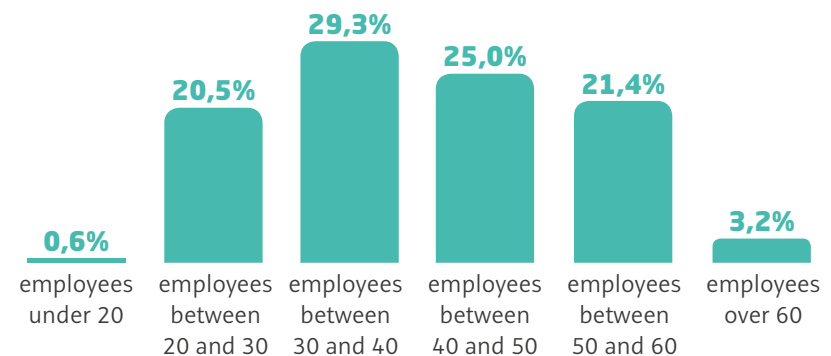
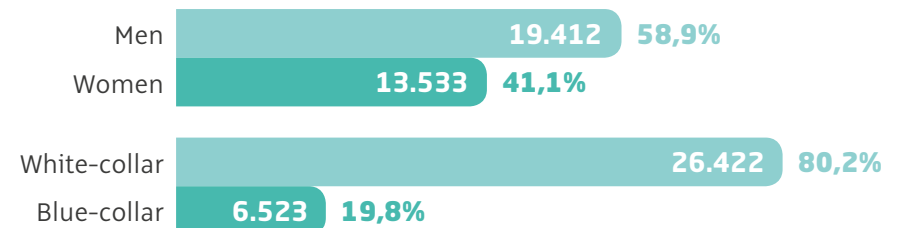
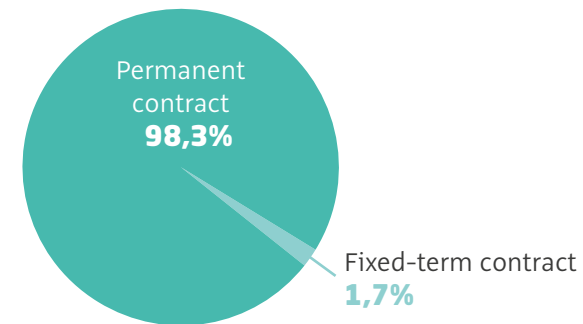
- On 31 March 2021, Colruyt Group had a total of **32.945 employees**.
- Last year, we welcomed **2.314 new employees** (net growth).
- **9,84** years is the **average length of service** of our employees.
- 78,6% of our employees are permanent, 21,4% work part-time.
- 98,3% of employees have a permanent contract, the remaining 1,7% have a fixed-term contract.
- In 2021, 791 employees switched to another job within the group.

Engage in constructive dialogue

- We have built up a long tradition of **respectful dialogue** within Colruyt Group.
- The training offer for employees includes trainings around communicating respectfully.
- We support line managers in engaging in constructive discussions.
- 94,4% of our employees are represented via a **social consultative body**.

Embrace diversity

- Last year, the workforce included **89 different nationalities**.
- We provide specific training for multicultural teams.



Job creation

Breakdown by segment	In number of employees			In full-time equivalents (FTE)		
	31/03/2021	31/03/2020	Change in employment	31/03/2020	31/03/2019	Change in employment
Retail	27.940	25.922	2.018 ⁽¹⁾	26.316	24.484	1.832 ⁽¹⁾
Wholesale and foodservice	1.533	1.492	41	1.496	1.449	46
Other activities	158	87	71	154	85	69
Corporate (not allocated)	3.314	3.130	184	3.223	3.037	186
Total Colruyt Group	32.945	30.631	2.314	31.189	29.056	2.133
- Belgium ⁽²⁾	29.876	27.732	2.144	28.285	26.301	1.984
- Luxembourg	135	120	15	131	120	11
- France	2.460	2.326	134	2.299	2.182	117
- Other countries	474	453	21	474	453	21

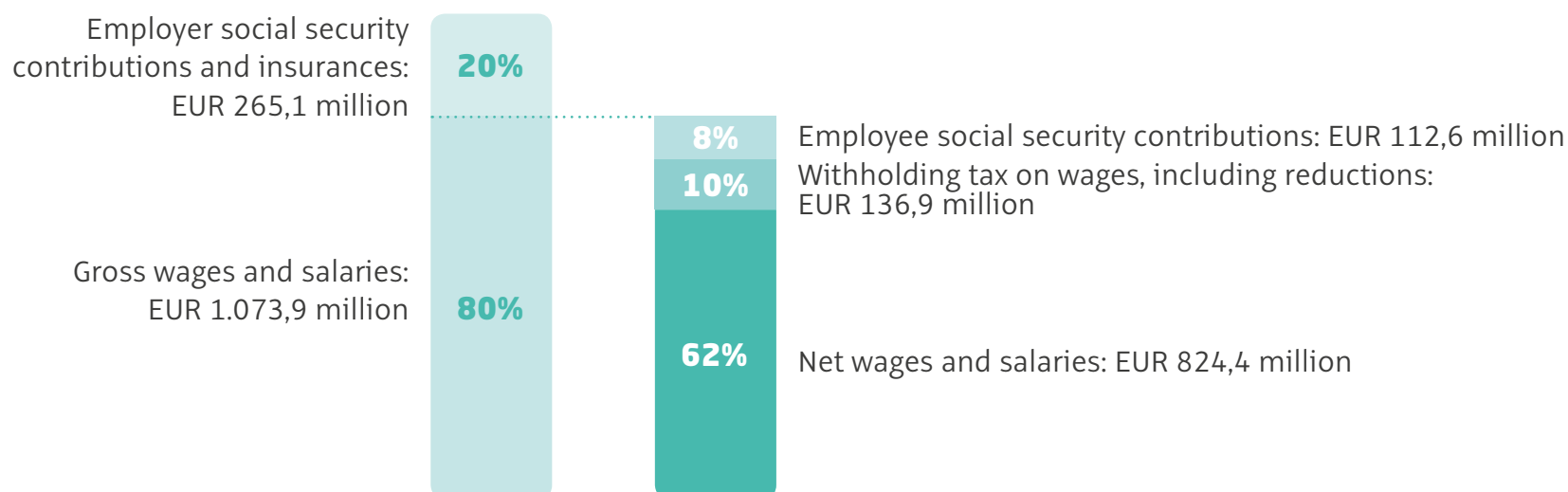
(1) This increase can partly be explained by the inclusion of The Fashion Society and Joos Hybrid in the consolidation scope since August 2020.

(2) These figures are exclusive of student workers employed in Belgium and Luxembourg during the weekend or in the school holidays (8.484 on 31/03/2021 and 8.258 on 31/03/2020).

Remuneration: more than just a wage

In addition to a market wage, we set great store by allowing our employees to reap the financial rewards of the company's growth and enabling them to participate in our business. We do this by distributing part of the profits in the form of profit sharing and by allowing our employees to subscribe to the annual capital increases on preferential terms.

Total payroll costs in Belgium: EUR 1.339,1 million (2020/21 financial year)



Profit sharing

As a mark of appreciation for everyone's contribution and dedication, Colruyt Group lets all employees in Belgium **share in the profits**. A separate system applies for employees in France, in accordance with French legislation. For financial year 2020/21, subject to approval by the General Meeting, the total share in the profits will be EUR 28,46 million, broken down as follows: a profit participation payment of EUR 5,81 million in cash, as stipulated according to the Act of 22 May 2001 on employee participation in the capital and profit of companies and a payment of EUR 22,65 million according to CLA 90 and 90bis on non-recurring results-related benefits. From the 2001/02 financial year to date, Colruyt Group has allowed employees to share in the profits for a total of EUR 436,94 million.

Profit sharing 2020/21 financial year

Profit participation (in million EUR)	5,81
Results-related bonus (in million EUR)	22,65
Total amount of profit sharing (in million EUR)	28,46
Number of entitled employees	26.904

The specified payments concern gross amounts on which the following deductions are applied upon payment to the employees:

- Profit participation: 13,07% solidarity contribution and 7% tax on participation.
- Results-related bonus (CLA 90): 13,07% employee social security contribution. Employer social security contributions are due on the results-related bonus (CLA 90) (EUR 7,47 million in 2020/21 and EUR 7,21 million in 2019/20)..

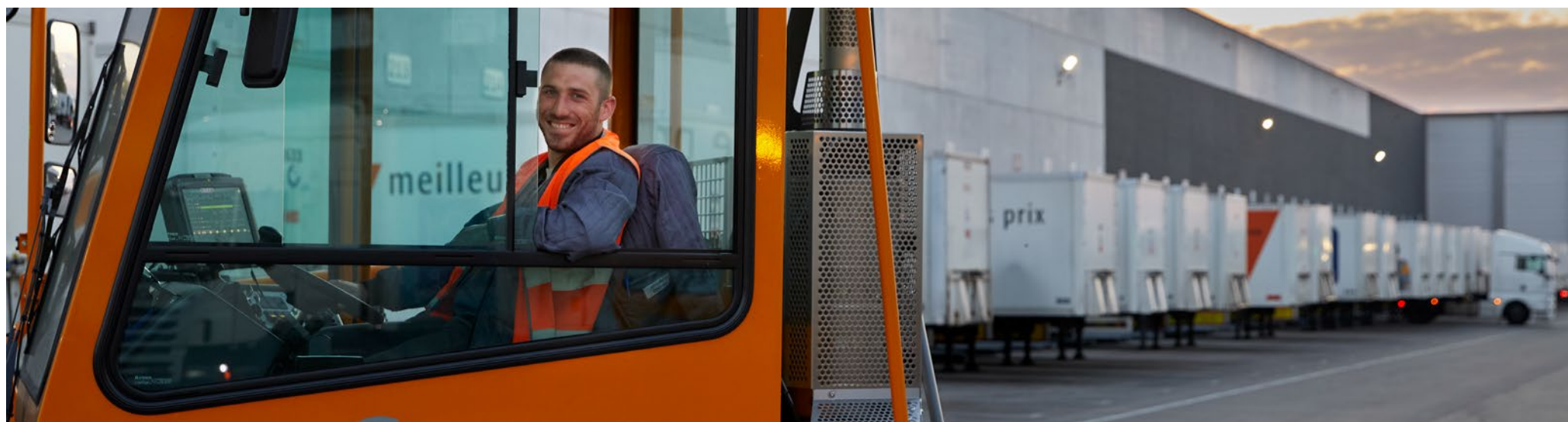
In addition, we pay annual bonuses to middle and senior management based on the group's profit. For financial year 2020/21, these profit-related bonuses amount to EUR 11,9 million gross.

Capital increase reserved for employees

In order to enable employees to participate in the growth of the company, we have encouraged them to participate in the capital since 1987. Through an **annual capital increase** reserved for employees they can subscribe to shares of the parent company Etn. Fr. Colruyt NV at a favourable price (within the legal framework) that will remain frozen for 5 years. These capital increases are proposed by the Board of Directors and approved by an Extraordinary General Meeting.

During the capital increase of financial year 2020/21, which took place in December 2020, 2.205 employees subscribed to 222.372 shares, representing a capital contribution of EUR 10,34 million. Since 1987 employees of the group have subscribed to 22.796.885 shares of their own company, or the parent company, for a total amount of EUR 265,8 million.

Year	Amount in million EUR	Number of shares
From 1987 to 2008	103,7	18.214.375
2009	13,7	506.895
2010	23,9	715.585
2011	6,2	225.194
2012	10,1	332.725
2013	11,4	316.900
2014	14,0	466.754
2015	17,1	472.883
2016	14,0	326.508
2017	10,2	260.458
2018	15,2	355.738
2019	15,9	380.498
2020	10,3	222.372
Total	265,8	22.796.885



2. Learn and develop together

A focus on learning and development is deeply embedded in Colruyt Group's DNA. We believe that developing people and organisation go hand in hand: as our people grow, so does the company. This is based on a positive view of people. We are convinced that every person is naturally motivated to keep learning and developing. Learning is focused on acquiring specific knowledge and skills. Development, on the other hand, is about changing behaviour and attitudes, so we see ourselves and the organisation differently.

We see **three key drivers** to support the learning and development process.

- Create a safe and challenging learning environment.
- Build a *growth mindset*.
- Learn and develop anytime and anywhere: every activity offers a learning and development opportunity.



RESULTS

Employees and organisation learn and develop together

- EUR 32,1 million invested in education and training of our employees.
- Digital learning: the offer of **e-learning**s has been considerably expanded. A digital alternative is available for around 70% of the training offer.
- 1.562 employees took part in a personal growth training last financial year.

Inspire consumers via Colruyt Group Academy

- Even in this exceptional year, **Colruyt Group Academy** remained dedicated to workshops. In view of the circumstances, a fully digital offer was developed, including online cookery workshops, Tips & Talks, Stay Inspired videos and an extensive 'Workshop at home' offer. Through this, they reached 5.361 participants.
- **10** Colruyt Group Academy **centres** spread across Belgium.

Empower young people with Collibri Foundation

- **14 training projects** in 10 countries.
- EUR 798.860 million invested in 2020.
- 9.350 young people reached directly in 2020.

3. Working conditions in the supply chain

As an international market player, we take responsibility for ensuring the **right working conditions** at our producers. We ask all suppliers of private label products to sign up to the **amfori BSCI Code of Conduct**. This contains universal human rights principles that must be respected. Compliance with the code of conduct is monitored via certificates, social initiatives and/or social audits. If the business partner needs support, we explore together how we can make improvements. If the will is lacking to create good working conditions, we will end the partnership.

RESULTS

Engage with suppliers

- We use the **amfori BSCI Code of Conduct** as a benchmark for all suppliers of our private label products.
- Our **code of conduct** endorses universal principles of international human rights agreements which must be respected, in relation to minimum age for employees, right to fair wages, exclusion of child and forced labour, guarantee of safe and healthy working conditions, ban on discrimination, etc.

Examine working conditions

- Working conditions at **97 producers** were audited in 2020.
- 95% of our producers in at-risk countries provide good working conditions or are willing to make improvements. We continue to work to bring this up to 100%.





Ensure sustainable consumption and production patterns

Our social contribution

As a retailer, we have a **direct and indirect impact** on the entire supply chain: from sourcing and production to distribution and use of our products and services. We try our best to minimise our use of raw materials, in every link in the chain.

We mean **raw materials** in the broadest sense. Firstly, raw materials that we consume directly or use to make food and non-food products. We are actively committed to **sourcing** these raw materials **responsibly**. This enables us to bring our private label products to market as sustainably as possible. Then there are raw materials we **process into new materials** and use in applications such as packaging or building materials. Here, we apply the circular model where we try to reuse or recycle each raw material at the highest possible level.

Our approach

1. Responsible sourcing

We use **three key drivers** to enable sustainable and responsible sourcing:

- (1) A **sustainable purchasing policy**: we expect sustainability efforts from our suppliers and adopt a company position on sustainability in purchasing.
- (2) We **certify** products and develop **score systems** to help consumers make sustainable choices.
- (3) We are committed to (international) **supply chain projects** and form partnerships under **sector initiatives**.



Certification of our food products



Wild-caught fish, shellfish and crustaceans

- Certification by **MSC** (Marine Stewardship Council) and assessments by the Research **Institute for Agriculture, Fisheries and Food** (ILVO).
- MSC certification is not always possible for wild-caught shellfish and crustaceans. Products without MSC certification undergo an assessment by ILVO.
- 97,6% of our products (excluding ready-made dishes and canned products) are **MSC-certified or ILVO-verified**.

Farmed fish, shellfish and crustaceans

- **Certification by ASC** (Aquaculture Stewardship Council). Also some items with organic certification.
- 92,2% of our products carry the ASC label and/or the organic quality mark.

RESULTS

Coffee

- 99,6% of the **coffee beans** we buy carry a label such as Rainforest Alliance, UTZ, organic or Fairtrade.

Cocoa

- 98% of products which contain **cocoa** carry the UTZ and/or Rainforest Alliance label. Sometimes in conjunction with an organic or Fairtrade label.

Soy

- **Soy in animal feed:** 100% of the soy volume used in feed is offset by RTRS certificates.
- **Soy in food:** 100% of our soy carries an RTRS certificate.

Palm oil

- 100% of the **palm oil and palm kernel oil** in our private label products is RSPO certified.

Certification of non-food products

RESULTS

Wood

- 99,6% of our private label products containing at least 60% wood carry the **FSC or PEFC label**.

Paper

- 100% of our private label products made of paper are certified by **FSC, PEFC or Der Blaue Engel**.

Charcoal

- 100% of our charcoal private label products carry the **FSC label**.

Cotton

- 91% of the cotton products from our private label Dreambee carry a **BCI or GOTS certificate**.



By 2025 we want to realise 20 international supply chain projects.

Sector initiatives and (international) supply chain projects

Certification and labels are a step in the right direction but we need to look **beyond certification** and dare to tackle ongoing issues. We can do this in sector initiatives and supply chain projects where transparency and cooperation with all supply chain actors are key. Two good examples of sector initiatives in which we are involved are the **Beyond Chocolate** sector agreement for cocoa and the **Sustainability Initiative Fruit and Vegetables (SIFAV)**. The aim is always to cooperate with other actors from the sector. In this way, we can raise the bar for sustainability while keeping a level playing field. Additionally, in supply chain projects, we work closely with producers and all other supply chain actors involved to bring as sustainable a product as possible to market. **Seven supply chain projects** are currently running, resulting in **40 Boni Selection products** in our stores.

SIFAV - Sustainability Initiative Fruit & Vegetables

We work with SIFAV and supply chain partners from the fruit and vegetable sector to develop a sustainability strategy for 2025. Together with all SIFAV partners, we are committed to achieving the following sustainability targets by 2025:

ENVIRONMENTAL:

- 25% carbon footprint reduction in three selected products.
- 25% **food loss** and **waste reduction** in three selected products.
- Reduction of water use to best practice levels in three jointly selected catchments.
- Implementation of **independent audits or water standards** for 70% of volume from high water risk countries.

SOCIAL:

- Implementation of jointly approved **social third-party verification**, to at least 90% of volume coming from high- and medium-risk countries.
- **Analysing living wage** and living income gaps in one of their supply chains and if possible, also making a commitment towards reducing these gaps.

DUE DILIGENCE:

- Implementing **robust** Human Rights and Environmental supply chain **due diligence** policies and processes according to OECD and UN Guidelines.
- Jointly and individually reporting on risks and progress on an annual basis from 2022 onward.

15 years of supply chain projects

To develop international supply chains, we have worked closely with partners for more than 15 years including Rikolto, Efico, Trias, and Enabel.

Thanks to our **guaranteed purchase**, small-scale farmers in production regions gain better access to the global market. The projects create local added value and offer structural responses to problems such as too low and volatile prices, poverty or deforestation.

40.000 farmers were reached in 2020. Some examples of supply chain projects:

- **Cocoa from Ivory Coast.** As of 2020, we purchase 100 tonnes of cocoa each year, for which 102 farming families receive a living income reference price.
- **Quinoa from Peru.** Three years after the first organic quinoa arrived in the shops, we have increased our purchasing volume fivefold to more than one hundred tonnes in 2020.
- **Cashew nuts from Benin.** As of 2020, we support a cooperative society of 2.200 small producers. The first processing of the nuts on the spot creates local added value and reduces the number of food kilometres.



2. Raw materials and resources

Firstly, we want to make our offer (from products and packaging to services) more circular. At the same time, we want to upcycle waste flows. In this, we prefer to follow the principles of the **circular economy** whereby the available resources are constantly returned to the cycle, without having to introduce new raw materials. We apply the **R ladder**, which offers seven practical ways of organising the circular economy, i.e. Refuse, Rethink, Reduce, Reuse, Recircle, Recycle and Recover.

Finally, we work to **prevent food loss** among our producers, in our own logistics chain and stores and in our customers' homes. Waste flows are given a new lease of life whenever possible. We also apply the insights from the circular economy when we build and renovate, by applying **new building materials and innovative techniques**.



We set ourselves the ambitious goal of achieving a recycling rate of at least 85% by 2021, thus incinerating a maximum of 15% (with heat recovery). In 2020, we achieved this goal with a record recycling rate of 85,27%!

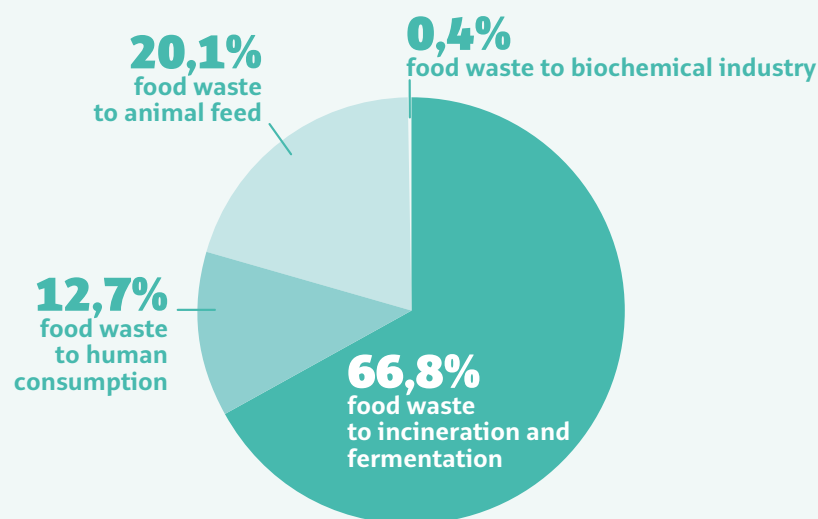
Animal welfare

We continue to work towards **correct treatment of animals** throughout the supply chain, and conditions in which they can display as much natural behaviour as possible, typical of their species.

In this improvement process, we reinforce our existing requirements for suppliers via specifications and by conducting checks on compliance, for example. Evaluation and making adjustments are part of our continuous learning process.

Tackle food loss

- We were the first retailer in Belgium to introduce the innovative **Apeel technology**. Thanks to an additional plant-based protective layer, **avocados** stay fresh up to two times longer. In this way, we reduce food waste in our store and in our customers' homes.
- Thanks to **efficient stock management**, good monitoring and optimum storage, we managed to sell 97,33% of our fresh and frozen products.
- As far as possible, we donate the 2,7% of food that we do not sell to **social organisations** such as Foodbanks. In a second phase, the remaining food is processed into animal feed and for the biochemical industry. Incineration and fermentation are the last resort.



- We take part in **research projects** into new packaging. Thanks to innovative storage technology and packaging that extend the shelf life of fruit and vegetables, less food is lost. In this way we save a large amount of raw materials. For example, our Boni chicory stays fresh twice as long thanks to new breathable packaging with microperforations.

Circularity in packaging

- By 2025 we want all household packaging for our private label products to be reusable, recyclable, compostable or biodegradable.
- **Smarter packaging** includes replacing the plastic covers of our nut and cheese cube containers with resealable film. We also make the containers for Boni and Everyday salad spreads with less plastic.
- By 2025 we want to make all plastic packaging for our private label drinks at least 50% from **recycled plastic (rPET)**.

Tackle litter

- For the second year in a row, we teamed up with GoodPlanet Belgium to organise **'The Litter Challenge'**, an anti-litter initiative to promote a change in behaviour among secondary school students.





RESULTS

Circular building

- **Built to Reuse:** when we renovate stores, we have a checklist of more than 1.300 materials and components to hand. We focus primarily on reusing materials.
- Researching and testing new materials and designs for modular construction. From facade systems to roof structure, interior walls and floor construction.
- In 2019, we signed the **Green Deal on Circular Construction**.
-  Within the framework of the European **ICEBERG** project, we join with 35 partners from ten countries to research the reuse of raw materials for construction and the application of new circular building products and techniques.
- Close partnerships with universities and research institutes and writing of theses on sustainable material use.
- We are working with VITO and OVAM to optimise an existing tool for measuring the environmental impact of our building materials.

3. Innovative systems for food production

Besides our traditional role as a retailer, we are also actively involved in sustainable research projects and help to launch new production chains.



RESULTS

Invest in innovation

At the end of 2020, we were granted the operating and environmental permit for our **sea farm** in the North Sea. This means that, in future, we will be able to cultivate and harvest the first Belgian retailer mussel lines in the North Sea. We strive to combine aquaculture with nature management.



Take urgent action to combat climate change and its impacts

Our social contribution (to the sdg)

For many years, we have worked to reduce our impact on the climate. Our basic principles are as follows: we avoid greenhouse gas emissions, reduce our emissions in general and constantly seek solutions with the lowest impact on the climate. We have divided our activities into **three direct impact categories**, within which we focus on projects and initiatives:

- (1) refrigeration & heating
- (2) mobility & transport
- (3) energy consumption and production.

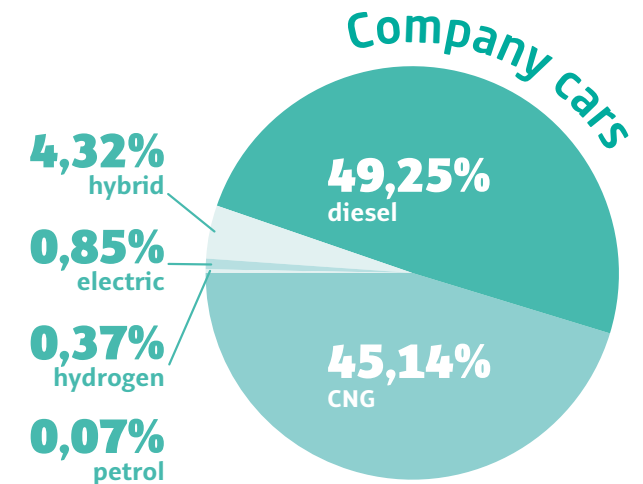
We monitor our emissions according to the **Greenhouse Gas Protocol**. We also work with our suppliers to reduce the environmental impact of our products throughout the value chain. LCA (life cycle assessment), OEF (organisation environmental footprint) and PEF (product environmental footprint) methods help us do this.

Our approach

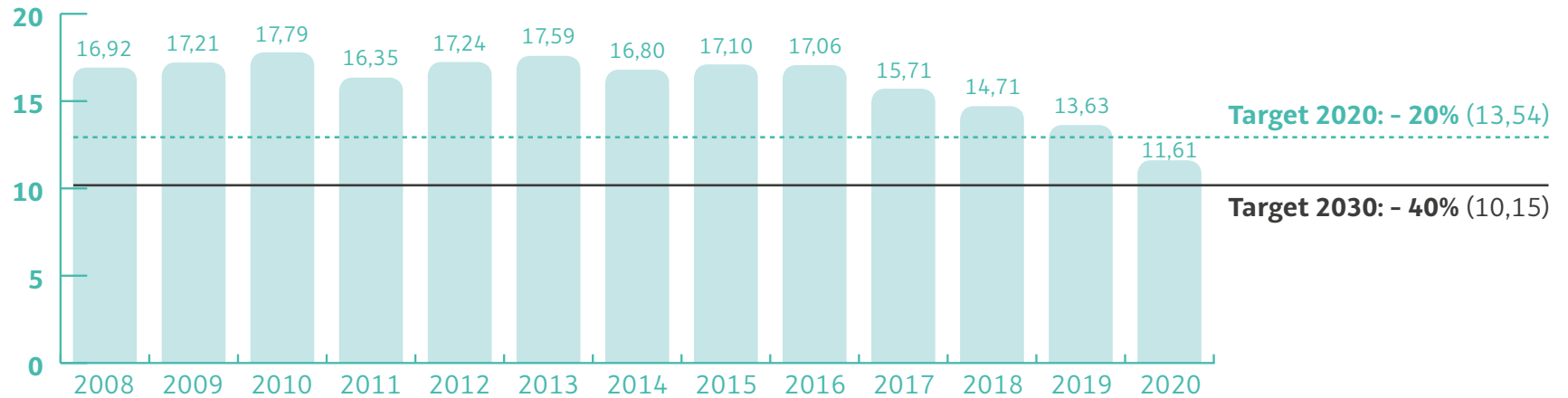
1. Prevention and reduction of greenhouse gas emissions

In 2020, we achieved the ambitious goal of reducing our direct greenhouse gas emissions by 20% compared to base year 2008, relative to revenue. Last financial year, we reduced our total greenhouse gas emission by 31,4% compared to revenue. We are now fully committed to our **new ambition**: to reduce our relative CO₂ emissions further by 40% (compared to 2008) by 2030, according to the GHG Protocol, Scope 1 and 2. Further information about our objectives around our own energy consumption can be found in the SDG 7 Energy section.

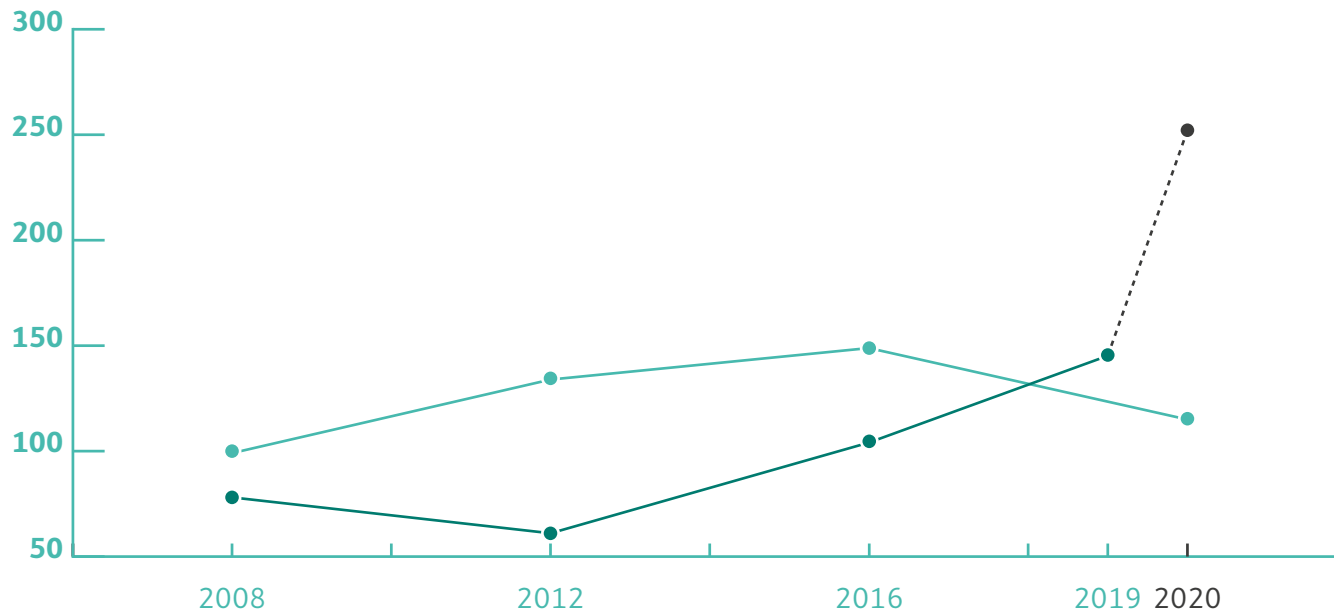
Mobility also contributes directly to the realisation of our climate objectives. Our **mobility approach** is based on the 'reduce, shift and make greener' triangle, applied respectively to customer and employee mobility and goods transport.



Tonnes CO₂eq
per million EUR
revenue



Tonnes CO₂eq



**Our direct impact on
climate change, in
absolute numbers**

- Direct CO₂ emissions of Colruyt Group
- CO₂ emissions avoided via Eoly and Parkwind
- CO₂ emissions avoided via Virya Energy ⁽¹⁾

(1) Calculation based on emission factors in Belgium.

Goods transport

Reduce

- 94,04% load factor for trucks travelling to Colruyt stores and 76,10% load factor for inbound goods transport, through cooperation with and between our suppliers.
- With our **liquid ice containers** we are saving the use of many refrigerated trucks and we do not cover any unnecessary kilometres.

Shift

- 5.062 fewer container transports by road, through the use of inland waterways in Belgium.
- 24,89% of deliveries to our stores take place off-peak in the evening or early morning or at night.

Make greener

- **2 electrical terminal tractors** operating in our distribution centres.
- **8 CNG trucks** operating in supplying stores.
- As the first in Europe, we tested a 44-tonne **hydrogen-powered electric truck**.

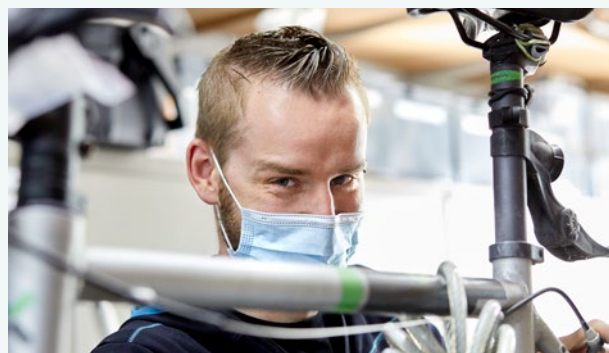
Employee mobility

Reduce

- We have **11 regional offices**. We intend to consolidate teleworking within the organisation, even after the coronavirus pandemic.

Shift

- We have 4.681 company bicycles available for our employees.
- We encourage employees to carpool via an online platform.



Make greener

- We continue to make our fleet greener. In 2020, we launched plug-in hybrids with a large battery capacity, in addition to the wide choice of CNG cars and several electric

and hydrogen models. 50,68% of company vehicles (both logistics and passenger) now run on alternative energy.

Customer mobility

Reduce

- Last year, we tested the '**Collect&Go Connect**' platform, a shopping community that puts customers and shoppers in the same neighbourhood in touch with one another.

Shift

- We provide covered bicycle parking at our stores.

Make greener

- Customers can already fill up with CNG at 84 DATS 24 stations.
- At 135 stores, customers can charge their cars at electric charging stations, with 100% green Belgian electricity.
- In 2021, we intend to open **four new hydrogen filling stations**, in addition to the existing one in Halle.

2. Create insight

Using **scientific footprinting techniques**, we want to track our impact on the climate, at both organisational and product level, throughout the value chain. Based on these insights, we can make informed decisions and join forces with value chain actors and other partners to reduce our common environmental impact and create common ownership.

Footprinting

- The **Organisation Environmental Footprint (OEF)** methodology allows us to track our environmental impact throughout the chain. Our ambition is to perform the OEF every two years to gain new insights.
- We measure the environmental impact of our private label products based on the **Product Environmental Footprint (PEF)** methodology. The PEF is the European standard for carrying out **Life Cycle Assessments (LCA)** of products.

Raise awareness

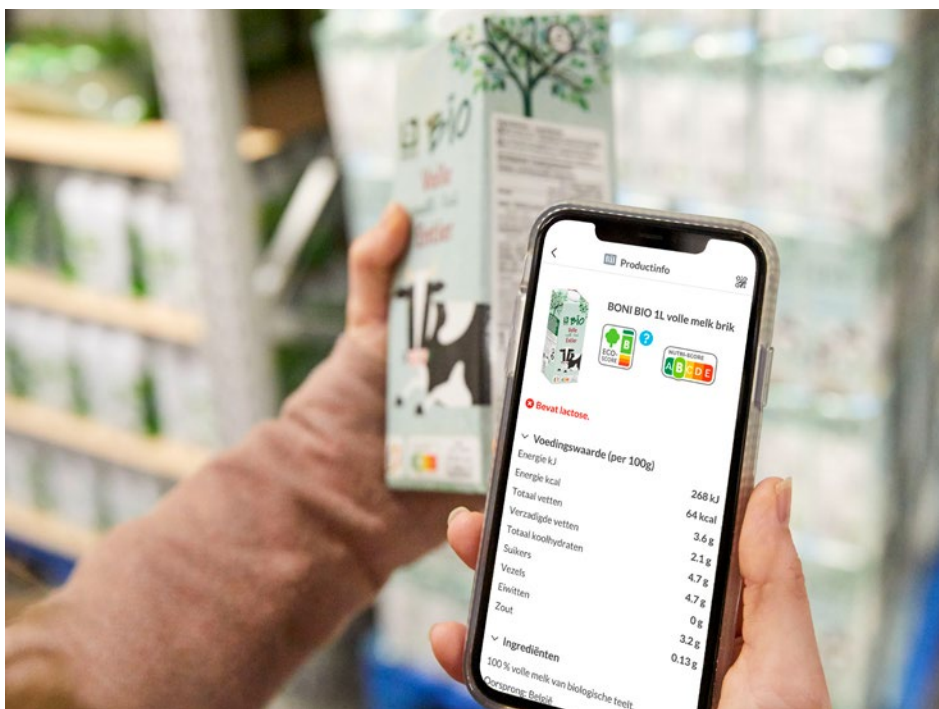
- Colruyt Group is a member of the **Belgian Alliance for Climate Action**. A platform on which we share inspiration and knowledge with other Belgian companies about how we can reduce our CO₂ emissions further.
- We are the only Belgian enterprise to sign the European **Green Consumption Pledge**, an initiative for committing companies to make production and consumption more sustainable.

RESULTS

Certification for environmental management

- **DATS 24**, meat-processing site **Fine Food Meat** and **Symeta Hybrid** are all **ISO 14001 certified**. This international standard for environmental management systems focuses on continuous improvement of performance, protection of the environment and the ability to manage environmental risks.





The Eco-Score. Better for the environment, better for consumers.

In 2021, Colruyt Group launched the Eco-Score, a visual way of learning about the environmental impact of food products, in Belgium. The Eco-Score fits with our continuing ambition to guide customers in making more conscious and sustainable choices. With the score as a guiding principle, we want to reduce the ecological impact of our products in the future as well.



The Eco-Score is similar to the Nutri-Score: products are given a letter and colour code from A (green) to E (red), taking various parameters into account. The five categories therefore indicate whether the food has a low or high ecological impact. This impact is measured partly using the **Product Environmental Footprint** (PEF) methodology, along with several other environmental impact categories such as water or energy consumption. Other aspects taken into account include sustainability labels, packaging, origin and consequences for biodiversity and ecosystems.

Our indicators

Indicators SDG 2		2018	2019	2020
Enable access to balanced nutrition				
Food donated to social organisations (in tonnes)	Calendar year	3.297	4.262	4.504

For surplus food and food donations, the Colruyt, Bio-Planet and OKay food stores are in scope.

Indicators SDG 3		2018	2019	2020
Balanced nutrition				
# Products with improved nutritional composition	Calendar year	167	134	206
Reduction in fat (in tonnes)	Calendar year	49,8	135,6 ⁽¹⁾	151,1
Reduction in saturated fat (in tonnes)	Calendar year	63,9	72,7 ⁽¹⁾	109,5
Reduction in sugar (in tonnes)	Calendar year	421	195,8 ⁽¹⁾	88,4
Reduction in salt (in tonnes)	Calendar year	28,2	22,8 ⁽¹⁾	38,4
Added fibre (in tonnes)	Calendar year	26,9	60,5 ⁽¹⁾	38
# Boni Selection items with an improved Nutri-Score	Calendar year	-	29	87
Provide consumer with correct information and inspiration				
% Boni products with the Nutri-Score on the packaging	Calendar year	-	51,7	91,0
% Spar products with the Nutri-Score on the packaging	Calendar year	-	-	29
Safe and healthy working environment				
% Employees who have joined the Solidarity Fund	Financial year	68,2	67,2	65,0
Amount paid out by the Solidarity Fund (in EUR)	Financial year	1.076.723	1.129.072	1.128.950
# Occupational accidents	Financial year	928	874	860
Frequency of occupational accidents	Financial year	25,1	23,3	22,7
Severity of occupational accidents	Financial year	0,59	0,64	0,59
# Long-term sick employees contacted by The Connection	Financial year	1.801	3.228	1.814

(1) Due to a calculation error, the data for reduction in fat, saturated fat, sugar and salt and added fibre has been revised for calendar year 2019.

The scope of the indicators around nutritional composition is our private labels Boni Selection and Everyday and the meat products in the butcher's section and meat aisles of Colruyt and OKay.

Indicators SDG 6		2018	2019	2020	Targets
Circular water management					
Total water consumption (in m ³)	Calendar year	561.694	605.846	623.220	
% Rainwater and wastewater	Calendar year	23,6	27,2	32,8	50% by 2025
Recycled wastewater at Fine Food Meat (in m ³)	Calendar year	85.381	96.926	109.199	
Drinking water produced with PURA drinking water system	Calendar year	1.912	972	4.242	

The scope of these indicators is water consumption in Belgium, excluding drinking water destined for sale.

Indicators SDG 7		2018	2019	2020	Targets
Reduce energy consumption					
% Reduction in energy consumption (relative to revenue)		8	8,7	11,8	20% by 2030
Energy consumption (MWh/million EUR revenue)		59,2	58,92	56,96	55,54% by 2020 51,66% by 2030
Electricity consumption of Colruyt Group in Belgium and Luxembourg (MWh)		223.828	230.724	235.320	
Green energy production					
% Average synchronisation rate for central sites	Calendar year	73	70	72	90% by 2030
% Energy consumption from non-fossil fuels	Calendar year	-	44,0	44,7	60% by 2030
% Electricity consumption from non-fossil sources	Calendar year	100	100	100	Aim for 100%
% Non-fossil energy from own or local production units	Calendar year	100	100	100	100% by 2030
Colruyt Group electricity production from solar (MWh)	Calendar year	6.600	7.550	10.319	
Virya Energy electricity production from wind, for Colruyt Group (MWh)	Calendar year	-	-	1.135.562	
Offer sustainable energy					
# Electric charging stations	Financial year	69	122	147	
# DATS 24 public hydrogen filling stations	Financial year	1	1	1	5 stations by 2021

The scope of these indicators is Colruyt Group as a whole, unless indicated otherwise.

Indicators SDG 8		2018	2019	2020
Working for Colruyt Group				
# Employees at Colruyt Group as a whole	Financial year	29.903	30.631	32.945
# New employees (net growth)	Financial year	515	728	2.314
Average length of service (in years)	Financial year	9,56	9,79	9,84
# Job students who worked for Colruyt Group last year	Financial year	6.536	8.258	8.484
# Nationalities	Financial year	85	91	89
# Over 45s recruited	Financial year	-	465	506
% Women in leadership positions	Financial year	-	25,6	27,0
# Job switches	Financial year	798	812	791
# Regional offices	Financial year	10	11	11
# Employees subscribing to the capital increase	Financial year	2.259	2.166	2.205
Total profit-sharing amount (in million EUR)	Financial year	26,1	27,8	28,5
% Employees represented via a social consultative body	Financial year	-	97,3	94,4

*The scope of these indicators is Colruyt Group Belgium, unless indicated otherwise.
The figures for working conditions in the supply chain relate to producers of our private label products.*

Indicators SDG 8		2018	2019	2020
Learn and develop together				
Investment in education and training (in million EUR)	Financial year	38,1	38,8	32,1
% Payroll invested in education and training	Financial year	3,14	3,04	2,41
# Unique participants in personal growth trainings	Financial year	1.698	1.759	1.562
# Different personal growth trainings	Financial year	51	58	73
# Employees involved in dual learning	Financial year	-	206	185
# Interns	Financial year	508	585	395
# Traineeship programmes	Financial year	8	8	10
# Colruyt Group Academy centres	Financial year	10	11	10
# Participants in Colruyt Group Academy workshops for consumers	Financial year	37.549	52.602	5.361
# Different trainings for consumers	Financial year	-	190	192
Investment amount (in EUR) Colibri Foundation	Calendar year	64.7928	808.593	798.860
# Training projects Colibri Foundation	Calendar year	13	14	14
# Young people directly involved in training projects Colibri Foundation	Calendar year	5.124	6.715	9.350
Working conditions in the supply chain				
# Producers monitored in at-risk countries	Calendar year	524	430	487
% Producers in at-risk countries receiving at least one audit	Calendar year	100	100	97
% Producers in at-risk countries with acceptable result after social audit	Calendar year	94,5	90,0	95,0
# Producers improved from poor to acceptable result compared with previous year	Calendar year	11	31	19
# Producers with which cooperation was terminated due to a violation of the Code of Conduct	Calendar year	7	9	3

Indicators SDG 12		2018	2019	2020	Targets
Fish					
# Wild-caught fish, shellfish and crustacean products (excluding ready-made dishes and canned products)	Calendar year	173	159	165	
% Wild-caught fish, shellfish and crustacean products (excluding ready-made dishes and canned products) MSC-certified	Calendar year	81,5	86,2	89,1	
% Wild-caught fish, shellfish and crustacean products (excluding ready-made dishes and canned products) MSC-certified or ILVO-verified	Calendar year	89,6	90,6	97,6	100% by 2020
# Canned fish products	Calendar year	30	27	32	
% canned fish products (other than tuna) MSC-certified or ILVO-verified	Calendar year	-	-	81,3	100% by 2021
% Canned fish (wild-caught fish) products MSC-certified	Calendar year	36,7	66,7	59,4	
# Farmed fish, shellfish and crustacean products	Calendar year	95	92	102	
% Farmed fish, shellfish and crustacean products ASC-certified and certified organic	Calendar year	85,3	85,9	92,2	
Coffee					
# Coffee products	Calendar year	131	130	125	
% Certified coffee beans purchased (UTZ, Rainforest Alliance, Organic, Fair Trade)	Calendar year	99,5	99,3	99,6	Aim for 100%
% Certified coffee products (UTZ, Rainforest Alliance, Organic, Fair Trade)	Calendar year	95,4	96,9	97,0	Aim for 100%

The scope of these indicators is Retail Belgium and Luxembourg. Thus the waste streams from our store formats in both countries, our distribution centres and the Fine Food production centres, as well as the (small) waste streams from our office buildings in Halle. We do not include construction waste in this. For (household) packaging, we only consider our own brands, on which we have a direct impact.

Indicators SDG 12		2018	2019	2020	Targets
Cocoa					
# Products containing cocoa	Calendar year	218	279	301	
% Certified products containing cocoa (UTZ, Organic, Fair Trade)	Calendar year	98,2	90,3	98	Aim for 100%
% Certified chocolate bars and tablets	Calendar year	-	100	100	Aim for 100%
Soy food					
# Tonnes Soy food products	Calendar year	-	-	1.046,7	
% GM-free (without the use of GM technologies)	Calendar year	-	-	100	
# Tonnes soy in TIER 1 (on the basis of soy present in the product)	Calendar year	-	-	619	
% TIER 1 Soy with sustainability certification	Calendar year	-	-	49	
% TIER 1 Soy with sustainability certification and/or from Europe or North America	Calendar year	-	-	91	
% TIER 1 Soy offset by purchased RTRS credits	Calendar year	-	-	9	
# Tonnes soy in TIER 5 (on the basis of soy derivatives present in the product)	Calendar year	-	-	428	
% TIER 5 Soy with sustainability certification	Calendar year	-	-	4,2	
% TIER 5 Soy offset by purchased RTRS credits	Calendar year	-	-	95,8	
% TIER 5 Soy certified or offset by purchased RTRS credits	Calendar year	-	-	100	
Soy feed					
Volume soy feed used in meat, dairy and egg production (in tonnes)	Calendar year	33.100	33.100	33.100	
Volume soy feed purchased in Brazil with RTRS credits (in tonnes)	Calendar year	33.100	33.100	33.100	
% Soy feed offset by RTRS credits	Calendar year	100	100	100	Aim for 100%

Indicators SDG 12		2018	2019	2020	Targets
Palm oil					
Volume palm oil marketed (in tonnes)	Calendar year	4.769,4	5.005,5	4.947,3	
% Palm oil RSPO: Mass Balance	Calendar year	47,3	29	12,8	0% by 2020
% Palm oil RSPO: Segregated	Calendar year	50	68,1	84,9	100% by 2020
% Conventional palm oil offset by RSPO credits	Calendar year	2,8	2,9	2,3	0% by 2020
"% RSPO-certified palm oil"	Calendar year	100	100	100	
Volume palm kernel oil marketed (in tonnes)	Calendar year	780	703,2	485,3	
% Palm kernel oil RSPO: Mass Balance	Calendar year	21,6	14,7	23,4	
% Palm kernel oil RSPO: Segregated	Calendar year	0,6	7,8	30,2	
% Conventional palm kernel oil offset by RSPO credits	Calendar year	77,8	77,5	46,4	
% RSPO-certified palm kernel oil	Calendar year	100	100	100	
Wood					
# Products containing at least 60% wood	Calendar year	218	310	235	
% Certified wood products (FSC or PEFC)	Calendar year	71,1	97,7	100	100% by 2020
Paper					
# Paper products	Calendar year	204	211	233	
% Certified paper products (FSC, PEFC or Der Blaue Engel)	Calendar year	100	100	99,6	Aim for 100%
Charcoal					
% Certified charcoal products	Calendar year	50	100	100	Aim for 100%

Indicators SDG 12		2018	2019	2020	Targets
Cotton					
% Dreambee white bodies GOTS-certified	Calendar year	100	100	100	Aim for 100%
% Dreambee cotton products GOTS or BCI-certified	Calendar year	-	87	91	Aim for 100%
# Cotton products (briefs, vests, socks) at Colruyt, GOTS-certified	Calendar year	-	12	12	At least 1 reference per category
Supply chain projects					
# Active supply chain projects	Calendar year	7	7	7	
# Products from supply chain projects in our stores	Calendar year	41	40	40	
# Farmers involved in supply chain projects (indirectly via cooperatives)	Calendar year	31.902	33.140	43.864	
# Farmers involved in supply chain products (directly in the chain)	Calendar year	-	-	2.174	
Animal welfare					
% Fresh eggs from cage-free or free-range hens	Calendar year	100	100	100	
% Products containing eggs from cage-free or free-range hens	Calendar year	100	100	100	
% Fresh rabbit meat from farms (excluding ready-made dishes) supplied by Fine Food Meat	Calendar year	100	100	100	
Raw materials and resources					
% Recycling rate	Calendar year	83,17	83,98	85,27	At least 85% by 2021
% Products sold (fresh and frozen)	Calendar year	97,38	97,21	97,33	
% Food waste to incineration and fermentation	Calendar year	69,2	69,0	66,8	Maximum 60% by 2023

Indicators SDG 13		2018	2019	2020	Targets
Prevention and reduction of greenhouse gas emissions					
Colruyt Group greenhouse gas emissions (% reduction, relative to revenue)	Calendar year	13,0	19,4	31,4	40% by 2030
Liquid ice					
# Liquid Ice Containers for fresh products	Financial year	6.600	6.600	7.040	
# Liquid Ice Containers for frozen products	Financial year	142	2.000	2.049	
Refrigeration, heating and insulation					
# Stores with refrigeration using natural coolants	Financial year	75	99	128	All stores with refrigeration by 2030
# Stores with heat recovery	Financial year	12	35	64	All stores with refrigeration
# Newbuild low-energy stores	Calendar year	91	116	129	All new stores
# Existing stores with energy upgrade	Calendar year	28	38	53	All existing stores (234) by 2029

The indicators for Liquid Ice Containers relate to the number of containers operational in food retail in Belgium and Luxembourg (Bio-Planet, Colruyt and OKay). The indicators for natural coolants and heat recovery relate to owned food stores of Bio-Planet, Colruyt and OKay. The indicators for low-energy stores and energy upgrades relate to all owned stores (food and non-food).

Indicators SDG 13		2018	2019	2020	Targets
Goods transport					
# Truck journeys saved by inland waterways in Belgium	Financial year	4.502	4.998	5.062	
% Load factor inbound deliveries for Colruyt	Financial year	77,0	76,7	76,1	
% Inbound deliveries at night	Financial year	23,3	23,9	24,9	
% Filling factor for Colruyt trucks	Financial year	94,6	94,0	94,0	
Employee mobility					
# Company bicycles (conventional and electric)	Financial year	4.702	4.195	4.681	
# Car kilometres saved each year by cyclists	Financial year	-	13.822.160	12.129.480	
# Car kilometres saved each year by commuters	Financial year	-	16.567.320	11.800.800	
CO ₂ emissions avoided by cyclists and commuters (in tonnes)	Financial year	-	6.412	5.049	
Customer mobility					
# Electric charging stations	Financial year	69	122	147	
# Sites with electric charging stations	Financial year	65	115	135	200 locations by 2021
# DATS 24 stations with CNG pump	Financial year	65	76	84	85 stations by 2020
# DATS 24 public hydrogen filling stations	Financial year	1	1	1	5 stations by 2021



Financial report

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Consolidated income statement

(in million EUR)	Note	2020/21	2019/20
Revenue	3.	9.930,7	9.581,0
Cost of goods sold	3.	(7.138,8)	(7.016,2)
Gross profit	3.	2.791,9	2.564,8
Other operating income	4.	185,5	158,5
Services and miscellaneous goods	5.	(633,3)	(545,9)
Employee benefit expenses	6.	(1.462,3)	(1.339,7)
Depreciation, amortisation and impairment of non-current assets		(326,9)	(295,2)
Other operating expenses	4.	(31,4)	(31,1)
Operating profit (EBIT)		523,5	511,4
Finance income	7.	8,5	7,3
Finance costs	7.	(7,6)	(9,5)
Net financial result	7.	0,9	(2,2)
Share in the result of investments accounted for using the equity method	12., 13.	(3,5)	52,2
Profit before tax		520,9	561,4
Income tax expense	8.	(104,9)	(129,9)
Profit for the financial year		416,0	431,5
Attributable to:			
Non-controlling interests		0,7	0,5
Owners of the parent company		415,3	431,0
Earnings per share (EPS) – basic and diluted (in EUR)	22.	3,06	3,14

Consolidated statement of comprehensive income

(in million EUR)

	Note	2020/21	2019/20
PROFIT FOR THE FINANCIAL YEAR		416,0	431,5
ITEMS OF OTHER COMPREHENSIVE INCOME FROM FULLY CONSOLIDATED SUBSIDIARIES			
Items that will not be reclassified to profit or loss			
Revaluation of liabilities related to long-term post-employment benefits, after taxes	8., 24.	(13,0)	19,9
Net change in fair value of financial assets at fair value through other comprehensive income, after taxes	14.	4,1	2,5
Total of the items that will not be reclassified to profit or loss		(8,9)	22,4
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries, after taxes		(0,2)	(0,7)
Net change in fair value of derivative financial instruments, after taxes	8.	2,2	0,4
Total of the items that may be reclassified subsequently to profit or loss		2,0	(0,3)
ITEMS OF OTHER COMPREHENSIVE INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of derivative financial instruments, after taxes	12., 13.	(11,4)	(12,9)
Total of the items that may be reclassified subsequently to profit or loss		(11,4)	(12,9)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		(18,3)	9,2
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		397,7	440,7
Attributable to:			
Non-controlling interests		0,7	0,5
Owners of the parent company		397,0	440,2

Consolidated statement of financial position

(in million EUR)	Note	31.03.21	31.03.20
Goodwill	9.	124,9	60,7
Intangible assets	10.	277,1	203,3
Property, plant and equipment	11.	2.576,6	2.391,6
Investments accounted for using the equity method	12., 13.	320,4	298,4
Financial assets	14.	111,6	14,5
Deferred tax assets	17.	12,3	20,1
Other receivables	19.	42,4	32,8
Total non-current assets		3.465,3	3.021,4
Inventories	18.	737,9	629,4
Trade receivables	19.	542,9	527,3
Current tax assets		50,1	18,7
Other receivables	19.	78,2	76,2
Financial assets	14.	36,4	27,8
Cash and cash equivalents	20.	284,5	263,8
Total current assets		1.730,0	1.543,2
TOTAL ASSETS		5.195,3	4.564,6
Share capital		357,4	347,1
Reserves and retained earnings		2.165,6	2.008,7
Total equity attributable to owners of the parent company		2.523,0	2.355,8
Non-controlling interests		4,2	3,6
Total equity	21.	2.527,2	2.359,4
Provisions	23.	26,0	38,9
Liabilities related to employee benefits	24.	134,4	119,0
Deferred tax liabilities	17.	66,0	54,4
Interest-bearing and other liabilities	25., 26.	249,8	139,6
Total non-current liabilities		476,2	351,9
Provisions	23.	1,0	0,5
Bank overdrafts	20.	1,2	0,5
Interest-bearing liabilities ⁽¹⁾	25.	230,5	28,0
Trade payables	26.	1.319,3	1.237,3
Current tax liabilities		26,2	26,2
Liabilities related to employee benefits and other liabilities	26.	613,7	560,8
Total current liabilities		2.191,9	1.853,3
Total liabilities		2.668,1	2.205,2
TOTAL EQUITY AND LIABILITIES		5.195,3	4.564,6

(1) At 31 March 2021, this includes, among other things, short-term financing for an amount of EUR 177 million.

Consolidated statement of cash flows

(in million EUR)

	Note	2020/21	2019/20
OPERATING ACTIVITIES	Profit before tax	520,9	561,4
	Adjustments for: Depreciation, amortisation and impairment of non-current assets	326,9	295,2
	Finance income and finance costs 7..	(0,9)	2,2
	Share in the result of investments accounted for using the equity method 12., 13..	3,5	(52,2)
	Other ⁽¹⁾	2,9	(4,7)
	Cash flow from operating activities before changes in working capital and provisions	853,3	801,9
	Decrease/(increase) in trade and other receivables	1,4	(7,6)
	Decrease/(increase) in inventories	(118,8)	5,3
	(Decrease)/increase in trade payables and other liabilities	53,4	108,3
	(Decrease)/increase in provisions and liabilities related to employee benefits	32,4	40,8
	Interest paid	(2,0)	(2,2)
	Interest received	0,3	4,8
	Dividends received	1,2	10,5
	Income tax paid	(112,9)	(132,0)
	Cash flow from operating activities	708,3	829,8
INVESTING ACTIVITIES	Acquisition of property, plant and equipment and intangible assets	(466,2)	(410,3)
	Business combinations (net of cash and cash equivalents acquired) and business disposals (net of cash and cash equivalents disposed of)	(48,4)	(8,1)
	(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures 12., 13..	0,3	(1,3)
	(Purchases)/sales of financial assets 14..	(98,7)	(1,6)
	(Payment of)/proceeds from repayment of loans granted	(9,3)	(0,1)
	Proceeds from sale of property, plant and equipment and intangible assets	27,6	53,6
	Cash flow from investing activities	(594,7)	(367,8)
FINANCING ACTIVITIES	Proceeds from the issue of share capital 21..	10,3	15,9
	Acquisition of non-controlling interests	(2,9)	(1,2)
	Purchase of treasury shares	(52,8)	(121,6)
	New/(repayment of) borrowings ⁽²⁾	157,1	(40,6)
	Payment of lease liabilities ⁽¹⁾	(38,4)	(33,2)
	Dividends paid 21..	(183,9)	(181,2)
	Cash flow from financing activities	(110,6)	(361,9)
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS		3,0	100,1
Cash and cash equivalents at 1 April		263,3	163,2
Effect of changes in consolidation scope		17,0	-
CASH AND CASH EQUIVALENTS AT 31 MARCH		283,3	263,3

(1) The category 'Other' includes amongst others losses/(gains) on the sale of property, plant and equipment, intangible assets and financial non-current assets, impairments and reversals of impairments on inventories, trade receivables and other receivables, and as well as capital increase reserved for employees.

(2) Includes the withdrawal/(repayment) of short-term financing.

Consolidated statement of changes in equity

		Attributable to the owners of the parent company												
	Note	Number of shares	Share capital	Number of treasury shares	Treasury shares	Other reserves					Retained earnings	Total	Non-controlling interests	Total equity
						Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets through OCI					
(in million EUR, except number of shares)														
AT 1 APRIL 2020		138.432.588	347,1	2.799.868	(128,8)	(29,1)	(1,8)	(21,9)	5,6	2.184,7	2.355,8	3,6	2.359,4	
Total comprehensive income for the financial year		-	-	-	-	(13,0)	(0,2)	(9,2)	4,1	415,3	397,0	0,7	397,7	
Profit for the financial year		-	-	-	-	-	-	-	-	415,3	415,3	0,7	416,0	
Other comprehensive income for the financial year		-	-	-	-	(13,0)	(0,2)	(9,2)	4,1	-	(18,3)	-	(18,3)	
Transactions with the owners		(2,277,628)	10,3	(1,431,480)	63,5	-	-	-	-	(303,6)	(229,8)	(0,1)	(229,9)	
Capital increase	21.	222.372	10,3	-	-	-	-	-	-	1,8	12,1	-	12,1	
Treasury shares purchased		-	-	1.068.520	(52,5)	-	-	-	-	(0,4)	(52,9)	-	(52,9)	
Cancellation of treasury shares	21.	(2.500.000)	-	(2.500.000)	116,0	-	-	-	-	(116,0)	-	-	-	
Change in ownership percentage		-	-	-	-	-	-	-	-	(7,8)	(7,8)	(0,6)	(8,4)	
Changes in consolidation scope		-	-	-	-	-	-	-	-	-	-	1,3	1,3	
Dividends	21.	-	-	-	-	-	-	-	-	(183,1)	(183,1)	(0,8)	(183,9)	
Other		-	-	-	-	-	-	-	-	1,9	1,9	-	1,9	
AT 31 MARCH 2021		136.154.960	357,4	1.368.388	(65,3)	(42,1)	(2,0)	(31,1)	9,7	2.296,4	2.523,0	4,2	2.527,2	

Consolidated statement of changes in equity (continued)

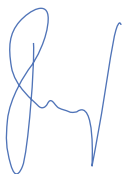
(in million EUR, except number of shares)	Attributable to the owners of the parent company											Non-controlling interests	Total equity
	Number of shares	Share capital	Number of treasury shares	Treasury shares	Other reserves				Retained earnings	Total			
					Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets through OCI					
AT 1 APRIL 2019	143.552.090	331,2	5.695.660	(252,4)	(49,0)	(1,1)	(9,4)	3,1	2.182,0	2.204,4	3,3	2.207,7	
Changes in accounting policies ⁽¹⁾	-	-	-	-	-	-	-	-	0,5	0,5	-	0,5	
Total comprehensive income for the financial year	-	-	-	-	19,9	(0,7)	(12,5)	2,5	431,0	440,2	0,5	440,7	
Profit for the financial year	-	-	-	-	-	-	-	-	431,0	431,0	0,5	431,5	
Other comprehensive income for the financial year	-	-	-	-	19,9	(0,7)	(12,5)	2,5	-	9,2	-	9,2	
Transactions with the owners	(5,119,502)	15,9	(2,895,792)	123,6	-	-	-	-	(428,8)	(289,3)	(0,2)	(289,5)	
Capital increase	380.498	15,9	-	-	-	-	-	-	2,7	18,6	-	18,6	
Treasury shares purchased	-	-	2.621.159	(120,7)	-	-	-	-	(0,9)	(121,6)	-	(121,6)	
Treasury shares distributed as profit-sharing to employees	-	-	(16.951)	0,8	-	-	-	-	(0,8)	-	-	-	
Cancellation of treasury shares	(5.500.000)	-	(5.500.000)	243,5	-	-	-	-	(243,5)	-	-	-	
Change in ownership percentage	-	-	-	-	-	-	-	-	(8,5)	(8,5)	1,9	(6,6)	
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	-	(1,2)	(1,2)	
Dividends	-	-	-	-	-	-	-	-	(180,3)	(180,3)	(0,9)	(181,2)	
Other	-	-	-	-	-	-	-	-	2,5	2,5	-	2,5	
AT 31 MARCH 2020	138.432.588	347,1	2.799.868	(128,8)	(29,1)	(1,8)	(21,9)	5,6	2.184,7	2.355,8	3,6	2.359,4	

(1) Includes the impact of IFRS 16 at transition date 1 April 2019.

Management responsibility statement

Jef Colruyt, Chairman of the Board of Directors, and Stefaan Vandamme, Chief Financial Officer, declare in title and for the entity, that to the best of their knowledge:

- the consolidated financial statements for the financial years 2020/21 and 2019/20, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as adopted by the European Union up until 31 March 2021, give a true and fair view of the net assets, the financial position and the results of Etn. Fr. Colruyt NV and the entities included in the consolidation scope.
- the annual report related to the consolidated financial statements gives a true and fair view of the development and the results of Colruyt Group's activities, as well as of the position of the company and the entities that are included in the consolidation scope, together with a description of the main risks and uncertainties that Colruyt Group faces.



Jef Colruyt
Chairman of the Board of Directors



Stefaan Vandamme
Chief Financial Officer

Independent auditor's report



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Independent auditor's report to the general meeting of Etn. Fr. Colruyt SA for the year ended 31 March 2021

As required by law and the Company's articles of association, we report to you as statutory auditor of Etn. Fr. Colruyt SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on Consolidated statement of the financial position as at 31 March 2021, the Consolidated income statement and the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year ended 31 March 2021 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 25 September 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 March 2022. We performed the audit of the Consolidated Financial Statements of the Group during 5 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Etn. Fr. Colruyt SA, that comprise of Consolidated statement of the financial position on 31 March 2021, the Consolidated income statement and the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 5.195,30 million and of which the consolidated income statement shows a profit for the year of € 416 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 March 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

Besloten vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE0446.334.711-IBAN N° BE71 2100 9059 0069
*handelend in naam van een vennootschap/agissant au nom d'une société

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We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Compensations received from suppliers

Description of the key audit matter

The Group receives significant amounts of discounts and compensations from its suppliers, mainly for promotions in the stores, joint publicity, introduction of new products, and volume based incentives. The determination of such discounts from suppliers is largely based on the actual supplier purchases of the related period, which are also confirmed by the Group with the suppliers concerned.

However, for new cooperation models or for periods that have not yet been completely settled, estimates are required regarding specific purchase or sales volumes as well as the discount percentages to be applied. In order to be able to determine these accurately and completely, management needs to have a detailed insight into the contractual arrangements and to the extent to which any conditions of certain promotional programs are fulfilled. A change in these estimates could have a material impact on the Consolidated Financial

Statements. For these reasons and also because of the size of the related amounts, the recognition of the compensations from suppliers is a key audit matter.

We refer to note 1 of the Consolidated Financial Statements for the valuation rules in this respect.

Summary of the procedures performed

Our audit work included, among others, the following:

- ▶ Substantive procedures on settled compensations from suppliers; this work consisted of a reconciliation, for a sample, to supplier contracts and/or equivalent supporting documentation such as invoices, credit notes, receipts or supplier confirmations of the compensations from suppliers.
- ▶ Substantive procedures with regard to the correctness and completeness of the outstanding compensations from suppliers; these tests include evaluating the appropriateness of management's estimates regarding specific purchase or sales volumes and discount percentages applied, as well as reconciling, for a sample, these data with the Group's underlying supplier agreements and accounting records.
- ▶ An assessment of management's historical estimation accuracy by testing the extent to which outstanding receivables in previous period with regard to compensations from suppliers to be collected were paid after the end of the financial year.
- ▶ Evaluation of the presentation of the compensations from suppliers in accordance with the valuation rules included in note 1 of the Consolidated Financial Statements.

Impairment of goodwill and property, plant and equipment

Description of the key audit matter

The Group operates stores in Belgium, France and Luxembourg. The carrying amount of the property, plant and equipment mainly relates to the stores and related assets as detailed in note 11 of the Consolidated Financial Statements. The total net book value amounts to € 2.576,6 million as at 31 March 2021. In addition, as a result of various acquisitions in the past, the Group has booked goodwill. The book value of this goodwill amounts to € 124,9 million as at 31 March 2021. The valuation of goodwill is described in note 9 of the Consolidated Financial Statements; the valuation of property, plant and equipment in note 11.

In accordance with IAS36 'Impairment of assets', these assets are reviewed by management at least once a year by cash-generating unit and examined for any indications of impairment.

This review is strongly influenced by, the future expectations of the management with regard to the expected growth, in particular the turnover and the operating result, and by other assumptions, such as the discount rate and long-term growth rate. A change in these assumptions or the use of inappropriate future expectations could have a material impact on the Consolidated Financial Statements. For these reasons, the impairment of goodwill and property, plant and equipment are a key audit matter.

Summary of the procedures performed

Our audit work included, among others, the following:

- Evaluation of the mathematical accuracy and conformity with IAS36 of the valuation model used by the Group with the support of a valuation expert from our firm.

- Evaluation of the most important assumptions used (long-term growth rate and discount rate) with the support of a valuation expert from our firm.
- Evaluation of the reasonableness of the projected cash flows as well as the estimated future revenue growth and growth of the operating result by comparing with, and an evaluation of, the budget approved by the Board of Directors, and an assessment of the Group's historical forecasting accuracy.
- Verification of the existence of any additional indications for impairment, by reading of minutes of the Board of Directors, by an independent evaluation of publicly available market data, and by having regular discussions with the management.
- Evaluation of the adequacy and completeness of notes 9 and 11 of the Consolidated Financial Statements.

Valuation of transformation programs with a long-term character

Description of the key audit matter

The Group invests significant amounts in transformation programs with a long-term character, which are developed internally. The book value of the capitalized transformation programs with a long-term character amounts to € 207,3 million as at 31 March 2021. The valuation is described in note 10 of the Consolidated Financial Statements.

Development costs are only capitalized in accordance with IAS38 if a number of conditions are met, including the capacity of the transformation program to generate future economic benefits which exceed the costs incurred. Management's estimates with respect to these expected future economic benefits are inherently complex. Changes in these estimates or the use of inappropriate future expectations could have a material impact on the Consolidated

Financial Statements. For these reasons, the valuation of change programs with a long-term character is a key audit matter.

Summary of the procedures performed

Our audit work included, among others, the following:

- ▶ Substantive testing, on a sample basis, for each of these programs regarding the determination and allocation of the relevant development expenditure to the asset.
- ▶ Evaluation of the model used by the Group to determine the future economic benefits of these programs, in accordance with the conditions of IAS38, and of the main underlying assumptions.
- ▶ Periodical discussion with management of the estimated future economic benefits as set out in the individual business cases of the relevant change programs, and comparison of earlier estimates with historical achievements afterwards.
- ▶ Verification of the existence of any indications for impairment, among others by reading minutes of the Board of Directors and by having regular discussions with management.
- ▶ Evaluation of the adequacy and completeness of note 10 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

**Audit report dated 7 July 2021 on the Consolidated Financial Statements
of Etn. Fr. Colruyt SA as of and
or the year ended 31 March 2021 (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- ▶ identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors;
- ▶ conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going-concern;

- ▶ evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Management report
- Key figures
- Corporate governance

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32 of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The report on the non-financial information has been prepared in accordance with article 3:32 of Code of companies and associations and is consistent with the Consolidated Financial Statements for the same financial year. The Group has prepared this non-financial information on Sustainable Development Goals (hereafter "SDGs"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the SDG's. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications.

- ▶ This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 7 July 2021

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by



Daniel Wuyts *

Partner

*Acting on behalf of a BV/SRL

22DW0001

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Notes to the consolidated financial statements

The following notes to the consolidated financial statements are an integral part of the consolidated financial statements.

1. Significant accounting policies

Etn. Fr. Colruyt NV (hereinafter referred to as the 'Company') is domiciled in 1500 Halle, Belgium and is publicly traded on NYSE Euronext Brussels under the code COLR. The consolidated financial statements for the 2020/21 financial year, which closed on 31 March 2021, cover the Company, its subsidiaries (hereinafter referred to collectively as 'Colruyt Group') and Colruyt Group's interests in associates and joint ventures.

The consolidated financial statements for the 2020/21 financial year were authorised for issue on 11 June 2021 by the Board of Directors, subject to the approval of the statutory non-consolidated financial statements by the shareholders during the Annual General Meeting of Shareholders, which will be held on 29 September 2021. In accordance with Belgian law, the consolidated financial statements will be presented for information purposes to the shareholders of Colruyt Group during that same meeting. The consolidated financial statements are not subject to changes, unless decisions of the shareholders regarding the statutory non-consolidated financial statements impact the consolidated financial statements.

1.1. Basis of presentation

The consolidated financial statements are expressed in millions of EUR rounded to one decimal. As a result of rounding, the totals of certain figures in the tables may differ from those in the main statements or between disclosure notes.

The consolidated financial statements describe the financial position as of 31 March and are prepared using the historical cost method, with the exception of certain line items, including derivative financial instruments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are measured at fair value. Net liabilities related to Belgian defined contribution plans with a legally guaranteed minimum return, which are accounted for as defined benefit plans, are not measured at historical cost either but are measured using the projected unit credit method.

The consolidated financial statements are prepared before any distribution of profits of the parent company as proposed to the Annual General Meeting of Shareholders.

Preparing the consolidated financial statements in accordance with IFRS, as adopted by the European Union, requires Colruyt Group's management to make judgements, estimates and assumptions. These affect the application of policies and principles and consequently affect the reported amounts of assets and liabilities and of income and expenses. Amongst others, this is the case for goodwill (note 9. *Goodwill*), leases (note 11. *Property, plant & equipment*, note 19. *Trade and other receivables* and note 25. *Interest-bearing liabilities*), financial assets (note 14. *Financial assets*), deferred taxes (note 17. *Deferred tax assets and liabilities*), inventories (note 18. *Inventories*), doubtful debtors (note 19. *Trade and other receivables*), provisions (note 23. *Provisions*) and employee benefits (notes 24. *Non-current liabilities related to employee benefits* and 26. *Trade payables, liabilities related to employee benefits and other liabilities*).

The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable given the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are assessed and adjusted annually. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period(s) if the revision affects both current and future period(s).

The significant accounting policies listed below have been applied consistently for all the periods presented in these consolidated financial statements.

1.2. Statement of compliance

Colruyt Group's consolidated financial statements are prepared in accordance with the 'International Financial Reporting Standards (IFRS)', as issued by the 'International Accounting Standards Board (IASB)' and adopted by the European Union up to 31 March 2021.

A. New standards and interpretations effective as of 2020/21

The following (amended) standards and improvements are effective for Colruyt Group as of 1 April 2020, however none of these have a significant influence on Colruyt Group's consolidated financial statements:

- IAS 1 (Amendment) '*Presentation of Financial Statements*' and IAS 8 (Amendment) '*Accounting Policies, Changes in Accounting Estimates and Errors*'. This amendment clarifies that, when making materiality judgements, an entity needs to take into account how primary users can reasonably be expected to be influenced in making economic decisions. The assessment of materiality depends on the nature or magnitude of information. The company needs to consider the characteristics of those users as well as its own circumstances.
- IFRS 3 (Amendment), '*Business Combinations*'. This amendment clarifies how a company can determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, provide guidance to assist entities in assessing whether an acquired process is substantive, narrow the definitions of a business and of outputs and introduce an optional fair value concentration test.
- IFRS 9 (Amendment), '*Financial Instruments*', IAS 39, '*Financial Instruments: Recognition and Measurement*' and IFRS 7 (Amendment), '*Financial Instruments: Disclosures*'. This amendment modifies some specific requirements relating to hedge accounting in order to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to disclose additional information to investors about their hedging relationships which are directly affected by these uncertainties.
- Conceptual Framework (Amendment). The revised conceptual framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- IFRS 16 (Amendment), 'Leases'. This amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

B. Standards and interpretations published but not yet effective for 2020/21

Colruyt Group did not early adopt the following published (amended) standards, interpretations and improvements relevant to the group and effective only after 31 March 2021. Colruyt Group intends to apply these standards when they become effective; none of them has a significant influence on the consolidated financial statements of Colruyt Group.

- IAS 1 (Amendment), 'Presentation of Financial Statements' (effective date for Colruyt Group 1 April 2023). This amendment clarifies the criteria for determining whether to classify a liability as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period and that classification is unaffected by the likelihood that an entity will exercise its deferral right.
- IAS 16 (Amendment), 'Property, Plant and Equipment' (effective date for Colruyt Group 1 April 2022). The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity will recognise these proceeds and the cost of producing those items, in profit or loss.
- IAS 37 (Amendment), 'Provisions, Contingent Liabilities and Contingent Assets' (effective date for Colruyt Group 1 April 2022). The amendment clarifies which costs an entity needs to include when assessing whether a contract is onerous. A "directly related cost approach" is applied.
- IFRS 3 (Amendment), 'Business Combinations: Reference to the Conceptual Framework' (effective date for Colruyt Group 1 April 2022). The amendments replace the references to an old version of the IASB's Conceptual Framework with references to the current framework issued in March 2018. An exception was also added to the recognition principle in IFRS 3 for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21. Furthermore, an explicit statement was added that an acquirer cannot recognise contingent assets acquired in a business combination.
- IFRS 17, 'Insurance Contracts' (effective date for Colruyt Group April 2023). This new standard will replace the existing standard IFRS 4 'Insurance Contracts' and will apply to all types of insurance contracts, regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with discretionary participation features. The impact of this standard will have no significant effect on Colruyt Group's consolidated financial statements.
- IFRS 9 (Amendment), 'Financial Instruments', IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement', IFRS 7 (Amendment), 'Financial Instruments: Disclosures', IFRS 4 (Amendment) 'Insurance Contracts' and IFRS 16 (Amendment) 'Leases' (effective date for Colruyt Group 1 April 2021). These amendments provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A relief is also provided for contractual modifications or changes to cash flows that are directly required by the reform.
- IAS 8 (Amendment), 'Accounting Policies, Changes in Accounting Estimates and Errors' and IAS 1 (Amendment), 'Presentation of Financial Statements' (effective date for Colruyt Group 1 April 2023). This amendment clarifies how a company should distinguish between changes in accounting estimates and changes in accounting policies. A company is also required to disclose its "material" accounting policies instead of its "significant" accounting policies.

1.3. Consolidation principles

Colruyt Group's consolidated financial statements include the financial statements of the Company, the financial statements of its subsidiaries after elimination of intragroup transactions and balances and the investment of Colruyt Group in associated entities and joint ventures. The determination whether Colruyt Group has control, joint control or significant influence is based on the specific facts and circumstances. These conclusions can differ from judgements purely based on the ownership percentage held by Colruyt Group.

A. Subsidiaries

Subsidiaries are those entities over which Colruyt Group has control. Control exists if Colruyt Group is exposed or has rights to variable returns from its involvement with the investee and if Colruyt Group has the ability to use its power over the investee to affect the amount of these returns. In assessing whether control exists, all facts and circumstances are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Non-controlling interests in subsidiaries are identified separately from Colruyt Group's equity. The interest of non-controlling shareholders can initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a case-by-case basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total comprehensive income is attributed to non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

Changes in Colruyt Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions between owners. The carrying amounts of Colruyt Group's interests and the non-controlling interests are subsequently adjusted directly in equity to reflect the changes in their relative interests in the subsidiary.

When Colruyt Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previously recognised carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner (i.e. reclassified to profit or loss or transferred directly to retained earnings) as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 'Financial Instruments' or, if applicable, the cost on initial recognition of an investment in an associate or joint venture.

B. Associates

Associates are those entities in which Colruyt Group has significant influence on the financial and operational policies but which it does not control or jointly control.

The initial recognition of these investments is at cost including transaction costs. These investments are incorporated into the consolidated financial statements using the equity method from the date on which the significant influence begins until the date on which the significant influence ceases. In the event an indication of impairment arises after the application of the equity method, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the associate. If Colruyt Group's share of the associate's losses exceeds the carrying amount of Colruyt Group's interests in the associate, the carrying amount is reduced to nil in Colruyt Group's statement of financial position and no further losses are taken into account, except to the extent that Colruyt Group incurred obligations in respect of that associate. When the associate becomes profitable again, the group's share in the associate's result will be accounted for using the equity method as soon as the equity of the associate is positive again.

C. Joint ventures

Joint ventures are those entities in which Colruyt Group has joint control and where such control is established by an agreement, conferring upon Colruyt Group rights to the net assets of the

agreement, but no rights to the assets of the agreement and no liabilities arising from debts of the agreement. Joint control implies that the decisions about the relevant activities require the unanimous consent of all parties sharing control.

The initial recognition of these investments is at cost including transaction costs. Colruyt Group's interests in joint ventures are accounted for using the equity method, from the date that joint control first exists until the date it ceases. In the event an indication of impairment arises after the application of the equity method, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the joint venture. If Colruyt Group's share of the joint venture's loss exceeds the carrying amount of Colruyt Group's interest in the joint venture, the carrying amount is reduced to nil in Colruyt Group's statement of financial position and no further losses are taken into account, except to the extent that Colruyt Group incurred obligations on behalf of that joint venture. When the joint venture becomes profitable again, the group's share in the joint venture's result will be accounted for using the equity method as soon as the equity of the joint venture is positive again.

D. Transactions eliminated in consolidation

Intragroup balances and transactions, including unrealised results on intragroup transactions, are eliminated when preparing the consolidated financial statements.

Unrealised gains from transactions with associates or joint ventures are eliminated in proportion to Colruyt Group's interest in the associates or joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, except that they are only eliminated to the extent that there is no evidence of impairment.

E. Business combinations

Acquisitions of businesses (as defined by IFRS 3 'Business Combinations') are accounted for using the acquisition method. The consideration for each business combination is measured as the aggregate of the fair values at acquisition date of the assets transferred by the acquirer, the liabilities incurred to former owners of the acquiree, and equity instruments issued by the acquirer in exchange for control.

Acquisition-related costs are recognised in profit or loss as incurred, except when they relate to the issue of debt or equity instruments. In

this case, these costs are deducted from the debt instruments and from equity respectively.

If applicable, the consideration for the business combination includes any asset or liability resulting from a contingent consideration arrangement, measured at its fair value at the acquisition date. Subsequent changes in such fair values are adjusted retroactively against the cost of acquisition when they qualify as adjustments due to additional facts and circumstances existing at acquisition date. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS. If an obligation to pay contingent consideration meets the definition of a financial instrument classified as equity, it is not remeasured and its subsequent settlement is accounted for within equity.

Where a business combination is achieved in stages, Colruyt Group's previously held interest in the acquired entity is remeasured to fair value at the acquisition date (i.e. the date the group obtains control) and the resulting gain or loss, if any, is recognised directly in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are recognised on the same basis as would be required if that interest were disposed of.

The identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations' are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively;
- liabilities or equity instruments related to the replacement by Colruyt Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 'Share-based Payment';
- assets (or disposal groups) that are classified as held for sale at acquisition date in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, Colruyt Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see paragraph below),

and/or additional assets and/or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the acquisition date to the date Colruyt Group obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

F. Financial statements of foreign companies in foreign currencies

To consolidate Colruyt Group and each of its subsidiaries, the financial statements of the individual subsidiaries are translated into euro, the functional currency of the Company and the presentation currency of the group. The translation is performed as follows:

- assets and liabilities, including goodwill and fair value adjustments arising from acquisitions, at the closing exchange rate of the European Central Bank at the reporting date;
- income, expenses and cash flows at the average exchange rate for the financial year (which approximates the exchange rate at the date of the transaction);
- components of shareholders' equity at the historical exchange rate.

Exchange rate differences arising from the translation of net investments in foreign subsidiaries, associates and joint ventures at the closing exchange rate at the reporting date are recorded as part of the consolidated other comprehensive income, under 'Cumulative translation adjustments' in 'Other reserves', except for the part attributed to non-controlling interests.

Upon the disposal of a foreign operation (i.e. a disposal of Colruyt Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the cumulative translation adjustments in equity in respect of that foreign operation attributable to Colruyt Group are reclassified to profit or loss as part of the consolidated financial results.

In the case of a partial disposal of a subsidiary (i.e. with no loss of control over the subsidiary by Colruyt Group), the proportionate share of cumulative translation adjustments is reattributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. the partial disposal of associates or joint ventures not resulting in Colruyt Group losing significant influence or joint control), the proportionate share of the cumulative translation adjustments is reclassified to the consolidated financial results.

G. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rates prevailing at the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date.

Gains and losses resulting from transactions in foreign currency and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies and valued on a historical cost basis are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities in foreign currencies at fair value are translated at the exchange rate applicable at the date on which the fair value was determined.

1.4. Other significant accounting policies

A. Goodwill

Goodwill resulting from business combinations is recognised as an asset as from the date control is obtained (the acquisition date). Colruyt Group measures goodwill as the difference between:

- the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and in a business combination achieved in stages, the fair value of the previously held equity interest in the acquiree; and
- the net amount of the identifiable assets acquired and the liabilities incurred at the acquisition date.

If, after consideration, this difference is negative, the resulting gain from a bargain purchase is recognised immediately in profit or loss.

For investments in associates and joint ventures, the goodwill is included within the carrying amount of the investment.

Goodwill is not amortised but is reviewed for impairment. Impairment is tested annually or earlier if indications of impairment exist.

B. Intangible assets

Research and development

Expenses from research activities are recognised in the consolidated income statement when incurred.

Expenditure related to development activities whereby the results are used for a plan or design intended for the production of new or substantially improved products or processes are capitalised if the following conditions are met:

- the technical and commercial feasibility of the product or process has been demonstrated and the product or process will be commercialised or will be used internally;
- the product or process will generate future economic benefits;
- Colruyt Group has the necessary technical, financial and other resources to complete and use or sell the development; and
- the product or process has been carefully described and the expenses can be separately identified and can be measured reliably.

The capitalised expenditure is valued at full cost and therefore includes the cost of materials, direct labour and an appropriate proportion of overheads.

Development costs that do not satisfy these conditions are recognised in the consolidated income statement when incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets are recognised at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it results in an increase of future economic benefits derived from the use of the specific asset to which the subsequent expenditure is related. All other expenditure is expensed as incurred.

Amortisation

Intangible assets with a finite useful life are subject to straight-line amortisation over their estimated useful lives. Amortisation of intangible assets only begins when assets are available for intended use.

Intangible assets that are not yet ready for their intended use and intangible assets with an indefinite useful life are tested for impairment at least annually. For internally developed intangible assets, this evaluation is made at least twice a year.

For intangible assets, Colruyt Group makes a distinction between software, licences, permits, customer portfolios, internally developed intangible assets and other intangible assets. This distinction is expressed in a different useful life per type of intangible asset:

- externally purchased software, licences and permits: contractually defined period;
- customer portfolios arising from the acquisition of points of sale: indefinite useful life;
- internally developed intangible assets: 3, 5, 7 or 10 years;
- other intangible assets: 3 to 5 years.

The amortisation method and useful life are reviewed annually and amended if necessary.

C. Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes direct labour costs in addition to the direct cost of material and a reasonable proportion of indirect manufacturing costs which are necessary to bring the asset into its location and state that are required for the asset to function in the intended way. The depreciation method, the residual value and the useful life are reviewed annually and amended if necessary.

Colruyt Group opted to recognise capital grants as a deduction to the cost of property, plant and equipment. Grants are recognised when there is reasonable assurance that the grants will be received and that the group will comply with the conditions attached to them. These grants are taken into profit or loss over the useful life of the asset by reducing the depreciation charge.

In certain circumstances obligations exist to dismantle and restore items of property, plant and equipment in their original state. The costs relating to these obligations are recognised as part of the cost or acquisition value of property, plant and equipment. A provision is recognised in the statement of financial position.

Subsequent expenditure

Costs for the replacement of a component of property, plant and equipment are capitalised provided that the cost to be capitalised can be reliably determined and that the expenditure will result in a future economic benefit.

Costs which do not meet these conditions are immediately recognised in the consolidated income statement when incurred.

Depreciation

Property, plant and equipment are subject to straight-line depreciation in profit or loss based on the estimated useful life of each component.

Tangible assets with an indefinite useful life are not depreciated but tested for impairment annually.

The estimated useful lives are defined as follows:

- land: indefinite;
- buildings: 20 to 30 years;
- fixtures: 9 to 15 years;
- fittings, machinery, equipment, furnishings and vehicles: 3 to 20 years;
- IT equipment: 3 to 5 years;
- right-of-use assets: useful life of the asset or, if shorter, the lease term.

D. Leases

For all leases with a lease term of more than 12 months, a right-of-use asset and a corresponding lease liability are recognised on the date on which the leased asset is made available for use. Right-of-use assets are recognised as part of property, plant and equipment and lease liabilities are recognised as part of interest-bearing liabilities.

The lease liability is measured at the present value of the remaining lease payments, discounted at a predetermined discount rate. Colruyt Group uses an incremental borrowing rate, which is revised annually for new contracts.

At initial recognition of the lease, the right of use of the assets is measured at an amount equal to the lease liability. Under certain conditions the initial direct costs for concluding the lease are included in the value of the right-of-use asset.

The lease term is determined as the non-cancellable period of the lease, taking into account the option to extend the lease if that option is reasonably certain to be exercised, or the option to terminate the lease early if that option is reasonably certain not to be exercised.

Lease payments are apportioned between reduction of the outstanding lease liability and finance expenses, whereby the finance expenses are recognised in profit or loss so as to achieve a constant rate of interest on the remaining balance of the lease liability. The right-of-use asset is depreciated over the shorter of its useful life and the lease term.

Payments made for short-term leases or leases of low-value assets are recognised in profit or loss on a straight-line basis over the term of the lease.

A limited number of premises that Colruyt Group leases are subleased to third parties (the so-called 'sublease agreements'). When the right of use of these assets is not fully transferred to the sublessee (which is the case, amongst others, when the rental period of the sublease is significantly shorter than the one of the head lease), these 'sublease agreements' are classified as operating sublease agreements and the rental income is recognised in profit or loss under 'Other operating income', on a straight-line basis over the lease term.

Rental income under a finance sublease is treated in accordance with IFRS 16, whereby a lease receivable is recognised in the consolidated statement of financial position. This lease receivable is equal to the discounted value of the future lease payments plus any residual value accruing to the lessor, at the interest rate implicit in the lease. Lease receivables are presented in the consolidated statement of financial position under 'Other receivables'. Any differences between the right-of-use asset and the lease receivable are accounted for in profit or loss at initial recognition.

E. Financial assets

Classification

Colruyt Group classifies its financial assets at initial recognition in different categories. The classification of financial assets depends on:

- The characteristics of the contractual cash flows of the financial assets (SPPI test). The SPPI test is designed to determine whether or not the contractual cash flows relate to payments of principal and interest on the principal amount outstanding.
- The business model used for managing the financial assets determines whether the cash flow results from:
 - a contractual cash flow;
 - a sale of financial assets; or
 - a combination of both.

The classification of a financial asset determines the measurement of this financial asset and whether the income and expenses are recognised in profit or loss, or directly in equity. The financial assets are classified as follows:

- financial assets at amortised cost;

- financial assets at fair value through other comprehensive income ('FVOCI');
- financial assets at fair value through profit or loss ('FVTPL').

Financial assets at amortised cost

Financial assets are recognised at amortised cost when the business model's objective is to hold financial assets in order to collect contractual cash flows and the contractual cash flows represent (re)payments of principal and interest on the principal amount outstanding and on specified dates.

These financial assets are initially recognised at fair value, including any transaction costs that are directly attributable to these financial assets. After initial recognition these assets are measured at amortised cost using the effective interest method, net of impairment. If there is objective evidence that an impairment loss has been incurred on financial assets at amortised cost, the amount of the impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Financial assets at fair value through other comprehensive income

Financial assets are recognised at fair value through other comprehensive income when the business model's objective is to hold financial assets in order to collect contractual cash flows as well as to sell financial assets. The contractual cash flows represent (re)payments of principal and interest on the principal amount outstanding and on specified dates. In addition, Colruyt Group may irrevocably choose to recognise at fair value through other comprehensive income equity instruments that would otherwise be measured at fair value through profit or loss. This choice is irrevocable and may only be used to eliminate or reduce inconsistencies in the measurement at initial recognition. Colruyt Group makes this choice for equity instruments which it has currently no intention to sell in the short term.

These financial assets are initially recognised at fair value, including any transaction costs that are directly attributable to these financial assets. After initial recognition these financial assets are measured at fair value through other comprehensive income. In the event of a disposal of these equity instruments within this category of financial assets, the cumulative revaluations recognised through other comprehensive income are reclassified from other comprehensive

income to retained earnings.

Financial assets at fair value through profit or loss

Financial assets are recognised at fair value through profit or loss when the conditions of the above categories are not met or when Colruyt Group has made the irrevocable choice to recognise through profit or loss debt instruments measured at fair value through other comprehensive income. This choice is irrevocable and may only be used to eliminate or reduce inconsistencies in the measurement at initial recognition.

These financial assets are initially recognised at fair value, including any transaction costs that are directly attributable to these financial assets. After initial recognition the assets are measured at fair value through profit or loss.

Expected credit losses

Financial assets are recognised according to the above accounting principles. At the end of every reporting period Colruyt Group assesses whether a provision for expected credit losses needs to be recognised for financial assets at amortised cost and for financial assets at fair value through other comprehensive income.

Colruyt Group has identified one category of financial assets to which the requirements for expected credit losses apply: trade and other receivables. To determine the expected credit losses Colruyt Group applies the simplified approach based on a provision matrix, and the general method, under which credit losses are determined at the level of the individual receivable. In the event an indication of impairment exists for an individual trade receivable, Colruyt Group will recognise an impairment charge at an amount equal to the lifetime expected credit losses on this specific trade receivable.

F. Assets held for sale and discontinued operations

An asset or a disposal group (groups of assets and related liabilities) that is being disposed of, is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a sale to be highly probable, the Company should be committed to a

plan to sell the asset (or disposal group), and an active programme to locate a buyer and to complete the sale should be initiated. The asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

When classified as 'held for sale', assets or disposal groups are valued at the lower of their carrying amount and their fair value less costs to sell, including any impairment that might be required and which is recognised through profit or loss. Impairment on an asset or a disposal group is initially allocated to goodwill and then pro rata to the remaining assets and liabilities. Such an impairment loss is not allocated to inventories, financial assets or deferred tax assets which are recognised in line with the other significant accounting policies of the group. As from the moment that property, plant and equipment and intangible assets are classified as held for sale, they are no longer depreciated or amortised. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the consolidated statement of financial position.

A discontinued operation is a component of an entity that either has been disposed of or has been classified as held for sale, which represents a separate major line of business or geographical area of operations that can be distinguished operationally as well as for financial reporting purposes from the rest of the entity. The profit or loss after taxes which arises from discontinued operations is separately reported in the consolidated income statement. When operations are labelled as discontinued operations, the comparative figures in the consolidated income statement and in the consolidated statement of comprehensive income are restated to reflect a situation as if the operations had been discontinued as of the beginning of the comparative period.

G. Impairment

The carrying amount of all assets, with the exception of inventories and deferred tax assets, is reviewed at least once a year and examined for any indications of impairment. If such indications exist, the related asset's recoverable amount is estimated.

Goodwill, tangible and intangible assets with indefinite useful lives and intangible assets not available for use are tested for impairment at least annually (irrespective of whether indications of impairment exist or not). For internally developed intangible assets, this review is completed at least twice a year. The recoverable amount is the

higher of the fair value less costs to sell and the value in use. The value in use is the present value of expected future cash flows. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money as well as the risks specific to the asset. For an asset for which no independent cash inflows are available, the recoverable amount is determined for the cash-generating unit to which the asset belongs. For impairment testing, goodwill is always allocated to (a group of) cash-generating units.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Colruyt Group defines a 'cash-generating unit' as the operating unit to which the asset can unequivocally be allocated. An operating unit can include a branch of the business or a business entity.

If the recoverable amount of an asset or of the cash-generating unit to which it belongs, is lower than the carrying amount, an impairment loss is recognised in profit or loss for the amount of the difference. Impairment losses relating to cash-generating units are first deducted from the carrying amount of any goodwill attributed to the cash-generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) cash-generating units.

A recognised impairment may be reversed if it ceases to exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill impairment is not reversed.

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the normal course of business, less the estimated cost of completion and costs to sell.

The cost of inventories is based on the 'first in, first out' (FIFO) principle and includes all direct and indirect costs that are required to bring the goods to their state at the reporting date, less discounts and compensations received from suppliers.

Rebates and incentives that Colruyt Group receives from its

suppliers, mainly for promotions in stores, joint publicity, introductions of new products and volume incentives, are included in the inventory cost and are recognised in profit or loss as and when the product is sold, except when it relates to a repayment of specific, additional and identifiable costs which Colruyt Group incurred in order to sell the supplier's product. In that case the rebates and incentives are immediately recognised as a decrease of the respective costs incurred. The estimation of such supplier rebates is predominantly based on real turnover figures of the related period, but in certain cases it requires the use of assumptions and estimations of specific purchasing or sales levels.

I. Contract assets

Contract assets relate to expenses made to satisfy performance obligations under a contract and are recognised at cost, less a provision for expected losses and less amounts of project progress billings.

The expenses are recognised when the following conditions are met:

- the expenses are directly or indirectly attributable to a specifically identifiable contract;
- resources are generated which Colruyt Group will use to satisfy a performance obligation;
- the expenses can be earned back.

Expenses that can be attributed directly to a specifically identifiable project include direct labour costs and direct material costs. In addition, the cost also includes an allocation of fixed and variable indirect expenses made and this based on a normal production capacity.

J. Equity

Capital and retained earnings

Dividends proposed by the Board of Directors are only recognised as liabilities after approval by the Annual General Meeting of Shareholders. Until such formal approval, the proposed dividends are included in Colruyt Group's consolidated equity. Transaction costs of capital transactions, net of tax impact, are deducted from equity.

Treasury shares

Shares of Colruyt Group purchased by the Company or entities belonging to Colruyt Group, including directly attributable transaction costs, net of tax impact, are recognised as a deduction from equity. In case of a cancellation or sale of treasury shares, the result of the transaction is directly included in equity (retained earnings).

Revaluation reserves of liabilities related to long-term post-employment benefits

The revaluation reserves contain the cumulative actuarial profits and losses related to:

Belgian entities:

- unemployment regime with company supplement;
- long-service benefits;
- defined contribution plans with a legally guaranteed minimum return.

Other entities:

- legal compensations

The revaluation reserves comprise the experience adjustments and the effects of changes in actuarial assumptions.

Cumulative translation adjustments

The cumulative translation adjustments represent the cumulative currency translation differences that arise due to subsidiaries, associates and joint ventures that have a functional currency that is different from the euro.

Cash flow hedge reserves

This reserve contains the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions.

Reserves for financial assets at fair value through other comprehensive income

This reserve contains unrealised fair value changes of financial assets at fair value through other comprehensive income.

Non-controlling interests

Non-controlling interests in subsidiaries not fully owned by the group are presented separately from Colruyt Group's equity. The interest of non-controlling shareholders can initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a case-by-case basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total result is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

K. Provisions

Provisions are only recognised in the consolidated statement of financial position when Colruyt Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that a future outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at the reporting date.

If the effect of discounting the future cash outflows is material, the provisions are annually discounted using discount rates that reflect current market assessments of the time value of money.

Restructuring provisions are recognised when Colruyt Group approved a detailed, formalised restructuring plan and made a start on restructuring or made it publicly known before reporting date. These provisions only include direct expenditures that are necessarily entailed by the restructuring and that are not associated with the ongoing activities of the entity.

Environmental provisions are established in accordance with legal requirements on the one hand and the environmental policy established by Colruyt Group on the other.

For onerous contracts, a provision is recognised in the consolidated statement of financial position for the difference between the unavoidable cost of meeting the obligations under the contract and the expected benefits to be derived from the contract. Before a provision for an onerous contract is established, Colruyt Group recognises any impairment loss that has occurred on assets dedicated to that contract.

L. Employee benefits

Post-employment benefits

There are different types of post-employment benefits within Colruyt Group:

• **Defined contribution plans with a legally guaranteed minimum return**

In Belgium, employers are obliged to guarantee a minimum return on defined contribution plans for the duration of an employee's career. For this reason, these plans fit the definition of a defined benefit plan.

• **Unemployment regime with company supplement**

The possibility for early retirement, as it exists within Colruyt Group for employees of Belgian entities, is based on the Belgian 'unemployment regime with company supplement'. The unemployment regime with company supplement and the conditions regarding the required age and performed service period are described in a collective labour agreement (Collectieve Arbeidsovereenkomst/Convention Collective de Travail or cao/CCT), more specifically in collective labour agreement No. 17, as established by the National Labour Council (Nationale Arbeidsraad/Conseil National du Travail) and in the Royal Decree of 3 May 2007 which regulates the unemployment regime with company supplement (Belgian Official Journal 8 June 2007). Other collective labour agreements negotiated by the National Labour Council or within Colruyt Group for specific entities or industries may be applicable, but have benefits similar to those of collective labour agreement No. 17.

These benefits must be paid if a company decides to terminate an employee's employment before the normal retirement date. Given that a reasonable expectation is created towards the employees at the moment of their recruitment or during the period of service, that they are entitled to join the unemployment regime

with company supplement before the legal retirement age, these benefits are treated as post-employment benefits (defined benefit plan).

• Other

Other post-employment benefits include departure benefits as a result of retirement or as a result of the application of the 'unemployment regime with company supplement' (Belgian entities) and legal compensations (French and Indian entities). These benefits are also treated as defined benefit plans.

The liabilities arising from these systems and the related costs are determined using the 'projected unit credit' method, based on actuarial calculations that are executed at the end of each financial year. A comprehensive actuarial measurement based on updated personnel information is performed at least every three years. In the years in which no comprehensive actuarial measurement is performed, actuaries use forecasts based on the previous year but including updated assumptions (discount rate, pay rise and staff turnover). These liabilities, recorded in the consolidated statement of financial position, are calculated as the present value of estimated future cash outflows, based on a discount rate at the reporting date which corresponds to the market yield of high quality corporate bonds with a remaining maturity that approaches the maturity of these liabilities, decreased with the fair value of the plan assets. The liabilities related to the unemployment regime with company supplement are recognised for the population of employees for which can be reliably assumed that it will join the unemployment regime with company supplement. The liabilities for the defined contribution plans with a legally guaranteed minimum return are recognised for all Colruyt Group employees entitled thereto.

The costs related to these systems consist of the following items:

- the current service cost, which is the increase in the present value of the obligation resulting from employee service in the current reporting period;
- the past service cost, which is the change in the present value of the benefit obligation for employee service in prior periods, resulting from an amendment or a curtailment of the existing benefit plan;
- gains or losses on settlement of the benefit obligation, if any;
- the net interest on the net liability arising from the passage of time;

- the actuarial gains and losses, which comprise the effect of differences between the previous actuarial assumptions and what has actually occurred and the effect of changes in actuarial assumptions.

The first three items are recognised in profit or loss as 'Employee benefit expenses'. The net interest on the net liability is included in profit or loss in the 'Net financial result'. Actuarial gains and losses are recognised in other comprehensive income.

Profit participation

In accordance with the Law of 22 May 2001 concerning employee participation in the capital of entities and the establishment of a profit bonus for employees, Colruyt Group offers its personnel based in Belgium a share in the profits in the form of a profit participation, paid in cash. The profit participation is recognised in the financial year in which the profit is realised.

Discounts on share capital increases

In accordance with article 7:204 of the Companies and Associations Code, Colruyt Group offers a discount on its yearly share capital increase which is reserved for its employees. This discount is recognised as an employee benefit expense in the period of the share capital increase.

M. Financial liabilities

Financial liabilities are subdivided as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities of Colruyt Group measured at amortised cost comprise interest-bearing loans, trade payables and other liabilities. Financial liabilities are initially measured at fair value, net of transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest

expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities of Colruyt Group measured at fair value through profit or loss comprise derivative financial instruments that are concluded by Colruyt Group in order to hedge its exposure to currency risks resulting from its operational activities. Colruyt Group does not conduct speculative transactions.

These financial liabilities are initially recognised at fair value including any transaction costs that are directly attributable to these financial liabilities. After initial recognition these financial liabilities are measured at fair value through profit or loss.

N. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. After initial recognition these derivative financial instruments are remeasured at fair value at the end of every reporting period. Derivative financial instruments can be subdivided into cash flow hedges, fair value hedges and hedges of net investments. Colruyt Group designates the derivative financial instruments as cash flow hedges.

At the inception of the transaction, Colruyt Group documents the relationship between the hedging instrument and the hedged instrument, as well as the risk management objectives and strategy for undertaking the hedge. The derivative financial instruments are presented as current assets or as current liabilities.

The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges is included as a separate component in equity, under 'Cash flow hedge reserves'. The gain or loss in respect of the ineffective portion is immediately recognised in profit or loss under 'Finance income' or 'Finance costs'.

The cumulative amounts included under 'Cash flow hedge reserves' are reclassified to profit or loss in the period during which the hedged instrument affects profit or loss. The cumulative amounts of the hedging instrument are included under the same line item as the hedged instrument.

A cash flow hedge accounting relationship is discontinued when:

- the hedge accounting relationship fails the effectiveness test;
- the hedging instrument is sold, terminated or exercised;
- management decides to revoke the hedge accounting designation of the instrument; or
- the forecast transaction is no longer highly probable.

When the forecast transaction is no longer highly probable but still expected to occur, the hedge gains and losses that were previously recognised in other comprehensive income remain in equity until the transaction affects profit or loss. As soon as the forecast transaction is no longer expected to occur, any gain or loss is immediately recognised in profit or loss.

Certain derivative financial instruments do not qualify for hedge accounting. Changes to the fair value of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in profit or loss under 'Finance income' or 'Finance costs'.

O. Revenue

Revenue is recognised based on a five-step model. Revenue from the supply of goods or services is recognised in an amount that reflects the consideration to which Colruyt Group expects to be entitled.

Colruyt Group supplies goods, either food or non-food, through different sales channels.

Revenue from the sale of goods – 'Retail'

The sale of goods in the 'Retail' segment, at the cash desk or online, is limited to one single transaction, i.e. the sale of goods at the cash desk or online. There is only one performance obligation within this context and revenue is recognised when control over the goods is transferred to the customer.

For certain products or services, such as phone cards and tickets for amusement parks, Colruyt Group acts as an agent. Therefore, only the commission is included in the revenue.

Revenue from the sale of gift cards and gift certificates is recognised when the gift card or gift certificate is redeemed by the customer.

The transaction price is affected by a number of rebate mechanisms, which are recognised as variable considerations and are included in

profit or loss at the time of the sale of the goods.

Revenue from the sale of goods – 'Wholesale and Foodservice'

Revenue from the sale of goods in the 'Wholesale and Foodservice' segment is recognised upon delivery to, or pick-up by, the 'Wholesale and Foodservice' customer. To determine the transaction price Colruyt Group uses collaboration arrangements. Any rebates granted to the 'Wholesale and Foodservice' customer are deducted from the sales price.

Revenue from the sale of goods – 'Other activities'

Revenue from the 'Other activities' segment mainly relates to revenue from the sale of fuel, the supply of printing and document management solutions and energy-related activities.

The sale of fuels is limited to one single transaction that is settled at the pump. Any rebates granted are immediately deducted from the transaction price.

Revenue from services rendered

Revenue from services rendered other than those included under 'Revenue from the sale of goods – 'Other activities'', is assessed on a contractual basis to decide whether the performance obligations are performed over time or at a specific moment in time.

Rental income

Rental income generated by ordinary leases or by operating subleases are recognised in 'Other operating income' on a straight-line basis over the term of the lease.

Income from green certificates

For the production of electricity the regional authorities award Colruyt Group with green certificates. The income resulting from these certificates is recognised in the consolidated income statement at the moment of production as 'Other operating income'.

For the supplier activities, Colruyt Group is required to hand in certificates from time to time, so as to satisfy the quotas imposed by the regional authorities. For this purpose, certificates are used that are obtained through the production activities as well as certificates purchased on the market.

In the consolidated statement of financial position, certificates that have not been used at the reporting date are recognised in the line item 'Inventories'. Certificates that have been purchased are measured at the purchase price; certificates granted as a result of the production activity are measured at the minimum price guaranteed by the regional authorities. The inventory movement in respect of certificates is recognised in the consolidated income statement under the line item 'Services and miscellaneous goods'.

Dividend income from financial assets and finance income

Dividends received from financial assets are recognised in the consolidated income statement at the time of allocation. Interest income is recognised using the effective interest method. Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in the consolidated income statement.

P. Expenses

Reimbursements by suppliers

Reimbursements by suppliers are recognised net of expenses.

If such reimbursements are specifically received for the reimbursement of specific publicity expenses incurred, the reimbursements are deducted from those specific expenses. In all other cases the reimbursements are recognised as a deduction from cost of goods sold.

Rental payments

Payments made for short-term leases or leases of low-value assets are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance costs

Finance costs relate to interest on loans, interest on repayments of lease liabilities, fair value adjustments of financial assets at fair value through profit or loss and adjustments for the time value of liabilities. Interest expenses are recognised using the effective interest method.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in the consolidated income statement.

All other finance costs are recognised when incurred.

Q. Income tax expense

Income tax for the financial year comprises current and deferred taxes and is presented in accordance with IAS 12 '*Income Taxes*'. Taxes are presented in profit or loss, except for taxes that relate to transactions not recognised in the consolidated income statement or that relate to a business combination.

Current tax is the expected tax payable on the taxable profit for the financial year, using tax rates and tax laws enacted or enacted substantively at the end of the reporting period, and any adjustment to tax payable (or receivable) in respect of previous years. These taxes are calculated in accordance with the respective tax laws applicable in all countries in which Colruyt Group operates.

Deferred taxes are calculated using 'the balance sheet liability method', providing for temporary differences between the tax base of the assets and liabilities and the carrying amount of assets and liabilities in the consolidated statement of financial position. The following differences are however not provided for: the initial recognition of goodwill, the initial recognition of differences on assets or liabilities that are not resulting from a business combination and that do not affect profit before tax or taxable profit and the differences relating to investments in subsidiaries, associates and joint ventures to the extent that the group is able to assess the timing of the expiration of the temporary differences and that it is probable that they will not be reversed in the near future.

Deferred taxes are calculated using tax rates and tax laws enacted or substantively enacted at the reporting date. A deferred tax asset is recognised in the consolidated statement of financial position only to the extent that it is probable that taxable profits will be available in the near future against which the deductible temporary

differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends or gains on shares in subsidiaries are only recognised respectively at the moment of the decision to pay the related dividend and at the moment of the decision of the realisation of the gain.

R. Transfer pricing

The prices for transactions between subsidiaries, associates, joint ventures and therefore also between operating segments are conducted on an objective, at arm's length basis.

S. Events after the reporting date

Events after the reporting date, which provide additional information concerning the situation of Colruyt Group at the reporting date ('adjusting events') are recognised in the consolidated financial statements. Other events after the reporting date ('non-adjusting events') are only mentioned in the notes to the consolidated financial statements if they are considered to be important.

2. Segment information

Colruyt Group reports its operating segments based on the nature of its activities. In addition to the information on the operating segments, Colruyt Group also provides geographical information on the regions in which it operates.

2.1. Operating segments

Colruyt Group distinguishes three operating segments within its activities.

In determining the operating segments, Colruyt Group considered the operational characteristics of every activity. This led to the identification of two important business segments: 'Retail' on the one hand and 'Wholesale and Foodservice' on the other hand. The difference between both operating segments can be found in differences in markets and business models. The other identifiable segments do not meet the quantitative thresholds determined by IFRS 8 '*Operating segments*', and were therefore reported together under the operating segment 'Other activities'. The group support activities combine various departments and supply services to the different brands within Colruyt Group. These activities include marketing and communication, IT, human resources and recruitment, finance and other central services. The costs of group support activities and the result of their internal cross-charging are, to the extent possible, allocated to the reported segments.

Retail

Stores under Colruyt Group's own management which directly sell to retail customers and bulk consumers. The filling stations in France are also included in this segment as they are inseparably connected to, and therefore an integral part of, the stores in France.

Wholesale and Foodservice

Supply to wholesalers, commercial customers and affiliated independent merchants.

Other activities

Filling stations in Belgium, printing and document management and sustainable energy. The filling stations in Belgium are presented in a separate segment, as opposed to the filling stations in France, the reason being that the former, which have their own commercial objectives and energy strategy, can be identified separately from the stores in Belgium.

The results of an operating segment contain elements which are directly attributable or which are reasonably attributable to the operating segments.

The revenues of each operating segment include revenues from sales to external customers and revenues from transactions with other operating segments. More information can be found under note 3.1. *Revenue by cash-generating unit*.

The results of the operating segments are evaluated based on operating profit (EBIT).

The financial result and income taxes are managed at Colruyt Group level and are not allocated to the operating segments.

Non-cash items in the income statement consist mainly of depreciation and amortisation, impairment of non-current assets, provisions and impairment of current assets. The line items 'Depreciation and amortisation' and 'Impairment of non-current assets' are the most significant ones and are therefore included in the segment information.

The operating segment information and Colruyt Group's consolidated figures can be reconciled by adding the information in the different operating segments with the non-allocated elements - including group support activities - and eliminating the transactions within Colruyt Group.

Given the nature of its activities, Colruyt Group does not rely on a limited number of major customers.

(in million EUR)	Retail 2020/21 ⁽¹⁾	Wholesale and Foodservice 2020/21	Other activities 2020/21 ⁽²⁾	Operating segments 2020/21
Revenue - external	8.308,4	1.075,1	547,2	9.930,7
Revenue - internal	65,2	13,0	9,3	87,5
Operating profit (EBIT)	445,0	56,8	50,9	552,7
Share in the result of investments accounted for using the equity method	(12,2)	-	8,5	(3,7)
Acquisition of property, plant and equipment and intangible assets ⁽³⁾	313,0	15,2	20,0	348,2
Depreciation and amortisation	245,3	19,9	12,0	277,2
Impairment of non-current assets	3,8	(0,1)	-	3,7

(in million EUR)	Operating segments 2020/21	Unallocated 2020/21	Eliminations between operating segments 2020/21	Consolidated 2020/21
Revenue - external	9.930,7	-	-	9.930,7
Revenue - internal	87,5	-	(87,5)	-
Operating profit (EBIT)	552,7	(29,2)	-	523,5
Share in the result of investments accounted for using the equity method	(3,7)	0,2	-	(3,5)
Net financial result				0,9
Income tax expense				(104,9)
Profit for the financial year				416,0
Acquisition of property, plant and equipment and intangible assets ⁽³⁾	348,2	120,7	-	468,9
Depreciation and amortisation	277,2	45,8	-	323,0
Impairment of non-current assets	3,7	0,2	-	3,9

(1) As of August 2020, the Fashion Society (formerly Fraluc) has been fully consolidated and is no longer accounted for as a joint venture using the equity method.

(2) Includes Joos Hybrid NV since August 2020. The renewable wind energy activities of Eoly NV were contributed to the energy holding company Virya Energy NV in financial year 2020/21.

(3) Acquisition of property, plant and equipment and intangible assets does not include acquisitions through business combinations, IFRS 16 and changes in consolidation method (The Fashion Society).

(in million EUR)	Retail 2019/20	Wholesale and Foodservice 2019/20	Other activities 2019/20	Operating segments 2019/20
Revenue - external	7.897,0	962,5	721,5	9.581,0
Revenue - internal	59,1	6,3	9,2	74,6
Operating profit (EBIT)	476,6	45,1	17,7	539,4
Share in the result of investments accounted for using the equity method	1,2	-	50,4	51,6
Acquisition of property, plant and equipment and intangible assets ⁽¹⁾	309,1	8,4	16,0	333,5
Depreciation and amortisation	219,7	19,4	11,5	250,6
Impairment of non-current assets	1,2	0,8	0,7	2,7

(in million EUR)	Operating segments 2019/20	Unallocated 2019/20	Eliminations between operating segments 2019/20	Consolidated 2019/20
Revenue - external	9.581,0	-	-	9.581,0
Revenue - internal	74,6	-	(74,6)	-
Operating profit (EBIT)	539,4	(28,0)	-	511,4
Share in the result of investments accounted for using the equity method	51,6	0,6	-	52,2
Net financial result				(2,2)
Income tax expense				(129,9)
Profit for the financial year				431,5
Acquisition of property, plant and equipment and intangible assets ⁽¹⁾	333,5	76,8	-	410,3
Depreciation and amortisation	250,6	39,8	-	290,4
Impairment of non-current assets	2,7	2,1	-	4,8

(1) Acquisition of property, plant and equipment and intangible assets does not include acquisitions through business combinations, IFRS 16

2.2. Geographical information

As customers are mostly serviced in their own geographical areas, the geographical information is based on the location of the Company and its subsidiaries. The geographical information represents the contribution in Colruyt Group of the countries in which the entities are domiciled and contains all of Colruyt Group's entities which are active in the operating segments, as well as in the corporate activities.

Belgium:

Location of the Company and of a large number of its subsidiaries. These entities are active in all operating segments as well as in the corporate activities.

France:

Location of the French subsidiaries. These entities are active in the operating segments 'Retail' and 'Wholesale and Foodservice' as well as in the corporate activities.

Other:

The other entities can be found in the Grand Duchy of Luxembourg, Hong Kong, India and Africa. The reinsurance company Locré SA (Grand Duchy of Luxembourg) and the retail activities in the Grand Duchy of Luxembourg are the most important activities within this geographical information.

Geographical information

(in million EUR)	Belgium		France		Other		Total	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Revenue	9.180,1	8.853,5	687,8	665,1	62,8	62,4	9.930,7	9.581,0
Acquisition of property, plant and equipment and intangible assets	431,2	373,4	37,3	36,1	0,4	0,8	468,9	410,3

3. Revenue and gross profit

(in million EUR)	2020/21	2019/20
Revenue	9.930,7	9.581,0
Cost of goods sold	(7,138,8)	(7,016,2)
Gross profit	2.791,9	2.564,8
As a % of revenue	28,1%	26,8%

3.1. Revenue by cash-generating unit

(in million EUR)	2020/21	2019/20
Retail Food ⁽¹⁾	7.960,3	7.643,9
Colruyt Belgium and Luxembourg ⁽²⁾	6.258,4	6.076,8
OKay, Bio-Planet and Cru ⁽³⁾	1.135,9	1.009,8
Colruyt France and DATS 24 France	566,0	557,3
Retail Non-food ^{(1) (4)}	348,1	253,1
Transactions with other operating segments	65,2	59,1
Retail	8.373,6	7.956,1
Wholesale	965,6	836,0
Foodservice	109,5	126,5
Transactions with other operating segments	13,0	6,3
Wholesale and Foodservice	1.088,1	968,8
DATS 24 Belgium	531,7	715,5
Printing and document management solutions ⁽⁵⁾	15,5	6,0
Transactions with other operating segments	9,3	9,2
Other activities	556,5	730,7
Total operating segments	10.018,2	9.655,6
Eliminations between operating segments	(87,5)	(74,6)
Consolidated	9.930,7	9.581,0

(1) The subtotals 'Food' and 'Non-food' within the operating segment 'Retail' are for information purposes only.

(2) Including the revenue from the webshops Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby realised by Colruyt stores.

(3) Including the revenue from the webshops Collishop, Dreamland and Dreambaby realised by OKay and Bio-Planet stores.

(4) Including the store revenue from Dreamland and Dreambaby, and the revenue from Bike Republic and The Fashion Society Group as from 1 August 2020.

(5) Including the revenue from Symeta Hybrid NV as from 1 August 2020.

4. Other operating income and expenses

(in million EUR)	2020/21	2019/20
Rental and rental-related income	11,8	11,0
Gains on disposal of non-current assets	10,6	15,5
Gain on changes in the consolidation scope	30,7	-
Remuneration received	108,3	105,6
Other	24,1	26,4
Total other operating income	185,5	158,5

In the current financial year, Eoly Energy NV was contributed to Virya Energy NV, resulting in a gain of EUR 30,7 million.
Remuneration received includes, among others, income from sustainable energy, services rendered to third parties and revenue from waste recycling.

(in million EUR)	2020/21	2019/20
Operating taxes	12,8	15,7
Property withholding tax	14,7	12,7
Losses on disposal of non-current assets	1,1	1,2
Other	2,8	1,5
Total other operating expenses	31,4	31,1

5. Services and miscellaneous goods

(in million EUR)	2020/21	2019/20
Rental and rental-related charges	24,4	22,8
Maintenance and repairs	86,5	71,0
Utilities	90,7	79,6
Logistic expenses	131,9	143,8
Fees, IT and IT-related expenses	191,7	143,6
Administration, marketing and other expenses	106,4	78,2
Impairment of current assets	1,7	6,9
Total services and miscellaneous goods	633,3	545,9

6. Employee benefit expenses

(in million EUR)	2020/21	2019/20
Wages and salaries ⁽¹⁾	1.117,1	1.040,2
Social security contributions	238,9	227,8
Consultants and interim personnel	103,9	65,0
Profit-sharing schemes for employees ⁽²⁾	35,6	37,3
Contributions to defined contribution plans with a legally guaranteed minimum return	16,9	18,7
Other post-employment benefits	1,5	1,8
Discount on capital increase reserved for personnel	1,8	2,7
Other personnel costs	48,7	44,2
Compensatory amounts	(102,1)	(98,0)
Number of staff employees (FTE) at reporting date	1.462,3	1.339,7
Total employee benefit expenses	31.189	29.056

(1) Of which the Belgian salary pool for the financial year 2020/21 amounts to EUR 1.034,2 million (EUR 962,9 million for the financial year 2019/20).

(2) This line item consists of the full cost of the profit-sharing schemes, including the employer social security contributions.

Capital increase reserved for employees

Colruyt Group offers its employees the opportunity to subscribe to an annual capital increase of the parent company Etn. Fr. Colruyt NV. The discount granted on this capital increase complies with article 7:204 of the Companies and Associations Code. During the most recent capital increase 2.025 employees subscribed to 222.372 shares, corresponding to a capital contribution of EUR 10,3 million. The discount granted on this transaction was EUR 1,8 million and is accounted for as an employee benefit.

	2020/21	2019/20
Number of shares subscribed	222.372	380.498
Discount per share (in EUR)	7,9	7,2
Total discount granted (in million EUR)	1,8	2,7

Compensatory amounts

Employee benefit expenses are presented free of compensatory amounts. Compensatory amounts relate mainly to employee costs capitalised in the context of non-current assets produced internally by Colruyt Group.

Number of employees

The number of employees in full-time equivalents (FTE) includes only employees on permanent employment contracts. As a result, the members of the Board of Directors, interim personnel, consultants and students working under specific student conditions are not included in these full-time equivalents.

7. Net financial result

(in million EUR)	2020/21	2019/20
Interest income on unimpaired customer loans and other loans	1,6	2,6
Dividends received	1,0	-
Interest income on fixed-income securities and compound instruments at fair value through profit or loss	1,4	0,2
Fair value adjustments to financial assets and liabilities at fair value through profit or loss	3,1	1,2
Gains on disposal of financial assets	0,4	0,4
Adjustments for the time value of assets	0,2	0,2
Exchange gains	0,5	1,9
Other	0,3	0,8
Finance income	8,5	7,3
Interest expense on current and non-current loans	1,1	0,4
Fair value adjustments to financial assets and liabilities at fair value through profit or loss	0,6	2,6
Losses on disposal of financial assets	0,6	0,8
Adjustment for the time value of liabilities	4,7	3,9
Exchange losses	0,5	1,2
Other	0,1	0,6
Finance costs	7,6	9,5
Net financial result	0,9	(2,2)

8. Income tax expense

8.1. Income taxes recognised in profit or loss

(in million EUR)	2020/21	2019/20
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	524,4	509,2
Income tax expense	104,9	129,9
Effective tax rate⁽²⁾	20,01%	25,52%
B) Reconciliation between the effective tax rate and the applicable tax rate⁽¹⁾	24,70%	28,62%
Profit before tax (excluding share in the result of investments accounted for using the equity method)	524,4	509,2
Income tax expense (based on applicable tax rate)	129,5	145,8
Non-taxable income/non tax-deductible expenses	4,1	6,5
Permanent differences	1,9	2,6
Impact of tax deductions ⁽²⁾	(24,2)	(23,6)
Other	(6,4)	(1,4)
Income tax expense	104,9	129,9
Effective tax rate	20,01%	25,52%
C) Income tax expense recognised in profit or loss		
Current year taxes	80,6	135,3
Deferred taxes	24,5	(4,0)
Adjustments relating to prior years	(0,2)	(1,4)
Total income tax expense	104,9	129,9

(1) The applicable tax rate is the weighted average tax rate for the Company and all its consolidated subsidiaries in different jurisdictions

(Belgium: 25,00%, France: 28,00%, Grand Duchy of Luxembourg: 24,94%, India: 25,17%, Hong Kong: 16,50%, Senegal: 30,00%).

(2) The tax rate was affected in 2020/21 by the reform of the Belgian corporation tax, the investments in innovation and change projects and the contribution of Eoly Energy NV into Virya Energy NV.

8.2. Tax impacts recognised in other comprehensive income

Certain tax effects have not been recognised in the income statement, but are included in the statement of comprehensive income for the financial year.

(in million EUR)	2020/21	2019/20
Tax impact on revaluation of liabilities related to long-term post-employment benefits	1,9	(7,8)
Cash flow hedge reserves	(0,8)	-
Total tax impacts recognised in other comprehensive income	1,1	(7,8)

9. Goodwill

The recognised goodwill relates mainly to goodwill arising from the acquisition of complete business entities. For more information regarding the definition, recognition and valuation of goodwill we refer to note 1. *Significant accounting policies* within this current financial report.

As described in the principles, goodwill is not amortised but tested annually for impairment at the level of the cash-generating unit (CGU). Colruyt Group considers the business segments or the business entities as CGUs. The impairment test of goodwill consists of comparing the recoverable amount of each CGU with its carrying amount, including goodwill, and an impairment is recognised if the carrying amount is higher than the recoverable amount. Given the recent acquisition of The Fashion Society NV, the latter has not been included in the impairment tests for the current financial year.

The recoverable amount of each business unit is the value in use or, if higher, the fair value less costs to sell. When preparing cash flow forecasts, Colruyt Group uses estimated growth rates and expected future margins derived from the actual figures of the most recent financial year and forecasts for a period of 5 to 10 years. The growth rates take into account expected inflation and do not include non-organic growth. Given the importance of these operational parameters for the calculation of the value in use, they are monitored closely at a central level through alignment and validation processes and, when determining them, external information sources are used.

To determine the discount rate, Colruyt Group uses the 'Capital Asset Pricing Model'. The following components were used in this model for the present reporting period: a 'Risk-Free Interest Rate' of 0% to 1% (0% to 1% in the previous reporting period), a 'Market Risk Premium' of 6% to 7% (6% to 7% in the previous reporting period) and an unlevered Beta of 0,4 (0,5 in the previous reporting period). For Colruyt Group this resulted in a weighted average cost of capital (WACC) for its two main operating segments of between 2,5% and 4,0% (between 3,3% and 4,7% in the previous reporting period). The discount rates are reviewed at least annually.

Colruyt Group uses assumptions adapted to the characteristics of the different underlying cash-generating units. For the main cash-generating units Colruyt Group uses the following expected average revenue growth percentages for the next 5 to 10 years:

- operating segment 'Retail': 1% on average (1% on average in the previous reporting period);
- operating segment 'Wholesale and Foodservice': 4% on average (2% on average in the previous reporting period).

To determine the residual value using the discounted cash flow method, the 'Gordon growth model' was used. The share of discounted residual value is within a range of 70% and 85% of the calculated value in use. The impairment tests were performed in February 2021.

The management is of the opinion that the assumptions as described above, used for calculating the value in use, provide the best estimation of future developments. When performing the calculation using a terminal growth percentage of 0% (instead of 1%) in the calculation or a WACC of 8%, this does not have a substantial influence on the global outcome of the calculation. As a result the conclusions regarding the impairment test on all cash-generating units remain unchanged.

Goodwill by cash-generating unit can be presented as follows:

(in million EUR)	31.03.21	31.03.20
Retail Food	53,7	45,8
Retail Non-food	52,2	4,3
Retail	105,9	50,1
Wholesale	-	0,4
Foodservice	10,2	10,2
Wholesale and Foodservice	10,2	10,6
Printing and document management solutions	8,8	-
Other activities	8,8	-
Consolidated	124,9	60,7

The changes in 'Goodwill' can be explained as follows:

(in million EUR)	Gross book value 2020/21	Accumulated amortisation and impairment 2020/21	Net book value 2020/21	Gross book value 2019/20	Accumulated amortisation and impairment 2019/20	Net book value 2019/20
At 1 April	84,5	(23,8)	60,7	79,2	(23,8)	55,4
Acquisitions	64,6	-	64,6	5,3	-	5,3
Other	-	(0,4)	(0,4)	-	-	-
At 31 March	149,1	(24,2)	124,9	84,5	(23,8)	60,7

10. Intangible assets

(in million EUR)	Developed intangible assets	Concessions, software, licences and similar rights	Acquired customer lists	Intangible assets under development and other intangible assets	Total
Acquisition value					
At 1 April 2020	16,9	222,9	5,6	103,4	348,8
Acquisitions through business combinations	-	0,3	-	-	0,3
Acquisitions	4,7	18,4	-	67,9	91,0
Sales and disposals	-	(0,2)	-	-	(0,2)
Change in consolidation method	0,1	1,5	-	12,6	14,2
Reclassification	-	34,1	0,3	(34,4)	-
At 31 March 2021	21,7	277,0	5,9	149,5	454,1
Amortisation					
At 1 April 2020	(8,1)	(120,7)	-	(0,1)	(128,9)
Amortisation	(2,6)	(26,9)	-	-	(29,5)
Sales and disposals	-	0,2	-	-	0,2
Change in consolidation method	-	0,1	-	-	0,1
At 31 March 2021	(10,7)	(147,3)	-	(0,1)	(158,1)
Impairment					
At 01 April 2020	-	(10,1)	(4,4)	(2,1)	(16,6)
Impairment	-	(0,8)	-	(1,5)	(2,3)
At 31 March 2021	-	(10,9)	(4,4)	(3,6)	(18,9)
Net carrying amount at 31 March 2021	11,0	118,8	1,5	145,8	277,1

(in million EUR)	Developed intangible assets	Concessions, software, licences and similar rights	Acquired customer lists	Intangible assets under development and other intangible assets	Total
Acquisition value					
At 1 April 2019	13,1	197,4	4,4	59,3	274,2
Acquisitions through business combinations	0,2	0,2	1,2	0,1	1,7
Acquisitions	4,0	8,9	-	61,7	74,6
Sales and disposals	(0,4)	(1,3)	-	-	(1,7)
Reclassification	-	17,7	-	(17,7)	-
At 31 March 2020	16,9	222,9	5,6	103,4	348,8
Amortisation					
At 01 April 2019	(6,4)	(101,8)	-	-	(108,2)
Amortisation	(2,1)	(20,1)	-	(0,1)	(22,3)
Sales and disposals	0,4	1,2	-	-	1,6
At 31 March 2020	(8,1)	(120,7)	-	(0,1)	(128,9)
Impairment					
At 1 April 2019	-	(9,9)	(4,4)	(0,6)	(14,9)
Impairment	-	(0,2)	-	(1,5)	(1,7)
At 31 March 2020	-	(10,1)	(4,4)	(2,1)	(16,6)
Net carrying amount at 31 March 2020	8,8	92,1	1,2	101,2	203,3

The concessions, software, licences and similar rights which amount to EUR 118,8 million (EUR 92,1 million for the previous reporting period) mainly consist of permits and software that were predominantly generated internally. The internally generated software which is still under development at the end of the current financial year amounts to EUR 133,3 million (compared to EUR 100,9 million for the previous financial year). During the current financial year the group acquired intangible assets for an amount of EUR 91,0 million (compared to EUR 74,6 million during the previous financial year), of which EUR 77,5 million were developed internally (compared to EUR 63,6 million during the previous financial year).

11. Property, plant and equipment

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right-of-use assets	Other property, plant and equipment	Assets under construction	Total
Acquisition value							
At 1 April 2020	2.776,1	831,6	494,7	185,0	157,1	67,8	4.512,3
Revaluation ⁽¹⁾	-	-	-	40,8	-	-	40,8
Acquisitions through business combinations	7,9	0,7	0,1	6,6	1,6	-	16,9
Acquisitions	166,8	45,7	85,4	4,7	27,9	47,4	377,9
Sales and disposals	(24,8)	(15,7)	(28,2)	(1,2)	(2,9)	(1,3)	(74,1)
Change in consolidation method	7,4	(35,0)	1,8	56,8	19,0	(0,1)	49,9
Reclassification	24,1	20,0	(5,6)	(8,0)	0,2	(30,7)	-
Currency translation adjustments	(0,2)	(0,1)	-	-	-	-	(0,3)
At 31 March 2021	2.957,3	847,2	548,2	284,7	202,9	83,1	4.923,4
Depreciation							
At 1 April 2020	(1.172,9)	(480,4)	(345,1)	(33,1)	(81,9)	-	(2.113,4)
Revaluation ⁽¹⁾	-	-	-	1,7	-	-	1,7
Depreciation	(126,4)	(58,7)	(61,2)	(33,3)	(13,9)	-	(293,5)
Sales and disposals	20,9	8,2	22,4	1,0	1,5	-	54,0
Change in consolidation method	-	11,2	-	0,1	-	-	11,3
Reclassification	(0,6)	(10,4)	6,5	4,5	-	-	-
Currency translation adjustments	-	0,1	-	-	-	-	0,1
At 31 March 2021	(1.279,0)	(530,0)	(377,4)	(59,1)	(94,3)	-	(2.339,8)
Impairment							
At 1 April 2020	(5,3)	(1,7)	-	-	(0,3)	-	(7,3)
Impairment	(1,4)	(0,2)	-	-	(0,1)	-	(1,7)
Sales and disposals	1,4	0,5	-	-	0,1	-	2,0
At 31 March 2021	(5,3)	(1,4)	-	-	(0,3)	-	(7,0)
Net carrying amount at 31 March 2021	1.673,0	315,8	170,8	225,6	108,3	83,1	2.576,6

(1) Includes the effect of the revaluation of right-of-use assets as a result of indexations (only for the acquisition values) on the one hand, and changes to the lease portfolio (extension/termination/new leases) on the other hand.

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right of use assets	Other property, plant and equipment	Assets under construction	Total
Acquisition value							
At 1 April 2019	2.629,0	751,3	503,5	36,4	177,8	88,7	4.186,7
Initial recognition IFRS 16	-	-	-	115,8	-	-	115,8
Revaluation ⁽¹⁾	-	-	-	45,5	-	-	45,5
Acquisitions through business combinations	0,1	0,1	-	4,9	0,8	-	5,9
Acquisitions	136,6	95,0	54,2	-	9,5	40,5	335,8
Sales and disposals	(57,3)	(24,1)	(61,8)	-	(33,2)	(0,4)	(176,8)
Reclassification	68,1	9,4	(1,1)	(17,6)	2,2	(61,0)	-
Currency translation adjustments	(0,4)	(0,1)	(0,1)	-	-	-	(0,6)
At 31 March 2020	2.776,1	831,6	494,7	185,0	157,1	67,8	4.512,3
Depreciation							
At 1 April 2019	(1.084,2)	(446,8)	(355,1)	(15,2)	(80,1)	-	(1.981,4)
Revaluation ⁽¹⁾	-	-	-	0,3	-	-	0,3
Depreciation	(125,0)	(55,9)	(51,7)	(23,1)	(12,4)	-	(268,1)
Sales and disposals	41,3	23,7	60,1	-	10,4	-	135,5
Reclassification	(5,1)	(1,5)	1,5	4,9	0,2	-	-
Currency translation adjustments	0,1	0,1	0,1	-	-	-	0,3
At 31 March 2020	(1.172,9)	(480,4)	(345,1)	(33,1)	(81,9)	-	(2.113,4)
Impairment							
At 1 April 2019	(5,4)	(0,9)	-	-	-	-	(6,3)
Impairment	(1,4)	(0,8)	-	-	(0,9)	-	(3,1)
Sales and disposals	1,5	-	-	-	0,6	-	2,1
At 31 March 2020	(5,3)	(1,7)	-	-	(0,3)	-	(7,3)
Net carrying amount at 31 March 2020	1.597,9	349,5	149,6	151,9	74,9	67,8	2.391,6

(1) Includes the effect of the revaluation of right-of-use assets as a result of indexations (only for the acquisition values) on the one hand, and changes to the lease portfolio (extension/termination/new leases) on the other hand.

As in the previous financial year, no property, plant and equipment are pledged as collateral for contracted liabilities (note 25. *Interest-bearing liabilities*).

The net carrying amount of the line item 'Right-of-use assets' for the current financial year amounts to EUR 225,6 million (compared to EUR 151,9 million for the previous reporting period) and consists of leases in respect of buildings (EUR 222,5 million), land (EUR 1,5 million) and machinery and vehicles (EUR 1,6 million).

On property, plant and equipment an impairment loss of EUR 1,7 million was recognised, which mainly relates to the expansion, relocation and renovation of existing stores. The impairment loss is included in the income statement of the current reporting period under 'Depreciation, amortisation and impairment of non-current assets' within the operating segments 'Retail', 'Wholesale and Foodservice' and 'Other activities'.

The grants received are included in the net carrying amount of the property, plant and equipment item concerned. The net amount of grants received can be summarised as follows:

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right of use assets	Other property, plant and equipment	Assets under construction	Total
At 31 March 2020	(7,8)	(5,3)	(0,1)	-	-	(0,5)	(13,7)
At 31 March 2021	(6,7)	(5,0)	(0,2)	-	-	(0,3)	(12,2)

The grants recognised in profit or loss amount to EUR 1,5 million (also EUR 1,5 million in the previous financial reporting period).

The grants mainly relate to the grant awarded for the construction of the logistics site in Ath/Lessines. The main condition for granting this grant, i.e. that of employment, is still being complied with.

12. Investments in associates

(in million EUR)	2020/21	2019/20
Carrying amount at 1 April	262,3	41,5
Acquisitions/capital increases	56,7	232,3
Capital decreases	(0,3)	(0,7)
Share in the result for the financial year	8,9	(0,3)
Share in other comprehensive income	(11,4)	-
Dividend	(0,2)	(10,5)
Other	(2,6)	-
Carrying amount at 31 March	313,4	262,3

The investments in associates for the financial year 2020/21 relate to the non-quoted entities AgeCore SA (16,67%), First Retail International 2 NV (4,73%), Vendis Capital NV (10,87%), Newpharma Group NV (26,00%), Scallog SAS (23,73%) and Virya Energy NV (60,87%). These investments are considered as associates and are accounted for using the equity method given that Colruyt Group has a significant influence based on indicators as defined under paragraph 6 of IAS 28 'Investments in Associates and Joint Ventures'.

The investments in Scallog SAS and Newpharma Group NV are presented under the operating segment 'Retail'; the investment in Virya Energy NV is presented under the operating segment 'Other activities' and the investments in AgeCore SA, First Retail International 2 NV and Vendis Capital NV are presented under the segment 'Unallocated'.

On 25 May 2020, Colruyt Group contributed certain assets related to the renewable wind energy activities of Eoly NV to the energy holding company Virya Energy NV, as a result of which Colruyt Group's share in Virya Energy NV increased to 60,87%.

In April 2020, the energy holding company Virya Energy NV signed an agreement with Participatiemaatschappij Vlaanderen (PMV) to increase its stake in Parkwind NV to 100%. As part of the agreement, PMV has also acquired a minority stake in Arcadis Ost 1, a German wind farm that Parkwind NV is developing in the Baltic Sea. The transaction was closed in June 2020.

In the current financial year a dividend of EUR 0,2 million was received from AgeCore SA, while in the previous financial year a dividend of EUR 10,3 million was received from Vendis Capital NV.

The consolidated figures of the material associates are as follows:

Virya Energy NV (in million EUR)	31.12.20	31.12.19⁽²⁾
Non-current assets	1.804,2	701,3
Current assets	234,8	0,1
Non-current liabilities	1.084,4	-
Current liabilities	140,6	-
Net assets	814,0	701,4
<i>of which non-controlling interests</i>	61,5	-
<i>of which equity attributable to owners of the parent company</i>	752,5	701,4
Share of Colruyt Group in net assets	458,0	404,7
Adjustment for Colruyt Group ⁽¹⁾	(183,2)	(181,2)
	2020	2019
Revenue	78,7	-
Profit from continuing operations	(15,7)	-
Other comprehensive income	(5,6)	-
Total comprehensive income	(21,3)	-
<i>of which non-controlling interests</i>	(2,3)	-
<i>of which equity attributable to owners of the parent company</i>	(19,0)	-
Share of Colruyt Group in total comprehensive income	(11,6)	-
Adjustment for Colruyt Group ⁽¹⁾	8,7	-

(1) The adjustments for Colruyt Group can mainly be explained by the fact that Colruyt Group recognises the Parkwind entities within Virya Energy NV at historical value.

In addition, effects in the consolidated figures of Virya Energy NV resulting from a change in the consolidation method of the underlying entities, are offset by Colruyt Group as they are not applicable to Colruyt Group.

(2) Since Virya Energy NV was incorporated only at the end of financial year 2019/20, for the financial year 2019/20 only the balance sheet positions have been included in the table above.

13. Investments in joint ventures

(in million EUR)	2020/21	2019/20
Carrying amount at 1 April	36,1	212,7
Acquisitions/capital increases	6,7	0,4
Disposals	(23,5)	(217,9)
Share in the result for the financial year	(12,4)	52,5
Share in other comprehensive income	-	(12,9)
Other	-	1,3
Carrying amount at 31 March	6,9	36,1

The investments in joint ventures for the financial year 2020/21 consist of the non-quoted entities Achilles Design BV (24,70%), Kriket BV (24,81%), Daltix NV and Daltix Unipessoal LDA (64,75%), We Connect Data BV (16,03%) and Ticom NV (90,0%). As Colruyt Group shares the control over these entities with other parties, these joint ventures are included in the consolidated financial statements using the equity method.

During the financial year, interests were acquired in Kriket BV (April 2020), Daltix NV and Daltix Unipessoal LDA (June 2020) and We Connect Data BV (August 2020). The interest in Ticom NV was increased (November 2020), as a result of which this company is now also included as a joint venture using the equity method.

On 3 September 2020, Colruyt Group increased its stake in Fraluc from 68% to more than 96%. Since 1 August 2020, the participation held in Fraluc has been fully consolidated as a subsidiary, whereas for the first 4 months of the financial year, it was accounted for as a joint venture using the equity method. In the course of the financial year, further minority shareholdings were acquired, bringing Colruyt Group's share to 98%. In March 2021, the company was renamed The Fashion Society NV.

The participation in Trybou Bio BV was previously accounted for using the equity method, but after exercising a call option in February 2021. Colruyt Group is now the sole shareholder, and this participation is therefore fully consolidated at 31 March 2021. Since the transaction took place at the end of the financial year, the result for the financial year was still accounted for using the equity method.

The balance sheet of Parkwind NV was not included in the note on material joint ventures for the financial year 2019/20, since Parkwind NV was accounted for via Virya Energy NV at the end of last financial year. The result of Parkwind NV (60,13%) was, however, still included for the full financial year 2019/20 as the contribution to Virya Energy NV took place at the end of that financial year.

The investments in The Fashion Society NV, Kriket BV, Daltix NV en Daltix Unipessoal LDA, Ticom NV and Trybou Bio BV are presented in the 'Retail' operating segment and the investment in Achilles Design BV is presented in the 'Other activities' operating segment.

These companies have their main activities in Belgium.

The consolidated figures of the material joint ventures are as follows:

The Fashion Society NV (in million EUR)	2020/21⁽¹⁾	2019/20
Non-current assets	-	135,0
<i>Including goodwill</i>	-	34,5
Current assets	-	60,7
<i>Including cash and cash equivalents</i>	-	5,4
Non-current liabilities	-	79,4
<i>Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	-	78,9
Current liabilities	-	65,2
<i>Including current financial liabilities (trade payables and other liabilities and provisions excluded)</i>	-	34,4
Net assets	-	51,1
<i>of which equity attributable to owners of the parent company</i>	-	51,1
Share of Colruyt Group in net assets	-	35,1
Goodwill (at Colruyt Group level)	-	0,6
Revenue	43,1	166,1
Depreciation, amortisation and impairment of non-current assets	(15,5)	(18,0)
Finance costs	(0,7)	(1,6)
Income tax expense	1,5	(1,5)
Profit from continuing operations	(17,0)	2,9
Total comprehensive income	(17,0)	2,9
<i>of which equity attributable to owners of the parent company</i>	(17,0)	2,9
Share of Colruyt Group in total comprehensive income	(11,6)	2,0

(1) Relates to the result for the period from 1 April to 31 July 2020. This result was exceptionally negatively impacted by the COVID-19 health crisis.

Parkwind NV⁽¹⁾ (in million EUR)	2019/20
Revenue	92,2
Depreciation, amortisation and impairment of non-current assets	(43,6)
Finance income	2,1
Finance costs	(11,8)
Income tax expense	0,6
Profit from continuing operations	11,8
Other comprehensive income	(38,5)
Total comprehensive income	(26,7)
<i>of which non-controlling interests</i>	(5,9)
<i>of which equity attributable to owners of the parent company</i>	(20,8)
Share of Colruyt Group in total comprehensive income	(12,5)

(1) The above table only contains income statement items as Parkwind NV was accounted for via Virya Energy NV at the end of the previous financial year.

Last year, as part of contractual agreements, Colruyt Group had committed, if requested by Parkwind NV, to provide sufficient financial resources up to a maximum amount of EUR 17,5 million.

14. Financial assets

14.1. Non-current assets

(in million EUR)	31.03.21	31.03.20
Financial assets at fair value through other comprehensive income	16,5	14,0
Financial assets at fair value through profit or loss	95,1	0,5
Total	111,6	14,5

The non-current financial assets evolved as follows during the financial year:

(in million EUR)	2020/21	2019/20
At 1 April	14,5	8,9
Acquisitions	97,9	-
Capital increases	0,3	3,1
Capital decreases	(3,5)	-
Fair value adjustments through other comprehensive income	2,8	2,5
Disposals	(0,4)	-
At 31 March	111,6	14,5

The financial assets at fair value through other comprehensive income consist mainly of investments in the holding companies Sofindev III NV (10,88%) and Sofindev IV NV (9,42%), the investment in North Sea Wind CV (7,18%) and the holdings in investment funds Good Harvest Belgium I SRL (1,13%) and Blue Horizon Ventures I SCSp RAIF (1,09%). The investments in the various companies are measured at fair value, calculated as the share of Colruyt Group in the equity of these companies, corrected, in the case of the investment funds, for the fair value of their own investment portfolios.

The financial assets at fair value through profit and loss mainly consist of convertible bonds (EUR 95,0 million) issued by the associate Virya Energy NV. This compound instrument was drawn down in two tranches (the first in June 2020 and the second in January 2021) and which will both mature in June 2022. Colruyt Group subscribed to 792.023 bonds (1.301.213 bonds in all were issued by Virya Energy NV). If Virya Energy NV opts not to prematurely redeem the convertible bonds, Colruyt Group has the option to convert its bonds into shares of Virya Energy NV at a predetermined conversion price at maturity date. This financial instrument was recognised by Colruyt Group as a financial asset at the conversion price and reflects the fair value on 31 March 2021. The market conformity of the parameters of this financial instrument was determined by an independent external party.

During the current reporting period the non-current financial assets increased by a net amount of EUR 97,1 million. This is mainly explained by the subscription to the convertible bonds of Virya Energy NV at a conversion value of EUR 95,0 million, the initial recognition of the holdings in the investment funds Good Harvest Belgium I SRL and Blue Horizon Ventures I SCSp RAIF in a total amount of EUR 2,9 million, a fair value adjustment for Sofindev IV NV of EUR 2,8 million and a net capital movement for Sofindev IV NV of EUR -3,1 million.

During the previous reporting period the non-current financial assets increased by EUR 5,6 million. This is explained mainly by a paying-up of the capital of EUR 2,0 million in Sofindev IV NV and by fair value adjustments at Sofindev III NV and Sofindev IV NV in a total amount of EUR 2,4 million. In addition, the capital increase of North Sea Wind CV was subscribed to in an amount of EUR 1,1 million.

14.2. Current assets

(in million EUR)	31.03.21	31.03.20
Equity instruments at fair value through profit or loss	10,9	8,5
Fixed-income securities at fair value through profit or loss	16,1	14,8
Financial assets at amortised cost	6,1	4,3
Derivative financial instruments – cash flow hedging instruments	3,3	0,2
Total	36,4	27,8

The current financial assets evolved as follows during the financial year:

(in million EUR)	2020/21	2019/20
At 1 April	27,8	31,0
Acquisitions	7,1	4,8
Disposals	(4,2)	(6,6)
Fair value adjustments through profit or loss	2,7	(1,3)
Fair value adjustments through other comprehensive income	3,1	0,2
Currency translation adjustments	(0,1)	(0,3)
At 31 March	36,4	27,8

The equity instruments and fixed-income securities at fair value through profit or loss relate mainly to financial assets held by the Luxembourg reinsurance company Locré SA (EUR 27,0 million for the current period). The financial assets at amortised cost relate to a term deposit held by Colruyt IT Consultancy India Private Limited. The derivative financial instruments relate mainly to the fair value of the inflation swap contract for hedging future wage increases due to inflation and the outstanding currency hedges for cash flow hedging purposes.

The equity instruments and fixed-income securities are measured at their closing rates on 31 March 2021.

Fair value adjustments are recognised through profit or loss. The return on the fixed-income securities is 0,9% on average, with a maximum of 4,9%. The maturities of these investments vary between 5 and 30 years, with an average maturity of 10 years.

The cash flow hedging instruments are measured at their fair value at 31 March 2021. Fair value adjustments are accounted for through other comprehensive income owing to the classification as hedge accounting.

More information on Colruyt Group's risk management approach to investments can be found in note 27. *Risk management*.

Fair value adjustments to the current assets as at 31 March 2021 resulted in a net gain of EUR 2,7 million for the current financial year (compared to a net loss of EUR 1,3 million for the financial year 2019/20).

15. Business combinations

On 3 September 2020, Colruyt Group increased its stake in The Fashion Society (formerly Fraluc) from 68% to more than 96%. The Fashion Society NV is the holding company that comprises the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars. The Belgian Competition Authority (BMA) authorised this transaction on 24 November. Since 1 August 2020, the stake held in The Fashion Society Group has been fully consolidated for as a subsidiary and no longer accounted for as a joint venture using the equity method. The transaction resulted in goodwill of EUR 22,3 million. In determining this goodwill, a conditional variable compensation was applied, with the most accurate estimate possible of the amount to be finally calculated at the end of the valuation period. This recalculation may result in the adjustment of the already recognised goodwill. In the course of the financial year 2020/21, further minority shareholdings were acquired, bringing Colruyt Group's share to 98%.

The acquisition balance sheet of The Fashion Society can be summarised as follows:

(in million EUR)	31.07.20
Non-current assets	135,8
Current assets	53,5
Non-current liabilities	80,6
Current liabilities	74,6
Net assets	34,1

No other material business combinations occurred during either financial year 2020/21 or financial year 2019/20.

16. Assets held for sale and disposal of subsidiaries

16.1. Assets held for sale

No assets were classified as 'Assets held for sale' during either financial year 2020/21 or financial year 2019/20.

16.2. Disposal of subsidiaries

No material disposals of subsidiaries occurred either during financial year 2020/21 or financial year 2019/20.

17. Deferred tax assets and liabilities

Deferred tax assets and liabilities can be detailed as follows:

17.1. Net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Intangible assets	7,1	9,1	(0,2)	(0,1)	6,9	9,0
Property, plant and equipment	0,6	0,7	(126,9)	(127,1)	(126,3)	(126,4)
Inventories	0,1	0,2	(1,1)	(0,9)	(1,0)	(0,7)
Receivables	1,2	4,0	(7,3)	(6,1)	(6,1)	(2,1)
Liabilities related to employee benefits	28,0	31,3	-	-	28,0	31,3
Other provisions	2,7	2,3	(10,9)	(9,9)	(8,2)	(7,6)
Other liabilities	59,5	47,4	(3,8)	(0,8)	55,7	46,6
Tax loss carry-forwards, deductible items and reclaimable tax paid	72,4	88,1	-	-	72,4	88,1
Gross deferred tax assets/(liabilities)	171,6	183,1	(150,2)	(144,9)	21,4	38,2
Unrecognised tax assets/liabilities	(95,8)	(82,2)	20,7	9,7	(75,1)	(72,5)
Offsetting tax assets/liabilities	(63,5)	(80,8)	63,5	80,8	-	-
Net deferred tax assets/(liabilities)	12,3	20,1	(66,0)	(54,4)	(53,7)	(34,3)

17.2. Change in net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Net carrying amount at 1 April	20,1	20,7	(54,4)	(51,2)	(34,3)	(30,5)
Changes recognised in profit or loss	(13,8)	(0,6)	(10,7)	4,6	(24,5)	4,0
Changes recognised in other comprehensive income	2,0	-	(0,9)	(7,8)	1,1	(7,8)
Changes to the consolidation scope	4,0	-	-	-	4,0	-
Net carrying amount at 31 March	12,3	20,1	(66,0)	(54,4)	(53,7)	(34,3)

On 31 March 2021 Colruyt Group did not recognise deferred tax assets and liabilities in an amount of EUR 75,1 million (EUR 72,5 million on 31 March 2020). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward in a total amount of EUR 289,4 million (EUR 252,1 million in financial year 2019/20) of which EUR 284,3 million can be carried forward indefinitely to future reporting periods (EUR 247,5 million in financial year 2019/20).

Colruyt Group only recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Colruyt Group sets a time horizon of five years for these estimates.

18. Inventories

Inventories mainly represent trade goods. The accumulated impairment on inventories of trade goods amounted to EUR 58,2 million in the current financial year compared to EUR 4,8 million in the previous financial year. The increase is largely due to the fact that Colruyt Group made the necessary provisions for COVID-19-related inventory risks.

The amount of inventories recognised as an expense in the 2020/21 income statement amounts to EUR 7.138,8 million and was reported under 'Cost of goods sold'. Last year this expense was EUR 7.016,2 million.

19. Trade and other receivables

19.1. Other non-current receivables

(in million EUR)	31.03.21	31.03.20
Loans to customers	4,6	4,8
Loans to associates	9,3	-
Loans to joint ventures	0,7	1,4
Guarantees granted	7,5	7,5
Lease receivables	15,0	11,2
Other receivables	5,3	7,9
Total other non-current receivables	42,4	32,8

Loans granted to customers mainly comprise loans to independent storekeepers of Retail Partners Colruyt Group NV. Loans granted to customers are presented net of any impairment losses. The loans are usually granted for a maximum period of 12 years.

The 'guarantees granted' have been provided in respect of purchase obligations.

The lease receivables (EUR 15,0 million) relate to finance subleases in respect of buildings.

19.2. Current trade and other current receivables

(in million EUR)	31.03.21	31.03.20
Trade receivables	542,9	527,3
Total trade receivables	542,9	527,3
VAT	7,8	4,1
Prepaid expenses	37,9	33,2
Loans granted to customers that expire within 1 year	1,2	1,1
Interest	4,6	1,2
Lease receivables	3,6	3,0
Other receivables	23,1	33,6
Total other current receivables	78,2	76,2

Trade receivables

Trade receivables are presented net of impairments. These impairments amount to EUR 17,6 million at 31 March 2021 (compared to EUR 18,6 million at 31 March 2020).

Other receivables

Other receivables are presented net of impairments. The impairments amount to EUR 0,7 million at 31 March 2021 (compared to EUR 0,8 million at 31 March 2020).

'Other receivables' consist mainly of claims for damages.

The ageing of trade receivables is as follows:

(in million EUR)	31.03.21		31.03.20	
	Gross	Impairment	Gross	Impairment
Not past due	511,7	(0,2)	508,6	(1,2)
Past due between 1 and 6 months	21,9	(4,0)	18,4	(5,8)
Past due for more than 6 months	26,9	(13,4)	18,9	(11,6)
Total	560,5	(17,6)	545,9	(18,6)

The movement in impairments on trade and other receivables is as follows:

(in million EUR)	Impairment trade receivables		Impairment other receivables	
	2020/21	2019/20	2020/21	2019/20
At 1 April	(18,6)	(15,4)	(0,8)	(0,6)
Addition	(21,5)	(11,2)	-	(0,2)
Reversal	19,7	4,5	0,1	-
Use	2,8	3,5	-	-
At 31 March	(17,6)	(18,6)	(0,7)	(0,8)

More information on how trade and other receivables are monitored can be found under note 27.1.c. *Credit risk*.

20. Cash and cash equivalents

(in million EUR)	31.03.21	31.03.20
Term deposits with an original maturity of three months or less	50,1	50,0
Other cash and cash equivalents	234,4	213,8
Cash and cash equivalents	284,5	263,8
Bank overdrafts	1,2	0,5
Total liabilities	1,2	0,5
Net cash and cash equivalents	283,3	263,3

There are no material unavailable balances of cash and cash equivalents.

21. Equity

21.1. Capital management

Colruyt Group's aim in managing its equity is to maintain a healthy financial structure with a minimal dependency on external financing as well as to create shareholder's value. The Board of Directors strives to at least increase the annual dividend per share in proportion to the increase in group profit. The pay-out ratio for this financial year is 48,0%⁽¹⁾. According to the bylaws, at least 90% of the distributable profits are reserved for shareholders and a maximum of 10% can be reserved for the directors. Furthermore, Colruyt Group seeks to increase shareholders' value by purchasing treasury shares. The Board of Directors was authorised by the Extraordinary General Meeting of 10 October 2019 to acquire up to 27.610.418 of the company's treasury shares. This authorisation is valid for a period of five years. As employee commitment to the group's growth is also one of Colruyt Group's priorities, an annual capital increase reserved for employees has been organised since 1987.

(1) More details can be found under note 21.4 *Dividends*.

21.2. Share capital

As a result of the resolution of the Extraordinary General Meeting of Shareholders on 8 October 2020 the capital was increased by 222.372 shares; the related capital increase amounted to EUR 10,3 million.

The Company's share capital on 31 March 2021 amounted to EUR 357,4 million divided into 136.154.960 fully paid up ordinary shares without par value. All shares, except treasury shares, participate in the profits.

The Board of Directors is authorised to increase the share capital in one or more instalments by a total amount of EUR 315,0 million, within the limits of the authorised capital.

Capital increases undertaken under this authorisation may be by contribution in cash or kind, conversion of any reserves or issue of convertible bonds, and can be organised in any way compliant with legal prescriptions. The conditions of the capital increases undertaken under this authorisation, and the rights and obligations attached to the new shares are determined by the Board of Directors, taking into account the legal prescriptions.

This authorisation is valid for a period of three years starting from the day of the publication of the authorisation granted by the Extraordinary General Meeting of Shareholders in the Annexes to the Belgian Official Gazette. This authorisation can be extended one or more times, each time for a maximum period of five years, by means of a decision of the General Meeting of Shareholders, deliberating according to the guidelines that apply for changes in bylaws. The current authorisation will end in October 2021.

21.3. Treasury shares

Treasury shares are recognised at the cost of the treasury shares purchased. On 31 March 2021 Colruyt Group held 1.368.388 treasury shares, representing 1,02% of the shares issued at reporting date. We refer to the Corporate Governance section for more details on the purchase of treasury shares.

By notarial deed of 8 October 2020 the Board of Directors of Etn. Fr. Colruyt NV cancelled 2.500.000 of the purchased treasury shares.

21.4. Dividends

On 11 June 2021 a gross dividend of EUR 197,5 million or EUR 1,47 per share was proposed by the Board of Directors. In the previous financial year the gross dividend amounted to EUR 183,1 million or EUR 1,35 per share. The gross dividend takes into account the number of treasury shares purchased up until 11 June 2021. The dividend was not incorporated in the consolidated financial statements for financial year 2020/21.

21.5. Shareholder structure

Based on the most recent notification of 27 August 2020 of an agreement to act in concert and taking into account the companies' treasury shares at 31 March 2021, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	79.166.409
Etn. Fr. Colruyt NV (treasury shares) ⁽¹⁾	1.368.388
Sofina Group	3.765.115
Total of parties acting in concert	84.299.912

(1) Situation at 31 March 2021.

The remainder of the total shares issued (136.154.960 shares at 31 March 2021), being 51.855.048 shares or 38,09%, are publicly held. We refer to the Corporate Governance section for more details.

22. Earnings per share

	2020/21	2019/20
Total operating activity		
Profit for the financial year (group share) (in million EUR)	415,3	431,0
Weighted average number of outstanding shares	135.503.424	137.279.011
Earnings per share – basic and diluted (in EUR)	3,06	3,14

As there are no discontinued operations in either of the reporting periods, the table above is also valid for information in respect of continuing operations.

Weighted average number of outstanding shares

	2020/21	2019/20
Number of outstanding shares at 1 April	135.632.720	137.856.430
Effect of capital increase	64.241	106.751
Effect of shares granted to employees (profit-sharing scheme)	-	8.476
Effect of shares purchased	(193,537)	(692,646)
Weighted average number of outstanding shares at 31 March	135.503.424	137.279.011

23. Provisions

(in million EUR)	Environmental risks	Other risks	Total
Non-current provisions	3,1	22,9	26,0
Current provisions	-	1,0	1,0
At 31 March 2021	3,1	23,9	27,0
At 1 April 2020	4,2	35,2	39,4
Addition	0,7	3,5	4,2
Use	(1,6)	(1,2)	(2,8)
Reversal	(0,2)	(13,2)	(13,4)
Change in consolidation method	-	(0,4)	(0,4)
At 31 March 2021	3,1	23,9	27,0
Non-current provisions	4,1	34,8	38,9
Current provisions	0,1	0,4	0,5
At 31 March 2020	4,2	35,2	39,4
At 1 April 2019	2,4	24,2	26,6
Addition	2,6	15,3	17,9
Use	-	(1,8)	(1,8)
Reversal	(0,8)	(2,5)	(3,3)
At 31 March 2020	4,2	35,2	39,4

The provision for environmental risks has mainly been set up for clean-up costs relating to the DATS 24 filling station activity as well as for land remediation in the context of acquisitions.

The other provisions consist among other things of provisions for pending disputes, vacant properties, reinsurance and warranty obligations.

24. Non-current liabilities related to employee benefits

(in million EUR)	31.03.21	31.03.20
Defined contribution plans with a legally guaranteed minimum return	115,7	99,6
Benefits related to the 'Unemployment regime with company supplement'	9,2	10,6
Other post-employment benefits	9,5	8,8
Total	134,4	119,0

Colruyt Group offers various types of post-employment benefits. These include retirement benefit plans and other arrangements in respect of post-employment benefits. In accordance with IAS 19 'Employee Benefits', the post-employment benefits are subdivided into either defined contribution plans or defined benefit plans.

24.1. Defined contribution plans with a legally guaranteed minimum return

In Belgium, the Law regarding supplementary pensions ('WAP') requires employers to guarantee a minimum return on defined contribution plans over the course of the career. For amounts until 31 December 2015 this minimum return was 3,25% on the employer contributions and 3,75% on employee contributions. As a result of a law change in December 2015, the interest rate to be guaranteed is variable starting from 1 January 2016, based on a mechanism linked to the return of the Belgian OLO bond with a minimum of 1,75% and a maximum of 3,75%. Since 2016 the minimum return has been 1,75%.

Owing to these legal changes, and also to the fact that a clear position was taken by the regulatory instances during 2016, and given that reliable estimates can be made for these retirement benefit plans, the Belgian defined contribution plans are considered as defined benefit plans since financial year 2016/17. They are measured in accordance with IAS 19 based on the 'projected unit credit' method.

The amount resulting from the group's liabilities related to its defined contribution plans with a legally guaranteed minimum return, as recorded in the consolidated statement of financial position, is as follows:

(in million EUR)	31.03.21	31.03.20
Present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return	294,4	264,3
Fair value of plan assets	178,7	164,7
Deficit/(surplus) of funded plans	115,7	99,6
Total liability for employee benefits, of which:		
Portion recognised as non-current liabilities	115,7	99,6
Portion recognised as non-current assets	-	-

The evolution in the present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return can be summarised as follows:

(in million EUR)	2020/21	2019/20
At 1 April	264,3	269,5
Current service cost	16,9	18,7
Interest expense	4,6	3,4
Experience adjustments	(2,7)	(5,1)
Change of financial assumptions	26,6	(17,1)
Change of demographic assumptions	(10,2)	-
Benefit payments from plan assets	(6,2)	(6,4)
Participant contributions	3,7	3,6
Expenses and taxes paid	(2,6)	(2,3)
At 31 March	294,4	264,3

The plan assets (EUR 178,7 million) consist entirely of investments in insurance contracts.

The evolution of the fair value of the plan assets is as follows:

(in million EUR)	2020/21	2019/20
At 1 April	164,7	153,9
Employer contributions	18,1	16,7
Interest income	3,2	2,2
Return on plan assets	(2,2)	(3,0)
Benefit payments from plan assets	(6,2)	(6,4)
Participant contributions	3,7	3,6
Expenses and taxes paid	(2,6)	(2,3)
At 31 March	178,7	164,7

The amounts relative to these defined contribution plans with a legally guaranteed minimum return that are recognised in the consolidated income statement and in the consolidated statement of comprehensive income can be summarised as follows:

(in million EUR)	31.03.21	31.03.20
Total service cost ⁽¹⁾	16,9	18,7
Net interest cost ⁽²⁾	1,4	1,2
Components recorded in the income statement	18,3	19,9
Experience adjustments	(2,7)	(5,1)
Change of financial assumptions	26,6	(17,1)
Change of demographic assumptions	(10,2)	-
Return on plan assets	2,2	3,0
Components recorded in other comprehensive income	15,9	(19,2)

(1) Included under 'Employee benefit expenses' in the consolidated income statement.

(2) Included under 'Net financial result' in the consolidated income statement.

The main actuarial assumptions that were used in the calculation of the liabilities related to the defined contribution plans with a legally guaranteed minimum return can be summarised as follows:

- discount rate: : 0,95% compared to 1,75% last financial year;
- price inflation: 1,80% (same as for previous financial year);
- salary inflation: 2,30% (same as for previous financial year).

Description of the main risks

Colruyt Group is exposed by its defined benefit plans to a number of risks, of which the most important ones are explained below:

Volatility of plan assets - investment risk

The retirement benefit liabilities are calculated using a discount rate determined by prime company returns. In the event the plan assets do not reach this level of return, the defined benefit liabilities on account of Colruyt Group may increase. Colruyt Group reduces the investment risk by investing in insurance contracts instead of equity instruments.

Interest risk

A decrease in returns will increase the retirement benefit liabilities, however this will be partly compensated by an increase in value of bonds held by the retirement benefit plans.

Life expectancy

The retirement benefit liabilities mainly concern benefits that are provided to the participant during his or her lifetime. An increase in life expectancy will therefore lead to an increase in retirement benefit liabilities.

Salary expectancy

The fair value of retirement benefit liabilities is calculated based on the current and estimated future salary of the participants in the retirement benefit plans. As a result an increase in salary of the participants in the retirement benefit plan will lead to an increase in the retirement benefit liabilities.

24.2. Benefits related to 'Unemployment regime with company supplement'

(in million EUR)	2020/21	2019/20
At 1 April	10,6	18,9
Addition ⁽¹⁾	0,5	0,9
Use	(1,0)	(1,3)
Net interest expense ⁽²⁾	0,1	0,3
Experience adjustments ⁽³⁾	(0,7)	-
Change of financial assumptions ⁽³⁾	0,7	(0,4)
Change of demographic assumptions ⁽³⁾	(1,0)	(7,8)
At 31 March	9,2	10,6

(1) Included under 'Employee benefit expenses' in the consolidated income statement.

(2) Included under 'Net financial result' in the consolidated income statement.

(3) Included in the consolidated statement of comprehensive income.

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment regime with company supplement' applicable in Belgium. The accounting principles in respect of the liabilities and costs related to this system are included under note 1.4. *Other significant accounting policies*.

Colruyt Group regularly reviews the long-term assumptions in respect of these liabilities. For this financial year the following assumptions were used:

- discount rate: 1,20% compared to 1,80% for the previous financial year;
- salary inflation: 2,30% (same as for previous financial year).

The weighted average duration of the liability for benefits under the 'Unemployment regime with company supplement' is 15,78 years, as compared to 17,20 years in the previous year.

24.3. Other post-employment benefits

(in million EUR)	2020/21	2019/20
At 1 April	8,8	8,7
Addition ⁽¹⁾	1,0	0,9
Use	(0,5)	(0,5)
Net interest expense ⁽²⁾	0,2	0,1
Return on plan assets ⁽³⁾	-	(0,1)
Experience adjustments ⁽³⁾	(0,4)	0,1
Change of financial assumptions ⁽³⁾	0,8	(0,4)
Change of demographic assumptions ⁽³⁾	(0,4)	-
At 31 March	9,5	8,8

(1) Included under 'Employee benefit expenses' in the consolidated income statement.

(2) Included under 'Net financial result' in the consolidated income statement.

(3) Included in the consolidated statement of comprehensive income.

Other post-employment benefits payable at retirement consist of long-service benefits (Belgian entities) and legal compensations (French and Indian entities).

For the long-service benefits (Belgian entities), Colruyt Group uses the following parameters:

- discount rate: 1,10% compared to 1,75% for previous financial year;
- salary inflation: 2,30% (same as previous financial year).

For the legally established benefits, the following parameters are used:

French entities:

- discount rate: 1,15% compared to 1,75% for previous financial year;
- salary inflation: 1,75% (same as for previous financial year).

Indian entities:

- discount rate: 6,80% (same as for previous financial year);
- salary inflation: 10,00% (same as for previous financial year).

Changes to the main assumptions impact the group's main employee benefits-related liabilities as follows:

(in million EUR)	Defined contribution plans with a legally guaranteed minimum return		Benefits related to the 'Unemployment regime with company supplement'		Long-service benefits (Belgian entities)		Legally established benefits (French and Indian entities)	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Base scenario	115,7	99,6	9,2	10,6	4,1	3,8	5,4	5,0
Discount rate + 0,5%	94,8	78,2	8,6	9,7	3,8	3,6	5,0	4,6
Discount rate - 0,5%	139,0	118,6	9,9	11,5	4,4	4,1	5,9	5,5
Salary inflation + 0,5%	124,3	120,6	9,9	11,5	4,1	3,8	5,9	5,4
Salary inflation - 0,5%	107,7	80,3	8,2	9,7	4,1	3,8	5,1	4,7

The above are purely hypothetical changes in individual assumptions, keeping all other assumptions unchanged: economic factors and their changes will often impact more than one assumption at a time and the impact of changes in assumptions is not linear. As a result, the information above does not necessarily provide a reasonable reflection of future results.

25. Interest-bearing liabilities

25.1. Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Lease and similar liabilities	41,2	126,7	74,9	242,8
Bank borrowings	189,3	31,9	-	221,2
Total at 31 March 2021	230,5	158,6	74,9	464,0
Finance lease and similar liabilities	26,5	81,9	49,9	158,3
Bank borrowings	1,5	3,7	1,9	7,1
Total at 31 March 2020	28,0	85,6	51,8	165,4

The interest-bearing liabilities consist mainly of lease liabilities and bank borrowings. The increase compared to the previous reporting period is the result of the withdrawal of short-term financing and the full consolidation of The Fashion Society.

25.2. Repayment schedule lease liabilities

(in million EUR)	31.03.21	31.03.20
< 1 year	43,5	28,1
1-5 years	132,9	86,9
> 5 years	77,5	53,1
Total undiscounted lease payments	253,9	168,1

25.3. Repayment schedule bank borrowings and others

(in million EUR)	Total 31.03.21	Interest 31.03.21	Principal 31.03.21	Total 31.03.20	Interest 31.03.20	Principal 31.03.20
< 1 year	189,5	0,2	189,3	1,7	0,2	1,5
1-5 years	32,4	0,5	31,9	4,2	0,5	3,7
> 5 years	-	-	-	2,3	0,4	1,9
Total	221,9	0,7	221,2	8,2	1,1	7,1

26. Trade payables, liabilities related to employee benefits and other liabilities

(in million EUR)	31.03.21	31.03.20
Trade payables (non-current)	1,6	1,5
Total trade payables (non-current)	1,6	1,5
Other liabilities (non-current)	14,8	0,7
Total other liabilities (non-current)	14,8	0,7
Trade payables	1.286,5	1.208,3
Guarantees received and advances on work in progress	32,8	29,0
Total trade payables (current)	1.319,3	1.237,3
Current liabilities related to employee benefits	539,8	488,4
VAT, duties and other operating taxes	58,0	56,4
Dividends	0,6	0,5
Deferred income and accrued costs	9,9	11,1
Derivative financial instruments – cash flow hedging instruments	0,3	-
Other	5,1	4,4
Total liabilities related to employee benefits and other liabilities (current)	613,7	560,8

Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Trade payables (non-current)	-	0,7	0,9	1,6
Other liabilities (non-current)	-	14,8	-	14,8
Trade payables (current)	1.319,3	-	-	1.319,3
Liabilities related to employee benefits and other liabilities (current)	613,7	-	-	613,7
Total at 31 March 2021	1.933,0	15,5	0,9	1.949,4
Trade payables (non-current)	-	0,9	0,6	1,5
Other liabilities (non-current)	-	0,7	-	0,7
Trade payables (current)	1.237,3	-	-	1.237,3
Liabilities related to employee benefits and other liabilities (current)	560,8	-	-	560,8
Total at 31 March 2020	1.798,1	1,6	0,6	1.800,3

27. Risk management

27.1. Risks related to financial instruments

A. Currency risk

Colruyt Group's operational entities are located in the euro zone, except for the activities in India, Hong Kong and Africa.

The exchange rate risk incurred when consolidating revenues and costs of subsidiaries not reporting in euro is not hedged.

In addition, Colruyt Group incurs a transactional currency risk on purchases in foreign currency. Colruyt Group uses derivative financial instruments to hedge its exposure to this type of currency risk and to certain inflation risks, with no speculative purposes.

Exchange results incurred when settling purchase transactions in foreign currencies are recognised immediately in profit or loss.

Colruyt Group's exposure to exchange rate fluctuations is based on the following positions in foreign currencies:

(in million EUR)	Net position	
	31.03.21	31.03.20
EUR/INR	0,9	0,4
USD/EUR	(0,2)	(1,8)
CAD/EUR	-	(0,1)
NZD/EUR	(0,1)	-
Total	0,6	(1,5)

The net positions per currency are presented before intra-group eliminations. A positive amount implies that entities of Colruyt Group have a net receivable in the first currency. The second currency of the pair is the functional currency of the Colruyt Group entity concerned.

The impact of exchange rate changes compared to the euro is relatively limited.

B. Interest rate risk

Given the limited size of non-current borrowings and lease liabilities in the statement of financial position, Colruyt Group does not hedge its interest rate risk.

On 31 March 2021 the total amount of bank and other borrowings was EUR 221,2 million (non-current and current) or 4,3% of the balance sheet total (EUR 7,1 million on 31 March 2020) and 78,1% of the net cash and cash equivalents. In 2020/21 the Group withdrew EUR 176,7 million of short-term financing, whereas no short term financing was withdrawn in 2019/20. Most of these borrowings are at a fixed interest rate.

Colruyt Group's lease liabilities amount to EUR 242,8 million in the current financial year, as against just EUR 158,3 million in the previous financial year. The increase in the lease liabilities is mainly explained by the full consolidation of The Fashion Society NV as from financial year 2020/21. The lease liabilities are recognised under IFRS 16 with a fixed interest rate.

A change in interest rates would not have a material effect on the consolidated income statement or on future cash flows of Colruyt Group.

C. Credit risk

The credit risk in relation to trade receivables is limited since most of the retail customers of Colruyt Group pay cash. The main part of Colruyt Group's receivables is linked with the wholesale activity for which Colruyt Group applies payment terms that are common in the industry. Risks are mainly limited by the regular follow-up of the credit rating of the wholesale customers and the independent storekeepers to which goods or services are delivered. If necessary, Colruyt Group requires bank guarantees. The credit risk is spread amongst a relatively large number of customers. Solucious NV has covered its credit risk by taking out credit insurance.

Certain customers provide off-balance sheet bank guarantees in order to secure the collectability of Colruyt Group's receivables on them. For the current reporting period non-recognised bank guarantees were received from several customers having total outstanding debts of EUR 29,6 million (compared to EUR 34,4 million for the previous reporting period). The collectability of this amount was secured by bank guarantees for an amount of EUR 24,9 million (compared to EUR 28,0 million for the previous reporting period).

For the calculation of the expected credit losses under IFRS 9 '*Financial Instruments*', Colruyt Group applies the following approaches:

- the simplified approach based on a provision matrix; and
- the general method, under which credit losses are determined at the level of the individual receivable.

The choice depends on specific circumstances.

D. Liquidity risk

Finco NV and Finco France SAS are Colruyt Group's financial coordinators, and ensure that all entities of Colruyt Group have access to the financial resources they need. Finco NV and Finco France SAS apply a cash pooling system, i.e. any excess in cash and cash equivalents within entities of the group is used for shortages in other entities of the group. Finco NV and Finco France SAS are also responsible for the investment of Colruyt Group's cash and cash equivalents. Finco NV and Finco France SAS use cash projections to follow up on Colruyt Group's liquidity. Over the past few years Colruyt Group has made very limited use of any form of external financing.

E. Other market risks

Colruyt Group's reinsurance entity, Locré SA, manages a portfolio of financial instruments (fixed interest-bearing instruments and equity instruments). These are used to cover the reinsurance risk. At 31 March 2021 the total value of Colruyt Group's current financial assets amount to EUR 36,4 million (EUR 27,8 million per 31 March 2020); of which EUR 27,0 million is part of the investment portfolio of Locré SA (EUR 23,3 million as per 31 March 2020). Fluctuations in market values and other market parameters of these instruments can therefore have an impact on Colruyt Group's financial result. In total, Colruyt Group recognised a net upward revaluation of EUR 2,7 million during this financial year (a net write-off of EUR -1,3 million during the previous reporting period).

The ratio of the current investment portfolio to net cash and cash equivalents of Colruyt Group amounts to 12,8% (10,6% for the previous reporting period).

F. Financial assets and liabilities per category and per class

In accordance with IFRS 7 '*Financial Instruments: Disclosures*' and IFRS 13 '*Fair Value Measurement*', financial instruments measured at fair value are classified using a fair value hierarchy.

(in million EUR)	Measurement at fair value				Total
	Amortised cost	Quoted prices Level 1	Observable market prices Level 2	Non-observable market prices Level 3	
Financial assets at fair value through other comprehensive income					
Equity investments	-	-	-	16,5	16,5
Cash flow hedging instruments	-	-	3,3	-	3,3
Financial assets at fair value through profit or loss					
Equity investments	-	10,9	-	0,1	11,0
Fixed-income securities	-	16,1	-	-	16,1
Compound instruments	-	-	-	95,0	95,0
Financial assets at amortised cost					
Term deposits	6,1	-	-	-	6,1
Receivables	663,5	-	-	-	663,5
Cash and cash equivalents	284,5	-	-	-	284,5
Total at 31 March 2021	954,1	27,0	3,3	111,6	1.096,0
Financial liabilities					
Interest-bearing and other liabilities	480,3	-	-	-	480,3
Trade payables	1.319,3	-	-	-	1.319,3
Cash flow hedging instruments	-	-	0,3	-	0,3
Bank overdrafts	1,2	-	-	-	1,2
Total at 31 March 2021	1.800,8	-	0,3	-	1.801,1
Financial assets at fair value through other comprehensive income					
Equity investments	-	-	-	14,0	14,0
Cash flow hedging instruments	-	-	0,2	-	0,2
Financial assets at fair value through profit or loss					
Equity investments	-	8,5	-	0,5	9,0
Fixed-income securities	-	14,8	-	-	14,8
Financial assets at amortised cost					
Term deposits	4,3	-	-	-	4,3
Receivables	636,3	-	-	-	636,3
Cash and cash equivalents	263,8	-	-	-	263,8
Total at 31 March 2020	904,4	23,3	0,2	14,5	942,4
Financial liabilities					
Interest-bearing and other liabilities	167,6	-	-	-	167,6
Trade payables	1.237,3	-	-	-	1.273,3
Bank overdrafts	0,5	-	-	-	0,5
Total at 31 March 2020	1.405,4	-	-	-	1.405,4

The fair value hierarchy is based on the inputs used to measure financial assets and liabilities at measurement date. The following three levels are distinguished:

- Level 1: inputs used for measurement of fair value are officially quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: the fair value of financial instruments not traded on an active market is determined using valuation techniques. These techniques use inputs of observable market prices, if available, as much as possible and avoid reliance on entity-specific estimations.
- Level 3: financial instruments for which fair value is determined with valuation techniques using certain parameters not based on observable market data.

For the amounts recognised at 'Amortised cost' we can conclude that the carrying amount equals the fair value in most cases due to the nature of the instrument or due to the short-term character. Those cases whereby the amortised cost deviates from the fair value are not material.

For the amounts measured at fair value we refer to note 14. *Financial assets*, which describes how the fair value is measured.

On 12 June 2020, Colruyt Group subscribed to a first tranche of convertible bonds with a 24-month maturity, issued by the associate Virya Energy NV in an amount of EUR 63,9 million. On 15 January 2021, this amount was increased to EUR 97,4 million with the subscription of a second tranche of convertible bonds with the same maturity date as the first tranche (12 June 2022). The carrying amount of EUR 95,0 million corresponds to the conversion price and reflects the fair value at 31 March 2021. This compound instrument is measured at fair value and included in the category 'Financial assets at fair value through profit or loss'.

The financial assets classified under level 3, include, in addition to the Virya Energy NV convertible bonds, amongst others the investments in the holding company Sofindev IV NV, in the investment funds Good Harvest Belgium I SRL and Blue Horizon Ventures I SCSp RAIF and in North Sea Wind CV, in which Colruyt Group does not have a significant influence.

The opening and closing balance of the investments classified under level 3 can be reconciled as follows:

(in million EUR)	2020/21	2019/20
At 1 April	14,5	8,9
Acquisitions	97,9	-
Capital increases	0,3	3,1
Capital decreases	(3,5)	-
Fair value adjustments through other comprehensive income	2,8	2,5
Other	(0,4)	-
At 31 March	111,6	14,5

27.2. Other risks

A. COVID-19 health crisis

From the end of financial year 2019/20 onwards, Colruyt Group has experienced diverse impacts of the COVID-19 health crisis. Certain income statement items (notably revenue, gross profit, services and miscellaneous goods, employee benefit expenses and share in the result of investments) were significantly impacted by the COVID-19 crisis. The COVID-19 impact, however, could not be isolated in an unambiguous manner.

The food stores processed higher volumes, which positively influenced revenue at the end of 2019/20 and in 2020/21. As a result of the COVID-19 crisis, all non-essential stores in Belgium, including the group's non-food stores (Dreamland, Dreambaby, The Fashion Society NV and Bike Republic), were required to temporarily close (from 18 March to 10 May 2020, as well as in November 2020). The government-enforced closure of all hospitality businesses in Belgium resulted in a revenue decrease at Solucious NV. Volumes of the DATS 24 NV filling stations also declined as a result of the COVID-19 crisis.

In order to meet the higher volumes, Colruyt Group strengthened its food stores, and its logistics and production departments with both internal and external employees. As a token of gratitude for the efforts made, Colruyt Group also granted additional compensation and leave days to its employees. The group continues to implement measures at all its sites to protect the health and safety of all those present and to ensure the continuity of the operations. The costs related to the increased activities and the measures implemented were included in the income statement for the financial year 2020/21. Colruyt Group has set up provisions to cover COVID-19 related inventory risks as well as other risks and costs.

Thanks to the group's risk management system, continuity and other risks are being monitored on a regular basis, both in the subsidiaries and in the companies in which Colruyt Group has an interest. To date, the group has no knowledge of information that would lead to a material adjustment of the results or the notes thereto.

B. Other

Colruyt Group is further exposed to various other risks that are not necessarily financial in nature, but nevertheless have the potential to impact Colruyt Group's financial position. For a description of risks other than the ones mentioned above and of how Colruyt Group manages its exposure to these risks, we refer to the Corporate Governance section. In this respect, we also refer to the Audit Committee, which regularly discusses the risk reports of the Risk Management department (internal audit).

28. Off-balance sheet rights and commitments

Colruyt Group has a number of commitments which are not recognised in the statement of financial position. These are mainly contractual obligations related to future acquisitions of property, plant and equipment and future purchases of goods and services.

The amounts due in respect of these commitments are as follows:

(in million EUR)	31.03.21	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee ⁽¹⁾	4,1	1,8	2,3	-
Commitments relating to the acquisition of property, plant and equipment	64,5	63,5	1,0	-
Commitments relating to purchases of goods	191,0	179,9	11,1	-
Other commitments	19,9	7,7	11,0	1,2

(in million EUR)	31.03.20	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee	2,7	1,0	1,7	-
Commitments relating to the acquisition of property, plant and equipment	58,4	54,9	3,5	-
Commitments relating to purchases of goods	146,3	123,9	20,5	1,9
Other commitments	22,2	15,3	6,9	-

(1) Leases outside the scope of IFRS 16.

The off-balance sheet commitments for lease arrangements in a lessee capacity amount to EUR 4,1 million (EUR 2,7 million at 31 March 2020) and relate to short-term leases or leases of low-value assets. In addition, these off-balance sheet commitments also contain arrangements that do not meet the definition of a lease.

The income statement includes rental and rental-related charges in respect of movables in the amount of EUR 18,7 million (EUR 15,8 million for the previous reporting period). These rental charges mainly result from cancellable lease arrangements that do not meet the definition of a lease.

The commitments relating to the acquisition of property, plant and equipment for an amount of EUR 64,5 million (EUR 58,4 million in the previous reporting period) consist mainly of contractual commitments for the acquisition of land and buildings.

The commitments relating to purchases of goods for an amount of EUR 191,0 million (EUR 146,3 million in the previous reporting period) are the result of forward contracts concluded with suppliers in order for Colruyt Group to ensure the sufficient supply of certain trade goods, as well as of purchase commitments in respect of electricity and green certificates, and the commitments by The Fashion Society NV to purchase clothing collections.

'Other commitments' include commitments resulting from various non-cancellable forward contracts regarding ICT services (mainly for software maintenance and development) for an amount of EUR 19,9 million (EUR 22,2 million in the previous reporting period).

In addition to these commitments Colruyt Group also has certain rights which are not recognised in the statement of financial position. Occasionally Colruyt Group leases out certain immovable assets under lease arrangements.

The amounts to be received in relation to these rights are to be classified as follows:

(in million EUR)	31.03.21	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	7,6	4,3	3,3	-
(in million EUR)	31.03.20	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	7,5	4,0	3,5	-

The off-balance sheet commitments for lease arrangements amount to EUR 7,6 million (EUR 7,5 million as per 31 March 2020) and mainly relate to operating lease arrangements as lessor in respect of subleased assets.

The rights resulting from non-cancellable agreements in respect of movables are not material.

29. Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are all those items in relation to third parties which are not recognised in the statement of financial position, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The table below gives an overview of all contingent liabilities of Colruyt Group.

(in million EUR)	31.03.21	31.03.20
Disputes	1,9	6,6
Other	0,6	0,1

At balance sheet date there were a limited number of legal actions outstanding against Colruyt Group which, although disputed, constitute a contingent liability of EUR 1,9 million (compared to EUR 6,6 million in the previous reporting period). The pending cases primarily concern commercial law claims.

As was the case last year, there are no contingent liabilities for pending cases in respect of taxation law, common law or social law. 'Other' contingent liabilities represent guarantees provided by Colruyt Group towards financial institutions. These guarantees consist of buyback commitments supplied as an additional guarantee for the financing of affiliated independent storekeepers for an amount of EUR 0,6 million (compared to EUR 0,1 million in the previous reporting period).

When acquiring interests and determining goodwill, a conditional variable compensation is applied, with the most accurate estimate possible of the amount to be finally calculated at the end of the valuation period.

Colruyt Group expects no significant financial disadvantages to be derived from these liabilities.

There are no material contingent assets to be reported.

30. Dividends paid and proposed

On 6 October 2020 a gross dividend of EUR 1,35 per share was paid to the shareholders.

For the financial year 2020/21, the Board of Directors has proposed a gross dividend of EUR 1,47 per share, which will be declared payable from 5 October 2021. As the decision to distribute a dividend is to be considered an event after reporting date which is not to be included in the statement of financial position, this dividend, which is still to be approved at the General Meeting of Shareholders of 29 September 2021, is therefore not recorded as a liability in the statement of financial position.

Taking into account that the distribution proposed by the Board of Directors relates to 134.333.807 shares (after deduction of treasury shares), as determined on 11 June 2021, the total amount of proposed dividends is EUR 197,5 million.

31. Related parties

An overview of related party transactions is given below. In this note, only the transactions which were not eliminated in the consolidated financial statements are presented.

In accordance with IAS 24, 'Related Party Disclosures', Colruyt Group identifies different categories of related parties:

- a) Colruyt Group's key managers (see section Corporate Governance) and relatives;
- b) entities that control Colruyt Group: Korys NV controlled by Stichting Administratiekantoor Cozin (see section Corporate Governance);
- c) associates (as disclosed under note 12. *Investments in associates*);
- d) joint ventures (as disclosed under note 13. *Investments in joint ventures*); and
- e) entities that are controlled by members of the key management personnel of Colruyt Group: with these entities Colruyt Group has no material transactions; except with Smartmat NV.

31.1. Related party transactions excluding key management personnel compensation

(in million EUR)	2020/21	2019/20
Revenue	42,3	58,2
Costs	11,6	2,8
Receivables	109,8	7,3
Liabilities	0,8	0,2
Dividends paid	106,9	109,8

The amounts disclosed above result from transactions made on terms equivalent to those that prevail in arm's length transactions between independent parties.

Transactions with various related parties generated revenue for an amount of EUR 42,3 million (EUR 58,2 million in the previous reporting period). In the current financial year, Eoly Energy NV was contributed to Virya Energy NV, with a realised gain of EUR 30,7 million, while fixed assets were also sold to associates. During the previous financial year a gain of EUR 44,6 million was recognised on the transaction in which the shares of Parkwind NV were contributed into Virya Energy NV. In addition, a dividend of EUR 10,3 million was received from Vendis Capital NV.

In transactions with Virya Energy NV, Colruyt Group and Korys took the necessary measures under the conflict of interest rules. We refer to the Corporate Governance section for more details.

The costs arising from transactions with various related parties amount to EUR 11,6 million and mainly relate to the purchase of energy-related products (EUR 4,9 million). This figure also includes EUR 3,3 million of purchases of trade goods for from entities controlled by persons belonging to the key management of Colruyt Group (previous reporting period EUR 1,9 million). In addition, trade goods were purchased from and fees paid to joint ventures in the amount of to EUR 2,7 million (previous reporting period EUR 0,8 million).

The outstanding receivables from related parties amounting to EUR 109,8 million (EUR 7,3 million in the previous reporting period) relate largely to receivables in respect of associates, consisting mainly of compound instruments at arm's length conditions.

The outstanding liabilities towards related parties amount to EUR 0,8 million (EUR 0,2 million in the previous reporting period). The amount in the current financial year relates mainly to transactions with entities controlled by persons belonging to the key management of Colruyt Group.

31.2. Key management personnel compensation

The compensation awarded to key management personnel is summarised below. All amounts are gross amounts before taxes. Social security contributions were paid on these amounts.

(in million EUR)	Remuneration 2020/21	Number of persons/shares 2020/21	Remuneration 2019/20	Number of persons/shares 2019/20
Board of Directors		9		10
Fixed remuneration (directors' fees)	1,0		1,0	
Senior management		13		13
Fixed remuneration	4,1		3,7	
Variable remuneration	2,7		2,5	
Payments into defined contribution plans and other components	1,0		0,6	
Share-based payments	-	-	-	65

More information regarding the different components of compensation for key management personnel can be found in the remuneration report (see section Corporate Governance) as prepared by the Remuneration Committee.

32. Events after the reporting date

After the year end, Colruyt Group continues to experience diverse impacts of the COVID-19 health crisis. From 27 March to 26 April 2021, shopping in all non-essential stores in Belgium, including Colruyt Group's non-food stores, was by appointment.

The group continues to implement measures at all its sites to protect the health and safety of all those present and to ensure the continuity of the operations. These measures are being monitored on a regular basis and adjusted as needed based on the latest information available. The costs related to the implemented measures will continue to be reflected in the income statement for financial year 2021/22.

On 23 April 2021, Colruyt Group acquired 100% of the shares of Culinoa, thereby strengthening Colruyt Group's position in the foodservice market in Belgium. On 30 April 2021, Colruyt Group acquired 100% of the shares of the fitness chain JIMS.

Neither acquisition transaction will have a material impact on Colruyt Group's net result in the 2021/22 financial year.

Virya Energy NV is included in the consolidation of Colruyt Group until 31 December 2020. After Virya Energy NV's balance sheet date, Korys Investments NV made a contribution in kind to Virya Energy NV of 100% of the shares of Korys Renewable Energy BV (and the underlying stake in Sancho Renewable Private Limited) and a receivable on Korys Renewable Energy BV, as a result of which Colruyt Group's share in Virya Energy NV has reduced to 60%. In addition, in February 2021, Virya Energy NV bought out the minority shareholders of Eurowatt Group thus acquiring 100% of the shares and full control of Eurowatt Group. These transactions will have no material impact on Colruyt Group's net result in financial year 2021/22.

After period-end, 452.765 treasury shares were purchased for an amount of EUR 22,4 million. On 11 June 2021, Colruyt Group held 1.821.153 treasury shares, which represented 1,34% of the total number of shares issued.

There were no further significant events after the balance sheet date.

33. Independent auditor's remuneration

The table below provides an overview of remuneration paid to the independent auditor and its associated parties for services rendered to Colruyt Group.

(in million EUR)	2020/21	2019/20
Audit assignments	0,9	0,8
Total	0,9	0,8

The consideration paid for audit services was EUR 0,9 million, of which EUR 0,2 million was recognised at the level of the Company and EUR 0,7 million was recognised at the level of its subsidiaries.

For non-audit services, such as other control assignments, tax advice and other assignments, the costs are negligible.

34. List of consolidated entities

34.1. Company

Etn. Fr. Colruyt NV	Edingensesteenweg 196	1500 Halle, Belgium	0400 378 485	-
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34.2. Subsidiaries

Agripartners NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 417	100%
Banden Deproost BV	Zinkstraat 6	1500 Halle, Belgium	0424 880 586	100%
Bavingsveld NV	Edingensesteenweg 196	1500 Halle, Belgium	0441 486 194	100%
Bio-Planet NV	Victor Demesmaeckerstraat 167	1500 Halle, Belgium	0472 405 143	100%
Buurtwinkels OKay NV	Victor Demesmaeckerstraat 167	1500 Halle, Belgium	0464 994 145	100%
Codevco IV NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 615	100%
Codevco V BV	Edingensesteenweg 196	1500 Halle, Belgium	0739 918 869	100%
Codevco VI BV	Edingensesteenweg 196	1500 Halle, Belgium	0739 913 228	100%
Codevco VII BV	Edingensesteenweg 196	1500 Halle, Belgium	0760 300 252	100%
Codevco VIII NV	Edingensesteenweg 196	1500 Halle, Belgium	0760 300 846	100%
Codifrance SAS	Zone Industrielle de Saint Barthélémy Rue de Saint Barthélémy 66	45110 Châteauneuf-sur-Loire, France	824 116 099	100%
Colim CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0400 374 725	100%
Colimpo Private Limited	Unit 08-09, 13 th floor, New Mandarin Plaza, Tower A 14, Science Museum Road, Tsimshatsui East	Kowloon, Hongkong	59139630 000 11 18 0	100%
Colimpo NV	Edingensesteenweg 196	1500 Halle, Belgium	0685 762 581	100%
Colruyt Afrique SAS	Sacre Coeur III VDN, Villa numéro 10684, Boîte Postal 4579	Dakar, Senegal	SN DKR 2020 B 13136	100%
Colruyt Cash and Carry NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 318	100%
Colruyt Gestion SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B137485	100%
Colruyt Group Services NV	Edingensesteenweg 196	1500 Halle, Belgium	0880 364 278	100%
Colruyt IT Consultancy India Private Limited	Building N° 21, Mindspace, Raheja IT Park, Survey N° 64 (Part) Hi-Tech City	Madhapur, Hyderabad, Telangana State, India - 500081	U72300TG2007 PTC053130	100%
Colruyt Luxembourg SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B124296	100%
Colruyt Retail France SAS	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	789 139 789	100%

Comans NV	Edingensesteenweg 196	1500 Halle, Belgium	0462 732 956	100%
Comant NV	Edingensesteenweg 196	1500 Halle, Belgium	0604 984 743	100%
Combru NV	Edingensesteenweg 196	1500 Halle, Belgium	0442 944 956	100%
Comels NV	Edingensesteenweg 196	1500 Halle, Belgium	0820 198 247	100%
Comgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0404 020 638	100%
Comgil NV	Edingensesteenweg 196	1500 Halle, Belgium	0739 995 974	100%
Comkro NV	Edingensesteenweg 196	1500 Halle, Belgium	0693 920 677	100%
Comlie NV	Edingensesteenweg 196	1500 Halle, Belgium	0560 926 056	100%
Commol NV	Edingensesteenweg 196	1500 Halle, Belgium	0684 490 495	100%
Comnie NV	Edingensesteenweg 196	1500 Halle, Belgium	0715 711 530	100%
Comnik NV	Edingensesteenweg 196	1500 Halle, Belgium	0741 814 626	100%
DATS 24 NV	Edingensesteenweg 196	1500 Halle, Belgium	0893 096 618	100%
Davytrans NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 920 972	100%
Dreambaby NV	Edingensesteenweg 196	1500 Halle, Belgium	0472 630 817	100%
Dreamland NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 746 645	100%
Driesen Zelfbediening BV	Edingensesteenweg 196	1500 Halle, Belgium	0421 682 061	100%
Drongen Motors BV	Edingensesteenweg 196	1500 Halle, Belgium	0411 955 436	100%
E-Logistics NV	Edingensesteenweg 196	1500 Halle, Belgium	0830 292 878	100%
Enco Retail NV	Edingensesteenweg 196	1500 Halle, Belgium	0434 584 942	100%
Eoly NV	Edingensesteenweg 196	1500 Halle, Belgium	0864 995 025	100%
Finco NV	Edingensesteenweg 196	1500 Halle, Belgium	0429 127 109	100%
Finco France SAS	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	848 012 209	100%
Fleetco NV	Edingensesteenweg 196	1500 Halle, Belgium	0423 051 939	100%
Immo Colruyt France SAS	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	319 642 252	100%
Immo Colruyt Luxembourg SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B195799	100%
Immoco SARL	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	527 664 965	100%
Izock BV	Kerkstraat 132-134	1851 Humbeek, Belgium	0426 190 284	100%
Joma Sport BV	Guldensporenpark 100, blok K	9820 Merelbeke, Belgium	0823 778 933	100%
Locré SA	Rue de Neudorf 534	2220 Luxembourg, Grand Duchy of Luxembourg	B59147	100%
Myreas BV	Guldensporenpark 100, blok K	9820 Merelbeke, Belgium	0733 909 522	85%
Onroerende Beleggingsmaatschappij van Brabant NV	Edingensesteenweg 196	1500 Halle, Belgium	0414 105 173	100%
Puur NV	Edingensesteenweg 196	1500 Halle, Belgium	0544 328 861	100%
Puurgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0631 815 438	100%
Puurwijn NV	Edingensesteenweg 196	1500 Halle, Belgium	0645 906 865	100%
Retail Partners Colruyt Group NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 970 957	100%
R.H.C. SAS	Avenue Georges Brassens 10	94470 Boissy-Saint-Léger, France	350 590 154	100%
Roecol NV	Spievelstraat 4	9160 Lokeren, Belgium	0849 963 488	70%
Saro BV	Edingensesteenweg 196	1500 Halle, Belgium	0451 082 662	100%
Smart Technics NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 516	100%

SmartRetail BV	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Symeta Hybrid NV	Interleuvenlaan 50	3001 Heverlee, Belgium	0867 583 935	100%
The Fashion Society NV ⁽¹⁾	Brusselsesteenweg 185	1785 Merchtem, Belgium	0553 548 910	98%
Trybou Bio BV	Izenbergestraat 175	8690 Alveringem, Belgium	0715 775 767	100%
Vlevico NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 846 259	100%
Walcodis NV	Rue du Parc industriel (GHI) 34	7822 Ath, Belgium	0829 176 784	100%
Witeb 4 BV	Edingensesteenweg 196	1500 Halle, Belgium	0747 601 566	100%
Witeb 5 BV	Edingensesteenweg 196	1500 Halle, Belgium	0761 776 335	100%
Witeb Oost BV	Edingensesteenweg 196	1500 Halle, Belgium	0697 694 571	100%
Witeb West BV	Edingensesteenweg 196	1500 Halle, Belgium	0699 852 426	100%
Witeb Zuid BV	Edingensesteenweg 196	1500 Halle, Belgium	0726 754 187	100%
WV1 BV	Guldensporenpark 100, blok K	9820 Merelbeke, Belgium	0627 969 585	100%
WV2 BV	Guldensporenpark 100, blok K	9820 Merelbeke, Belgium	0627 973 149	100%

(1) This company closes its financial year on 31 July and is included in the consolidated financial statements based on intermediate financial statements as per 31 March.

34.3. Joint ventures

Achilles Design BV ⁽¹⁾	Borchtstraat 30	2800 Mechelen, Belgium	0691 752 926	24,70%
Daltix NV ⁽¹⁾	Ottergemsesteenweg-Zuid 808 Bus 160	9000 Ghent, Belgium	0661 713 511	64,75%
Daltix Unipessoal LDA ⁽¹⁾	Avenida Antonio Augusto De Aguiar 130 Piso 1	1050-020 Lisbon, Portugal	0514 607 769	64,75%
Kriket BV ⁽¹⁾	Brogniezstraat 172 BIO7	1070 Anderlecht, Belgium	0692 761 033	24,81%
Ticom NV	Bilkensveld 1A	1500 Halle, Belgium	0820 813 505	90,00%
We Connect Data BV ⁽¹⁾	Wiedauwkaai 23 Bus S	9000 Ghent, Belgium	0650 599 388	16,03%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements as of that date.

34.4. Associates

AgeCore SA ⁽¹⁾	Rue de la Synagogue 33	1204 Geneva, Switzerland	CHE-222 427 477	16,67%
First Retail International 2 NV ⁽¹⁾	Pontbeekstraat 2	1702 Dilbeek, Belgium	0644 497 494	4,73%
Newpharma Group NV ⁽¹⁾	Rue du Charbonnage 10 boîte 2	4020 Liège, Belgium	0684 465 652	26,00%
Scallog SAS ⁽²⁾	Rue Raymond Barbet 105	92000 Nanterre, France	791 336 076	23,73%
Vendis Capital NV ⁽¹⁾	Jan Emiel Mommaertslaen 22	1831 Machelen, Belgium	0819 787 778	10,87%
Virya Energy NV ⁽¹⁾	Villalaan 96	1500 Halle, Belgium	0739 804 548	60,87%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

(2) This company closes its financial year on 30 June and is included in the consolidated financial statements based on intermediate financial statements as per 31 March.

34.5. Changes in consolidation scope

a. a. New investments

On 19 August 2020, 100% of the shares of Joos Hybrid NV were acquired. Joos Hybrid NV provides hybrid total solutions for document and communication management. Joos Hybrid NV has been fully consolidated as a subsidiary since 1 August 2020. In December 2020, the company was renamed Symeta Hybrid NV.

On 16 September 2020, the shares of Izock BV were acquired in full with a view to ensuring the continuity of the operation of the store.

The companies Saro BV (May 2020) and Onroerende Beleggingsmaatschappij van Brabant NV and Bavingsveld NV (both December 2020) were also fully acquired.

During the financial year, interests were also acquired in Kriket BV (April 2020), Daltix NV and Daltix Unipessoal LDA (June 2020) and We Connect Data BV (August 2020). In November 2020, the interest in Ticom NV was increased. These companies are now accounted for as joint ventures using the equity method.

b. Mergers

With effect from 1 April 2020, the companies Thudiwash BV, Driesen Zelfbediening BV, Drongen Motors BV and Sin Invest BV merged with Colim NV.

c. Newly established companies

In Belgium, the companies Witeb 4 BV (May 2020), Codevco VII BV and Codevco VIII NV (December 2020) and Witeb 5 BV (January 2021) were established. In Senegal, the company Colruyt Afrique SAS was founded (May 2020).

d. Other changes

On 25 May 2020, Colruyt Group contributed certain assets related to the renewable wind energy activities of Eoly NV to the energy holding company Virya Energy NV, as a result of which Colruyt Group's share in Virya Energy NV increased to 61%.

In April 2020, the energy holding company Virya Energy NV signed an agreement with Participatiemaatschappij Vlaanderen (PMV) to increase its stake in Parkwind NV to 100%. As part of the agreement, PMV also acquired a minority stake in Arcadis Ost 1, a German wind farm being developed by Parkwind NV in the Baltic Sea. Closing of the transaction occurred in June 2020.

In February 2021, Virya Energy NV bought out the minority shareholders of Eurowatt Group, thus acquiring 100% of the shares and full control of Eurowatt Group.

On 3 September 2020, Colruyt Group increased its stake in Fraluc from 68% to more than 96%. Fraluc NV is the holding company that includes the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars. The Belgian Competition Authority (BMA) authorised this transaction on 24 November. Since 1 August 2020, stake held in The Fraluc has been fully consolidated as a subsidiary and is no longer accounted for as a joint venture using the equity method. The transaction resulted in goodwill of EUR 22,3 million. In determining this goodwill, a conditional variable compensation was applied, with the most accurate estimate possible of the amount to be finally calculated at the end of the measurement period. This recalculation may result in the adjustment of the already recognised goodwill. In the course of the financial year, further minority shareholdings were acquired, bringing Colruyt Group's share to 98%. In March 2021, the company was renamed The Fashion Society NV.

The stake in Trybou Bio BV was accounted for in the previous year using the equity method, but after exercising a call option in February 2021 Colruyt Group is now again the sole shareholder, and this stake is therefore again fully consolidated.

The corporate name of Codevco II NV was changed to Agripartners NV in September 2020 and of Codevco III NV to Smart Technics NV in November 2020.

35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt NV, in accordance with Belgian accounting standards

The financial statements of Etn. Fr. Colruyt NV are presented below in condensed form.

For the individual financial statements of Etn. Fr. Colruyt NV an unqualified audit opinion was delivered by the auditor. The statutory report of the auditor confirms that the individual financial statements of Etn. Fr. Colruyt NV for the financial year ending 31 March 2021, prepared according to Belgian accounting standards, give a true and fair view of the financial position of Etn. Fr. Colruyt NV in accordance with all legal and regulatory dispositions. In the report no attention was drawn to any matter in particular.

The annual report, the annual financial statements of Etn. Fr. Colruyt NV and the independent auditor's report are filed with the National Bank of Belgium, in accordance with art. 3:10 and 3:12 of the Companies and Associations Code. A copy of these documents can be obtained there on request.

These documents can also be obtained on request at the Company's registered office:

Etn. Fr. Colruyt NV – Edingensesteenweg 196, 1500 Halle

Tel. +32 (2) 363 55 45

Internet: www.colruytgroup.com

Email: contact@colruytgroup.com

Condensed statement of financial position of Etn. Fr. Colruyt NV

(in million EUR)

	31.03.21	31.03.20
Non-current assets	6.184,4	6.047,9
II. Intangible assets	150,4	123,7
III. Property, plant and equipment	275,6	286,7
IV. Financial non-current assets	5.758,4	5.637,5
Current assets	1.185,3	1.038,6
V. Receivables exceeding one year	8,2	1,8
VI. Inventories and work in progress	420,2	387,1
VII. Receivables for less than one year	530,6	491,0
VIII. Cash investments	65,4	128,8
IX. Cash and cash equivalents	149,9	22,4
X. Prepayments and accrued income	11,0	7,5
Total assets	7.369,7	7.086,5
Equity	1.783,8	1.625,1
I. Share capital	357,4	347,1
IV. Reserves	105,5	167,8
V. Profit carried forward	1.320,6	1.109,9
VI. Capital grants	0,3	0,3
Provisions and deferred taxes	3,1	3,3
Liabilities	5.582,8	5.458,1
VIII. Liabilities exceeding one year	3.750,1	3.750,1
IX. Liabilities for less than one year	1.809,8	1.684,2
X. Accruals and deferred income	22,9	23,8
Total liabilities	7.369,7	7.086,5

Condensed income statement of Etn. Fr. Colruyt NV

(in million EUR)	2020/21	2019/20
I. Operating income	7.573,4	7.342,8
II. Operating expenses	(7.336,6)	(6.972,2)
III. Operating profit	236,8	370,6
IV. Finance income	387,9	645,6
V. Finance costs	(137,8)	(128,7)
VI. Profit for the financial year before tax	486,9	887,5
VIII. Income tax	(19,3)	(57,1)
IX. Profit for the financial year	467,6	830,4
X.A. Transfer from the tax exempt reserves	0,3	0,8
X.B. Transfer to the tax exempt reserves	(0,4)	(0,2)
XI. Profit from the financial year available for appropriation	467,5	831,0

Profit appropriation of Etn. Fr. Colruyt NV

For the 2020/21 financial year, the Board of Directors will propose the following profit distribution to the General Meeting of Shareholders on 29 September 2021:

(in million EUR)	2020/21	2019/20
Profit for the financial year available for appropriation	467,5	831,0
Profit carried forward from previous financial year	1.109,9	589,2
Profit available for appropriation	1.577,4	1.420,2
Transfer to the legal reserve	1,0	1,6
Addition to/(transfer from) other reserves	52,5	119,9
Result to be carried forward	1.320,6	1.109,9
Dividend to owners ⁽¹⁾	197,5	182,8
Other debts	5,8	6,0

(1) This item was calculated on the basis of the treasury share repurchase situation at 11 June 2021.

Definitions

Acquisition of property, plant and equipment and intangible assets

Acquisition of property, plant and equipment and intangible assets are exclusive of acquisitions through business combinations, contributions by third parties and rights-of-use under IFRS 16.

Capital employed

The value of the assets and liabilities that contribute to generating income.

Dividend yield

Gross dividend per share divided by the share price at balance sheet date.

Dividend pay-out ratio

Gross dividend per share divided by the profit for the financial year (group share) per share.

EBIT margin

EBIT divided by revenue.

EBITDA

Earnings before interest, taxes, depreciation and amortisation, or operating profit (EBIT) plus depreciation, amortisation and impairments.

EBITDA margin

EBITDA divided by revenue.

Free cash flow

Free cash flow is defined as the sum of the cash flow from operating activities and the cash flow from investing activities.

FTE

Full-time equivalent; unit of account with which the number of personnel is expressed by dividing the contractual working time by full-time working time.

Gross added value

The realisable value of the manufactured goods less the value of the raw materials and the auxiliary materials used in the production process and the procured services.

Gross profit

Revenue minus cost of goods sold.

Gross profit margin

Gross profit divided by revenue.

Market capitalisation

Closing price multiplied with the number of issued shares at the reporting date.

Net added value

Consists of the gross added value less depreciation, amortisation, impairments on fixed assets, provisions and write-offs of current assets.

Net profit

Profit for the financial year (after tax).

Net profit margin

Net profit divided by revenue.

Operating profit (EBIT or earnings before interest and taxes)

The operating income less all operating costs (cost of goods sold, services and miscellaneous goods, employee benefit expenses, depreciation, amortisation, impairments and other operating expenses).

Revenue

Revenue comprises the sale of goods and services provided to our own customers, affiliated customers and wholesale customers, after the deduction of discounts and commissions allocated to these customers.

ROCE

Return on capital employed, or operating profit (EBIT) after tax divided by the capital employed.

Share of the group

Interest that can be attributed to the owners of the parent company.

SPPI ('Solely Payments of Principal and Interest')

The SPPI test requires that the contractual terms of the financial asset give rise to cash flows that only include principal and interest payments on the principal amount outstanding

Weighted average number of outstanding shares

The number of outstanding shares at the beginning of the period, adjusted for the number of shares cancelled, treasury shares purchased or shares issued during the period multiplied by a time-correcting factor.

Notes

Notes

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Contact

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Risks relating to forecasts

Statements by Colruyt Group included in this publication, along with references to this publication in other written or verbal statements of the group which refer to future expectations with regard to activities, events and strategic developments of Colruyt Group, are predictions and as such contain risks and uncertainties. The information communicated relates to information available at the present time, which can differ from the final results. Factors that can generate a variation between expectation and reality are: changes in the micro- or macroeconomic context, changing market situations, changing competitive climate, unfavourable decisions with regard to the building and/or extension of new or existing stores, procurement problems with suppliers, as well as all other factors that can impact the group's result. Colruyt Group does not make any commitments with respect to future reporting that might have an influence on the group's result or which could bring about a deviation from the forecasts included in this publication or in other group communication, whether written or oral.



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Only the Dutch version of the annual report is the official version.

The French and English versions are translations of the original Dutch version.

