Annual Report

with sustainability reporting

2019/20

COLRUYT GROUP

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

The annual report online directs you to extra stories and background information. View the interactive version at **colruytgroup.com/annualreport**.

Halle, 12 June 2019

FINANCIAL YEAR 2019/20
Annual report presented by the Board of Directors
to the Ordinary General Meeting of Shareholders
of 30 September 2020 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.

Intro

Activities

Sustainability

Corporate governance

Financial report

Our optimism offers courage, strength and trust in the future

We have had an extraordinary financial year, featuring some notable achievements and innovations. Once again, we gave our best as a group, especially in the final weeks of the financial year, when COVID-19 changed everything.

In the challenging financial year 2019/20, our comparable group revenue grew by 1,7%. Our retail formats in Belgium, France and Luxembourg managed to **increase** their combined customer base and revenue. Excluding one-off effects, our comparable net result remained stable at 4,0% of revenue, which in absolute terms corresponds to a slight improvement compared to last year. As a result of the contribution of Parkwind into the new energy holding Virya Energy, we have realised a one-off gain of EUR 45 million this financial year, lifting the published profit to EUR 431 million.

We added 19 new stores to our estate and some 20 stores were renovated.

In addition, we invested further in **e-commerce** and the broader **digital transition**, to futureproof our retail activities. The online shopping service Collect&Go tested home delivery extensively; all Colruyt stores received electronic price labels. Customers were introduced to automatic product recognition at the till. And personal smartphones now make it easier for Colruyt store employees in their work, as well as in their contact with one another and with customers.

Sustainability remains the common thread running through everything we do, and we're very proud of that. As last year, this annual report also contains the sustainability reporting, divided into 12 programmes, each with higher aims and associated KPIs. Incidentally, we have reduced the number of KPIs to the indicators that matter most.

We have also reached out more to the public with the 'Step by Step' story, to involve people more closely in a common effort for sustainability.

In January 2020, we became the first Belgian retailer to stop offering plastic bags for fruit and vegetables. As hoped, customers are now well used to our reusable versions, of which we have given out more than 15 million for free. We are assigning more and more house brand products a Nutri-Score, to make it easier for consumers to compare products. And we are currently reviewing how we can calculate the environmental footprint of products in more detail. As far as agriculture

We fully support the necessary government measures to revive the economy.
Inefficiencies in government administration mean that some of our tax money is currently lost in the system.
In view of the great need, and the significant contributions of Colruyt Group and its employees to public finances, we believe that it is necessary, more than ever, for public funds to be allocated and used as effectively and efficiently as possible. For the well-being of the whole of society.

Naturally, we will work hard together to generate a collective return on investment.

is concerned, we remain committed to Belgian connections, craftsmanship and more transparent supply chains, both in our classic role as a retailer and in direct partnership with producers. Innovation is never far away either: the first plants from our innovative vertical farm went on sale at Bio-Planet: basil with a tiny ecological footprint.

We continue to invest strongly in **green energy**, including solar installations and new onshore and offshore wind farms, as well as an installation that can convert green electricity into green hydrogen on an industrial scale. For reasons of economies of scale and better knowledge sharing, we have combined our wind energy activities in the new energy holding company Virya Energy. And via the North Sea Wind cooperative, together with Parkwind, we enable many citizens to participate in offshore green energy.

This spring, the coronavirus pandemic posed major challenges not only for our stores, but also for our production and distribution centres and central services. I am particularly proud that we have managed to continue to fulfil our social role. We secured the food supply, safely, for customers and employees. In addition, we launched many extra initiatives for the healthcare sector.

All of this was only possible thanks to exceptional team spirit, solidarity and flexibility. Never before have I seen the word 'together' from our mission statement put into practice more effectively. The only suitable response to this is a sincere **Thank You**. For the dedication of every employee, the patience and trust of customers, the efforts of partners. What will always stay with me is how much courage and strength the group has shown in its optimism. This experience strengthens my confidence for the coming financial year. Whatever the 'new normal' may be.

Jef Colruyt
Chairman of the Board of Directors

Who are we?

A family business

Colruyt Group is a family business that has grown over three generations into a retail group with more than 30.000 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 **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.

For individuals

- Colruyt lowest prices
- OKay
- Bio-planet
- Collect&Go
- CRU
- Colruyt prix-qualité
- Spar
- Alvo
- Mini market
- Coccinelle supermarché
- Coccinelle express
- CocciMarket
- Panier Sympa
- ColliShop
- dreambaby
- DreamLand
- Newstory eersteklas tweedehands
- fiets!
- DATS 24
- Colruyt Group Academy
- Xtra
- smartwithfood
- Collibri Foundation by Colruyt Group
- Eoly Coöperatie Coopération

through interests

- ZEB
- ZEB for Stars
- PointCarré
- The Fashion Store
- MyUnderwear24
- newpharma

For companies

- Retail Partners Colruyt Group
- Symeta
- Solucious a taste for solutions
- Colex
- Codifrance Distribution
- fiets!
- Eoly Colruyt Group Energy
- DATS 24

through interests

- Parkwind
- Virya energy

COLRUYT GROUP

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 more than 30.000 employees.

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'.

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.

Ambitions

In order to realise our mission, we have formulated several ambitions and strategic objectives that were given further shape in thirty drivers. In the coming years we want to focus in particular on:

1. Making a meaningful difference.

2. Creating added value, both today and in the future.

3. Boosting our entrepreneurship as well as innovation.

4. Setting the standard in everything we do.

5. Improving our customers' quality of life.

6. Keeping our values and company culture alive.

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.

#AllTogetherAgainstCorona, at Colruyt Group too


© PHOTONEWS

COVID-19 had an incredible impact on Colruyt Group too. Daily coordination between our management teams and close consultation with the sector and the government enabled us to keep our finger on the pulse of events and successfully fulfil our role in society – that of ensuring the **supply of food** – at all times.

The **safety** of our employees and customers was central throughout the crisis. We strictly followed all government recommendations with hand gels and gloves for employees, disinfection of contact points, installation of plexi screens, and a focus on social distancing. Where possible, we went further. For example, we provided our employees with mouth masks – now mandatory since the end of April.

Despite our size, we were able to adapt quickly, at all levels. We also witnessed incredible **solidarity**, flexibility and optimism among our teams. Employees from the (temporarily) closed non-food activities and from central services helped out in our food stores, logistics and production. And we made teleworking possible for over 6.000 people.

With the wave of panic buying in mid-March 2020, we had to work full out to strengthen the teams in our stores, in logistics and in production and to cope with the increased activity. There were hardly any shortages in the logistics supply, and slowly but surely we managed to bring back serenity in our stores.

We were also able to launch some **social initiatives** in a very short time. For example, Solucious delivered directly to healthcare personnel from a number of hospitals, we donated professional masks to healthcare institutions, and Colruyt Group Academy gave employees and customers the opportunity to make their own masks.

This crisis strengthens our conviction that we are doing the right things at Colruyt Group. We continue our focus on offering Belgian produce – today the importance of local agriculture is clear to everyone. In addition, we received confirmation that we are right to continue investing in e-commerce, for example in our Collect&Go shopping service. We therefore remain **optimistic** for the future, as we move as best we can in the 'new normal'.

Management report

Comparable revenue grows 1,7%
Net result excluding one-off effects increases slightly

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

- Impact of the **COVID-19 health crisis** at the end of the 2019/20 financial year. The food stores handled higher volumes and thus fulfilled their essential role in the food chain. Non-food, foodservice and fuel distribution activities experienced revenue declines during the crisis.
- The implementation of **IFRS 16 'Leases'** as from financial year 2019/20 has led to a number of shifts in the income statement. The adoption of IFRS 16 has no material impact on the operating profit and the net result.
- Acquisition of the Belgian specialist cycle shop **Fiets!**. The integration of Fiets! enhanced revenue growth, but the impact on the operating profit and on the net result is limited.
- Last financial year included fifteen months (January 2018 - March 2019) of the results of the activities in **France**, whereas financial year 2019/20 includes twelve months.

Consolidated key figures

(In million EUR)	1/04/2019 - 31/03/2020		1/04/2018 - 31/03/2019	Variance
	Published results [1]	Exclusive of IFRS 16 impact [2]	Published results [3]	Exclusive of IFRS 16 impact
Revenue	**9.581**	**9.581**	**9.434**	**+1,6%**
Gross profit	**2.565**	**2.565**	**2.471**	**+3,8%**
% of revenue	26,8%	26,8%	26,2%	
Operating cash flow (EBITDA)	**807**	**784**	**758**	**+3,5%**
% of revenue	8,4%	8,2%	8,0%	
Operating profit (EBIT)	**511**	**512**	**485**	**+5,5%**
% of revenue	5,3%	5,3%	5,1%	
Profit before tax	**561**	**564**	**519**	**+8,7%**
% of revenue	5,9%	5,9%	5,5%	
Profit for the financial year	**431**	**433**	**384**	**+12,9%**
% of revenue	4,5%	4,5%	4,1%	
Earnings per share (in EUR) [4]	**3,14**	**3,15**	**2,78**	**+13,6%**

(1) The 2019/20 results were impacted by the COVID-19 crisis. IFRS 16 is being applied as of financial year 2019/20. Fiets! is fully consolidated as of 1 April 2019. Financial year 2019/20 includes twelve months of the results of the activities in France (April 2019 - March 2020).

(2) The implementation of IFRS 16 'Leases' as of 2019/20 has led to a number of shifts in the income statement, mainly from operating expenses to depreciation charges. In order to facilitate comparability with last financial year, the key figures of 2019/20 are also reported exclusive of the IFRS 16 impact.

(3) Financial year 2018/19 included fifteen months of the results of the activities in France.

(4) The weighted average number of outstanding shares equalled 137.279.011 in 2019/20 and 137.758.364 in financial year 2018/19.

Consolidated income statement

Our group **revenue** rose by 1,6% to over EUR 9,5 billion in 2019/20.
The revenue growth was impacted by the COVID-19 crisis, the difference in reporting period for the French companies and the integration of Fiets!. **On a comparable basis, revenue growth amounted to 1,7%** including petrol and to 1,4% excluding petrol.

The market share in Belgium of Colruyt Lowest Prices, OKay and Spar equalled 32,1% in financial year 2019/20 (32,2% in 2018/19). The market share showed an increase in the first semester and a decrease in the second semester. Our market share declined during the COVID-19 crisis in 2020. Neighbourhood store concepts in particular experienced faster growth during this period, in part due to their greater number and therefore proximity.
We relied in this respect on the latest market share calculation of Nielsen, that had to adopt a modified approach as a result of the COVID-19 lockdown.

The **gross profit margin** amounted to 26,8% of revenue (26,2% in 2018/19). The Belgian retail market was marked by a challenging macroeconomic environment, fierce competition and fluctuating promotional pressure in financial year 2019/20. On a comparable basis, the gross margin increased from 26,3% to 26,8% of revenue.

Net operating expenses were impacted by the implementation of IFRS 16. On a comparable basis, these costs rose from 18,1% to 18,6% of revenue. The increase is mainly the result of ongoing investments in employees, distribution channels and change projects.
As a group, we also made additional investments in the safety and health of our employees and customers during the COVID-19 crisis. As a token of gratitude for the efforts made, we granted additional benefits to our employees.
At the end of March 2020, we had 29.056 employees (full-time equivalents) across the entire group.
The increase by 717 full-time equivalents compared to 31 March 2019 is partly due to the acquisition of Fiets!.

The **operating cash flow (EBITDA)** amounted to 8,4% of revenue. On a comparable basis, the EBITDA margin was 8,2% of revenue, the same as last year.

The depreciation, amortisation and impairment charges increased compared to 2018/19.
Depreciation charges were impacted by the implementation of IFRS 16. Comparable depreciation and amortisation charges rose by EUR 14 million as a result of the continuous investments in the distribution network and in transformation programmes.
Impairment charges decreased by EUR 9 million compared to 2018/19, mainly as a result of an impairment on transformation programmes last year.

The **operating profit (EBIT)** totalled EUR 511 million or 5,3% of revenue in 2019/20.
The comparable EBIT margin amounted to 5,3% of revenue (5,3% in 2018/19).

The decrease in financial result is mainly due to the gain (EUR 18 million) we realised last year on the sale of the stake in the offshore wind farm Northwester 2.

The increase by EUR 38 million of the share in the result of investments in associates and joint ventures is mainly attributable to a one-off effect related to the contribution of Parkwind into Virya Energy and to lower results at Vendis Capital.

At the end of 2019, we and our family majority shareholder Korys decided to combine our renewable energy holdings. In the second half of 2019/20, the new energy holding Virya Energy was founded and the offshore and onshore activities of Parkwind and Eurowatt were contributed. Prior to the transaction we held a 60,1% stake in Parkwind. Today, we hold a majority stake in Virya Energy. Together with Korys, we took the necessary measures in view of the conflict of interest rules. As a result of this transaction, we realised a one-off positive effect of EUR 45 million in 2019/20. This transaction had no material impact on the 2019/20 cash flow statement.

The effective tax rate equalled 25,5% in financial year 2019/20 (26,8% in 2018/19). In 2019/20, the tax rate was influenced by legislative amendments and our continuous investments in innovation and change projects. Last financial year included a positive tax effect related to the sale of the stake in Northwester 2.

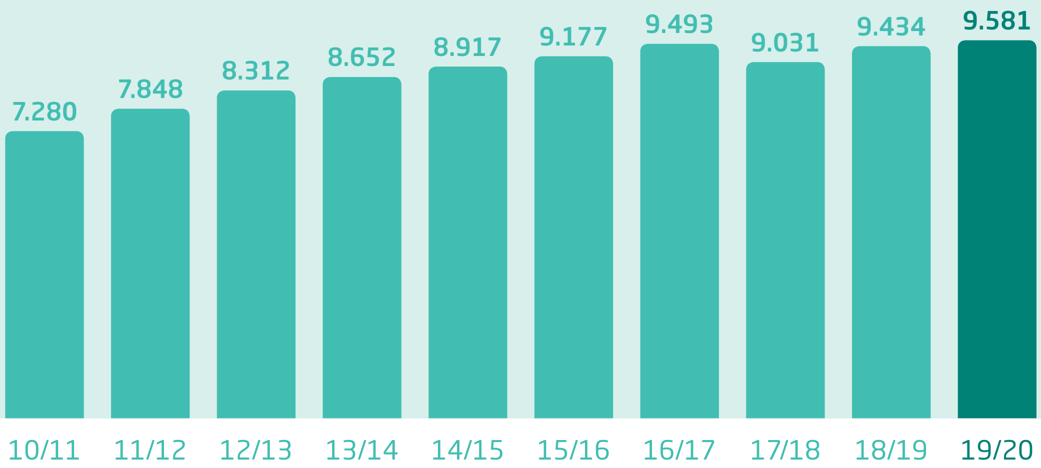
The **profit for the financial year** amounted to EUR 431 million. The net result increase mainly reflects one-off effects in the current and last financial year.

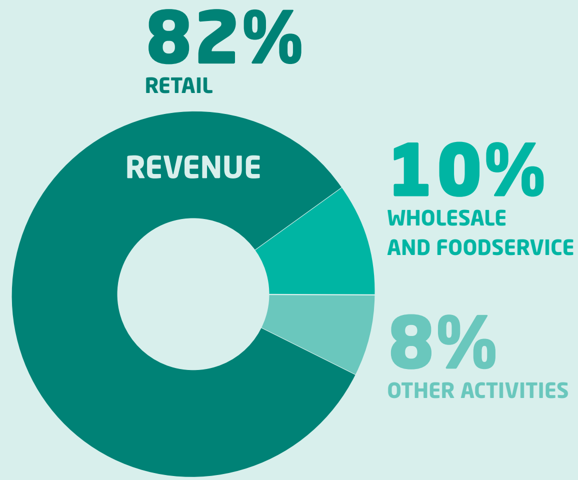
Excluding one-off effects, the comparable net result equalled 4,0% of revenue (4,0% in 2018/19). Comparable net profit excluding one-off effects increased by EUR 8 million compared to last year (EUR 380 million in 2019/20).

The comparable headlines are as follows:

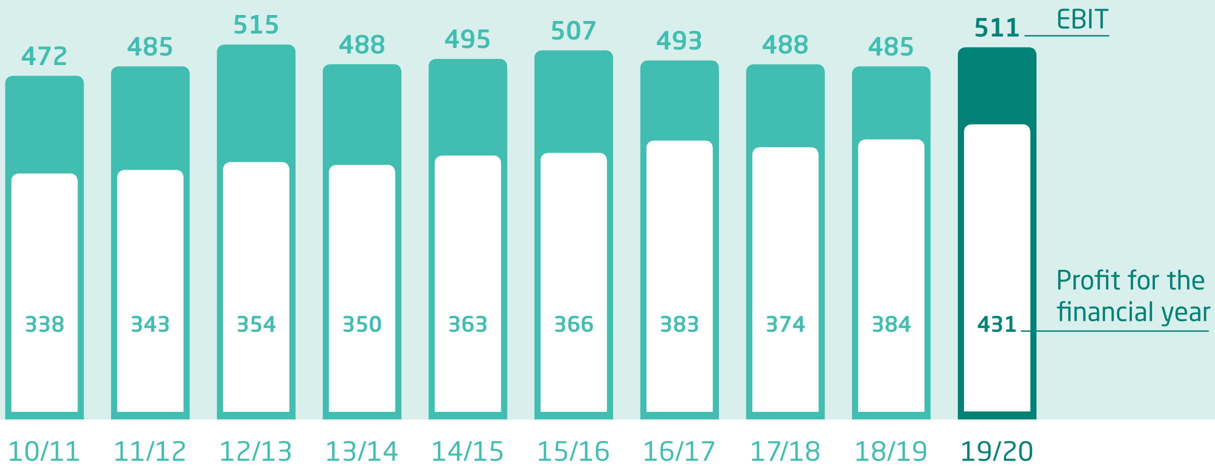
- Colruyt Group's comparable revenue grows by 1,7%.
- Comparable gross margin increases from 26,3% to 26,8% over the financial year.
- Colruyt Group maintains its long-term focus and continues its investments in employees and change projects, as well as in efficiency, quality, innovation and sustainability.
- Comparable operating cash flow (EBITDA) equals 8,2% of revenue (8,2% in 2018/19).
- Comparable operating profit (EBIT) amounts to 5,3% of revenue (5,3% in 2018/19).
- The financial result decreases and the share in the result of investments increases, both primarily due to one-off effects.
- Excluding one-off effects, the comparable net profit amounts to 4,0% of revenue (4,0% in 2018/19).

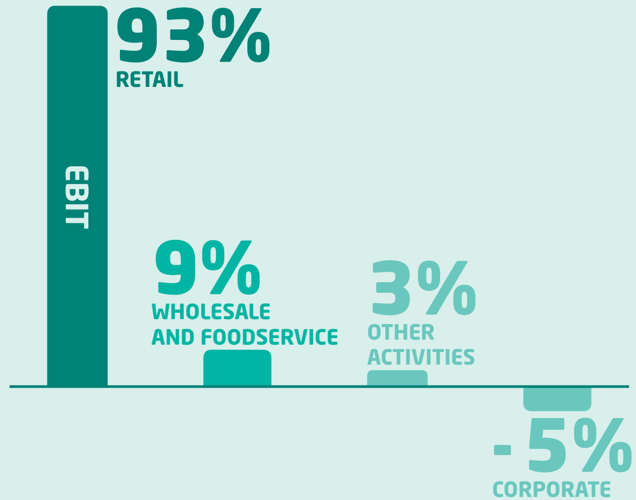
Colruyt Group revenue (in million EUR)





Colruyt Group results (in million EUR)





Income statement per segment

Retail

Revenue from the retail activities grew by 1,5% to EUR 7.897 million. The growth was impacted by the COVID-19 crisis, the difference in reporting period for the French companies and the integration of Fiets!. The comparable retail revenue increased by 1,4%. The retail activities accounted for 82,4% of our consolidated revenue in 2019/20.

At the end of February 2020 the COVID-19 health crisis also hit Belgium, France and Luxembourg. This crisis resulted in strong revenue growth for the food stores, particularly in the month of March. As of 18 March 2020, all non-essential businesses in Belgium were required to close, including our non-food stores. Our non-food stores reopened after year-end, in May 2020. A large number of non-food staff and employees of the central services were willing to help out in the food stores as well as in the logistics and production departments of the group.

Revenue of **Colruyt in Belgium and Luxembourg** grew by 2,2%, in part as a result of COVID-19. The COVID-19 crisis resulted in higher sales volumes in the Colruyt stores. Comparable revenue went up 0,7% in financial year 2019/20.

Colruyt Lowest Prices renewed nine stores and opened five new stores this year. Smart electronic price labels were introduced in all Belgian Colruyt stores, allowing the store employees to focus even more on their core tasks and on customer satisfaction in general.

Colruyt Lowest Prices delivers on its brand promise day after day by guaranteeing the lowest price for every product at every moment.

OKay, Bio-Planet and Cru reported an aggregate revenue growth of 6,0%. Excluding COVID-19 sales, revenue increased by 3,1%, essentially due to expansion and a positive calendar effect.

OKay continued the roll-out of its renewed store concept in 2019/20. Another priority was product range innovation, with initiatives such as the launch of the 'One Meal Box', an easy meal solution requiring no subscription.

Bio-Planet remains the group's pioneer in sustainability, organic products and healthy food. Bio-Planet lowered the prices of some 500 basic products to make them even more accessible. The first fresh herbs from our vertical farm are in the meantime being sold.

Our Cru multi-experience markets in Overijse, Ghent and Antwerp target people with a passion for delicious food. Customer experience and craftsmanship are at the forefront. In this way, Cru continues to focus on revenue growth and operational efficiency.

Revenue of **Colruyt in France** decreased by 13,9% due to a difference in reporting period compared to last year (from 15 to 12 months).

The COVID-19 crisis led to higher sales in the French Colruyt stores, while having negative repercussions on the fuel distribution activities of DATS 24 in France.

Comparable revenue of Colruyt in France (Colruyt Prix-Qualité) increased by 4,5% including petrol and by 6,2% excluding petrol. The revenue growth is the result of organic growth, sales price inflation and expansion.

We continue to invest in our French retail activities: the logistical capacity will be doubled in the years ahead.

The **non-food retail revenue** increased by 6,7% compared to last year.

The combined store revenue of **Dreamland and Dreambaby** remained practically stable as a result of the enforced non-food store closures as from 18 March. Excluding COVID-19 effects, revenue grew by 4,4% in 2019/20. The online second-hand platform NewStory opened seven new collection points in Dreamland stores this year.

Early April 2019, we acquired a 75% stake in the Belgian specialist cycle shop **Fiets!**. We increased that stake to 100% in November 2019. This investment fits with our ambition to respond to evolving consumer needs and to promote sustainable mobility. As from financial year 2019/20, Fiets! is fully consolidated, which has enhanced our non-food retail revenue growth. In March 2020 the Fiets! stores were also required to close their doors due to COVID-19.

We continue to invest in and innovate our **online store concepts and digital applications**.

Our customers are increasingly using the MyColruyt app and now also have the option to use speech technology to create shopping lists. To better inform the customer and work more efficiently, store personnel now have access to smart phones.

We also continue to invest in the digital development of **Xtra**. Besides a joint loyalty card, Xtra is also a fuel card and a payment card. New functionalities are gradually being added to the Xtra app.

Thanks to the investments in e-commerce and the customer's confidence, the share of **online revenue** in our group revenue continues to expand year after year.

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. The Collect&Go network comprises over 290 collection points in Belgium, Luxembourg and France and will be expanded further. Additional Colruyt and OKay stores will be equipped with a Collect&Go collection point over the coming years.

Collect&Go will open a local picking centre in 2020 and a new e-commerce distribution centre will be brought into operation in 2021. These investments will support our future online growth.

Since January 2020, 'Collect&Go Connect' is being tested, a platform that connects people, helping them shop for each other. In May 2020 Collect&Go also launched a pilot project in which people get groceries delivered to their doorsteps through a network of neighbours.

Innovation, also in terms of sustainability, is paramount to us.
This year, our Belgian food stores banned all single-use plastic bags, offering reusable bags instead.
In the coming months and years, we will also continue to invest in the sustainable conversion of existing stores into low-energy stores.

Wholesale and Foodservice

Revenue from the wholesale and foodservice segment grew by 1,1% to EUR 963 million. The revenue growth was impacted by the COVID-19 crisis and by the difference in reporting period for the French companies. On a comparable basis, revenue increased by 1,7%. These activities accounted for 10,1% of our group revenue.

Wholesale revenue increased by 0,4% to EUR 836 million. Comparable wholesale revenue went up 0,9%.
Retail Partners Colruyt Group is responsible for the purchasing of goods for and the provision of logistics and other services to independent stores in Belgium, including Spar Colruyt Group, Alvo and Mini Market stores.
Renewed Spar Colruyt Group stores achieve an above average revenue growth and a profitability that ranks among the best on the market.
We systematically opt for a close, long-term collaboration with the independent entrepreneurs and intend to further expand this efficient independent store network in Belgium and France in the years ahead.

Solucious delivers foodservice and retail products to professional customers throughout Belgium, including hospitals, SMEs and the hospitality sector. The foodservice revenue of Solucious increased by 5,9% compared to 2018/19, mainly in the hospitality and social catering segments.

The government-enforced closure of all hospitality businesses as from March 2020 negatively impacted the revenue growth. Excluding the COVID-19 impact, Solucious' revenue increased by 7,3%.

Since March 2020, Solucious has been delivering groceries to more than ten major Belgian hospitals directly at no additional charge, to support healthcare workers during the COVID-19 health crisis.

Other activities

The other activities reported a 3,0% revenue growth to EUR 721 million in 2019/20 and accounted for 7,5% of our consolidated revenue this year.

This segment basically comprises the revenue of **DATS 24** in Belgium.

The revenue increase of the filling stations was partially offset by price and volume declines during the COVID-19 lockdown. Excluding the negative COVID-19 volume effect, revenue improved by 5,3% in 2019/20.

The DATS 24 network currently comprises 76 CNG stations, one public hydrogen filling station and over 100 electric charging posts on car parks of Colruyt Group stores. Step by step, DATS 24 furthers its efforts to promote greener mobility and will unabatedly continue its investments, including the construction of public hydrogen filling stations.

We seek to become self-reliant in our energy needs. **Eoly** continues to invest in sustainable energy projects. In financial year 2019/20, the number of solar panels and cogeneration plants was increased.

We also have a majority stake in the energy holding **Virya Energy**, which we founded together with Korys late 2019 to combine our respective renewable energy holdings. Virya Energy holds stakes in Parkwind (a Belgian company that is internationally active in offshore wind energy) and in Eurowatt (a company that predominantly operates in the French onshore wind energy sector).

Balance sheet

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 250 million to EUR 2.656 million. The implementation of IFRS 16 represents an increase by EUR 138 million (recognition of right-of-use assets).

On a comparable basis, the assets increased by EUR 112 million, which basically is the net effect of new investments (EUR 410 million) and depreciation charges (EUR 267 million). We continue to invest in our distribution channels, logistics and production departments, in renewable energy and innovative future-oriented transformation programmes.

Following the adoption of IFRS 16, **lease receivables** (EUR 14 million) and **lease liabilities** (EUR 129 million non-current and EUR 26 million current) were also recognised in the statement of financial position.

In August 2019, we acquired a minority stake of 23,7% in **Scallog**, a French company specialised in 'scalable logistics'.

Net cash and cash equivalents increased by EUR 133 million to EUR 263 million as at 31 March 2020.

Colruyt Group's **equity** totalled EUR 2.359 million at year-end, accounting for more than half of the balance sheet total.

Treasury shares

The **share buyback** programme that we launched on 2 October 2017 was completed in July 2019. The maximum available amount of EUR 350 million was fully utilised.

In the first semester of 2019/20, EUR 11,5 million was allocated to the above buyback programme. In the second semester, treasury shares were purchased for an amount of EUR 109,2 million. No treasury shares were purchased after year-end.

In May 2019, 5.500.000 treasury shares were cancelled.

On 12 June 2020, Colruyt Group held 2.799.868 **treasury shares**, which represented 2,02% of the total number of shares issued.

Events after the reporting period

In financial year 2020/21, we are still experiencing diverse impacts as a result of the **COVID-19** health crisis. We have implemented measures at all our sites to protect the health and safety of all those present and to ensure the continuity of the operations. Costs related to measures introduced after year-end will be reflected in the 2020/21 income statement. Our non-food stores reopened on 11 May 2020.

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, the group has no knowledge of information that would lead to a material adjustment of the results or the notes thereto.

In April 2020, the energy holding **Virya Energy** signed an agreement with ParticipatieMaatschappij Vlaanderen (PMV) to increase its stake in Parkwind to 100%. As part of the agreement, PMV will also acquire a minority stake in Arcadis Ost 1, a German wind farm that is being developed by Parkwind in the Baltic Sea. Closing of the transaction occurred in June 2020. The potential one-off financial effect on the 2020/21 net result is still being analysed.

At the end of May 2020, Colruyt Group transferred certain assets relating to Eoly's renewable wind energy activities into the energy holding Virya Energy. As a result of this transaction, we expect a one-off positive effect on the 2020/21 operating profit (estimated at EUR 30 million). This transaction will have no material impact on the 2020/21 cash flow statement.

In June 2020, Virya Energy issued convertible bonds, which were subscribed to by its shareholders Colruyt Group and Korys. This bond issuance is explained by the above agreement with PMV and Virya Energy's expansion plans. Following the subscription, Colruyt Group's cash flow statement will include a cash outflow of EUR 64 million in financial year 2020/21. The convertible bonds have a maturity of 24 months and are interest-bearing. The bonds 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.

There were no further significant events after the balance sheet date.

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 will continue to closely monitor relevant trends in market conditions and in customer behaviour and will decide on an appropriate response where needed.

We will maintain our long-term focus and continue to consistently implement our long-term strategy. We will pursue our investments in employees, efficiency, innovation, sustainability and change projects, while maintaining our focus on cost control.

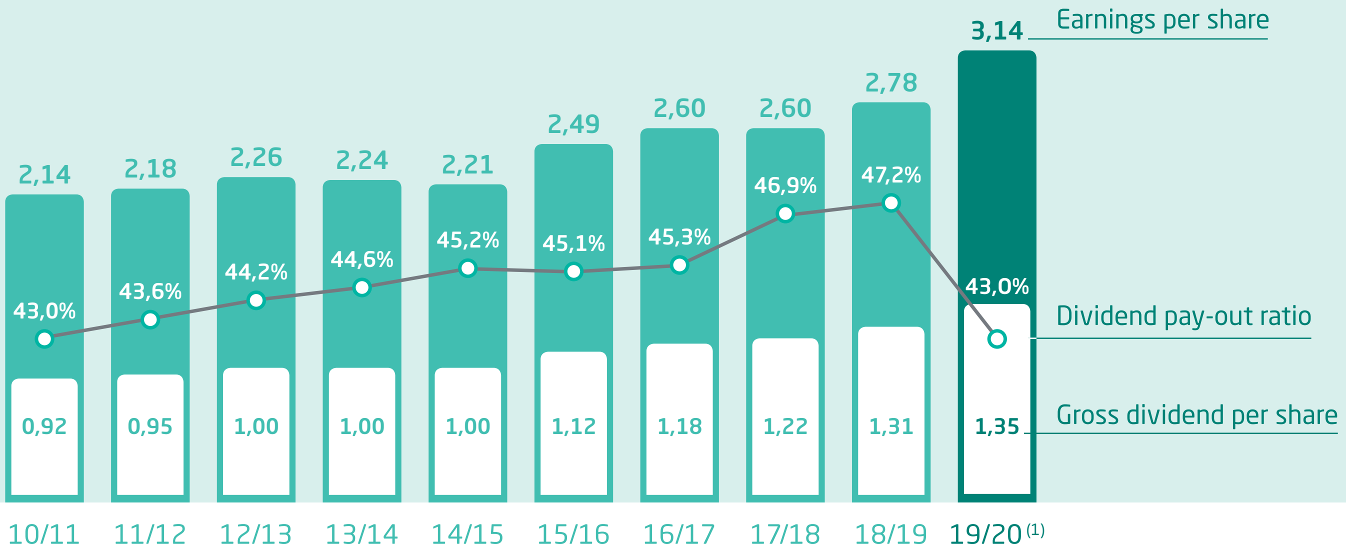
Colruyt Lowest Prices will continue to consistently implement its lowest prices strategy and guarantees its customers the lowest price for each article at each moment. The emergence of new market players does not affect the strategy of Colruyt Lowest Prices in any way.

Colruyt Group will present its full-year 2020/21 guidance at the General Meeting of Shareholders on 30 September 2020.

Dividend

The Board of Directors will propose a **gross dividend** of EUR 1,35 per share to the General Meeting of Shareholders.

Earnings and gross dividend per share (in EUR)



(1) Excluding the on-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 [5]	EBIT [5]
Retail [1]	**7.956**	**698**	**477**
Retail Food	7.644		
• Colruyt Belgium and Luxembourg [2]	6.077		
• OKay, Bio-Planet and Cru [3]	1.010		
• Colruyt France and DATS 24 France	557		
Retail Non-food	253		
• Dreamland, Dreambaby and Fiets! [4]	253		
Transactions with other operating segments	59		
Wholesale and Foodservice [1]	**969**	**65**	**45**
Wholesale	836		
Foodservice	127		
Transactions with other operating segments	6		
Other activities [1]	**731**	**30**	**18**
DATS 24 Belgium	715		
Printing and document management solutions	6		
Transactions with other operating segments	9		
Eliminations between operating segments	**- 75**	**0**	**0**
Corporate (not allocated)	**0**	**14**	**- 28**
Total Colruyt Group consolidated	**9.581**	**807**	**511**

(1) Including transactions with other operating segments.
(2) Including the revenue of the Collect&Go, Collishop, Dreamland and Dreambaby online shops realised by the Colruyt stores.
(3) Including the revenue of the Collishop, Dreamland and Dreambaby online shops realised by the OKay and Bio-Planet stores.
(4) Including the revenue of Fiets! as from financial year 2019/20.
(5) Including the effect of IFRS 16 as from financial year 2019/20.

Key figures

Investments realised

(in million EUR)	2019/20 [1]	2018/19
I. Retail	**309**	**289**
Colruyt Belgium and Luxembourg	171	116
OKay, Bio-Planet and Cru	17	19
Dreamland, Dreambaby and Fiets!	7	4
Colruyt France and DATS 24 France	13	17
Other retail and real estate	101	132
II. Wholesale and Foodservice	**8**	**15**
Wholesale	4	8
Foodservice	1	1
Real estate	3	7
III. Other activities	**16**	**16**
IV. Unallocated corporate activities	**77**	**57**
Total Colruyt Group	**410**	**378**

(1) Exclusive of the IFRS 16 impact

EUR 410 million investments

The investments in 2019/20 mainly related to:
- the construction and refurbishment of stores in Belgium and France
- the rollout of smart electronic price labels at Colruyt Lowest Prices
- the opening of new meeting centres for Colruyt Group Academy
- the production facilities for Colruyt Group Fine Food
- new refrigerated containers with liquid ice technology and vehicles
- the sustainable refurbishment of distribution centres and administrative buildings
- green energy (solar panels, cogeneration plants, hydrogen and CNG)
- our future-oriented transformation programmes

Excluding any acquisitions or participations, for financial year 2020/21 Colruyt Group expects to realise an investment programme in a range between **EUR 425 million and EUR 450 million**. Colruyt Group continues to invest in its distribution channels, logistics and production departments, in renewable energy and innovative future-oriented transformation programmes. The group will also invest in a new e-commerce distribution centre for Collect&Go and Newpharma, in the expansion of the logistical capacity in France, in a new production hall for salads (Colruyt Group Fine Food) and in the sustainable renovation of buildings.

Distribution centres and administrative buildings

	m^2	number
Production/distribution centres		
Belgium	601.190	23
France	50.017	3
Administrative buildings (office area)		
Belgium	149.314	30
France	7.610	5

Company-operated stores of Colruyt Group

		2019/20	2018/19	2017/18	2016/17	2015/16
BELGIUM AND LUXEMBOURG						
Colruyt	- number	248	243	239	237	237
	of which leased externally	19	19	19	19	19
	- in '000 m^2	437	426	414	403	395
OKay	- number	145	141	135	129	120
	of which leased externally	29	30	25	26	22
	- in '000 m^2	86	82	80	75	70
Bio-Planet	- number	31	29	27	24	19
	of which leased externally	15	15	13	12	10
	- in '000 m^2	20	19	18	16	13
Cru	- number	3	3	3	3	1
	of which leased externally	2	2	2	2	0
	- in '000 m^2	2	2	2	2	1
Dreamland	- number	45	42	43	43	42
	of which leased externally	15	15	15	15	15
	- in '000 m^2	80	76	80	79	78
Dreambaby	- number	29	29	26	24	23
	of which leased externally	15	15	13	11	11
	- in '000 m^2	17	17	15	14	14
Fiets!	- number	13				
	of which leased externally	13				
	- in '000 m^2	16				
FRANCE (1)						
Colruyt	- number	87	85	78	74	72
	of which leased externally	4	3	3	3	3
	- in '000 m^2	85	81	76	72	68
Dreamland	- number	0	0	2	2	2
	of which leased externally	0	0	2	2	2
	- in '000 m^2	0	0	4	4	4

(1) For the French retail activity, as of financial year 2018/19, this relates to the number of stores on closing date 31 March. For financial years 2015/16 to 2017/18, this relates to the number on the closing date of 31 December.

Key figures over five years

(in million EUR)	2019/20 [(1)]	2018/19	2017/18 [(2)]	2016/17	2015/16
Revenue	9.581	9.434	9.031	9.493	9.177
Retail	7.956	7.837	7.551	7.319	7.148
Wholesale and Foodservice	969	958	933	1.688	1.589
Other activities	731	713	690	638	593
Intersegment	-75	- 73	- 143	- 152	- 153
Gross profit	2.565	2.471	2.350	2.415	2.321
EBITDA	807	758	734	744	720
EBITDA margin	8,4%	8,0%	8,1%	7,8%	7,8%
EBIT	511	485	488	493	507
EBIT margin	5,3%	5,1%	5,4%	5,2%	5,5%
Profit before tax	561	519	519	510	518
Taxes	130	135	145	126	152
Net profit	431	384	374	383	366
Net profit margin	4,5%	4,1%	4,1%	4,0%	4,0%
Cash flow from operating activities	830	565	497	537	641
Free cash flow	462	260	70	352	262
Total equity	2.359	2.208	2.042	2.140	2.048
Balance sheet total	4.565	4.147	4.054	4.095	4.019
Investments [(3)]	410	378	392	387	388
ROCE	18,5%	17,3%	18,9%	20,2%	21,4%

(1) Including the IFRS 16 impact and full consolidation of Fiets! as from financial year 2019/20.
(2) The figures from financial year 2017/18 are exclusive of the French foodservice business Pro à Pro.
(3) Exclusive of IFRS 16 right-of-use assets.

Key figures over five years (sequel)

	2019/20 (1)	2018/19	2017/18 (2)	2016/17	2015/16
Market capitalisation at the end of the financial year (in million EUR)	6.821	9.460	6.747	6.900	7.660
Weighted average number of outstanding shares	137.279.011	137.758.364	143.361.535	146.729.840	147.004.025
Number of outstanding shares on 31 March	138.432.588	143.552.090	150.196.352	149.935.894	149.609.386
Earnings per share (EPS) (in EUR)	3,14	2,78	2,60	2,60	2,49
Gross dividend per share (in EUR)	1,35	1,31	1,22	1,18	1,12
Dividend yield	2,74%	1,99%	2,72%	2,56%	2,19%
Number of employees	30.631	29.903	29.388	29.255	29.683
Number of employees in FTE	29.056	28.339	27.795	27.633	28.047
Number of own stores in Belgium, Luxembourg and France	601	572	553	536	516
Store area of own stores in '000 m^2	743	704	687	665	641
Number of independent storekeepers in Belgium and affiliated stores in France (excl. independent retailers)	583	579	581	667	679

743.000 m^2
store area
of own stores

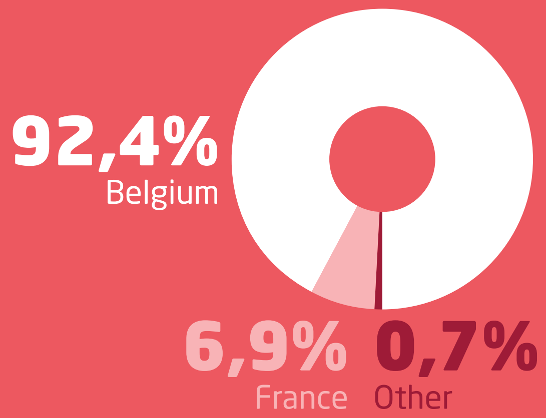
601
own stores

583
independent
storekeepers in Belgium
and affiliated
stores in France

30.631
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, Eoly and Symeta under 'other activities'.

Retail

82,4%
of group revenue

EUR 7.897 million

colruyt lowest prices · Collect&Go · DreamLand
OKay · BIO-planet · colruyt prix · qualité · ColliShop
CRU · COLEX · dreambaby · fiets!

Interests

ZEB · PointCarré · MyUnderwear24
newpharma · Scallog

Wholesale and foodservice

10,1%
of group revenue

EUR 963 million

Belgium
Wholesale

RETAIL PARTNERS COLRUYTGROUP
SPAR · alvo · Mini market

France
Wholesale

coccinelle supermarché
coccinelle express
cocciMarket
Panier Sympa

Belgium
Foodservice

Solucious a taste for solutions

Other activities

7,5%
of group revenue

EUR 721 million

DATS 24 · Symeta · EOLY COLRUYTGROUP ENERGY

Interests

PARK WIND

1976

EUR 6.077 million revenue (+2,2%)

248 stores
(4 in the Grand Duchy of Luxembourg)

1.700 m² average store area

10.500 items in food and 7.500 in non-food

More than 15.200 employees in FTE

Lowest prices

colruyt.be / colruyt.lu

colruyt lowest prices

Find your store

Colruyt is primarily aimed at families who do their weekly shopping in a price-conscious way. It is also the ideal format for associations, professionals and households who are shopping for special occasions and celebrations.
The supermarket chain has a wide range, as well as a considerably expanded butcher's section and fresh food department. Day after day, Colruyt offers its customers the lowest prices for national brands and house brands. If a product is cheaper elsewhere, Colruyt immediately lowers its price. The store format prioritises simplicity, efficiency and customer-friendliness.

A challenging financial year

- In a challenging financial year, Colruyt achieved revenue increase of 2,2%. As a result of the COVID-19 crisis, Colruyt stores achieved higher sales volumes in the final weeks of the financial year. On a comparable basis, the revenue growth was 0,7% in 2019/20, thanks mainly to a positive calendar effect and some store openings. The growth was partially slowed by less good weather in the spring and the lack of major events such as the football World Cup.
- In March 2020, as a result of the outbreak of the coronavirus pandemic, the stores experienced an unprecedented flood of customers. Products with a long shelf-life were particularly popular. Even in these extraordinary times, Colruyt managed to fulfil its social role in the food supply, thanks to the extraordinary efforts of its own store employees and the help of hundreds of colleagues from other departments.
- Colruyt continues to work on its operational excellence day by day. The brand continues to fulfil its lowest prices promise, thanks to logistical efficiency, sustainable partnerships with suppliers and international cooperation in buying, as a member of the AgeCore alliance.

- 5 new stores
- 9 stores renovated
- 4 new stores next financial year

Being and staying relevant

Colruyt does its best to stay relevant to customers in the future and to develop a suitable response to their changing requirements. We believe that as the only 100% Belgian retailer we have an unrivalled market knowledge and can capitalise on this thanks to our individuality.

- We frequently **connect** with our customers and facilitate co-creation, for example through participation in taste and user tests.
- We constantly update our range and refresh our stores.
- We are focusing increasingly on **shopping convenience** for customers, throughout the customer journey, for both physical and online shopping.
- We invest strongly in the development of **digital customer services** and support our employees in keeping up with this digitalisation.

Lowest Prices

Colruyt's unique promise has rightly been displayed on all storefronts for years. Colruyt offers the lowest price for each product at each moment. To do this, it monitors all prices and promotions of competitors, amounting to around 100.000 price checks per day (in competitors' stores, flyers and online). If another player offers a lower price, Colruyt adjusts its price immediately. The appearance of new market players does not change this lowest price strategy.

In February 2020, Colruyt launched a large-scale media campaign with the powerful slogan '**Altijd prijs. De laagste**' ('Always prize. At the lowest price'). The message was spread widely on television, in the press, online, on billboards and in Colruyt stores.

Colruyt is pleased that Test-Aankoop confirms year after year that it is the cheapest supermarket in the country. In 2019, this was the case for three shopping baskets: national brands, discount brands and the mixed basket. However, Test-Aankoop did not find Colruyt cheapest for the basket of house brands, an incorrect claim to which Colruyt always responds. The organisation ignores the fact that Everyday is also a house brand and should therefore be included in the basket of house brands. In short, Colruyt is and remains the cheapest for all four possible baskets.

More prizes

Best retail chain 2019-2020 in the supermarket category, along with Collect&Go (online shop) and Dreamland (toys). Also Retailer of the Year (across all categories).

SmartSpotter Promo Compliance Award, as the retailer best at fulfilling agreements with suppliers around in-store displays. Or how optimal collaboration with suppliers and attractive customer promotions lead to higher combined revenue.

First place in the 2019 **GfK winter report** and shared first place with OKay in the 2019 summer report.

De Pottenlikkers

Colruyt and Studio 100 make a balanced diet attractive to children in the new cookery programme 'De Pottenlikkers'. Chefs aged 8 to 12 enjoy cool recipes based on fruit and vegetables, with the help of assistant chef Marie Verhulst. The 17 programmes can be viewed on Studio 100's TV channel and app and on colruyt.be. The Colruyt cooking team thought up the recipes, our nutritionists provided advice on the nutritional values and balanced composition of the recipes. In the first few weeks, De Pottenlikkers was the **most viewed programme** on the Studio 100 Go app.

Healthy snacks

How can you encourage healthy eating among secondary school students? Have them sell healthy, cheap snacks such as fruit, vegetables or water in a "chill" environment such as a cool school shop or a trendy cafe. That's the concept behind the new Flemish programme **Snack & Chill**, launched in February 2020. Colruyt provides three types of fruit or vegetables for a cheap set price every week in the schools which have signed up.

Freshly prepared baby meals

Ready-made, balanced baby meals that taste like homemade food? There's a demand for this from busy young parents. Colruyt responds to this with the new range of freshly prepared baby food from the **Pipin Pear** (fresh) and **Annabel Karmel** (frozen) brands.

Circular folding box

Read more

The new folding box is made from granules from discarded Collect&Go folding boxes. We recycle around 70.000 boxes each year. This generates 80.000 kg of waste that is used as a raw material for new folding boxes. 100% circular and Belgian, on sale at Colruyt.

A first: automatic product recognition Read more

- Colruyt Kortrijk is testing automatic recognition of products without barcodes. A smart camera above the checkout scales recognises more than 120 types of fruit and vegetables and the customer confirms the correct product on a tablet.
- The test is aimed at **a smoother flow** at the checkout. The employee no longer needs to type in a code for products without a barcode.
- AI specialist Robovision has developed a unique ‘deep learning’ model which is becoming more and more accurate. Customers and employees are responding positively to the new system.

Electronic price labels rolled out nationally

By the end of 2019, paper price labels were replaced by electronic ones in all Belgian Colruyt stores. Price changes can now be made even faster and employees have more time for their core tasks. The electronic labels only use electricity when a price change is transmitted.

Sustainable city store

The brand-new Colruyt store in Etterbeek (Jourdan) is integrated into the ground floor of a residential complex with apartments and an underground car park, in the midst of a historic district. The district of Ixelles is creating an urban vegetable garden on the roof for educational and research purposes. A true asset for the neighbourhood, with added economic, social and ecological value.

MyColruyt app: 1 million downloads

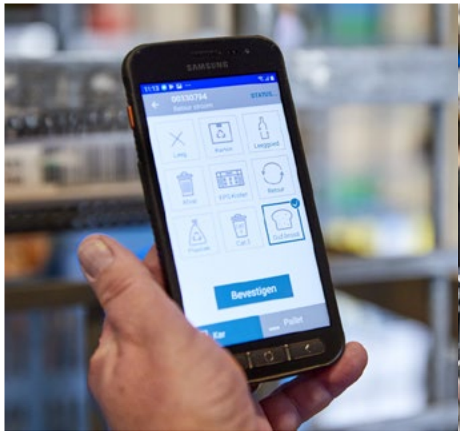
The MyColruyt smartphone app reached the milestone of one million downloads in January 2020. With regular updates, the app makes it even easier for customers to prepare for their shopping trip and shop. You can create a digital shopping list, check prices, view more than 9.000 recipes or reserve shopping via Collect&Go.

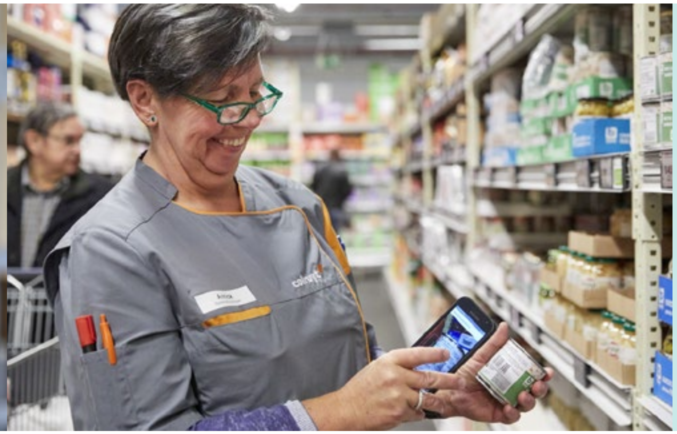
Redesigned website!

The redesigned colruyt.be website features products and lowest prices more prominently and integrates the shopping list from the MyColruyt app.

Recording shopping lists using Google Assistant

Colruyt is the first Belgian retailer to introduce Google Assistant speech technology. “OK Google, talk with Colruyt!” That’s how easy it is to record your products and add them to your Colruyt shopping list, which you can consult afterwards in the MyColruyt app or at colruyt.be. You can easily tick off the completed shopping list while shopping in the order of the store layout. Or you can send it to Collect&Go in the MyColruyt app.





12.000 smartphones for employees

All store employees now have a personal Samsung smartphone to use at work. An investment with great potential: smoother communication with one another and with central services, permanent access to online tools for carrying out tasks in-store, better information for customers and guidance on various apps, working more efficiently in general.

° **2000**

207 collection points
in Belgium and Luxembourg

More than 400 employees in FTE

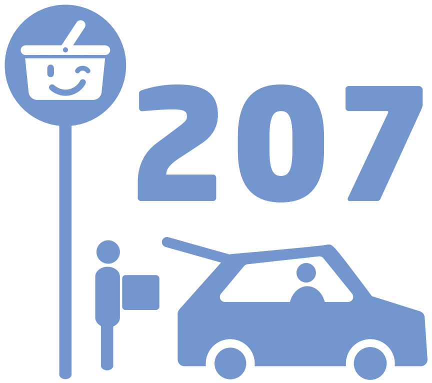
We do the shopping for you

collectandgo.be

Collect&Go

Find your collection point

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



10 new collection points
7 expansions

Continued online growth

- As in recent years, Collect&Go recorded excellent growth figures last financial year. The second half was particularly strong, with December as a record month, since customers tended to opt for simplicity, convenience and saving time then.
- The service gained **110.000 new customers**, while existing customers also ordered more often or placed larger orders.
- From mid-March 2020, Collect&Go was overwhelmed by a flood of customers combined with bigger reservations. All delivery slots were booked up in no time at all, while it took longer to prepare the orders in store, due to factors such as busyness, social distancing rules and temporary stock shortages.
  In order to be able to continue to guarantee quality, Collect&Go was forced to temporarily cut back the service to one third, in order to then gradually increase the number of pick-up time slots. From April, the service was running at full capacity again and extra pick-up time slots were added weekly. Collect&Go hopes to win the trust of its new customers permanently.

Satisfactory pilot of home delivery

In May 2019, Collect&Go started home delivering groceries in five municipalities in the Brussels periphery, an extra service offering greater convenience and time savings. The orders are delivered by Collect&Go's own employees from the distribution centre in Zaventem. The pilot demonstrated sufficient customer demand along with the **potential** for a sustainable business model. Collect&Go will continue to integrate and upscale the concept, to gradually cover the whole of the Brussels region from September 2020. Read more

The cheapest online

Just as Colruyt does in its physical stores, Collect&Go guarantees the lowest prices in the online food market. Collect&Go monitors the other online players and adjusts its prices nationally or regionally. For an average shopping basket, there is usually little difference between the online and offline receipt.

New distribution centre in Londerzeel

To facilitate further growth, Collect&Go will begin using a new distribution centre by the autumn of 2021. The 18.000 m² building beside the A12 in Londerzeel replaces the current site in Zaventem. The staff from Zaventem will be given priority when it comes to working on the new site.

Innovation with shoppable recipes

The recipes on collectandgo.be are a success, especially since customers can add all of the ingredients to their shopping basket with one click. They can now also adapt standard recipes, for example by changing the number of persons or swapping A-brand ingredients with house brand products.

New platform in the sharing economy

Read more

Collect&Go Connect is a new initiative from Collect&Go that connects people who need help shopping with others who want to earn a little extra by shopping for neighbours. Collect&Go and seven OKay stores in Flanders are testing the new service in the first half of 2020. Customers put together their shopping list from the OKay range using the free app. They indicate when and at which fee they would like to have the groceries delivered. Shoppers specify which participating store(s) they are willing to visit and choose which requests they accept. Payment takes place via the Collect&Go Connect platform.

In May 2020, a similar test started, in which Collect&Go customers can have their reservations collected from Colruyt Lowest Prices stores and delivered to their homes by other people for a fee.

La Gourmet Delicatessen in Uganda

1985

Around 200 active customers

4.500 items

Around 40 employees in FTE

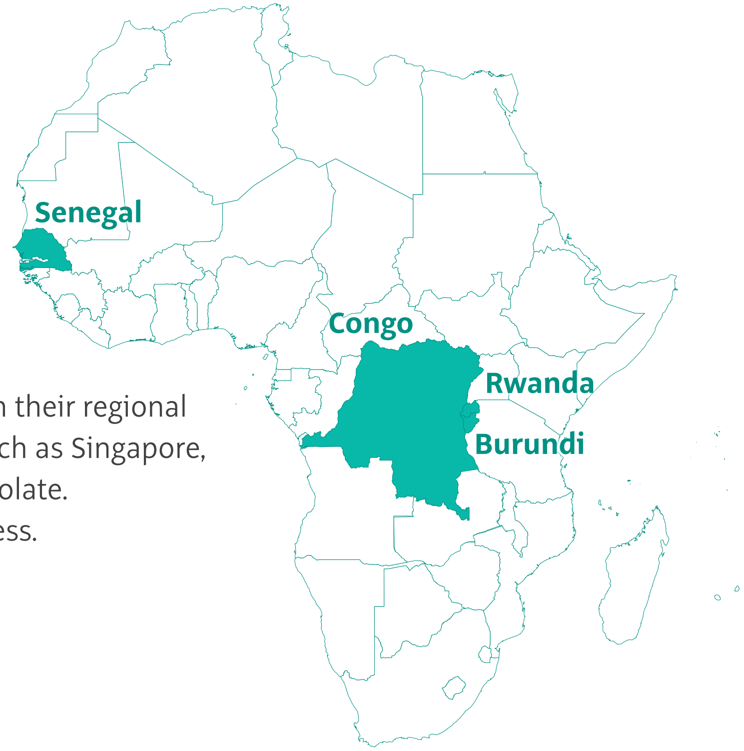
Bringing first class products to the world

colex-export.com

COLEX

Colex (Colruyt Export) supplies retail and foodservice products to distributors, wholesalers and supermarkets all over the world. The export division has historically focused on Central and Western Africa and is now taking its first steps in Asia. Colex offers a wide range of groceries, fresh and frozen products. The core of the product offer consists of Colruyt Group private labels, plus a peripheral range of A-brands. Colex stands out due to its unique all-in export service and support for the customer in marketing the products.

Sustainable growth in Africa



- Last financial year, Colex achieved a further increase in revenue, mainly in the African countries of the Democratic Republic of the Congo, Rwanda, Burundi and up-and-coming Senegal.
- Colex continues to optimise its customer portfolio and is committed to strengthening **long-term relationships** with a smaller number of major customers in specific focus regions, so as to better understand the needs of each market.
  In Africa, these are mainly fast-growing local distributors and retailers who are in a strong position in their regional markets and want to purchase complete private label lines. On the other hand, in Asian countries such as Singapore, Hong Kong and Japan, customers tend to want to purchase stocks of specific products, such as chocolate.
- It is still too early to estimate the possible consequences of the COVID-19 crisis for the export business.

A more tailor-made approach

Colex wants to continue to grow in its familiar markets and also drill into new sales regions. It has already done so for some time with an appropriate product range policy and pricing tailored to each focus region. The company will also diversify its private label branding further and, for example, align the choice of language and information on the packaging more closely with different countries' regulations.
At the same time, Colex will support its customers even better in their marketing communication to the consumer. To facilitate further growth, more space will be made available in the distribution centre in Bornem.

° 1998

EUR 1.010 million combined revenue for OKay, Bio-Planet and Cru (+6,0%)

145 stores, including 136 OKay and 9 OKay Compact

400-650 m² average store area

5.000 items

More than 2.200 employees in FTE

Quick, cheap and convenient

okay.be

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

OKay Compact was developed as a metro store concept in 2012. Quick, cheap and easy shopping in the centre of Brussels, Antwerp, Liège and Ghent.

Find your store

Further revenue growth

OKay recorded a respectable revenue increase over the financial year as a whole, thanks to the stable performance of the existing collection of stores, the opening of four new stores and a strong end-of-year period. As a result of the outbreak of the coronavirus crisis, OKay also experienced strong revenue growth in March 2020.

Customers are tending to do smaller shops locally several times a week, which is also to OKay's advantage. The retail chain sees potential for more than 200 stores in Belgium.

OKay continued to roll out its new store concept in 2019/20 and has also kept its costs under control this year.

- 4 new OKay stores: Deerlijk, Berlare, Sleidinge and Hotton (the first shop in the province of Luxembourg)
- 2 expansions: Lennik and Weelde
- Next financial year 5 new stores (3 OKay and 2 OKay Compact) and 2 complete renovations

Cook box without a reservation

The 'One Meal Box' was launched on a small scale in May 2019 and is available exclusively in more than 110 OKay stores since January 2020. Alongside the two-person meal, a version for four people was also tested. The meal box contains all the ingredients for a delicious meal, ready in 30 minutes. The box is for sale in the store, without the need for a subscription or reservation. A quick, easy and flexible solution that's also Belgian and sustainable. Read more

Metro store proves popular

- By the end of the financial year, **OKay Compact** had nine stores in city centres. Market research shows that the metro stores successfully meet the expectations of those who live, work, study, etc. there. Compared to other city stores, the format scores particularly highly for its lowest price guarantee, broad range in a compact area, tidiness and customer-friendliness.

- The food corners and dining areas in the latest stores are performing well, leading to bigger baskets or more frequent visits. The 'on-the-go' products, salad bar, hot snacks and the recently launched sushi range are going down very well.

Comfortable and sustainable outfit

The new outfit for store employees excels in comfort and sustainability. The work clothing was made by a Belgian designer from fabrics with a low environmental impact, such as organic cotton and 100% recycled PET. The robust finish, modern design and sophisticated ergonomics guarantee a long lifespan. The women's and men's collections are undergoing intensive testing in seven stores and will be rolled out nationally from March 2021.

Engaged store managers

OKay is permanently committed to engaging and interacting with store managers. On the annual store managers' day, they were re-immersed in the future vision of the neighbourhood store. In workshops, they reflected on the implications of this for sales practices and on future challenges. The annual get-together is also always a great time of bonding, togetherness and professional pride.

Food trucks in the car park

Increase the product knowledge of employees. Highlight products, let customers taste original dishes and inspire them with cooking tips and recipes. For this, OKay uses two food trucks, which have visited store car parks since May 2019. A great, informal way of boosting contact between staff and customers.

Plus for innovation

- New additions to the range: organic bread and a **premium** tapas line with 20 items.
- **Convenience** and 'on-the-go': trial of automatic bread distributors and cabinets for chilled drinks.
- 8 stores and the head office are testing the smart parcel box **Bringme**.
- 7 stores are testing **Collect&Go Connect**. This sharing economy platform makes it easier to do (small) shopping for others.
- **Bee Happy**, successful summer saving campaign around the theme of bees, for the first time together with Dreamland and Bio-Planet. Free educational packs for schools reinforced the local connections of OKay stores.

2014

EUR 1.010 million combined revenue for OKay, Bio-Planet and Cru (+6,0%)

3 markets: Overijse, Ghent Kouter and Antwerp Groenplaats

650 m² average market area

850 items

More than 100 employees in FTE

Market every day

cru.be

Cru is a fresh produce market, for people who are passionate about food. Cru has ten specialist areas or 'métiers' offering a unique selection of fruit and vegetables, meat and charcuterie, fish and poultry as well as cheese, drinks, flowers, chocolate and self-made bread. Cru follows the rhythm of the seasons and provides authenticity in a modern way, or ordinary products that are extraordinarily good. Expert staff present the products in their purest form, ready to cook or in quality ready-made dishes.
Customers are free to taste the products in the market itself, or enjoy breakfast, lunch, a coffee or an aperitif in the adjacent eatery Cuit (in Ghent and Overijse). Cru Groenplaats has a simple eating area for breakfast or a snack.

Steady increase in revenue

- Cru is pleased with the revenue increase over the financial year, achieved partly thanks to the inflow of new customers and greater spending during the COVID-19 outbreak in March.
- After moving from the outskirts, the Cru market in Antwerp made a new start in the centre, on the Groenplaats square. The busy location led to the doubling of customer numbers coupled with a lower average shopping basket. After all, it takes time for shopping at Cru to become a habit and the basket to grow.
- The end-of-year period was boosted by a sophisticated range, a temporary collection service and festive coaches (who helped customers in the markets to put together their menus).
- Cru wants to increase the frequency of shopping visits, for instance by monthly loyalty campaigns with free products for loyal customers.
- Since March 2020, Cru has been trialling two new services: a free collection service from the market and (paid) home delivery by couriers from Cargo Velo. Read more

Strong brand

Six years after the opening of the first market in Overijse, as a brand, Cru now has three establishments and a loyal customer base. Fans often come at weekends and the two city markets also attract plenty of footfall during the week. Last financial year, Cru recorded an average of **250 new customers** a week. As a mark of its faith in the format, Cru plans to open a fourth market west of Brussels in 2022. This would combine the best elements of the three existing markets.

Focus on efficiency

Last year, Cru worked hard and successfully to control costs and managed to raise profitability to a higher level.

- **Orders** are increasingly fulfilled **centrally** by head office, rather than by the individual markets. This enables them to focus more on serving customers.
- As the history grows, Cru manages to make more **accurate forecasts**. This leads to fewer shortages and surpluses for the markets.
- Cru is increasingly exploiting the strengths of the group and its **expertise** in quality, sustainability, pricing policy, etc.
- Now that costs are better under control, Cru will focus even more on boosting **expertise** and stability in the teams.

2001

EUR 1.010 million combined revenue for OKay, Bio-Planet and Cru (+6,0%)

31 stores

650 m² average store area

6.000 items

More than 500 employees in FTE

Truly good

bioplanet.be

Bio-Planet is a supermarket with an extensive range of organic and eco-friendly products. 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 live, eat and enjoy consciously. Highly trained staff are there to advise and assist customers in stores. As far as possible, Bio-Planet applies the latest new environmentally-friendly techniques and materials in stores.

Find your store

Organic market keeps growing

The market for organic food keeps growing, driven by the emergence of specialist stores in cities and wider organic ranges in conventional supermarkets. In this context, Bio-Planet is the only actor with more than **6.000 organic and eco-friendly products**. Our organic specialist plays an active, leading role in sustainability and product innovation, in close collaboration with growers and producers. Finally, the supermarket chain works hard to give its customers as much information as possible and make organic more accessible to a wider audience.

Bio-Planet is very satisfied with the results for the last financial year. Revenue increased in line with expectations, partly due to the opening of two new stores and the inflow of new customers into the existing network. During the COVID-19 crisis, customers also considered Bio-Planet a **safe haven**. Online revenue via Collect&Go continued to rise, thanks to the expansion of the network and campaigns to promote the service.

The shopping basket fell slightly, mainly due to price reductions for a wide range of existing products.

As planned, the expansion in Wallonia continued, with the opening of new stores in Liège and Corbais. Walloon consumers are increasingly prioritising healthy, local and organic.

Bio-Planet now has 31 stores and sees potential for fifty stores in Belgium.

- 2 new stores: Liège and Corbais
- Online sales via Collect&Go:
  - Choice of more than 4.000 products
  - 127 collection points

A first: basil from vertical farming

Available exclusively at Bio-Planet, from March 2020: fresh basil with a tiny ecological footprint, from Colruyt Group's own 'vertical farm'.

Although these fresh herbs are not labelled as organic, they definitely deserve a place in the range. They are grown without pesticides, from bioseed, on a substrate made from organic waste streams. The energy-efficient growing system runs on 100% locally generated green electricity, requires 90% less water and 20 times less space than traditional growing methods.

The quality remains consistent throughout the year, whatever the weather. The basil's fresh, strong taste was also determined by Bio-Planet's customers.
Bio-Planet intends to start selling coriander from the vertical farm by the end of 2020. Read more

Pricing policy makes organic more accessible

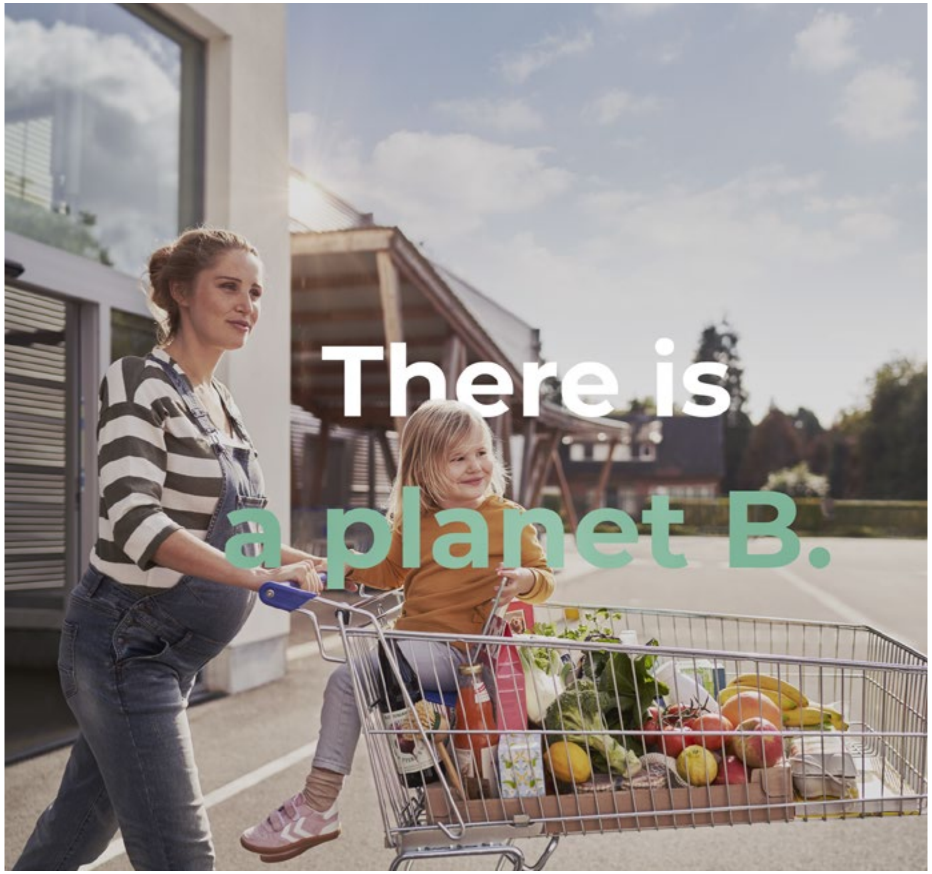
Bio-Planet wants to make conscious, healthy eating more accessible to everyone. Various campaigns and communications run under the slogan 'Your bill tallies'.

- Substantial **price reduction** from the summer of 2019 for around 500 frequently purchased basic products, mainly meat, vegetables, fruit and bread.
- Gradual expansion of the private label **Boni Bio**, with some 400 products offering excellent value for money.
- Stronger, more relevant monthly **promotions**, competitive prices for all popular organic brands all year round. Campaigns to save for free products, etc.

Bio-Planet is also transparent in saying that organic is currently more expensive than conventional. But what you pay you get back several-fold in sustainability, quality and taste.

"There is a planet B"

That was the baseline of the large-scale image campaign from October 2019 to the end of January 2020 on various TV stations, social media and our own channels. The message to the public: if you want to shop in a healthy, respectful and eco-friendly way, you can make a difference together with Bio-Planet. The campaign focused on themes such as health, animal welfare, ecology, fair trade and flavour. It gave Bio-Planet record visibility, plenty of positive feedback and proven added brand awareness.



Sustainable and innovative assortment

There are frequent updates to the range, as Bio-Planet is actively involved in marketing innovative, even more sustainable products.

- First Belgian **soy** burgers and spreads, under the private label Boni Bio. In this way, Bio-Planet supports local organic farming and processing. Read more
- 100% Belgian organic **beef and pork**. Cut, processed and packaged by Colruyt Group Fine Food.
- New cabinet for **packaging-free** shopping. Customers fill their own containers with 25 types of dried fruit, nuts, cereal and seeds.
- Sustainable fresh fish, such as Omega bass from Kruishoutem or Dutch Yellowtail from Zeeland. Lupin tempeh cubes, made in Belgium. Launch of flowers and plants.
- More **local connections**: every store has around thirty items by local producers.

The new service counter is here!

Bio-Planet aims for the optimal balance between service and self-service for fresh meat, cold meats, veggie, ready-made dishes and cheese. The store in Corbais was the first to feature a newly developed service counter, with three quarters of the space for service and one quarter for (fresh) prepackaged products. Self-service for customers who want to shop quickly, service and portioning to order for customers who have more time.

More information and inspiration

Since November 2019, price labels also show the products' **Nutri-Score** as well as symbols for lactose-free, gluten-free and vegan. A first for Belgium that enables informed nutritional choices.

'From the local area': about five local suppliers brought the story behind their products to each store, with tastings and substantial discounts. A tasty and enjoyable occasion, bringing customers and partners together.

New publications packed with information, tips and **inspiration**: the pocket 'Veggie and vegan' and a second Bread newspaper.

Bee Happy, saving campaign for seed bombs, soft toys and a sticker album. Made people more aware of the importance of bees and encouraged them to sow flowers.

1996

EUR 557 million revenue [(1)]

87 stores, **85** Collect&Go collection points

750-1.000 m² average store area

7.500 food, 3.000 non-food items

More than 1.850 employees in FTE

42 DATS 24 **filling stations**

Tout simplement l'essentiel

colruyt.fr

(1) The 2019/20 financial year covers 12 months, the previous financial year covered 15 months (1/1/2018 – 31/3/2019).

Find your store

colruyt prix · qualité

At Colruyt Prix-Qualité, customers can find everything they need for their weekly shop, with the ease of choice of a clearly laid out neighbourhood supermarket. The format has the lowest prices locally for products from national brands. Colruyt Prix-Qualité focuses strongly on quality fresh products such as fruit and vegetables, meat, cold meats and bread. Other highlights include the wine selection, the growing organic offer and the wide range of regional products. Almost all stores have a Collect&Go collection point.

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

Further revenue growth

As in recent years, Colruyt Prix-Qualité completed a highly successful financial year. Comparable revenue rose by 4,5% including fuel and by 6,2% excluding fuel. The revenue growth was above average for the market. After a strong (hot) summer, the 'Crazy Days' saving campaign led to larger shopping baskets in the second half of the year. The limited room for manoeuvre in the last month of the financial year due to the coronavirus crisis played into the hands of neighbourhood stores such as Colruyt, leading to more sales, new customers and greater brand awareness.

After years of deflation, slight inflation set in last financial year, partly due to the EGALIM Act coming into force in February 2019. The minimum margin of 10% and the maximum discount rate of 34% imposed, lessened the heavy promotional pressure on the French food market. The Act will definitely remain in force until February 2021.

The neighbourhood store was able to offer its customers even more competitive prices while managing at the same time to keep its cost structure well under control.

Colruyt is performing well in a social climate that prefers local initiative to mass distribution. This benefits both smaller supermarkets and specialist stores.

- 3 new stores: Frontenex, Miserey-Salines and Delme
- 3 renovated stores: Is-sur-Tille, Pontarlier and Givry
- 5 new stores next financial year: St.-Etienne, Belleville-en-Beaujolais, Saint-André-les-Vergers, Uxegney and Bonnefamille.

Doubling of logistical capacity

To facilitate further growth of retail activities, an ambitious plan has been launched to double the logistical capacity.

- In February 2019, work began on a new **12.000 m²** distribution centre in Gondreville, near Nancy. The site will be used mainly for fresh and fast-moving products. When the site becomes operational at the start of 2021, deliveries to stores in north-east France will become rather more cost-effective and eco-friendly.
- The first contracts have been signed to prepare for the construction of a new headquarters and distribution centre of up to **25.000 m²** near the town of Dole. It is planned to go into operation in 2023.
- Once Dole is open, the existing distribution centre in nearby Rochefort will focus entirely on slow-moving products.

Fresh bread please

Fresh bread is very popular with French consumers. In 2019, two Colruyt stores were given a traditional bakery that prepares the dough itself, bringing the total to eleven. The other new or renovated stores are provided with a 'point chaud', which finishes baking different sorts of bread several times a day.

More self-service meat

Partly in order to remedy the shortage of trained butchers in France, Colruyt has begun the transition from service to self-service. Traditionally, the butcher's still offers 80% of meat and cold meats on a service basis. Colruyt wants to reduce this percentage eventually, mainly by switching some cold meats to 'fresh prepacked'. Of course, the butchers are still available to cut up fresh meat as the client requires.

Single login, single password

Since mid-2019, customers can log into the Colruyt and Collect&Go websites using the same username and password. In their personal webspace, customers can easily edit their profile, set preferences, request or block a Colruyt Plus discount card, etc. They will also find a list there of their recent purchases and answers to frequently asked questions. The system is fully GDPR-compliant and offers customers transparency and a say about the data kept about them.

First store in Savoie

- Colruyt opened its latest store in **Frontenex**, near Albertville. This latest generation store is also the first in the department of Savoie.
- The store in **Bethoncourt** closed permanently in March 2020. The commercial potential of the rental location could not justify an investment in a badly needed renovation. All 13 employees were transferred to nearby Colruyt establishments.
- The number of new store openings in the coming years will be in line with the logistical expansion plan.

- **1994** acquisition of Droomland, renamed Dreamland in 2002
- **EUR 253 million** combined revenue for Dreamland, Dreambaby and Fiets! (+6,7) (1)
- **45 stores**
- **1.600 m²** average store area
- **60.000** items offline and online
- **More than 850** employees in FTE
- **You have more fun when you play**
- **dreamland.be**

(1) Includes Fiets! from 2019/20

DreamLand

Find your store

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 families to have more fun together. 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.

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

Coronavirus shifts sales online

In mid-March 2020, all Dreamland stores closed their doors. As a result, sales shifted en masse to the online shop, which received as much as six times more reservations than normal.

Customers opted in the main for home delivery. A large proportion of the reservations were delivered and paid for in the month of April, outside the last financial year.

A considerable proportion of Dreamland staff volunteered to work in our food stores, logistics or production, while only a small proportion were put on temporary unemployment.

The Dreamland stores reopened their doors on 11 May, in compliance with the coronavirus requirements.

- 3 new stores: Marche-en-Famenne, Moeskroen and La Louvière.
- 2 new stores next financial year: Sambreville and Hasselt.

Click & collect made easy

With the new Click&Collect service, customers can easily reserve items from stock and collect them in-store in three hours. This service is popular, even with new customers or customers who have not purchased online from Dreamland before.

Dreamland was voted **best retail chain** in the toys category for the fourteenth time.

The store in Hasselt, which opened in May 2020, is the first to form part of a **shopping mall**.

The brand-new store concept **inspires** customers even more and really invites them to discover, try and have fun together.

The TV commercial from the St Nicholas campaign achieved 450.000 hits on YouTube and was generally well-received. Dreamland will focus more on emotions and **connection** in its communications.

Revenue trend before COVID-19

- Last financial year, Dreamland achieved respectable revenue growth, thanks partly to the opening of three new stores and strong online sales.
- The toy market continued to fall slightly, partly due to the lack of major events (such as a football World Cup) and new licences or major releases in gaming.
- Closures and restructurings continue to create turbulence in the Belgian toy market. Dreamland stores are still gaining market share.

Interplay between clicks & bricks

- In recent years, Dreamland worked hard on its multi-channel approach, with the focus on expanding the online shop. This now accounts for more than a quarter of sales.

- At the same time, Dreamland continues to invest in its physical stores, with a view to mutual reinforcement between offline and online. The new store in Hasselt illustrates this perfectly: in the clearly defined pick-up area close to the entrance, customers can quickly pick up and pay for their online orders.

- Dreamland combines the best of both worlds: the convenience of reserving online with physical stores for service, advice and plenty of experiences, such as meet & greets with influencers.

- Dreamland is also looking to collaborate with other online platforms. For instance, a partnership with French platform Fnac.fr has been running for two years: customers order online, Dreamland mails the goods.

Transparent pricing policy

- Dreamland is firmly committed to offering low and competitive prices and monitors prices in the market daily.

- Dreamland applies the same prices, online, offline and in all stores.

10 drop-off and collection points for NewStory

Articles for babies and children are becoming more and more popular on the second-hand market, especially more expensive items such as pushchairs, cots, car seats and high chairs. For this reason, our online second-hand platform NewStory has expanded its network of drop-off and collection points in Dreamland stores from three to ten. NewStory also continues to organise regular collection campaigns in other Colruyt Group stores.

Via the second-hand service, interested sellers can bring in items (which fulfil a number of conditions) by appointment, and NewStory then offers them for sale online. The seller receives 75% of the selling price in the form of a Colruyt Group voucher.

- On average, NewStory offers a **thousand items** for sale.
- Over **85%** of the items brought in are sold.
- Since April 2018, more than **9.500** items have changed hands so far.

2001

EUR 253 million combined revenue for Dreamland, Dreambaby and Fiets! (+6,7%) (1)

29 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

(1) Includes Fiets! from 2019/20

Find your store

dreambaby

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 house brand Dreambee. Baby gift lists, which you can put together and manage online and in-store, are very popular. Online reservations can be collected from more than 350 collection points at Colruyt or 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.

Good revenue growth

In a continually competitive market, Dreambaby recorded a good revenue increase, thanks partly to the six re-opened and refurbished stores. The baby specialist focused heavily on digital channels, to lead customers to Dreambaby more easily when they are searching for products, services or information online. This translated into online revenue growth, more store visits and sales. The growth was also driven by a slight rise in the birth rate. Revenue is well-balanced between baby gift lists and standalone sales.

Coronavirus boosts home delivery

- In mid-March 2020, all 29 stores closed their doors.
- Dreambaby took the initiative to home deliver reserved and paid-for goods from active baby gift lists for free. Convenience and simplicity, highly appreciated by customers.
- A considerable proportion of Dreambaby staff volunteered to work in our food stores, logistics or production, while only a small proportion was put on temporary unemployment.
- The Dreambaby stores reopened their doors on 11 May, in compliance with the coronavirus requirements.

Click & collect made easy

With the new Click&Collect service, customers can easily reserve items from stock and collect them in-store in three hours. This service is popular, even with new customers or customers who have not purchased online from Dreambaby before.

New store concept catches on

- The new, clearly laid-out store concept is more **inspiring** and shows off the range better. Better layout, with the till and information desk at the centre, and destination categories such as car seats at the back and items such as clothes at the front.
- The new store concept was rolled out in six stores, which experienced **stronger growth** soon after opening.
- This success strengthens Dreambaby's belief in the importance of the physical store, combined with personal, professional service and an online showcase and shop.
- Dreambaby also sees potential for new stores in city centres.

° **1983**

434 collection points at Colruyt, OKay and Dreamland stores

24.000 non-food items

Around 70 employees in FTE

collishop.be

ColliShop

Find your collection point

Collishop is the largest Belgian e-commerce platform. The online shop stands out due to its wide range, lowest price guarantee and extensive network of physical collection points. Customers collect their reservations from a Colruyt, OKay or Dreamland store or from a Collect&Go collection point. Home delivery is also an option.
Collishop Professional operates in the business market and offers companies and organisations a variety of programmes to reward their customers, employees or partners.

The online revenue of Collishop and Collishop Professional is included in the store format from where the goods are collected.

In line with the market

Collishop achieved further revenue growth in 2019/20, in line with the rising online market. Peak periods included the end-of-year period, Black Friday and the annual 'Huge Discount Days' in April and September, now a firm fixture for consumers.

The COVID-19 lockdown led to a sharp rise in activity in the final weeks of the financial year. The number of reservations increased by half, mainly in the Home Organising and Cooking & Dining ranges. In order to cope with the demand for products such as breadmakers and small kitchen appliances, a hundred extra staff were temporarily deployed in logistics. Customers then also opted en masse for home delivery. A large proportion of the reservations were delivered and paid for in the month of April, outside the last financial year.

Distribution centre up and running

- Collishop, Dreamland and Dreambaby began using a joint 17.500 m² distribution centre in September 2019. The larger available area allows the online shop to cope more efficiently with peaks in reservations.
- The move went well. We are now working on various projects to operate even more efficiently.

2019 acquisition by Colruyt Group

EUR 253 million combined revenue for Dreamland, Dreambaby and Fiets! (+6,7%) (1)

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

800 to 1.200 m² average store area

More than 1.600 bikes and 13.500 parts, accessories and clothing.
2.500 bikes permanently in stock

Around 75 employees in FTE

We ride along with you

fiets.be

(1) Includes Fiets! from 2019/20.

fiets!

Find your store

Fiets! wants to help people enjoy their bike in as carefree a way as possible. The business offers a wide range of twenty top brands, for cycling to and from work, sport and recreation. This includes conventional bikes, e-bikes and scooters as well as cycling clothing and accessories. Key points include the pleasant, spacious stores, the online shop, the expertise and helpfulness of staff and of course Fiets!'s own workshops for maintenance and repairs. Fiets! serves both individuals and businesses, and the majority of its revenue comes from sales of e-bikes. The specialist cycle shop provides plenty of experiences, for example the E-bike Testivals outside stores.

Fully integrated into the group

After acquiring a 75% stake in April 2019, Colruyt Group increased its interest in Fiets! to 100% in November. This investment is in keeping with the group's aim to respond to evolving consumer needs and to promote sustainable mobility.

Partly thanks to this acquisition, the specialist cycle shop was able to relaunch itself successfully and has now expanded its network from 11 to 13 stores.

Fiets! responded with alertness to COVID-19 and the closure of its stores from mid-March 2020. One third of normal revenue could still be achieved by home delivery of new and repaired bikes. The team also provided free bicycle maintenance to 140 healthcare workers in Mechelen. The stores reopened on 11 May, in compliance with the coronavirus requirements. Read more

- New stores in Sint-Pieters-Leeuw and Diksmuide
- Financial year 2020/21: second store in Ghent

Powering ahead

Fiets!'s dynamic team took many initiatives last financial year.

- Substantial expansion of the range. Launch of house brand **Hiron**: Belgian quality at a competitive price.
- Cycling legend **Tom Boonen** was recruited as an ambassador.
- Relocation to new headquarters in **Merelbeke**.
- Stronger marketing communication online and offline, including E-bike Magazine packed with information and **inspiration**.

One-stop-shop for business customers

- The b2b team takes care of contacts with leasing companies and directly with businesses.
- At Fiets!, business customers find a fine range for cycling to and from work and can count on a complete service: advice on buying, assistance with tax, cycling proficiency courses, a service bus providing maintenance and repairs on-site.
- Fiets! became a supplier of Colruyt Group last financial year and also won new corporate customers, thanks partly to contacts with the group's network.

ZEB, PointCarré, The Fashion Store and **ZEB For Stars:** 114 stores

Interests in retail

ZEB is the main multi-brand chain for ladies' and men's fashion in Belgium. ZEB offers more than seventy brands, also has a successful online shop at zeb.be and handy ordering screens in-store.

The ZEB group also includes multi-brand chains PointCarré, ZEB For Stars and The Fashion Store.

The four store concepts are aimed at very wide target groups, are complementary and cover a large proportion of the fashion market. ZEB is slightly younger and on-trend, The Fashion Store and PointCarré feature more personal styling and advice, ZEB For Stars is aimed at children.
All four clothing chains managed to hold their own in the challenging fashion market and even achieved good revenue growth.

Good growth in a tough market

Multi-brand chain ZEB continues to grow and achieved higher sales in 2019/20 in both physical stores and online, with home delivery or collection from the store. Expansion also took place, with for the first time an outlet in the Grand Duchy of Luxembourg. ZEB continues to focus on an on-trend range, by choosing the right brands and co-creations with influencers such as Laurentine van Landeghem and Eline De Munck. ZEB provided plenty of inspiration, for instance with a pop-up store on Antwerp's Meir and the Men's nights with Tom Waes.

- 70 stores
- 1 new store: Bettembourg in the Grand Duchy of Luxembourg
- 1 store relocated: Dendermonde
- Potential for 100 stores in Belgium

Designed especially for the target group

The multi-brand store and online shop for children aged between 2 and 16 opened a new store in Torhout, bringing the total to five. The branding and the store concept were reviewed, to arrive at a better fit with ZEB's image. At the same time, ZEB For Stars provides plenty of inspiration especially for its target group, including an Instagram corner in the store, Tik Tok meetings or meet & greets with influencer Stien Edlund.

Successful pilot in shopping mall

This financial year, The Fashion Store opened stores in Torhout and Genk, bringing the total to eleven. All outlets follow the concept introduced in 2018, with luxurious fitting rooms and a professional advice area. Genk is the first outlet in a shopping mall, a choice that is a hit with customers. The ZEB group's other outlets are mostly beside busy access roads and in retail parks.

New online shop goes live

PointCarré continued to work hard on its integration into the ZEB group and switched to the ZEB systems for till, IT and logistics, for example. In the spring of 2020, the chain opened its brand-new online shop. PointCarré has 28 outlets, including one in France. The focus for further expansion lies mainly on Wallonia.

The MyUnderwear24 online shop sells a broad range of underwear and night clothing from top brands at competitive prices.

Interests

newpharma

Newpharma is the largest Belgian online provider of parapharmacy and OTC products at affordable prices. The online shop operates in twelve countries.

In a competitive European online parapharmacy market, Newpharma achieved strong revenue growth last financial year, primarily through increased sales to existing and new customers in Belgium and the influx of new customers in France and the Netherlands. The cooperation with the Swiss partner, which began last year, is now in full swing.

To serve customers even better, we invested in several new marketing tools in 2019. Purchasing of products was optimised and the range more closely matched to the different countries. These efforts are continuing in 2020 and will contribute to further revenue growth. In order to facilitate this growth, Newpharma will also review the organisational structure and begin building a new distribution centre in Liège in the second half of 2020. In addition, the company continues to seek opportunities in other European countries.

Scallog®

SCALABLE LOGISTICS

In August 2019, Colruyt Group acquired a minority stake of 23,7% in Scallog, a successful French company specialising in "Scalable Logistics". Scallog optimises the order picking process of logistics distribution centres using intelligent robots and integrated software solutions.

2003 Spar Retail
2014 Retail Partners Colruyt Group

209 Spar stores
78 Alvo stores
102 independent stores,
including 25 Mini Markets

More than 750 employees in FTE

retailpartnerscolruytgroup.be

RETAIL PARTNERS COLRUYTGROUP

Retail Partners Colruyt Group (RPCG) is the licensee of the Spar format in Belgium. To highlight the unique partnership, RPCG has combined the Spar logo with that of Colruyt Group. RPCG works closely with the independent Spar entrepreneurs and, besides logistics, also takes care of the commercial policy, from marketing to sales support. RPCG is proud of its unique consultation model, in partnership with an 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 retailers from Alvo and Mini Market and to unaffiliated customers.

Slight revenue growth

Retail Partners Colruyt Group is satisfied with the more than expected revenue growth over the financial year as a whole. December was a good month thanks partly to the Sunday openings and the Spar catering service for the festive season.

The growth was also facilitated by the refurbishment of 10 existing stores and the attraction of 12 new Spar entrepreneurs (for existing and new stores). At the same time, ten stores closed their doors, bringing the number of Spar stores to 209 at the end of the financial year.

From the start of the COVID-19 crisis in March 2020, the neighbourhood stores of Spar and Alvo were extremely busy. RPCG pulled out all the stops to continue to supply all of its independent retailers. Besides temporary staff and student workers, many office staff from Colruyt Group also helped ensure the continuity of the logistic flows.

In a competitive environment, RPCG managed to maintain the good margins for the independent Spar retailers, partly thanks to the better purchasing terms it negotiated with the suppliers.

As last year, the Alvo stores performed in line with expectations. The Alvo retailers are satisfied with the service from RPCG.

209 stores, including 161 in the Spar Colruyt Group format

350-1.800 m² average store area

mijnspar.be

Find your store

Spar Colruyt Group is the friendly neighbourhood supermarket for daily grocery shopping, with a strong range of fresh products, personal service and competitive prices. The independent entrepreneurs 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 are also open on Sundays.

Spar was founded in the Netherlands in 1932 as the first cooperative of independent retailers. With more than 13.100 member stores in over 48 countries, Spar International is now the food distributor with the largest number of stores in the world.

- 6 new stores: Herstal, Wervik, Oudsbergen, Peruwelz, Etikhove, Hoboken
- 10 refurbishments
- 10 stores closed
- 3 new stores and 5 reopenings in 2020/21

Refurbishment of stores bears fruit

Last year, ten Spar stores underwent remodelling, or total internal and external refurbishment, often combined with expansion. The new stores feature a prominent façade and an interior with plenty of warm colours, clearly laid-out aisles, product inspiration and a greatly expanded fresh food department. Customers are welcomed into a highly appealing bakery department.

A remodelling requires considerable investment from the entrepreneurs, but immediately generates substantial **revenue growth**, often in double figures. The refurbished stores also sustain this growth beyond the first year after reopening. The entrepreneur can rely on RPCG for technical advice, sales and marketing support and a partial loan.

By the end of the financial year, 38 stores had been given a new look; the aim is to raise this to 50 refurbished stores next financial year.

Strong positioning as friendly neighbourhood supermarket

Since most food stores position themselves on price, promotions and quality, Spar also wants to profile itself more as the friendliest supermarket in the neighbourhood. As a place with a genuine market feel where customers feel at home.
Spar is working on this via remodelling and fun campaigns with inspiration and often a sustainability aspect. For instance, there was a competition with two e-bikes to be won in each store. Customers from four pilot stores supported a crowdfunding campaign to buy AED heart defibrillators for the local community.

Continuous innovation

Spar Colruyt Group constantly adapts its format and ranges to the changing requirements of consumers, frequently in conjunction with partner suppliers. Some inspiring innovations that can contribute to a bigger shopping basket:

- Visually attractive **wine cabinet** that showcases the high-class wines more effectively. The associated tasting device serves the wines at the right temperature. A special app helps customers choose the right wine and find it in the aisle.
- Range of fresh pre-packed **artisan cheese** for smaller stores which do not cut cheese themselves. Fifty entrepreneurs signed up to this partnership, a cost-effective way of offering consumers a wider range.
- 'Fresher than fresh' **bakery concept** that proves the dough itself and is very close to a traditional bakery. Already operating successfully in more than ten stores.
- Quality offer in the categories of **'on-the-go'** (chopped fruit, wraps, iced coffee, ...), aperitifs (olives, charcuterie, fish, ...) and smoothies & juices. Presented together in a prominent place.

New: 'stores temporarily under own management'

Last financial year, RPCG temporarily operated four Spar stores under its own management. This concept allows stores to open or remain active if there is no independent entrepreneur yet. This gives a new or refurbished store time to build up its business first. Or an existing store can remain open if the entrepreneur stops and a new candidate has not yet been found. The aim is still for these stores to eventually become independent.

Better perception among consumers

The Spar format is becoming more and more popular with customers. That's clear from the 2019 GfK winter report, in which Spar Colruyt Group shared second place with OKay, behind Colruyt. Spar recorded the best growth, increasing its score from 8,2 to 8,4 in the space of one year.

Coccinelle, Coccimarket and Panier Sympa, all three acquired by Colruyt Group in **2004**

296 affiliated stores: **26** Coccinelle, **93** Coccimarket and **177** Panier Sympa

1.568 independent retailers

100-400 m² average store area

8.000 items

Present in three quarters of France

More than 200 employees in FTE

codifrance.fr

Codifrance supplies around three hundred affiliated stores of Coccinelle, Coccimarket and Panier Sympa in France with dry food, fresh food and frozen products. These are mini-markets located in town or village centres that focus on customers who shop daily. Codifrance offers the independent operators a wide range of national brands, house brands and discount brands. They can also count on assistance with deciding on their range, marketing, communication and pricing.
In addition, the organisation also supplies over 1.500 independent retailers in more than 70 departments.

Great performance

Codifrance is extremely satisfied with the last financial year (1). The revenue increase in 2019/20 was due partly to the **improvement in quality** of the stores, achieved by strict selection of candidate affiliated stores and solid sales support for affiliated stores. On the other hand, the growth also follows the French market, where consumers increasingly prefer neighbourhood stores (*proximité*), a trend which has intensified by the coronavirus crisis. All of this resulted in a combination of higher shopping frequency, an increase in new customers and bigger shopping baskets.

Codifrance also achieved a pleasing **increase in profitability**, thanks to persistent efforts in recent years in areas such as credit management and solvency ratios for the affiliated stores. At the same time, operating costs were kept under control, despite a sharp increase in transport costs due to shortages in the transport market.

Following the outbreak of the coronavirus crisis, Codifrance saw its business increase significantly in the final weeks of the financial year. Thanks to the extraordinary dedication of permanent and temporary staff and extra transport resources, the organisation managed to fulfil its deliveries to its customers.

(1) The 2018/19 financial year covered 15 months (January 2018 - March 2019) of results for activities in France, while the 2019/20 financial year covers twelve months.

Greater efficiency, better service

In February 2020, Codifrance brought in a new warehouse management system (WMS) for the dry food and frozen departments. The rollout to fresh produce was postponed as a result of the coronavirus crisis.

In the coming years, Codifrance expects further **efficiency gains** in the processing of goods flows in distribution centres. Along with more accurate stock management, more pleasant working conditions and improved customer service, with fewer product gaps and better traceability.

- **2013**
- **EUR 127 million** revenue (+5,9%)
- **25.000** customers
- **10.000** items
- **More than 400** employees in FTE
- solucious.be

Solucious
a taste for solutions

Foodservice business Solucious supplies food products to professional customers throughout Belgium. Primary target groups are the social catering sector (schools, hospitals, care homes, etc.) and the hospitality sector. The range includes groceries as well as fresh and frozen products. Customers can choose from three brand layers, with, besides national brands, also the Colruyt Group house brands Boni Selection and Everyday, and its own foodservice brands Culino and Econom, specifically for large kitchens. Solucious stands out in the foodservice market by its convenience, fair and consistent pricing and proven reliability.

Reliability first!

Solucious has worked hard to increase its reliability further. Internal processes have been optimised, agreements with suppliers and transport partners finetuned.
The aim is for customers to be able to order all they need and for delivery to take place correctly and fully within the agreed time slot. Solucious achieves a high reliability score (up to 90%) on these points, outperforming the competition. It is the only actor in the sector to communicate these scores to its customers as well.

Revenue grows twice as fast as the market

- Solucious can look back on a very successful financial year. Revenue grew considerably, mainly due to increased spending in the hospitality sector and social catering. The increasingly professionalised hospitality sector is choosing delivery more and more often.
- Solucious not only managed to attract more customers, but also saw revenue per delivery rise, driven partly by price inflation. The company is also reaping the rewards of its investments in aspects such as range, convenience and reliability.
- Due to COVID-19, deliveries to the hospitality sector declined significantly in March 2020. Excluding the impact of COVID-19, Solucious' revenue increased by 7,3%.
- In March 2020, Solucious signed contracts with more than ten major Belgian hospitals. To support the medical staff, Solucious delivered their orders on site in the hospital at no additional cost.
Read more

New: bulk discount

Customers can now see more transparently the advantages of ordering in larger quantities. Naturally they can still order per item as well. Price-conscious customers can also save by adapting their infrastructure, to keep the delivery period as short as possible.

Greater convenience

- Customers can now edit their placed orders or delivery details, enter returns, etc. themselves on the ordering website. They no longer need to phone. The search function has also been optimised. Self-service is catching on: more than 90% of customers order online.
- Solucious is offering more and more dedicated foodservice products, becoming even more of a one-stop-shop for large kitchens and the hospitality sector.

Higher profitability

- As a result of the bulk discount, more customers are ordering larger quantities, making order picking more efficient.
- Internal efficiency is also improving steadily thanks to the capture and processing of more data about transport and delivery times, for example, via the delivery staff's smartphones.
- The regional hub in Machelen closed down, reducing transport costs. All staff were transferred to other sites.

Training, inspiration and sharing

Solucious organised four roadshows for large kitchens, combining compulsory training about HACCP or hygiene with inspiration sessions around reducing waste or vegetarian cooking, in partnership with suppliers. Customers also appreciated sharing knowledge and experience with their colleagues.

- 1972
- **EUR 715 million** revenue (+3,0%)
- **133 filling stations** including 76 with CNG
- **100 stores with charging stations**
- **More than 40** employees in FTE
- **Smart refuelling**
- dats24.be

DATS 24

Find your filling station

DATS 24 offers all common and alternative fuels in Belgium: petrol, diesel, natural gas for vehicles (CNG), electricity and hydrogen. Colruyt Group's fuel specialist works towards greener mobility with its offer of more sustainable fuels, and continues to invest in the expansion of its network of CNG stations, electric charging infrastructure and public hydrogen stations in Belgium. DATS 24 also organises workshops for individuals and organisations, inspiring them to make their mobility more sustainable. DATS 24 opts for ecological management of its stations, as confirmed by a renewed ISO 14001 certificate in 2019.

Volume growth in a competitive market

DATS 24 achieved a volume gain in 2019/20, due to higher sales at existing filling stations and the opening of seven new stations. The volume growth was slowed by lower sales during the COVID-19 lockdown in March 2020. Fuel prices were lower on average than for the previous financial year. Excluding the negative COVID-19 volume effect, revenue growth amounted to 5,3% in 2019/20.

In a pilot, nine filling stations are offering **AdBlue**, an additive that eliminates up to 85% of the NOx emissions of diesel cars.

DATS 24 continues to expand its CNG network and is installing more and more electric charging stations in our store car parks and on our office sites.

Refuelling with the **Xtra app** is on the rise. The number of unique users doubled in the space of one year to more than 31.000. Mobile refuelling offers customers speed, simplicity and convenience, while the flow through the station is more efficient.

- 7 new filling stations
- 11 extra CNG refuelling points
- 36 more stores with electric charging stations
- 9 filling stations with AdBlue pumps

1 million electric kilometres

Last financial year, DATS 24 sold **150.000 kWh of electricity**, three times as much as the previous year and equivalent to one million electric kilometres driven. Four fifths of that volume was charged using the DATS 24 charging pass.

The **DATS 24 charging pass** is becoming more and more popular. Customers take out an annual subscription for 12 euros and charge at the home tariff. DATS 24 supplies the monthly billing. The 'interoperable' charging pass can be used at 10.000 charging points in Europe.

Topping up electric cars while shopping is an excellent combination. For this reason, DATS 24 continues to invest in its **network of charging stations** in Colruyt, Bio-Planet and OKay car parks. There are now around 120 charging stations in store car parks and on office sites.

CNG still the right choice

For DATS 24, running on natural gas remains a sustainable choice, based on scientific sustainability analyses in conjunction with VUB, Thomas More Hogeschool and Ghent University. In addition, our specialists combine many parameters to work out which vehicles and fuels offer advantages for the climate and the environment, while remaining affordable and practical. The decision: CNG is beneficial for a large group of motorists due to **cheaper, greener driving**. There is also a sufficient supply of CNG cars, with many new models running on natural gas, besides CNG versions of popular existing models.

The natural gas network and the CNG vehicle fleet also offer **systemic advantages**. Thanks to the distribution via the underground natural gas network, natural gas is always available and no tankers have to travel the roads. The sector is also taking steps towards making natural gas more sustainable by blending it with biogas or hydrogen. CNG also familiarises the public with filling up with gaseous fuel and in so doing facilitates the transition to hydrogen mobility. Read more

Network of public hydrogen stations

DATS 24 has made progress in implementing its ambitious investment plan. The licences for the new hydrogen stations in **Haasrode** (opening autumn 2020) and **Wilrijk** have arrived. The applications have been filed for the future hydrogen stations in Erpe-Mere and Herve. DATS 24 is also planning its first hydrogen station for heavy duty transport on the logistics site at Ollignies.

DATS 24 sees great potential in hydrogen as a fuel for vehicles. Since the end of 2018, the public filling station in Halle has offered 100% green hydrogen, produced locally with power from wind turbines. Colruyt Group's car fleet already has about 25 hydrogen-powered vehicles. Read more

2012

14 wind turbines
including 1 for Eoly Cooperative

79 solar energy systems

3 cogeneration plants

More than 30 employees in FTE

eoly.be

EOLY
COLRUYTGROUP ENERGY

Eoly generates green power using onshore wind turbines, solar installations and cogeneration. Our sustainable energy producer also supplies the power generated to various Colruyt Group companies and an increasing number of external businesses. Eoly wants to be a reliable and transparent supplier. Eoly works with customers to lower their energy consumption and make their energy supply more sustainable.

Eoly Cooperative offers local residents and other individuals the opportunity to invest directly in onshore wind turbines.

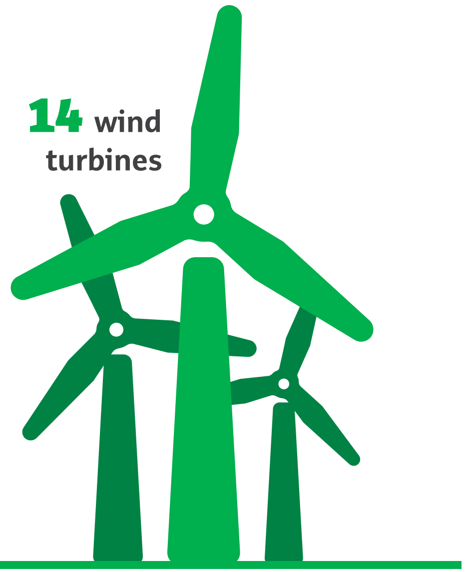
Average year for wind

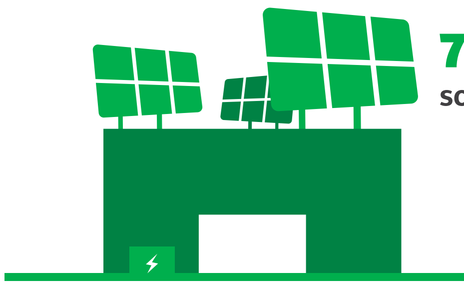
Over the last financial year as a whole, Eoly noted an average wind yield, with moderate results in 2019 and an absolute record month in February 2020. During a series of stormy weekends, the turbines ran permanently at full load.
With an availability factor of 99%, the solar installations on central buildings and stores performed very well.

In 2019, Eoly covered 33% of Colruyt Group's total power consumption in Belgium, 2% more than the previous year. For the central sites in and around Halle, as much as 70% of the power consumed came from our own installations.

2019

- **76.270 MWh electricity generation** (excluding 1 Eoly Cooperative wind turbine)
- **21.792 households**
- **16.412 tonnes CO_2 emissions avoided**





Two new cogeneration plants operational

In mid-November, two new cogeneration plants went into operation at our logistics sites at Ghislenghien and Stroppen (Halle). Via cogeneration, we produce electricity from natural gas and use the heat generated locally to heat buildings and water.

Cogeneration uses less natural gas than generating electricity and heat separately. This increases our flexibility, since we gear electricity production to times when heat is needed. Finally, the plants boost energy security, as a back-up in case of a blackout of the national grid.

Three plants are now operational in total. Together, they produce around 15.200 MWh of electricity per year (equivalent to the annual consumption of 4.343 households), plus around 16.200 MWh of thermal energy (566 households).

Maximum information, focus on local connections

- Eoly recognises that the announcement of a new wind farm can lead to concerns or opposition among local residents. For this reason, the energy specialist enters into a **dialogue** with local residents, interest groups and authorities at an early stage.
- Even after planning permission has been applied for, Eoly wants to keep all stakeholders informed as much and as transparently as possible, for example by systematically organising an information meeting. The aim: to generate **local support** and boost engagement, possibly via participation in Eoly Cooperative.
- Eoly invests a great deal in **local connections** and added value for local residents and the local community. For instance, we create recreational or educational green spaces around the wind turbines.

Hyoffwind aims to produce green hydrogen in Zeebrugge from 2023

- Together with the Belgian gas network operator Fluxys and Parkwind, Eoly plans to build a large power-to-gas installation in Zeebrugge, called Hyoffwind. The installation will use green electricity from offshore wind farms to produce hydrogen on an industrial scale, a first of this size for Belgium.
- The result of the feasibility study backed by the federal Energy Transition Fund was positive in terms of technology, legal requirements and permits. In February 2020, the consortium issued a call for tenders for the construction of the installation. It aims to take a final investment decision in the autumn of 2020 and relies on widespread support from other stakeholders, both private and public. Once the necessary permits and authorisations have been obtained, construction will start by mid-2021, with a view to being operational at the start of 2023.
- Hyoffwind sees three relevant applications for green hydrogen: as a raw material for industry, as a fuel for logistics and transport, and as a possible way of injecting sustainable gas into the natural gas network.
- Hyoffwind could mark a milestone in making the Belgian energy landscape more sustainable. The project could boost local knowledge building and the green hydrogen economy, and make Belgium a leader in innovative hydrogen solutions.

Eoly Cooperative pays a good dividend

Eoly Cooperative has had a wind turbine in Halle since 2017. In many of the planned wind farms, a turbine is reserved for the cooperative. The next capital-raising exercise is planned for the end of 2020, to invest in a wind turbine in Rebaix/Bouvignies.

Three hundred member-owners and stakeholders attended the second General Meeting in June 2019. This approved a gross dividend of 5,5% on the results for 2018, almost as high as the legal maximum of 6%.

Wind farms on the way

- **Rebaix/Bouvignies**. After a pause due to the delayed delivery of wind turbine parts, work resumed in March 2020. The three wind turbines should be operational by the end of 2020. One of them is reserved for Eoly Cooperative.
- Further progress has been made with the permit applications for three wind turbines in **Lessines/Silly** and two wind turbines in **Frasnes-lez-Anvaing**.
- **Ronquières**. In February 2020, an information meeting was held for local residents. We plan to apply for planning permission for seven turbines in February 2021.
- Many projects are also planned in **Flanders**, for instance in Dendermonde, Bornem, Zele, Lummen and beside the E40 in the polders.

New energy holding company Virya Energy set up

Colruyt Group and its family majority shareholder Korys set up a new **energy holding company** under the name Virya Energy in December 2019. This company is active in the production of sustainable energy, with a major focus on wind energy, both offshore and onshore. Virya Energy aims for international expansion, wants to increase its production capacity further and match this as far as possible to the sustainable energy world of tomorrow.

Colruyt Group and Korys transferred their holdings in **Parkwind** NV (offshore wind energy) and **Eurowatt** SA (onshore wind energy) to Virya Energy in December 2019. The aim of this was to centralise the management of the energy production activities of the underlying companies, to increase technological expertise, and to create economies of scale and continuity in the capital-intensive and fast-growing renewable energy sector. Before the transaction, Colruyt Group had a 60,13% direct stake in Parkwind. Colruyt Group now has a majority stake in the energy holding company Virya Energy.

After the close of the financial year, Colruyt Group transferred all assets relating to the renewable **wind energy activities of Eoly** to a newly founded company, Eoly Energy. These comprised 13 wind turbines, permits and staff responsible for the maintenance and management of existing wind farms and the development of new wind farms. At the end of May, Colruyt Group transferred the whole of Eoly Energy to Virya Energy. Via its subsidiary Eoly Energy, Virya Energy now supplies green electricity to Colruyt Group. The solar panels and cogeneration units were not transferred and will continue to be managed by Colruyt Group in future.

In June 2020, Virya Energy acquired the shares of minority shareholder ParticipatieMaatschappij Vlaanderen (PMV) in Parkwind, so that Virya Energy now owns 100% of the shares in Parkwind.

In the transactions, Colruyt Group and Korys complied with the requirements of the conflict of interest rules.

As a result of the transfer of Eurowatt SA to Virya Energy, Colruyt Group now also has an indirect stake in Eurowatt. Eurowatt is mainly active in onshore wind energy in France, but is also present in the Polish, Spanish and Portuguese renewable energy markets.

Interests in offshore wind farms

Parkwind invests in wind farms off the Belgian coast and abroad. The company wants to create economies of scale in the offshore sector and so accelerate the transition to a green energy supply. Parkwind is one of the few actors in the industry to adopt a 360° approach. It takes care of the financing, development and construction as well as the operation of its wind farms. Parkwind is a Belgian company with an international operating range.

The holding company Parkwind NV was founded in 2012. Colruyt Group, Korys and ParticipatieMaatschappij Vlaanderen (PMV) were Parkwind's shareholders. Colruyt Group had a 60,13% stake in this holding company. Parkwind has now been fully absorbed in the new energy holding company Virya Energy, of which Colruyt Group and Korys are the sole shareholders.

Green power for 550.000 households

In 2019, the first three wind farms off the Belgian coast produced a total of 1.926 gigawatt hours of green electricity, or the equivalent of the annual consumption of 550.289 households.
Of this, 550.885 MWh was produced for Colruyt Group (allowing for Parkwind's varying interests in the three wind farms).

2019 was a rather weak year for wind, with a lower than average wind yield, followed by record productivity in the first two months of 2020.
The general availability factor remained at the same high level as the previous year, at 97%.

° 2010 165 MW **55 turbines**	° 2014 216 MW **72 turbines**	° 2017 165 MW **50 turbines**	° 2020 219 MW **23 turbines**
Belwind	**Northwind**	**Nobelwind**	**Northwester 2**
78,54% Parkwind **21,46%** Meewind	**40%** Aspiravi **30%** Parkwind **30%** Sumitomo Corporation	**41,08%** Parkwind **39,02%** Sumitomo Corporation **19,90%** Meewind	**70%** Parkwind **30%** Sumitomo Corporation

Northwester 2 fully operational

- Since May 2020, all 23 turbines produce power for the Belgian grid, barely 10 months after work began offshore. A remarkable achievement, in view of the limited operating windows due to the bad weather in January, February and March 2020, followed by the coronavirus pandemic. In close consultation with the government and the subcontractors, the working methods were adapted, so that the construction could proceed safely. Thanks to the exceptional dedication and creativity of all partners, the project was completed **within budget**.
- With a capacity of 219 MW, Northwester 2 can produce enough energy to cover the annual consumption of 220.000 households. The electricity comes ashore via grid operator Elia's 'power socket at sea'. These are the **largest turbines in the world** in a commercial wind farm.

Offshore pioneer

Parkwind is famous worldwide for its expertise in the development, construction and operation of offshore wind farms. The company often plays a pioneering role with innovative techniques and solutions.

- For the Arcadis Ost 1 wind farm, Parkwind chose the V174 9,5 MW turbine from MVOW with a rotor diameter of 174 metres, a **world first**.
- The turbines in the Baltic Sea will be assembled onboard a **floating vessel**, another world first. This eliminates the need to install an assembly platform on the difficult seabed. This method shortens the assembly time, saves costs and makes challenging areas worldwide suitable for offshore activity.
- Successful commercialisation of **Marlinks** software: permanent monitoring of the depth at which power cables are buried. A joint venture between Parkwind and Fluves.

Projects launched

Oriel Wind Farm. The research phase for the first wind farm in Irish waters was delayed due to the changing regulatory framework in Ireland. Nevertheless, at the end of March 2020, the soil survey was able to be completed, supplying essential data for the foundations and location of the turbines. Partners Parkwind and Irish electricity company ESB are investing in further research, so as to be as well-prepared as possible for the auction in 2021.

Parkwind continues to work hard on partnerships for the development of new wind farms in **Asia and Europe**.

From offshore energy to green hydrogen

Together with our green energy supplier Eoly and gas network operator Fluxys, Parkwind plans to build a power-to-gas plant in Zeebrugge. The aim is to convert renewable offshore energy into green hydrogen on an industrial scale. "This project is totally in keeping with the goals of the Flemish government around hydrogen and the European Green Deal", commented Parkwind co-CEO François Van Leeuw. Read more on page 83.

Arcadis Ost 1 well underway

- The German wind farm in the Baltic Sea is taking shape. Contracts have been signed for the supply, positioning and installation of the wind turbines and for the design, construction and installation of the power station.
- The wind farm will be constructed as planned in 2022. Initial production is expected by the end of that year, in order to be fully operational, as planned, in the first quarter of 2023.
- With a capacity of 247 MW, the wind farm will be able to supply up to 300.000 German households with green electricity.

Funding via North Sea Wind cooperative

Via the North Sea Wind cooperative, private individuals can also invest in offshore wind farms. The cooperative, set up by Parkwind, Colruyt Group, Korys Investments and PMV in 2018, raised EUR 13.195.660 from the public, a **record amount** for cooperative investment in green energy in Belgium. The cooperative lends the amount raised to Parkwind, which in turn invests in various wind farms, including Northwester 2.

Group support activities

Fine Food

Colruyt Group is the only food retailer in Belgium with industrial-scale production departments, grouped under Colruyt Group Fine Food.
In-house production and the expertise we have built up over the years enable us to operate in a cost-effective manner, to guarantee constant quality and create added value for our private labels and ultimately for customers.
Meat processing is the biggest activity, but Fine Food also includes a coffee-roasting house, a wine-bottling plant, a cheese-processing department, a bakery and a 'vertical farm' for fresh herbs. Fine Food employs more than 1.000 co-workers on 7 production sites.

Volumes stable or rising slightly

- At Fine Food, production volumes rose slightly in general, partly as a result of the expansion of the number of stores. In addition, the production departments constantly develop new products specifically for our foodservice business Solucious.
- The slight downward trend in meat consumption was offset by rising production of salads (now including gluten-free and vegetarian products) and the expansion of the range of cold meats.
- Due to the sudden increase in demand from stores as a result of the COVID-19 pandemic, Fine Food received an influx of unforeseen orders from mid-March. About one hundred extra staff from many other divisions stepped in to help. As a result, Fine Food managed to produce the extra volumes and meet the increased demand. Read more

49.300 tonnes of meat processed

24.100.000 litres of wine bottled

49.120.000 pieces of cheese packaged

6.915 tonnes of coffee roasted

29.250.000 loaves baked

Fine Food continues to invest strongly in innovation and optimisation of machinery

Slicing and packaging cheese more efficiently

Fine Food Cheese installed a new slicing and packaging line for sliced cheese. This calculates the exact thickness and number of slices per pack, so that all packs meet the fixed target weight. As a result, the packs can also be given a unit price instead of only the price per kilo. The sliced cheese is now packaged in a 100% recyclable and resealable tray. The line is up to **50% more efficient** and can deliver up to 4.000 packs of cheese per hour.

Coffee in new hard packs

The coffee-roasting house brought a new, more automated hard pack line into service, at 117 m^2 the largest on the entire site. The ground coffee first undergoes tight vacuum packing and is then given a paper wrapper. The result: coffee that keeps well and is attractively packaged. With the new line, Fine Food Coffee integrates around 800 tonnes of ground coffee which was previously packaged elsewhere.

Software for optimisation

Fine Food is constantly looking for new ways of optimising production and so improving cost-effectiveness. For instance, several meat and cheese production lines were equipped with OEE (Overall Equipment Efficiency) software. The data collected then forms the basis for possible improvement projects. The goal is to eventually equip **55 production lines** with OEE.

- Fine Food Meat now also processes **organic pork**, having begun with organic beef last year. Processing takes place according to the regulations in a totally separate circuit.
- Each production site has a *lean room*: a room with multiple screens to better visualise and discuss the production figures.
- Graindor Espresso was voted best coffee in a test by Test-Aankoop.
- Fine Food Bread reorganised the distribution zone, where the crates of bread are prepared for distribution to the stores. Extra space will be added by 2021.
- The construction of a new production hall for salads is progressing according to plan and will be operational at the start of 2021.

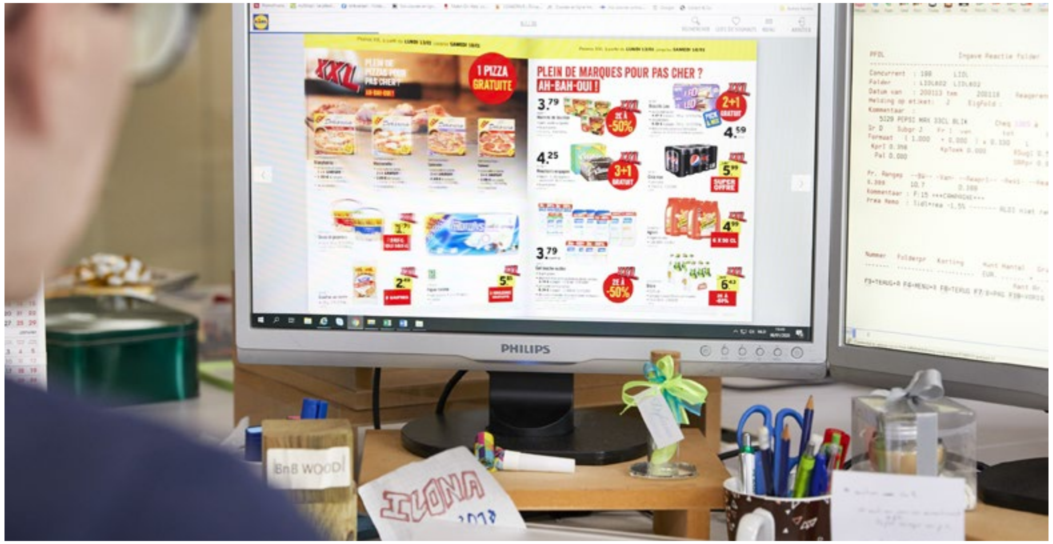
Retail Services Center

Retail Services Center brings together several departments specifically supporting our store formats, so that they can continue to stand out in an extremely competitive 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.

Individual pricing

Each of our store formats follows a separate pricing policy, in line with their own positioning in the market. Our brands follow their own competitors, determine which services they offer and how prices are set. For this, they can count on the support of the Service Centre Price: 120 experts, including price recorders (in flyers, stores and online), data analysts, product managers and price setters.

In order to implement Colruyt Lowest Prices' lowest price guarantee, employees record about **100.000 prices** every day, in flyers, stores and online. After comparing and adjusting prices for more than 40 years, Colruyt unquestionably has the greatest expertise in this area.



Permanent quality control

A large team of quality and health experts ensures that our food and non-food products comply with all quality requirements and offer added value in terms of health or sustainability.

- **Nutritional improvement**. To help consumers make healthier choices, we work hard on the nutritional composition of our private label products. Specifically, we mainly reduce the amount of salt, sugar and fat and add fibre. Read more
- **Taste and quality**. Every new or improved product systematically undergoes extensive taste and use testing by customers and employees. Thanks partly to our mobile test infrastructure and our system for home testing, more than 100.000 people have already taken part in the last few years.
- **Safe toys**. Our non-food team has extensive expertise in safety testing of items such as toys. This service also happens to monitor the quality of the facemasks we offer.

More and more accurate product info

To enable consumers to make informed choices, we want to inform them about our products in a transparent, uniform and consistent manner. And we like to make this as easy as possible for them.
It all starts with our **Product Information Management (PIM)**. Thirty employees provide relevant, accurate and reliable product information, to assist our store formats, and ultimately consumers.

- **Personalised information**. PIM also supplies product information to the SmartWithFood platform, to enrich its app, which recognises 20.000 food products, and as input for personalised nutritional advice.
- **Clear packaging**. PIM ensures that consumers find relevant and clear information on our private label packaging, in line with the legal requirements. We are also giving more and more (private label) products a Nutri-Score.

Information Trading Office

Information Trading Office valorizes data and information collected from our broad range of activities. By marketing insights and knowledge, we support suppliers in offering customers the right products at the right time.

Corporate Marketing

The Corporate Marketing department determines the marketing and communication strategy of Colruyt Group and corporate sub-brands such as Collibri Foundation. This includes the brand management of private labels such as Boni Selection, Everyday and Kangourou, including design and production of all packaging. The department also includes the press & PR, market research, digital communication and customer data services. Several services not only operate at group level, but also support various operating units of the group.

In Contact

In Contact handles all enquiries from customers, employees, suppliers or other partners. Several specialist contact centres are at the service of all store formats, as well as internal departments such as IT and HR.
The 275 employees can be reached by phone, email or via various websites and social media. Altogether, they handle around 3,5 million contacts every year. In Contact's strength lies in the combination of intelligent technology and standardised processes and systems with competent, customer-focused employees.

The group support activities serve the entire group and all group companies.

Customer Communication & Experiences

The marketing communication and production department CCX translates the marketing objectives of the different brands into targeted marketing communication, online and offline. The department has over 400 permanent employees, from designers, copywriters, photographers and video specialists to media and digital experts.
CCX operates under the brand name **Symeta** for external clients. This print and document specialist possesses the latest print technology and is a leader in personalised marketing communication and transactional document flows. Symeta's external revenue is recorded under 'Other activities'.

COLRUYTGROUP ACADEMY

Colruyt Group Academy provides all education and training programmes for Colruyt Group employees. The past financial year, the group invested about 3,04% of the payroll, or around EUR 38,8 million, in this.
The Academy also has a strongly growing offer of workshops for individuals and companies, providing inspiration and experience on many themes. The workshops are held at eleven meeting centres spread across Belgium and are democratically priced thanks to sustainable partnerships. With a pool of over 500 lecturers and trainers, the Academy has grown into a major actor in the Belgian training sector.

Boni Selection positions itself as a sustainable brand

Colruyt Group is taking numerous initiatives to make the range of its 'house brand' Boni Selection more sustainable. Since the average consumer is not always aware of this, we will highlight these efforts more prominently in future.

To this end, in the spring of 2020, Corporate Marketing launched the first large-scale Boni Selection campaign, rolled out widely on radio, TV, online and social media. The long-running campaign has different phases, each of which tells the sustainable story behind a Boni Selection product. The first story shone the spotlight on the milk from our partnership with Inex.

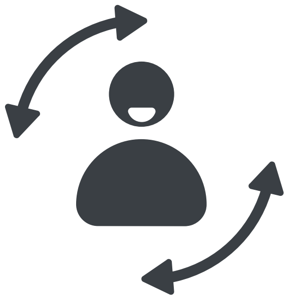
Read more

Boni milk in recognisable packaging

To offer our Belgian dairy farmers guaranteed sales and greater income security, Colruyt Group set up a project in partnership with dairy company Inex in 2019. Since April 2020, the first milk from this initiative has been on the shelves under our house brand Boni Selection. The range comprises eight milk and five cream products, available at Colruyt Lowest Prices, OKay and Spar Colruyt Group.

The packaging team from Corporate Marketing created special packaging with a fresh, recognisable label. So customers know instantly that they are supporting the 330 affiliated dairy farmers with their purchase.

In Contact



Focus on self-service

- The new contact platform refers as many enquirers as possible to a website with frequently asked questions and answers. Anyone who has further questions fills in a special web form. After filtering for language and subject, for example, the question automatically reaches the right employee. This ensures that it is dealt with more efficiently and the enquirer is **served more quickly**.
- The platform is already operational for customers of Colruyt, Dreamland, Collishop and Dreambaby. Other store formats will follow. The platform currently processes emails, phone calls and web forms. Chat and possibly specific social media channels will follow later.
- Since it was set up in 2016, In Contact has achieved significant **efficiency gains**, resulting in fewer unproductive contacts, shorter handling times and a lower cost per contact.

4.500 calls a day

2.500 emails a day

COVID-19 generates record contacts

Due to the busyness of our stores and online shops as a result of COVID-19, customer services experienced their busiest days ever. In the second half of March, In Contact answered more than 4.500 calls and 2.500 emails a day, plus masses of messages on social media. During this period, the customer services teams of our food stores processed 125% more calls and 150% extra emails. Fortunately, In Contact could count on fifty extra staff from other departments.

+125% calls

+150% emails

Symeta wins major long-term contracts

Last financial year, print and document specialist Symeta managed to land several long-term contracts with major clients, including telecom company Proximus and bank BNP Paribas Fortis. For health insurance fund CM, Symeta will print and send all administrative customer communications, amounting to 4.800.000 mailings per year. Two million letters and one million test kits will also go out every year on behalf of cancer screening centre 'Centrum voor Kankeropsporing'. In 2019, Symeta obtained **ISO 27001 certification** for its information management system, which guarantees the highest possible security for confidential data such as personal data.

Stores create their own simple communication

More and more Colruyt Group brands are using the 'Web-to-print' tool to create their own version of standard displays such as posters and flyers for openings or tastings. This is based on an online library of premade templates in which stores change the date or location, for example, themselves and CCX then prints the materials or sends them digitally. This process gives the stores more autonomy, significantly shortens turnaround times and increases the sustainability of the entire production chain.

Paper wraps of the future

Despite the rise in digital communication, CCX also invested substantially in new print and mailing technology for paper wraps, for example. This has already been used for years for the two-weekly Colruyt leaflet that goes to over 2,4 million customers. This solution is more relevant than ever for large-scale and personalised communications, in view of the future national ban on plastic film. As a result, paper wraps are becoming more and more popular among internal partners and external clients.

EXTERNAL

52.000 participants in Colruyt Group Academy workshops

48% more participants than last year

Year after year, Colruyt Group Academy records a sharp rise in the number of participants in its workshops for individuals and companies. Last financial year, the Academy organised **4.100 workshops**, in which a total of 52.000 people took part, almost half as many as the previous year. Cookery workshops in particular continue to do well, with Spanish Cooking, Easy veggie, Cooking is child's play and Travels with a wok the most popular.

The rising popularity is due partly to the opening of new meeting centres in **Kortrijk** and **Liège**, which experienced high occupancy rates from the opening. The Academy also enjoys strongly growing brand awareness, as a result of increased communication on national media and its focus on local connections.

Extensive offer to inspire children

Children are delighted by Colruyt Group Academy's wide range of workshops. These range from fun and meaningful activities such as face painting and Fimo to cooking together and start to DJ and programming robots. There is also a series of activities for grandparents to enjoy with their grandchildren, ideal for bonding. Finally, the Academy also offers fully-organised birthday parties for 5 to 12-year-olds, reaching the milestone of **one thousand parties** last financial year. The concept is simple: parents choose from thirteen themed parties, pick a date and a location and the Academy takes care of the rest. All workshops and parties comply with the Belgian Pledge, the self-regulatory initiative for advertising aimed at under-12s.

EXTERNAL

New products, sites and dynamic

- Focus on growth in the business market. Companies come for a **team workshop** combined with a special meeting or presentation.
- New centres are planned in **Antwerp** and **the Bruges** area.
- Closer collaboration with other Colruyt Group brands. For example, shooting of Studio 100 programme **De Pottenlikkers** in the Academies of Melle and Namur, in conjunction with Colruyt; Bébés Rencontre in conjunction with Dreambaby and La Ligue des Familles.
- Shift from rather product-related themes to more (brand) **experience.** For example, baby massage or pregnancy yoga workshops.
- Strong **partnerships** with some eighty brands help support our investments in further growth.

INTERNAL

Colruyt Group Academy for employees

Colruyt Group Academy provides all education and training for employees in Belgium. Last financial year, we focused on raising the quality of the offer, the shift to mobile learning and personalised development. **19.600 employees** took part in one or more trainings.
In addition, almost 1.600 colleagues visited a supplier to boost their product knowledge.

- After three months in the role, all new managers follow the totally redesigned **leadership programme**, 12 days spread over one year. They develop self-awareness about their own leadership and its intrinsic paradoxes, and immerse themselves in our company culture and values.
- We are focusing increasingly on individual talent and competency development, via assessments, talent exercises, growth paths and so on.
- Extended due to success: our start-to-run and start-to-walk offer.

Digital learning on the rise

The Academy is offering more and more training and education remotely. Digital learning significantly reduces the number of journeys by employees and trainers and ensures that information is accessible at the right time: when appropriate or necessary.

For example, there are e-learnings about cyber security, project management and language learning for **office staff**.

Technical staff follow a basic electrical course at their own pace.

For **store staff**, there are mobile work instructions about the maintenance of the cardboard baler or the coffee machine. They simply scan the QR code on the machine and their mobile device visually guides them through the work instruction step by step.

Business Processes & Systems

Business Processes & Systems (BP&S) provides quality and efficient business processes, information flows and communication systems. BP&S supports all group departments and companies in the fields of IT and process optimisation. The IT department also responds to rapid technological developments and relates them to partners' specific requirements. All can count on a clear single point of contact in service- and partner-oriented BP&S. The organisation has over a thousand permanent employees in Belgium and around 450 in India. The department in India makes up for the shortfall in IT profiles in Belgium.

Technics & Real Estate

Technics operates in Belgium and Luxembourg with over 1.500 employees. The technical department offers a complete service for stores, distribution centres, vehicles and machinery: from study, design, procurement, construction and installation to maintenance and prevention. Technics pursues sustainable, innovative solutions, often goes much further than required by law and follows environmental management rules meticulously. **Real Estate** handles all requirements relating to real estate, including stores, offices, logistics centres and production buildings. The service seeks and buys new sites and takes care of the permits and contracts.

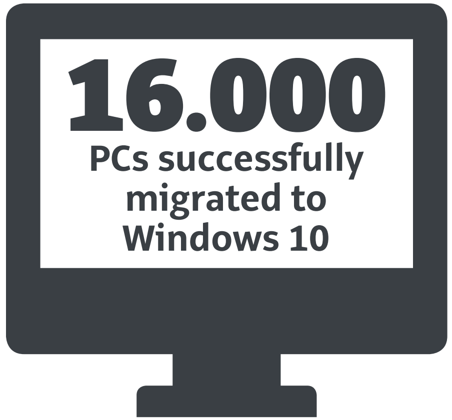
The group support activities serve the entire group and all group companies.

People & Organization

People & Organization coordinates and supports Colruyt Group's HR policy. The 350 employees have one common purpose: to support, develop and connect people, team and organisation sustainably. 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.

Finance

Finance offers a full service package: from invoicing support, accounting, financial and analytical reporting, production of forecasts, tax and commercial legal assistance to support with business development dossiers. The department has more than 300 employees in Belgium, France, Hong Kong, India and Luxembourg. Finance constantly seeks greater efficiency and effectiveness, to raise its service to an even higher level. The transformation to a process-oriented organisation, for instance, is well advanced, so as to respond better to the financial requirements of the group.



Herculean effort for teleworkers

As a result of COVID-19, working from home suddenly became the norm for office workers, which was not usual at Colruyt Group. In the space of a week, BP&S rolled out VPN connections for more than 6.000 employees in Belgium, France and India. This gave them secure access to the company network from home. On average, four thousand colleagues used their VPN connection every working day. Thanks to extra bandwidth and server capacity, the load on the network never exceeded 50%.

- Guaranteed 32-hour cold chain
- More flexible and efficient logistics planning
- Fewer trips thanks to larger container capacity

Liquid ice for frozen transport

To make the transport of frozen products to stores more sustainable, the R&D&I department has developed a mobile refrigerated container that uses liquid ice. Research into this Liquid Ice technology began in 2016. In August 2019, the first containers and the system for making ice went into operation. By June 2020, all **2.000 frozen containers will be in circulation**. The liquid ice filling station is fully automated. This works quickly and efficiently and also ensures that employees spend less time working in freezing temperatures. R&D&I previously developed liquid ice containers for fresh products, 6.600 of which are in circulation. Read more

State-of-the-art technology in practice

- Trial of **artificial intelligence** and robotics at the OKay distribution centre, as an enrichment for the existing automation.
- Trial of AI for **automatic product recognition** at the checkout.
  Read more
- We already make full use of **virtual reality** in our technical training programmes, for store layouts and building plans, for example for Bio-Planet's new service counter.

Vertical farm up and running

Quality basil with a tiny footprint? We grow this in our 'vertical farm', a closed multilayer system for 250.000 plants. Vertical farming needs 20 times less space than conventional cultivation, uses 90% less water and 50% less nutrients, and runs on 100% green electricity. The technology was developed and built by our R&D&I department and brings together years of expertise in areas such as water purification, led lighting, ventilation, cooling and automation. For the last 2 years, biotechnologists and bio-engineers have been tweaking the process to find the optimal conditions and doses of air, light, water and nutrients, in partnership with knowledge institutions such as UGent and KULeuven. Further research is taking place in collaboration with VLAIO (Flemish Agency for Innovation and Entrepreneurship). Read more

More workplaces closer to home

To promote a healthy work-life balance, reduce traffic on the roads and time spent in traffic jams, we continue to invest in opportunities to work closer to home.

- We have opened regional offices in **Merelbeke** and **Kortrijk**, providing 56 and 20 extra workstations respectively. These are in addition to our existing shared offices in Deinze, Denderhoutem, Mechelen, Bornem and Haasrode, among other locations. As a result, we now have a total of around **390 regional workstations** which employees of corporate services can reserve two days a week.
- We constantly monitor which regions require extra regional workplaces and decide whether or not to invest based on criteria such as where employees and potential applicants live, proximity to the road network, distance and travelling time to the central offices, etc.
- The office building in Merelbeke is also the home base of Fiets! and SmartWithFood. The decentralisation of these business units avoids extra traffic around our head office in Halle.

Young analysts and developers welcome

Our IT department BP&S organises traineeships to train school leavers and candidates with little or no experience to become analysts or developers. The one-year programme covers specialist training, practice project cases and an introduction to the different departments and opportunities within the group.

BP&S also made substantial investments upgrading the software environments to industry standards, more efficient working and greater job satisfaction for developers. This makes it easier to recruit and retain new people.

Traineeships for young starters

- Last financial year, **26** recent young graduates started as trainees, the majority in IT, but also in HR, finance, logistics and purchasing. During a maximum period of one year, the trainees complete an internship in various departments. They gain practical knowledge of many jobs, processes and working methods, and start building a network.
- As an organisation, we see traineeships as a **win-win**. We facilitate the inflow of young starters and also meet the growing demand from young people for mentoring, training and opportunities to try different things.
- For example, Technics is launching a new traineeship in **engineering**. From September 2020, up to eight young engineers will work in four different departments for ten months, before taking up a permanent position.

More and more training opportunities in-house

To tackle the shortage of specific profiles in the job market, we are setting up more training and education programmes ourselves. These are open to new employees and colleagues who want to give their career a different direction.

- In our **technical school**, the first four colleagues have successfully completed the training in basic machinery techniques. These employees with a new direction receive further training by the department in which they will end up.
- Twenty-eight employees have successfully completed the **butcher's training**.
- Two new programmes for **prospective managers**: trainee store manager for Colruyt stores and junior team leader for logistics.

Sustainability

Together, we create sustainable added value at Colruyt Group. Starting with our economic impetus, we create a virtuous circle, socially and ecologically. With a long-term view. We believe that, in this way, our entrepreneurship drives sustainable change.

Our vision on sustainability

Our ambition

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

Our actions and operations impact on our customers, suppliers, partners, society ... We occupy a very important point in the supply chain: close to the consumer and the producer. Conscious of this strong connection and constant interaction, we want to play a meaningful role for everyone who is involved in our business, from near or far. And create added social value.

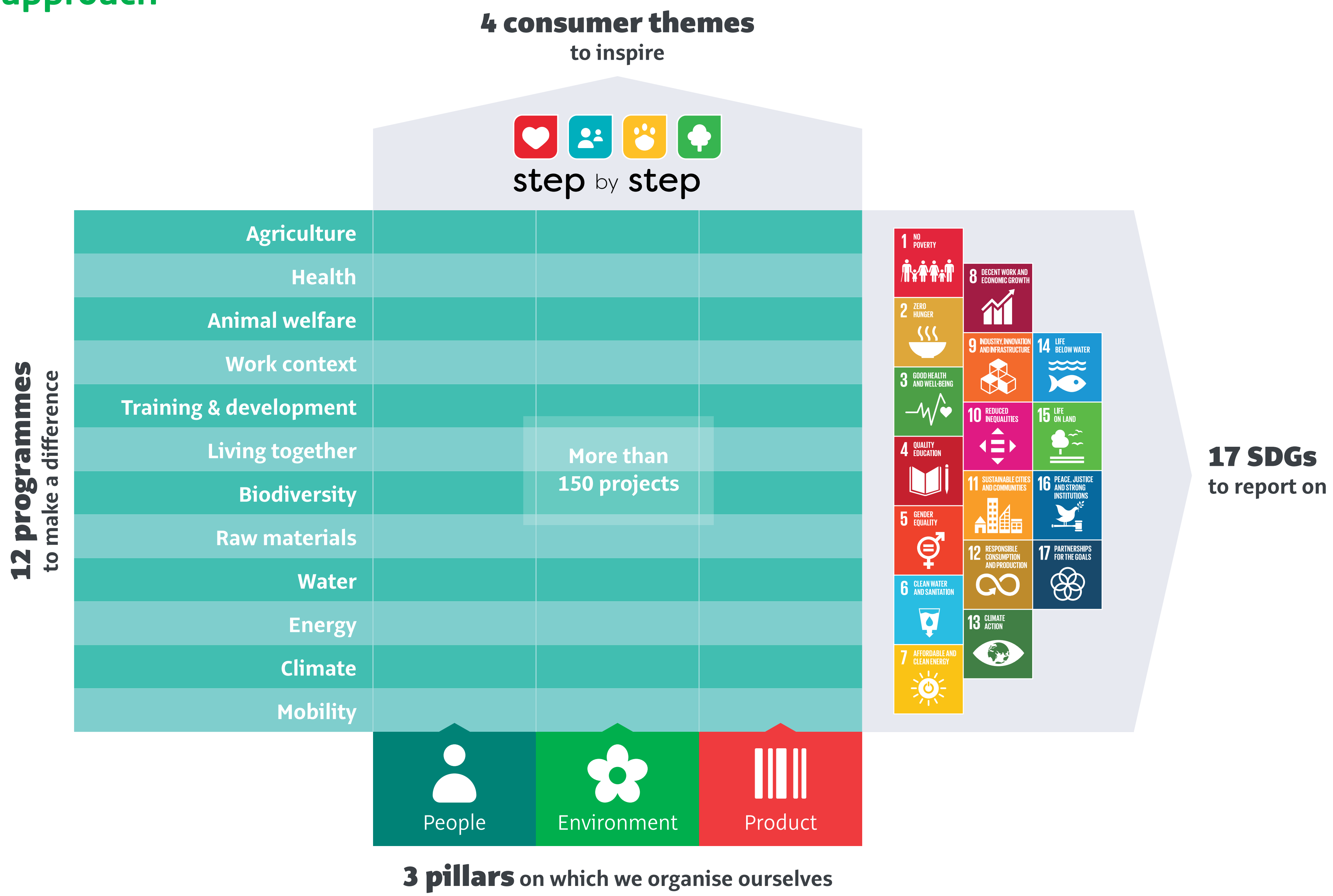
Naturally, we want to continue to make our own activities more sustainable, as we have been doing for decades. We set ourselves challenging targets, focus on innovation and take the lead. Because, first of all, we want to tackle our own organisation and reduce our impact. So, we continue to focus on what we can do better ourselves and how we can do that in a future-proof way. After all, sustainable entrepreneurship also means that we can continue to do business. That's why the **balance** between economic, ecological and social factors is so essential.

As a business, we rely on the raw materials and energy sources from our ecosystem. We want to do this with maximum **respect for the earth**. We focus on what we don't need to consume. This is a familiar mindset for us, stemming from our striving for efficiency. In terms of sustainability, we can express it as follows: how can we achieve maximum economic growth and human development with minimum raw materials and energy? Sustainability and efficiency go hand in hand for us.

We are also conscious of the impact we have on the entire supply chain. In sourcing products and raw materials, we have an **indirect** but nonetheless significant **impact**. For this reason, we form sustainable partnerships with suppliers, farmers and other stakeholders and carry out checks on the ground. On the other hand, in internal and external production and distribution, we have a **direct impact**. Through more sustainable energy, transport, materials and water consumption, we aim to reduce this impact – and at the same time take a leading role via innovation. Finally, we identify an indirect impact on the last links in the chain: in the use of our products and services. We are taking action here too, with the focus on '**conscious consumption**'.

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

Our approach



12 programmes to make a difference

Our sustainable entrepreneurship comprises twelve programmes, through which we believe we can make a positive impact, in every link of the chain.

1 **Agriculture**
2 **Health**
3 **Animal welfare**
4 **Work context**
5 **Training & Development**
6 **Living together**
7 **Biodiversity**
8 **Raw materials**
9 **Water**
10 **Energy**
11 **Climate**
12 **Mobility**

We follow a dual approach. Firstly, we want to make our own organisation and activities more sustainable. Secondly, we want to enable consumers to consume more consciously and encourage them to do so. Most of the programmes incorporate both components, to a greater or lesser extent. We always start with ourselves, but our ultimate aim is to involve the consumer in each programme as well.

Internal working groups are developing each programme further, through more than 150 projects. This financial year, we have continued to define a clear scope, vision and measurable objectives for each programme. For several programmes, this process is complete.

4 consumer themes to inspire

We want to enable and encourage sustainable and conscious consumption among our employees and consumers. Through our product range, services, infrastructure, communication and tools. We want to offer them simple, personal assistance so that they can make conscious choices and take the initiative, drawing on intrinsic motivation. Without feeling inhibited by practical or financial concerns. In this way, bit by bit, we bring about a virtuous circle and hope to inspire those around us to make a difference together.

step by step

We want to roll out this ambition widely through 'Step by step': a 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. Through this, we inform our customers with tangible proof and offer them inspiring tools to **make better and easier choices**, in an intuitive way. We bring a distinctive story that speaks to consumers and increases confidence in Colruyt Group. Step by step. Read more

3 pillars on which we organise ourselves

In organisational terms, we have divided the Sustainability domain into three pillars, to which we adopt a broad approach. This makes it easier to work efficiently and achieve our goals. Each pillar reports regularly to the Domain Board. This Board is made up of representatives from across the whole company: from corporate services as well as the various store formats. They know the current projects inside out. This organisational structure ensures that sustainability is deeply rooted in every part of Colruyt Group.

Sustainability Domain
Vision, strategy and objectives for the whole organisation
Chairman of the Domain Board: Jef Colruyt (4 times a year)

People	Environment	Product
Domain meetings (tactical, 4 times a year)	**Domain meetings** (tactical, 4 times a year)	**Domain meetings** (tactical, 5 times a year)
Working groups (operational)	**Working groups** (operational)	**Working groups** (operational)

Explanation of vision, strategy and progress during management committees, future boards and other consultative bodies

17 Sustainable Development Goals to report on

The seventeen Sustainable Development Goals of the United Nations serve as a strong baseline and compass for our sustainability ambitions. The SDGs are driving a global transformation to a more balanced society, with the horizon of 2030. They cover all major global challenges and set specific goals, for society, economy and environment, as well as for human rights and world peace. The key principle is: 'Leave no one behind'.

At Colruyt Group, we wholeheartedly support 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. Read more

Importance of the SDGs

✓ A common language to use with external stakeholders. The SDGs create a common basis for tackling many social challenges.
✓ A tool for internal awareness-raising and strategy-setting. Both at group level and for our individual operating units.
✓ A framework for impact assessment and reporting. The broad scope of our twelve programmes allows us to work towards virtually all SDGs. In the following pages, we link each programme to the corresponding SDGs.

Materiality

Each of our twelve programmes is also at the top of our agenda and that of our stakeholders and society. Their content also perfectly fits the SDG agenda and they make a major contribution to the achievement of seven specific SDGs on which we can have the biggest impact, thanks to the uniqueness of our organisation. It is no coincidence that these material SDGs correspond to the five different categories of sustainable development in the UN's 5P model: **Planet**, **People**, **Prosperity**, **Peace** and **Partnership**.

These are the most material SDGs for us

- **3 Good health and well-being**
- **7 Affordable and clean energy**
- **8 Decent work and economic growth**
- **12 Responsible consumption and production**
- **13 Climate action**
- **16 Peace, justice and strong institutions**
- **17 Partnerships for the goals**

The indicators in this report apply mostly to Colruyt Group in Belgium, since more than 90% of our activities are concentrated there. We are committed to gradually expanding this scope in the coming years. Where we use the term 'financial year' with, for example, '2018' as reference, this relates to financial year 2018/19 (1 April 2018 to 31 March 2019 inclusive). Where we use the term 'products', this refers to our house-brand products.

Risk identification

These risks are managed and reported in a structured and systematic manner via Colruyt Group's Enterprise Risk Management Platform.

Scientific insights and foundation

Sustainability encompasses a very wide range of ecological and socio-economic themes, which we have covered in 12 programmes. The knowledge, expertise and craftsmanship within each of these programmes, and the possible interaction between them, are developing strongly. Scientific insights develop rapidly and are not always clear-cut. This means that there is a real possibility of being unable to predict the negative effects of sustainability initiatives, because the scientific research in this area remains inconclusive.

Improving sustainability is often also a case of balancing different initiatives. Progress in one sustainability aspect can have a negative effect on another sustainability aspect.

Social developments

The consumer is our most important stakeholder. It is therefore crucial that we monitor the needs and requirements of consumers closely. This is no easy task, given the major differences among consumers, the importance of personalised solutions and the rapid social and technological developments. In view of this, we may find that we cannot react quickly enough to the social challenges or the future requirements of all consumers simultaneously.

Economic reality

Making our activities more sustainable frequently requires substantial financial commitment. There is a risk that we will be unable to carry out some sustainability initiatives because they are (temporarily) incompatible with the economic reality. This may involve technological or technical aspects, for example to make our infrastructure more sustainable.

It can also apply to making the product range more sustainable (in areas such as health, society, animal welfare and environment). This carries the risk that consumers will not be prepared to pay the possible additional cost of this improvement in sustainability, meaning that these more sustainable products are no longer marketable.

Transparency and information

Product chains are often highly complex, diverse, not very transparent and made up of many different links. This is where the challenge lies, as a retailer, in gaining an insight into forms of corruption, bribery, product fraud, occupational health and safety infringements, environmental matters or animal welfare. Thanks to our strategic position between the consumer and the supplier/producer, we can have an impact by making the various product chains more sustainable.

We want to help consumers as far as possible to make conscious choices concerning the different sustainability aspects of the products and services they buy. We do this via sustainability indices such as Nutri-Score, which we display on the packaging. To ensure that the indices are taken as a benchmark and not misinterpreted, we need to focus on creating broad-based support for these indices and provide the consumer with sufficient, clear information about them.

Impact

Improving the sustainability of product chains takes place in close partnership with a variety of chain actors, a balancing act that requires continuous fine-tuning. Given the possible complexity of some chains, we may find that we have insufficient impact on improving the sustainability of every link in the chain.

As a logistical actor, we already take many initiatives to reduce, shift or make greener the kilometres we cover in both freight and passenger transport. In this way, we intend to make a positive contribution to society and the environment. Given the complexity of this challenge and the numerous stakeholders, we may find ourselves unable to offer a suitable or sufficiently impactful response to the issue of mobility.

As a retailer, we want to help drive a sustainable change in behaviour among consumers. This change in behaviour must be encouraged on a large scale by all stakeholders in the chain. We may find that, as part of the chain, our impact is too low.

Nature of work and job creation

A good work-life balance is important for every employee. The permanent challenge for us as an employer therefore lies in paying attention to high-quality jobs for our employees, adapted to the situation in which they find themselves. Key factors for physical well-being are the nature of the work and the age of the employee. Mental health matters too: a job must be sufficiently meaningful and give satisfaction.

It is becoming a challenge to continue to provide continuity in every job, due to technological progress in automation, digitalisation and other factors.

PROGRAMME

1 Agriculture

We aim to create real added value for the agricultural sector, our house brands and consumers. For this reason, we source as much as possible from **Belgian producers** and form sustainable partnerships. For now, the added value generated in this way is mostly social, but eventually we aim to have a more positive impact on the environment as well, in areas such as biodiversity, water and climate. We want to offer our customers more **quality products** with added value. We also want to reconnect consumers with the producer, the product and the production process, so that they can make well-informed choices. And we are working to increase **transparency** in the supply chain and price structure.

Our involvement in the chain can vary. Firstly, we prefer to buy meat, dairy products, fruit and vegetables from Belgian suppliers, whose craftsmanship we like to highlight. Secondly, we investigate whether we can design **new collaboration models** within existing or newly created chains. Finally, we also launch projects in which we engage ourselves actively in R&D, innovation or production. Whatever our role, we always go step by step, with respect for all links in the chain and based on dialogue, trust and cooperation.

Dialogue, trust and cooperation

New collaboration models

We want to establish new, sustainable collaboration models and partnerships in the agricultural sector. We start with the products and the specific chains, identify where the risks and opportunities lie and then take action. For this, we prefer to work **directly with producers**, or with multiple links if necessary. We start with shared trust and value-driven entrepreneurship and commit to transparent pricing.

In the partnerships with our Belgian farmers, we aim to create added value on a social, ecological or economic level, in varying proportions. In each case, we seek the **right balance** together.

We recently launched two new apple varieties successfully, in partnership with three fruit growers. There are also currently successful partnerships with three organisations of beef farmers and sixteen potato growers. In addition, we have set up a Belgian organic pork chain with two partners.

Read more

Greater income security for 330 dairy farmers

Milk is milk, it's true, but since the start of April, customers will find milk at Colruyt, Spar and OKay with which they can make a valuable difference. The thirteen products of our house brand Boni Selection are the result of a unique partnership with Belgian dairy company Inex and some 330 Belgian dairy farmers.

- For 5 years, the dairy farmers receive a **stable price** of 34,76 cents/litre for 18% of their milk volume. This price is indexed annually.
- We purchase around **30 million litres** of milk per year from the participating businesses. In order to cope with this volume, Inex invested in a state-of-the-art production line. Together, we developed special packaging which clearly displays the added value.
- The agreement offers the dairy farmers greater income security and allows them to invest further in **sustainable growth**. This unique pricing model within an existing chain delivers added value for all links.
- The in-store prices will continue to follow those of our competitors.

Initiatives in innovation and production

Besides our traditional role as a retailer, we are also actively involved in research projects and help to launch new production chains.

100% Belgian mussels
tasted and approved

Together with Ostend aquaculture business Brevisco, we are testing hanging mussel farming in the North Sea, off the Belgian coast. This is a sustainable cultivation method, which does not disturb the seabed or biodiversity. In the summer of 2019, we were able to harvest three tonnes of 100% Belgian mussels for the first time. Enough to let our customers try them in ten Colruyt, OKay and Bio-Planet stores by the seaside. They appreciated the sweet, salty taste, the high meat content and the cleanness of the mussels. By 2022, we want to market the mussels under our house brand Boni Selection. Read more

Win-win-win with home-grown organic vegetables

In 2018, we took over the farm **Het Zilverleen** in Alveringem, a trusted supplier of organic vegetables for many years. Since April 2019, the 25 hectares of organic soil have been worked by independent farmer Niels Trybou. This unique collaboration helps Niels run a healthy farming business without making major investments in organic land. For our part, we can secure a local supply of organic vegetables and respond to the growing demand for quality home-grown produce. Read more

Basil
grown in our vertical farm

We have developed our own system for vertical farming, or multilayer cultivation in a small area. After two years of testing, the prototype is ready and our basil plants with a **tiny ecological footprint** went on sale at Bio-Planet in March. Our R&D department is carrying out further research, in conjunction with Flemish Innovation & Entrepreneurship agency, VLAIO, into automation, ventilation and the overall environmental impact of the cultivation system. Read more

Pioneers in the blue economy

Following a positive assessment, we have renewed our membership of the **Blue Cluster**. This Flemish spearhead cluster for the development and promotion of economic activities at sea now has more than 150 members, mostly SMEs.
The project operations are in full swing: fourteen projects were approved in 2019. We are currently participating in four projects around sustainable and healthy seafood. Read more

One of these is the **Symapa** research project. Together with five partners, we have been researching the synergy between mariculture and passive fisheries in the North Sea off Belgium since October 2019. We are developing efficient techniques for growing and harvesting mussels and oysters, providing the necessary economic and ecological analyses and helping to assess the quality of the products.

Over the last few years, we have worked on the now completed **North Sea Aquaculture** project. In this project, we investigated the feasibility of mussel farming in the wind farms deep in the North Sea and combined cultivation off the Nieuwpoort coast. Read more

350 visitors to first agriculture experience day

Creating a connection between consumer and producer. Passing on product knowledge to people in a fun, active way, giving them a realistic view of the chain. And highlighting the expertise of our farmers. That was the broad idea behind '**The Potato Route**', our first experience day for the whole family. It took place at the end of September, at our partner De Aardappelhoeve in Tielt. Around 350 visitors followed the process from field to plate, saw high-tech machinery in action, took part in workshops and enjoyed freshly-cooked fries. Following this successful first edition, we want to organise two experience days around Belgian agricultural projects every year. An initiative of our Centre of Excellence for agriculture, in conjunction with Colruyt Group Academy.

PROGRAMME

2 Health

In the past few months, it has become clearer than ever that health is the number one priority. We too are fully focussed on health, in the three meanings assigned by the World Health Organization: a state of complete physical, mental and social well-being. The physical aspect mainly involves good physical condition and balanced nutrition. Mental well-being means that people feel good in their minds and are sufficiently resilient. And social well-being involves belonging to a community that provides support and connection.

Our efforts in the area of health are therefore very wide-ranging. From the nutritional composition of our house-brand products to ergonomics in the workplace and mental support for employees. We also want to use our strength as a market leader in food distribution to motivate consumers and employees to live a more balanced life. That means giving them correct **information**, **inspiring** them and **offering** them **tools**, in an accessible and transparent way. In this way, we empower them to make conscious choices for themselves, leading to sustainable behavioural change.

A state of complete physical, mental and social well-being

Nutritional improvement

We set the bar very high when it comes to the nutritional composition of our own brand products. Specifically: we want to make the **composition** of all of our house-brand products, including Boni Selection and Everyday, as **balanced** as possible and improve their nutritional value, where possible and relevant. The focus lies first and foremost on Boni Selection.

We work in two phases. Before it goes on sale, a new house-brand product is **fully screened**. For example, our nutritionists check all nutritional values, including the sugar, salt, fibre, total fat and saturated fat contents. They determine the ideal composition for each product, by comparing it with that of other similar products and by checking it against the reference values of official organisations.

In addition, we review the composition of all of our house-brand products every two years. We then **improve** the **recipe** where necessary and possible, without compromising on taste. Last year, for example, we made great progress with the butchery products of Fine Food Meat.
Read more

244,3 tonnes
less sugar
or 61.075.000 x 4 gram sugar cubes

235,8 tonnes
less salt

466,6 tonnes
less fat

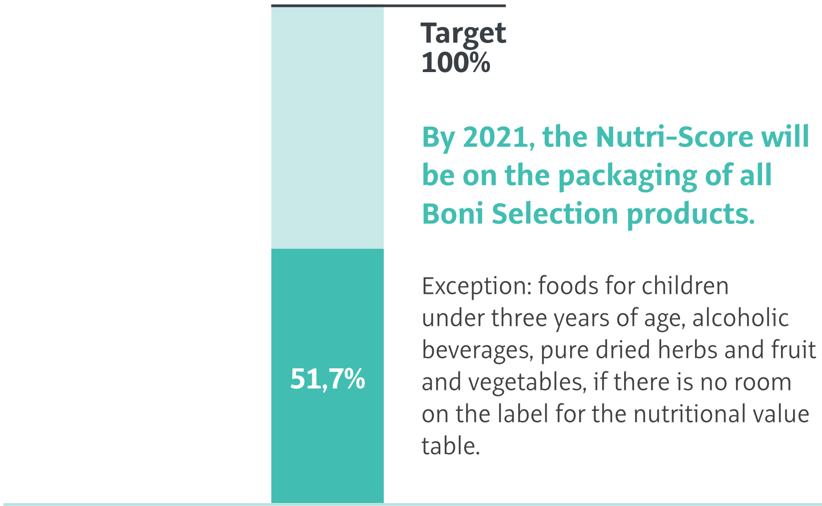
Informing consumers and helping them choose balanced nutrition

We want to provide our customers with correct and clear information about the composition of the products they buy. The information on the packaging and on our digital channels enables customers to make informed nutritional choices. Read more

An important tool for this is the **Nutri-Score**, an indicator driven by a scientific algorithm. The five letter and colour code makes it easy for consumers to compare food products. You can see at a glance which products are recommended and which ones you should limit. Our SmartWithFood app makes it easy to find the Nutri-Score for all products in our stores. Much of the packaging for Boni Selection products now displays the Nutri-Score too. Since the start of 2020, we are also gradually adding the code to the Spar house brand. Read more

Apart from the actual products, we also pay great attention to balanced nutrition when composing the recipes in our leaflets, cookery books and digital channels.

NUTRI-SCORE
A B C D E



By 2021, the Nutri-Score will be on the packaging of all Boni Selection products.

Exception: foods for children under three years of age, alcoholic beverages, pure dried herbs and fruit and vegetables, if there is no room on the label for the nutritional value table.

SmartWithFood offers even more personalised nutritional information

- The SmartWithFood app now recognises **200.000 food products**, ten times as many as the original number from the Colruyt Group product ranges. This makes it easy to make informed nutritional choices in any store in Belgium.
- Since April 2020, users can live chat with a dietician. Later, SWF wants to offer even more **personalised info**, such as updates on new trends, recipes or products. In June 2020, a special app will be launched offering personal advice about products and recipes.
- Our SWF spin-off pioneers digital personalised nutritional information and has its own **food intelligence platform** with a wealth of product information, including nutritional values, ingredients and Nutri-Scores. SWF develops accessible tools to inform, inspire and even advise users on their personal nutrition, taking into account various dietary requirements and preferences (allergies, intolerances, special diets or rules for certain lifestyles or faiths).
- The team is also exploring the market with a view to offering these **Food-As-A-Service** models to international retailers.

flora researches the effect of personalised nutrition

Can nutrition that is precisely matched to you have a positive effect on your intestinal flora and your general health? Since February 2020, SmartWithFood has sought an answer to this question through the FLORA research project, in collaboration with KU Leuven and the Flanders Institute for Biotechnology (VIB). The diet of participants with a high waist circumference is adjusted over a five-month period. They order their shopping online via Collect&Go, then a dietician substitutes certain products with similar, healthier alternatives. Participants also receive personalised nutritional advice and provide regular stool, saliva and blood samples, based on which their health and well-being are monitored.

The project was launched in February with 389 participants, but was stopped as a result of the coronavirus pandemic. The aim is to relaunch it at the start of 2022 with a new group of participants. The initial results should then be available by the end of the year.

European innovation in sustainable and healthy nutrition

Via the European partnership EIT Food, we are actively involved in various innovation projects around sustainable and healthy nutrition.

Grand Challenge Organic Food. Project for increasing consumer confidence in organic products by making them more traceable. Together with the EIT partners and our preferred organic supplier De Lochting, we are developing a Digital Twin, a tool that tracks the product from the field to the store and guarantees that it is organic.

PERFECT. There are currently no sweeteners which offer all the physicochemical properties of sugar for making food products. In this project, we are working on a plant-based substitute for sugar, for use in our house-brand biscuits.

See and eat. How can you familiarise young children with (green) vegetables they don't usually like to eat? This project introduces children to vegetables visually via photos in booklets and on tablets, motivating them to try and get used to eating them.

European Institute of Innovation & Technology

This EIT Food activity has received funding from the European Institute of Innovation and Technology (EIT), a body of the European Union, under Horizon 2020, the EU Framework Programme for Research and Innovation. EIT is not responsible for the information contained in this publication.

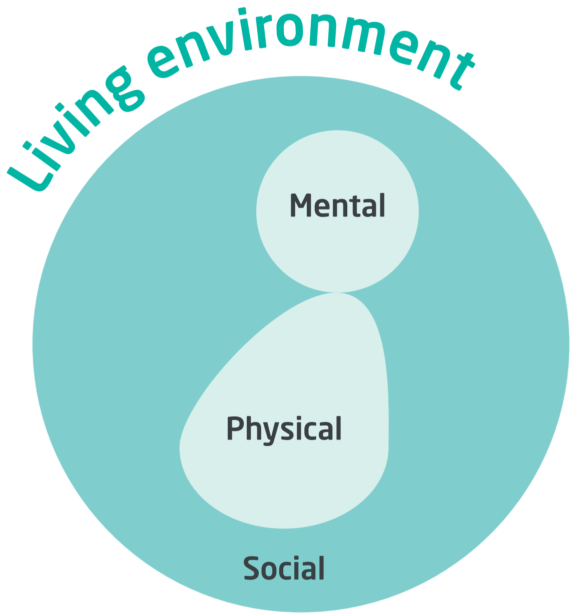
eit Food eit Health

Prevention of pre-metabolic syndrome

In the '**STOP metsyn**' (Sustainable Tackling Of Pre-METabolic SYNdrome) project of EIT Food and EIT Health, we help drive the research into the prevention of pre-metabolic syndrome in Europe. This syndrome is often a precursor to diabetes and cardiovascular disease and also appears to be linked to COVID-19. Fortunately, it is reversible, via diet and exercise for example. The goal is to establish a science-based method for measuring this and develop a prevention strategy and programme. Measurements, tools and strategies are combined to engage consumers and coach them to achieve a healthier lifestyle.

Well-being at work

Our guiding principle remains: the company grows when our people grow, in the broadest sense. For this reason, we want to support our employees physically and mentally, and rely on the community as a driver for their social well-being. We are not trying to make athletes and nutritionists out of the employees, but primarily want to motivate and enthuse them around health and growth. This can only benefit both the people and the organisation.



1. Physical well-being

- **Occupational accidents**. We are firmly committed to prevention and risk analysis. We support the employee in returning to work after the accident.
- **Moving more**. We encourage our employees to move more. For instance through free guided programmes such as Start to Walk and Start to Run, or subtle encouragement to use the stairs more.
- **Ergonomics**. Trainings in movement techniques for employees from sales, logistics and production. Individual ergonomic advice in the workplace for office staff, who can request a sit/stand desk.
- **Balanced nutrition**. The range in all of our canteens has undergone a review and is becoming systematically more balanced. Salad bar in several canteens, balanced breakfast buffet in our largest canteen.
- **Free support to stop smoking**.
- **Medical examination**. Our company doctors and nurses also provide advice on nutrition and/or general health.

2. Mental health

We organise different types of yoga sessions, during the working day and outside working hours. Anyone wanting some time out can always withdraw to our quiet rooms. We also offer more intensive workshops around silence, as well as preventive trainings around stress and burnout. In addition, we offer employees plenty of training opportunities for personal growth. Read more about this in the Training & Development programme.

3. Social well-being

We want to support our employees physically and mentally. Our community serves as a driver for this, impacting both aspects.

- The **'shocking events' relief team** helps employees cope with a harrowing event at work, such as an accident, a hold-up or a death. The team also provides support during the coping process and in the search for specialised help.
- **Confidential advisers** help with problems at work such as conflicts, stress or bullying.
- Our **Solidarity Fund** is now more than fifty years old. 67,2% of employees voluntarily participate in it and donate EUR 2,25 of their salary every month. We match their contributions, to provide financial and social support for employees who experience hardship for medical reasons. In the past year, the fund has paid out EUR 1.129.072.

'The Connection' as a driver

In case of personal or family problems, all employees can rely on support from The Connection ('De Schakel'). This neutral service does not offer psychological support, but a **listening ear** and refers the employee to external professional assistance and support mechanisms if necessary.

The Connection also supports long-term absent employees to return to work, separately from the statutory reintegration programme. The main aim of our **'Restart to work'** process is to maintain contact, so that the sick employee does not feel alienated from our company. We do this from the fourth week of sickness. We help with paperwork, refer where appropriate and explain the options for restarting work, such as medical part-time or adapted, less demanding work.

The service started in 2015 with a pilot project for store employees from OKay. In mid-2019, the service was rolled out to all employees in Belgium. The reintegration programme is bearing fruit: long-term sick employees return to work faster than average and also relapse less than average. The Connection also coordinates the **official reintegration programmes**, which are applied for within a strict legal framework.

Last financial year, a total of 3.228 long-term sick employees were contacted.

Indicator		2018	2019	Target	
Nutritional composition					
# Products with improved nutritional composition	Calendar year	**167**	**134**		
Reduction in fat (in tonnes)	Calendar year	**49,8**	**466,6**		
Reduction in saturated fat (in tonnes)	Calendar year	**63,9**	**170,7**		
Reduction in sugar (in tonnes)	Calendar year	**421**	**244,3**		
Reduction in salt (in tonnes)	Calendar year	**28,2**	**235,8**		
Added fibre (in tonnes)	Calendar year	**26,9**	**543,1**		
# Boni Selection items with an improved Nutri-Score	Calendar year	**-**	**29**		
% Boni products with the Nutri-Score on the packaging	Calendar year	**-**	**51,7**	**2021**	**100% of products**
Well-being at work					
% Employees who have joined the Solidarity Fund	Financial year	**68,2**	**67,2**		
Amount paid out by the Solidarity Fund (in EUR)	Financial year	**1.076.723**	**1.129.072**		
# Occupational accidents	Financial year	**928**	**874**		
Frequency of occupational accidents	Financial year	**25,1**	**23,3**		
Severity of occupational accidents	Financial year	**0,59**	**0,64**		
# Long-term sick employees contacted by The Connection	Financial year	**1.801**	**3.228**		

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.

PROGRAMME 3 Animal welfare

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We constantly seek to improve living conditions for all animals destined for consumption. Our aim is clear: **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 move forward step by step, firstly with our suppliers and more broadly with the sector and the relevant authorities. Besides complying with the law, we carry out extra checks and regularly add extra requirements to our specifications.

We are currently launching many new projects and look forward to new opportunities and initiatives in the sector. We have brought extra know-how in house and want to take further steps in the coming months and years. Animal welfare remains a **learning process**, in which we continuously evolve together with all of our partners, but which cannot change overnight.

Continuously evolving together

Constant requirements around animal welfare

We have many animal welfare requirements for suppliers of our house-brand products and direct import. We **monitor** compliance with these requirements year by year. Naturally, we also constantly **assess** whether extra or tighter requirements are required.

Food

- All of our **eggs** come from cage-free or free-range hens. This applies to whole fresh eggs as well as processed eggs in our house-brand products. Read more
- Since 2010, our meat department Fine Food Meat no longer processes conventional meat from castrated **pigs**, only from animals vaccinated as piglets against boar taint.
- Since the end of 2014, all fresh **rabbit meat** at Colruyt, OKay and Spar comes from animal-friendly park systems in Belgium. Read more
- For **beef**, we follow the Belbeef Standard, drawn up in the Belgian Agro Food Chain consultation.
- We are increasingly offering alternatives to **foie gras**, such as foie fin (without force feeding) or faux gras (plant-based version).
- Our stores do not sell **kangaroo meat**. Before other exotic meat reaches the shelves, we carry out a prior assessment and study of animal welfare.

Non-food

No animals must be killed specifically for the production of non-food items for our house brands. The items may only contain by-products of the meat industry, and under no circumstances:

- 'raw materials' from **endangered species** listed in the CITES treaty of the United Nations (Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- **angora wool**, **fur** or **astrakhan**
- **feathers** and **down** plucked from live animals, even during the moulting period. For products containing feathers and down, we therefore require a Responsible Down Standard certificate, from the China Feather and Down Industrial Association, or an equivalent certificate.
- **wool** from sheep which have undergone mulesing, a painful treatment to prevent infections.
- all of our house-brand **cosmetics** are subject to the cosmetics legislation. This means that neither the end product, nor the ingredients must be tested on animals, unless there are no acceptable alternatives. Animal testing must never be carried out on our other house-brand products either.

Less transport stress for chicks

We are currently conducting a test with two chicken farmers. The chicks are no longer transported from the egg hatching station to barns where they will be reared, but are born there. This avoids stress linked to transport and handling (removing the chicks from the egg hatching station, putting them in transportation containers, loading and unloading, etc.).
The young chicks can begin to eat and drink according to their natural rhythm right away, which can have a positive effect on their intestines and resilience. In this way, we are investigating whether they are less likely to experience health problems, infections, diarrhoea and foot injuries. Healthy chicks may need less antibiotics too.

Better BBFAW score

In 2019, Colruyt Group moved up to Tier 4 in the **Business Benchmark on Farm Animal Welfare** (BBFAW). This classification ranks 150 international companies and retailers in six tiers according to their policy on animal welfare, based on published communications.

This shows that, since we were first listed in 2018, we have made progress in implementing animal welfare standards in the supply chain. The 2019 score confirms that we are on the right track and inspires us to take further steps.

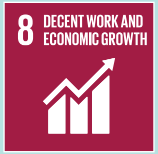
Extra checks in slaughterhouses

In 2019, on our own initiative, we subjected 30 Belgian slaughterhouses to unannounced checks. An independent quality service checked that the statutory regulations and the extra requirements in our specifications for animal welfare were being met. For example, the correct application of stunning of the animals. We obviously do not allow slaughtering without stunning.
All Belgian slaughterhouses supplying Colruyt Group underwent this check. The checks did not reveal any major shortcomings. Each slaughterhouse received a report and began implementing the recommendations.

Indicator		2018	2019
% Fresh eggs from cage-free or free-range hens	Calendar year	**100**	**100**
% Products containing eggs from cage-free or free-range hens	Calendar year	**100**	**100**
% Fresh rabbit meat from parks (excluding ready-made dishes) supplied by Fine Food Meat	Calendar year	**100**	**100**

PROGRAMME

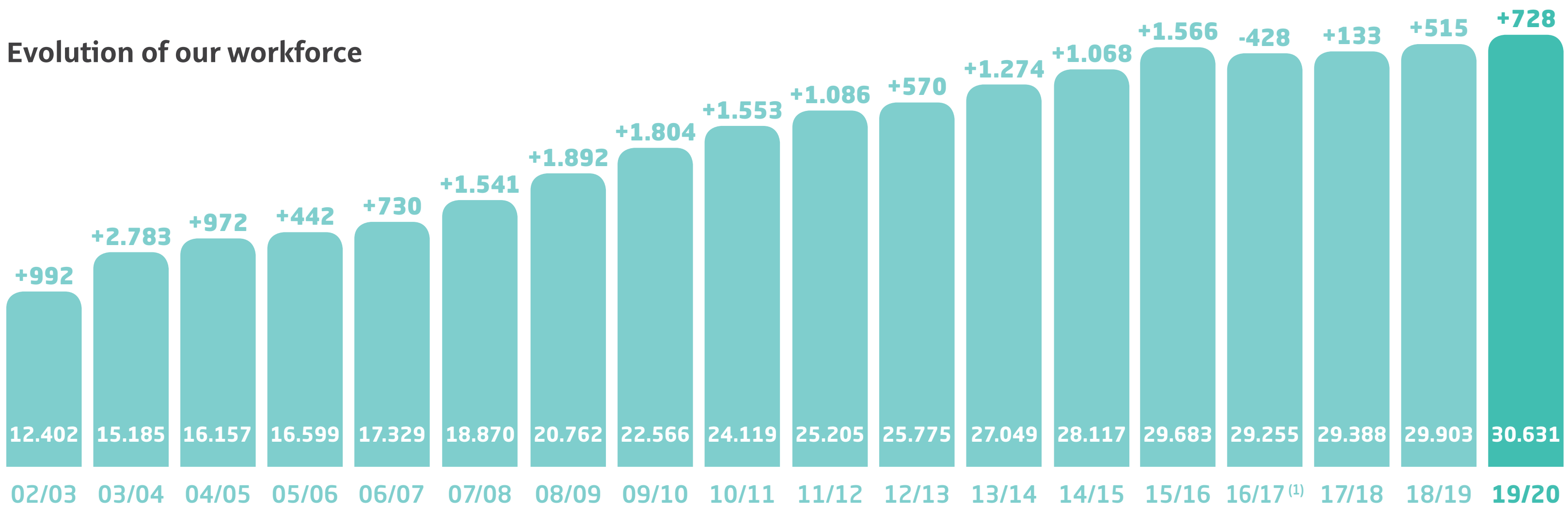
4 Work context



Sustainable economic growth is only possible if it is achieved in a socially acceptable manner. We aim to do business in a people-oriented manner, based on integrity and trust, and with respect for one another's rights, in every link of the chain. Key concepts include decent work, a stimulating working environment and greater transparency in the chain. Our own employees are naturally a very important target group, along with all the other actors in the chain. We are firmly committed to ensuring workability for our employees, partly through flexible reconciliation between work and private life.

30.631
co-workers
employed at Colruyt Group on 31 March 2020

Evolution of our workforce



(1) Due to the sale of the French foodservice business Pro à Pro, 1.837 employees left the group. Excluding this sale, employment grew by 1.409 employees in 2016/17.

9,79 years

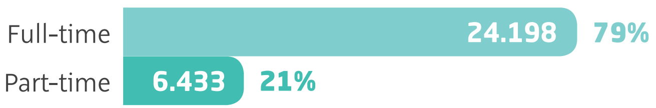
average length of service

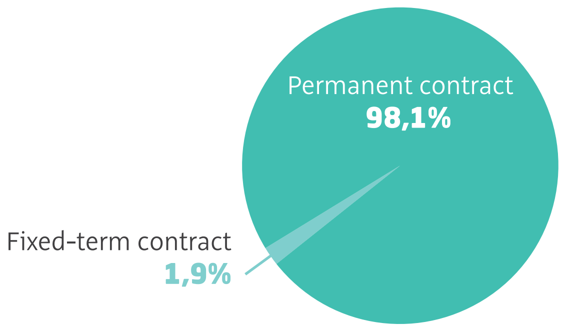
Focus on a sustainable workforce

Every year, we welcome many new employees: last financial year there was a net increase of 728 new colleagues. We also manage to fill a large number of bottleneck vacancies with quality candidates each year. 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 are convinced that this security can only benefit the employee, and forms the key to sustainable growth for the organisation.

We select candidates in an objective and professional manner, using proven testing methods. At the same time, we always check that the candidate's values match those of Colruyt Group, so that everyone feels at home in our company culture.

In practice, many employees find satisfaction in working for us. The number of colleagues who leave the company voluntarily remains fairly low compared to the average in the retail sector. We also score well with an average length of service of 9,79 years.





Eighth most attractive employer

- Colruyt Group continues to grow as an employer brand, year after year. In 2020 we were ranked eighth most attractive employer in the leading **Randstad Employer Brand Research**. This is the fourth year in a row that we have been in the top 20, and Colruyt Group has made the most progress out of all companies over the last 20 years.
- This result is partly due to the efforts of the HR department to position Colruyt Group in the market as a group of companies with **common values**. Naturally, countless employees also help build our employer brand every day, in their interaction with customers, friends, family and so on.
- According to the survey, as a company, we score highly for working environment and culture, work-life balance, job security, reputation and sustainability: all criteria that are increasingly important to (potential) employees.
- A place in the top 10 or even the top 20 is exceptional for a retailer, both in Belgium and worldwide. Retail tends to come at the bottom of the rankings for attractive sectors.

Job creation

Breakdown by segment	In number of employees 31/03/2020	31/03/2019	Change in employment	In full-time equivalents (FTE) 31/03/2020	31/03/2019	Change in employment
Retail	25.922	25.351	571	24.484	23.918	566
Wholesale and foodservice	1.492	1.442	50	1.449	1.406	43
Other activities	87	85	2	85	82	3
Corporate (unallocated)	3.130	3.025	105	3.037	2.933	104
Total Colruyt Group	**30.631**	**29.903**	**728**	**29.056**	**28.339**	**717**
- Belgium (1)	27.732	27.133	599	26.301	25.709	592
- Luxembourg	120	117	3	120	115	5
- France	2.326	2.221	105	2.182	2.083	99
- Other countries	453	432	21	453	432	21

(1) These figures are exclusive of student workers employed in Belgium during the weekend or in the school holidays (8.258 on 31/03/2020 and 6.536 on 31/03/2019).

91 nationalities

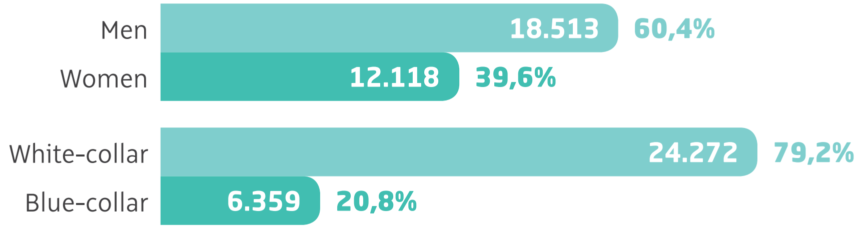
Embracing diversity

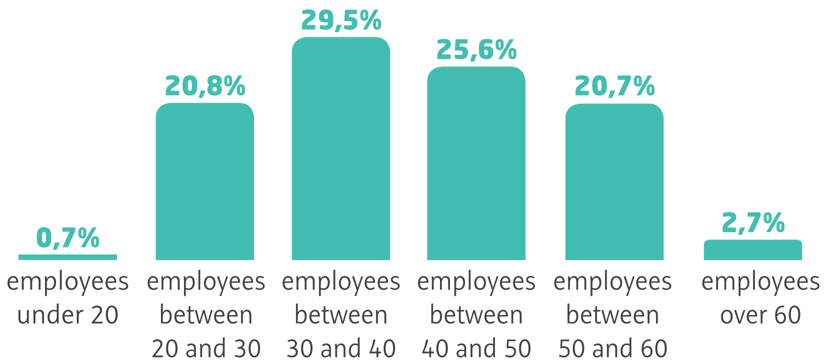
We embrace diversity in all of its facets, are open to one another's different cultural backgrounds, genders, mother tongues, ages, etc. It goes without saying that we have zero tolerance for racism. For us, promoting diversity means above all that we allow each individual to realise his or her full potential. We see each employee as someone who wants to make a positive contribution.
To facilitate this, we want to guarantee everyone equal treatment and respect. We promote diversity in:

Recruitment. The selection process is open to everyone. We select the best candidate in an objective and professional manner. Age, gender or ethnic origin are not criteria. As an illustration: last year 465 employees aged over 45 started.

Composition of teams. We avoid uniformity. Trainings give more insight into the strengths of other team members and improve relations. We have specific programmes for multicultural teams.

Progression. We aim for the right employee in the right place, at the right time. Everyone who has the necessary skills, talents and ambitions can progress. Sex is never a criterion.





Employees in control of a sustainable career

In our company, we are committed to sustainable employment. For this reason, we prefer to give people permanent full-time contracts and invest substantially in education and training.
In return, we expect employees to take responsibility for marking out a meaningful and appropriate career path for themselves. A path along which they can continuously develop and make a meaningful contribution to the organisation. In this way, we create together the right circumstances for a sustainable career and a win-win for both parties.

- This mutual commitment strengthens the **trust** and **motivation** of employees.
- More likely that the right employee will end up in the right place at the right time. **Better match** between the evolving skills and wishes of employees and the changing requirements of the organisation.
- Employees with long service provide **continuity** in terms of knowledge and experience.
- A diverse workforce enables **representative** contact with different customer groups and helps build the company brand.
- **Cost savings** thanks to higher productivity, less sickness absence or medical interventions.

Workability

A sustainable employment relationship also assumes workability and a healthy work-life balance. We have launched numerous initiatives in this area, including as part of our employment plan:

- Trial in which some of the store employees indicate the hours for which they are available themselves ('**self-rostering**'), so that the scheduler can take this into account.
- Various projects for **easing** the **burden** of physical work.
- Strong focus on making **lifelong learning** more attractive.
- Further expansion of our network of **regional offices**.
- Thanks to our tried and tested time recording system, people can **save up overtime** and take it flexibly.

812 job switches

Every year, many employees switch to another job within the group. Based on their talents and ambitions, we encourage them to take up new challenges, take appropriate steps in their career or reorientate themselves, in any direction. They can call upon our reorientation unit for this. Naturally, all vacancies within the group are open to employees.

97,3%

of our employees are represented via a social consultative body

Constructive social dialogue

Colruyt Group has a long tradition of respectful, genuine and constructive social dialogue. Almost all of our employees are represented in the social consultative bodies.

Our line managers play a crucial role in maintaining **good social relations**. They are the first point of contact for the employee and possibly also the employee representative. We therefore support our managers in entering into constructive discussions: last financial year once more 184 managers took part in the 'Getting on with the trade unions' training.

We also expanded our Centre of Excellence for Social Relations, with increased focus on stronger representation in interest groups such as Comeos, VBO and Voka. On the other hand, we have introduced more external focus for our HR professionals.

Minimising the risk of corruption and bribery

Compliance and integrity are key elements of our identity. This is the only way that customers and business partners can have 100% confidence in Colruyt Group. For this reason, we assess the potential risks linked to bribery and corruption, focussing in particular on our purchasing processes.

- We apply the group values, policy frameworks and **codes of conduct** throughout the Group.
- We actively monitor the **risk of corruption** in our enterprise risk management system.
- New buyers sign an **ethics charter**, with explicit guidelines for gifts, hospitality benefits and screening of suppliers in high-risk countries.
- **Job switch**: buyers change jobs, range or business unit regularly.
- There is **strict segregation of duties** in the various steps of the purchasing process.
- **Purchasing** takes place **centrally**, with systematic application of the four-eyes principle.
- Buyers undergo continuing education and training, including mandatory **compliance training** and an annual test.

Remuneration: more than just salary

At Colruyt Group, remuneration covers much more than just salary. We offer our people many opportunities to follow training and develop personally. There is also the security of a **financially sound and value-driven family business**, with a particular focus on sustainable careers, scope for initiative and a healthy work-life balance. All valid reasons for employees to further their career with Colruyt Group.

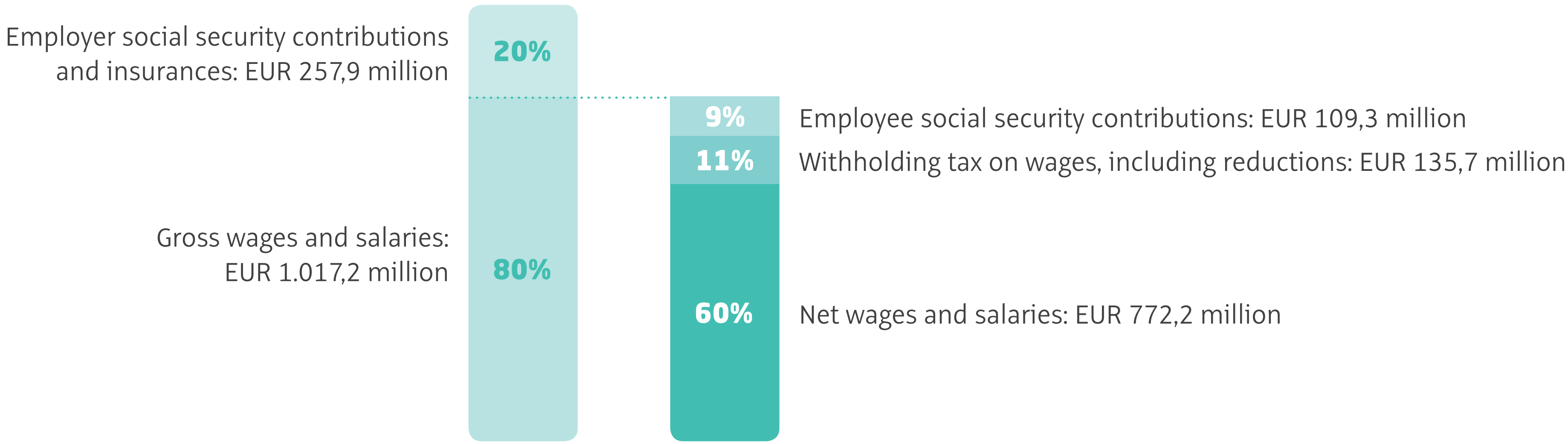
In order to offer every opportunity for this job mobility, we aim for a **uniform remuneration policy** at group level, based on role and responsibilities. At the same time, in future, we want to base the remuneration more on individual performance and growth potential.

2.166 employees subscribed to **380.498 shares** in 2019

For many years, we have allowed all of our employees in Belgium to **participate in** Colruyt Group's **results**. Firstly, we distribute part of the profits in the form of profit sharing and secondly, everyone can subscribe to the annual capital increases on preferential terms.

EUR 27,8 million profit sharing or 5% of the operating profit divided between 25.926 employees in Belgium

Total payroll costs in Belgium: EUR 1.275,2 million



Trial of flexible remuneration

Last financial year, we introduced a flexible remuneration plan. The **flex budget** offers employees the opportunity to compose part of their pay package themselves according to their requirements. Options include extra mobility measures, additional days' leave, non-statutory child benefit or repayment of pension savings. Following a successful trial at board level, the system is now being rolled out to all executives. It is our intention to eventually allow operational staff to join as well, so far as the statutory provisions permit.

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.

History of profit sharing in Belgium

- Since 1988, a substantial group of executives has participated in the company's capital through collective shareholding.
- In 1996, an 'employee dividend' was paid out for the first time.
- In 2002, a number of companies of the group, together with the social partners, finalised a profit-sharing system, based on the Act of 22 May 2001 on employee participation in the capital and profit of companies. Since financial year 2007/08, the system has been extended to all companies of the group for employees employed in Belgium. The profit share varies according to the operating result for the previous financial year. It consists of a base amount multiplied by coefficients for pay, years of service and position. This was paid out in cash or in shares of the parent company, according to choice. From 2001 to 2010, a total of EUR 152,46 million was paid out in this way to staff employed in Belgium.
- Since financial year 2010/11, the profit sharing has been determined according to a combination of the Act of 22 May 2001 on employee participation in the capital and the profit of companies (called the profit participation) and collective labour agreement 90 (CLA 90) of 20 December 2007 followed by collective labour agreement 90bis of 21 December 2010 on non-recurring results-related benefits. From 2011 to 2019, a total of EUR 228,23 million was paid out in this way to staff employed in Belgium. A solidarity contribution of 13,07% has been deducted from the results-related bonuses (CLA 90) since 2013.
- In accordance with an amendment passed in 2019 to the Act of 22 May 2001 on employee participation in the capital and profit of companies, from financial year 2019/20 the profit participation will be paid in cash only. Accordingly, for financial year 2019/20, subject to approval by the General Meeting, the total share in the profit will be EUR 27,80 million, broken down as follows:
  - a profit participation payment of EUR 5,95 million in cash, as stipulated according to the Act of 22 May 2001 on employee participation in the capital and profit of companies;
  - a payment of EUR 21,85 million according to CLA 90 and 90bis on non-recurring results-related benefits.

Overview of profit participation since financial year 2001/02

			CASH		SHARES		
Year	Amount of profit participation in million EUR [1]	Total number of employees	In million EUR	Number of employees	In million EUR	Number of shares	Number of employees
From 2001/02 to 2009/10 Profit participation (cash and shares)	152,46	101.136	79,61	61.763	72,85	2.504.540	39.373
From 2010/11 to 2018/19 Profit participation (cash and shares)	62,7	206.361	41,37	141.779	21,33	462.329	64.582
Results-related bonus	165,53		165,53				
Total	228,23		206,90				
2019/20 Profit participation (cash only)	5,95	25.926	5,95	25.926	/		
Results-related bonus	21,85		21,85				
Total	27,80		27,80				
TOTAL	**408,48**		**314,30**		**94,18**	**2.966.869**	

(1) 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 7,21 million in 2019/20 and EUR 6,83 million in 2018/19).

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 five 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 2019/20, which took place in November 2019, 2.166 employees subscribed to 380.498 shares, representing a capital contribution of EUR 15,94 million. Since 1987, employees of the group have subscribed to 22.574.513 shares of their own company, or the parent company, for a total amount of EUR 255,44 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
Total	**255,4**	**22.574.513**

Products made with respect for human rights

As an international market player, we take responsibility for ensuring the right working conditions among our producers. We want to be sure that they not only comply with their national laws, but also with international treaties and conventions.

One way in which we realise our aim of 100% responsible trade is through membership of **amfori BSCI**. This international platform helps companies achieve their goals around decent working conditions. We ask all suppliers of house-brand products to sign up to the amfori BSCI **Code of Conduct**. This code of conduct respects the following international conventions:

- The United Nations Guiding Principles on Business and Human Rights (UNGP), implemented in 2011
- Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- UN Global Compact

The code of conduct embodies universal principles 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. We monitor our business partners' compliance with the code of conduct closely, for instance based on **social audits** performed by recognised audit firms.

We ask any producer which does not respect the code of conduct to introduce the necessary improvements. For this, the producer can rely on **support** from us and from other BSCI members, with training, for example. If we are to continue to work together, it is essential that the producer is prepared to continuously improve. If, after a follow-up audit, we discover that no improvements at all have taken place, we terminate the cooperation. Read more

430

producers were audited in 2019

Sustainability certificates with social added value

Certification systems play a major role in making our private-label products more sustainable. Many of these standards also offer verified social added value for producers. Examples include ASC for aquaculture, Rainforest Alliance for bananas and coffee, UTZ for coffee and cocoa, FSC for wood and paper, RSPO for palm oil and Fairtrade.

Read more about certification systems in the **Biodiversity programme**.

Indicator		2018	2019	Target
Labour market				
# Employees at Colruyt Group as a whole	Financial year	**29.903**	**30.631**	
# New employees (net growth)	Financial year	**515**	**728**	
% Voluntary external turnover	Financial year	**6,7**	**6,8**	
% Voluntary turnover within the first year after recruitment	Financial year	**-**	**2,4**	
Average length of service (in years)	Financial year	**9,56**	**9,79**	
# Job students who worked for Colruyt Group last year	Financial year	**6.536**	**8.258**	
Diversity				
# Nationalities	Financial year	**85**	**91**	
# Over 45s recruited	Financial year	**-**	**465**	
% Women in leadership positions	Financial year	**-**	**25,6**	
Sustainable careers				
# Job switches	Financial year	**798**	**812**	
# Regional offices	Financial year	**10**	**11**	
Remuneration				
# Employees subscribing to the capital increase	Financial year	**2.259**	**2.166**	
Total profit-sharing amount (in million EUR)	Financial year	**26,1**	**27,8**	
Social dialogue				
% Employees represented via a social consultative body	Financial year	**-**	**97,3**	
# Participants in the 'getting on with the trade unions' training	Financial year	**9**	**184**	
Human rights				
# Producers monitored in at-risk countries	Calendar year	**524**	**430**	
% Producers in at-risk countries receiving at least one audit	Calendar year	**100**	**100**	
% Producers in at-risk countries with acceptable result after social audit	Calendar year	**94,5**	**90,0**	**100**
# Producers improved from poor to acceptable result compared with previous year	Calendar year	**11**	**31**	
# Producers with which cooperation was terminated due to a violation of the Code of Conduct	Calendar year	**7**	**9**	**0**

The scope of these indicators is Colruyt Group Belgium, unless indicated otherwise.
The figures for human rights relate to producers of our house-brand products.

PROGRAMME

5 Training & development

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Colruyt Group wants to be a consciously **development-oriented** organisation. For our employees, but also in our interactions with customers, suppliers, citizens, investors and authorities. We have two specific channels for this. Colruyt Group Academy focuses on the development of employees and consumers. Collibri Foundation concentrates on young people in economically developing regions and young people in Belgium with difficult socio-economic backgrounds. We play our role socially as well, via interactions with educational institutions and (international) innovation communities. Because investing in learning and development is a win for the individual, the organisation and society.

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.

"A win for the individual, the company and society

COLRUYTGROUP ACADEMY

Collibri FOUNDATION by Colruyt Group

Employees and organisation learn and develop together

A focus on learning and development is deeply embedded in Colruyt Group's DNA. We are convinced that developing people and organisation go hand in hand: as the people grow, so does the company. This is based on a positive view of people. We are convinced that people make the difference and 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. Obviously, both facets are interlinked.

We view learning and development on **three levels: individual, team and organisation**. Employees set their own personal learning and development goals, taking into account their talents, motivation and wishes, but also inviting them to step out of their comfort zone. In dialogue between employee, team and organisation, we decide which goals are most valuable. As a result, each individual and each team follows a unique path.

For this, we build a mindset that fosters growth, so that learning and development become a given. And so that employees see every activity as a learning and development opportunity for themselves and their teams.
To facilitate this, we invest in a challenging but **safe learning environment**.
The more space in which to learn and develop, the more agile the organisation.
In this way, we can stay relevant in a rapidly evolving environment. Investing in learning and development is a win for organisation and employee.

EUR 38.779.300

invested in education and training of our employees last financial year, equal to 3,04% of the payroll

Skills and competencies for the future

Of course, you mainly learn and develop by interacting with one another: between employees or in contact with customers, suppliers, citizens, investors, authorities and so on. As a development-oriented organisation, we make a conscious and strategic choice to make the most of these interactions. Here, we focus in particular on skills and competencies for the future.

Partnerships with schools

We focus in particular on the generation which is currently still in the classroom or about to leave school. All are potential new employees, customers or partners with whom we want to journey together in future. We invest in partnerships with schools for various reasons:

- We highlight ourselves as an employer.
- We help shape the learning methods of the future and acquire expertise in them.
- We help develop students' (soft) skills.
- We help close the gap between education and the job market, providing opportunities for young people.
- We gain valuable insights into the new generation, useful for the transition we will undergo as an organisation.

In practice, we welcome many young people on internships, dual learning or on-the-job training. Alongside this, we offer the educational world a range of workshops, tours and guest lectures. We are also a member of the **Global Apprenticeship Network**, a network of major companies, SMEs and employer organisations who join forces to promote learning in the workplace.

52.602
participants

Colruyt Group Academy for consumers

Consumers are the reason we exist. So, it makes sense for us to want to maximise our interaction with them and learn from one another. We set up Colruyt Group Academy in 2014 specifically to encourage this interaction. A place where consumers 'learn' in a simple and inspiring way and where we encourage them in their development. Colruyt Group Academy now has 11 centres spread across Belgium, all of them meeting places, places of discovery and enterprise for customers, businesses, local partners, etc.

Grouped in six clusters, Colruyt Group Academy organises many workshops that offer consumers inspiration, plus practical everyday tips and solutions. When we launch new workshops, we thoroughly review the educational approach and how we can strengthen the connection between participants and lecturers.

- Mid-2020 will see the launch of **Tips&Talks**: accessible talks or inspiration sessions for 20 to 40 people about health, parenting, sustainability, conscious consumption, etc. The long-term aim is to hold two sessions a month at every centre.
- Focus on **specific dietary requirements or preferences**. From workshops on gluten-free desserts to workshops full of inspiration for vegetarian cooking.
- **Educational birthday parties** with the emphasis on connection, health and meaningful content.
- We promote **local connections**, for example by strong contact with local associations.

European Institute of Innovation & Technology

Acquiring knowledge through European cooperation

- Colruyt Group is a member of the European innovation communities EIT **Food**, EIT **Health** and EIT **Urban Mobility**. Three subjects that are at the heart of our business: sustainable food, health and health prevention and mobility. The added value lies mainly in creating networks, acquiring knowledge we don't (yet) possess ourselves and marketing innovations.
- The European Institute of Innovation and Technology is an independent EU body, set up in 2008 to strengthen Europe's ability to innovate. EIT brings together companies, universities and research centres to find solutions to urgent global challenges.
- EIT is an integral part of Horizon 2020, the EU's Framework Programme for Research and Innovation. Read more

Collibri Foundation

As a retailer, we buy products from all over the world, including economically developing regions. The local producers may be active in the international market, but have disproportionately fewer resources, particularly in terms of knowledge and education. Since 2002, we have reinvested part of our revenue in these regions via our company fund Collibri Foundation. There, we support small-scale education and training programmes for children and young people, from primary to university education. We want to give them the opportunity to help build their own future and that of their country. We want to:

- Offer them a good education (**educate**)
- Help them grow as a person (**develop**)
- Encourage their sense of initiative, cooperation and enterprise (**empower**)

In rural areas, we focus mainly on **learning through experience**. Where possible, we link training projects to sustainable supply chain projects, giving rise to informative interaction.
In Belgium, we focus mainly on young people who find it difficult to make the most of the opportunities available, due to their socio-economic background. We also take initiatives to connect young people with one another. For example, we invited young people from all over the world to our annual 'Tomorrow's Voices' meeting day.

Finally, we consciously engage employees, customers and partners via ambassadorship and the development of a **learning partner network** including specialists, NGOs, schools, universities and local institutions. In-store events such as the annual chocolate and ice cream sale and the 'Round up' campaign are typical opportunities for employees and customers to come together to support Collibri projects.

EUR 144.000
Our own customers' contribution by buying Boni chocolate and ice creams and rounding up checkout receipts

14
training projects in 12 countries

EUR 808.593
invested in 2019

6.715
young people reached directly in 2019

Upscaling for greater impact

Last year, we worked hard to expand, deepen and optimise our existing projects. We allocated extra resources for the expansion of existing projects of Mentor Escale (Belgium), Solid (Peru), Rikolto (Nicaragua and Honduras), Efico (Colombia) and UCLL (Benin). At the same time, we had four projects externally assessed. The combination of upscaling and optimisation ensures that our ongoing projects reach more young people and generate a more sustainable impact.

Two new projects

- In **Northern India**, we are going to train 200 young people in organic farming, in conjunction with the local university and the government. Our Indian IT department is assisting with this project.
- In **Benin**, we launched a three-year training programme at the start of 2020, together with Belgian partner Eclosio. The aim: direct coaching of sixty young people from the agricultural college, along with supporting thirty small cashew producers in areas such as improving quality and diversity.

Indicator		2018	2019
Training and education			
Investment in education and training (in million EUR)	Financial year	38,2	38,8
% Payroll invested in education and training	Financial year	3,14	3,04
# Unique participants in personal growth trainings	Financial year	1.698	1.759
# Different personal growth trainings	Financial year	51	58
# Employees involved in dual learning	Financial year	-	206
# Interns	Financial year	508	585
# Traineeship programmes	Financial year	8	8
# Participants in butcher course	Financial year	28	18
Colruyt Group Academy for consumers			
# Colruyt Group Academy centres	Financial year	10	11
# Participants in Colruyt Group Academy workshops	Financial year	37.549	52.602
# Different trainings for consumers	Financial year	-	190
Collibri Foundation			
Investment amount (in EUR)	Calendar year	647.928	808.593
# Training projects	Calendar year	13	14
# Young people directly involved in training projects	Calendar year	5.124	6.715

PROGRAMME 6 Living together

SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 17 PARTNERSHIPS FOR THE GOALS

As a retailer, we form an integral part of society and are in close contact with consumers, producers, local residents, investors, civil society and interest groups and authorities of all kinds. We want to create added value for all of these links and for society in general, keeping a balance between what is ecologically, socially and economically achievable. We are happy to use the expertise and levers we have as a retail business to this end. In respectful dialogue, we want to build long-term relationships of trust that benefit every link in the chain.
To this end, we are active partners:

- in collaborative projects with Belgian farmers and in supply chain projects abroad
- in the social economy
- in the local community, where we bring people together

7 supply chain projects, involving 37 house brand products on the store shelves

- Brazil – soy
- Burundi – coffee
- Colombia – coffee
- Congo – coffee
- India – rice
- Nicaragua – cocoa
- Peru – quinoa

Sustainable supply chain projects

In a supply chain project, we set up new production chains together with family agricultural producers in developing countries, sustainably from field to plate. Together with (logistics) chain partners, recognised NGOs and local organisations, we build a partnership in which every link in the chain wins. Through this, the local community is enriched, both socially and economically, while we can offer our customers quality products with sustainability value.

Last year, we **upscaled** several **projects**. We launch new products or purchase larger volumes of existing products, so that we reach more and more local farmers: 33.140 last financial year. For example, we now purchase white as well as tricolore quinoa, sold under our house brand Boni Selection, from Peru.

In the regions where supply chain projects are running, we also support **training projects** for young people with Collibri Foundation. Where supply chain and training projects are linked, the products are given the Collibri logo and some explanation on the packaging. Read more about Collibri Foundation in the Training & Development programme. Read more

Beyond Chocolate: sustainable cocoa supply chain in Ivory Coast

At the end of 2018, Colruyt Group signed the **sector agreement** Beyond Chocolate, an initiative of the federal government to make Belgian chocolate more sustainable. Together with other actors in the chocolate sector, we aim for the cocoa production for our house brands to give local farmers a **living income** by 2030.

To test the economic feasibility and put the commitments to Beyond Chocolate into practice, we are launching a supply chain project in Ivory Coast. For this, we are joining forces with IDH (Sustainable Trade Initiative) and several Belgian and local partners: producer Puratos, development organisation Rikolto, Fairtrade Belgium, Ghent University, Ivory Coast cooperative ECSP and training centres Agro-Insight and Access Agriculture. Over the next three years, we will buy 100 tonnes of cocoa each year for a fair 'living income reference price'. The project will give 102 farming families (1.015 people) a living income and also lead to the reforestation of 1.000 hectares of land. The total investment for Colruyt Group over three years is 200.000 euros.

The first Boni chocolate bar made from this fair cocoa will hit our shelves during 2021. The aim is to upscale the learnings and good practices from this collaboration to the entire Boni range. Read more

Handling data responsibly

We handle data and information linked to our stakeholders in a responsible manner. Customers, employees and suppliers, for example, can count on the fact that we will treat their data with the greatest care, with every respect for the protection of their privacy. We also make tools available with which they can manage their data themselves. Some rules of thumb:

- Customer and personal data are always strictly confidential and are not sold to third parties.
- Customers can request an overview of all of the data we keep at any time.
- Customers can also request us not to use their data for direct marketing, while retaining all of the benefits.
- We are currently implementing the new recommendations/guidelines of the Belgian Data Protection Authority (GBA), for instance in relation to the processing of personal data for direct marketing purposes. We are following developments closely.
- Our printing business Symeta, specialising in personalised communication, has ISO/IEC 27001 certification, the international standard for information security.

Sheltered workshops? That works!

As a business, we like to help find employment for people who don't fit in with the regular job circuit. For this reason, we work intensively with some **17 different sheltered workshops**, which we value as reliable and flexible partners providing a quality service. They can count on us as a loyal customer that guarantees a large volume of work.
We mainly call on sheltered workshops for packaging tasks. On average, they handle around eight million packages every month, both food and non-food items. Our technical and IT departments also outsource many jobs to sheltered workshops. For instance, they handle inventories and pre-installation of all new IT equipment and prepare up to 80% of our used or defective IT hardware for recycling. In this way, our initiative in the social economy also helps reduce our ecological footprint.

Working with citizens for greener energy

- Investors in **Eoly Cooperative** help create a more sustainable living environment and generate greater support for wind energy. Through direct participation, they become direct co-owners of a wind turbine and are entitled to a possible dividend.
- **North Sea Wind** is a well-known cooperative society established in 2018 by Parkwind, Colruyt Group, Korys Investments and ParticipatieMaatschappij Vlaanderen. Through public participation, North Sea Wind offers the general public the opportunity to invest in offshore wind energy projects and be part of sustainable change. In less than five months, the cooperative raised over 13 million euros from the public, a record amount for cooperative investment in green energy in Belgium.

Award for 'Dinner is served at 1-2-3 euros'

The Colruyt project '**Dinner is served at 1-2-3 euros**' won the 'Ik ben meer dan mijn kassaticket' ('I'm more than my checkout receipt') award. This new award honours initiatives of Belgian supermarkets which make it easier for customers to shop in a more balanced, fairer and more environmentally friendly way. A jury from NGO Rikolto, Test-Aankoop and Fairtrade Belgium selected the project from 11 entries, after which everyone could vote online.

'Dinner is served at 1-2-3 euros' makes balanced food more accessible to people experiencing (financial) difficulties. Vulnerable families with children are informed without obligation by their trusted social organisations such as Social Services, 'Centrum Algemeen Welzijn' or 'Kind & Gezin'.
Those who register will find a Colruyt cookery booklet containing six easy, balanced and tasty recipes with corresponding shopping lists, in their mailbox every two weeks Each recipe costs a maximum of 1, 2 or 3 euros per portion. Since the end of 2016, the project has already reached over **7.000 families** in 200 municipalities. Read more

Coronavirus measures: more than food supply

During the coronavirus crisis, we have not only made extraordinary efforts to maintain the food supply. Apart from this classic social role, we have taken many initiatives to support the healthcare sector or vulnerable households, for example. Dreamland donated toys to the Kinderarmoedefonds (child poverty fund) and Fiets! made healthcare providers happy with free bicycle maintenance. Colruyt Group Academy distributed free kits to sew 125.000 facemasks for the healthcare sector.
Read more on page 12.

Working with Belgian farmers

We also want to work with the agricultural sector to create added value socially, economically and ecologically. For this reason, we source as much produce as possible from Belgian manufacturers and establish new collaboration models. Read more in the **Agriculture programme**.

Donations to social organisations

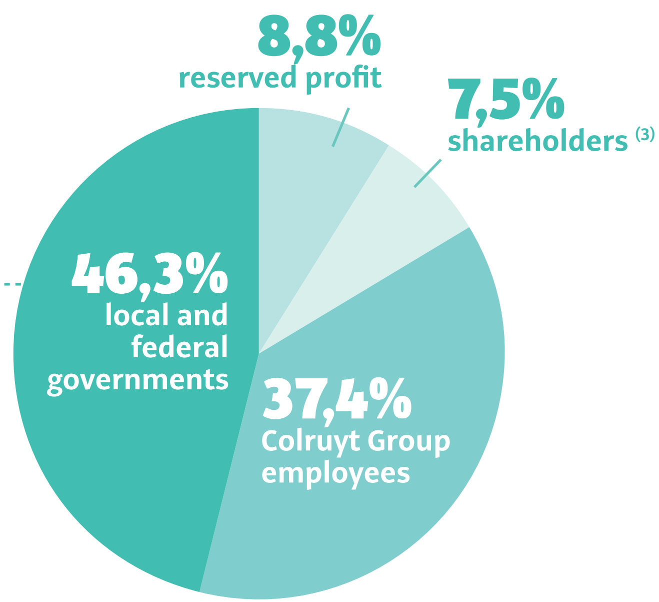
We donate unsold food and non-food items to social organisations such as Foodbanks. Read more in the **Raw materials programme**.

Contribution to the Belgian treasury

In the last financial year, all Belgian companies of Colruyt Group together passed on EUR 981,8 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 310,3 million. All these taxes are the result of the group's added value creation. The net added value (1) generated by Colruyt Group in Belgium amounts to EUR 2,1 billion.

Payments made to the Belgian treasury	(in million EUR)
Social security (2)	345,2
Withholding tax on wages (2)	135,7
Income tax on profits	128,7
Product-related taxes (customs, excise)	327,3
Withholding tax on income from investments	24,8
Property withholding tax	9,6
Registration duties, provincial and municipal taxes and other federal taxes	10,4
Total	**981,8**

Distribution of added value



(1) The excises paid have been integrated into the net added value so as to be able to express the total contribution to the treasury of EUR 981,8 million as a percentage of the net added value corrected in this way.
(2) Including charge reductions obtained on a federal and regional level.
(3) This calculation method takes no account of purchases or cancellations of treasury shares.

Indicator		2018	2019
# Active supply chain projects	Calendar year	7	7
# Products from supply chain projects in our stores	Calendar year	41	37
# Farmers involved in supply chain projects (estimate)	Calendar year	31.902	33.140
# Member-owners of Eoly Cooperative	Calendar year	1.193	1.187
% Local residents in Eoly Cooperative	Calendar year	32,6	31,6
# Member-owners of North Sea Wind	Calendar year	-	5.152
Contribution to the Belgian treasury (in million EUR)	Financial year	948,8	981,8

PROGRAMME 7

Biodiversity

14 LIFE BELOW WATER

15 LIFE ON LAND

We are working on biodiversity on two levels. On the one hand, we aim to minimise the **impact** of our **product range** on biodiversity. To this end, we work to make various production chains more sustainable and maximise our use of certified raw materials in our products. We prefer internationally recognised certifications focusing specifically on respect for existing ecosystems and good biodiversity management. Read more

We also want to make a difference on and around our **operating sites**, and create a habitat for flora and fauna with quality ecosystems. We operate on marine, urban and semi-rural sites, from the areas around our offshore wind turbines to buildings, forests, farming land, fields and landscape elements such as hedges and verges.

- We make the spaces we use more biodiverse, with the focus on native species.
- We maintain existing biodiverse sites to a high quality, to encourage biodiversity.
- Together with local partners, we integrate existing sites into the biodiverse environment.

Certification of our food products

We prefer certification systems focussing specifically on respect for existing ecosystems and good biodiversity management. Naturally, we follow an integrated approach, which also takes into account other aspects such as decent working conditions. The certification systems chosen support this approach. Read more about this in the **Work context programme**.

Wild-caught fish

We only use fisheries that are committed to preserving sufficient fish populations and use humane fishing methods. Certification by **MSC** (Marine Stewardship Council) and assessments by **ILVO** (Research Institute for Agriculture, Fisheries and Food). Read more

Wild-caught shellfish and crustaceans

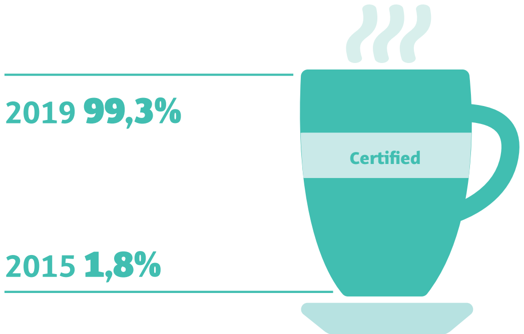
Certification by MSC if available. Products without MSC certification undergo an assessment by ILVO. This process is well underway.

Farmed fish, shellfish and crustaceans

ASC certification if available (which applies to almost the entire range). Some items, such as salmon, are also certified organic. ASC stands for Aquaculture Stewardship Council.

Coffee

99,3% of the coffee beans we buy carry a **UTZ** and/or a **Rainforest Alliance** label. These certificates focus on eco-friendly production by banning deforestation and using fertilisers, pesticides, water and energy sparingly, as well as respecting human rights and providing technical agricultural support for small-scale farmers. Read more

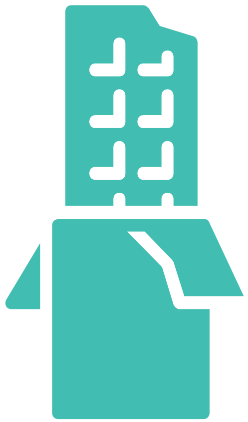


Several products also carry the **organic** quality mark and/or the **Fairtrade** label. These go a step further: for example, organic bans the use of chemical pesticides and Fairtrade guarantees minimum prices for the farmers.

Our aim is to achieve 100% certified products. The as yet uncertified coffees contain beans from our chain project in Kivu. We offer a cooperative of 2.200 small coffee farmers guaranteed sales. They are currently focussing mainly on quality and socio-economic progress and will probably invest in certification at a later stage. We also invest in education in this region via Collibri Foundation. Read more

Cocoa

- 90,3% of our products which contain cocoa carry the **UTZ** and/or **Rainforest Alliance** label, sometimes in conjunction with **organic** or **Fairtrade** labels.
- The slightly lower certification rate compared to last year (98,2%) is due to the expansion of our scope. We have expanded our commitment to include cocoa products of our wholesale brands Culino and Econom, plus many products containing a small fraction of cocoa, such as some biscuits. We will also have these products certified in the coming months. Read more



Soy

This widely used raw material in animal feed has a significant impact on ecosystems in South America. To make the soy volumes used in our animal feed chains 100% sustainable, we buy **RTRS** certificates from soy farmers in Brazil who farm sustainably. RTRS stands for Round Table on Responsible Soy.

As it is not easy for small farmers to comply fully with the RTRS standards, we work with the Belgian NGO Trias and the Brazilian organisation Cresol to help them with the certification process.
Read more

Palm oil

100% of the palm oil and palm kernel oil in our private-label products is **RSPO** certified. The Roundtable on Sustainable Palm Oil (RSPO) guarantees sustainably managed plantations with minimal impact on ecosystems, bans new deforestation and promotes good agricultural practices, in consultation with the local population.

- 97,1% of the palm oil used already comes from 'mass balance' and 'segregated' RSPO-certified palm oil supply chains.
- We offset the remaining 2,9% with RSPO certificates. Hence, we can guarantee that that volume of sustainable palm oil is produced somewhere in the world.

We aim for 100% segregated RSPO palm oil by the end of 2020. That means that the RSPO oil is processed separately throughout the entire production process, so that the certified end product is guaranteed to only contain oil from sustainable plantations. Read more

EU organic label

Our stores sell many certified organic products. The ban on synthetic pesticides is good for insects, fauna and flora, as well as the organisms in the soil. We remain strongly committed to an extensive range of certified organic products.

Certification of non-food products

We aim to preserve and increase biodiversity through the composition of our non-food range as well. Certification systems play an important role in this, although many other factors are involved such as decent working conditions. Read more

Wood

97,7% of our private label products containing at least 60% wood carry the **FSC** or **PEFC** label: strong progress since last year. These labels guarantee sustainable forestry. Read more

Charcoal

As of 2019, all Boni and Everyday charcoal carries the **FSC** label. The charcoal is made in Namibia from the wood of the mellifera, a tree that sucks up huge quantities of water, threatening local ecosystems. For this reason, the trees are chopped down by the local population. A totally different version of sustainable forestry. Read more

Paper

All of our private label products made of paper are certified: **FSC** or **PEFC** for sustainable forestry and/or **Der Blaue Engel**. This label is awarded to products with a reduced environmental impact and looks at factors such as use of resources, water and soil pollution. We set further requirements concerning environmental management during the production of absorbent paper products such as toilet paper and napkins. This is because the production process can be very harmful to the environment.
Read more

Cotton

87% of the cotton products from our private label Dreambee carry a **BCI** (Better Cotton Initiative) or **GOTS** (Global Organic Textile Standard) certificate. This includes both full cotton items and products containing a lower percentage of cotton, such as car seat covers or changing mats. In view of the great ecological and social impact of conventional cotton cultivation, we aim for certification of all (part-)cotton Dreambee items.
BCI stands for more eco-friendly cultivation techniques, such as less and more efficient use of pesticides, combating erosion or optimising water consumption, as well as better working conditions for the cotton farmers.
GOTS stands for organic agriculture and better working conditions in the textile industry.
Read more

Certification for environmental management

Both our fuel specialist DATS 24 and our meat-processing site Fine Food Meat are **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.

Native fauna and flora on our sites

Our focus lies on encouraging native fauna and flora. Where possible, we plant traditional varieties of shrubs and trees which have fallen out of use. We especially focus on indigenous varieties: animals or plants that are native to a specific habitat. We bear in mind that these biotopes can vary considerably from area to area.

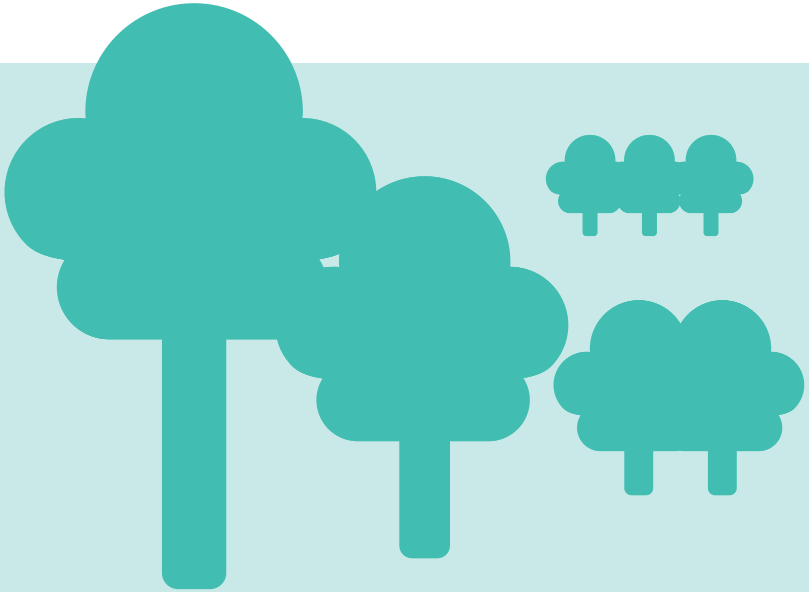
95% of our stores already have their own biodiversity on their site thanks to trees, hedges, woodland, green façades, flower meadows, etc. In the coming years, we will endeavour to make our store and office sites even more biodiverse.

33.350 m²
green roof

35 green façades

Quality maintenance

We are gradually reducing the use of pesticides for maintaining the greenery on our own sites. We no longer use any pesticides at all around Bio-Planet stores. Our landscape contractors also report which products they use for which purposes on other sites. They always prefer to use other techniques, such as weeding by hand or using a brush.



Forest planted

We have planted 3.000 trees on a hectare of land next to the Hallerbos forest, as the result of an Xtra campaign for less plastic and more greenery. In doing so, we contribute to the pine marten plan, designed to boost typical features of the region, such as forests, wooded banks, rows of pollarded trees and orchards. This means that many animals, including the pine marten, will have a larger habitat and we are making a specific contribution to the EU's environmental and biodiversity goals.

3.000 trees planted

Indicator		2018	2019	Target	
Fish					
# Wild-caught fish, shellfish and crustacean products (excluding ready-made dishes and canned products)	Calendar year	173	159		
% Wild-caught fish, shellfish and crustacean products (excluding ready-made dishes and canned products) MSC-certified	Calendar year	81,5	86,2		
% 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	2020	100
# Canned fish products	Calendar year	30	27		
% Canned fish (wild-caught fish) products MSC-certified	Calendar year	36,7	66,7		
# Farmed fish, shellfish and crustacean products	Calendar year	95	92		
% Farmed fish, shellfish and crustacean products ASC-certified and certified organic	Calendar year	85,3	85,9		
Coffee					
# Coffee products	Calendar year	131	130		
% Certified coffee beans purchased (UTZ, Rainforest Alliance, Organic, Fair Trade)	Calendar year	99,5	99,3		100
% Certified coffee products (UTZ, Rainforest Alliance, Organic, Fair Trade)	Calendar year	95,4	96,9		100
Cocoa					
# Products containing cocoa	Calendar year	218	279		
% Certified products containing cocoa (UTZ, Organic, Fair Trade)	Calendar year	98,2	90,3		100
% Certified chocolate bars and tablets	Calendar year	-	100		100
Soy feed					
Volume soy feed used in meat and dairy production (in tonnes)	Calendar year	33.100	33.100		
Volume soy feed purchased in Brazil with RTRS credits (in tonnes)	Calendar year	33.100	33.100		
% Soy feed offset by RTRS credits	Calendar year	100	100		100

Indicator		2018	2019	Target	
Palm oil					
Volume palm oil marketed (in tonnes)	Calendar year	4.769,4	5.005,5		
% Palm oil RSPO: Mass Balance	Calendar year	47,3	29	2020	0
% Palm oil RSPO: Segregated	Calendar year	50	68,1	2020	100
% Conventional palm oil offset by RSPO credits	Calendar year	2,8	2,9	2020	0
Volume palm kernel oil marketed (in tonnes)	Calendar year	780	703,2		
% Palm kernel oil RSPO: Mass Balance	Calendar year	21,6	14,7		
% Palm kernel oil RSPO: Segregated	Calendar year	0,6	7,8		
% Conventional palm kernel oil offset by RSPO credits	Calendar year	77,8	77,5		
Wood					
# Products containing at least 60% wood	Calendar year	218	310		
% Certified wood products (FSC or PEFC)	Calendar year	71,1	97,7	2020	100
Paper					
# Paper products	Calendar year	204	211		
% Certified paper products (FSC, PEFC or Der Blaue Engel)	Calendar year	100	100		100
Charcoal					
% Certified charcoal products	Calendar year	50	100		100
Cotton					
% Dreambee white bodies GOTS-certified	Calendar year	100	100		100
% Dreambee cotton products GOTS- or BCI-certified	Calendar year	-	87		100
# Cotton products (briefs, vests, socks) at Colruyt, GOTS-certified	Calendar year	-	12		At least 1 item per category

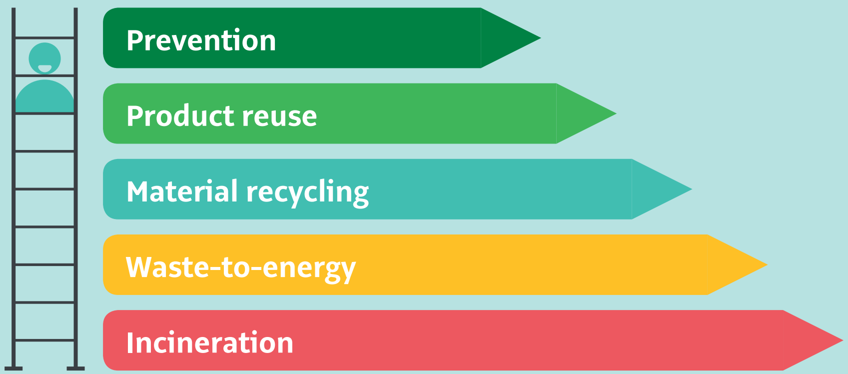
PROGRAMME 8 Raw materials

We try our best to **minimise** our **use of raw materials**, throughout 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. Then raw materials we process into new materials and use in applications such as packaging and infrastructure.

Once these raw materials become '**waste**', the challenge is to make **the best possible use** of them. This applies to our unsold surplus food and non-food items, to business waste such as paper, cardboard and plastic, and to construction waste. Lansink's Ladder offers a guide for this: we try to reuse or recycle each raw material at the highest possible level. With the ultimate goal of a circular economy, in which each form of waste becomes a raw material once more. And in which the recycling rate is as close as possible to 100%.

From 2021 the recycling rate is to be at least 85%. A maximum of 15% of our waste stream is to be incinerated, with energy recovery.

Lansink's Ladder



In 2019 we achieved a record recycling rate of

83,98 %

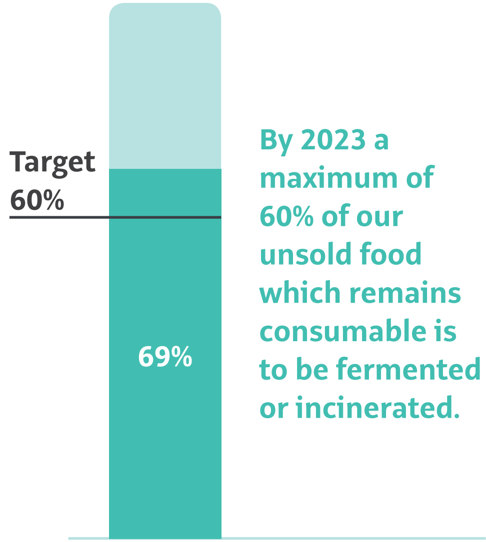
Recycling rate keeps rising

Prevention of waste is basic. Thanks to good monitoring and years of experience, we manage this successfully. **Reuse** is the second priority, both for food (via donations or processing into new products) and for non-food (via second-hand sales or donations). The waste that remains is very varied: from leftover food to materials such as cardboard, glass and metal. So we **sort** it carefully. First in the stores, then thoroughly in our return centres. We extract all recyclable materials and try to recycle them, **upscaling** them as far as possible. This is how we calculate our 'recycling rate': all waste streams which are not incinerated or dumped.

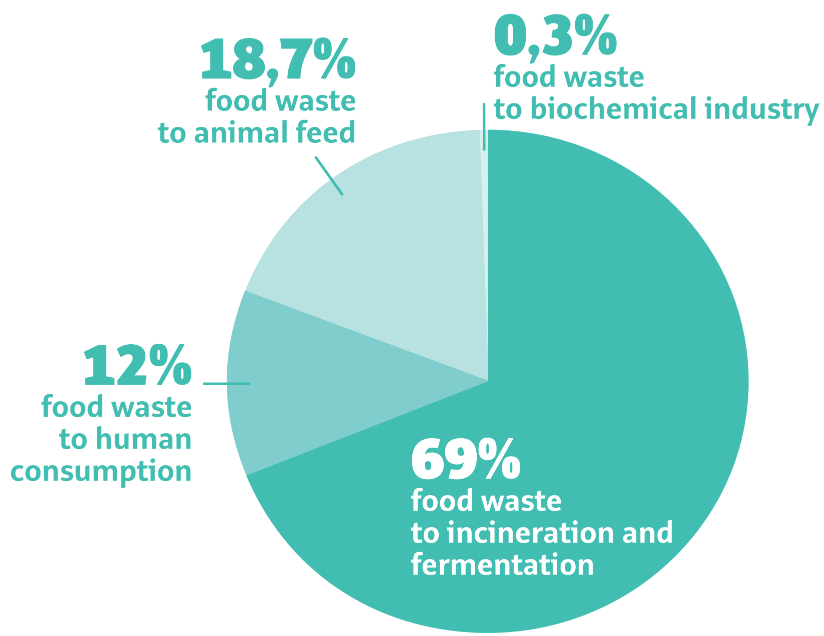
Since 2019, waste tonnages for **paper, cardboard** and **plastic** are decreasing slightly. The tonnages for **residual waste** have been falling for years, despite our rising turnover. This is partly due to the continual updating of our range. We are constantly working to reduce these quantities further. Read more

Surplus food

Thanks to efficient stock management and good monitoring, we manage to sell more than 97,21% of our fresh and frozen products. We recycle unsold food as far as possible and allocate **as much as possible for human consumption**.
Another option is animal consumption: for instance, we convert a large amount of unsold bread into animal feed. Surpluses from the butchers go to the biochemical industry. Another way is fermentation, for example of surplus vegetables. The remaining food waste is incinerated as a last resort only, with energy recovery.



By 2023 a maximum of 60% of our unsold food which remains consumable is to be fermented or incinerated.



Donations to social organisations

We donate food that is still perfectly edible to social organisations such as Foodbanks where possible. They then distribute the food among those in need.

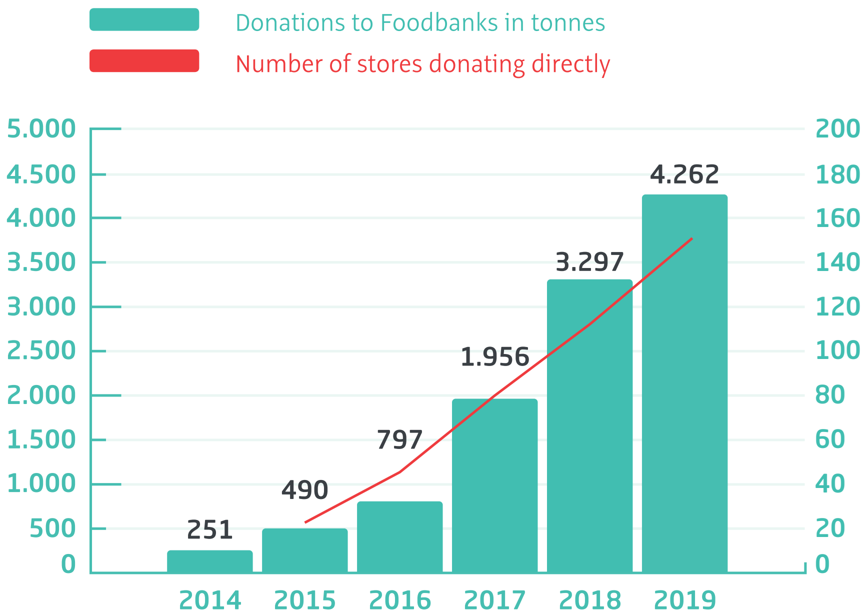
Once again in 2019, we donated a **record amount** of **4.262 tonnes**. That's 29,3% more than in 2018, and in 2020 we want to do even better. At many stores, local organisations pick up the food themselves, and we also collect it in three distribution centres. The organisations can rely on the fact that the donated products are in good condition: we always respect the cold chain and remove the products from the shelves four days before their sell-by date.

We also try to keep as many non-food items as possible out of the waste stream. As far as possible, everything that is still usable goes to our own second-hand circuit or we donate it to social organisations. We want to streamline this process further, to raise the recycling rate. Read more

Digital marketplace for surplus food

eit Food

Partly for food safety reasons, we cannot donate all of our surplus food to Foodbanks. Nevertheless, we are determined to avoid food waste and recycle as much of our surplus as possible. For this reason, we work with other major partners in the Digital Market Place for Side Streams, established by the EU Knowledge and Innovation Community EIT Food. This supply and demand platform links companies that have waste streams with companies that can make use of ingredients from them. For example, glucose or fibre can be extracted from stale bread.



Spotlight on circular construction (materials)

We are increasingly focussing on circularity and upcycling of materials for structural work, finishing and fitting-out. Read more

- We now **reuse** many **interior materials** such as cable ducts, shelves, electrical materials or removable inner walls from office buildings. Furniture is freshened up and given a new lease of life, as are bread slicers, steps, complete trolley points, etc.
- We are researching and testing **new materials and designs** for circular construction. This includes façade systems, roof structures, interior walls and floor construction.
- We are working with VITO and OVAM to optimise an existing online tool for **measuring** the **environmental impact** of our building materials.
- We also factor the environmental impact of building materials into our decisions when we select building materials.
- In October, an inspiration day took place at our head office about the **Green Deal on Circular Construction**. We joined more than 300 other companies and organisations participating in this collaborative project.

ICEBERG

At the end of 2019, Colruyt Group, as a partner in a European consortium of 34 companies, was awarded the 'ICEBERG' contract. This four-year programme comes under the EU funding programme 'Horizon 2020' and aims to make the construction economy circular by recycling construction waste and using new circular construction products. Colruyt Group will act as a demonstrator for this.

This project is funded by the European Union Horizon 2020 research and innovation programme under grant agreement number 869336.

Targets

By 2025 all household packaging for our house-brand products is to be reusable, recyclable, compostable or biodegradable.

By 2025 PET beverage packaging for our house-brand products is to contain at least 50% recycled materials.

Ambitious targets for packaging

As a retailer, we want to bring food to our customers safely, efficiently, hygienically and in a high-quality way, so that it stays fresh as long as possible. Packaging plays an essential role in this story. It protects food in the store and during transport, maintains **shelf-life and quality** and **informs** the customer. We therefore adopt a material-neutral view of packaging: we research which packaging is best for each product and do not opt for plastic or cardboard where possible. New packaging is always a question of balancing the environmental impact of the packaging against the impact on food waste.

Obviously, we are aware of the issues surrounding packaging. We already screen our existing packaging. How can we use less? How can we do it differently? We prefer **recycled** materials**, recyclable** and **reusable packaging**.

At the same time, we look out for new possibilities, such as **biobased** packaging materials. We invest in innovative projects working on the packaging of the future. That's no empty promise: by 2025 all packaging for our house-brand products will be reusable, recyclable, compostable or biodegradable. Upcycling of materials from recyclable packaging plays a leading role in this, in accordance with the principles of the circular economy.

Where possible, we offer fruit and vegetables **loose**. Of course, this does not always work: raspberries or mushrooms are too fragile, for example. If we want to offer our customers good quality, unblemished fruit and vegetables, packaging is needed. This is also partly seasonal: in some periods, fruit or vegetables stay fresh longer with plastic film. Once again, it is a question of avoiding food waste. Read more

Reusable bags for fruit and vegetables

Since the start of 2020, we only provide reusable bags for loose fruit and vegetables. These polyester bags are strong, washable and can be reused at least 100 times. All single-use plastic bags for fruit and vegetables have therefore permanently disappeared from our stores. As a result, we bring 150 million fewer plastic bags, or 23 truckloads, into circulation each year. Read more

Indicator		2018	2019	Target	
% Recycling rate	Calendar year	**83,17**	**83,98**	**2021**	**At least 85%**
% Products sold (fresh and frozen)	Calendar year	**97,38**	**97,21**		
% Food waste to incineration and fermentation	Calendar year	**69,2**	**69,0**	**2023**	**Maximum 60%**
Food donated to social organisations (in tonnes)	Calendar year	**3.297**	**4.262**		

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 surplus food and food donations, the Colruyt, Bio-Planet and OKay food stores are in scope. For (household) packaging, we only consider our own brands, on which we have a direct impact.

PROGRAMME

9 Water

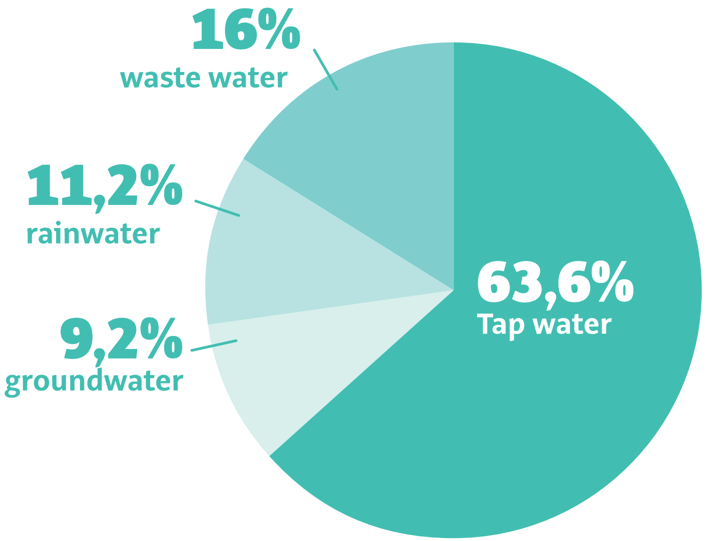
6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Water is one of the most valuable natural resources. So, it is incredibly important to use it economically. Through water management on our sites, we aim to have a minimal impact on ground and surface water and thus on the natural biotope.

Once again, we follow Lansink's Ladder. **Preventing** and **reducing** water consumption are our main focus. Then there is **recycling** water, as long as it is of the same quality. We also use sustainable alternatives to tap water, such as collected rainwater. Another option is to **treat** rainwater or waste water to turn it into drinking water or rinse water. Discharging it is a last resort. We aim for zero discharge of rainwater into the sewers. On our sites, we collect as much rainwater as possible from roofs or paved surfaces in water tanks or wadis, combined with allowing it to soak away into the soil.

By 2025, 50% of Colruyt Group's total water consumption is to come from rainwater and waste water



605.846 m³ water

used in 2019 (Belgium)

Water approach of our biggest consumers

The Fine Food Meat meat-processing activity and the Dassenveld distribution centre in Halle together account for around half of our total water consumption. For this reason, we make maximum use of (purified) rainwater and treated waste water there.

The **waste water** from our meat division is purified in a conventional biological treatment plant. We then use some of this purified water in the drinking water production unit, mixed with tap water. Partly due to the installation of an extra water buffer, we were able to **produce** 96.926 m³ of **drinking water** from waste water in 2019, representing a recovery of 56%. We are investigating how we can increase this recovery level even further. Read more

We collect **rainwater** in a buffer via the roof of one of the buildings. Some of this goes straight to the washrooms, while some is purified into drinking water. In 2019, we produced 972 m³ of drinking water, much less than expected owing to technical problems. We also plan to recover the rainwater from a new production site under construction and purify it into drinking water.

Currently, we also collect a large quantity of **rainwater** on the Dassenveld site, in two existing buffers with a capacity of 4.100 m³. We recycle as much of this rainwater as possible, mainly in the crate washing facility and partly in the washrooms. In addition, we are investigating how we can take further steps in water purification on this site.

Indicator		2018	2019	Target	
Total water consumption (in m³)	Calendar year	**561.694**	**605.846**		
% Rainwater and waste water	Calendar year	**23,6**	**27,2**	**2025**	**50%**
Recycled waste water at Fine Food Meat (in m³)	Calendar year	**85.381**	**96.926**		
Drinking water produced with PURA drinking water system	Calendar year	**1.912**	**972**		

The scope of these indicators is water consumption in Belgium, excluding drinking water destined for sale.

PROGRAMME

10 Energy

7 AFFORDABLE AND CLEAN ENERGY

By ‘energy’, besides electricity, we also mean conventional fossil fuels such as natural gas, oil, petrol and diesel, plus alternatives such as green hydrogen. Our energy policy is based on three key principles.

1. We are firmly committed to **reduction and prevention of our energy consumption**. The most sustainable energy is the energy you do not use. We also aim for optimal coordination between consumption and production.

2. We consciously choose **sustainable alternatives** which we prefer to generate for ourselves. For example, renewable electricity from wind turbines and solar panels, or green hydrogen as a fuel.

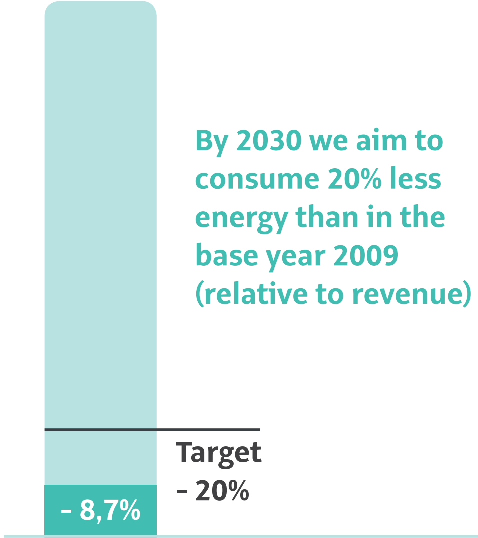
3. We **tackle waste streams**, so that energy is not lost. For example, in Colruyt, OKay and Bio-Planet stores, we recover the residual heat from the cooling systems and use it for heating.

> **The most sustainable energy is the energy you do not use**

Reducing energy consumption

We set ourselves the target of consuming 14% less energy by the end of 2020 compared with revenue in the base year of 2009. To achieve this, we drew up an energy reduction plan. By the end of the year, we had achieved a reduction of 8,7% and it was clear that we would not reach our target. This is because electricity consumption is temporarily rising faster than revenue. The main reasons for this are the continuing automation, the strongly growing sales of chilled fresh products and the bringing of several external activities such as cold storage in house. Since we are no longer able to reach our current objective, we have already set ourselves a new, **more ambitious target** for 2030. We aim to achieve this in four ways:

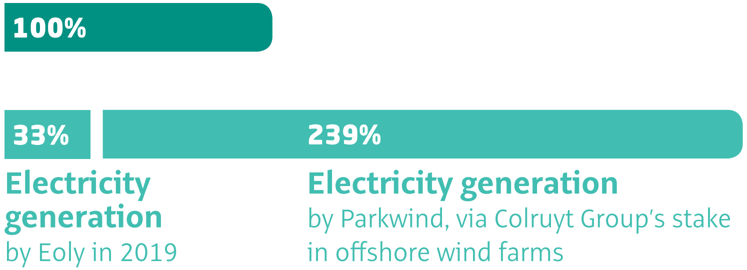
- **Infrastructure**: reducing energy consumption of buildings via energy upgrades with improved insulation and airtightness.
- **Heating**: via heat recovery as standard in new and renovated food stores, combined with further rollout of heat pumps. This means that a new gas connection is no longer required or we can even disconnect existing stores from the gas grid.
- **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.



Generating our own electricity

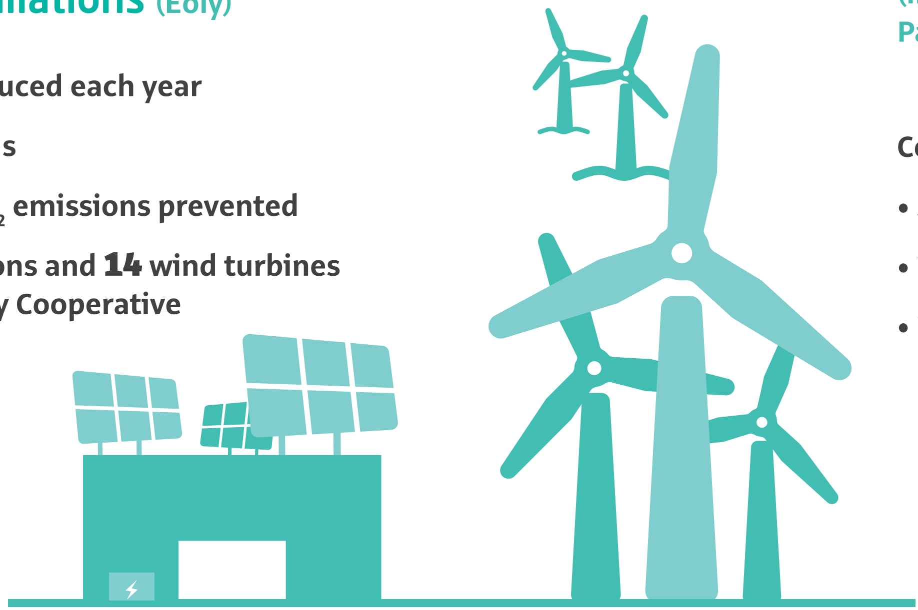
We cover our electricity consumption with green energy that we generate ourselves and the purchase of green electricity certificates. In Belgium we generate electricity with onshore wind turbines and solar installations from Eoly. Via our majority stake in holding company Parkwind, we also invest in offshore wind energy. For now, this is only in the North Sea, but there are also projects in the pipeline in other countries. Read more about our green electricity generation on page 81 (Eoly) and on page 85 (Parkwind).

Colruyt Group **electricity consumption** in 2019



2019 Onshore wind turbines and solar installations (Eoly)

- **69.250** MWh produced each year
- **19.785** households
- **16.412** tonnes CO_2 emissions prevented
- **79** solar installations and **14** wind turbines including 1 for Eoly Cooperative



2019 Offshore wind farms (in which Colruyt Group has a stake via Parkwind)

Colruyt Group share:

- **550.885** MWh produced each year
- **157.400** households
- **130.560** tonnes CO_2 emissions prevented

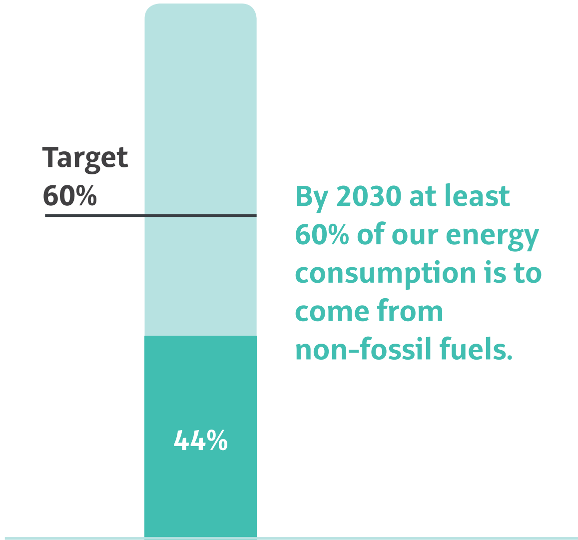
Towards a low-carbon economy with RE100

Since 2016 we have been a member of RE100, a global partnership of leading companies committed to 100% sustainable electricity. By significantly increasing demand for renewable energy, RE100 aims to accelerate the transformation of the international energy market and the evolution to a low-carbon economy.

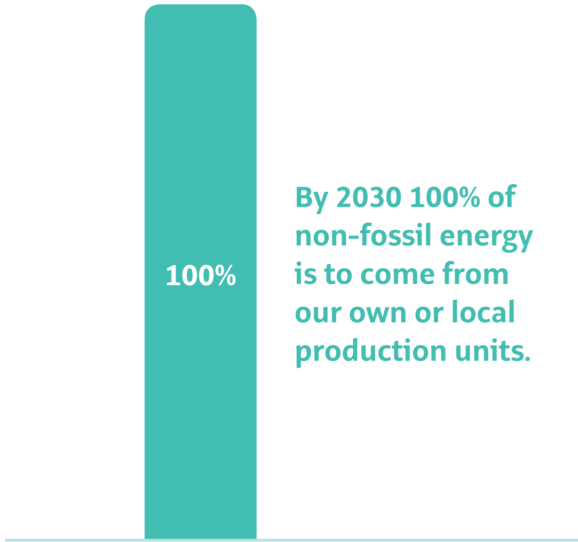
Switching to non-fossil energy

Colruyt Group is strongly committed to greener energy. We now cover our entire electricity consumption with 100% green electricity, not just for our sites in Belgium, France and Luxembourg, but also for our offices in India and Hong Kong. In addition, we produce our own green hydrogen with renewable electricity.

The proportion of non-fossil energy we consume currently stands at 44%. We want to take this a step further and increase it to 60% by 2030. We follow a twin-track approach to this. Firstly, we are implementing heat recovery and heat pumps in our buildings (see Climate programme). Secondly, we are committed to more environmentally friendly fuels such as CNG, electricity and hydrogen (Mobility programme).



By 2030 at least 60% of our energy consumption is to come from non-fossil fuels.

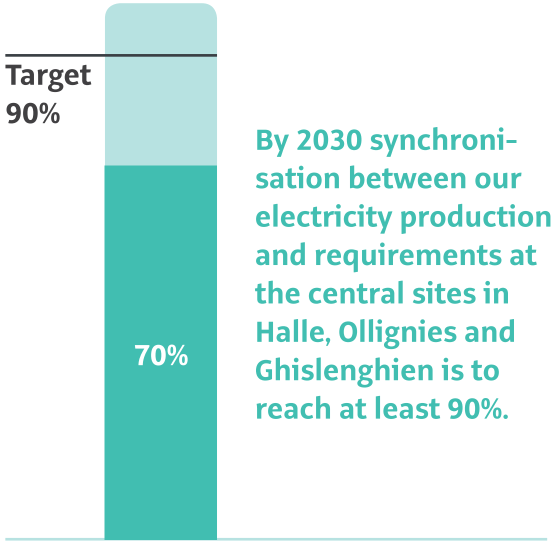


By 2030 100% of non-fossil energy is to come from our own or local production units.

Synchronisation:
aligning production and consumption

Where possible, we shift our consumption to times when we can produce plenty of energy using wind and solar power and when energy prices are low. So we can cope with peaks, rely less on the grid and reduce the cost. This is also a way of avoiding overproduction of energy.

On our central sites, we aim to synchronise production and consumption of electricity as closely as possible. In 2019, we achieved 70%.



By 2030 synchronisation between our electricity production and requirements at the central sites in Halle, Ollignies and Ghislenghien is to reach at least 90%.

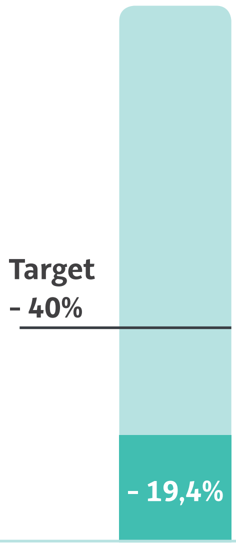
Indicator		2018	2019	Target	
% Reduction in energy consumption (relative to revenue)	Calendar year	8	8,7	2020 2030	14 20
Energy consumption (MWh/million EUR revenue)	Calendar year	59,2	58,92	2020 2030	55,54 51,67
Electricity consumption of Colruyt Group in Belgium and Luxembourg (MWh)	Calendar year	223.828	230.724		
% Average synchronisation rate for central sites	Calendar year	73	70	2030	90
% Energy consumption from non-fossil fuels	Calendar year	-	44	2030	60
% Electricity consumption from non-fossil sources	Calendar year	100	100		100
% Non-fossil energy from own or local production units	Calendar year	100	100	2030	100
Eoly energy production from wind (MWh)	Calendar year	55.700	61.700		
Eoly energy production from solar (MWh)	Calendar year	6.600	7.550		
Electricity production offshore wind farms via Parkwind for Colruyt Group (MWh)	Calendar year	522.000	550.885		
% Average coverage rate for Eoly	Calendar year	31	33	2023	100

The scope of these indicators is Colruyt Group as a whole, unless indicated otherwise.

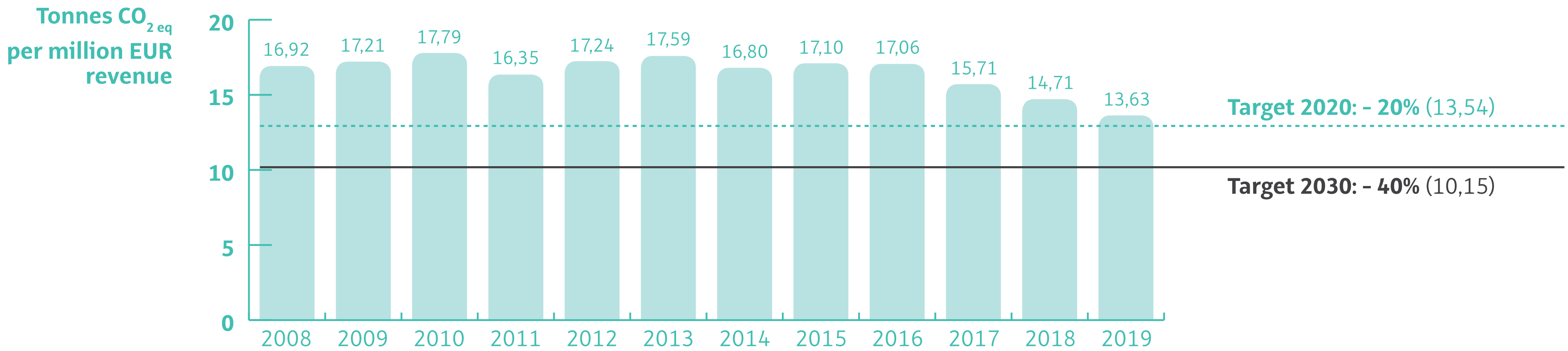
11 Climate

For ten years now, we have been actively working to reduce our impact on the climate. Our basic principles are as follows: we avoid CO_2 emissions, reduce our emissions in general and constantly seek solutions with the lowest impact on the climate. We have analysed our activities and identified those areas in which we have the greatest impact. As a result, we have defined **three direct impact categories**, on which we focus strongly with many projects and initiatives. These are refrigeration and heating, mobility and transport, and finally energy consumption and production.

We monitor our emissions according to the **Greenhouse Gas Protocol** (scope 1 and 2). We are now also working with our suppliers to reduce the impact of our products on the climate. Methods such as LCA (life cycle assessment) and OEF (organisational environmental footprint) help us do this.



By the end of 2020 we aim to reduce our direct greenhouse gas emissions by 20% compared with the base year of 2008 (in comparison to revenue), according to Greenhouse Gas Protocol scope 1 and 2. We aim to make this reduction 40% by 2030.



More emissions avoided than produced

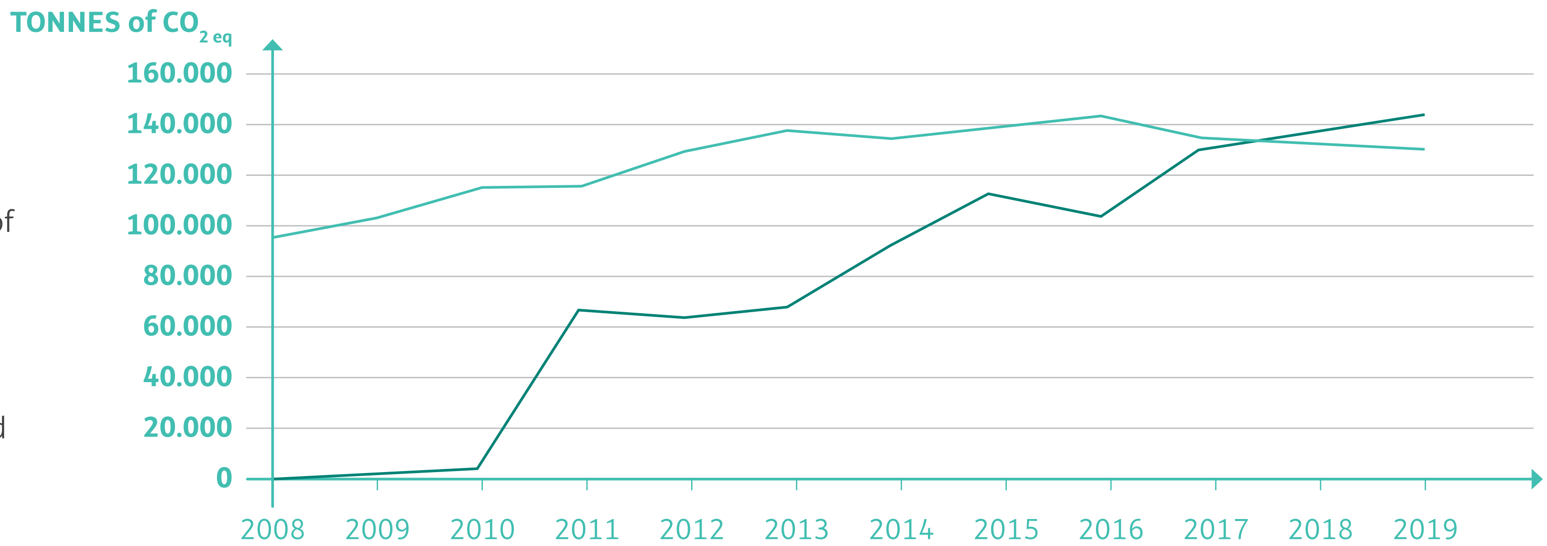
Nowadays we do not offset our greenhouse gas emissions by certificates or climate projects in other countries. At Colruyt Group we rely on the production of renewable energy. This has a direct impact on the climate. In recent decades, we have invested millions of euros in onshore and offshore wind energy and solar panels. In this way, we also contribute to the local economy and generate much more social added value than by buying certificates.

Our CO_2 emissions have been falling in absolute terms since 2016. We are gradually reducing our greenhouse gas emissions. The CO_2 emissions avoided thanks to our investments in green energy even exceed our absolute emissions. We therefore avoid more CO_2 than we actually emit. Read more

Our direct impact on climate change, in absolute numbers

Direct CO_2 emissions of Colruyt Group

CO_2 emissions avoided via Eoly and Parkwind



Low-energy stores without fossil fuels

We are working on fossil fuel-free stores, without oil or gas heating. This is a step-by-step process. Heating a building entirely by heat recovery or a heat pump works best if it is well-insulated and airtight.

About ten years ago, we decided to build **only low-energy stores** when we built new ones. Since 2017, we have also upgraded all of our older stores to low-energy stores. Some 234 older stores are converted over a period of 12 years, representing an investment of 35 million euros. The aim is to give an average of 20 stores an energy upgrade per year, so that this will be complete by 2029. Read more

All new and renovated Bio-Planet, Colruyt and OKay stores are now equipped with **heat recovery as standard.** These stores are heated with the residual heat from refrigeration and only use green energy, therefore no longer fossil fuels. Read more

Natural refrigeration techniques

By 2030, all Bio-Planet, Colruyt and OKay stores will be equipped with a refrigeration plant that uses natural coolants such as propane and CO_2. This will reduce the greenhouse gas emissions of our food stores by 11%.

Unlike many other retailers, we do not use separate refrigerated lorries to transport fresh produce to our stores. We transport this fresh food in refrigerated containers, which can be loaded onto normal delivery lorries. This allows us to combine all goods for a store in a single trip, saving many truck kilometres.
At the start of 2016, we introduced our own specially developed **liquid ice container** (LIC). This mobile refrigerated container has 73% less impact on climate change than a conventional mobile refrigerated container. We already use the LIC to transport all of our fresh produce. The switch is well underway for frozen products, which will also lead to a sharp reduction in CO_2 emissions. Read more

The impact of products and organisations on the climate

The products on our shelves also have an indirect impact on the climate. We have less control over this, which makes reporting more complicated. Nevertheless, we work with our suppliers to **reduce** the **impact** that the products in our range have **on the climate**. We look at the entire life cycle of a product: from raw materials to production, packaging, transport, use, waste processing, recycling, etc. The factors with the biggest impact are dealt with first.

These often complex projects require interpretation for consumers. For this reason, we are working on an **eco-score**, to allow consumers to compare the ecological impact of similar products. This enables them to make informed decisions while shopping. We have launched our first pilot project to measure the environmental impact of several house-brand products. As our methodology we use the **Product Environmental Footprint (PEF)**, which also includes various other environmental impact categories such as water or energy consumption. The PEF is the European standard for carrying out Life Cycle Assessments (LCA) of products.

Energy and mobility

Our efforts to reduce our energy consumption and use more green energy contribute directly to the realisation of our climate objectives. The same applies to our initiatives around passenger mobility and goods transport. Read more about this in the **Energy** and **Mobility programmes**.

Indicator		2018	2019	Target	
Greenhouse gas emissions					
Colruyt Group greenhouse gas emissions (% reduction, relative to revenue)	Calendar year	**13,0**	**19,4**	**2020**	**20%**
Refrigerated transport					
# LIC for fresh products	Financial year	**6.600**	**6.600**		
# LIC for frozen products	Financial year	**142**	**2.000**		
Refrigeration, heating and insulation					
# Stores with refrigeration using natural coolants	Financial year	**75**	**99**	**2030**	**All stores with refrigeration**
# Stores with heat recovery	Financial year	**12**	**35**		**All stores with refrigeration**
# Newbuild low-energy stores	Calendar year	**91**	**116**		**All new stores**
# Existing stores with energy upgrade	Calendar year	**28**	**38**	**2029**	**All existing stores (234)**

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).

PROGRAMME 12 Mobility

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Mobility is crucial to us as a retailer. It is a question of getting employees to their workplace quickly, making it easy for customers to reach our stores and transporting goods efficiently to our distribution centres and stores. Whether it is for employees, customers or goods, we are constantly making mobility more sustainable based on three principles: reduce kilometres, shift and make them greener. Our mobility policy has five main objectives:

- More **efficient goods transport**, by avoiding pointless, empty and peak kilometres, for example
- Smoother access to our products and services for **customers**
- Smoother **commuting**
- Improved **road safety** and a **healthier living environment**, through more sustainable fuels and modes of transport, for example.
- Taking the **lead**, via partnerships with companies, civil society and authorities

We will set further objectives around this. The CO_2 reduction from our mobility measures forms part of the main objective for the Climate programme.

reduce

shift

make greener

23,9% of inbound transports take place at night

49,0% of deliveries to our stores take place in the evening or early morning or at night

EIT Urban Mobility

Silent, emission-free deliveries in cities

Deliveries to stores in urban areas work best in the evening or early morning or at night when traffic is low. However, it is not always possible to deliver during off-peak periods, due to possible noise for local residents and legal restrictions on night-time deliveries in Belgium. This is why we invest in research to minimise the impact on the environment of delivering during off-peak periods.

Via the EU innovation consortium EIT Urban Mobility, we work with several cities and other companies in the **ZEUS** (Zero Emission off-peak Urban deliverieS) **project**. The goal: to develop concepts for silent and emission-free city deliveries, providing a more liveable, cleaner, and safer urban space. ZEUS aims to confirm what previous research and tests have already demonstrated: **delivering during off-peak periods is more efficient and more environmentally friendly**. To make loading and unloading quieter, for example, we are researching new materials for loading docks and vehicles such as trailers and pallet trucks. We are also conducting tests with 100% electric tractors and hybrid vehicles. We are already testing several solutions in Brussels this year.

Read more

4.998
fewer container transports by road, through the use of inland waterways in Belgium

94,0%
load factor for trucks travelling to Colruyt stores

2 electrical terminal tractors
operating in our distribution centres

1.862
train journeys within Europe for inbound goods transport

76,7%
load factor for inbound goods transport, through cooperation with and between our suppliers

8 CNG tractors
operating in supplying stores

Investing in safer transport

Technology. A hundred truck drivers tested an innovative app which warns them of traffic jams and roadworks ahead while driving and brings traffic signs into the cab of their truck. Tests have also been conducted on smart control of traffic lights based on approaching traffic.

The app was developed as part of the **CITRUS project** (Cooperative Intelligent Transport Systems for Trucks). In this partnership, we join with other Belgian companies and the Flemish government to research how interventions in goods transport can contribute to road safety and smoother traffic flow.

Education. For years, we have given schools demonstrations with trucks to make children aware of the blind spot. All of our trucks are equipped with a **blind spot camera**. And in 2019 we introduced stickers to make cyclists and pedestrians aware of the blind spot. The trucks are also fitted with updated underrun protection so that cyclists cannot go under them.

Awareness-raising. All drivers sign our **courtesy charter**. Their commitment to courteous and safe driving is displayed at the back of the trucks, to raise awareness among other road users. Read more

Testing hydrogen for heavy duty transport

We strongly believe in the potential of green hydrogen as a clean and renewable fuel, not just for cars, but also for trucks. We are playing a leading role here: we will test the first heavy duty prototypes and demonstration models and so help build the hydrogen infrastructure. We are doing this together with a range of partners from the logistics sector and the fuel sector among others. Through these projects, we gain valuable expertise and ensure that we will be ready once green hydrogen truly breaks through for heavy duty transport.

- During the second half of 2020, we will test a 44-ton truck running on hydrogen.
- **H2-Share**. EU project, under which we will test a 27-ton truck from the start of 2021.
- **H2Haul**. European consortium of 16 partners for the development and practical testing of hydrogen trucks in four countries. From mid-2021, Colruyt Group will use four (27/44-ton) trucks for deliveries to stores from our distribution centre in Ollignies. We are building a hydrogen filling station on this logistics site especially for heavy duty transport.

In the meantime, we endeavour to boost the hydrogen economy and facilitate the use of hydrogen. We are pleased to share our broad **expertise** in the production, storage and use of hydrogen for cars and logistics vehicles. We are also an active member of a variety of partnerships, such as Waterstof Industrie Cluster (Belgium and the Netherlands) and the European consortium Hydrogen Europe.

Finally, via Eoly and Parkwind and in partnership with Fluxys, we are helping build **Hyoffwind**, the first industrial power-to-gas installation for green hydrogen, to go into operation in 2023. The installation is deliberately located at the easily accessible logistic hub of Zeebrugge. Large-scale production should ultimately lead to a fall in the price of green hydrogen.

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.

Interreg EUROPESE UNIE
Vlaanderen-Nederland
Europees Fonds voor Regionale Ontwikkeling

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.

Interreg EUROPEAN UNION
North-West Europe
H2-Share
European Regional Development Fund

Investing in sustainable mobility for customers

Fiets! We increased our stake in Fiets! from 75% to 100%. Another way of encouraging sustainable mobility, for private individuals, as well as employees and companies.

Electricity. DATS 24 is gradually expanding its electric charging infrastructure in store car parks and on office sites, to 122 charging stations at the end of the financial year.

Hydrogen. Besides the existing hydrogen filling station in Halle, four more public stations will open in the next two years, the first in Haasrode at the end of 2020. This opening is part of the three-country project H2Benelux.

Facilitating greener commuting

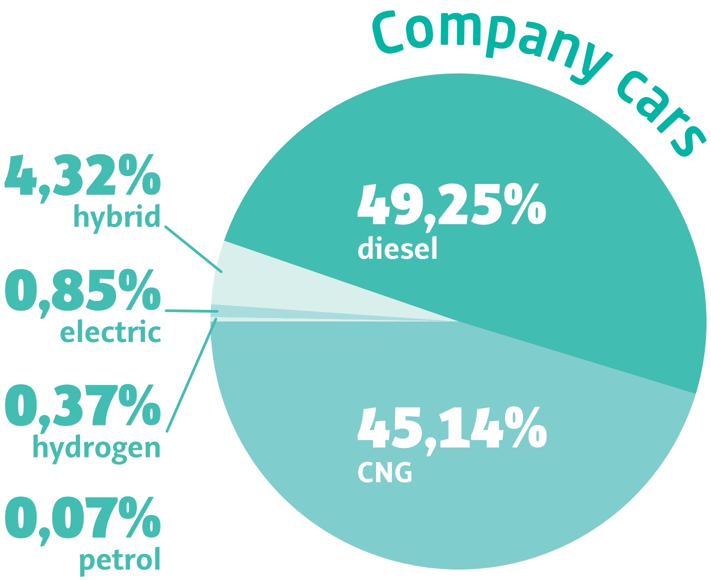
4.900
employees cycle to work, possibly combined with public transport

Reducing kilometres

- Thanks to our growing network of **regional offices**, employees travel fewer kilometres. Following the addition of the new sites in Kortrijk and Merelbeke, we now have 11 regional offices.
- The capacity of our **Office on Wheels** has expanded to 32 workstations. As a result, every working day, we take an average of 23 cars off the road, representing an annual reduction of 571.320 car kilometres and 75 tonnes of CO_2. Read more
- We continue to encourage employees to **carpool**, including with an online platform where they can find a driver or a passenger, and with reserved parking spaces near the entrance. Read more

Making kilometres greener

We remain committed to making our fleet greener and successfully facilitate our employees' choice of **greener company cars**. We have now launched plug-in hybrids with a large battery capacity, in addition to the wide choice of CNG cars and several electric and hydrogen models.



Shifting kilometres

We continue to encourage the use of alternative modes of transport.

- Our percentage of **cyclists** has increased to 17%. From January 2020, we equalised the cycling allowance for all of our employees and increased it to the legal maximum of 24 cent per kilometre, as a thank-you for their efforts and an encouragement to continue cycling.
- 1.641 employees opt for **public transport** and are offered a free season ticket for train, bus and/or tram. Read more

Indicator		2018	2019	Target	
Goods transport					
# Truck journeys saved by inland waterways in Belgium	Financial year	**4.502**	**4.998**		
% Load factor inbound deliveries for Colruyt	Financial year	**77,0**	**76,7**		
% Inbound deliveries at night	Financial year	**23,3**	**23,9**		
% Filling ratio for Colruyt trucks	Financial year	**94,6**	**94,0**		
% Deliveries in the evening or early morning and at night	Financial year	**49,1**	**49,0**		
# Hydrogen-powered logistics vehicles in use	Financial year	**15**	**15**		
Employee mobility					
# Company bicycles (conventional and electric)	Financial year	**4.702** (1)	**4.195**		
# Car kilometres saved each year by cyclists	Financial year	-	**13.822.160**		
# Car kilometres saved each year by commuters	Financial year	-	**16.567.320**		
CO_2 emissions avoided by cyclists and commuters (in tonnes)	Financial year	-	**6.412**		
Customer mobility					
# Electric charging stations	Financial year	**68**	**122**		
# Sites with electric charging stations	Financial year	**65**	**115**	**2021**	**200 sites**
# DATS 24 stations with CNG pump	Financial year	**65**	**76**	**2020**	**85 stations**
# DATS 24 public hydrogen filling stations	Financial year	**1**	**1**	**2021**	**5 stations**

The scope of these indicators is Colruyt Group in Belgium, unless indicated otherwise.

(1) This high figure is due to the updating of a large proportion of the fleet in 2018 and a clean-up in 2019.

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 - financial year 2019/20

Capacity	Name	Audit Comm. member	Rem. Comm. member	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	X		2020
	• Korys NV whose permanent representative is: Dries Colpaert			2020
	• Korys Business Services I NV whose permanent representative is: Hilde Cerstelotte		X	2021
	• Korys Business Services II NV whose permanent representative is: Frans Colruyt			2021
	• Korys Business Services III NV whose permanent representative is: Wim Colruyt	X		2022
Independent directors	• ADL CV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SRL whose permanent representative is: Chantal De Vrieze	X	X	2023
	• Fast Forward Services BV whose permanent representative is: Rika Coppens	X		2021
Secretary	• Kris Castelein			

The following change occurred during the 2019/20 financial year: the Board of Directors has taken note that Korys NV, in the exercise of its mandate as director on the Board of Directors of Colruyt Group and in line with the new Code on Companies and Associations has, as of 1 January 2020, replaced its permanent representative Jef Colruyt by Dries Colpaert. Mr Dries Colpaert was employed for over 33 years in Colruyt Group, of which 25 years as a director. From September 2016 to mid 2020, he was Managing Partner in Korys NV, the investment company of the Colruyt family. Jef Colruyt will remain a director on the Board of Directors of Colruyt Group as a natural person and has taken over the Chairmanship of the board from Korys NV.

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 provisions 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 CVBA (B00160) represented by Danny Wuyts BV [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 30 September 2020

The directorship of Korys NV, whose permanent representative is Dries Colpaert, expires after the General Meeting of 30 September 2020. The Board of Directors proposes to reappoint Korys NV for four years, expiring after the General Meeting in 2024.

The appointment of director François Gillet (Sofina NV) expires after the General Meeting of 30 September 2020 and will no longer be extended. Director Rika Coppens, permanent representative of Fast Forward Services BV, will from then take over from François Gillet as Chairman of the Audit Committee.

After the General Meeting of 30 September 2020, independent director Chantal De Vrieze, permanent representative of 7 Capital SRL, will be replaced in the Audit Committee by Dries Colpaert, permanent representative of Korys NV.

Subject to approval by the General Meeting of 30 September 2020, the composition of the Board of Directors will then be as follows:

Capacity	Name	Audit Comm. member	Rem. Comm. member	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 whose permanent representative is: Dries Colpaert	X		2024
	• Korys Business Services I NV whose permanent representative is: Hilde Cerstelotte		X	2021
	• Korys Business Services II NV whose permanent representative is: Frans Colruyt			2021
	• Korys Business Services III NV whose permanent representative is: Wim Colruyt	X		2022
Independent directors	• ADL CV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SRL whose permanent representative is: Chantal De Vrieze		X	2023
	• Fast Forward Services BV whose permanent representative is: Rika Coppens	X		2021
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 provisions 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 director

Independent director Delvaux Transfer BVBA with Willy Delvaux as permanent representative (for a period of five years from the end of the appointment in 2017).

2. Colruyt Group Management

2.1. Changes to the Management during the reporting period

No director or deputy director appointments were made in the past financial year. There was 1 change of director:

- **André CERON** Deputy Manager Logistics RPCG from 1/12/2019 (before: Deputy Manager Logistics and Administration Dreamland, Dreambaby and Collishop)

Members of the 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:

- **Filip VAN LANDEGHEM** Deputy Manager Real Estate

2.2. Management Committee - financial year 2019/20

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

2.3. Future Board – financial year 2019/20

- **Jef COLRUYT** CEO

2.3.1. Colruyt Group Services

- **Jef COLRUYT** COO Services
- **Stefaan VANDAMME** Manager Finance
- **Liesbeth SABBE** Manager People & Organization
- **Wim MERTENS** Deputy Manager Social Relations
- **Peter VANBELLINGEN** Manager Business Processes & Systems and Customer Communication & Experiences
- **Philip D'HOOGE** Manager Customer Communication & Experiences
- **Koen BAETENS** Manager Technics, Real Estate & Energy (including DATS 24 and Eoly)
- **Jo WILLEMYNS** Marketing Manager Colruyt Group

2.3.2. Retail

- **Marc HOFMAN** COO Retail
- **Stefan GOETHAERT** Manager Colruyt Group Fine Food, Retail Services and Private Label

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
- **Johan VERMEIRE** 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 COLLISHOP
- **Dieter STRUYE** General Manager Dreamland, Dreambaby and Collishop

RETAIL PARTNERS COLRUYT GROUP
- **Dirk DEPOORTER** General Manager
- **Guido SORET** Sales Manager
- **Erik PAPPAERT** Deputy Manager Logistics (1)
- **André CERON** Deputy Manager Logistics (from 1/12/2019)

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

(1) Ending career as from end of June 2020

Sustainable corporate governance

1. Sustainable corporate governance statement

1.1. Reference code

During the past financial year 2019/20, the Company followed the Belgian Corporate Governance Code 2009 (1) as a mandatory frame of reference for sound/sustainable management in Colruyt Group. This code was designated a reference code by the Royal Decree of 6 June 2010 designating the corporate governance code to be complied with by listed companies.

On 17 May 2019, the Royal Decree of 12 May 2019, designating the corporate governance code to be complied with by listed companies, was published in the Belgian Official Gazette. Pursuant to this Royal Decree of 12 May 2019, all Belgian listed companies must follow the Belgian Corporate Governance Code 2020 (2) as a reference code within the meaning of Article 3:6, § 2 (4) of the Code on Companies and Associations. The Royal Decree of 6 June 2010 is annulled. A transitional arrangement exists however: the Royal Decree of 12 May 2019 applies to the Company from 1 January 2020.

On 28 February 2019 the new Code on Companies and Associations was also approved. The new Code applies to all new Belgian companies from 1 May 2019. From 1 January 2020, the existing Belgian companies of Colruyt Group will be subject to its mandatory provisions and, except where otherwise provided in their articles of association, also the supplementary provisions of the revised company law. Etn. Fr. Colruyt NV will propose to the Extraordinary General Meeting in October 2020 to bring its articles of association in line with the new Code. The articles of association of all other group companies will be adapted to the new Code in the course of 2020.

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 finally 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 only from the financial year 2020/21. The remuneration policy will therefore be submitted for approval to the General Meeting that will be asked to approve the financial statements for the 2020/21 financial year.

Given the relationship between the new Code on Companies and Associations Code and the 2020 Code, which the group is to use as reference code from 1 January 2020, the Board of Directors has opted to report on the 2020 Code in the annual report for financial year 2019/20. For items during the 2019/20 financial year that are not in line with the new 2020 Code, the reasons for deviating from the 2020 Code are stated. In fiscal year 2020/21, the board will reassess the deviations from the 2020 Code with a view to possible policy changes.

(1) https://www.corporategovernancecommittee.be/en/about-2009-code
(2) https://www.corporategovernancecommittee.be/en/about-2020-code

We give below the following disclosures and deviations from the principles and provisions of the Belgian Corporate Governance Code 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 to propagate the values regarding 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 of a Board of Directors that can perform all actions with the exception of those for which the General Meeting is authorised. 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 1** - 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 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 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** - At the end of financial year 2019/20, the Board of Directors is composed of one executive director and eight 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.

- **Principle 4** - The Board of Directors has appointed an Audit Committee composed of two independent directors 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. Because Sofina NV is bound by a shareholder agreement with the Colruyt family, its representative cannot be considered as an 'independent director', despite her actual independence with respect to the Colruyt family and the openness to the outside world that arises from the experience of the Sofina NV holding company, which is active in a diverse range of sectors and in a number of companies.

- **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 one month of the request, written or otherwise, of shareholders who together represent at least one tenth of the capital.

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 20 of the articles of association. Each proxy must have satisfied the conditions for being admitted to the meeting.

Shareholders who satisfy the statutory formalities for being admitted to the meeting, as stipulated in article 20 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 20bis of the articles of association.

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

1.2.2. Board of Directors

COMPOSITION

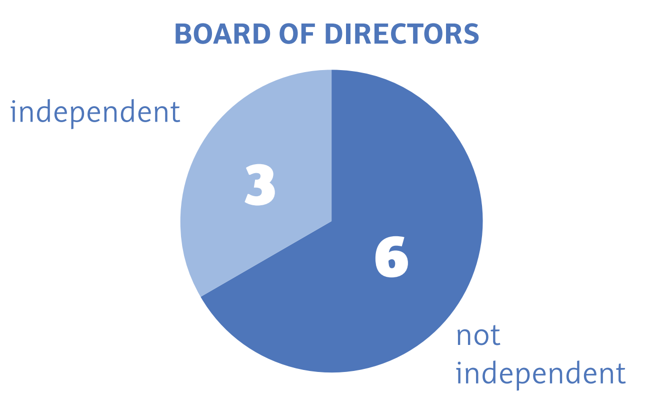
The composition of the Board of Directors is the result of the structure of the share ownership of the company, in which family shareholders, with the support of Sofina NV, are reference shareholders. As evidenced by the past, the family shareholders ensure the stability and continuity of the company, 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.

A third independent director has joined the board since March 2019. 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 2019/20, the Board of Directors is thus composed of one executive director and eight 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.

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. The board discusses the findings as discussed in the Audit and Remuneration Committees and decides on their recommendations. The directors receive their dossier 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.

The Audit Committee contains, as independent directors within the meaning of Article 7:87 of the Belgian Code on Companies and Associations, 7 Capital SRL (for which Ms Chantal De Vrieze acts as permanent representative) and since the 2019/20 financial year also Fast Forward Services BV (for which Ms Rika Coppens acts as permanent representative). Both have many years' experience in general and financial management and hold independent directorships of various 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 notes to 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 role on the basis of the internal regulations, which can be consulted on our website colruytgroup.com/ investors/ shareholders' information. 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 their capacity as managers, executive directors receive the same remuneration elements and benefits as the remaining executive management of Colruyt Group. The remuneration of 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 & Organization, 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 & Organization, 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 a contract of employment.

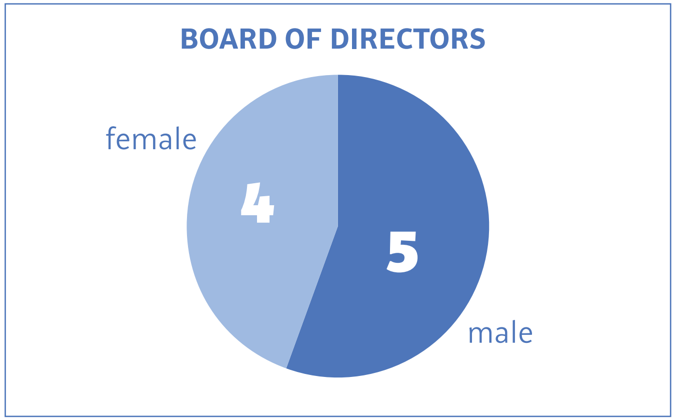
1.2.4. Diversity policy

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.

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 CV and, since March 2019, (iv) 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 '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.
In accordance with the company's articles of association, at least 90% of the distributed profit

(excluding the profit sharing of employees) 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 is always published in the Company's annual report and on the website at colruytgroup.com/investors/shareholders' information.

The most recent transparency notification shows that there is a reference shareholder group within the share ownership structure. The Colruyt family, Colruyt Group and Sofina NV are shareholders which act 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.

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, key employees 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 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 those 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.

Finally, in accordance with the Act of 2 August 2002 and the Royal Decree of 5 March 2006, 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 inside 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' information. All stakeholders 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

François Gillet has been the Chairman of the committee since its formation in 2006. Non-executive director Wim Colruyt, permanent representative of Korys Business Services III NV, and independent directors Chantal De Vrieze, permanent representative of 7 Capital SRL and Rika Coppens, permanent representative of Fast Forward Services BV, are the other permanent members of the committee. Rika Coppens, permanent representative of Fast Forward Services BV, has been a member of the Audit Committee since her definitive appointment as an independent director at the General Meeting of 25 September 2019.

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

Chaired by François Gillet, the Audit Committee held meetings on 7 June 2019, 13 September 2019,
29 November 2019 and 13 March 2020. The meeting of 13 March 2020 took place via video conference owing to the COVID-19 epidemic. All members of the committee were present at each 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 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' information.

Chaired by Astrid De Lathauwer, the Remuneration Committee held its regular meetings on 7 June 2019, 13 September 2019 and 29 November 2019. The attendance rate at each meeting was 100%. The meeting planned for 13 March 2020 was cancelled due to the COVID-19 epidemic.

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. These activities resulted in the Remuneration report, which is published in full under point 2.4. The final version of this report was finalised during the meeting of the Remuneration Committee on 5 June 2020.

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

2.3. Meetings of the Board of Directors

The Board of Directors held four ordinary meetings during this financial year, on 13 and 14 June 2019, 19 and 20 September 2019, 5 and 6 December 2019 and 19 and 20 March 2020. The main points of the meetings were the discussion and progress of the performance of the various store formats and the trading activities of the group. Exceptionally, the March 2020 meeting at Rochefort-sur-Nenon (Dole, France) did not take place. With the outbreak of the COVID-19 epidemic, a shortened board meeting was held at headquarters over two days and simultaneously via video conference. 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 2019 Board meeting, the intra-group conflict of interest procedure was applied in respect of the Aura project (see below).

The average attendance rate of directors at the aforementioned ordinary quarterly meetings can be summarised as follows: 100% in June and September 2019, 97% in December 2019 (absence of director François Gillet on Thursday morning) and 100% in March 2020.

The Board also held an additional meeting on 24 October 2019 to discuss the Aura project (see below). The only director absent at this meeting was ADL CV with Astrid De Lathauwer as permanent representative .

Other than the remuneration and variable pay of Jef Colruyt and, in his capacity as permanent representative of Korys NV, the Aura project (see 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 Committee on a permanent basis.

2.3.1. Transaction with application of the conflict of interest rules

Project Aura (creation energy holding company Virya Energy) - Extract from the minutes of the Board of Directors of 5 and 6 December 2019, with the decision of the committee of three independent directors

Project Aura project was already presented to the full board of directors during the meeting of 19 and 20 September 2019.

Korys NV, as a party to Project Aura, indicated that it has a conflict of interest of a financial nature with regard to the proposed transaction. It also informed the statutory auditor of this. Korys NV believes that Project Aura is in the interest of the company, especially in view of the benefits associated with the creation of a single energy company, such as pooling of expertise, economies of scale and bargaining power in relationships with suppliers, customers and other stakeholders and diversification in terms of technology, geography and project life cycle. Korys NV did not participate in this part of the meeting of the board of directors, nor in the voting in this respect.

The other directors declared, individually, that they did not have a conflict of interest of a financial nature with regard to the intended transaction.

Project Aura consists of the centralisation by the company, Eoly NV ("Eoly") and Korys Investments NV ("Korys Investments"), in a first phase, of their shareholdings [(1)] and shareholder and bond loans to Parkwind NV ("Parkwind") and Eurowatt SA ("Eurowatt"), and, at a later stage, of certain wind activities of Eoly NV, after their split-off into a newly incorporated company Eoly Wind NV

("Eoly Wind") [2] *, in a new industrial energy company Aura NV ("Aura")* [3]*.*

In addition to the establishment of Aura, the board of directors must decide, in the context of Project Aura, on:

- *i. the contribution by the company and Eoly of their interests in Parkwind into Aura (accompanied by the contribution by Korys Investments of its interests in Parkwind and Eurowatt into Aura) under an investment agreement (the "Investment Agreement")*
- *ii. the contribution, at a later stage, by the company of its interest in Eoly Wind into Aura (preceded by the split-off of certain wind energy-related activities from Eoly into Eoly Wind as described in the draft unbundling documentation (accompanied by Eoly concluding an energy purchase agreement with Eoly Wind ("PPA"))) under the Investment Agreement*
- *iii. the conclusion by the company and Eoly of a shareholders' agreement with Korys Investments in respect of Aura (the "Shareholders' Agreement")*
- *iv. the possible granting by Aura's shareholders of shareholder loans to Aura (in this case proportional to their participations in Aura) at conditions that are no less favourable to Aura than those at which Aura's credit institution(s) are willing to finance Aura (the "Transaction")*

The Transaction will lead to the company and Eoly becoming shareholders of Aura. In a first phase, after the contributions of Parkwind and Eurowatt, the company will hold 57,8% of the Aura shares together with Eoly. At a later stage, after the contribution of Eoly Wind, the company will acquire additional Aura shares, so that together with Eoly it will hold 61,0% of the Aura shares. The rights and obligations associated with these contributions are further described in the Investment Agreement. Under the Shareholders' Agreement, the company, Eoly and Korys Investments will together exercise joint control over Aura. With regard to any shareholder loans to Aura, the financial consequences thereof will be aligned with the conditions provided by Aura's credit institution(s).

Since certain parts of Project Aura fall within the scope of Article 524 of the Companies Code, a committee consisting of the company's 3 independent directors was appointed in order to draw up an opinion on the Transaction, assisted by an independent expert.

The procedure as provided for in Article 524 of the Companies Code has been complied with and the board of directors has taken note of the advice of the committee dd. 6 December 2019, which, assisted by Rothschild & Co Belgium NV, has come to the following conclusion:

"In view of the foregoing considerations and after discussing the financial terms of the Transaction with the independent expert Rothschild & Co Belgium NV, the Committee is of the opinion that the Transaction is not of a nature to cause the Company any disadvantage which, in the light of the policy pursued by the Company is manifestly unlawful. The Committee also believes 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 took note of the main terms of each of the aforementioned agreements and discussed the report of Rothschild & Co Belgium NV and the opinion of the committee. The board of directors decided not to deviate from the advice and to approve Project Aura

(1) The company, Eoly NV and Korys Investments NV will each continue to hold one share in Parkwind NV.
(2) Eoly Wind has since been renamed Eoly Energy.
(3) Aura has been renamed Virya Energy.

and the Transaction, including the creation of Aura, the split-off of Eoly Wind, the contribution of Parkwind and Eoly Wind, the concluding of the Investment Agreement, Shareholders Agreement and PPA to be elaborated on the basis of the negotiated term sheets, and the possible granting of shareholder loans to Aura, under the conditions stated therein.

The board of directors also decided 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 sheets, including any non-material changes that could still be required and, as far as the shareholder loans are concerned, to grant shareholder loans to Aura after the assessment of the financial position of the company, under the conditions discussed. The approval of the board of directors also includes the authorisation for Eoly and Aura to do everything necessary to implement Project Aura and the Transaction.

STATUTORY AUDITOR'S OPINION

"Based on our work, we have not gained knowledge of any elements that would lead us to conclude that the economic and verifiable information contained in the minutes of the Board of Directors meeting of 5 December 2019 and in the opinion of the Committee of Independent Directors of 5 December 2019 does not give a true and fair view.

Diegem, 12 December 2019
Ernst & Young Bedrijfsrevisoren CVBA,
Represented by Daniël Wuyts
Statutory Auditor"

2.3.2. Silent merger with Colruyt Retail SA

On 24 October 2019, the Boards of Directors of Etn. Fr. Colruyt NV and Colruyt Retail SA decided to proceed to the silent merger of Etablissementen Fr. Colruyt NV (acquiring company) and Colruyt Retail SA (acquired company). Colruyt Retail SA was a 100% subsidiary of Etablissementen Fr. Colruyt NV and sole shareholder of the companies housing the activities of OKay, Bio-Planet, Dreamland and Dreambaby.

The merger was part of a simplification of the company's structures, with savings in management, administration, audit costs and the like. The silent merger was notarised on 19 December 2019 with legal and accounting effect from 1 January 2020.

The Boards of Directors of Etablissementen Fr. Colruyt NV and Colruyt Retail SA have invoked the exception provided for in Article 722, §6 of the Companies Code (now 12:53, §6 of the Code on Companies and Associations), which allows for the merger to be resolved by the management bodies instead of by the respective General Meetings of the companies concerned.

2.4. Remuneration report for financial year 2019/20

Introduction

The Remuneration Committee is responsible for assessing and drawing up Colruyt Group's remuneration policy.
The Remuneration Committee makes recommendations regarding the level of the remuneration of directors, including the Chairman of the Board of Directors. These recommendations are subject to approval by the entire Board of Directors and subsequently by the General Meeting.

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

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.
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.

MANAGEMENT COMMITTEE

A basic principle of the remuneration of the Management Committee is the application of a fair basic salary that is in line with the practices of a relevant basket of companies, and a variable remuneration depending on individual performance and company results. This remuneration is supplemented by competitive group insurance policy, and disability and hospitalisation insurance. The remuneration package is supplemented by a company car and a fixed expense allowance. 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.

Another basic principle of the remuneration of members of the Management Committee, all of whom are currently based in Belgium, is the application of a number of principles that apply to all members of the group in Belgium. For instance, they all receive a profit share as stipulated in the Act of 22 May 2001 on participation in the profit and capital of the company (the Profit Sharing Plan), as well as a bonus relating to non-recurring results as stipulated in the Act of 20 December 2007.
Finally, the remuneration of members of the Management Committee is composed so as to enable the group to guarantee the recruitment and retention of competent Management Committee members and to motivate them on a daily basis.

Information on the 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 increase directors' emoluments for financial year 2019/20 from EUR 92.500 to EUR 94.000 by application of indexation.

Thus, in financial year 2019/20, the members of the Board of Directors received the following emoluments:

EMOLUMENTS RECEIVED IN 2019/20 [1]

Korys NV (with permanent representative Jef Colruyt) [2]	EUR 211.500
Korys NV (with permanent representative Dries Colpaert) [2]	EUR 23.500
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) [3]	EUR 141.000
François Gillet	EUR 94.000
ADL CV (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) [4]	EUR 94.000
Total	**EUR 1.034.000**

(1) Gross amounts on an annual basis.

(2) In line with the new Code on Companies and Associations, Korys NV has replaced its permanent representative Jef Colruyt with Dries Colpaert, with effect from 1 January 2020. Furthermore, Jef Colruyt, as a natural person, has taken over the role of Chairman of the Board of Directors from Korys NV since 1 January 2020. Korys NV has received the directors' remuneration as Chairman for three trimesters. At the end of March 2020, Korys NV owned (based on the notice of the agreement to act in concert dd. 29/08/2019), together with the other family companies and with the individual family members acting in concert, 57,36% of the shares of the Company.

(3) In his capacity as Chairman of the Board of Directors: since 1 January 2020, Jef Colruyt, as a natural person, has taken over the chairmanship of the Board of Directors from Korys NV. Jef Colruyt has received the ordinary director's remuneration for three trimesters and the director's remuneration as Chairman for 1 trimester.

(4) Appointed at the General Meeting on 25 September 2019.

Information on the composition of the variable remuneration of the Chairman of the Management Committee and of the other members of the Management Committee

The CEO acts as Chairman of the Management Committee. For the CEO, the target-based variable remuneration is 85% of the basic salary.

For the other members of the Management Committee, the target-based variable remuneration is:

- 75% of the basic salary for the COO Retail
- 62,5% of the basic salary for the General Manager Colruyt Lowest Prices
- half of the basic salary for the other members of the Management Committee

The variable salary is a maximum of 1,75 times the target variable remuneration.

A part of the variable remuneration of the members of the Management Committee consists of the profit sharing granted to them on the basis of the profit sharing plan applicable for the financial year concerned. For financial year 2018/19 this profit sharing was paid in cash or shares, without discount, at the choice of the member of the Management Committee. In September 2019, 65 more shares were acquired in this way. As of the 2019/20 financial year, the profit sharing plan is distributed only in cash.

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.

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.

70% of the variable remuneration of the CEO and the other members of the Management Committee is determined according to **collective criteria** based on the operating profit of Colruyt Group.

The remaining 30% of this variable remuneration is determined according to **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 set individually during an annual consultation with the Chairman of the Management Committee. In the event of exceptional 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.

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 pay can be awarded
  - but no individual variable pay will be awarded
- If the Management Committee member has achieved half of the individual performance criteria:
  - up to half the collective variable pay can be awarded
  - half of the variable pay resulting from the realisation of the individual performance criteria can be granted
- If the Management Committee member has achieved more than half of the individual performance criteria:
  - the collective variable pay can be awarded in full
  - the variable pay resulting from the achievement of the individual performance criteria can be granted only pro rata to the criteria achieved.

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

The CEO and the members of the Management Committee are evaluated annually, during the first few months following the end of the financial year. This evaluation not only relates to the previous financial year, but also includes an evaluation of the individual performance objectives over the last three years.

The Extraordinary General Meeting of 13 October 2011 decided to make use of the authorisation provided by article 520ter of the Companies Code (today article 7:91 of the Code on Companies and Associations) 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.

Information on the composition of the total remuneration of the Chairman of the Management Committee and of the other members of the Management Committee

CEO (CHAIRMAN OF THE MANAGEMENT COMMITTEE)

The remuneration paid directly or indirectly to the CEO in financial year 2019/20 comprised:

Basic salary	EUR 658.320
Variable remuneration in cash	EUR 588.921
Contributions paid for group insurance	EUR 118.498
Other components (1)	EUR 7.920
Total	**EUR 1.373.659**

(1) Other components consist solely of a fixed expense allowance.

The basic salary was increased by 2,16% starting from the 2019/20 financial year. The increase is ascribable entirely to indexation. The variable remuneration in cash for services in financial year 2018/19, paid to the CEO in financial year 2019/20, fell in comparison to the variable remuneration in cash paid in financial year 2018/19. The lower variable remuneration is mainly due to the fall in the collective performance criteria in financial year 2018/19. The individual performance criteria, as in the previous financial year, were positively assessed given the achievement of predefined objectives.

OTHER MEMBERS OF THE MANAGEMENT COMMITTEE

The remuneration paid directly or indirectly to the other members of the Management Committee in financial year 2019/20 comprised overall:

Basic salary	EUR 3.058.253
Variable remuneration in cash	EUR 1.884.308
Contributions paid for group insurance	EUR 402.068
Other components (1)	EUR 39.300
Total	**EUR 5.383.929**

(1) 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.

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 included in these figures increased by two managers. Since the start of the new financial year, Stefaan Vandamme has been appointed CFO and Jo Willemyns has been appointed Manager Marketing and Customer Communication & Experiences. Dirk Depoorter, General Manager Retail Partners Colruyt Group, has also coordinated International Purchasing and Sourcing Colruyt Group since 01/06/2019.

The amounts are higher than in the previous financial year owing to the addition of two additional managers to the Management Committee. The basic salary for managers who were continuous members of the Management Committee for both this financial year and the previous financial year increased by around 4%. Part of this increase (on average 1,5%) is due to the indexation of salaries. The variable remuneration, on the other hand fell, mainly owing to the decrease in operating profit in financial year 2018/19.

The variable remuneration comprises payment for services for the group during financial year 2018/19. All members of the Management Committee included in the overview above are salaried employees, with Colruyt Group paying social security contributions on their gross salaries.
The value of the shares granted to the members of the Management Committee under the Profit Sharing Plan for the 2018/19 financial year, which could for the last time be allocated in shares in the 2019/20 financial year, is included in the above calculation. These shares are frozen for a period of two years.

Information on exit payments

Managers who are members of the Management Committee and bound to their employer by a contract of employment have no individual contractual claim with respect to Colruyt Group regarding their exit payment.

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 activities 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 (OU). Each OU 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. A risk matrix is drawn up for each operating unit based on the risk scores, with risks classified as high, moderate or low. A risk response is provided for high risks: this is an action plan to bring the risk score below the tolerance limits. High and moderate risks are also monitored.

All risks are recorded in the risk register of the domain concerned, specifying the risk tolerance and 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 active within 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 relating 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.
  The present status of Brexit has no material consequences for Colruyt Group's expansion strategy.

Operational risks

- *Supply risk (supply chain)*
  The continuous supply of the group's distribution centres and stores is of vital importance so as to be able to achieve 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 purchasing group AgeCore. 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*
  The group has trade union representation in most of its 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. 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.

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*
  In view of the nature and structure of its activities, the group is only exposed to these financial risks to a limited extent, with the exception of the credit risk. These financial risks are described in more detail in the 'Notes to the consolidated financial statements' under 'Risks relating to financial instruments'.

Legal risks

- *Risks associated with product liability*
  The production, packaging and selling of goods for resale may entail risks of product liability, 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 and 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.

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 self-insurance via its

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.

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 checked against 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

16/09/2020	Record date for deposition of shares for participation in the annual General Meeting of Shareholders
30/09/2020 (16h00)	General Meeting of Shareholders for financial year 2019/20
	Dividend for financial year 2019/20 (coupon no. 10)
02/10/2020	Ex-date (detachment of coupons)
05/10/2020	Record date (centralisation of coupons)
06/10/2020	Payability
16/10/2020	Certificates relating to exemption from or reduction of withholding tax on dividends must be in our possession
08/10/2020	Extraordinary General Meeting Capital increase Etn. Fr. Colruyt NV reserved for employees of Colruyt Group (art. 7: 204 Code on Companies and Associations)
15/12/2020	Publication of consolidated information on the first half of financial year 2020/21
16/12/2020	Information meeting for financial analysts
15/06/2021	Publication of consolidated information on financial year 2020/21
16/06/2021	Information meeting for financial analysts
30/07/2021	Publication of annual report for financial year 2020/21
29/09/2021	General Meeting of Shareholders for financial year 2020/21

2. Dividend for financial year 2019/20 (1)

The Board of Directors endeavours to increase the annual dividend per share at least in proportion to the increase in group profit. The Board of Directors consequently proposes to grant a gross dividend of EUR 1,35 for the shares of Etn. Fr. Colruyt NV. Of the gross dividend of EUR 1,35, the shareholders will receive a net amount of EUR 0,945 after deduction of 30% withholding tax.

Withholding tax is due on income from securities such as dividends and interest. 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 interest 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 16 October 2020 at the latest.

The dividend for financial year 2019/20 will be made payable as of 6 October 2020, against (electronic) submission of coupon No. 10 at the counters of the financial institutions. BNP Paribas Fortis Bank will act as the payment institution (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 30 September 2020

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

source: www.euronext.com

Change in Colruyt share price compared to Bel20 over the last five financial years

3. Overview of Etn. Fr. Colruyt NV shares

During the reporting period	2019/20
Total number of shares at 01/04/2019	143.552.090
Cancellation of own shares on 08/05/2019	- 5.500.000
Creation of new shares following the capital increase reserved for employees on 19/12/2019	+ 380.498
Total number of shares at 31/03/2020	**138.432.588**

Number of shares	2019/20	2018/19
Ordinary shares (1)	138.432.588	138.052.090
Shares participating in profit (1)	138.432.588	138.052.090
Treasury shares (1)	- 2.799.868	- 195.660
Shares held by subsidiaries (1)	0	0
Balance of profit-participating shares in June (1)	135.632.720	137.856.430
Data per share (in EUR) on closing date of the reporting period (31 March)		
Gross dividend	1,35	1,31
Net dividend	0,945	0,917
Profit	3,14	2,78
Calculation base (weighted average) (2)	137.279.011 shares	137.758.364 shares
Market price in Brussels (in EUR)		
Market price on 31 March	49,27	65,90
Highest price of the financial year (closing price)	67,50	66,52
Lowest price of the financial year (closing price)	40,97	44,44
Market value on 31 March (in million EUR)	6.820,57	9.460,08

(1) Situation on 12/06/2020 and 12/06/2019 respectively.
(2) Calculated on the basis of the number of shares participating in the profit, after deduction of the profit-sharing shares 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.

During the 2019/20 financial year, the EUR 350 million share buy-back programme announced on 27 September 2017 was completed. Within the mandate granted by the Extraordinary General Meeting of 10 October 2019, additional treasury shares were acquired in financial year 2019/20. Over the entire period from 1 April 2019 to 31 March 2020, Colruyt Group purchased a total of 2.621.159 treasury shares.

During financial year 2019/20, Colruyt Group cancelled a total of 5.500.000 treasury shares by notarial deed dated 8 May 2019.

On 31 March 2020, Etn. Fr. Colruyt NV held 2.799.868 treasury shares. These represent 2,02% of the total number of issued shares (138.432.588) at the end of the reporting period.

In accordance with article 7:217. par. 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

Movement overview	2019/20
Total treasury shares held at the start of the reporting period (01/04/2019)	5.695.660
Cancellation of treasury shares by notarial deed dated 08/05/2019	- 5.500.000
Allocated to employees for 2018/19 profit sharing, dated 30/09/2019	- 16.951
Purchase of treasury shares in 2019/20	+ 2.621.159
Total treasury shares held at the end of the reporting period (31/03/2020)	2.799.868

After the reporting period	2020/21
Total treasury shares held at the start of the reporting period (01/04/2020)	2.799.868
Purchase of treasury shares in the period from 01/04/2020 to 12/06/2020	0
Total treasury shares in our possession on 12/06/2020	2.799.868

5. Structure of share ownership of Etn. Fr. Colruyt NV

5.1. Latest transparency notification of 15/02/2019

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 an updated notification of holdings from the Colruyt family and relatives, Sofina NV and Colruyt Group.

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 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.

No new notifications or changes were received during financial year 2019/20.

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	47,91%
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%**

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.

5.2. Notice of an agreement to act in concert dd. 29/08/2019 (art. 74 Act of 1 April 2007)

The same parties also have an agreement to act in concert in accordance with art. 74 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 29 August 2019, on behalf of all parties acting in concert.

By 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.

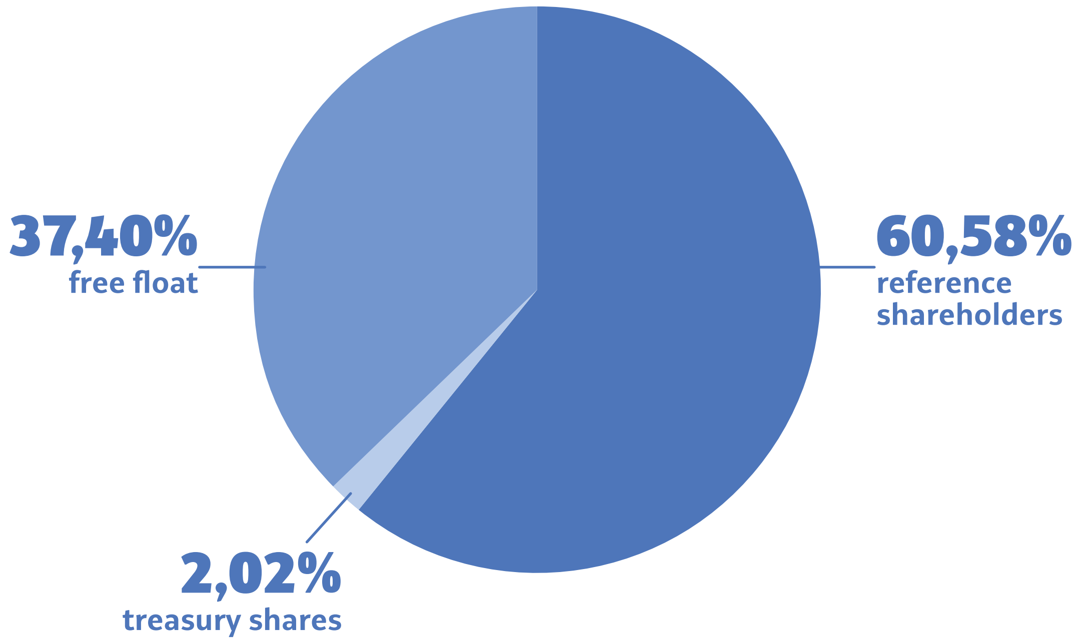
Shareholding structure based on the latest update following the notification of acting in concert dated 29/08/2019

Parties involved	Situation at 29/08/2018	Situation at 29/08/2019
Korys NV	68.773.546	68.800.459
Korys Investments NV	0	1.435.520
Sofina NV	7.780.000	4.450.115
Etn. Fr. Colruyt NV	12.721.214	432.080
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	149.005	147.755
Impact Capital NV	90.000	90.000
Natural persons (who directly or indirectly own less than 3% of the voting securities of the Company)	9.067.394	8.930.956
TOTAL	98.584.159	**84.289.885**

On 29 August 2019, the number of shares acting in concert amounted to 84.289.885 or 61,06% of the total number of outstanding Colruyt shares on that date (138.052.090)

As a result of the capital increase reserved for the employees notarised on 19 December 2019, 380.498 new shares have been created, resulting in a total of 138.432.588 shares with voting rights (new denominator).

Based on the shareholding structure following the above notification of the agreement to act in concert between the reference shareholders as at 29/08/2019 and the treasury shares held by the company as at 31/03/2020 (2.799.868), the distribution of the total number of shares at the end of the financial year (138.432.588) was as follows:



6. Ethibel

Etn. Fr. Colruyt NV has been reconfirmed as a component of the Ethibel Excellence Investment Register as of 6 March 2019 and as a component of the Ethibel Sustainability Index (ESI) Excellence Europe as of 8 May 2020. The fact that Colruyt has been selected by Forum Ethibel demonstrates that the company performs strongly in its sector with regard to corporate social responsibility (CSR) and that it preserves a balance between economic progress, environmental protection and social justice.

The Ethibel Sustainability Index (ESI) Europe consists of 200 shares of European companies included in the Russell Global Index, all of which are top performers in terms of corporate social responsibility (CSR). The composition of the index is reviewed twice a year. The selection by Forum Ethibel is largely done on the basis of research by the European rating agency Vigeo Eiris, which is responsible for the collection and processing of data, analysis of results and industrial benchmarking.

Forum Ethibel is an independent Belgian association, formed in 1992 to actively promote Socially Responsible Investing (SRI) and Corporate Social Responsibility (CSR) in order to accelerate the transition to a sustainable society. It is recognised as an expert in rating, independent inspection and certification of products and services matching ethical and social criteria and standards in the areas of the environment and corporate governance.

7. SDG Charter

Colruyt Group, together with a hundred private and public companies and civil society organisations, has signed the official 'Belgian SDG Charter for International Development'. This underlines the group's commitment to sustainable and inclusive economic growth. As a 'voice' or spokesperson for the seventeen United Nations Sustainable Development Goals (SDGs), Colruyt Group, together with a number of other Belgian organisations, has increased public awareness of these goals since 2017. The group wants to inspire as many people and organisations as possible to make an active contribution to more sustainable development. Further information about our sustainability strategy and objectives can be found in the chapter 'Sustainability'.

Financial report

Consolidated income statement

(in million EUR)	Note	2019/20	2018/19[1]
Revenue	3.	9.581,0	9.433,9
Cost of goods sold	3.	(7.016,2)	(6.962,7)
Gross profit	**3.**	**2.564,8**	**2.471,2**
Other operating income[2]	4.	158,5	134,6
Services and miscellaneous goods[2]	5.	(545,9)	(538,1)
Employee benefit expenses	6.	(1.339,7)	(1.280,4)
Depreciation, amortisation and impairment of non-current assets[2]		(295,2)	(272,2)
Other operating expenses	4.	(31,1)	(29,7)
Operating profit (EBIT)		**511,4**	**485,4**
Finance income	7.	7,3	24,5
Finance costs[2]	7.	(9,5)	(5,4)
Net financial result	**7.**	**(2,2)**	**19,1**
Share in the result of investments accounted for using the equity method	12., 13.	52,2	14,7
Profit before tax		**561,4**	**519,2**
Income tax expense	8.	(129,9)	(135,3)
Profit for the financial year		**431,5**	**383,9**
Attributable to:			
Non-controlling interests		0,5	1,4
Owners of the parent company		431,0	382,5
Earnings per share (EPS) – basic and diluted (in EUR)	22.	3,14	2,78

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).
(2) Includes the impact of IFRS 16 in current financial year.

Consolidated statement of comprehensive income

(in million EUR)	Note	2019/20	2018/19(1)
PROFIT FOR THE FINANCIAL YEAR		**431,5**	**383,9**
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.	19,9	(12,2)
Net change in fair value of financial assets at fair value through other comprehensive income, after taxes	14.	2,5	1,8
Total of the items that will not be reclassified to profit or loss		**22,4**	**(10,4)**
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries, after taxes		(0,7)	0,7
Net change in fair value of derivative financial instruments, after taxes		0,4	(0,2)
Total of the items that may be reclassified subsequently to profit or loss		**(0,3)**	**0,5**
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.	(12,9)	(3,6)
Total of the items that may be reclassified subsequently to profit or loss		**(12,9)**	**(3,6)**
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**9,2**	**(13,5)**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**440,7**	**370,4**
Attributable to:			
Non-controlling interests		0,5	1,4
Owners of the parent company		440,2	369,0

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).

Consolidated statement of financial position

(in million EUR)	Note	31.03.20	31.03.19
Goodwill	9.	60,7	55,4
Intangible assets	10.	203,3	151,1
Property, plant and equipment(1)	11.	2.391,6	2.199,1
Investments accounted for using the equity method	12., 13.	298,4	254,2
Financial assets	14.	14,5	8,9
Deferred tax assets	17.	20,1	20,7
Other receivables(1)	19.	32,8	43,9
Total non-current assets		**3.021,4**	**2.733,3**
Inventories	18.	629,4	630,7
Trade receivables	19.	527,3	534,4
Current tax assets		18,7	5,0
Other receivables(1)	19.	76,2	49,3
Financial assets	14.	27,8	31,0
Cash and cash equivalents	20.	263,8	163,2
Total current assets		**1.543,2**	**1.413,6**
TOTAL ASSETS		**4.564,6**	**4.146,9**
Share capital		347,1	331,2
Reserves and retained earnings		2.008,7	1.873,2
Total equity attributable to owners of the parent company		**2.355,8**	**2.204,4**
Non-controlling interests		3,6	3,3
Total equity	**21.**	**2.359,4**	**2.207,7**
Provisions	23.	38,9	26,3
Liabilities related to employee benefits	24.	119,0	143,1
Deferred tax liabilities	17.	54,4	51,2
Interest-bearing and other liabilities(1)	25., 26.	139,6	6,5
Total non-current liabilities		**351,9**	**227,1**
Provisions	23.	0,5	0,3
Bank overdrafts	20.	0,5	-
Interest-bearing liabilities(1) (2)	25.	28,0	41,0
Trade payables	26.	1.237,3	1.120,7
Current tax liabilities		26,2	10,6
Liabilities related to employee benefits and other liabilities	26.	560,8	539,5
Total current liabilities		**1.853,3**	**1.712,1**
Total liabilities		**2.205,2**	**1.939,2**
TOTAL EQUITY AND LIABILITIES		**4.564,6**	**4.146,9**

(1) Includes the impact of IFRS 16 in the current financial year.
(2) On 31 March 2020 there were no outstanding 'straight loans' whereas on 31 March 2019 there were outstanding 'straight loans' for an amount of EUR 33 million.

Consolidated statement of cash flows

	(in million EUR)	Note	2019/20	2018/19
OPERATING ACTIVITIES	**Profit before tax**		**561,4**	**519,2**
	Adjustments for: Depreciation, amortisation and impairment of non-current assets(1)		295,2	272,2
	Finance income and finance costs(1)	7.	2,2	(19,1)
	Share in the result of investments accounted for using the equity method	12., 13.	(52,2)	(14,7)
	Other(2)		(4,7)	3,7
	Cash flow from operating activities before changes in working capital and provisions		**801,9**	**761,3**
	Decrease/(increase) in trade and other receivables		(7,6)	(63,2)
	Decrease/(increase) in inventories		5,3	(38,0)
	(Decrease)/increase in trade payables and other liabilities		108,3	31,5
	(Decrease)/increase in provisions and liabilities related to employee benefits		40,8	13,2
	Interest paid		(2,2)	(0,7)
	Interest received		4,8	5,7
	Dividends received		10,5	25,4
	Income tax paid		(132,0)	(170,0)
	Cash flow from operating activities		**829,8**	**565,2**
INVESTING ACTIVITIES	Purchase of property, plant and equipment and intangible assets		(410,3)	(377,9)
	Business combinations (net of cash and cash equivalents acquired) and business disposals (net of cash and cash equivalents disposed of)		(8,1)	9,5
	(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	12., 13.	(1,3)	(1,2)
	(Purchases)/sales of financial assets	14.	(1,6)	39,7
	(Payment of)/proceeds from repayment of loans granted		(0,1)	4,4
	Proceeds from sale of property, plant and equipment and intangible assets		53,6	20,0
	Cash flow from investing activities		**(367,8)**	**(305,5)**
FINANCING ACTIVITIES	Proceeds from the issue of share capital	21.	15,9	15,3
	Acquisition of non-controlling interests		(1,2)	(7,4)
	Purchase of treasury shares		(121,6)	(48,0)
	New/(repayment of) borrowings(3)		(40,6)	(92,5)
	Payment of lease liabilities(1)		(33,2)	(2,7)
	Dividends paid	21.	(181,2)	(169,6)
	Stability allowance paid to reference shareholders	21., 31.	-	(3,7)
	Cash flow from financing activities		**(361,9)**	**(308,6)**
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS			**100,1**	**(48,9)**
Cash and cash equivalents at 1 April			163,2	212,1
CASH AND CASH EQUIVALENTS AT 31 MARCH		20.	**263,3**	**163,2**

(1) Includes the impact of IFRS 16 in the current financial year.
(2) 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 reversal of impairments on inventories, trade receivables and other receivables, employee benefits in the context of profit-sharing and capital increases reserved for employees.
(3) The current financial year includes amongst others the repayment of EUR 33 million 'straight loans' (in the previous financial year, the repayment amounted to EUR 125 million).

Consolidated statement of changes in equity

(in million EUR, except number of shares)	Note	Attributable to the owners of the parent company										Non-controlling interests	Total equity
						Other reserves							
		Number of shares	Share capital	Number of treasury shares	Treasury shares	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	Retained earnings	Total		
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**
Change 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	21.	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	21.	-	-	(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	21.	-	-	-	-	-	-	-	-	(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.

Consolidated statement of changes in equity (continued)

		Attributable to the owners of the parent company											
						Other reserves							
(in million EUR, except number of shares)	Note	Number of shares	Share capital	Number of treasury shares	Treasury shares	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	Retained earnings	Total	Non-controlling interests	Total equity
AT 1 APRIL 2018		**150.196.352**	**315,9**	**11.688.496**	**(506,4)**	**(36,8)**	**(1,8)**	**(5,6)**	**1,3**	**2.269,4**	**2.036,0**	**5,5**	**2.041,5**
Total comprehensive income for the financial year		-	-	-	-	(12,2)	0,7	(3,8)	1,8	382,5	369,0	1,4	370,4
Profit for the financial year		-	-	-	-	-	-	-	-	382,5	382,5	1,4	383,9
Other comprehensive income for the financial year		-	-	-	-	(12,2)	0,7	(3,8)	1,8	-	(13,5)	-	(13,5)
Transactions with the owners		(6.644.262)	15,3	(5.992.836)	254,0	-	-	-	-	(469,9)	(200,6)	(3,6)	(204,2)
Capital increase	21.	355.738	15,3	-	-	-	-	-	-	2,4	17,7	-	17,7
Treasury shares purchased		-	-	1.032.718	(47,4)	-	-	-	-	(0,6)	(48,0)	-	(48,0)
Treasury shares distributed as profit-sharing to employees	21.	-	-	(25.554)	0,9	-	-	-	-	0,2	1,1	-	1,1
Cancellation of treasury shares		(7.000.000)	-	(7.000.000)	300,5	-	-	-	-	(300,5)	-	-	-
Change in ownership percentage		-	-	-	-	-	-	-	-	(5,6)	(5,6)	(1,8)	(7,4)
Dividends	21.	-	-	-	-	-	-	-	-	(167,8)	(167,8)	(1,8)	(169,6)
Stability allowance reference shareholders		-	-	-	-	-	-	-	-	(3,7)	(3,7)	-	(3,7)
Other		-	-	-	-	-	-	-	-	5,7	5,7	-	5,7
AT 31 MARCH 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**

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 2019/20 and 2018/19, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as accepted by the European Union up until 31 March 2020, 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

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
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B - 1831 Diegem

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Independent auditor's report to the general meeting of Etn. Fr. Colruyt NV for the year ended 31 March 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of Etn. Fr. Colruyt NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the Consolidated statement of the financial position as at 31 March 2020, 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 2020 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as 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 on recommendation of the workers council. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 March 2022. We performed the audit of the Consolidated Financial Statements of the Group during four consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Etn. Fr. Colruyt NV, which consists of the Consolidated statement of the financial position as at 31 March 2020, 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 2020 and the disclosures, which show a Consolidated balance sheet total of € 4.564,6 million and of which the Consolidated income statement shows a profit for the year of € 431,5 million.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the Consolidated net equity and financial position as at 31 March 2020, as well as its Consolidated results and its Consolidated cash flows for the year then ended 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 of independence.

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.

Emphasis matter – Covid-19

We draw your attention to note 27.2 of the Consolidated Financial Statements with regards to the consequences of the measures taken relating to the Covid-19 virus on the Company. The situation changes on a daily basis and inherently gives rise to uncertainty. The impact of these developments on the Company is disclosed in the Board of Director's report and in note 27.2 to the Financial Statements. Our opinion is not modified in respect of this matter.

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 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.

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 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 € 2.391,6 million as at 31 March 2020. In addition, as a result of various acquisitions in the past, the Group has booked goodwill. The book value of this goodwill amounts to € 60,7 million as at 31 March 2020. 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.

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 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 € 156,3 million as at 31 March 2020. 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.

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.

Bundling of the renewable energy activities

Description of the matter

As described in note 12 and note 13 to the Consolidated Financial Statements, at the end of 2019 Colruyt Group has participated in the bundling of its renewable energy activities within a on 17 December 2019 newly founded entity (Virya Energy NV). The bundling related to the energy activities of Parkwind NV, Eurowatt SA and Eoly Energy NV.

A significant part of this bundling was the transfer to Virya Energy NV of on the one hand Parkwind NV shares held by Etn. Fr. Colruyt NV and Eoly NV and on the other hand the transfer to Virya Energy NV of loans to Parkwind NV issued by Etn. Fr. Colruyt NV. These transfers were realized via a contribution in kind.

Before this transaction Colruyt Group held 60,13% of the Parkwind NV shares. As a result of the transaction this ownership of Colruyt Group in Parkwind NV via its participation in Virya Energy NV is diluted. In accordance with the applicable IFRS standards, both Parkwind NV (before the transaction) and Virya Energy NV (after the transaction) are accounted for via the equity method. The bundling of the renewable energy activities and the resulting valuation of the shares of the concerning contributed companies requires a number of estimations by management, of which the discount rate, the lifespan of the assets and expectations about production and electricity prices are the most important. This key audit matter is important to our audit because of the material impact on the net income of the year, because of the estimations involved and because of the technical expertise required for the evaluation of the underlying valuation of these shares.

Procedures performed

Our audit work included, among others, the following:

- Evaluation of the expertise, the competence and the objectivity of the external expert involved by management for the underlying valuations of the shares contributes of the related companies;
- Review of the special report of the Board of Directors relating to the contribution in kind of the Parkwind NV shares;
- Analysis of the valuation of the shares contributed, drafted by the external expert, in the context of this transaction, with the help of our internal valuation specialists, through a check of the most important estimations and of the methodology used;
- Evaluation of the impact of the transaction on the consolidated result and of the appropriate accounting treatment in accordance with the applicable IFRS standards;
- Evaluation of the adequacy of the related notes to 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 as well as 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 the 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 about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, 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.

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 is larger when these misstatements are due to fraud, 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 Group'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 as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company 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 or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

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 Director's report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's 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 Director's report and other information included in the annual report, being:

- Management report (page 13-24)
- Key figures (page 25-30)

contain any material inconsistencies or contain information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of assurance regarding the Board of Director's report and the other information included in the annual report.

The non-financial information required by article 3:32 of the Code of companies and associations has been included in the Board of Director's 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 auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Consolidated Financial Statements and has remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the statutory 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, 9 July 2020

EY Bedrijfsrevisoren BV
Statutory auditor
represented by

Daniel Wuyts*
Partner
*Acting on behalf of a BV

Ref: 21/DW/0020

Notes to the consolidated financial statements

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 2019/20 financial year, which closed on 31 March 2020, 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 2019/20 financial year were authorised for issue on 12 June 2020 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 30 September 2020. 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 2020.

A. New standards and interpretations effective as of 2019/20

The following (amended) standards and improvements are effective for Colruyt Group as of 1 April 2019, however none of these have a significant influence on Colruyt Group's consolidated financial statements, except for the implementation of IFRS 16:

- IAS 19 (Amendment), '*Employee Benefits*'. This amendment clarifies the recognition of a benefit plan amendment, curtailment or settlement during the reporting period. The current service cost and interest cost are based on updated actuarial assumptions after a plan amendment, curtailment or settlement. This amendment is applied prospectively to benefit plan amendments, curtailments or settlements occurring on or after 1 April 2019.
- IAS 28 (Amendment), '*Investments in Associates and Joint Ventures*'. This amendment clarifies that the impairment indicators as defined under IFRS 9 also apply to investments in associates and joint ventures to which the equity method is not applied.
- IFRIC 23 (Amendment), '*Uncertainty over Income Tax Treatments*'. This amendment clarifies the criteria for the recognition and measurement of taxes under IAS 12 '*Income Taxes*', when there is uncertainty about the tax treatment.
- Improvements to IFRS cycle 2015-2017, consisting of a series of minor improvements to existing standards: IFRS 3 '*Business Combinations*', IFRS 11 '*Joint Arrangements*', IAS 12 '*Income Taxes*' and IAS 23 '*Borrowing Costs*'.
- IFRS 9 (Amendment), '*Financial Instruments - Prepayment Features with Negative Compensation*'. This amendment clarifies that a financial asset passes the SPPI(1) criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

(1) Solely Payments of Principal and Interest

- IFRS 16, '*Leases*' replaces the prior leasing standard, IAS 17, '*Leases*'. The new standard includes the principles for the recognition, measurement, presentation and disclosure of leases, for lessors as well as for lessees. For lessors, the principles of IAS 17 remain applicable, in which leases are processed as finance or operating leases. The lessees however should only apply one approach for all leases. For all leases of more than 12 months in duration, right-of-use assets and lease liabilities should be recognised on the statement of financial position unless they relate to low-value assets. In profit or loss, expenses of these leases should be presented as depreciation charges on the right-of-use assets and interest expenses on the lease liabilities.

Colruyt Group has finalised its activities in respect of the implementation of IFRS 16. When adopting this standard, Colruyt Group used the following exemptions proposed by the standard:

- Application of the exemption for short-term leases, which means that leases with a lease term of less than 12 months are accounted for in profit or loss on a straight-line basis; and
- Application of the exemption for leases of low-value assets, which means that leases of low-value assets are accounted for in profit or loss on a straight-line basis.

At the moment of transition (1 April 2019) Colruyt Group used the following transition provisions:

- The measurement of existing finance leases has not been reassessed;
- Leases with a remaining term of less than 12 months are treated as short-term leases, which implies that the lease payments are accounted for in profit or loss on a straight-line basis;
- The use of hindsight in determining the lease term if the arrangement includes the possibility to extend or terminate the lease;
- The modified retrospective approach, under which the value of the right-of-use asset is equal to that of the lease liability at the date of initial application;
- Non-lease components and lease components of a contract are separated and consequently a lease liability is only recognised for the lease component.

The application of IFRS 16 has no material impact on the operating profit and the net result. No adjustments were made to the figures of the previous financial year.

As a result of applying IFRS 16, Colruyt Group recognised a right-of-use asset (EUR 115,8 million), a lease receivable (EUR 15,8 million) and a corresponding lease liability (EUR 131,1 million) at the transition date (1 April 2019). The right-of-use asset and the corresponding lease liability relate to leases for buildings that Colruyt Group classified as 'operating leases' under IAS 17. The one-off effect of the finance subleases (EUR 0,5 million), whereby the right-of-use asset of the head lease is replaced by a lease receivable for the sublease, was accounted for through equity. The above impact does not take into account the finance leases and similar rights (EUR 21,2 million) nor the finance lease liabilities (EUR 11,0 million) that were recognised as per 31 March 2019.

The liability is measured at the present value of the remaining lease payments, discounted at a predetermined discount rate. Colruyt Group uses a discount rate ('incremental borrowing rate') of 1,58%, which is revised annually for new contracts. The right of use of the assets has been measured at an amount equal to the lease liability.

The right-of-use asset and the lease liability at transition date are reconciled to the off-balance sheet rights and commitments as reported per 31 March 2019 as follows:

(in million EUR)	
Lease arrangements as lessee, as disclosed in the consolidated annual report of 31 March 2019	56,5
Discounted value of the operating lease liabilities at 1 April 2019	52,1
Exemptions	
Short-term lease arrangements	(2,8)
Lease arrangements of low-value assets	(1,3)
Options to extend the lease term	83,1
Total lease liability at 1 April 2019[1]	**131,1**

(1) Excluding the existing finance lease liabilities that were already reported at 31 March 2019.

Under IFRS 16, Colruyt Group determines the lease term 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. Under IAS 17, only the non-cancellable period was taken into account, including the option to terminate the lease early. The option to extend the lease was not taken into account. Consequently, when applying IFRS 16, a longer lease term is considered than under the previous standard IAS 17.

The impact of IFRS 16 at the end of the financial year is summarised as follows:

(in million EUR)	31.03.2020
Property, plant and equipment[1]	139,7
Deferred tax assets	0,3
Other receivables (non-current)	11,2
Other receivables (current)	3,0
TOTAL ASSETS	**154,2**
Reserves and retained earnings	0,5
Result for the financial year	(1,0)
Total equity	**(0,5)**
Interest-bearing and other liabilities (non-current)[2]	128,6
Interest-bearing liabilities (current)[2]	26,1
Total liabilities	**154,7**
TOTAL EQUITY AND LIABILITIES	**154,2**

(1) Excluding the existing right-of-use assets that were already reported at 31 March 2019 (EUR 21,2 million). The value of these right-of-use assets as per 31 March 2020 amounts to EUR 12,2 million.
(2) Excluding the existing finance lease liabilities that were already reported at 31 March 2019 (EUR 11,0 million). The value of these liabilities as per 31 March 2020 amounts to EUR 3,6 million.

B. Standards and interpretations published but not yet effective for 2019/20

Colruyt Group did not early adopt the following published (amended) standards, interpretations and improvements relevant to the group and effective only after 31 March 2020. Colruyt Group intends to apply these standards when they become effective.

- IAS 1 (Amendment), '*Presentation of Financial Statements*' and IAS 8, (Amendment) '*Accounting Policies, Changes in Accounting Estimates and Errors*' (effective date for Colruyt Group 1 April 2020). 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. Finally, Colruyt Group needs to consider the characteristics of those users as well as its own circumstances. These improvements will have no impact on the consolidated financial statements of Colruyt Group.
- IFRS 17, '*Insurance Contracts*' (effective date for Colruyt Group 1 April 2021). 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 assessment of the potential impact of this standard for Colruyt Group has been initiated.
- IFRS 3 (Amendment), '*Business Combinations*' (effective date for Colruyt Group 1 April 2020). 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. This amendment will have no impact on the consolidated financial statements of Colruyt Group.
- Conceptual Framework (Amendment) (effective date for Colruyt Group 1 April 2020). The revised conceptual framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. This amendment will have no impact on the consolidated financial statements of Colruyt Group.
- IFRS 9 (Amendment), '*Financial Instruments*', IAS 39, '*Financial Instruments*: *Recognition and Measurement*' and IFRS 7 (Amendment), '*Financial Instruments: Disclosures*' (effective date for Colruyt Group 1 April 2020). 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. This amendment will have no impact on the consolidated financial statements of Colruyt Group.

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 an acquisition-by-acquisition 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 non-controlling 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 currency

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 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 findings 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 in 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, licenses, 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, licenses 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, furniture 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 that are of strategic importance, as there is no intention to sell these equity instruments 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 included in 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 comprehensive income 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-sharing

In accordance with the Law of 22 May 2001 concerning employee participation in capital and profit of the entities, Colruyt Group offers its personnel based in Belgium the choice to receive profit-sharing either in shares or in cash, without any discount on the share price. As of 31 March 2020 the employees no longer have the option to receive their profit-sharing in shares, but only in cash. The profit-sharing 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 in 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 interest 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. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised immediately 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 comprise of 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 taxes

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.

While 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 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 type of its activities, Colruyt Group does not rely on a limited number of major customers.

(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)[1]	**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
Purchase of property, plant and equipment and intangible assets[2]	**309,1**	**8,4**	**16,0**	**333,5**
Depreciation and amortisation[1]	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)[1]	**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[1]				(2,2)
Income tax expense				(129,9)
Profit for the financial year				**431,5**
Purchase of property, plant and equipment and intangible assets[2]	**333,5**	**76,8**	**-**	**410,3**
Depreciation and amortisation[1]	250,6	39,8	-	290,4
Impairment of non-current assets	2,7	2,1	-	4,8

(1) Includes the impact of IFRS 16.
(2) Purchase of property, plant and equipment and intangible assets does not include acquisitions through business combinations and IFRS 16.

(in million EUR)	Retail 2018/19[1]	Wholesale and Foodservice 2018/19[1]	Other activities 2018/19	Operating segments 2018/19[1]
Revenue - external	**7.781,2**	**952,1**	**700,6**	**9.433,9**
Revenue - internal	**55,4**	**5,9**	**12,1**	**73,4**
Operating profit (EBIT)	**455,3**	**29,2**	**18,3**	**502,8**
Share in the result of investments accounted for using the equity method	(0,1)	-	3,3	3,2
Purchase of property, plant and equipment and intangible assets	**289,3**	**15,4**	**16,2**	**320,9**
Depreciation and amortisation	196,6	15,3	9,7	221,6
Impairment of non-current assets	14,1	(0,4)	-	13,7

(in million EUR)	Operating segments 2018/19[1]	Unallocated 2018/19	Eliminations between operating segments 2018/19	Consolidated 2018/19[1]
Revenue - external	**9.433,9**	**-**	**-**	**9.433,9**
Revenue - internal	**73,4**	**-**	**(73,4)**	**-**
Operating profit (EBIT)	**502,8**	**(17,4)**	**-**	**485,4**
Share in the result of investments accounted for using the equity method	3,2	11,5	-	14,7
Net financial result				19,1
Income tax expense				(135,3)
Profit for the financial year				**383,9**
Purchase of property, plant and equipment and intangible assets	**320,9**	**57,0**	**-**	**377,9**
Depreciation and amortisation	221,6	36,8	-	258,4
Impairment of non-current assets	13,7	0,1	-	13,8

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).

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 and India. 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

	Belgium		France		Other		Total	
(in million EUR)	2019/20	2018/19	2019/20	2018/19[(1)]	2019/20	2018/19	2019/20	2018/19
Revenue	8.853,5	8.604,0	665,1	773,5	62,4	56,4	9.581,0	9.433,9
Purchase of property, plant and equipment and intangible assets	373,4	339,0	36,1	38,6	0,8	0,3	410,3	377,9

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).

3. Revenue and gross profit

(in million EUR)	2019/20	2018/19
Revenue	9.581,0	9.433,9
Cost of goods sold	(7.016,2)	(6.962,7)
Gross profit	2.564,8	2.471,2
As a % of revenue	**26,8%**	**26,2%**

3.1. Revenue by cash-generating unit

(in million EUR)	2019/20	2018/20
Retail Food(1)	7.643,9	7.544,0
Colruyt Belgium and Luxembourg(2)	*6.076,8*	*5.943,7*
OKay, Bio-Planet and Cru(3)	*1.009,8*	*952,9*
Colruyt France and DATS 24 France(4)	*557,3*	*647,4*
Retail Non-food(1)	253,1	237,2
Dreamland, Dreambaby and Fiets!(5)	*253,1*	*237,2*
Transactions with other operating segments	59,1	55,4
Retail	**7.956,1**	**7.836,6**
Wholesale(4)	836,0	832,6
Foodservice	126,5	119,5
Transactions with other operating segments	6,3	5,9
Wholesale and Foodservice	**968,8**	**958,0**
DATS 24 Belgium	715,5	694,5
Printing and document management solutions	6,0	6,1
Transactions with other operating segments	9,2	12,1
Other activities	**730,7**	**712,7**
Total operating segments	**9.655,6**	**9.507,3**
Eliminations between operating segments	(74,6)	(73,4)
Consolidated	**9.581,0**	**9.433,9**

(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) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).
(5) Including the revenue from Fiets! as from the financial year 2019/20.

4. Other operating income and expenses

(in million EUR)	2019/20	2018/19[(1)]
Rental and rental-related income[(2)]	11,0	14,3
Gains on disposal of non-current assets	15,5	6,9
Remuneration received	105,6	87,0
Other	26,4	26,4
Total other operating income	**158,5**	**134,6**

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).
(2) The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*. The rental and rental-related income has decreased by EUR 3,2 million as a result of applying IFRS 16.

Remuneration received includes, amongst others, income from sustainable energy, services rendered to third parties and revenue from waste recycling.

(in million EUR)	2019/20	2018/19
Operating taxes	15,7	13,9
Property withholding tax	12,7	13,2
Losses on disposal of non-current assets	1,2	2,0
Other	1,5	0,6
Total other operating expenses	**31,1**	**29,7**

5. Services and miscellaneous goods

(in million EUR)	2019/20	2018/19[(1)]
Rental and rental-related charges[(2)]	22,8	45,5
Maintenance and repairs	71,0	67,5
Utilities	79,6	72,9
Logistic expenses	143,8	143,8
Fees, IT and IT-related expenses	143,6	125,9
Administration, marketing and other expenses	78,2	77,1
Impairment of current assets	6,9	5,4
Total services and miscellaneous goods	**545,9**	**538,1**

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).
(2) The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*. The rental and rental-related charges have decreased by EUR 25,9 million as a result of applying IFRS 16. The remaining amounts mainly relate to leases of low-value assets, short-term leases and leases that do not meet the definition of a lease.

6. Employee benefit expenses

(in million EUR)	2019/20	2018/19[1]
Wages and salaries[2]	1.040,2	1.004,5
Social security contributions	227,8	223,5
Consultants and interim personnel	65,0	60,3
Profit-sharing schemes for employees[3]	37,3	33,0
Contributions to defined contribution plans with a legally guaranteed minimum return	18,7	15,9
Other post-employment benefits	1,8	2,3
Discount on capital increase reserved for personnel	2,7	2,5
Other personnel costs	44,2	35,2
Compensatory amounts	(98,0)	(96,8)
Total employee benefit expenses	**1.339,7**	**1.280,4**
Number of staff employed (FTE) at reporting date	29.056	28.339

(1) The previous financial year of the French companies was extended to 31 March 2019. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).
(2) Of which the Belgian salary pool for the financial year 2019/20 amounts to EUR 962,9 million (EUR 919,4 million for the financial year 2018/19).
(3) 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 the opportunity to its employees to subscribe to an annual capital increase of the parent company Etn. Fr. Colruyt NV. The discount which is granted on this capital increase is in accordance with article 7:204 of the Companies and Associations Code. During the most recent capital increase 2.166 employees subscribed to 380.498 shares, which corresponds to a capital contribution of EUR 15,9 million. The discount granted on this transaction was EUR 2,7 million and is accounted for as an employee benefit.

	2019/20	2018/19
Number of shares subscribed	380.498	355.738
Discount per share (in EUR)	7,2	7,0
Total discount granted (in million EUR)	**2,7**	**2,5**

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 constructed by Colruyt Group.

Number of employees

The number of employees in full-time equivalents (FTE) includes only employees who have a fixed employee contract. 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)	2019/20	2018/19
Interest income on unimpaired customer loans and other loans	2,6	2,7
Dividends received	-	0,3
Interest income on current bank deposits	-	0,1
Interest income on fixed-income securities at fair value through profit or loss	0,2	0,3
Fair value adjustments to financial assets at fair value through profit or loss	1,2	0,9
Gains on disposal of financial assets(1)	0,4	18,2
Adjustment for the time value of assets(2)	0,2	-
Exchange gains	1,9	1,1
Other	0,8	0,9
Finance income	**7,3**	**24,5**
Interest expense on current and non-current loans	0,4	0,3
Fair value adjustments to financial assets at fair value through profit or loss	2,6	1,3
Losses on disposal of financial assets	0,8	0,9
Adjustment for the time value of liabilities(2)	3,9	2,6
Exchange losses	1,2	0,3
Other	0,6	-
Finance costs	**9,5**	**5,4**
Net financial result	**(2,2)**	**19,1**

(1) In the financial year 2018/19 a gain on the sale of Northwester 2 NV in the amount of EUR 17,9 million (presented under financial non-current assets) was reported.
(2) The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*. As a result of applying IFRS 16, finance income has increased with EUR 0,2 million, whereas finance costs have increased with EUR 2,2 million. This increase in finance costs was partly compensated by a decrease in net interest on post-employment benefits. In the previous financial year an amount of EUR 0,2 million was included in the line item 'Interest expense on lease liabilities'. For comparability purposes this amount of the previous financial year is now recognised under 'Adjustment for the time value of liabilities'.

8. Income tax expense

8.1. Income taxes recognised in profit or loss

(in million EUR)	2019/20	2018/19
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	509,2	504,4
Income tax expense	129,9	135,3
Effective tax rate[2]	**25,52%**	**26,81%**
B) Reconciliation between the effective tax rate and the applicable tax rate[1]	**28,62%**	**28,71%**
Profit before tax (excluding share in the result of investments accounted for using the equity method)	509,2	504,4
Income tax expense (based on applicable tax rate)	**145,8**	**144,8**
Non-taxable income/non tax-deductible expenses	6,5	(3,5)
Permanent differences	2,6	2,3
Impact of tax deductions[2]	(23,6)	(5,4)
Other	(1,4)	(2,9)
Income tax expense	**129,9**	**135,3**
Effective tax rate	**25,52%**	**26,81%**
C) Income tax expense recognised in profit or loss		
Current year taxes	135,3	134,7
Deferred taxes	(4,0)	0,6
Adjustments relating to prior years	(1,4)	-
Total income tax expense	**129,9**	**135,3**

(1) The applicable tax rate is the weighted average tax rate for the Company and all its consolidated subsidiaries in different jurisdictions (Belgium: 29,58%, France: 31,00%, Grand Duchy of Luxembourg: 24,94%, India: 25,17% and Hong Kong: 16,50%).
(2) During 2019/20 the tax rate was impacted by legislative amendments and the contineous investments in innovation and change projects. The previous financial year included a positive tax effect from the sale of the stake in Northwester 2 NV.

8.2. Tax impacts recognised in other comprehensive income

Some 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)	2019/20	2018/19
Tax impact on revaluation of liabilities related to long-term post-employment benefits	(7,8)	0,9
Total tax impacts recognised in other comprehensive income	**(7,8)**	**0,9**

9. Goodwill

The recognised goodwill only relates 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.

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'. For the current period, the following components were used in the model: a Risk Free Interest Rate of 0% to 1% (between 1% and 2% in the previous reporting period), a Market Risk Premium of 6% to 7% (6% in the previous reporting period) and an 'unlevered' Beta of 0,5 (0,6 in the previous reporting period). For Colruyt Group this resulted in a weighted average cost of capital (WACC) for its two main operating segments between 3,3% and 4,7% (between 4,2% and 5,3% 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 (2% on average in the previous reporting period);
- operating segment 'Wholesale and Foodservice': 2% on average (2,5% 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 65% and 80% of the calculated value in use. The impairment tests were performed in February 2020.

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)	31.03.20	31.03.19
Colruyt Belgium	50,1	44,8
Retail	**50,1**	**44,8**
Wholesale	0,4	0,4
Foodservice	10,2	10,2
Wholesale and Foodservice	**10,6**	**10,6**
Consolidated	**60,7**	**55,4**

The changes in 'Goodwill' can be explained as follows:

(in million EUR)	Gross book value 2019/20	Accumulated amortisation and impairment 2019/20	Net book value 2019/20	Gross book value 2018/19	Accumulated amortisation and impairment 2018/19	Net book value 2018/19
At 1 April	**79,2**	**(23,8)**	**55,4**	**81,9**	**(23,8)**	**58,1**
Acquisitions	5,3	-	5,3	-	-	-
Other	-	-	-	(2,7)[1]	-	(2,7)
At 31 March	**84,5**	**(23,8)**	**60,7**	**79,2**	**(23,8)**	**55,4**

(1) Allocation of goodwill to other line items in the statement of financial position, in accordance with IFRS 3 *'Business Combinations'*.

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 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 1 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**

(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 2018	**10,5**	**116,6**	**4,4**	**85,1**	**216,6**
Acquisitions through business combinations	-	-	1,1	-	1,1
Acquisitions	2,6	9,1	-	47,5	59,2
Sales and disposals	-	(1,6)	(1,1)	-	(2,7)
Reclassification	-	73,3	-	(73,3)	-
At 31 March 2019	**13,1**	**197,4**	**4,4**	**59,3**	**274,2**
Amortisation					
At 1 April 2018	**(4,8)**	**(82,6)**	**-**	**-**	**(87,4)**
Amortisation	(1,6)	(20,0)	-	-	(21,6)
Sales and disposals	-	0,7	-	-	0,7
Other	-	0,1	-	-	0,1
At 31 March 2019	**(6,4)**	**(101,8)**	**-**	**-**	**(108,2)**
Impairment					
At 1 April 2018	**-**	**(0,6)**	**(4,4)**	**(0,6)**	**(5,6)**
Impairment	-	(9,3)	-	-	(9,3)
At 31 March 2019	**-**	**(9,9)**	**(4,4)**	**(0,6)**	**(14,9)**
Net carrying amount at 31 March 2019	**6,7**	**85,7**	**-**	**58,7**	**151,1**

The concessions, software, licences and similar rights which amount to EUR 92,1 million (EUR 85,7 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 100,9 million (compared to EUR 58,7 million for the previous financial year). During the current financial year the group acquired intangible assets for an amount of EUR 74,6 million (compared to EUR 59,2 million during the previous financial year), of which EUR 63,6 million were developed internally (compared to EUR 53,4 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 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 differences	(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 differences	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.

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant and equipment	Assets under construction	Total
Acquisition value							
At 1 April 2018	**2.500,1**	**722,3**	**479,5**	**37,9**	**173,0**	**70,9**	**3.983,7**
Acquisitions through business combinations	4,8	1,7	0,2	-	-	-	6,7
Acquisitions	151,1	47,1	51,8	-	12,2	56,4	318,6
Sales and disposals	(54,7)	(23,3)	(33,0)	(0,6)	(10,7)	(0,3)	(122,6)
Reclassification	27,5	3,5	4,9	(0,9)	3,3	(38,3)	-
Currency translation differences	0,2	-	0,1	-	-	-	0,3
At 31 March 2019	**2.629,0**	**751,3**	**503,5**	**36,4**	**177,8**	**88,7**	**4.186,7**
Depreciation							
At 1 April 2018	**(1.004,8)**	**(415,2)**	**(333,6)**	**(14,2)**	**(76,6)**	**-**	**(1.844,4)**
Acquisitions through business combinations	(1,6)	(1,8)	(0,2)	-	-	-	(3,6)
Depreciation	(123,9)	(51,1)	(49,7)	(1,5)	(10,6)	-	(236,8)
Sales and disposals	46,6	22,2	27,7	-	7,1	-	103,6
Reclassification	(0,3)	(0,8)	0,8	0,3	-	-	-
Currency translation differences	-	-	(0,1)	-	-	-	(0,1)
Other	(0,2)	(0,1)	-	0,2	-	-	(0,1)
At 31 March 2019	**(1.084,2)**	**(446,8)**	**(355,1)**	**(15,2)**	**(80,1)**	**-**	**(1.981,4)**
Impairment							
At 1 April 2018	**(6,8)**	**(0,7)**	**-**	**-**	**-**	**-**	**(7,5)**
Impairment	(2,0)	(0,7)	(0,1)	-	(2,7)	-	(5,5)
Sales and disposals	2,4	0,5	0,1	-	2,7	-	5,7
Reversal of impairment	1,0	-	-	-	-	-	1,0
At 31 March 2019	**(5,4)**	**(0,9)**	**-**	**-**	**-**	**-**	**(6,3)**
Net carrying amount at 31 March 2019	**1.539,4**	**303,6**	**148,4**	**21,2**	**97,7**	**88,7**	**2.199,0**

The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*.

Similarly to last 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 151,9 million (compared to EUR 21,2 million for the previous reporting period) and consists of leases in respect of buildings (EUR 146,2 million), land (EUR 2,6 million) and machinery and vehicles (EUR 3,1 million). This line item includes the effect of the initial application of IFRS 16 for an amount of EUR 115,8 million.

On property, plant and equipment an impairment loss of EUR 3,1 million was recognised, which mainly relates to the expansion, resettlement 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 within the net carrying amount of the item of property, plant and equipment 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 2019	(8,6)	(5,9)	(0,1)	-	-	(0,5)	(15,1)
At 31 March 2020	**(7,8)**	**(5,3)**	**(0,1)**	**-**	**-**	**(0,5)**	**(13,7)**

The grants recognised in profit or loss amount to EUR 1,4 million (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. the condition of employment, is still being complied with.

12. Investments in associates

(in million EUR)	2019/20	2018/19
Carrying amount at 1 April	**41,5**	**54,4**
Acquisitions/capital increases	232,3	1,1
Capital decreases	(0,7)	(0,3)
Share in the result of the financial year	(0,3)	11,4
Dividend	(10,5)	(25,1)
Carrying amount at 31 March	**262,3**	**41,5**

The investments in associates for the financial year 2019/20 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 (57,71%). 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'.

In August 2019, Colruyt Group acquired an interest of 23,73% in Scallog SAS, a company specialised in 'scalable logistics'.

The ownership percentage in First Retail International 2 NV increased slightly during the current financial year, as a result of a capital increase to which the existing shareholders did not subscribe proportionally. It now amounts to 4,73%, as compared to 4,48% on 31 March 2019.

The company Alliance Internationale de Distributeurs Alidis SA (16,67%) was liquidated in the course of the current financial year.

Virya Energy NV was established by Colruyt Group and Korys on 17 December 2019 in order to combine their renewable energy activities. On 19 December 2019 the offshore and onshore activities of Parkwind NV and Eurowatt SA were contributed. Colruyt Group owns 57,71% of Virya Energy NV.

During the current financial year a EUR 10,3 million dividend was received from Vendis Capital NV, compared to EUR 24,9 million during the last financial year.

The consolidated figures of the material associates are as follows:

2019/20 (in million EUR)	**Virya Energy NV**
Non-current assets	**701,3**
Including goodwill	-
Current assets	**0,1**
Including cash and cash equivalents	*0,1*
Net assets	**701,4**
of which non-controlling interests	-
of which equity attributable to owners of the parent company	*701,4*
Share of Colruyt Group in net assets	**404,7**
Adjustment to historical values(1)	(181,2)

(1) Colruyt Group recognises the Parkwind entities within Virya Energy NV at historical value.

13. Investments in joint ventures

(in million EUR)	2019/20	2018/19
Carrying amount at 1 April	**212,7**	**207,1**
Acquisitions/capital increases	0,4	0,4
Disposals	(217,9)	-
Share in the result for the financial year	52,5	3,2
Share in other comprehensive income	(12,9)	(3,6)
Other	1,3	5,6
Carrying amount at 31 March	**36,1**	**212,7**

The investments in joint ventures for the financial year 2019/20 consist of the non-quoted entities Achilles Design BV (24,70%), Trybou Bio BV (51,00%) and Fraluc NV (68,31%). 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.

Parkwind NV develops, builds and operates offshore wind farms. On 19 December 2019, the shares and shareholder loans of Parkwind NV were contributed in exchange for shares of Virya Energy NV. Since this exchange operation occurred at the end of the financial year (31 December 2019), the result of Parkwind NV (60,13%) has been recognised for the full financial year. The balance sheet of Parkwind NV was not recognised in the notes of the material joint ventures for the financial year 2019/20, since Parkwind NV is recognised via Virya Energy NV at the end of the financial year. As a result of this contribution in kind of Parkwind NV into Virya Energy NV, a gain of EUR 44,6 million was realised, which was recognised in the result of the financial year.

The investments in Fraluc NV and Trybou Bio BV are presented in the operating segment 'Retail' and the investment in Achilles Design BV is presented in the operating segment 'Other activities'.

The main activities of these three companies (Achilles Design BV, Trybou Bio BV and Fraluc NV) are located in Belgium.

Fraluc NV (68,31%) is a non-quoted company organised as a limited liability company ('naamloze vennootschap'/'société anonyme'). The legal form of this company (NV/SA) gives the shareholders rights to the net assets. There are no other contractual conditions or circumstances that supersede the legal form and that provide direct rights to individual assets or liabilities within this company.

Fraluc NV includes the activities of the Belgian clothing retail chains ZEB, Pointcarré, Fashion For Stars and The Fashion Store. On 15 June 2019 Fraluc NV acquired the final tranche of shares of Fashion For Stars BV, as a result of which the ownership percentage of Fraluc NV in Fashion For Stars BV increased from 75,00% to 100,00%.

Between Colruyt Group and the management of Fraluc NV call and put options continue to exist which, over an initial period of at least ten years, will provide the opportunity for Colruyt Group to obtain control over Fraluc NV.

At the beginning of the current financial year 2019/20, Codevco NV was transformed into Trybou Bio BV. The investment in this operating company specialised in organic agriculture was made through a capital increase.

The investment in the design and innovation agency Achilles BV was decreased from 33,33% to 24,70% in the course of the current financial year 2019/20.

The consolidated figures of the material joint ventures are as follows:

2019/20 (in million EUR)	**Parkwind NV**	**Fraluc NV**
Non-current assets[1]	-	135,0
Including goodwill	-	*34,5*
Current assets	-	60,7
Including cash and cash equivalents	-	*5,4*
Non-current liabilities[1]	-	79,4
Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)	-	*78,9*
Current liabilities[1]	-	65,2
Including current financial liabilities (trade payables and other liabilities and provisions excluded)	-	*34,4*
Net assets	-	51,1
of which non-controlling interests	-	-
of which equity attributable to owners of the parent company	-	*51,1*
Share of Colruyt Group in net assets	**-**	**35,1**
Goodwill (at Colruyt Group level)	-	0,6
Revenue	92,2	166,1
Depreciation, amortisation and impairment of non-current assets[1]	(43,6)	(18,0)
Finance income	2,1	-
Finance costs[1]	(11,8)	(1,6)
Income tax expense	0,6	(1,5)
Profit from continuing operations	11,8	2,9
Other comprehensive income	(38,5)	-
Total comprehensive income	(26,7)	2,9
of which non-controlling interests	*(5,9)*	-
of which equity attributable to owners of the parent company	*(20,8)*	2,9
Share of Colruyt Group in total comprehensive income	**(12,5)**	**2,0**

(1) Includes the impact of IFRS 16.

2018/19 (in million EUR)	**Parkwind NV**	**Fraluc NV**
Non-current assets	725,3	78,6
Including goodwill	-	*38,4*
Current assets	160,9	58,6
Including cash and cash equivalents	*115,5*	*7,8*
Non-current liabilities	501,8	38,6
Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)	*467,7*	*39,5*
Current liabilities	55,0	50,3
Including current financial liabilities (trade payables and other liabilities and provisions excluded)	*33,6*	*6,0*
Net assets	329,4	48,3
of which non-controlling interests	*32,0*	*0,1*
of which equity attributable to owners of the parent company	*297,4*	*48,2*
Share of Colruyt Group in net assets	**178,8**	**32,9**
Goodwill (at Colruyt Group level)	-	0,6
Revenue	94,9	152,1
Depreciation, amortisation and impairment of non-current assets	(40,5)	(8,4)
Finance income	2,8	-
Finance costs	(12,8)	(1,1)
Income tax expense	(4,8)	(2,4)
Profit from continuing operations	7,5	0,2
Other comprehensive income	(8,9)	-
Total comprehensive income	(1,4)	0,2
of which non-controlling interests	*(0,9)*	*0,2*
of which equity attributable to owners of the parent company	*(0,5)*	-
Share of Colruyt Group in total comprehensive income	**(0,3)**	**-**

According to contractual agreements, Colruyt Group has made the commitment, if requested by Parkwind NV, to provide sufficient financial resources up to a maximum amount of EUR 17,5 million (up to EUR 17,5 million in the previous reporting period).

14. Financial assets

14.1. Non-current assets

(in million EUR)	31.03.20	31.03.19
Financial assets at fair value through other comprehensive income	14,0	8,5
Financial assets at fair value through profit or loss	0,5	0,4
Total	**14,5**	**8,9**

The non-current financial assets evolved as follows during the financial year:

(in million EUR)	2019/20	2018/19
At 1 April	**8,9**	**40,9**
Acquisitions	-	0,4
Capital increases	3,1	1,9
Capital decreases	-	(3,2)
Fair value adjustments through other comprehensive income	2,5	1,7
Disposals	-	(32,8)
At 31 March	**14,5**	**8,9**

The financial assets at fair value through other comprehensive income mainly consist of investments in the holding companies Sofindev III NV (10,88%) and Sofindev IV NV (9,42%). The investments in the different holding companies are recognised at fair value, calculated as the share of Colruyt Group in the equity of these companies, corrected for the fair value of their own investment portfolios. The company Sofindev II NV was liquidated during the current financial year and is no longer included as a financial asset. During the current financial year Colruyt Group also acquired a 7,17% stake in the cooperative North Sea Wind CV. This investment is measured at fair value, calculated as the share of Colruyt Group in the equity of this cooperative.

The financial assets at fair value through profit or loss mainly comprise the investment in Ticom NV.

During the current reporting period the non-current financial assets increased by a net amount of EUR 5,6 million. This can mainly be explained by a paying-up of capital for an amount of EUR 2,0 million in the company Sofindev IV NV and by fair value adjustments in Sofindev III NV and Sofindev IV NV for a total amount of EUR 2,4 million. In addition, the capital increase of North Sea Wind CV was subscribed to for an amount of EUR 1,1 million.

During the previous reporting period the non-current financial assets decreased by a net amount of EUR 32,0 million. This was mainly attributable to the sale of the investment in the Lithuanian group IKI (EUR 21,5 million) and of the investment in Colruyt Renewable Energy Private Ltd, which held the financial assets of Sanchore Renewable Private Ltd (EUR 11,1 million). The decrease in non-current financial assets was partly offset by fair value adjustments in Sofindev II, Sofindev III and Sofindev IV NV for a total of EUR 1,7 million. In addition, an amount of EUR 1,9 million in capital was paid up and a EUR 3,2 million capital decrease was performed within the company Sofindev IV NV.

14.2. Current assets

(in million EUR)	31.03.20	31.03.19
Equity instruments at fair value through profit or loss	8,5	11,0
Fixed-income securities at fair value through profit or loss	14,8	15,5
Financial assets at amortised cost	4,3	4,5
Derivative financial instruments – cash flow hedging instruments	0,2	-
Total	**27,8**	**31,0**

The current financial assets evolved as follows during the financial year:

(in million EUR)	2019/20	2018/19
At 1 April	**31,0**	**29,7**
Acquisitions	4,8	7,7
Sales and disposals	(6,6)	(6,2)
Fair value adjustments through profit or loss	(1,3)	(0,4)
Fair value adjustments through other comprehensive income	0,2	-
Currency translation differences	(0,3)	0,2
At 31 March	**27,8**	**31,0**

The equity instruments and fixed-income securities at fair value through profit or loss mainly relate to financial assets held by the Luxembourg reinsurance company Locré SA (EUR 23,3 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 to outstanding currency hedges for cash flow hedging purposes.

The equity instruments and fixed-income securities are measured at their closing rates on 31 March 2020.

Fair value adjustments are recognised through profit or loss. The return on the fixed-income securities is 1,2% on average, with a maximum of 6,5%. The maturities of these investments vary between 4 and 30 years, with an average maturity of 9 years.

More information regarding Colruyt Group's risk management approach to investments can be found under note 27. *Risk management.*

Fair value adjustments to the current assets as at 31 March 2020 resulted in a net loss of EUR 1,3 million for the current financial year (compared to a net loss of EUR 0,4 million for the financial year 2018/19).

15. Business combinations

No material business combinations occurred during neither the financial year 2019/20 nor the financial year 2018/19.

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 neither the financial year 2019/20 nor the financial year 2018/19. During the financial year 2017/18, the investment in Realdolmen NV (EUR 1,4 million) was classified as held for sale. The investment was disposed of during the financial year 2018/19.

The assets classified as held for sale changed as follows during the financial year:

(in million EUR)	2019/20	2018/19
At 1 April	**-**	**1,4**
Sales and disposals	-	(1,4)
At 31 March	**-**	**-**

16.2. Disposal of subsidiaries

No material disposals of subsidiaries occurred neither in the financial year 2019/20 nor in the financial year 2018/19.

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	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Intangible assets	9,1	10,6	(0,1)	(0,7)	9,0	9,9
Property, plant and equipment[(1)]	0,7	1,4	(127,1)	(79,3)	(126,4)	(77,9)
Inventories	0,2	0,3	(0,9)	(0,8)	(0,7)	(0,5)
Receivables[(1)]	4,0	3,1	(6,1)	(2,8)	(2,1)	0,3
Liabilities related to employee benefits	31,3	39,8	-	-	31,3	39,8
Other provisions	2,3	2,3	(9,9)	(12,4)	(7,6)	(10,1)
Other liabilities[(1)]	47,4	3,3	(0,8)	(1,6)	46,6	1,7
Tax losses carry-forward, deductible items and reclaimable tax paid	88,1	71,6	-	-	88,1	71,6
Gross deferred tax assets/(liabilities)	**183,1**	**132,4**	**(144,9)**	**(97,6)**	**38,2**	**34,8**
Unrecognised tax assets/liabilities	(82,2)	(70,2)	9,7	4,9	(72,5)	(65,3)
Offsetting tax assets/liabilities	(80,8)	(41,5)	80,8	41,5	-	-
Net deferred tax assets/(liabilities)	**20,1**	**20,7**	**(54,4)**	**(51,2)**	**(34,3)**	**(30,5)**

(1) Includes the impact of IFRS 16 in the current financial year.

17.2. Change in net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Net carrying amount at 1 April	**20,7**	**28,2**	**(51,2)**	**(59,0)**	**(30,5)**	**(30,8)**
Changes recognised in profit or loss	(0,6)	(8,4)	4,6	7,8	4,0	(0,6)
Changes recognised in other comprehensive income	-	0,9	(7,8)	-	(7,8)	0,9
Net carrying amount at 31 March	**20,1**	**20,7**	**(54,4)**	**(51,2)**	**(34,3)**	**(30,5)**

On 31 March 2020 Colruyt Group did not recognise deferred tax assets and liabilities for an amount of EUR 72,5 million (EUR 65,3 million on 31 March 2019). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward for a total amount of EUR 252,1 million (EUR 214,9 million for the financial year 2018/19) of which EUR 247,5 million can be carried forward indefinitely to future reporting periods (EUR 214,8 million in the financial year 2018/19).

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 estimations.

18. Inventories

Inventories mainly represent trade goods. The accumulated impairment on inventories of trade goods amounted to EUR 4,8 million for the current financial year compared to EUR 5,5 million for the previous financial year.

The amount of inventories recognised as an expense in the income statement of 2019/20 amounts to EUR 7.016,2 million and was presented as 'Cost of goods sold'. Last year this expense was EUR 6.962,7 million.

19. Trade and other receivables

19.1. Other non-current receivables

(in million EUR)	31.03.20	31.03.19
Loans to customers	4,8	4,9
Loans to joint ventures	1,4	16,7
Guarantees granted	7,5	12,2
Lease receivables[1]	11,2	-
Other receivables	7,9	10,0
Total other non-current receivables	**32,8**	**43,8**

(1) Includes the impact of IFRS 16 in the current financial year.

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.

Lease receivables (EUR 11,2 million) are included for the first time in the financial year 2019/20 as a result of the application of IFRS 16 *'Leases'*. These lease receivables relate to finance subleases in respect of buildings.

The subordinated interest-bearing loan to Parkwind NV (EUR 10,7 million in the previous financial year) was transferred to Virya Energy NV as part of the contribution in kind transaction into Virya Energy NV.

The 'Guarantees granted' have been provided in respect of purchase obligations.

19.2. Current trade and other current receivables

(in million EUR)	31.03.20	31.03.19
Trade receivables	527,3	534,4
Total trade receivables	**527,3**	**534,4**
VAT	4,1	3,8
Prepaid expenses	33,2	27,3
Loans granted to customers that expire within 1 year	1,1	1,1
Guarantees granted	-	0,1
Interest	1,2	0,9
Lease receivables[1]	3,0	-
Other receivables	33,6	16,0
Total other current receivables	**76,2**	**49,2**

(1) Includes the impact of IFRS 16 in the current financial year.

Trade receivables

Trade receivables are presented net of impairment allowances. The impairment allowances amount to EUR 18,6 million on 31 March 2020 (compared to EUR 15,4 million on 31 March 2019).

Other receivables

Other receivables are presented net of impairment allowances. The impairment allowances amount to EUR 0,8 million on 31 March 2020 (compared to EUR 0,6 million on 31 March 2019).

The 'Other Receivables' have increased considerably compared to 31 March 2019. This is mainly the result of the reinsurance activity of Locré SA.

The ageing of trade receivables is as follows:

	31.03.20		31.03.19	
(in million EUR)	Gross	Impairment	Gross	Impairment
Not past due	508,6	(1,2)	504,3	(0,5)
Past due between 1 and 6 months	18,4	(5,8)	22,1	(4,8)
Past due for more than 6 months	18,9	(11,6)	23,4	(10,1)
Total	**545,9**	**(18,6)**	**549,8**	**(15,4)**

The movement in impairment allowances on trade and other receivables is as follows:

(in million EUR)	Impairment trade receivables		Impairment other receivables	
	2019/20	2018/19	2019/20	2018/19
At 1 April	**(15,4)**	**(12,0)**	**(0,6)**	**(1,0)**
Addition	(11,2)	(8,4)	(0,2)	(0,5)
Reversal	4,5	3,1	-	0,4
Use	3,5	1,9	-	0,5
At 31 March	**(18,6)**	**(15,4)**	**(0,8)**	**(0,6)**

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)	31.03.20	31.03.19
Term deposits with an original maturity of three months or less	50,0	10,0
Other cash and cash equivalents	213,8	153,2
Cash and cash equivalents	**263,8**	**163,2**
Bank overdrafts	0,5	-
Total Liabilities	**0,5**	**-**
Net Cash and cash equivalents	**263,3**	**163,2**

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 profits. The pay-out ratio amounts to 43,0%[1] for this financial year. Excluding the one-off gain related to the contribution of Parkwind NV into Virya Energy NV, which has no material impact on the cash flow statement, the pay-out ratio amounts to 48,0% in 2019/20. According to the bylaws, at least 90% of the distributable profits (excluding the profit participation of the employees) are reserved for shareholders and a maximum of 10% can be reserved for the directors. Furthermore, in addition to its organic growth, 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 a maximum of 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 10 October 2019 the capital was increased by 380.498 shares; the related capital increase amounted to EUR 15,9 million.

The Company's share capital on 31 March 2020 amounted to EUR 347,1 million divided into 138.432.588 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 times by a total amount of EUR 315,0 million, within the limits of the authorised capital.

The capital increases executed under this authorisation can be performed by a contribution in cash or kind, by converting any reserves, by issuing convertible bonds, and can generally be organised in any given way, provided that legal prescriptions are respected. The conditions of the capital increases executed 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 from the General Meeting of Shareholders, deliberating according to the guidelines that apply for changes in bylaws. The current authorisation will come to an end in October 2021.

21.3. Treasury shares

Treasury shares are recognised at the cost of the treasury shares purchased. On 31 March 2020 Colruyt Group held 2.799.868 treasury shares; which represents 2,02% of the shares issued at reporting date.

For many years the Extraordinary General Meeting of Shareholders authorised the Board of Directors to acquire treasury shares. Aquisitions of treasury shares are made in accordance with article 7:215 of the Companies and Associations Code and in accordance with articles 8:3 and 8:4 of the Royal Decree of 29 April 2019. The Board of Directors regularly discusses its buyback policy and approved the launch of a share buyback programme on 27 September 2017. Within the scope of this programme Colruyt Group purchased treasury shares up to a maximum amount of EUR 350,0 million. The buyback programme started on 2 October 2017 and had an expected term of two years. In the period up to 31 March 2019, EUR 338,5 million of the maximum amount allocated to the programme was used, of which EUR 47,4 million during the financial year 2018/19. During the period from 1 April 2019 until 31 July 2019, treasury shares were purchased for the remaining amount of EUR 11,5 million. The aim of the buyback programme was to reduce the company's excess cash and to decrease capital. Purchases were made in accordance with the applicable laws and regulations and were in line with the mandate granted by the Extraordinary General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders of 10 October 2019 decided to renew the Board of Directors' authorisation to acquire treasury shares for a period of five years. The Board of Directors has already used the authorisation granted to it on several occasions by entering into buyback agreements with financial institutions in order to acquire treasury shares of the company on the stock market through financial institutions. In the period from 1 November 2019 up to and including 31 March 2020, treasury shares were purchased for an amount of EUR 109,2 million. In the period from 1 April 2020 up to and including 12 June 2020, no further treasury shares were acquired. In accordance with art 7:217 §1 of the Companies and Associations Code, the voting rights attached to the treasury shares or share certificates held by the company or its subsidiaries are suspended.

By notarial deed of 8 May 2019 the Board of Directors of Etn. Fr. Colruyt NV cancelled 5.500.000 of the purchased treasury shares.

21.4. Dividends

On 12 June 2020 a gross dividend of EUR 183,1 million or EUR 1,35 per share was proposed by the Board of Directors. Last year the gross dividend amounted to EUR 180,6 million or EUR 1,31 per share. The gross dividend takes into account the number of treasury shares purchased up until 12 June 2020. The dividend was not incorporated in the consolidated financial statements for the financial year 2019/20.

21.5. Shares granted to employees as part of the profit-sharing scheme

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 (Belgian Official Gazette 9 June 2001) and Collective Labour Agreement No. 90 of 20 December 2007 regarding non-recurrent profit-related benefits, Colruyt Group agreed to a profit-sharing scheme with the social partners. Employees had the opportunity to receive their profit-sharing in shares of Etn. Fr. Colruyt NV and benefit from the tax advantages provided by the law. The attribution of shares was based on market conditions. These shares are blocked for a period of two years (starting from the date of attribution) and deposited on a collective account managed by Colruyt. The management and costs related to this account are borne by the company. As of 31 March 2020 personnel only have the possibility to receive their profit-sharing in cash and no longer in shares.

On 31 March 2019 an amount of EUR 32,9 million (including withholding tax and social security charges) was made available for profit-sharing; of this amount a total of EUR 1,1 million (excluding withholding taxes) was reserved in the form of shares, which corresponds to 16.963 shares, of which 16.951 shares were distributed.

21.6. Shareholder structure

In accordance with the most recent notification of 29 August 2019 of an agreement to act in concert and taking into account the companies' treasury shares at 31 March 2020, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	79.407.690
Etn. Fr. Colruyt NV (treasury shares)	2.799.868
Sofina Group	4.450.115
Total of parties acting in concert	**86.657.673**

The remainder of the total shares issued (138.432.588 shares per 31 March 2020), being 51.774.915 shares or 37,40% are publicly held. For more details we refer to the Corporate Governance section.

22. Earnings per share

	2019/20	2018/19
Total operating activity		
Profit for the financial year (group share) (in million EUR)	431,0	382,5
Weighted average number of outstanding shares	137.279.011	137.758.364
Earnings per share – basic and diluted (in EUR)	3,14	2,78

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

	2019/20	2018/19
Number of outstanding shares at 1 April	**137.856.430**	**138.507.856**
Effect of capital increase	106.751	99.804
Effect of shares granted to employees (profit-sharing scheme)	8.476	12.777
Effect of shares purchased	(692.646)	(862.073)
Weighted average number of outstanding shares at 31 March	**137.279.011**	**137.758.364**

23. Provisions

(in million EUR)	Environmental risks	Other risks	Total
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**
Non-current provisions	2,4	23,9	26,3
Current provisions	-	0,3	0,3
At 31 March 2019	**2,4**	**24,2**	**26,6**
At 1 April 2018	**1,7**	**31,9**	**33,6**
Addition	1,2	5,9	7,1
Use	(0,4)	(3,9)	(4,3)
Reversal	(0,1)	(9,7)	(9,8)
At 31 March 2019	**2,4**	**24,2**	**26,6**

The provision for environmental risks has mainly been set up in respect of clean-up costs within the DATS 24 filling station activity as well as for the clean-up of land in the context of acquisitions.

The other provisions consist among other things of provisions for claims, decommissioning of wind turbines, vacant properties, reinsurance and warranty obligations.

24. Non-current liabilities related to employee benefits

(in million EUR)	31.03.20	31.03.19
Defined contribution plans with a legally guaranteed minimum return	99,6	115,6
Benefits related to 'Unemployment regime with company supplement'	10,6	18,9
Other post-employment benefits	8,8	8,7
Total	**119,0**	**143,2**

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.

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%. As of 2016 the minimum return is 1,75%.

Due to these law changes, and due to the fact that a clear position was taken by the regulatory instances during 2016, and given the fact 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)	31.03.20	31.03.19
Present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return	264,3	269,5
Fair value of plan assets	164,7	153,9
Deficit/surplus (-) of funded plans	**99,6**	**115,6**
Total liability for employee benefits, of which:		
Portion recognised as non-current liabilities	99,6	115,6
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)	2019/20	2018/19
At 1 April	**269,5**	**226,0**
Current service cost	18,7	15,9
Interest expense	3,4	4,2
Experience adjustments	(5,1)	6,2
Change of financial assumptions	(17,1)	14,6
Change of demographic assumptions	-	5,8
Benefit payments from plan assets	(6,4)	(3,9)
Participant contributions	3,6	2,7
Expenses and taxes paid	(2,3)	(2,0)
At 31 March	**264,3**	**269,5**

The plan assets (EUR 164,7 million) fully consist of investments in insurance contracts.

The evolution of the fair value of the plan assets is as follows:

(in million EUR)	2019/20	2018/19
At 1 April	**153,9**	**139,2**
Employer contributions	16,7	16,4
Interest income	2,2	2,6
Return on plan assets	(3,0)	(1,1)
Benefit payments from plan assets	(6,4)	(3,9)
Participant contributions	3,6	2,7
Expenses and taxes paid	(2,3)	(2,0)
At 31 March	**164,7**	**153,9**

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)	31.03.20	31.03.19
Total service cost[1]	18,7	15,9
Net interest cost[2]	1,2	1,6
Components recorded in the income statement	**19,9**	**17,5**
Experience adjustments	(5,1)	6,2
Change of financial assumptions	(17,1)	14,6
Change of demographic assumptions	-	5,8
Return on plan assets	3,0	1,1
Components recorded in other comprehensive income	**(19,2)**	**27,7**

(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: 1,75% compared to 1,30% for the previous financial year;
• price inflation: 1,80% (same as for the previous financial year);
• salary inflation: 2,30% (same as for the 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.

Benefits related to 'Unemployment regime with company supplement´

(in million EUR)	2019/20	2018/19
At 1 April	**18,9**	**33,6**
Addition[1]	0,9	1,8
Use	(1,3)	(1,6)
Net interest expense[2]	0,3	0,6
Experience adjustments[3]	-	1,8
Change of financial assumptions[3]	(0,4)	1,0
Change of demographic assumptions[3]	(7,8)	(18,3)
At 31 March	**10,6**	**18,9**

(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: 1,80% compared to 1,50% for the previous financial year;
• salary inflation: 2,30% (same as for the previous financial year).

The changes made to the actuarial parameters this financial year have led to a decrease in liabilities related to the benefits under the 'Unemployment regime with company supplement' by EUR 8,2 million. The main reason for this decrease is the change in demographic assumptions.

The weighted average duration of the liability for benefits under the 'Unemployment regime with company supplement' is 17,2 years, as compared to 17,05 years for the previous year.

Other post-employment benefits

(in million EUR)	2019/20	2018/19
At 1 April	**8,7**	**7,2**
Addition[1]	0,9	0,5
Use	(0,5)	-
Net interest expense[2]	0,1	0,2
Return on plan assets[3]	(0,1)	0,1
Experience adjustments[3]	0,1	0,2
Change of financial assumptions[3]	(0,4)	0,5
At 31 March	**8,8**	**8,7**

(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: 1,75% compared to 1,35% for the previous financial year;
- salary inflation: 2,30% (same as for the previous financial year).

For the legal compensations, the following parameters are used:

French entities:

- discount rate: 1,75% compared to 1,60% for the previous financial year;
- salary inflation: 1,75% (same as for the previous financial year).

Indian entities:

- discount rate: 6,80% compared to 7,60% for the previous financial year;
- salary inflation: 10,0% (same as for the previous financial year).

Changes to the main assumptions impact the group's main liabilities related to employee benefits 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)		Legal compensations (French and Indian entities)	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Base scenario	99,6	115,6	10,6	18,9	3,8	3,9	5,0	4,8
Discount rate + 0,5%	78,2	94,6	9,7	17,6	3,6	3,6	4,6	4,4
Discount rate - 0,5%	118,6	139,6	11,5	20,2	4,1	4,2	5,5	5,2
Salary inflation + 0,5%	120,6	135,3	11,5	20,3	3,8	3,9	5,4	5,1
Salary inflation - 0,5%	80,3	96,2	9,7	16,9	3,8	3,9	4,7	4,5

The above are purely hypothetical changes in individual assumptions, keeping all other assumptions unchanged: economic factors and their changes will often change more than one assumption at a time and the impact of the 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

The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*.

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Lease and similar liabilities(1)	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**
Finance lease and similar liabilities	7,5	3,5	-	11,0
Bank borrowings	33,5	2,0	-	35,5
Total at 31 March 2019	**41,0**	**5,5**	**-**	**46,5**

(1) Including the existing finance lease liabilities that were already reported on 31 March 2019. The value of these liabilities as per 31 March 2020 amounts to EUR 3,6 million.

25.2. Repayment schedule lease liabilities

The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*.

(in million EUR)	2019/20
< 1 year	28,1
1-5 years	86,9
> 5 years	53,1
Total undiscounted lease payments	**168,1**

The table below includes the existing finance lease liabilities that were already reported on 31 March 2019. These liabilities were not revalued in the current financial year, as described in the significant accounting policies, but are also a part of the lease liabilities under the new standard IFRS 16 *'Leases'*. The related remaining lease payments are included in the table above relating to the current financial year.

(in million EUR)	Total 2018/19	Interest 2018/19	Principal 2018/19
< 1 year	7,6	0,1	7,5
1-5 years	3,6	0,1	3,5
> 5 years	-	-	-
Total	**11,2**	**0,2**	**11,0**

25.3. Repayment schedule bank borrowings and others

(in million EUR)	Total 2019/20	Interest 2019/20	Principal 2019/20	Total 2018/19	Interest 2018/19	Principal 2018/19
< 1 year	1,7	0,2	1,5	33,6	0,1	33,5
1-5 years	4,2	0,5	3,7	2,3	0,3	2,0
> 5 years	2,3	0,4	1,9	-	-	-
Total	**8,2**	**1,1**	**7,1**	**35,9**	**0,4**	**35,5**

During the previous reporting period an amount of EUR 33,0 million was drawn down in straight loans to cover short-term financing needs. During the current period no straight loans were drawn down, which explains to a large extent the decrease in bank borrowings and other borrowings compared to the previous reporting period.

26. Trade payables, liabilities related to employee benefits and other liabilities

(in million EUR)	31.03.20	31.03.19
Trade payables (non-current)	1,5	0,8
Total trade payables (non-current)	**1,5**	**0,8**
Other liabilities (non-current)	0,7	0,2
Total other liabilities (non-current)	**0,7**	**0,2**
Trade payables	1.208,3	1.101,5
Guarantees received and advances on work in progress	29,0	19,2
Total trade payables (current)	**1.237,3**	**1.120,7**
Current liabilities related to employee benefits	488,4	461,7
VAT, duties and other operating taxes	56,4	64,4
Dividends	0,5	0,5
Deferred income and accrued costs	11,1	10,9
Derivative financial instruments – cash flow hedging instruments	–	0,2
Other	4,4	1,8
Total liabilities related to employee benefits and other liabilities (current)	**560,8**	**539,5**

Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
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**
Trade payables (non-current)	–	0,4	0,4	0,8
Other liabilities (non-current)	–	0,1	0,1	0,2
Trade payables (current)	1.120,7	–	–	1.120,7
Liabilities related to employee benefits and other liabilities (current)	539,5	–	–	539,5
Total at 31 March 2019	**1.660,2**	**0,5**	**0,5**	**1.661,2**

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 and Hong Kong.

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. Since the previous financial year Colruyt Group has been using derivative financial instruments to hedge its exposure to this type of currency risk, 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:

	Net position	
(in million EUR)	31.03.20	31.03.19
AUD/EUR	-	(0,2)
EUR/INR	0,4	(1,7)
USD/EUR	(1,8)	(2,0)
CAD/EUR	(0,1)	(0,1)
GBP/EUR	-	0,1
Total	**(1,5)**	**(3,9)**

The net positions per currency are presented before intragroup 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 borrowings and lease liabilities in the statement of financial position, Colruyt Group does not hedge its interest rate risk.

On 31 March 2020 the total amount of bank and other borrowings was EUR 7,1 million (non-current and current) or 0,2% of the balance sheet total (compared to EUR 35,5 million on 31 March 2019) and 2,7% of the net cash and cash equivalents. In 2019/20 no straight loans were drawn down, compared to a drawdown of EUR 33,0 million in 2018/19. Most of these borrowings are at a fixed interest rate.

Colruyt Group's lease liabilities amount to EUR 158,3 million in the current financial year, whilst these amounted to only EUR 11,0 million in the previous financial year. The increase in lease liabilities is explained by the first time application of IFRS 16 *'Leases'*. Under IFRS 16 lease liabilities are included at a fixed interest rate, whereas in the previous financial year lease liabilities predominantly had a variable interest rate.

Colruyt Group generally invests its excess cash in term deposits.

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 or restricted cash. The credit risk is spread amongst a relatively large number of customers.

Certain customers provide bank guarantees in order to secure the recovery of Colruyt Group's receivables. For the current reporting period non-recognised guarantees were received from several customers that have outstanding debt for an amount of EUR 34,4 million (compared to EUR 29,5 million for the previous reporting period). The collectability of this amount was secured by bank guarantees for an amount of EUR 28,0 million (compared to EUR 24,3 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, and do so by using short-term term deposits. 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. Outstanding borrowings are mainly the result of business combinations. Colruyt Group's policy is to settle these borrowings as much as possible after the business combination, provided that the settling price is reasonable.

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. On 31 March 2020 the total value of Colruyt Group's current financial assets amount to EUR 27,8 million (EUR 31,0 million per 31 March 2019); of which EUR 23,3 million is part of the investment portfolio of Locré SA (EUR 26,6 million as per 31 March 2019). Fluctuations in market values of these instruments can therefore have an impact on Colruyt Group's financial result. In total, Colruyt Group recognised a net write-off of EUR -1,3 million during this financial year (a net write-off of EUR -0,4 million during the previous reporting period).

The ratio of the current investment portfolio to net cash and cash equivalents of Colruyt Group amounts to 10,6% (19,0% 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)	Amortised cost	Measurement at fair value Quoted prices Level 1	Observable market inputs Level 2	Unobservable market inputs Level 3	Total
Financial assets at fair value through other comprehensive income					
Equity investments	-	-	-	14,0	14,0
Cashflow 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(1)	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(1)	167,6	-	-	-	167,6
Trade payables	1.237,3	-	-	-	1.237,3
Bank overdrafts	0,5	-	-	-	0,5
Total at 31 March 2020	**1.405,4**	**-**	**-**	**-**	**1.405,4**
Financial assets at fair value through other comprehensive income					
Equity investments	-	-	-	8,5	8,5
Financial assets at fair value through profit or loss					
Equity investments	-	11,0	-	0,4	11,4
Fixed-income securities	-	15,5	-	-	15,5
Financial assets at amortised cost					
Term deposits	4,5	-	-	-	4,5
Receivables	627,5	-	-	-	627,5
Cash and cash equivalents	163,2	-	-	-	163,2
Total at 31 March 2019	**795,2**	**26,5**	**-**	**8,9**	**830,6**
Financial liabilities					
Interest-bearing and other liabilities	47,5	-	-	-	47,5
Trade payables	1.120,7	-	-	-	1.120,7
Cash flow hedging instruments	-	-	0,2	-	0,2
Total at 31 March 2019	**1.168,2**	**-**	**0,2**	**-**	**1.168,4**

(1) Includes the effect IFRS 16.

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 being measured.

The financial assets classified under level 3, include amongst others the investments in the holding companies Sofindev III NV, Sofindev IV NV and the investment in the cooperative North Sea Wind CV, in which Colruyt Group does not have a significant influence.

During the previous reporting period the stake in the Lithuanian group IKI (13,12%) was sold entirely, amongst others.

The opening and closing balance of the investments classified under level 3 can be reconciled as follows:

(in million EUR)	2019/20	2018/19
At 1 April	**8,9**	**28,9**
Acquisitions	-	0,4
Sales	-	(21,7)
Capital increases	3,1	1,9
Capital decreases	-	(3,2)
Fair value adjustments through other comprehensive income	2,5	1,7
Other	-	0,9
At 31 March	**14,5**	**8,9**

27.2. Other risks

A. COVID-19 health crisis

Thanks to the group's risk management system, COVID-19-related 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.

Colruyt Group experienced diverse impacts of the COVID-19 health crisis in the financial year 2019/20 and after year-end. The food stores handled higher volumes resulting in increased revenue. Revenue of the non-food, foodservice and fuel distribution activities decreased due to the crisis. As of 18 March 2020, all non-essential businesses in Belgium were required to close, including the group's non-food stores (Dreamland NV, Dreambaby NV and Fiets!). The non-food stores reopened after year-end (on 11 May 2020). The government-enforced closure of all hospitality businesses as from March 2020 resulted in a lower revenue growth for Solucious NV. Volumes of the DATS 24 NV filling stations declined during the COVID-19 lockdown.

Colruyt Group has implemented measures at all its sites to protect the health and safety of its employees and customers and to ensure the continuity of the operations. These measures are being monitored daily and adjusted as needed based on the latest information available. During the crisis, the group granted additional benefits to its employees and offered support to its independent entrepreneurs. Colruyt Group has set up provisions to cover COVID-19 related risks and costs.

For more info on the impact of the COVID-19 health crisis on the results of the financial year 2019/20, we refer to the intro section in the management report.

B. Brexit

For more details on the most important risks related to the Brexit we refer to the Corporate Governance section.

C. Other

Colruyt Group is further exposed to various other risks that are not necessarily financial in nature, but which 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 relation to these commitments are as follows:

(in million EUR)	31.03.20	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee(1)	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	-

(in million EUR)	31.03.19	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee	56,5	22,7	17,0	16,8
Commitments relating to the acquisition of property, plant and equipment	54,9	46,5	8,4	-
Commitments relating to purchases of goods	133,5	123,6	9,6	0,3
Other commitments	34,6	23,8	10,8	-

(1) Leases outside the scope of IFRS 16.

The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*.

The off-balance sheet commitments for lease arrangements as lessee have significantly decreased compared to 31 March 2019. This decrease is the result of the application of IFRS 16 *'Leases'* (transition date 1 April 2019). The off-balance sheet commitments for lease arrangements amount to EUR 2,7 million (EUR 56,5 million as per 31 March 2019) 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 15,8 million (EUR 16,1 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 58,4 million (EUR 54,9 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 146,3 million (EUR 133,5 million in the previous reporting period) are the result of forward contracts concluded with suppliers in order for Colruyt Group to ensure the supply of certain trade goods as well as purchase commitments in respect of green certificates and electricity.

'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 22,2 million (EUR 34,6 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)	31.03.20	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	7,5	4,0	3,5	-
(in million EUR)	**31.03.19**	**< 1 year**	**1-5 years**	**> 5 years**
Lease arrangements as lessor	17,1	9,4	7,7	-

The table as presented for the current reporting period has been prepared according to the new classification under IFRS 16 *'Leases'*, whereas the table for the previous financial year was prepared according to the classification under IAS 17 *'Leases'*. We refer to the significant accounting policies for more information regarding the impact of IFRS 16 *'Leases'*.

The off-balance sheet commitments for lease arrangements amount to EUR 7,5 million (EUR 17,1 million as per 31 March 2019) and mainly relate to operating lease arrangements as lessor in respect of subleased assets. This decrease is mainly the result of applying IFRS 16 *'Leases'* (transition date 1 April 2019).

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 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)	**31.03.20**	**31.03.19**
Disputes	6,6	7,7
Other	0,1	0,4

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 6,6 million (compared to EUR 7,7 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 0,1 million (compared to EUR 0,4 million in the previous reporting period).

Colruyt Group expects no important financial disadvantages to be derived from these liabilities.

There are no material contingent assets to be reported.

30. Dividends paid and proposed

On 1 October 2019 a gross dividend of EUR 1,31 per share was paid to the shareholders.

For the 2019/20 financial year, the Board of Directors has proposed a gross dividend of EUR 1,35 per share, which will be declared payable from 6 October 2020. 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 30 September 2020, 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 135.632.720 shares (after deduction of treasury shares), as determined on 12 June 2020, the total amount of proposed dividends amounts to EUR 183,1 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 (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: Korys Renewable Energy BV, Korys Management NV, Korys Real Estate NV, Korys Capital Fund SCA, Korys Capital SARL, Korys Renovables SL, Korys Investments NV, Smartmat NV, Greenbyte AB, Healthy Holding NV, Korys Business Services India Pvt Ltd and D-Drinks Group NV.

31.1. Related party transactions excluding key management personnel compensation

(in million EUR)	2019/20	2018/19
Revenue	58,2	26,6
Costs	2,8	2,3
Receivables	7,3	17,5
Liabilities	0,2	3,9
Dividends paid	109,8	104,7
Paid stability allowance reference shareholders	-	3,7

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 58,2 million (EUR 26,6 million in the previous reporting period). During the current 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 was received from Vendis Capital NV for an amount of EUR 10,3 million (EUR 24,9 million in the previous reporting period).

Colruyt Group and Korys took the necessary measures in view of the conflict of interest rules when establishing Virya Energy NV. We refer to the Corporate Governance section for more details.

The costs arising from transactions with various related parties amount to EUR 2,8 million and are mainly related to purchases of trade goods from entities that are controlled by members of the key management of Colruyt Group (EUR 1,9 million) and compensations paid to joint ventures (EUR 0,8 million). Last year these costs (EUR 2,3 million) were primarily related to maintenance and IT costs and compensations paid to joint ventures.

The outstanding receivables from related parties amounting to EUR 7,3 million (compared to EUR 17,5 million in the previous reporting period) mainly relate to receivables in respect of joint ventures, consisting mainly of non-current interest-bearing receivables at arm's length conditions.

The outstanding liabilities towards related parties amount to EUR 0,2 million (compared to EUR 3,9 million in the previous reporting period). The amount in the current financial year mainly relates to transactions with joint ventures.

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)	Remunerations 2019/20	Number of persons/shares 2019/20	Remunerations 2018/19	Number of persons/shares 2018/19
Board of Directors		**10**		**9**
Fixed remuneration (directors' fees)	1,0		1,0	
Senior management		**13**		**12**
Salaries	3,71		3,36	
Variable remuneration	2,47		2,51	
Payments into defined contribution plans and other components	0,57		0,55	
Share-based payments	-	65	0,01	169

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

In the financial year 2020/21, Colruyt Group is once again experiencing diverse impacts of the COVID-19 health crisis. The measures that have been adopted to protect the health and safety of the employees and customers are still in effect and continue to be adjusted daily, as needed, based on the most recent information. Costs related to measures introduced after year-end will be reflected in the 2020/21 income statement. The non-food stores of the group reopened on 11 May 2020. To date, the group has no knowledge of information that would lead to a material adjustment of the results or the notes thereto.

In April 2020, the energy holding 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 will also acquire a minority stake in Arcadis Ost 1, a German wind farm that is being developed by Parkwind NV in the Baltic Sea. Closing of the transaction occurred in June 2020. The potential one-off financial effect on the 2020/21 net result is still being analysed.

At the end of May 2020, Colruyt Group transferred certain assets relating to Eoly's renewable wind energy activities into the energy holding Virya Energy NV. As a result of this transaction, Colruyt Group expects a one-off positive effect on the 2020/21 operating profit (estimated at EUR 30 million). This transaction will have no material impact on the 2020/21 cash flow statement.

In June 2020, Virya Energy NV issued convertible bonds, which were subscribed to by its shareholders Colruyt Group and Korys. The bond issuance is explained by the above-mentioned agreement with PMV and Virya Energy NV's further expansion plans. Following the subscription, Colruyt Group's cash flow statement will include a cash outflow of EUR 64 million in financial year 2020/21. The convertible bonds have a maturity of 24 months and are interest-bearing. The bonds can either be converted into shares of Virya Energy NV or redeemed. The parties have taken the necessary measures in view of the conflict of interest rules.

There were no further significant events after the reporting date.

33. Independent auditor's remuneration

The table below provides an overview of remuneration paid to the independent auditor and his associated parties for services rendered to Colruyt Group.

(in million EUR)	2019/20	2018/19
Audit assignments	0,8	0,7
Total	**0,8**	**0,7**

The consideration paid for audit services was EUR 0,8 million, of which EUR 0,2 million was recognised at the level of the Company and EUR 0,6 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	-

34.2. Subsidiaries

Banden Deproost BV	Zinkstraat 6	1500 Halle, Belgium	0424 880 586	100%
Bio-Planet NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0472 405 143	100%
Buurtwinkels OKay NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0464 994 145	100%
Codevco II NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 417	100%
Codevco III NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 516	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%
Codifrance SAS(1)	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, 13th 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 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 nr 64 (Part) Hi-Tech City	Madhapur, Hyderabad, Telanga 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(1)	Zone Industrielle	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%
DATS24 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	39700 Rochefort-sur-Nenon, France	848 012 209	100%
Fleetco NV	Edingensesteenweg 196	1500 Halle, Belgium	0423 051 939	100%
Immo Colruyt France SAS[1]	Zone Industrielle	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[1]	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	527 664 965	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%
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[1]	Avenue Georges Brassens 10	94470 Boissy Saint Leger, France	350 590 154	100%
Roecol NV	Spieveldstraat 4	9160 Lokeren, Belgium	0849 963 488	70%
Sin Invest BV	Edingensesteenweg 196	1500 Halle, Belgium	0662 358 263	100%
SmartRetail BV	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Thudiwash BV	Edingensesteenweg 196	1500 Halle, Belgium	0817 363 273	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 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) The previous financial year of the French companies was extended to 31 March 2019 and now coincides with that of the Company. As a result, the financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 – 31 March 2019).

34.3. Joint ventures

Achilles Design BV(2)	Borchtstraat 30	2800 Mechelen, Belgium	0691 752 926	24,70%
Fraluc NV(1)	Brusselsesteenweg 185	1785 Merchtem, Belgium	0553 548 910	68,31%
Trybou Bio BV	Izenbergestraat 175	8690 Alveringem, Belgium	0715 775 767	51%

(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.
(2) This company closes its financial year on 31 December and is included in the consolidated financial statements on that date.

34.4. Associates

AgeCore SA(1)	Rue de la Synagogue 33	1204 Genève, 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 bus 2	4020 Liège, Belgium	0684 465 652	26%
Scallog SAS(2)	Rue Raymond Barbet 105	92000 Nanterre, France	791 336 076	23,73%
Vendis Capital NV(1)	Jan Emiel Mommaertslaan 22	1831 Machelen, Belgium	0819 787 778	10,87%
Virya Energy NV(1)	Villalaan 96	1500 Halle, Belgium	0739 804 548	57,71%

(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. New investments

On 1 April 2019 Colruyt Group acquired a 75% stake in the Belgian specialist cycle shop Fiets!, which is fully consolidated. At the end of November Colruyt Group increased its share to 100%. This relates to the companies Joma Sport BV, WV1 BV and WV2 BV.

In the course of the financial year the acquisitions of the companies Driesen Zelfbediening BV and Sin Invest BV (April 2019), Thudiwash BV (June 2019) and Drongen Motors BV (September 2019) were also completed.

In August 2019 Colruyt Group acquired a 23,73 % stake in Scallog SAS, which is specialised in 'Scalable logistics'. This company is included in the consolidation as an investment in an associate.

Colruyt Group and Korys (the family majority shareholder) have decided to combine their renewable energy holdings into a new company. Virya Energy NV was established on 17 December 2019. The offshore and onshore activities of Parkwind NV and Eurowatt SA were contributed on 19 December 2019. Following the transfer of the Parkwind NV shares, Colruyt Group holds a 57,71% stake in Virya Energy NV. This investment is included in consolidation using the equity method.

b. Mergers

On 1 April 2019 the companies Chrisa NV and Retraco International BVBA merged with Colim CVBA.

On 1 January 2020 a silent merger also took place between the company Etn. Fr. Colruyt NV and the company Colruyt Retail NV.

c. Newly established companies

In Belgium, the companies Witeb Zuid BV (May 2019), Myreas BV (September 2019), Comgil NV, Codevco V BV and Codevco VI BV (December 2019) and Comnik NV (January 2020) were established.

d. Other changes

At the end of 2019 the liquidation of Dreamland France SAS was completed in France and in February 2020 the company Alliance Internationale de Distributeurs Alidis SA was liquidated in Switzerland.

The ownership percentage of First Retail International 2 NV was adjusted during the current financial year to the economic right to distribution, i.e. 4,73% (compared to 4,48% as per 31 March 2019).

Colruyt Group's stake in Codevco NV decreased to 51% as a result of a capital increase. The corporate name was changed into Trybou Bio BV. In the previous financial year this investment was fully consolidated, whereas now it is included in the consolidation using the equity method.

The shareholding structure of the company Achilles Design BV was revised as a result of which the ownership percentage of Colruyt Group has decreased from 33,33% to 24,70%. This does not alter the method used to include this company in the consolidation.

The corporate name of the company Codevco I NV was changed to Colruyt Cash and Carry NV in March 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.

On 24 October 2019 the Boards of Directors of Etn. Fr. Colruyt NV and Colruyt Retail SA decided to effect a silent merger between Etn. Fr. Colruyt NV (acquiring company) and Colruyt Retail SA (company being acquired). Colruyt Retail SA was a 100% subsidiary of Etn. Fr. Colruyt NV and the sole shareholder of the companies within which the activities of OKay, Bio-Planet, Dreamland and Dreambaby were incorporated.

The merger was part of an effort to simplify corporate structures in which savings in terms of management, administration, audit costs, etc. were achieved. The silent merger was established by notary deed on 19 December 2019, taking legal and accounting effects as from 1 January 2020.

The Boards of Directors of Etn. Fr. Colruyt NV and Colruyt Retail SA invoked the exception set forth in article 12:53 §6 of the Companies and Associations Code, under which a merger can be effected by the governing bodies instead of the General Shareholder Meetings of the respective companies.

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 2020, 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:

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Condensed statement of financial position of Etn. Fr. Colruyt NV

(in million EUR)	31.03.20	31.03.19
Non-current assets	**6.047,9**	**4.921,6**
II. Intangible assets	123,7	98,7
III. Property, plant and equipment	286,7	235,6
IV. Financial non-current assets	5.637,5	4.587,3
Current assets	**1.038,6**	**1.167,6**
V. Receivables exceeding one year	1,8	6,6
VI. Inventories and work in progress	387,1	376,8
VII. Receivables for less than one year	491,0	476,1
VIII. Cash investments	128,8	252,4
IX. Cash and cash equivalents	22,4	52,1
X. Prepayments and accrued income	7,5	3,6
Total assets	**7.086,5**	**6.089,2**
Equity	**1.625,1**	**1.211,0**
I. Share capital	347,1	331,2
IV. Reserves	167,8	290,3
V. Profit carried forward	1.109,9	589,2
VI. Capital grants	0,3	0,3
Provisions and deferred taxes	**3,3**	**4,0**
Liabilities	**5.458,1**	**4.874,2**
VIII. Liabilities exceeding one year	3.750,1	3.250,1
IX. Liabilities for less than one year	1.684,2	1.610,1
X. Accruals and deferred income	23,8	14,0
Total liabilities	**7.086,5**	**6.089,2**

Condensed income statement of Etn. Fr. Colruyt NV

(in million EUR)	2019/20	2018/19
I. Operating income	7.342,8	7.086,3
II. Operating expenses	(6.972,2)	(6.799,8)
III. Operating profit	**370,6**	**286,5**
IV. Finance income	645,6	74,4
V. Finance costs	(128,7)	(124,4)
VI. Profit for the financial year before tax	**887,5**	**236,5**
VII. Transfer to deferred tax	-	(0,1)
VIII. Income tax	(57,1)	(49,5)
IX. Profit for the financial year	**830,4**	**186,9**
X.A. Transfer from the tax exempt reserves	0,8	-
X.B. Transfer to the tax exempt reserves	(0,2)	(0,5)
XI. Profit for the financial year available for appropriation	**831,0**	**186,4**

Profit appropriation of Etn. Fr. Colruyt NV

For the 2019/20 financial year, the Board of Directors will propose the following profit distribution to the General Meeting of Shareholders on 30 September 2020:

(in million EUR)	2019/20	2018/19
Profit for the financial year available for appropriation	831,0	186,4
Profit carried forward from previous financial year	589,2	636,5
Profit available for appropriation	**1.420,2**	**822,9**
Transfer to the legal reserve	1,6	1,5
Addition to/(transfer from) other reserves	119,9	46,4
Result to be carried forward	1.109,9	589,2
Dividend to owners	182,8	180,4
Other debts	6,0	5,4

Definitions

Capital employed

The value of the assets and liabilities that contribute to generating income.

Dividend pay-out ratio

Gross dividend per share divided by the profit for the financial year (group share) per share.

Dividend yield

Gross dividend per share divided by the share price at balance sheet date.

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).

Purchase of property, plant and equipment and intangible assets

Purchase 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.

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 Interests')

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.

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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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The French and English versions are translations of the original Dutch version.

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