



Green Bond Allocation & Impact Reporting

February 2024

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1. Foreword

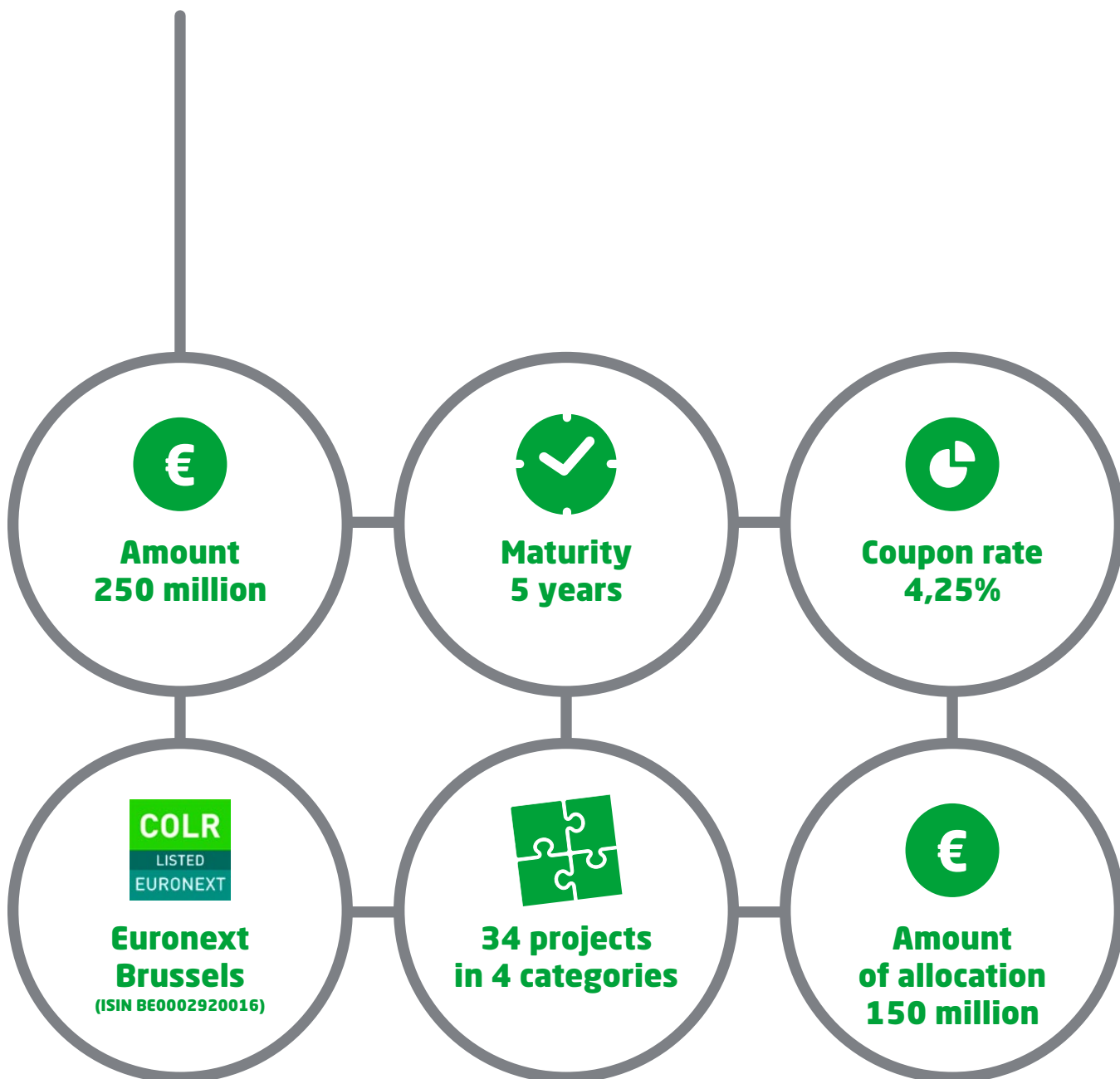


“Since many years, sustainability runs like a recurrent theme throughout Colruyt Group’s activities. ‘Together, we create sustainable added value through value-driven craftsmanship in retail’, that is our core-mission. Recent examples of sustainability initiatives include the ambition to make freight transport zero-emission by 2035 by switching to battery and hydrogen-electric vehicles. In the meantime, we have already commissioned various electric vehicles, including 44-tonne trucks and refrigerated trucks. Furthermore, we continue the efforts to increase the sustainability of our buildings and stores and we commissioned a new water treatment plant near one of our distribution centres”, states CEO Stefan Goethaert. “We are very excited that our Finance department is contributing to these efforts with the recent publication of our Sustainable Financing Framework and the successful issuance of our Green Retail Bond in February 2023.”

CFO Stefaan Vandamme: “Last year, we raised 250 million euros that was and will be used to finance existing and new sustainable projects in the coming years. The successful issuance of our Green Retail Bond only reinforces us in the sustainable course we have been following for several years now. We maintain a critical mindset and adjust where needed, while always holding firm to our long-term strategy. Thanks to our investors, this successful issuance of this green retail bond will allow Colruyt Group to continue its long-term investments, and in particular those in the area of sustainability, in a targeted manner.”

CFO Stefaan Vandamme & CEO Stefan Goethaert

2. Key figures bond



3. Sustainable Financing Framework at a glance



Use of proceeds

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Sustainable Water and Wastewater Management, Ecoefficient and/or Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products and Employment Generation – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to deliver positive environmental and/or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 8, 9 and 12.



Management of proceeds

Colruyt Group's Sustainable Finance Committee will manage the net proceeds on a portfolio basis and will track the allocation of proceeds using a sustainability mark within an internal tracking system. Colruyt Group intends to reach full allocation as soon as practicable and commits to allocate the net proceeds within three years from the respective issuance date. Pending allocation, net proceeds will be temporarily held in cash or cash equivalents or in liquid short term products, in accordance with Colruyt Group's liquidity policy. This is in line with market practice.



Project evaluation and selection

Colruyt Group's internal process for evaluating and selecting projects is overseen by its Sustainable Finance Committee, consisting of representatives from the corporate sustainability and treasury departments and the Board's sustainability domain. Colruyt Group has established internal procedures to address environmental and social risks associated with projects being financed. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



Reporting

Colruyt Group intends to report on the allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include a description of eligible green and social projects by category, the total amount of sustainable financing issued and the total eligible projects portfolio by category, the balance of unallocated proceeds and the share of financing and refinancing (showing the percentage of the total eligible projects portfolio corresponding to projects financed during the reporting year and during previous reporting years). In addition, Colruyt Group also intends to report on relevant impact metrics, to the extent feasible. Sustainalytics views Colruyt Group's allocation and impact reporting commitments as aligned with market practice.



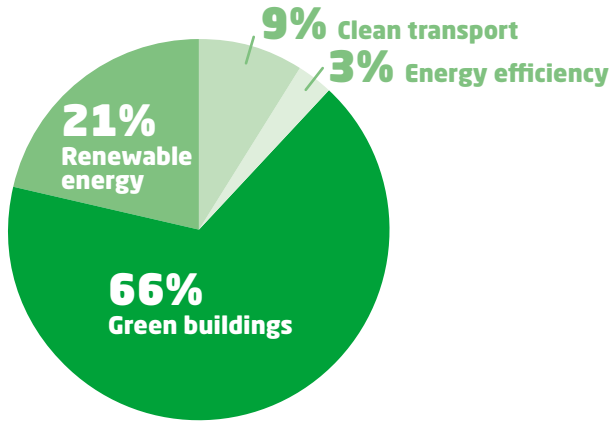
Colruyt Group's Sustainable Financing Framework is aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021 and Social Loan Principles 2021.



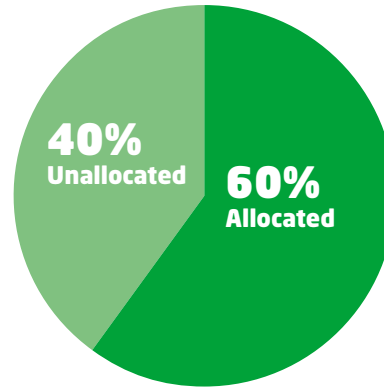
"Sustainalytics is of **the opinion** that the Colruyt Group Sustainable Financing Framework is credible, impactful and aligns with the SBG and with the four core components of the GBP, SBP, GLP and SLP's."

4. Allocation Reporting

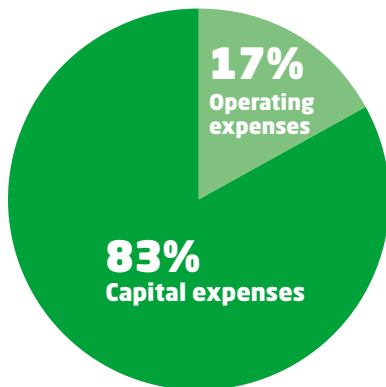
Allocation per eligible category



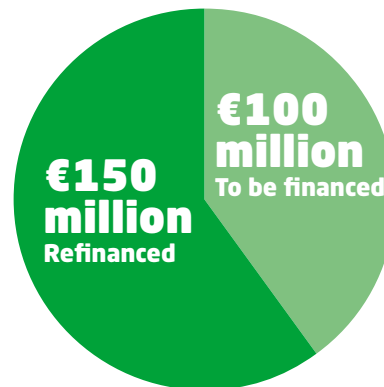
Allocation overview



Allocation per type of expense



Refinancing overview ⁽¹⁾



(1) Refinancing costs are considered costs that were financed before 31/03/2023.

contributed to followings SDG's :



The sustainable projects of Colruyt Group are not limited to those as financed under the Green Retail Bond. For more information on all our sustainable initiatives, we refer to our **Annual report with sustainability reporting**.

5. Impact Reporting

5.1. Clean Transport

In this section, we highlight some of the projects financed under the Green Retail Bond. In the shift towards clean transport, projects such as electrified transport, bikes and charging accommodation were financed.

In November 2022, Colruyt Group announced its ambition to make its freight transport zero-emission by 2035, both for its own transports to and from the stores and for the transports to the distribution centres via suppliers. Colruyt Group relies on the expertise of Virya Energy and DATS 24 and on its years of experience in transport to achieve this. Moreover, the group actively enters into dialogue on these matters with its network of (transport) partners and suppliers. This ambition will have a significant impact on Colruyt Group's direct and indirect greenhouse gas emissions.

In the spring of 2023, we took a major step towards the electrification of our truck fleet. We commissioned a 44-tonne electric truck for transport between distribution centres and stores. At the same time, our food service company Solucious commissioned five electric refrigerated trucks. We formed valuable partnerships with manufacturers Volvo and Scania and built a brand-new rapid charging infrastructure. The electric trucks allow us to deliver emission-free and almost silently in the long term, which is an attractive extra for city deliveries. This investment fits in with the Brussels Green Deal 'Low-emission city logistics' and with Colruyt Group's commitment to reducing greenhouse gas emissions from its incoming and outgoing goods transport to zero by 2035.



By 2035, all freight transport - by and for Colruyt Group - throughout the value chain should be zero-emission.

Towards more sustainable transport

- One in ten deliveries by Collect&Go in central Ghent and Brussels already takes place by cargo bike. Bike delivery has also been available in Antwerp and Liège since August 2022.
- DATS 24's ambitions include promoting greener mobility and raising the level of public acceptance of the sustainable energy transition. Today, this translates into investments in renewable energy, such as the expansion of the electric charging infrastructure and the construction of additional public hydrogen filling stations. The investments were situated in expanding its charging network, both at Colruyt Group stores and offices and at external customers. Green electricity was available at the end of the financial year 2022/23 to 735 charging points at 230 locations, including 13 points where customers can charge at a capacity of up to 60 kW. More than a third of the Colruyt, Okay, Bio-Planet, Dreamland and Dreambaby stores already have one or more charging stations, so that customers can easily combine shopping and charging.
- Commissioning of the first two of five electric trucks. These refrigerated vehicles with a driving range of 300 km are being tested primarily for city distribution.



Impact indicator ⁽¹⁾	2021/22	2022/23
Number of new (e-)bikes to commute to work	915	2.002
Cumulative CO ₂ emission saved through transportation (in tonne CO ₂ eq)	387	1.598
Cumulative CO ₂ emission saved through charging accomodation (in tonne CO ₂ eq)	19	57
Amount of new 'clean' vehicles and heavy duties	42	139

(1) The sustainable projects of Colruyt Group are not limited to those as financed under the Green Bond. Numbers are limited to the investments made under the Green Bond. We refer to the definition & calculation sheet for more details.

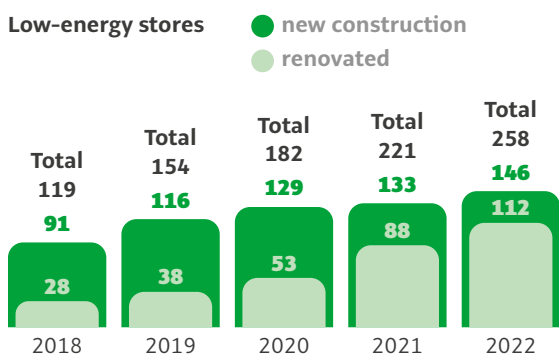


5.2. Green Buildings

Within the category of Green Buildings, investments in low-energy stores and energy efficient buildings were financed under the Green Retail Bond.

For more than a decade, all our new stores have been constructed as low-energy stores combining excellent insulation and airtightness properties with energy-efficient cooling technologies (such as cold rooms and freezer cases), heat recovery and LED lighting. In short: they consume very little energy. We now have around 150 newly built and more than 110 renovated energy-saving stores.

As of 2017, we are also committed to converting our existing stores from before this period into low-energy ones. By 2030 the majority of our own stores will be low-energy. At the same time, half will be completely free of fossil fuels by then.



New stores even more sustainable

In March 2023, the 33rd Bio-Planet store opened in Tournai, the third in the new store concept, with even more focus on sustainability, a focus that will be applied in renovations in the coming years.

The new Bio-Planet in Tournai was built and equipped according to an optimized store concept that excels in sustainability. The biological water treatment plant makes wastewater reusable for cleaning the store or flushing toilets, for example. The heat generated by the cooling system is also recovered and used to heat the building. Furthermore, Bio-Planet chose floors, interior and exterior walls and a roof made of Cross Laminated Timber (CLT): a relatively new wood product that, like traditional building materials, is extremely strong, but suits more environmentally friendly. With information panels about the store's sustainability initiatives, it also inspires customers.

- Even more bulk products are foreseen in the shop, in anticipation of future legislation. In addition to fruit and vegetables, these include nuts, cereals and dried fruits, sweet and salty snacks, origin coffee beans... Customers can also have their own jars filled at the service counter.
- Biological purification plant that purifies wastewater for reuse, like for flushing toilets or cleaning the store.
- Heat recovery. With heat from the cooling installation reused to heat the building, no fossil fuels are needed.

Impact indicator ⁽²⁾	2021/22	2022/23
Cumulative CO ₂ emission saved through green buildings (in tonne CO ₂ eq)	44	624
Amount of buildings with 10% under local threshold NZEB and/or a 30% reduction of PED after renovation	1	22

(2) The sustainable projects of Colruyt Group are not limited to those as financed under the Green Bond. Numbers are limited to the investments made under the Green Bond. We refer to the definition & calculation sheet for more details.



5.3. Energy Efficiency

In the past years, special attention was paid to the energy efficiency of buildings, machines and processes. Campaigns were launched encouraging employees to save energy in simple ways in their everyday work as well. With success: some fifty initiatives between October and December 2022 significantly cut energy consumption. The stores consumed 30% less gas, while the distribution centres and offices more than halved their consumption.

Besides that, stores took additional temporary measures to save energy, like lowering indoor temperatures and light intensity, or temporarily placing back the flaps at the entrance to the cooled fresh food sections in Colruyt stores.

In various distribution centres, the large central boilers were replaced by more economical systems with multiple heating units.

Climate-friendly cooling

In 2017, we started switching to natural refrigerants in our stores. Since then, 158 stores have already been equipped with installations running on propane or propene. These emit 90% less CO₂ than installations running on synthetic refrigerants. The transformation is expected to be completed by 2030. We now also detect any cooling leaks much earlier thanks to a new artificial intelligence-based monitoring system that we developed ourselves in 2021.

We are also opting for climate-friendly innovations in our logistics chain. We have developed a liquid ice container (LIC) for fresh and frozen products that has a 73% lower environmental impact than our conventional mobile refrigerated container using CO₂. We continue to roll out these self-developed liquid ice containers for fresh produce and frozen foods, while in 2021 we also introduced a new type of cool box for Collect&Go emitting far less CO₂ than the earlier refrigerated carts.



By 2030, we consume 20% less energy than in 2009, relative to our revenue.

By 2022, we were already consuming 10,4% less energy (normalised).



Impact indicator ⁽³⁾	2021/22	2022/23
Cumulative CO ₂ emission saved through liquid ice containers (in tonne CO ₂ eq)	4.968	6.336

⁽³⁾ Nhe sustainable projects of Colruyt Group are not limited to those as financed under the Green Bond. Numbers are limited to the investments made under the Green Bond. We refer to the definition & calculation sheet for more details.

5.4. Renewable Energy



By 2030, **60%** of our total energy consumption should come from non-fossil energy sources.

In 2022, this figure was 45,1%.

45,1%

2030 target: 60% ▲

We continue to invest in renewable energy. Therefore, investments in solar panels and expenses within our PPA agreement for wind energy as well as our investments in hydrogen were financed under the Green Bond.

We remain committed to increasing the share of renewable energy, for instance by greening our vehicle fleet and using non-fossil heating. By 2030, we aim for 100% of the renewable energy we consume being either self-generated or locally generated. By doing so, we are reducing the need to transport energy and the associated environmental impact.

As far as possible, the energy we use comes from renewable sources. Our electricity consumption is 99% green. We ourselves produce green electricity from solar energy and are investing in onshore and offshore wind energy via Virya Energy. We are trying to maximise consumption at times when green electricity production is high.



Hydrogen as a sustainable fuel

Colruyt Group remains a forerunner in the commercialisation of hydrogen as a sustainable road vehicle fuel. Electric driving on hydrogen offers certain unique advantages: fast refuelling, no CO₂, soot or particulate emissions while driving and a guaranteed electric range of 650 to 700 km, without winter impact. Colruyt Group is convinced that driving on hydrogen will become complementary to battery-electric driving and estimates that one in five electric cars will be equipped with an H₂ fuel cell. Hydrogen can be interesting in places with cold climates and insufficient electric charging infrastructure, as well as for drivers unable to install their own charging stations, who pull heavy loads or drive many kilometres and need to be able to refuel quickly.

New hydrogen stations opened in Wilrijk and Haasrode, bringing the total to three. Together, these stations sold over 10 tonnes of hydrogen. The Wilrijk station serves, among others, the city of Antwerp's hydrogen fuelled refuse trucks. The public hydrogen filling station in Haasrode came into being partly thanks to the support of the H₂Benelux programme. More openings followed in the course of 2023 in Ollignies, Herve and Erpe-Mere.

Together with hydrogen pioneers like Toyota, Hyundai and ALD Automotive, DATS 24 is helping companies take the step towards hydrogen mobility, for example through interesting leasing formulas and workshops with test drives.

Impact indicator ⁽⁴⁾	2020/21	2021/22	2022/23
Annual MWH produced of renewable energy	62.334	67.277	90.684
CO ₂ emission saved through solar energy (in tonne CO ₂ eq)		321	1.649
CO ₂ emission saved through wind energy (in tonne CO ₂ eq)	10.285	10.749	13.282
CO ₂ emission saved through hydrogen (in tonne CO ₂ eq)		37	43

⁽⁴⁾ The sustainable projects of Colruyt Group are not limited to those as financed under the Green Bond. Numbers are limited to the investments made under the Green Bond. We refer to the definition & calculation sheet for more details.

6. Definition & calculation sheet

In this definition & calculation sheet, we will explain to the reader the assumptions that were taken in the formulas used to calculate the different impact indicators.

1. Clean Transport

- The CO₂ emissions saved are cumulative, meaning that an investment that was done in year (x) will still save emission in the year (x+1). Therefore, the emissions in year (x+1) include the investments done from both year (x) and (x+1).
- The CO₂ emissions saved are based on the assumption that an investment is implemented for a full year. The charging accommodations are based on effective charging sessions (so no assumption of a full year of charging).
- The benchmark for an electric and hydrogen truck is a diesel truck. The benchmark for an electric or hydrogen vehicle and for a bike is a diesel vehicle. The fuel consumption of a diesel truck is 32,91 litres/100 kilometres, of a box truck is 28 litres/100 kilometres and of a diesel vehicle is 5,69 litres/100 kilometres (these data are based on data from our own fleet).
- The average numbers of kilometres driven per year are based on data from the own fleet.
- The diesel emissions factor applied is 2,49 kg CO₂ eq/litre diesel (source: <https://base-empreinte.ademe.fr/>).
- The assumption is taken that new clean trucks, vehicles and bikes are charged with 100% green electricity when using Colruyt Group's charging accommodations and based on the average Belgian grid mix of IEA when using charging accommodation at home or at public places. The charging sessions at home and at public places represent 56% of total charging sessions.
- Double counting in CO₂ emissions saved were deleted in the indicator of charging accommodations due to the vehicles of Colruyt Group employees that can use the charging accommodations at central buildings to charge their vehicles.

2. Green Buildings

- The CO₂ emissions saved are cumulative, meaning that an investment that was done in year (x) will still save emission in the year (x+1). Therefore, the emissions in year (x+1) include the investments done from both year (x) and (x+1).
- The CO₂ emissions saved are based on the assumption that an investment is implemented for a full year. Ongoing projects that may not be finalised yet are taken up in the last year of investment (book year 2022/23). Rectifications can take place in the next allocation & impact reporting to avoid double counting.
- The released energy coming from the refrigerators is recycled to heat the shops. The electricity generated in these new shops is 100% renewable (coming from solar panels on the roof). The CO₂ emission for a new shop is therefore equal to 0.
- For the shops, the benchmark is a shop running on natural gas using the average gas consumption of a shop in 2012 (last year before low-energy were implemented). For a shop of Colruyt Laagste Prijzen, a saving of 44,19 tonne CO₂ eq per year takes place. For a shop of Bio-Planet, Spar and Okay (which are comparable in size and infrastructure), a saving of 12,16 tonne CO₂ eq per year takes place. For an Okay Compact, a saving of 4,05 tonne CO₂ eq per year takes place (which represents approximately one third of the size of a regular Okay shop).
- The benchmark for our office in Zwijnaarde is based on actual consumption of natural gas before renovations took place.
- The benchmark for our distribution centre in Ollignies is based on the theoretical energy consumption as if the building was insulated following legal requirements. This was compared to the theoretical energy consumption according to the actual insulation values after construction.

6. Definition & calculation sheet (continued)

3. Energy Efficiency

- The CO₂ emissions saved are cumulative, meaning that an investment that was done in year (x) will still save emission in the year (x+1). Therefore, the emissions in year (x+1) include the investments done from both year (x) and (x+1).
- The CO₂ emissions saved are based on the assumption that an investment is implemented for a full year.
- One liquid ice container is replacing one classic CO₂ cooling container. The benchmark is therefore a classic CO₂ cooling container (with the amount of solid CO₂ needed for this type of container).
Following assumptions are taken :
For fresh food, 7,7 kg solid CO₂ x 2.3 (conversion factor) = 17,71 kg liquid CO₂ is needed.
For frozen food, 23,8 kg solid CO₂ x 2.3 (conversion factor) = 54.74 kg liquid CO₂ is needed.
The electricity that is used to produce the liquid ice is 100% green.
- The rotation of liquid ice containers per year is on average 152,2 (this number is based on our own transport data).

4. Renewable Energy

- The CO₂ emissions saved for solar panels are based on the assumption that an investment is implemented for a full year. The benchmark for solar energy is electricity based on the average Belgian grid mix of IEA.
- The CO₂ emissions saved for hydrogen are based on the actual fuelling sessions per year. The benchmark for a hydrogen fuelling session is a diesel fuelling session.
- The production number of hydrogen and wind energy are based on the actual production numbers per year. The benchmark for wind energy is electricity based on the average Belgian grid mix of IEA.



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PRISSE EN SACHETS SERRÉS ÉCHARTÉS ET FRAIS

NUTRI-SCORE
A B C D E

2,69

2,25

