Annual Report

with sustainability reporting

2018/19

COLRUYT GROUP

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

We service each of our **54.000 shopping trolleys** in our workshop every four years.

Halle, 13 June 2019

FINANCIAL YEAR 2018/19
Annual report presented by the Board of Directors
to the Ordinary General Meeting of Shareholders
of 25 September 2019 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

4 Word from the Chairman

6 Key figures

10 Management report

Who are we?

18 Sustainable entrepreneurship in our DNA

20 Our approach

21 12 programmes to make a difference

22 4 consumer themes to inspire

23 3 pillars in the organisation

24 17 SDGs: frame of reference for sustainability reporting

26 Strategy

Activities

69 Retail

108 Wholesale

115 Foodservice

117 Other activities

126 Corporate services

Investing in added value

140 Investments realised

141 Distribution centres and administrative buildings

142 Company-operated stores of Colruyt Group

143 Key figures over five years

145 Agriculture

145 Health

146 Animal welfare

147 Work context

156 Training & development

157 Living together

159 Biodiversity

164 Raw materials

165 Water

166 Energy

168 Climate

169 Mobility

Corporate governance

172 Governance, supervision and management

177 Sustainable corporate governance

196 Share ownership and Colruyt shares

Financial report

207 Consolidated income statement

208 Consolidated statement of comprehensive income

209 Consolidated statement of financial position

210 Consolidated statement of cash flows

211 Consolidated statement of changes in equity

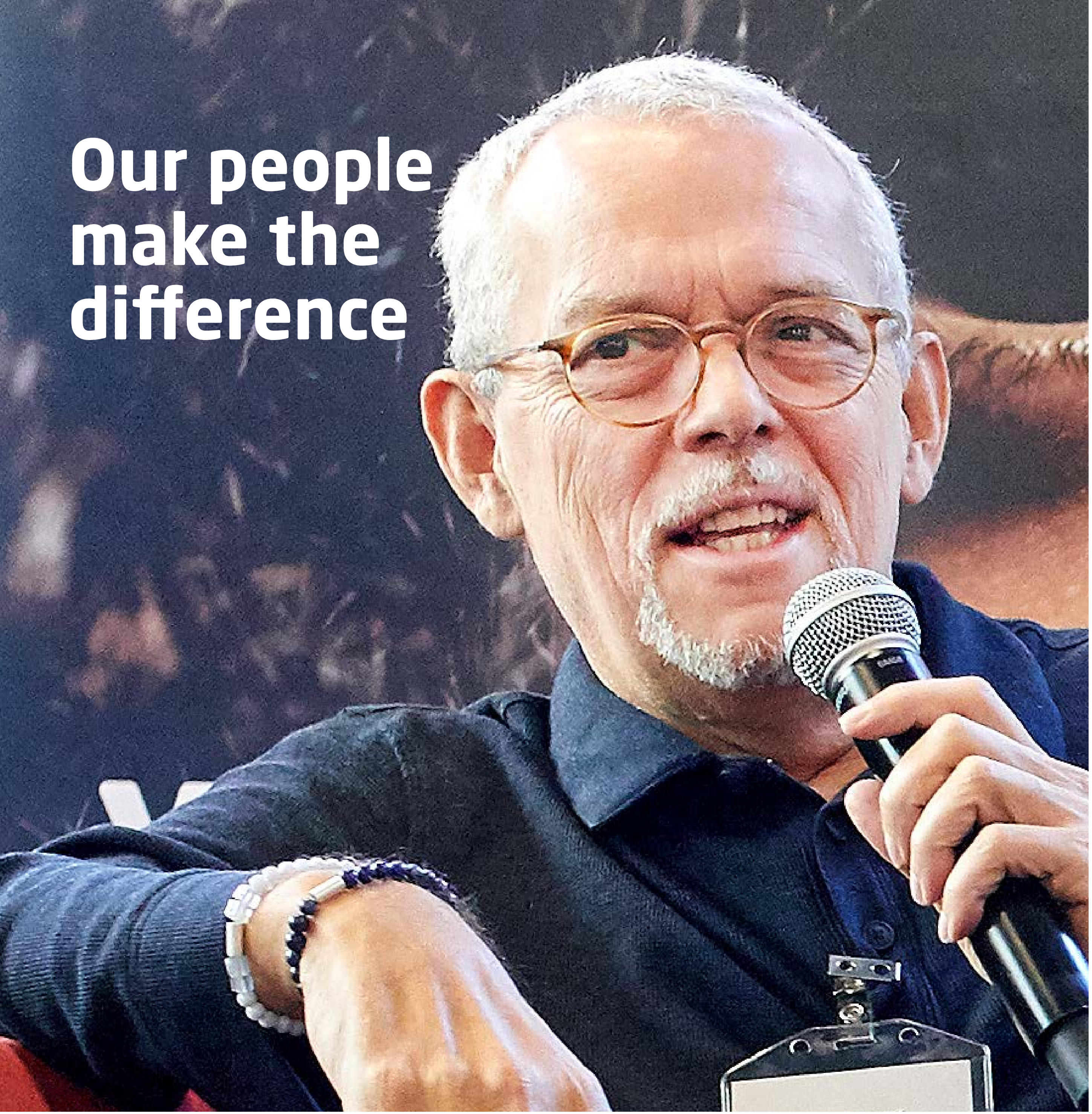
213 Management responsibility statement

214 Independent auditor's report

221 Notes to the consolidated financial statements

284 Definitions

Our people make the difference



With great pride. That's how I look back on what we have achieved during this challenging financial year. Colruyt Lowest Prices, OKay and Spar achieved their largest ever market share in Belgium with 32,2%. Thanks to our expanding activities, growing number of customers and sales price inflation, our comparable group revenue rose by 2,8% to almost EUR 9,3 billion. We ended the financial year with a net profit of EUR 384 million. We continued to invest in the expansion and modernisation of our store network. At the end of the financial year, our sales space in Belgium, France and Luxembourg totalled 704.000 m^2.

Once again we have been strongly focused on thinking and acting sustainably. And this is reflected in our annual report. For the first time, we have integrated our annual report and our sustainability reporting. In the pages which follow, you will find a general overview of our efforts, grouped around twelve programmes. The activity pages contain many sustainable achievements as well. Through this annual report, we aim to show clearly that financial and non-financial information have equal status for us. Because our impact on society extends beyond economic added value alone. We play a significant role socially and ecologically as well. I am not suggesting that we are there yet. Nor am I saying that our company has no further steps to take. But we do our best every day and are learning all the time. Whether it is through our own projects or smart partnerships.

We were the first in Belgium to open a totally green hydrogen filling station for the public. We don't just focus on mobility, but on energy too. We are committed to new technologies and new ways of thinking. Whether it is a question of energy supply or energy-efficient buildings. Together with farmers and suppliers, we have set up new models of cooperation throughout the chain. For example, a project involving organic pigs, the purchase of organic farm *Het Zilverleen* and the strong partnership with organic horticultural business *De Lochting*. Together with dairy business Inex, we will soon offer 330 farmers a stable and transparent milk price. And our direct partnership with three producer organisations of beef farmers helps to close the gap between consumer and producer.

Innovation remains another focus point for Colruyt Group. In food, we have made great progress with our own vertical farm and our research projects around seaweed and Belgian mussels. We've also been active in technology. I'm thinking here of Scan. Pay. Go. at Spar and OKay, the electronic price labels at Colruyt and the voice assistant for shopping lists, for example. Through all of these projects, we want to make things easier for our customers. Besides this, we are making the products in our stores more balanced and more sustainable day by day. Our customers and employees examine each product during taste and user tests. With the *Nutri-Score*, we communicate transparently about nutritional values and offer customers guidance so they can make balanced choices. Projects such as Bio-Planet's 'Food compass' also pave the way for personalised nutrition.

You will find more information about all of these projects in this annual report. Every one of them is an achievement in which we take great pride. We continue to work on our organisation as well. We are reinventing Colruyt Group from the inside out. Transformation programmes and enterprise architecture are our guide. And the new strategic plan will direct the key strategic themes, which we have clustered into domains at group level.

During the last financial year, we said farewell to Frans Colruyt in his role as COO Retail. Frans has played a key role in our group's development and I want to thank him from the bottom of my heart. So as to be even better placed to respond to the challenging changes in the retail world, in the next financial year we also welcome an additional independent director to the Board of Directors.

How do I look forward to the coming financial year? Full of confidence. We can sense turbulent times ahead. And we are ready for them. Our operational excellence is better than ever. And we find that local connections are becoming more and more important. It is our people who really make the difference. They achieve our goals and live out our company mission day after day. Sustainably.

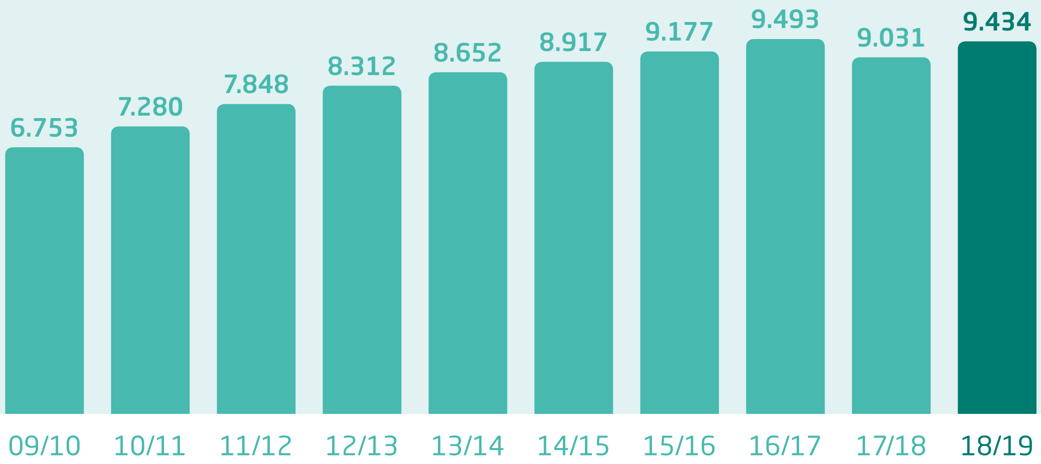
So: a big thank you! To everyone who contributes to the growth of Colruyt Group. Whether you are a customer, a supplier or a longstanding partner. And especially if you are one of our 29.903 employees. Through your passion and enthusiasm, you ensure that we create sustainable added value day after day.

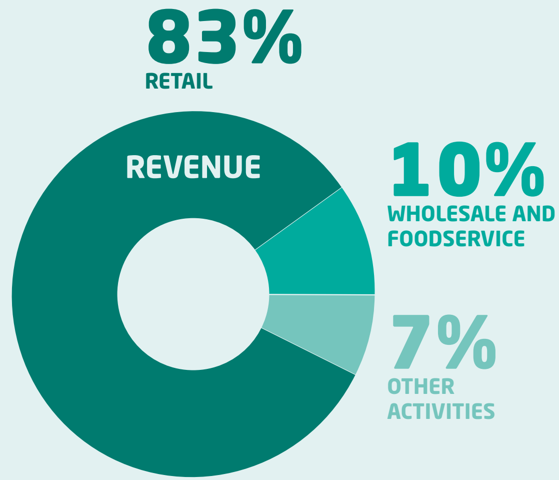
Jef Colruyt
Chairman of the Board of Directors

We hope that the next government will have the courage to think long term. Colruyt Group is ready to join them in this. Ready to play an active social role. Ready to help invest in the future. We are not doing this as an ad hoc solution, but above all for future generations. They are making their voices heard. It is up to us to listen. And commit ourselves firmly to green alternatives. Whether it is wind energy or hydrogen.

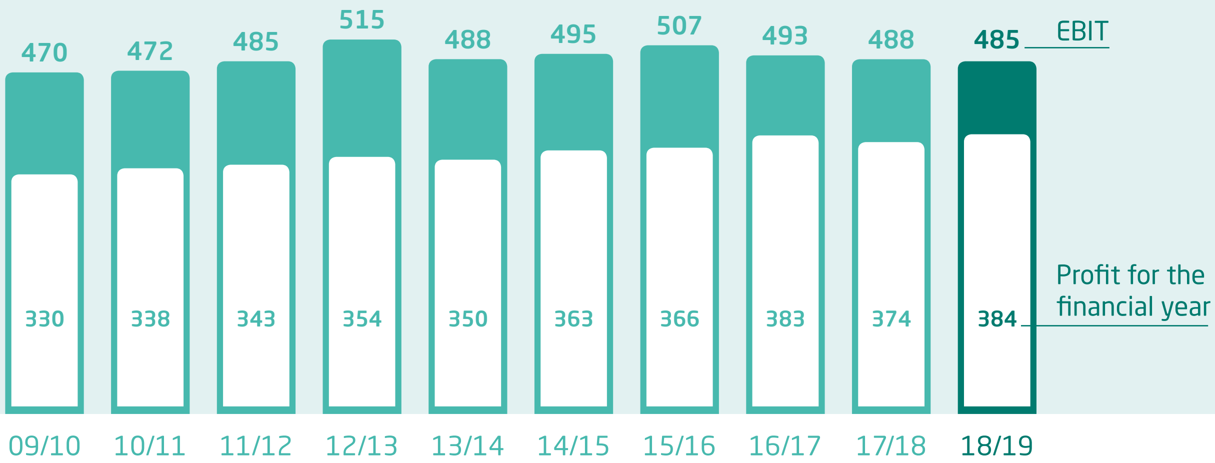
Key figures

Colruyt Group revenue (in million EUR)





Colruyt Group results (in million EUR)

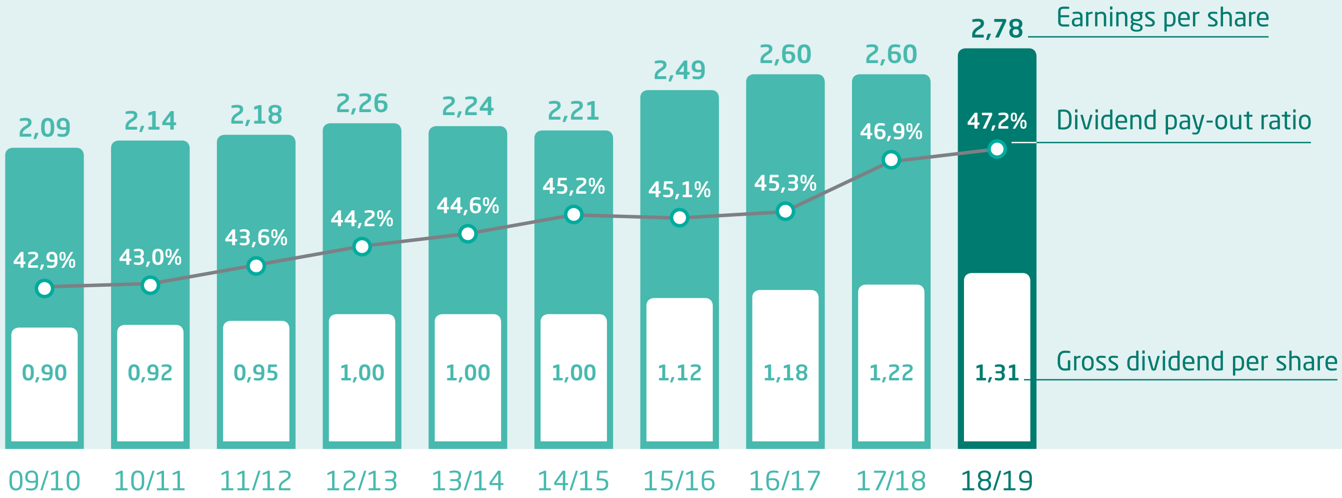


EUR **378**
million investments

32,2%
market share
of Colruyt, OKay
and Spar in Belgium

46,4%
of the **added value generated in Belgium goes back to the community via the government**

Earnings and gross dividend per share (in EUR)



704.000 m²
store area
of own stores

24
store openings

282 Collect&Go-collection points
in Belgium, Luxembourg and France

579
independent storekeepers in Belgium and affiliated stores in France

572
own stores

13%
less CO_2 emissions compared to 2008
in relation to revenue

100%
of electricity consumption is sustainable

83,17%
recycling rate

EUR **38,2 million**
invested in education and training

29.903
employees

Management report

Consolidated key figures

(in million EUR)	1/4/2018 - 31/3/2019 [1]	1/4/2017 - 31/3/2018	Variance
Revenue	**9.434**	**9.031**	**+ 4,5%**
Gross profit	**2.471**	**2.350**	**+ 5,2%**
% of revenue	26,2%	26,0%	
Operating cash flow (EBITDA)	**758**	**734**	**+ 3,2%**
% of revenue	8,0%	8,1%	
Operating profit (EBIT)	**485**	**488**	**- 0,6%**
% of revenue	5,1%	5,4%	
Profit before tax	**519**	**519**	**+ 0,0%**
% of revenue	5,5%	5,7%	
Profit for the financial year	**384**	**374**	**+ 2,5%**
% of revenue	4,1%	4,1%	
Earnings per share (in EUR) [2]	**2,78**	**2,60**	**+ 6,7%**

(1) The financial year of the French companies has been extended to 31 March 2019. As a result, financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 to 31 March 2019).
(2) The weighted average number of outstanding shares equalled 137.758.364 in the financial year 2018/19 compared to 143.361.535 in the financial year 2017/18.

The financial year 2018/19 includes fifteen months of the results of our activities in France, following the alignment of the French companies' financial year (1 January to 31 December) with that of Colruyt Group (1 April to 31 March) in the second half of this year. In order to facilitate comparability with last year, we report the evolution of the key figures exclusive of the impact of this additional quarter ('comparable results').

Consolidated income statement

Our **group revenue** rose by 4,5% to over EUR 9,4 billion. The increase in revenue was impacted by the extension of the financial year of our French companies. On a comparable basis, revenue growth amounted to 2,8% including petrol and to 2,1% excluding petrol. The revenue growth compared to last year is attributable to organic growth, sales price inflation and sales surface expansion. There was a negative calendar effect of approximately 1,4% in the financial year 2018/19.

Comparable revenue grows 2,8%
Comparable net result higher than last year

The market share in Belgium of Colruyt Lowest Prices, OKay and Spar expanded from 31,8% last year to 32,2% in the financial year 2018/19.

The **gross profit margin** amounted to 26,2% of our group revenue. The comparable gross margin amounted to 26,3% of revenue (26,0% in 2017/18).
In the first semester, we achieved a margin increase of 61 basis points, primarily as a result of lower price and promotional pressure compared to the same period last year. In the second half of the year, our comparable gross margin decreased by 10 basis points as a result of fluctuating promotional pressure in the retail market.

On a comparable basis, our operating expenses increased from 17,9% to 18,1% of revenue.
The increase in relation to revenue is mainly the result of our ongoing investments in employees, distribution channels, transformation projects and further chain sustainability efforts.

Our **operating cash flow (EBITDA)** totalled EUR 758 million (8,0% of revenue). The extension of the financial year of our French companies had no significant effect on the operating cash flow of 2018/19. The comparable EBITDA margin reached 8,2% of revenue (8,1% in 2017/18). The increase compared to last year is mainly driven by the improved gross profit margin.

The depreciation, amortisation and impairment charges were EUR 26 million higher than last year. We attribute the increase in depreciation charges by EUR 20 million to our investments in the distribution network and in transformation programmes on the one hand and to the extension of the financial year of our French activities on the other hand. The EUR 6 million increase in impairment charges mainly relates to an impairment on transformation programmes.

Operating profit (EBIT) amounted to EUR 485 million in 2018/19 (5,1% of revenue). The comparable EBIT margin amounted to 5,3% of revenue (5,4% in 2017/18).

The financial result improved thanks to the gain (EUR 18 million) realised on the sale of our stake in the offshore wind farm Northwester 2 to Sumitomo Corporation.

Results from investments in associates and joint ventures decreased by EUR 15 million, mainly due to one-off gains at Parkwind Group last year (EUR 17 million).

The effective tax rate decreased from 29,6% to 26,8%, primarily due to the reform of the Belgian corporation tax and the non-taxable gain on the sale of our stake in Northwester 2. The 2017/18 financial year included a one-off positive tax effect from the reform of the Belgian corporation tax (EUR 6 million).

Profit for the financial year amounted to EUR 384 million (4,1% of revenue). The 2018/19 net result was impacted by the one-off negative effect of the extension of the financial year of our French activities. The comparable net profit amounted to 4,2% of revenue (4,1% in 2017/18).
The comparable profit for the financial year **excluding one-off effects** totalled EUR 372 million (EUR 351 million in 2017/18).

Income statement per segment

Retail

Revenue from our retail activities grew by 4,3% to EUR 7.781 million. The revenue growth was impacted by the extension of the financial year of our French companies. As from this financial year, Colex is reported in the retail segment. Comparable retail revenue increased by 2,2%. Retail accounted for 82,5% of our consolidated revenue in 2018/19.

In the financial year 2018/19, the Belgian retail market was characterised by a milder competitive climate and fluctuating promotional pressure. The negative effect of cross-border purchases continues to grow since the introduction of higher alcoholic beverage excise duties three years ago.

Revenue of **Colruyt in Belgium and Luxembourg** climbed 2,0% through the combination of volume growth, sales price inflation, a negative calendar effect and our export activity Colex. Colruyt continues to invest in store expansion and modernisation. In the course of 2018/19 it opened four new stores and renovated fifteen existing stores. 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 4,9% thanks to store openings, new customer inflow, sales price inflation and a negative calendar effect. OKay expanded its store network by eight new stores during this financial year. In the years ahead, the proximity supermarket plans to open around six stores per year and to gradually roll out the renewed OKay store concept. Bio-Planet opened two stores and innovated with the 'Food compass'. The three Cru multi-experience markets realised further revenue growth and operational efficiency gains in 2018/19.

Colruyt Group offers its customers **three clearly distinguishable brand layers**: (inter)national brands, products labelled Boni Selection (Colruyt Group's house brand) and products labelled Everyday (the group's discount brand).

The revenue growth of **Colruyt in France** (38,2%) was impacted by the extension of the financial year. Excluding petrol, comparable revenue grew by 9,3% as a result of organic growth and expansion. The French retail market experienced a slight inflation effect.
We will continue to invest in our French retail activities. Colruyt Prix Qualité opened seven new stores and renovated five existing stores.

With the planned opening of a regional hub in Nancy by 2021, we will extend our logistical capacity in France.

The combined store revenue of **Dreamland and Dreambaby** was 7,1% lower than last year. The revenue decrease mainly resulted from the difficult market. There was also a negative calendar effect (Easter), the less favourable weather conditions in spring and the closure of two French Dreamland stores. Dreambaby opened three new stores in the course of the year.

We are continuously investing in and innovating our **online store concepts and digital applications**. Thanks to our ongoing e-commerce investments and the customer's confidence, the share of online revenue in the group revenue continued to expand. Our online revenue is primarily generated by Collect&Go, the market leader in the Belgian online food market. Our online shopping service expanded its network further in 2018/19 to over 280 collection points in Belgium, Luxembourg and France. Collect&Go also started equipping OKay proximity supermarkets with a collection point. Since May 2019, Colllect&Go is testing a home delivery service in a number of peripheral municipalities in Brussels. The deliveries are made by our own employees using CNG delivery vans.

In 2018/19 we continued to invest in the digital development of **Xtra**, our joint loyalty card. Xtra was successfully launched in April 2017 and can in the meantime also be used as a fuel card and a payment card. Since 2018/19 the Xtra app offers new services, including the possibility to pay for refuelling using a smartphone. Users of the app can now also consult an overview of their purchases. New functionalities will gradually be added. The number of customers making use of the Xtra card and Xtra app continues to increase.

Wholesale and Foodservice

Revenue from the wholesale and foodservice segment grew by 2,8% to EUR 952 million. The revenue growth was impacted by the extension of the financial year of our French activities and by our export activity Colex. On a comparable basis, revenue increased by 3,3%. These activities accounted for 10,1% of the consolidated revenue.

Wholesale revenue comprises the deliveries to independent storekeepers in Belgium (Retail Partners Colruyt Group) and France (Coccinelle, Coccimarket and Panier Sympa). Wholesale revenue increased by 6,5% to EUR 833 million. Comparable revenue went up 3,6% thanks to revenue increases in both Belgium and France.

Retail Partners Colruyt Group is responsible for the purchasing of goods for and the provision of logistics and other services to independent stores, including Spar Colruyt Group, Alvo and Mini Market stores. The new Spar store concept was further rolled out in 2018/19 and is appreciated by the customer. Renewed stores achieve an above average revenue growth and a profitability that ranks among the best on the market. Retail Partners continues to work on the expansion of its efficient independent store network.

As from the financial year 2018/19, the export activities of Colex are reported within the retail segment. As a result, **foodservice** revenue has decreased compared to last year. The Belgian foodservice business Solucious recorded a revenue increase of 1,6%, mainly in the hospitality and social catering segments. The revenue growth was held back by the shortage of deliverers in the first semester and the relocation of the frozen food activities in the second semester.

Other activities

Revenue from the other activities increased by 8,8% to EUR 701 million in 2018/19, accounting for 7,4% of our consolidated revenue.

This segment basically comprises the revenue of **DATS 24** in Belgium. The revenue growth in 2018/19 was driven by increased fuel prices. DATS 24 furthers its investments in CNG (Compressed Natural Gas) for vehicles and expanded its CNG network in Belgium to 65 stations. Our energy specialist also installed additional electric charging posts on car parks of Colruyt Group stores. In October 2018 we opened our first public hydrogen filling station. In the years ahead, DATS 24 plans to double the number of electric charging posts and to further its investments in hydrogen.

We also seek to become increasingly self-reliant in our energy needs. **Eoly**, our green energy producer, continues to invest in sustainable energy projects. As a reliable and transparent supplier of sustainable energy, Eoly is currently also targeting the external market. The first wind turbine of **Eoly Cooperative** became operational last year and the member-owners received their first dividend this financial year.

Balance sheet

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 92 million to EUR 2.406 million. The increase is basically the net effect of new investments (EUR 378 million) and of depreciation, amortisation and impairment charges (EUR 272 million). We further our investments in our store network and future-oriented transformation programmes.

In 2018/19 we sold some **investments**, including the stake in the Lithuanian retail group IKI and that in the offshore wind farm Northwester 2.

Our **net cash and cash equivalents** increased by EUR 43 million to EUR 130 million (net of EUR 33 million of 'straight loans') as at 31 March 2019.

Colruyt Group's **equity** totalled EUR 2.208 million at year-end, accounting for more than half of the balance sheet total.

Treasury shares

On 2 October 2017 we launched a **share buyback programme** for a maximum amount of EUR 350 million. The buyback programme has an expected term of two years and is implemented under the authorisation granted by the Extraordinary General Meeting of Shareholders of 14 October 2014. The programme is being executed by an intermediary pursuant to a discretionary mandate, which implies that shares are purchased during both open and closed periods, without any intervention of Colruyt Group.

In the period up to 31 March 2019, over EUR 338 million of the maximum amount allocated to the programme was used, of which EUR 47 million during the financial year 2018/19. No treasury shares were purchased after year-end.

In December 2018, 7.000.000 treasury shares were cancelled. After balance sheet date, 5.500.000 treasury shares were cancelled.

On 13 June 2019, Colruyt Group holds 195.660 **treasury shares**, which represent 0,14% of the total number of shares issued.

Events after the reporting period

There were no significant events after the balance sheet date.

Outlook

In the financial year 2019/20, Colruyt Group expects price and promotional pressure to intensify in a challenging Belgian retail market. The group does not anticipate a significant upturn in the economic climate for the consumer in Belgium and France in the short term.

Colruyt Group will continue to consistently implement its long-term strategy. The group will pursue its investments in employees, efficiency, innovation, sustainability and transformation projects, while maintaining its 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.

We will present our full-year 2019/20 guidance at the General Meeting of Shareholders of 25 September 2019.

Dividend

The Board of Directors will propose a gross dividend of EUR 1,31 per share to the General Meeting of Shareholders. As from financial year 2018/19 no more stability allowance will be granted to the reference shareholders Korys NV and Sofina NV. The Board of Directors therefore proposes to increase the dividend of financial year 2018/19 by half of the stability allowance. In addition, Colruyt Group will each year reserve an amount for education projects via Collibri Foundation, the group's company fund.

Segment information

(in million EUR)	Revenue	EBITDA	EBIT
Retail (1)	**7.837**	**666**	**455**
Retail Food	7.544		
• Colruyt Belgium and Luxembourg (2) (5)	5.944		
• OKay, Bio-Planet and Cru (3)	953		
• Colruyt France and DATS 24 France (4)	647		
Retail Non-food	237		
• Dreamland and Dreambaby	237		
Transactions with other operating segments	55		
Wholesale and Foodservice (1)	**958**	**44**	**29**
Wholesale (4)	833		
Foodservice (5)	119		
Transactions with other operating segments	6		
Other activities (1)	**713**	**28**	**18**
DATS 24 Belgium	694		
Printing and document management solutions	6		
Transactions with other operating segments	12		
Eliminations between operating segments	**- 73**	**0**	**0**
Corporate (unallocated)	**0**	**20**	**- 17**
Total Colruyt Group consolidated	**9.434**	**758**	**485**

(1) Inclusive of transactions with other operating segments.
(2) Inclusive of the revenue of the Collect&Go, Collishop, Dreamland and Dreambaby webshops realised by the Colruyt stores.
(3) Inclusive of the revenue of the Collishop, Dreamland and Dreambaby webshops realised by the OKay and Bio-Planet stores.
(4) The financial year of the French companies has been extended to 31 March 2019. As a result, financial year 2018/19 includes fifteen months of the results of the French activities (1 January 2018 - 31 March 2019).
(5) As from the financial year 2018/19, the export activities of Colex are presented in the 'Retail' segment (previously in the 'Foodservice' segment).

Who are we?

In a time span of over half a century Colruyt Group has grown from a family company into a family of companies with almost 30.000 employees. For a long time, we were known mainly for the Colruyt discount store, but in recent decades we have greatly diversified our activities. DATS 24, OKay, Bio-Planet, Dreambaby, Spar, Eoly, Cru ... After an often modest start, these brands have now grown into fully-fledged companies with their own identity. No matter how different, with every new initiative we want to provide meaningful added value. In line with the changing spirit of the times and the needs of consumers, at all stages of their lives.

All Colruyt Group businesses share a common identity and culture. This is summed up in our mission and inspired by our nine historic values: respect, togetherness, simplicity, readiness to serve, faith, hope, space, courage and strength. We aim for sustainable economic growth along with a strong commitment to human and social development. In the long term too.

For the second year, we report on sustainability. 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.

This year, we have deliberately chosen to publish a combined annual report, containing both financial and non-financial information. This provides a clear view of our economic, social and ecological added value for the last financial year.

We have learnt a great deal from our first Sustainability Report and have approached some aspects differently.

- The chapters are broader in scope and therefore more future-proof.
- The emphasis lies more on our vision and the direction in which we want to head.
- We have chosen fewer, but more meaningful indicators.

We hope that, as a result, we will meet everyone's expectations more fully. We look forward to hearing your reaction. So that we can continue to evolve and improve. Step by step.

9 focus points

To keep our customers satisfied, we focus on nine points of interest. We want the **quality** of the service or product we provide to meet the expected standard. And we aim to deliver that quality **efficiently and effectively**. Besides this, we expect every **individual** to work at his or her full capacity and every **team** to function fully. To facilitate this, we create an environment in which there is **trust** and we provide the **means** to convert that trust into actions.
We **consciously** observe and analyse our actions and adjust them if necessary. Attaining this automatically gives every team and individual a positive feeling. In this way, we ensure **entrepreneurship** and **job satisfaction**. These two aspects mean that our customers like to shop with us and come back again. We do our best to achieve this day after day.

Sustainable entrepreneurship in our DNA

For more than half a century, sustainability has run through all of our activities as a common thread. Our ambitions are far-reaching. We want to be a reference point for sustainable entrepreneurship in Belgium. We put many people and resources into this. We are proud of what we have achieved over the years, while realising that sustainable entrepreneurship never ends. So, day after day, we do our best to make a meaningful difference together. Step by step.

The 60s - Efficiency

The first Discount stores open their doors. There, we guarantee customers the lowest price. To achieve this, we work to keep our operating costs as low as possible, day by day. We use resources and energy as efficiently as possible. We have also invested in our employees since the 60s, including training and particular attention for personal growth. This will later emerge as the key to more sustainable entrepreneurship.

1990 - Greenline

Green Line
Colruyt: pour un meilleur environnement

For the first time, our Greenline Charter focuses explicitly on reducing our environmental impact. The themes of energy, mobility and waste are highlighted. Green price labels appear in stores: people can clearly see which products we have improved ecologically.

2007 - Mission statement

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

Sustainability is given a prominent place in the new mission statement. And the focus implicitly shifts from 'efficiency' to 'entrepreneurship in the long term'. Our perspective is widening too: besides ecology, we also work more and more on other facets of sustainable entrepreneurship.

2010 - Group vision

We reflect on what our mission statement means in practice. We are already achieving good results in our own activities. But how can we have a stronger impact on those ahead of and behind us in the chain? Our response: source more sustainably and help customers consume more consciously. We set out our commitment formally in a manifesto. Read more

"Within the Group Colruyt, together, we create sustainable added value: based on our economic impetus, we create a positive social and ecological spiral. We believe that, in this way, our entrepreneurship drives sustainable change".

2016 - Voice of the SDGs

SUSTAINABLE DEVELOPMENT GOALS VOICES BELGIUM

As a Belgian ambassador, we help raise awareness of the United Nations Sustainable Development Goals among the general public. In this way, we aim to inspire and encourage people and organisations to actively contribute to a more sustainable future.

2017 - Step by step

step by step

Through relevant ranges, information and inspiration, we aim to make it easier for our customers to consume more consciously. Based on a survey, we chose four themes that are close to their hearts: health, society, animal welfare and environment. Each of the sustainability themes has a recognisable icon, which we use in our communications.

Our approach

4 consumer themes
to inspire

step by step

12 programmes
to make a difference

	People	Environment	Product
Agriculture			●
Health	●		●
Animal welfare			●
Work context	●		●
Training & development	●		
Living together	●		●
Biodiversity		●	●
Raw materials		●	●
Water		●	
Energy		●	
Climate		●	●
Mobility	●	●	●

○ = current projects

3 pillars in the organisation

17 SDGs
to report on

12 programmes
to make a difference

We have chosen to focus on twelve major programmes. For each of these programmes, we believe that we can make a positive impact, in every link of the chain. They are also at the top of the agenda for our stakeholders and society at large. Together they form our sustainability strategy, focused on People, Planet, Prosperity, Peace and Partnership. In the pages which follow, we link the twelve programmes to the relevant Sustainable Development Goals (SDGs).

Experts are further developing each programme, through more than 150 projects. This financial year, we have also begun to define a clear scope, vision and measurable objectives for the twelve programmes. Their content corresponds to the scope of the SDGs. As soon as this task is complete, we will discuss them in a dialogue with social actors. The goal: a formal materiality matrix and associated risk analyses. These risks will be reported and managed in a structured and systematic way via Coris, Colruyt Group's Enterprise Risk Management Platform.

Experts are further developing each programme, through more than **150 projects**

4 consumer themes to inspire

Through our initiatives, we aim to inform and inspire. To this end, we have translated them into four sustainability themes that are close to many people's hearts. **Health**, **society**, **animal welfare** and **environment**. Each theme has its own recognisable icon, which we use in all our communications. With 'Step by step' as the baseline. Because our task never ends. We gain new insights every day. But we don't want to wait to tell our story.

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. You will find the same later in this annual report, in the achievements of our store formulas and corporate services.

When it comes to sustainability initiatives, it can be hard to see the wood for the trees. With 'Step by step' we aim to make it easier for customers to make positive choices. Intuitively. And on three levels:

- You can simply shop at one of our store formulas. They are making their activities more sustainable, step by step. For example, with green energy.
- In our stores, you can choose products or services with a sustainable story. For instance, a chocolate bar for which farmers in developing countries receive a fair income.
- You can be inspired to act more sustainably at home too. Whether you cook with leftovers or choose a CNG car.

Read more

3 pillars in the organisation

In organisational terms, we have divided the domain Sustainability 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 formulas. They know the current projects inside out. This organisational structure ensures that sustainability is deeply rooted in every part of Colruyt Group.

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

People	Environment	Product
Liesbeth Sabbe Manager People & Organisation	**Koen Baetens** Manager Technics, Real Estate & Energy (including DATS 24 and Eoly)	**Stefan Goethaert** Manager Colruyt Group Fine Food, Retail Services and Private Label
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)

Sets out vision, strategy and progress for directorates, future boards and other consultative bodies

17 SDGs: frame of reference for sustainability reporting

In order to report on sustainable entrepreneurship, we chose the United Nations Sustainable Development Goals (SDGs). We measure all of our efforts against them. Each goal reflects one of the dimensions of sustainable development. Whether this is economic, social or ecological. The SDGs also perfectly fit our own vision for sustainable entrepreneurship. Last year, we defined seven goals that are important to us: 3, 7, 8, 12, 13, 16 and 17. We focus on them in particular. For this reason, in our sustainability reporting, we explicitly link each programme to these and other relevant SDGs.

Why we believe in the Sustainable Development Goals

- Social actors all over the world support the SDGs. This international consensus makes it easier to combine forces in a targeted manner.
- The seventeen goals cover a broad scope. That is ideal for Colruyt Group. Because we are active in many areas: from food to non-food and energy. We have projects underway for nearly every SDG.
- We sell products from all over the world. As a result, we often have to deal with highly complex supply chains. Social, ecological and economic dimensions are closely interlinked. The SDGs also serve as a frame of reference: so we can consciously choose the most inclusive approach.
- Peace and cooperation are two central themes of the SDGs. They are very important if we are to make an impact. We have worked with many of our suppliers and partners for years or even decades. Based on mutual trust and respect.

We believe in a bigger story. In a common goal that meets everyone's needs. In a sustainable story in which no one is left behind and everyone creates added value. That is another principle of the SDGs.

SUSTAINABLE DEVELOPMENT GOALS

PROGRAMME

1 Agriculture

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2 ZERO HUNGER

To sell great-tasting, balanced, high-quality fresh food. That is what we aim for in all of our stores. Where possible, we opt for locally grown products. Relying on strong partnerships with the Belgian agri-food industry. Based on trust, dialogue, transparency and efficient collaboration. With great success! Over the last few years and months, we have brought many fine projects to fruition. Projects with a long-term focus and many economic, social and ecological benefits. All aimed at a more transparent supply chain, creation of added value, quality, sustainability and learning networks. In short, learning and innovating together.

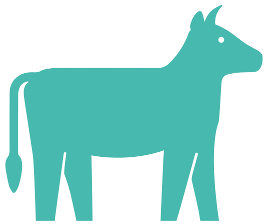
Learning and innovating **together**

2 exclusive apple varieties

We teamed up with two fruit breeders and our regular fruit suppliers to develop two new apple varieties, for us to sell exclusively. The aim of this partnership: Belgian apples that are tasty and sustainable. In taste tests, customers selected Magic Star and Coryphée. Our growers then set to work. In January 2019, Magic Star arrived on the shelves at Colruyt, OKay and Spar. Coryphée will follow in 2020. These two varieties also extend the Belgian apple season. As a result, we import fewer apples and reduce our ecological footprint. Read more

Stable and transparent milk price

We started a partnership with dairy business Inex to offer dairy farmers a steady market and greater income security. 330 dairy farmers affiliated to Inex signed up to the proposal. Starting from April 2020, the first Boni Selection products from this project will go on sale in Colruyt Group stores. The farmers will then receive a stable milk price of 34,76 eurocents per litre. For an agreed percentage of their production, for a minimum of five years. Read more



Direct partnership with beef farmers

As the final link in the chain, we aim to connect producers and consumers. To this end, we now work directly with three producer organisations for our beef. *Vlaams Hoeverund*, *En direct de mon élevage* and *Les Saveurs d'Ardenne*'s farmers will supply us with a predefined number of animals each week. A win-win.

- Fair and transparent price
- Better match between supply and demand
- Focus on quality and craftsmanship
- Transport, slaughter and quartering by specialist service providers

Read more

Partnership with potato farmers

In September 2018, potatoes that are the result of a unique partnership went on sale at Colruyt and OKay. We are the first Belgian distributor to set up a direct partnership with local potato farmers. Sixteen growers sat around the table with us to select the best potato varieties. Clear agreements ensure more consistent quality. We can also guarantee the farmers a stable price and extend the Belgian potato season at the same time. Read more

Investment in organic farm *Het Zilverleen*

Last summer, we bought *Het Zilverleen*, a farm with 25 hectares of organic land in Alveringem, West Flanders. The organic farm was already a major vegetable supplier for us: we sell 70% of the crop at Colruyt and Bio-Planet. The owners were looking for someone to take over the farm. This was a great opportunity for us to reinforce the local supply of our organic vegetables. A passionate organic farmer will develop *Het Zilverleen* on an independent basis, working closely with us. Read more

De Lochting expands organic farming land

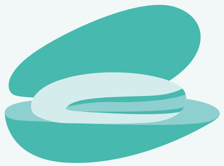
Over the last three years, we have helped organic farm *De Lochting* switch to organic. During this financially difficult period, we bought some of the vegetables making the switch, such as kohlrabi, flat leaf parsley and beetroot. Thanks to this collaboration, the transition is now complete. *De Lochting* has gained organic certification for an extra 20 hectares of farming land, increasing its organic area by one third. The first 100% organic vegetables reached our shelves in July 2018. Read more

100% Belgian organic pork

We joined forces with BioVar.be and Delavi to launch a fully Belgian supply chain for organic pork. This innovative partnership enables us to meet the ever-growing demand for organic pork. We also rely on local craftsmanship, with respect for animal welfare and the environment. BioVar.be rears organically farmed pigs, while Delavi coordinates transport, slaughter and butchery. We buy the meat on an exclusive basis. It will go on sale at Colruyt and Bio-Planet from summer 2019. Read more

Pioneering Belgian soy

Together with a farmer from West Flanders and organic supplier *La Vie Est Belle*, we are pioneering local soy. Until now, soy was mainly an imported product. So, we want to test whether soy has potential as a Belgian crop. *La Vie Est Belle* uses the soy beans grown by farmer Simon Colembie to produce soy burgers and spreads. You can now find them at Bio-Planet. Belgian soy makes us less dependent on soy from North and South America. Read more



First Belgian mussels sampled

In September, the first mussels from the North Sea Aquaculture research project were harvested and sampled at our headquarters in Halle. Together with many of our partners, we are testing the feasibility of line farming for mussels. We are experimenting with lines hung between the turbines of offshore wind farms. Several kilometres off the coast at Nieuwpoort, we are also cultivating shellfish and seaweed, using integrated methods. The research project is in full swing. The ultimate aim is to sell Belgian mussels under our own brand, Boni Selection. Read more

Vertical farming: plants with a very small ecological footprint

We have developed our own system for testing vertical farming, a cultivation technique with great potential. In our test system, we need twenty times less space for the same amount of plants than with conventional cultivation. This saves valuable agricultural land. There are major ecological advantages too. Air, light, water and nutrients are administered in ideal quantities in a controlled manner. This means that we only consume the amount of energy or resources that is strictly necessary. There is no need for pesticides. And the plants grow twice as fast as with conventional cultivation. The quality remains consistent throughout the year, whatever the weather. Read more

PROGRAMME

2 Health

3 GOOD HEALTH AND WELL-BEING

Being healthy and staying that way. That is what we all aim for. And rightly so. As a retailer, we want to play our part in this, for our customers and for our employees. We take a very broad view of health and well-being. Because it all depends on who you are and what you need. Balanced eating, sufficient exercise, looking after yourself ... Prevention is better than cure.

Prevention
is better than cure

Own brands: better nutritional composition

We work with our suppliers and our own production department to improve the nutritional composition of our own brand products year by year. The focus: less sugar, fat, saturated fatty acids and salt. We also look at where we can increase the quantity of vegetables and add extra fibre. Over the last eighteen months, we have for example reviewed the entire Boni Selection Kids range. We have altered the composition of around ten products and improved their nutritional value. Read more

SmartWithFood: app for making informed and conscious choices

- An app for personalised nutrition
- Digital profile, with diets, allergies and preferences
- Scan the barcode and see instantly whether a product is suitable
- Find alternatives to the scanned product
- For everyone who wants to buy and eat balanced food. For anyone following a specific diet. For anyone who consumes food based on the rules of a religion or a lifestyle, such as vegetarians or vegans.
Read more

NUTRI-SCORE

A B C D E

Nutri-Score: clear and scientific

In August 2018, we adopted the Nutri-Score: a label that converts the nutritional value of products into a clear letter and colour code on the packaging. This science-based system shows you at a glance which products are recommended and which you should limit. Using the SmartWithFood app, the MyColruyt app or the Colruyt and Collect&Go websites, you can look up the Nutri-Score of 20.000 food products in our stores, both national and own brands. We are also adding the Nutri-Score systematically to our own brand packaging. This method is not only handy for our customers, our employees can also use it to make informed nutritional choices in our canteens. Read more

Personalised eating pattern

Via the European partnership EIT Food and EIT Health, we are leading the search for the food of the future. One of the projects, *Food4Health*, aims to lead people towards more balanced and healthier food. Food that meets your personal requirements and fits your stage of life and physical and emotional condition. Such a personalised eating pattern reduces the risk of illness or can aid your recovery. Besides making a major contribution to the health and general well-being of the community.

Tailor-made nutritional advice

EIT Food also aims to make people better informed about nutrition. With *SmartFoodLogging*, together with a number of partners, we have developed a personalised online log for self-reporting and coaching. Real-time tips and information empower you to make better nutritional choices.

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.
Read more

- We encourage colleagues who are often seated to **move more**. For example through yoga classes and runs. Or they can take part in 'Back School' training.
- Employees in our office buildings can opt for a **sit/stand desk**.
- Another focus area is **relaxation** at work. You can take classes in mindfulness, Slow Move or Alpha training. And everyone can simply retreat to quiet rooms.
- We have opened four new walking routes and a cycle path around our central buildings in Halle. There, employees can **relax in green spaces**.
- With **personal growth training courses**, people choose for themselves how they want to develop further. Whether to focus on assertiveness, personal insight or leadership.

PROGRAMME

3 Animal welfare

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Treating animals with respect, throughout the supply chain. We are committed to this. We want to improve living conditions for all animals intended for consumption. So, we set criteria for this in our specifications – and check that they are fulfilled to the letter. To ensure this, we work firstly with our own suppliers. But we also talk to the whole sector and the relevant authorities. Animal welfare is a learning process. A process in which we evolve together with all of our partners. And in which we learn from one another.

Animal welfare is a learning process

Strict criteria for pig farmers

Our pork suppliers have to meet a whole range of quality criteria. These are all set out in a manual, focused largely on animal welfare. In 2010, we were the first company in Belgium to ban physical castration of pigs. We chose vaccination as an alternative. By law, the animals must not be given preventive antibiotics. We also ask our farmers to comply with the AMRCA (Antimicrobial Consumption and Resistance in Animals) guidelines. The aim: to reduce the use of antibiotics and prevent resistance in humans. Read more

Rabbits from animal-friendly park systems

All of the rabbit meat in our stores is guaranteed to come from rabbits from animal-friendly park systems. Since 2014. As the meat also comes from Belgian farms, the rabbits are not in the truck for too long. Read more

Indicators of health and welfare of chickens

Since 2017, every year, we collect indicators of the health and welfare of our farmers' chickens. Key indicators include use of antibiotics, foot injuries and animals dead on arrival at the slaughterhouse. The two measurements we've already carried out allow us to make targeted improvements to animal welfare.
Read more

Only eggs from cage-free and free-range hens

You will only find fresh eggs from cage-free and free-range hens in our stores. This has been the case since 2005. Our own brand products are free from eggs from cage systems as well. From September 2019, we are taking this a step further. We will be selling white eggs in around forty Colruyt and OKay stores as a trial. Scientific studies show that they are more sustainable than brown eggs and just as tasty and nutritious. White laying hens live a little longer and lay eggs for longer. They also need less food. Read more

Responsible fish

The fish on the shelves of our stores comes almost entirely from sustainable and responsible producers and suppliers.
Read more

- Thanks to their ASC certification, we can be sure that the **fish farmers** follow the ASC rules for healthy animals and therefore use as little antibiotics as possible. And they do not use fishmeal from endangered species as food.
- For **wild-caught fish species**, we work with the ILVO, the Research Institute for Agriculture, Fisheries and Food. They award an animal welfare score, based partly on fishing time. The shorter the fishing time, the better the score.

Audits in slaughterhouses

All of the slaughterhouses with which we work undergo regular audits. For example, we check that they comply with measures relating to animal welfare (the existing legislation and covenants and our manuals). This means, for instance, that they must provide camera surveillance and additional controls. An Animal Welfare Officer (AWO) permanently monitors the humane slaughtering and reports directly to the management. We carry out our own unannounced checks as well. We use the independent organisation Quality Control for this.
Read more

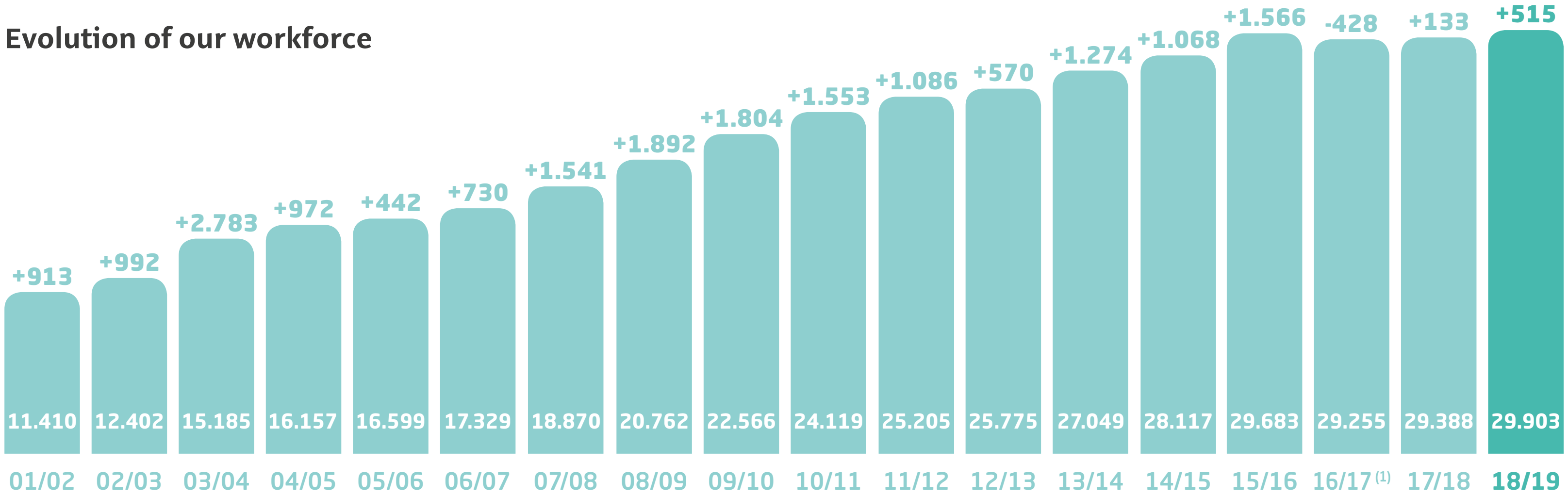
PROGRAMME

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, with respect for one another's rights, in every link of the chain. Based on integrity and trust. Key concepts include decent work, a stimulating working environment and greater transparency for each actor in the chain.

29.903 employees worked for Colruyt Group on 31 March 2019

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.

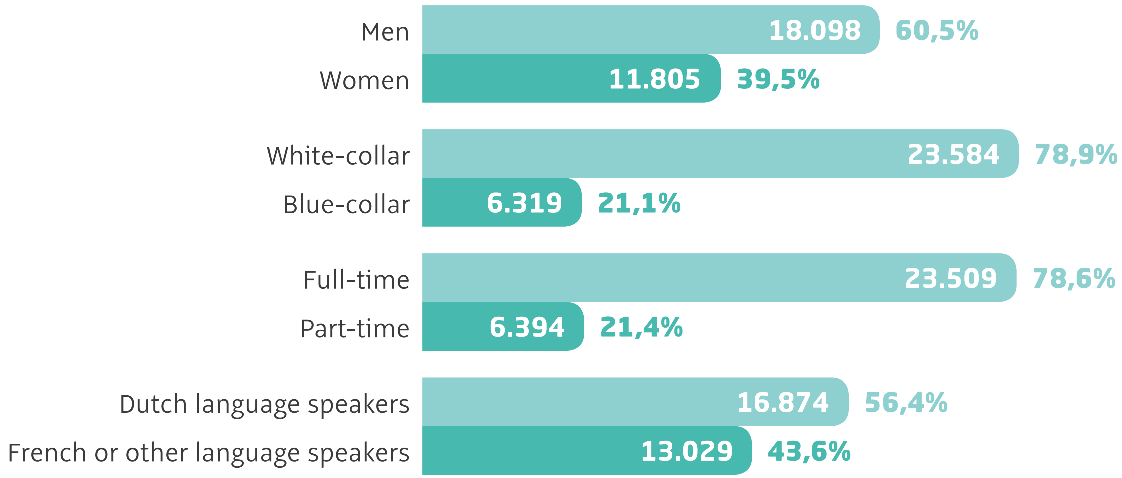
85 nationalities

39,5% women **60,5%** men

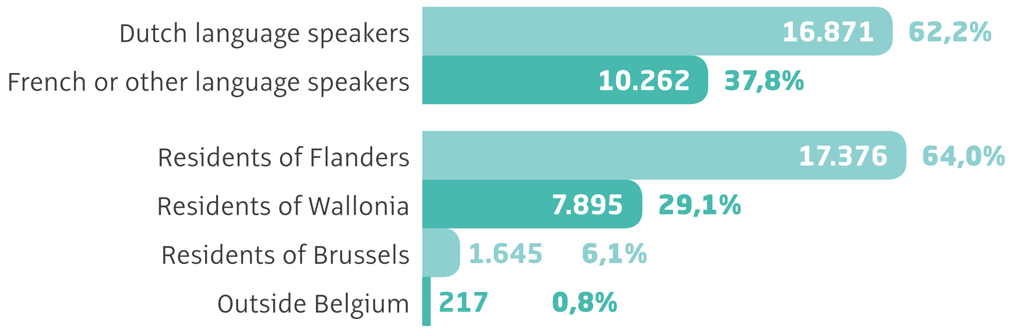
The power of diversity

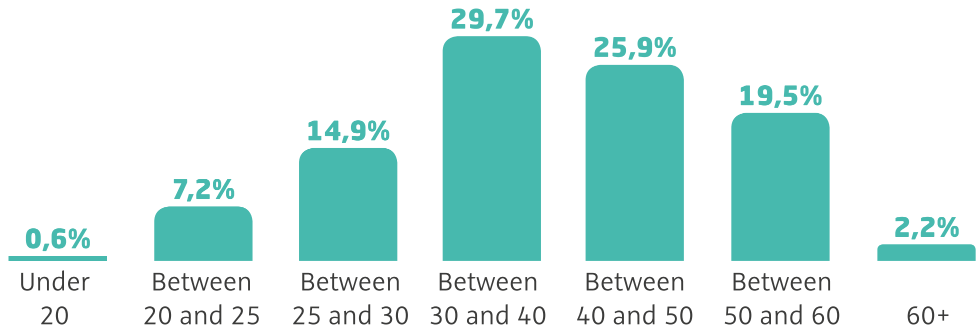
We believe in the power of diversity. Constructive collaboration between people with different backgrounds, personalities, competencies and talents is enriching for our organisation. For this reason, we treat all of our employees equally. We take as our basis everyone's unique personality and trust in the abilities and good intentions of our employees.

- In our recruitment processes, we select **the most suitable candidate**. Regardless of background, nationality, religion, age, language or gender.
- We offer employees an **integration programme** as soon as they start. For example, with a workplace mentor. Such a programme is always adapted to the context in which they find themselves.
- Employees can undergo **specific training**, for example on communicating respectfully or discovering their own talents and those of their colleagues.



27.133 employees in Belgium, of which:





Respect for human rights

To make our own brand products more sustainable, deep into the production chains. This aim takes us to all corners of the world. We take our social responsibility seriously too: respect for human rights is extremely important. We check carefully to ensure that our trading partners respect them. All producers in at-risk countries outside Europe have to meet a set of social standards, in line with internationally recognised conventions. We perform audits to check that they comply with them. Read more

- **Social audits** are always carried out by recognised audit firms.
- All producers, both food and non-food, undergo **at least one audit**.
- For food products, the audits are carried out on the industrial producers **at the end of the chain**. Not yet on the hundreds of small farmers who supply them.
- All audits are carried out in accordance with the **methodology of internationally recognised organisations** such as amfori BSCI *(Business Social Compliance Initiative)* or an equivalent alternative.

372 non-food audits in 2018

152 food audits in 2018

Social dialogue

We have built up a long tradition of respectful dialogue in the social consultation process. We continue to foster this today. For example, employees can participate in training on communicating respectfully. Colleagues' first point of contact remains their manager. To this end, they receive training about our vision for social dialogue. This helps them approach the discussion constructively, firstly with our employees themselves.

9,56 years

average length of service

Sustainable employment and careers

On 31 March 2019, 29.903 people worked for Colruyt Group. Every year, around 2.500 new colleagues join us. We prefer to offer colleagues a permanent full-time contract from the start. This is not typical of the retail sector. We promote sustainable job creation and decent work.

When people come to work for us, we want to give them every opportunity to use their skills and talents. At every moment in their career.

- During the **'In the driving seat of your career'** course, employees reflect on their own talents and skills, their career and how they want to continue to shape it in future.
- At the time of a **job rotation**, colleagues choose a new job or change operating unit. Thanks to the broad range of our activities, they can perfectly well change company and still stay within the Colruyt Group.
- We organise **reorientation programmes** for career mobility or other reasons such as medical incapacity.

Inspiring students

A sustainable career begins in the classroom. For this reason, we invest plenty of time and resources in introducing the new generation to our business. Guest lectures and company visits are one way. We also invite teachers and offer many young people internships. There is a range of traineeships designed for young graduates as well.

Well-being at work

Healthy employees feel good about themselves and their jobs. Long before any legal obligation existed, we already took initiatives in favour of our people's physical and mental health. Read more

- We are firmly committed to **prevention and risk analysis**. We try to prevent and mitigate incidents and accidents as far as possible. And our efforts are paying off. The number of accidents fell compared with previous years. New software also gives a complete view of risk management, leading to better prevention measures.
- We want to help long-term sick employees return to work and **reintegrate** more quickly. We contact them regularly. During the last financial year, we managed to reach all long-term absentees from Colruyt via our psychosocial department. We are now doing the same at Bio-Planet and OKay.
- Through projects around **ergonomics**, we motivate employees who are often seated for long periods to move more.
- Various initiatives aim to increase colleagues' **mental resilience**.
- Courses to help stop smoking, a free flu jab, a balanced breakfast and lunch offer in the canteen ... Through various means, we aim to **inform employees and promote a healthier lifestyle**.

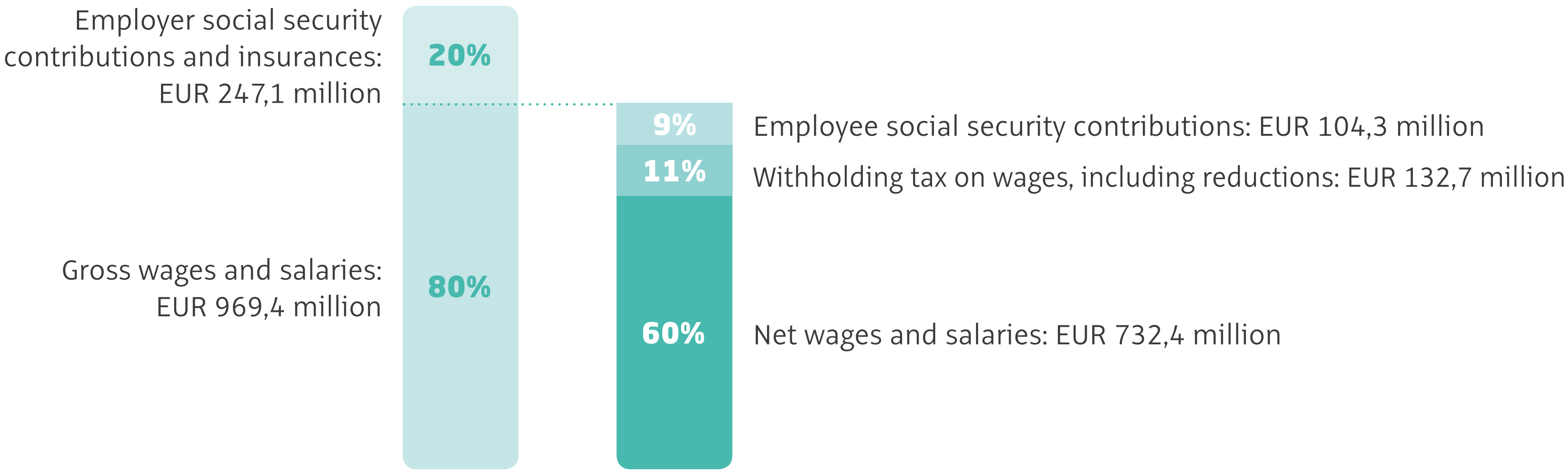
EUR 26,1 million profit share or 5% of the operating profit divided between 25.351 Belgian employees in 2018/19

Remuneration: more than just financial elements

Every employee can count on a competitive gross annual salary, an extensive package of benefits and ample opportunities for training and progression. Besides this, we also believe it is very important to offer our people a sustainable workplace, prioritising a pleasant atmosphere, room for initiative and a good work-life balance. Colruyt Group employees in Belgium also receive a profit share and can subscribe to a capital increase each year.

2.259 employees subscribed to **355.738 shares** in 2018

Total payroll costs in Belgium: EUR 1.216,5 million



Solidarity Fund for employees

Our Solidarity Fund is now more than fifty years old. 68,16% 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 1.076.723.

Corruption and bribery

Compliance and integrity are key elements of our identity. They are the only way that customers and trading partners can have 100% confidence in Colruyt Group. For this reason, we assess the potential risks linked to bribery and corruption. Especially within 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 Coris, our enterprise risk management system.
- Buyers sign an **ethics charter** on joining. This contains explicit guidelines about gifts, hospitality benefits and screening of suppliers in at-risk countries.
- **Job rotation**: buyers change jobs regularly.
- There is **strict segregation of duties** in the various steps of the purchasing process.
- Purchasing takes place centrally. We always apply the **four-eyes principle**.
- Buyers undergo **continuing education and training**. This includes compulsory compliance training, with an annual test.

PROGRAMME

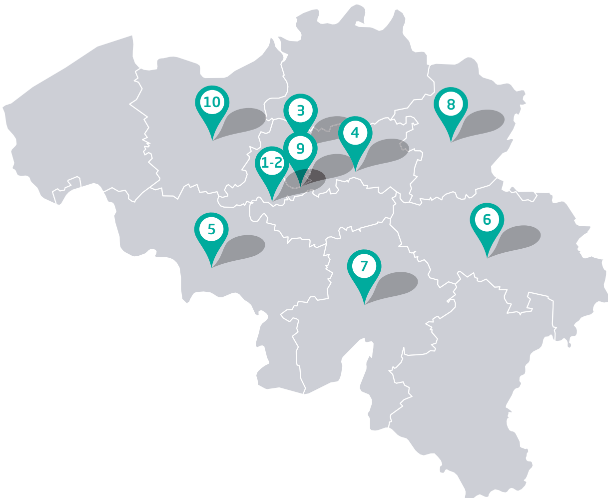
5 Training & development

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

We believe that people make the difference. And that they are intrinsically motivated to become better at what they do. To carry on learning and developing, personally and professionally.
We remember the words of Jo Colruyt: the company can only grow as the employees grow. They are and remain our greatest asset. For this reason, we encourage them to continue growing as a person and in their job. This financial year, we invested 3,14% of our payroll in training.

EUR 38,2 million invested
in education and training



10 meeting centres
of Colruyt Group Academy across Belgium

(on 31 March 2019)

Colruyt Group Academy for employees

Employees have a wide range of training opportunities available to them. 19.350 colleagues took part in personal or job-related training this financial year. They decide for themselves in which areas they want to develop further and at what pace. Personal development interviews can help them with this.

As well as the standard range of courses, employees can also take a look at suppliers. These 'fitometers' strengthen mutual dialogue and increase product knowledge at the same time. During the last financial year, 1.256 colleagues followed a 'fitometer' training.

1.698 employees took part in training for personal growth

Colruyt Group Academy for consumers

You can attend Colruyt Group Academy as a consumer too. We organise workshops for children, young people and adults on all kinds of topics. From cookery to sewing workshops and baby massage. Inspiration, experience and human contact are key.
Read more

2.891 workshops

PROGRAMME 6 Living together

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

We can only make a difference for sustainability if we engage in respectful dialogue with all partners in the chain. Based on cooperation and trust, on social, ecological and economic matters. With suppliers, organisations, public authorities, other companies and customers. This has been the basis on which Colruyt Group is founded from the start. 'Leaving no one behind' is also the fundamental principle of the Sustainable Development Goals. So, we bear this in mind in all of our activities.

46,4%

of the net added value in Belgium flows to the various local and federal governments

'Wanted: Food for the Future' wins award

On 6 December, the 'Wanted: Food for the Future' project won the Sustainable Partnerships Award. This award honours the best examples of international collaboration between the public sector, businesses and non-profit organisations. For the project, we teamed up with the province of Flemish Brabant, Rikolto, KU Leuven (the Catholic University of Leuven) and UCLL (University Colleges Leuven-Limburg) to find sustainable and healthy ways of feeding the growing world population. Read more

Blue Cluster: new Flemish spearhead cluster

Colruyt Group is a co-founder of *Blauwe Cluster* (Blue Cluster), a think tank and innovation platform for sustainable development in the North Sea off Belgium. We have joined forces with other companies, public authorities and knowledge institutions to launch, facilitate and coordinate projects. In mid-2018, the Flemish Government recognised the Blue Cluster association as a spearhead cluster. Read more

European Institute of Innovation & Technology

European research projects

Within EIT (European Institute for Innovation & Technology), we participate in a range of international projects. From three specific angles: nutrition, health and mobility. These themes are close to our heart, so we want to play a leading role. EIT aims to promote entrepreneurship throughout Europe. Together with more than a thousand research institutes, universities, public authorities and companies, we develop innovative products and services and invest in sustainable solutions for tomorrow.

In 2019 we are investing **EUR 1 million** in EIT projects

Partnerships with schools

We work on a systematic basis with many secondary schools, colleges and universities. To close the gap between education and the job market, we introduce young people to our business in a variety of ways. Internships, workplace learning, talks, inspiration sessions, tours, workshops ... Teachers can also attend train-the-trainer sessions in various parts of Colruyt Group.

Education projects for young people worldwide

Through our Collibri Foundation company fund, we support training projects for vulnerable young people. In Belgium and in developing countries. For this, we work with recognised NGOs and the King Baudouin Foundation. Young people from Belgium and developing countries link up to share ideas and cultures. Our ambassadors act as a bridge between their project, the partners and the young people. In 2018, we launched new projects in Peru and Kivu (East Congo). Read more

13 education projects

5.124 young people reached

11 countries

EUR 647.928 invested in 2018

GDPR: information and tools

A solid relationship of trust is essential for creating sustainable added social value. Since the General Data Protection Regulation (GDPR) came into force in the European Union, we have worked hard to provide our employees and customers with all of the information and tools they need.

- We have drawn up a privacy policy for all of our employees. Depending on their country and status (internal or external).
- An accessible animated film explains GDPR and the associated rights and obligations for colleagues. Everyone can also take part in e-learning.
- Employees who often come into contact with personal data of customers or employees receive special training. Depending on their job content, this may be basic training or a follow-up course.
- When GDPR first came into force, all Xtra customers were informed on how we handle data and their rights and obligations.
- Customers can request an overview of all of the data we keep directly from their profile.
- Customers can request us in various ways not to use their data for direct marketing, for example: the right to erasure. While retaining all of the benefits.
- We always treat customer and personal data as strictly confidential information. We never sell this data to third parties.

- Colruyt Group Academy promotes **local connections** at its ten meeting centres. The Academy is establishing more and more contacts with local associations and councils, and wants to develop new initiatives with them. Read more

- To strengthen our contact with people living near wind turbines and increase support for wind energy, we established **Eoly Cooperative** in 2016. There are now 1.193 member-owners, 40% of whom are local residents. Read more

- We have worked with **horticultural business De Lochting** for over fifteen years. The business combines organic farming with social employment. From 2016 to 2018, we helped De Lochting transform 20 hectares of farming land into organic land. Bio-Planet has been buying the organic vegetables for a number of years. Read more

- **Soup producer enVie** runs a training programme to re-integrate the long-term unemployed into the job market. For twelve months, staff receive the training and practical experience they need to become a production operator in the food industry. For this reason, having the soups on our shelves under the Boni label means a great deal to us. Read more

- This year, we stopped sending broken down domestic appliances to Recupel for recycling and started sending them to **Le Plein Air**. This centre trains the long-term unemployed to become mechanics. They repair the appliances and give them a new lease of life in the second-hand charity shop. Read more

- Through the '**Dinner is served at 1-2-3 euros**' project, Colruyt reaches more than 5.000 vulnerable families with children. This is based on an excellent partnership with social organisations such as Public Social Welfare Centres, the Centre for General Wellbeing, the Child and Family Agency and House of the Child. Read more

- In West Africa, we are setting up a sustainable cacao supply chain to give local farmers a liveable income. This is a concrete step towards the realisation of the sector agreement '**Beyond Chocolate**', signed in 2018, which aims to sustainably improve the living conditions of cacao producers by 2030.

- Our **online shopping platform Apporto** has a very special purpose: to help people and foster local connections. The tool is aimed at two groups of people. Those who need help with shopping and those who are willing to bring something back for a local resident. Read more

- Our **agricultural projects** have strong local connections as well.

PROGRAMME 7

Biodiversity

Biodiversity might be one of the most complex programmes. But it is highly relevant to our business. Firstly, biodiversity is closely linked to the raw materials used to make the products we sell. The challenge is to safeguard and restore these ecosystem services as far as possible. In addition, our buildings, stores, distribution centres and even wind turbines have a significant impact on the local ecosystem. We try to protect those fragile ecosystems as far as possible and, where possible, to restore them. Through big and small initiatives.

Biological cleaning with micro-organisms

We clean the staff rooms in our stores with a special biological product. This product combines a new way of cleaning – atomisation – with natural micro-organisms that actively tackle dirt. This has many advantages:

- There is no water involved.
- It is more effective: cleaned areas stay clean up to 20% longer.
- Atomisation is better for our employees' ergonomics. They no longer have to push heavy carts and will make fewer harmful movements.

Read more

Certificates for biodiversity and environment

To ensure that our product range is sustainable, we work with many certification bodies. Environment and biodiversity are key aspects of this. As a result, you will find sustainability labels on many products.

- For our **wild fish and shellfish**, we only use fisheries that are committed to preserving sufficient fish populations and use humane fishing methods. For this, we rely on MSC and ILVO. Read more
- For **farmed fish, shellfish and other aquaculture products**, we use ASC certification. A number of products are also certified organic. Read more
- **Wood and paper** carry certificates for sustainable forestry and paper production, such as FSC, PEFC and Der Blaue Engel. Read more
- In our range, you will find Boni Selection **charcoal**, which uses sustainably harvested wood. This is clearly identified by the FSC label on the packaging. Read more
- **Cotton growing** has a big environmental impact, partly due to water consumption and the use of pesticides. In view of this, for instance, we use the GOTS label, a certificate for more sustainable, organically produced cotton. Read more
- Labels such as UTZ, Rainforest Alliance and BIO certify **cocoa and coffee**. They protect biodiversity by banning deforestation, for example. They also teach farmers good agricultural practices, with the emphasis on using less pesticides and artificial fertilisers. Read more
- **Soy** is a commonly used raw material in cattle fodder which has a big impact on ecosystems in South America. We therefore buy RTRS certificates from recognised soy farmers to make the volume of soy used in our animal supply chains more sustainable. As it is not easy for small farmers to produce soy in line with RTRS standards, we work with Belgian NGO Trias and Brazilian organisation Cresol to help them with the certification process. Read more
- 97,2% of the **palm oil** in our own brand products comes from palm oil plantations that are sustainably managed and minimise their impact on ecosystems. We prefer RSPO certified palm oil, which bans new deforestation and promotes good agricultural practices. We buy RSPO certificates for the remaining 2,8%. Read more
- Our stores sell many products with the **EU organic label**. Read more

In and around our stores, we are taking many steps to make the environment more biodiverse. Flower meadows, green roofs, green facades, indigenous trees, plants and shrubs, pools and wadis that create space for toads and frogs, bat houses, special outside lighting ...

The **water purification plant** at our Fine Food Meat processing plant purifies the wastewater biologically. In the end, it reaches river water purity. The drinking water plant then filters it to turn it into drinking water.

GREEN DEAL
GREENDEALS.BE

This financial year, we signed up to the **Green Deal Biodiversity**. This is a partnership between the Flemish Government and over 110 partners. The goal: share good practices, learn from one another and build a good network. Read more

Together with the City of Halle and Sport Vlaanderen, we have marked out **four walking routes** near our sites. Walkers can discover a pleasure garden, a flower meadow, insect hotels, a pick-your-own farm and an orchard with local heritage fruit varieties. Read more

Employees organise regular **litter picking operations** on our sites. This also benefits biodiversity as litter is harmful to local wildlife. Read more

PROGRAMME

8 Raw materials

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our planet contains many resources. It is up to us to use them with care. We mean resources in the broadest sense. Firstly, raw materials that we consume directly or use to make products. Then raw materials we process to obtain materials and use in applications such as packaging and infrastructure. And finally natural resources such as wind, water and sun. We try our best to minimise our use of resources, throughout the chain.

83,17%
recycling rate in 2018

we recycle 832 out of every 1.000 kilos of business waste

1 recurring logic

- The principle we follow is simply to use as few resources as possible.
- Where possible, we replace finite resources with a renewable alternative.
- We aim to close cycles by reusing as many raw materials as possible for the same purpose or recycling them.
- We use resources to generate energy only as a last resort.

Raw materials in products we sell

We are gradually making our own brand food and non-food products more sustainable. For this, we work with our supply chain partners. Since 2012, we have reviewed all of our own brand products – socially, ecologically and economically.

Of course, this task never ends. We begin by tackling those links in the chain where we can achieve the greatest impact. We analyse possible improvements in areas such as animal welfare, biodiversity and deforestation, climate change, ecotoxicity and working conditions. How do we do this? It depends on the complexity and characteristics of the supply chain. Sometimes we prefer certification, and sometimes short supply chains or supply chain projects.

Short supply chains: new technologies and products

In less complex supply chains, we focus directly on the partners involved. Together we look at how we can make existing products more sustainable or even introduce new products. You can find more information about several of these projects under Agriculture.

- Two fruit breeders developed **two new apple varieties** for us. Our regular suppliers, *Neven Fruits Waremme*, *Wolfcarius Fruit Markegem* and *Gebroeders Bangels Gingelom* grew the apples. Magic Star reached our stores in January. We will sell Coryphée from next year. Read more
- We have joined forces with BioVar.be and Delavi to launch a **fully Belgian supply chain for organic pork**. The meat will go on sale exclusively at Colruyt and Bio-Planet from summer 2019. Read more
- We have developed an **innovative system of vertical farming**. With sustainability in mind. You will find the first herbs at Bio-Planet from the spring of 2020. Read more
- We are researching whether we can cultivate **Belgian mussels at sea**, among wind farms and in near-shore areas. The first mussels have now been harvested and approved. The goal: to eventually sell them in our stores under the Boni Selection range. Read more

LCA

Calculating the environmental impact

To calculate a product's ecological footprint, we carry out a life cycle analysis (LCA). We work out the environmental impact from raw material to consumer. For this, we apply fifteen objective criteria, such as climate change, fine particles, acidification and water shortage. We have already applied this scientific method in research projects around vertical farming and aquaculture. And when we chose our new reusable bags, we carried out an LCA first. Read more

Sustainable supply chain projects

In a supply chain project, we work with small, family farmers' organisations in developing countries to build a new production chain, from the field to the store. Our supply chain partners, recognised NGOs and local partners help us with this. A partnership in which every link in the chain wins. The local community is enriched, both socially and economically. And we can offer quality products with a sustainable story through our own brands. Read more

7 supply chain projects

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

31.902 farmers

41 own brand products in our stores

10 supply chain projects by 2020

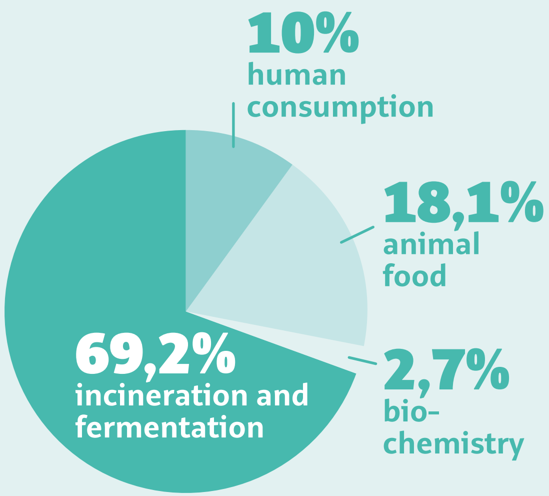
In many regions with supply chain projects, we also support training projects for young people through our company fund, Collibri Foundation. Read more

Certification: high-impact categories

In highly complex supply chains involving many parties, we use globally recognised certifications such as BIO, RSPO and RTRS for raw materials, FSC for wood and MSC or ASC for fish. First of all, we identify the high-impact product categories.

Surplus food

Thanks to efficient stock management and good monitoring, we manage to sell more than 97,38% of our fresh and frozen products. We recycle unsold food as far as possible. Preferably for human consumption. We donate food that is still perfectly edible to foodbanks where possible, and achieved a record amount in 2018: 3.297 tonnes. Another option is animal consumption. We have bread converted into animal food. Surpluses from the butchers go to the biochemical industry. The remaining food waste is incinerated as a last resort only.
Read more



Resources we consume directly

It is obvious that we need to treat our planet with care. Human activity has a great impact on natural resources. But if we treat them correctly, we can enjoy them for longer. See under Energy and Water.

From food loss to food gain

At Colruyt Group, we are also working on several projects around food waste streams, set up by the European Institute of Innovation & Technology (EIT) Food. '*Digital Marketplace for Side Streams*' identifies food streams that are in danger of being lost and aims to bring them back into the commercial circuit via a digital marketplace. And '*Circular Food Generator Track*' challenges university students to develop prototypes for new products from waste streams. Read more

Raw materials in products we use

Avoiding waste is fundamental. Thanks to good monitoring and years of experience, we manage this successfully. The waste that remains is very varied: from leftover food to materials like 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 reuse them for the greatest possible benefit. In 2018, we achieved a record recycling rate of 83,17%. Read more

Ambitious targets for packaging

Good packaging is important: it protects the product, allows food to be kept for longer, helps prevent food waste and gives consumers important information. But we are taking many steps to make our packaging even more sustainable. Such as avoiding superfluous plastic. Recycling is high on the agenda as well. For this reason, we have committed to ambitious targets, together with the whole retail sector.

Even minor interventions can have great results. We replaced the plastic bags for our Boni Selection organic bananas with simple bands. As a result, our customers take 8,5 tonnes less plastic home each year.

Recycling more
90% of beverage packaging by 2022

65% of plastics by 2023

95% of household packaging by 2023

Recycled materials in PET beverage packaging
25% by 2022

50% by 2025

100%
By 2025, all of our packaging will be reusable, recyclable, compostable or biodegradable

Circular infrastructure

We manage a great deal of infrastructure ourselves. Our stores, distribution centres and office buildings, for example. We build them as sustainably as possible, with little or no waste of materials. Many projects are in progress in this area

- Good oversight is important: we want to know which materials are in which buildings. A **materials passport** will help us recover and reuse as much of the materials as possible.
- **Screw and click systems** can be an alternative to glue and cement. The interior walls in our office spaces can all be removed and are therefore reusable. In addition, we use prefabricated facades and are experimenting with click walls. Read more
- Many materials in our buildings are given **a new lease of life**. Shelves, doors, walls, internal windows, furniture, etc. We reuse them in another building, sell them through second-hand store Tweeco or donate them to charities and non-profit organisations.
- By signing up to the **Green Deal Circular Purchasing**, we want to help accelerate the evolution towards the recycling of products and a circular economy. Read more
- In the **Green Deal Circular Construction**, we commit to change-oriented construction, selective demolition and circular renovation. The aim for Flanders: closed materials cycles by 2050. Read more

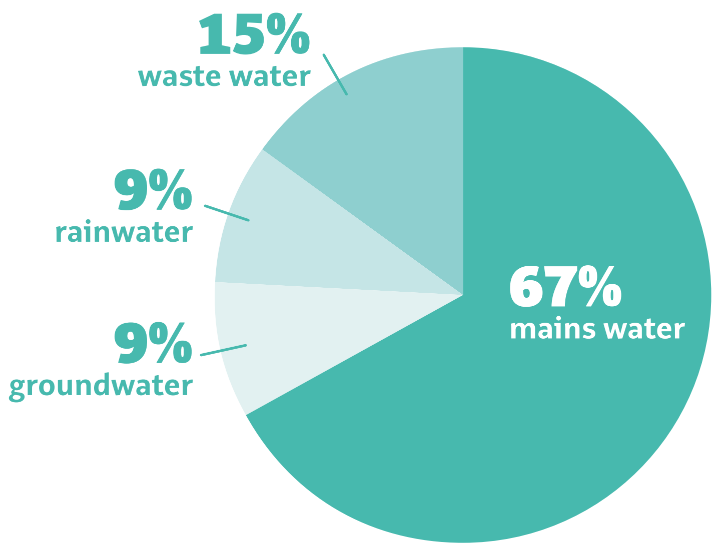
PROGRAMME

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. On the one hand, we limit our consumption. On the other, we recycle water where possible. Depending on the application, we opt for alternative water sources such as rainwater or treated wastewater. The aim: minimal impact on ground and surface water and thus on the natural biotope. To make our water sources more sustainable in future, several feasibility studies are under way. Because we want to use treated wastewater and rainwater in our distribution centres, office buildings and stores too.



561.694 m³ water
consumed in 2018 (Belgium)

From wastewater to drinking water

Our meat-processing plant, Colruyt Group Fine Food Meat, purifies its waste and rainwater to turn it into drinking water. Every day, we use this recycled drinking quality water for meat preparation and to clean machines. We only treat the rainwater we need.

At the same time, we are testing new technologies for purifying waste and rainwater to turn them into drinking water. Practical trials are under way in several central buildings and one store. For one project, we are working with *Waterlink*. Read more

PROGRAMME

10 Energy

7 AFFORDABLE AND CLEAN ENERGY

The most sustainable energy is the energy you do not use. For this reason, we are committed to prevention and reduction. We also promote renewable energy. Which we prefer to generate ourselves. Where we consume energy, as far as possible this comes from non-fossil fuels. And we match our energy consumption to energy production. Hydrogen makes an excellent buffer for this, both locally and on an industrial scale.

7%

less energy consumption

in 2018 than in base year 2009 in comparison to revenue

H_2

Putting our faith in hydrogen

Since 2004, at Colruyt Group, we have already invested EUR 6 million in innovative hydrogen projects. Including our own production station and logistical applications. Over the next five years, we intend to invest a further EUR 35 million in the hydrogen economy, for example to build four new filling stations. Read more

18 cars

15 logistics vehicles

1 hydrogen filling station

Hydrogen as a green fuel

Hydrogen offers many advantages as a fuel. Its raw materials, water and electricity, are renewable. And hydrogen-fuelled vehicles emit no harmful substances, just water vapour. Both cars and logistics vehicles now run on hydrogen at Colruyt Group. In October 2018, we even opened our first public hydrogen filling station. The first integrated station in Europe, with 100% green hydrogen. You will find a full range of conventional and alternative fuels there.

Hydrogen as an energy buffer

Hydrogen can also be a lever for achieving a more sustainable energy supply. We can convert surplus energy produced by wind turbines or solar panels into hydrogen: an energy buffer. Then, when we are generating too little energy ourselves, we can convert the hydrogen back into electricity.

Hydrogen on an industrial scale

Together with partners Fluxys and Parkwind, our sustainable energy specialist Eoly is also working on a power-to-gas facility to convert renewable electricity into green hydrogen on an industrial scale and compensate for the variability of offshore wind energy. The hydrogen can then be injected into the existing natural gas network, offered as a sustainable fuel and used for industrial applications. Read more

By 2020 we aim to **consume 14% less energy** than in the base year 2009, in comparison to revenue. To achieve this, we have drawn up an energy reduction plan. In 2018, we already achieved 7%.

How do we save energy? 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 spot peaks and reduce the cost. Read more

Different ways of building. Sustainable renovation. Making buildings more energy-efficient. Tackling refrigeration and heating. So we achieve the greatest **efficiency gain for energy reduction**. Read more

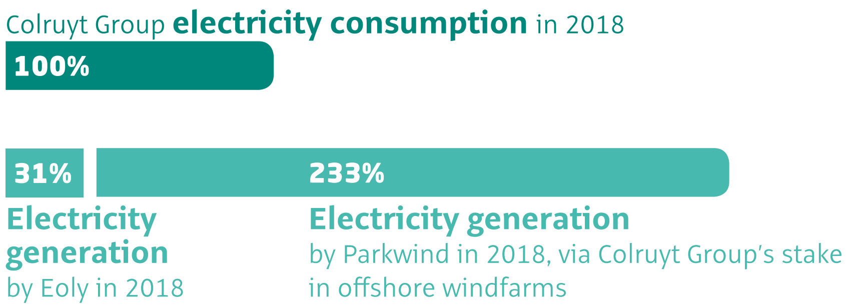
In 1999 we constructed our first wind turbine. Now there are 14 of them. We also use solar panels and cogeneration to produce green electricity. Colruyt Group has run entirely on green energy since 2010 in Belgium. And since 2016 in France. Eoly already covers 31% of our total electricity consumption. We aim to make this 100% by 2023. Read more

Through our 60,13% stake in holding company Parkwind, we also invest in **offshore wind energy**. In 2018, the Belwind, Nobelwind and Northwind wind farms combined generated 522.000 MWh of green electricity for Colruyt Group.

We match energy production and consumption as far as possible. Our **average coverage rate** is already 31% in Belgium.

On four central sites, we aim for the best possible balance between **simultaneous production and consumption**. In 2018, we achieved 73%.

The green electricity we generate ourselves amply covers our electricity consumption



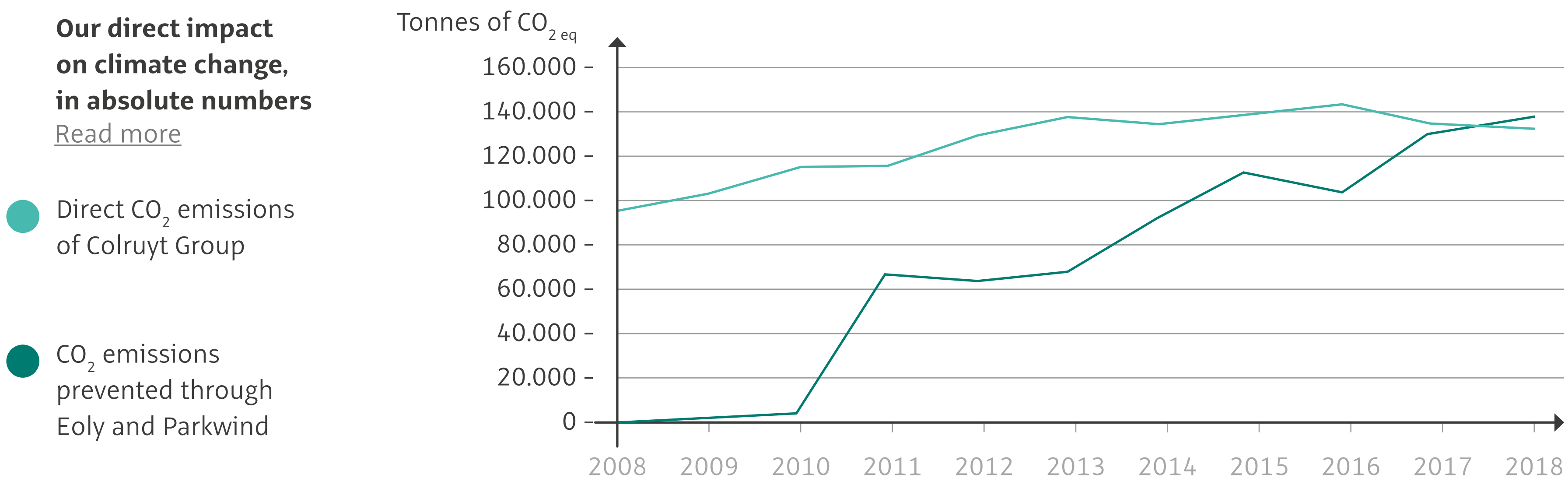
PROGRAMME

11 Climate

As a retailer, we have an impact on the climate and our environment. We are well aware of this. For decades, we have worked to reduce this impact. Our main focus points are energy, mobility, heating and refrigeration. To achieve this, we have drawn up a reduction plan. In 2012, we set ourselves an ambitious target: to reduce our CO_2 emissions by 20% compared to the base year of 2008, in comparison to revenue. We monitor our emissions according to the Greenhouse Gas Protocol (scope 1 and 2). We also have an indirect impact on the climate through the products we sell in our stores. We work with our suppliers to address this.

13%
less CO_2 emissions
in 2018 than in 2008 in comparison to revenue

Our direct impact on climate change, in absolute numbers
Read more



The impact of products on the climate

The products on our shelves also have an indirect impact on the climate. We use a life cycle analysis to identify those products whose impact on the climate we can reduce. We have already investigated several product categories. For example meat and dairy. In addition, we are taking many initiatives to tackle food waste. Selling more sustainable fuels such as CNG and hydrogen has a direct positive impact too. We managed to significantly reduce the environmental impact of our Boni nappies, leading to a 5% reduction in CO_2 emissions. Read more

All of our efforts to manage energy smartly and produce renewable energy make a significant contribution to reducing our CO_2 emissions. Read more about this under Energy.

Mobility: crucial in tackling climate change

Approaching mobility in a new way and choosing greener fuels. Both play a very important role in combatting climate change. We tackle this in several areas, for our employees, our goods transport and our customers. Here, we follow two complementary tracks: encouraging alternative forms of transport and using greener fuels. We believe that a combination of all of these factors will make a difference. For this reason, we already invest heavily in new technologies such as green electricity and hydrogen.

Energy-efficient buildings and technologies

For ten years now, we have built only **low-energy stores**. By 2029, we will also have invested a total of EUR 35 million in the sustainable renovation of our existing stores. The return for the environment? Our CO_2 emissions are reduced. Read more

By 2027, all Colruyt, OKay and Bio-Planet stores will be equipped with **natural propane or propene gas** refrigeration systems. This new technology will reduce our supermarkets' CO_2 emissions by 11%. Read more

At the beginning of 2016, we introduced **liquid ice containers** for transporting fresh products to our stores. These containers, developed by us, have 73% less impact when it comes to climate change than conventional refrigerated containers. Read more

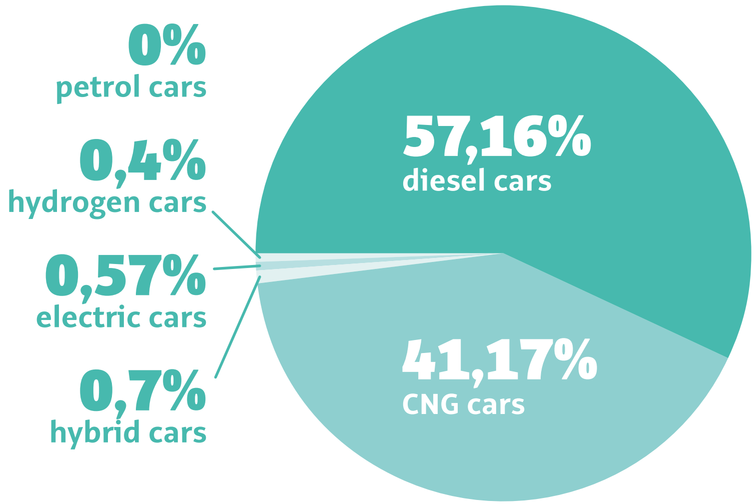
Some new stores now use **no natural gas or fuel oil** at all. We recover the residual heat from the refrigeration system to heat the store. This kind of 'fossil fuel-free' store emits 99% less CO_2 for its heating than a conventional supermarket with a heating boiler. Read more

PROGRAMME

12 Mobility

13 CLIMATE ACTION

Every day, our employees, trucks and customers travel many kilometres. This poses significant challenges for us. The road network is overloaded and air quality and road safety could be better. So, we base our efforts around three principles: travel fewer kilometres, switch to alternative means of transport and use greener fuels. Through an integrated approach, we aim to make a big positive difference.



Company cars

Smart travel to and from work

Every day, our 29.903 employees drive, cycle or commute to work. On an average working day, they travel around a million kilometres in total.

- You can reduce the number of kilometres travelled each day through **carpooling or regional workplaces**. Videocalls avoid unnecessary journeys.
- Every day, 28 employees travel together on the **Office on Wheels** from Ghent to Halle. They can work while they are travelling. Read more
- You can opt for **environmentally friendly alternatives** such as cycling or public transport. Or a combination of both. Read more
- For years, we have promoted **CNG, electricity and now also hydrogen** for vehicles. Company car users can easily switch to a cleaner model. 80% of our fleet consists of company cars, so switching can have a big impact.

Green Deal on Sustainable Urban Logistics

Along with 34 other organisations, companies and Flemish ministers, we have signed up to the 'Green Deal on Sustainable Urban Logistics'. This commitment is designed to encourage efficient and emission-free methods of delivering goods in cities. For example, by using greener transport methods and travelling fewer kilometres. Read more

Smart refuelling and loading

Through DATS 24, we focus on sustainable alternative mobility options. Customers can already fill up at 65 CNG stations. They can charge their electric cars at 68 charging stations on Colruyt Group sites. And, as of October 2018, the filling station in Halle also offers green hydrogen. An incentive for consumers and businesses to opt for alternative fuels. Read more

Goods transport: inbound and outbound

Our suppliers bring their goods to our distribution centres (inbound logistics). We work out the best and most sustainable approach with them. We launch new initiatives together with the various stakeholders. And we build on our existing projects.

- By **shifting goods** to inland waterways and rail (modal shift) we saved 8.518 tonnes of CO_2 this financial year.
- Within Belgium, we use **inland waterways** where possible. This has reduced the number of container transports by road by 4.502.
- Thanks to cooperation with and between our suppliers, we keep the **load factor** for transports as high as possible: 77% this year.
- Where possible, our suppliers deliver **at night** (23,3% of transports). This reduces traffic congestion.

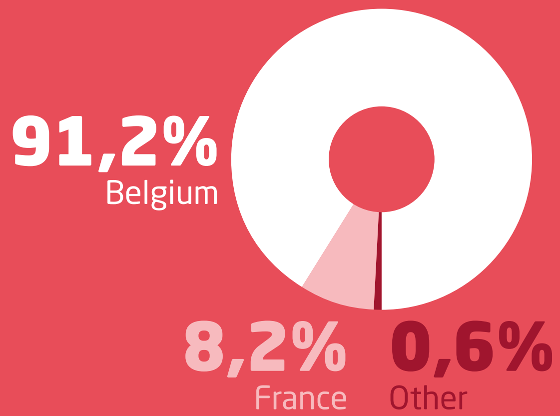
We have much greater impact on the outbound logistics from our distribution centres to the stores.

- Thanks to the **very high filling factor**, our trucks always travel around as full as possible.
- Where possible, we plan our transports for **late evening or early morning or at night** (49,08%). We do this as quietly as possible: using quiet trailers and covered unloading docks and empties areas.
- We are testing light and heavy delivery vehicles and trucks which run on **CNG and electricity**.
- Drivers sign our **courtesy charter** and undergo regular road safety training.
- Our trucks are equipped with blind spot cameras and now also have eye-catching stickers warning cyclists and pedestrians about the **blind spot**. Read more

Read more

Activities

Geographic segmentation of revenue



The operational activities of Colruyt Group are subdivided into retail, wholesale, foodservice, other activities and corporate services. The retail store formulas 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

83% of group revenue

EUR 7.781 million

colruyt lowest prices
Collect&Go
DreamLand
OKay
OKay compact
BIO-planet
colruyt prix • qualité
ColliShop
Colruyt Group Fine Food
CRU
COLEX You order. We make sure.
dreambaby

Participations

ZEB
PointCarré
My Underwear24 ondergoed en meer
newpharma
fiets!

Wholesale and foodservice

10% of group revenue

EUR 952 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% of group revenue

EUR 701 million

DATS 24
Symeta
EOLY COLRUYTGROUP ENERGY

Participations

PARKWIND 360° offshore wind energy

Find your store

1976

EUR 5.943,7 million revenue (+ 2,0%)

243 stores (including 4 in Luxembourg)

1.700 m² average store area

10.500 food
7.500 non-food
number of items

More than 14.900 employees in FTE

Lowest prices

colruyt.be

colruyt lowest prices

Colruyt is primarily aimed at families with children who want to shop in a price-conscious way. The supermarket chain has a wide range and pays considerable attention to its butcher's counter and fresh food department. Day after day, Colruyt offers its customers the lowest prices for national brands, house brands and discount brands. If a product is cheaper elsewhere, Colruyt immediately lowers its price.

Performing well in a challenging market

Colruyt had a successful financial year. Revenue rose by 2,0% in Belgium and Luxembourg. This is due to a variety of factors, including the influx of new customers and the growth in the average shopping basket. Colruyt won over many customers during the fine spring, the fantastic summer and the end-of-year period of 2018.

Despite the milder promotional pressure in 2018, the market remains challenging. But, thanks to its logistical efficiency, sustainable partnerships with suppliers and international cooperation in the area of purchasing, Colruyt is able to consistently realise its lowest prices strategy.

- 4 new stores: Antwerp Linkeroever, Beernem, Eppegem and Opwijk
- 15 stores renovated
- 2 or 3 new stores next financial year

Strategic purchasing alliance

Colruyt Group is a member of the European purchasing group AgeCore. We join forces with five international partners: Conad from Italy, Coop from Switzerland, Edeka from Germany, Eroski from Spain and Intermarché from France. Thanks to our membership, we can buy at competitive prices on the European market. AgeCore mainly covers major international brands.

"We know our trade. Responding to competition is business as usual for us. We've built those skills over a period of 35 years."

Chris Van Wettere (General Manager Colruyt)

Speech technology for shopping lists

Colruyt is the first Belgian supermarket to test speech technology in a real setting, on a large test group. Customers record their shopping list on their smartphone or another device running Google Assistant. It is then saved in the MyColruyt app or on colruyt.be. Afterwards, you can easily tick off your list while shopping. Or you can send it instantly to Collect&Go, where the order is prepared for you.

100.000
price checks per day
online and instore

Service Centre Price: digitisation and efficiency

Objective price checking remains a key focus throughout Colruyt Group. As of this year, all price checking is fully digital. Employees use a special device for this. Our Service Centre Price now also combines price checking for all store formulas, leading to clear efficiency gains.

Digital innovation: electronic price labels

By the end of 2019, Colruyt will have replaced the paper price labels in all stores in Belgium and Luxembourg with electronic labels. This offers many advantages:

- React to price changes **even faster**
- **90 tonnes of paper** saved each year
- **NFC technology**: contactless information exchange with customers
- Employees have **more time** for their core tasks

Read more

Healthy products accessible to all

Last year, Colruyt worked to create an even more balanced range. For example, you will find more healthy snacks and vegetarian products on the shelves. Colruyt's 36th cookery book 'Veggie mood' is aimed at everyone who wants to eat vegetarian more often, whether it is occasionally or every day. There are also some vegan recipes.

The social project 'Dinner is served at 1-2-3 euros' is now running in 171 municipalities. Vulnerable families with children can enrol and receive a Colruyt recipe booklet every two weeks. It contains six easy, child-friendly recipes costing no more than three euros per portion. An easily accessible way to conjure up cheap but balanced meals. Read more

Festival store in Dour

From 11 to 15 July 2018, Colruyt Dour transformed itself into a festival store. The store made plenty of extra space for festival favourites like beer, crisps and water. Shuttle buses between the camping site and the store made short work of the four-kilometre journey. And, for the first time, campers could also find a selection of Colruyt products in the campsite shop. During the festival in Dour, the local Colruyt store sees around 10.000 festivalgoers a day. Initiatives such as the festival store in Dour demonstrate Colruyt's commitment to local connections.

Every year, we will save 150 million plastic bags

Reusable bags for fruit and vegetables

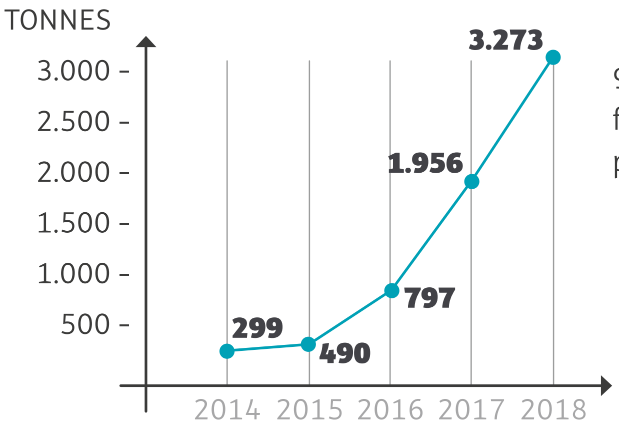
Colruyt, Bio-Planet, Spar and OKay are banning using single-use plastic bags from their stores. We are making a radical switch to reusable polyester bags for loose fruit and vegetables. Through this step, we will save 150 million plastic bags a year. From June 2019, 21 pilot stores and all Bio-Planet stores will make the switch. In October, single-use plastic bags will disappear from all of our stores for good. Read more

Fries tastings put Belgian potato project in the spotlight

In October 2018, customers could try a bag of fries made from Boni Selection potatoes for free in several Colruyt car parks. The fries tastings were the culmination of a pilot project we set up last year with nine local growers. The goal: a more constant quality, to guarantee a stable price for growers and to extend the potato season in Belgium. The successful pilot has now grown into a fully-fledged partnership in which sixteen Belgian farmers grow potatoes for all Colruyt and OKay stores in Belgium. Read more

Colruyt wins awards

- Voted best retail chain in Belgium and **Retailer of the Year 2018-2019**.
- General Manager Chris Van Wettere voted **Retail Personality of the Year 2018**.
- **Best Retail Food Brand** 2019.
- For the seventh time in eight years, Colruyt has the **best reputation** of 25 major Belgian companies.
- **First place** in the 2018 GfK summer report. Shared first place with OKay in the winter report.



97,38% of our fresh and frozen products are sold

Record amount of products donated to social organisations

In 2018, we donated 3,3 million kilos of unsold but still perfectly edible products to social organisations. A steep rise compared with 2017: over 67% more. More and more stores are donating their unsold food directly to local social organisations. At the end of 2018, they could rely on around 100 Colruyt and Bio-Planet stores. Foodbanks also collect products from our distribution centres every weekday.

Thanks to the strong focus on sorting, we can set aside even more edible products in our stores and distribution centres. Social organisations need to be sure 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. Read more

Transport: continuity and innovation

Smooth and efficient transport is crucial for a retailer. On the one hand, we strive for continuity: efficiency, high load factor and central logistics. On the other, we focus increasingly on new technology.

- A study project is exploring the possibilities of **electric lorries**, with a hydrogen range extender, for example.
- We are working on tools and apps for drivers, to capture **realtime data** about the road situation, for example. This is intended to help us make well-informed decisions about routes and delivery times.
- We are considering the **transport network of the future**, in the light of urbanisation and mobility, for example. What is the best way to deliver and receive goods? And how can we reduce congestion during the day?
- By installing a **cardboard baler** in more than 200 stores, we are improving the reverse supply chain.

[Find your collection point](#)

° **2000**

197 collection points
in Belgium and Luxembourg

More than 400 employees in FTE

We do the shopping for you

collectandgo.be

Collect&Go

Collect&Go stands out as an online shopping service through its professionalism, reliability and quality fresh products. Excellent service is paramount: employees carefully select the best products. Customers choose from the Colruyt or Bio-Planet range and reserve their shopping via the website or app. If they reserve their shopping before midnight, they can collect it the next day from a collection point and at a time of their choice.

Many new and loyal customers

Once again, Collect&Go can look back on a successful financial year, with a particularly good end-of-year period. Revenue experienced double-digit growth. The online shopping service won over 90.000 new customers and saw orders from returning customers rise sharply. Collect&Go expanded its range and network of collection points for Bio-Planet customers considerably. They now have 127 collection points at their disposal, for more than 4.000 items. The number of collection slots has also doubled. Collect&Go is the market leader in the Belgian online food market.

197

11 new collection points

11 collection points extended

10 new collection points next financial year

Collect&Go customers buy far more fresh products than conventional in-store customers.

61% order fresh meat

87% order fresh fruit and vegetables

94% order other fresh products, such as dairy

57% order frozen products

The cheapest online

Colruyt guarantees the lowest prices, both in its physical stores and in the Collect&Go webshop. We constantly compare our prices with those of other online players. If we see a lower price on another national online shopping service, we immediately adjust our price online. If it is a Belgian player with regional collection points only, we adjust the prices at nearby collection points.

As a result, the prices in the Collect&Go collection point may differ from those in the physical Colruyt store. Despite this, most products in an average shopping basket have the same price online as offline. For products where there is a difference, the online price may be higher or lower.

Home delivery pilot project in Brussels periphery

Collect&Go is testing home delivery of shopping in five municipalities in the Brussels periphery: Sint-Pieters-Woluwe, Kraainem, Wezembeek-Oppem, Sterrebeek and Sint-Lambrechts-Woluwe. Collect&Go's own employees deliver the orders using CNG delivery vans. "This additional service is designed to meet the needs of today's consumers even more. They are clearly looking for convenience and time savings", says Tom Deprater, responsible for Collect&Go. "Collection points remain our focus, but with this pilot project, we want to learn more about our customers' expectations. At the same time, we can gain hands-on experience as to whether and how home delivery fits in with our vision on sustainable entrepreneurship." The test runs until autumn 2019 and will be extensively evaluated afterwards. Read more

Even greater convenience for customers

Collect&Go wants to serve its customers even better and make their lives easier. Next financial year, we will launch a new website with many extra features. Preparing and placing an order will be even quicker, thanks to features such as shoppable recipes. The network of collection points will also receive particular attention: we want more collection points on our customer's daily route. At OKay neighbourhood supermarkets, for example. Three collection points have already opened this year in the Heusden, Vossem and Zingem stores. Another three OKay stores will follow next year.

La Gourmet Delicatessen in Uganda sells many Boni Selection products.

- **1985**
- **225** active customers
- **5.000** items
- **10** focus countries
- **More than 30** employees in FTE
- **You order. We make sure.**
- **colex-export.com**

COLEX
You order.
We make sure.

Colex (Colruyt Export) delivers retail products all over the world. The export department stands out through its own brands, a unique total service and support for marketing of products. Its biggest customers are retailers, wholesalers and supermarkets in Africa. Colex has a broad and deep range: dry goods, fresh products and frozen food. Customers can choose from a wide range from the Boni Selection, Everyday, Graindor, Culino and Econom house brands.

Strong position in Africa

Colex managed to maintain its revenue in a highly volatile market. The export specialist maintained its strong position in Congo, Rwanda, Burundi and surrounding African countries. Account managers constantly prospect the local market in Congo and Rwanda. Colex is also exploring the Southeast Asian market and has an account manager on the ground. The export specialist is also active in the Netherlands Antilles, through an intermediary.

Focus on export

As of this financial year, Colex focuses entirely on export. It is dropping more minor, non-export related peripheral activities. The export specialist has also rationalised its customer portfolio to a certain extent. In addition, it has worked to build a strong organisational structure with the emphasis on sales and marketing, to further professionalise the business. Colex forms partnerships with local traders in its focus regions. The combination of local market knowledge and our retail expertise works very well.

Find your store

1998

EUR 952,9 million combined revenue for OKay, Bio-Planet and Cru (+ 4,9%)

141 stores

400-650 m² average store area

5.000 items

More than 2.200 employees in FTE

Fast, inexpensive and convenient

okay.be

At OKay neighbourhood supermarkets, customers can shop quickly, cheaply and conveniently close to home. In a compact space, they can find a balanced mix of national, house and discount brands. At the lowest prices in the neighbourhood. OKay is also committed to its high-quality fresh range, including convenience food, ready-made products and bread baked instore.

With OKay Compact, the neighbourhood supermarket is also present in city centres, with a special store concept.

A successful financial year

Once again, OKay looks back on a successful financial year. The revenue growth is due to a number of factors. The existing neighbourhood supermarkets attracted more customers and the eight new stores performed well. Sales price inflation, the fine summer and strong end-of-year period also had a positive impact. The shopping basket remained stable.

Over the next few years, OKay and OKay Compact plan six to nine store openings per year. OKay has a potential of more than 200 stores. Conversion to the new store concept will be accelerated next financial year. As of 31 March, there were 36 second-generation stores.

- 5 new OKay stores: Heusden, Lille Poederlee, Roosdaal, Waimes and Hoeselt
- 3 openings for OKay Compact: Ghent Krommewal, Ghent Sint-Pietersnieuwstraat and Molenbeek
- 3 stores renovated
- 2 OKay stores converted to Colruyt stores: Eppegem and Opwijk
- 5 to 6 store openings for OKay and OKay Compact in financial year 2019/20

Easy meal solution

Last financial year, OKay piloted its own meal solution in three stores: the One Meal Box. For this, it teamed up with external partner Foodbag. The box contains all the ingredients for a two-person meal and is for sale in the store, without the need for a subscription, reservation or pickup time slot. Three versions are available every week: meat, fish and vegetarian. As of 8 May 2019, the One Meal Box is available in 38 stores. In a later phase, the recipe box will be available in all 141 OKay and OKay Compact stores. Read more

Food corner and dining area for OKay Compact

The new OKay Compact stores in Molenbeek and Ghent Sint-Pietersnieuwstraat are the first to have a separate area marked out as a food corner. There, customers will find a wide range of on-the-go products: hot drinks, pastries, sausage rolls, filled rolls, wraps, chilled drinks, etc. At the salad bar, they can put together their own salad. Another new feature is the dining area, where you can sit down and eat and drink in peace.

Boni enVie: soup made from surplus vegetables

OKay now sells Boni enVie soups on an exclusive basis. The delicious, practical result of a special partnership between Colruyt Group, other partners and a Brussels start-up which supports long-term unemployed. In March, enVie's unique approach was rewarded with two Food Heroes Awards: recognition for initiatives that tackle food waste in a special way. Read more

- enVie runs a training programme to re-integrate **long-term unemployed** into the job market. For twelve months, they receive the training and practical experience they need to become a professional production operator in the food industry. A springboard to permanent employment.
- Various Belgian producers give enVie their **waste streams of fresh seasonal vegetables**. This working year alone, enVie will 'save' around 50 tonnes of vegetables in this way. This should increase to 100 tonnes by the end of 2020.
- The soup is simply **delicious, healthy and 100% natural**. Two litres of soup contain at least one kilo of fresh vegetables.
- Boni enVie contains only fresh Belgian vegetables and is made in Brussels. So it is **purely local**.

OKay tries out the **Scan. Pay. Go. app in four stores**. Next year, the neighbourhood supermarket will continue to test and improve the system. This will be followed by a final evaluation and a possible roll-out in stores where it would represent added value for customers. Read more

OKay once more **scored highly in the GfK reports**. In the summer, it was in second place overall, with a score of 8,28. In the winter report, it took first place on the podium jointly with Colruyt.

We are testing the **smart postbox BringMe** in six stores. Customers can have parcels delivered and shipped there securely and easily.

For the first time, Dreamland, OKay and OKay Compact organised a **successful collecting campaign**. This was themed around the latest Jurassic World film. Customers could earn stickers to collect in an album. They also saved stamps for one of six dinosaur figures.

During the end-of-year period, OKay sold more than **20.000 festive menus**. A record.

2014

EUR 952,9 million combined revenue for OKay, Bio-Planet and Cru (+ 4,9%)

3 markets

650 m² average market area

850 items

More than 100 employees in FTE

Market every day

cru.be

Cru is a market experience for people with a passion for delicious food. Enthusiastic professionals provide authenticity in a modern way: ordinary things done extraordinarily well. They offer products in their purest form, make them ready to cook or process them on site into quality dishes. Customers are served the dishes at the Cuit eating house or take them home. Cru has ten specialist areas and offers a unique selection of seasonal products: fruit and vegetables, meat and charcuterie, poultry, fish, but also cheese, drinks, flowers, chocolates and self-made bread. Customers can taste them at their leisure and ask for advice.

New Cru in Groenplaats, Antwerp

In February, the covered market relocated from Wijnegem to Groenplaats in Antwerp. A famous square with a large footfall, right in the centre of the city, offers greater opportunities for a market concept such as Cru. The covered market on the Kouter in Ghent proves this. At the same time, Cru has perfected the concept and the experience.

- The reorganisation of the specialist areas allows customers to easily wander around the market. Besides personal service at the counters, they can also opt for a bigger **self-service** range.
- We are testing a new system where customers no longer need to scan as they shop, but **check out their shopping right at the end**.
- In Antwerp, there is also a **pleasant eating area**. Customers can enjoy breakfast, lunch, a coffee or a drink there. Or they can buy something to eat on the go.
- The bakery and eating area are open **every day from 8 am**. The market itself opens at 10 am.

"We put our heart and soul into our bread. You can taste the power of Cru: pure, simple and really special."

Jo Spiegeleer (Business Unit Manager at Cru)

More customers, higher profitability

Revenue grew slightly. The increase was mainly due to the closure of Cru Wijnegem and the relocation to Antwerp: Cru was unable to realise the planned revenue growth in Wijnegem due to the relocation. The market in Overijse steadily attracted more customers while the market in Ghent saw its customer numbers soar. The city centre location on the Kouter in Ghent made a strong start.

We continued the profitability exercise successfully, respecting Cru's artisan character. At the central bakery in Halle, we are also testing what Cru artisan bread could mean for other Colruyt Group store formulas.

2001

EUR 952,9 million combined revenue for OKay, Bio-Planet and Cru (+ 4,9%)

29 stores

650 m² average store area

6.000 items

Around 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 unique range of meat, cheese, vegetarian products and ready-made dishes. Bio-Planet inspires its customers to live consciously. The highly trained staff are there to advise and assist them. Where possible, Bio-Planet uses the latest environmentally-friendly technology in new stores.

Organic market keeps growing

Consumers are increasingly choosing organic, local and healthy. As a result, small-scale organic initiatives are cropping up, especially in cities. Conventional retailers are focussing strongly on organic too and expanding their ranges.

Against this backdrop, Bio-Planet experienced a slight growth in revenue, partly due to the opening of two new supermarkets. The number of customers increased, while the shopping basket remained stable. We are focussing increasingly on Wallonia: the first Bio-Planet in the province of Liège opened in Verviers. Next financial year, we will open another two stores in the south of the country.

As a supermarket, Bio-Planet wants more than ever to make a difference in the Belgian market: with a really good range that excels in healthiness, eco-friendliness and respect. And a shopping experience that makes it easy for customers and inspires them every time. Alongside this, Bio-Planet remains dedicated to sustainable innovation. Through innovative products such as herbs from a vertical farm, zero-waste pork and veggie burgers made from Belgian soy. Not forgetting an online platform for personalised nutritional advice. In all these ways, Bio-Planet continues to play a pioneering role. At the same time, it wants to make itself even more accessible to consumers who want to consume and enjoy consciously.

- 2 new stores: Antwerp and Verviers
- Bio-Planet Kortrijk relocated to new premises
- 2 new stores next financial year

New: hybrid service counter

The new supermarkets in Verviers and Kortrijk have hybrid service counters. Meat, veggie and cheese products are cut up, prepared and packaged in handy portions on the spot by skilled staff and are available for self-service. Bio-Planet has looked for the most sustainable packaging solutions. Customers choose for themselves how much they want and can see the price on the label instantly. So they can shop faster, more efficiently and more autonomously. All ingredients, nutritional values and allergens are also clearly shown. Of course, Bio-Planet staff are always on hand for specific requirements or to give advice. This combines the advantages of self-service with those of the conventional service counter.

Circular supply chain for organic pork

As of this year, Bio-Planet offers zero-waste pork from a circular breeding process. Farmer Davy Bovyn from Zonnebeke breeds all of the pigs himself. The animals are fed from his own organic fields, supplemented by organic waste from other Bio-Planet suppliers. For example, waste bread, cheese or vegetable juices. The farmer uses the manure for growing vegetables in his own fields, to complete the circle. Particular attention is also paid to animal welfare.
Read more

"Organic is becoming more and more accessible. I'm delighted about that."

Jo Ghilain
(Business Unit Manager at Bio-Planet)

'Food compass' guides 1.500 families towards a more balanced diet

The new 'Food compass' service gives personalised nutritional advice. Anyone who agrees to have his or her purchase data analysed receives weekly personalised tips with the option of receiving advice from a dietician. In this way, Bio-Planet helps its customers gain insight into their eating habits and make more conscious food choices. The first 1.500 families will receive advice for six months. After this, Bio-Planet will evaluate the service and roll it out further. The online platform was developed by SmartWithFood, a Colruyt Group subsidiary and a pioneer in personalised digital nutritional information.
Read more

Inspiring reading

Bio-Planet collects its own insights and testimonials from customers about conscious consumption in a series of booklets. The first two booklets on eating healthily and differently have already been published. We will work on adding others to the series in the next few months. Each booklet contains answers to frequently asked questions and offers inspiration for a conscious lifestyle.

Together with farmer Simon Colembie and supplier La Vie Est Belle, Bio-Planet is pioneering **Belgian organic soy**. The first soy burgers and spreads reached the shelves in the spring of 2019. Read more

At the Grimbergen and Uccle supermarkets, customers could sample and assess **the first basil plants from our vertical farm**. So we could refine the flavour. Read more

In a 'Wanted: Food for the Future' workshop, young people considered new products containing legumes, seaweed and quinoa. Then Bio-Planet worked on developing these. Two winning ideas are now on the shelves: a high-protein **vegan hazelnut spread** and a **pizza base made from chickpeas**.

Ready-made products on the service counter now contain even **less salt and additives**.

Bio-Planet has teamed up with Colruyt Group Academy to offer **guided store tours** led by a professional nutritionist.

Find your store

- **1996**
- **EUR 647,4 million** revenue [1]
- **85 stores**
- **750-1.000 m²** average store area
- **7.500 food, 2.800 non-food** number of items
- **More than 1.800** employees in FTE
- **41 DATS 24 filling stations**
- **Tout simplement l'essentiel**
- **colruyt.fr**

[1] Financial year from 1 January 2018 to 31 March 2019

colruyt prix ▪ qualité

At French Colruyt stores, customers can find everything they need for their weekly shop under one roof, without being overloaded with choice. The supermarket offers national brands and comparable products at the best value for money in the neighbourhood. Colruyt Prix Qualité focuses strongly on fresh products and offers a quality range of fruit and vegetables, fish, meat, charcuterie and fresh bread. The range of wines and regional products are further assets. 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 growth in the French market

Colruyt Prix Qualité is particularly pleased with the last financial year. Excluding fuel, comparable revenue in France increased by 9,3%. This is mainly due to an increase in customer numbers, along with seven new stores. The refurbishment of the existing stores continued very successfully. As a result, Colruyt Prix Qualité is maintaining its growth rate.

The French food market experienced a slight inflation effect. The market is still rather turbulent. The gilets jaunes movement has resulted in an unsettled climate. The strict French regulatory framework also creates a complex situation for retailers. The Loi EGalim (États Généraux de l'alimentation) came into force on 1 February 2019. This new law requires supermarkets to apply a minimum margin of 10% on purchase prices. Price reductions for promotions are also restricted to 34%. This is intended to reduce promotional pressure.

- 7 new stores: Troyes, Pouilly-sous-Charlieu, Saint-Marcellin, Toul, Lunéville, Serémange-Erzange and Péronnas
- 5 stores renovated
- 6 new stores next financial year

We are aligning the financial year of our French activities (1 January to 31 December) with that of Colruyt Group (1 April to 31 March). As a result, financial year 2018/19 covers fifteen months' results for Colruyt Prix Qualité.

Investing in extra logistics space

Colruyt Prix Qualité is dedicated to achieving further organic growth. The existing logistics and administrative site in Rochefort-sur-Nenon is almost bursting at the seams. For this reason, we will be investing in additional distribution centres in the coming years. Over the next three years, Colruyt intends to double its logistics space in France. With a clear aim: further development in the north east of the country.

Regional hub near Nancy

By 2021, a new regional hub covering 12.000 m² will go into operation just outside Nancy. This will substantially reduce the distance to the most northerly stores. There will be an immediate impact on transport costs and emissions. It will also mean that we can offer supermarkets in the area even fresher products and more regional ranges.
Colruyt Prix Qualité is looking into further opportunities for expansion in the region from Nancy.

New distribution centre and head office in Dole

We are preparing to build a brand new distribution centre near Dole (Jura). Depending on further analysis, this will provide between 18.000 and 25.000 m² extra logistics space. The chosen site is ideally situated to receive, store and dispatch goods. The new head office will be housed on the same site, in a modern low-energy building. The existing distribution centre in Rochefort will then focus on slow moving consumer goods such as personal care products and will also be the permanent storage depot for the technical department.

Wider range

Customers will find a more and more comprehensive range of products in French Colruyt stores. There was a sharp rise in the number of organic items, for instance. Vacuum packed fresh fish is also available as standard. The stores are offering more and more regional products as well. Convenience food and smaller portions remain very popular.

Self-service butcher's counter in city store

Colruyt Prix Qualité opened its first self-service butcher's counter in the Troyes store. Customers can choose quickly and easily from individually packaged portions. They can still rely on skilled staff who prepare and cut up the meat in an open workshop.

Focus on brand awareness

Brand awareness again was a priority this financial year. Colruyt Prix Qualité opened stores in several new areas, where the supermarket is relatively unknown. Targeted marketing and eye-catching opening promotions are designed to put the new stores in the spotlight. Visual communication in the car park and on the storefront reflects even more clearly what makes the neighbourhood supermarket stand out.

Find your store

1994 acquisition of Droomland, renamed Dreamland in 2002

EUR 237,2 million combined Dreamland and Dreambaby revenue (- 7,1%)

42 stores

1.600 m² average store area

60.000 items (stores and webshop)

More than 850 employees in FTE

You have more fun when you play

dreamland.be

DreamLand

Dreamland inspires children and their parents, family and friends to play and have fun together. The family and seasonal store offers a wide range for this: from toys, gadgets and games to garden furniture, children's bedrooms and camping equipment. Alongside a wide network of stores, Dreamland also has an extensive webshop. Customers can reserve online and collect their items from a local collection point or opt for home delivery.

Dreamland's online revenue is included in the retail activity where collection takes place.

One-off impacts on revenue

Dreamland looks back on a financial year in which revenue fell due to a number of one-off impacts. Calendar effects meant that this financial year did not include Easter. Furthermore, weather conditions were not ideal: a cold spring and a hot summer had an adverse effect on stores. The closure of three stores also hit revenue. At the Drogenbos, Groot-Bijgaarden and Jemappes stores, the baby corner turned into a full-fledged Dreambaby shop next door. Finally, the toy market suffered in general: 2018 saw few strong licences, hypes and innovations. The competitive environment remains turbulent, with far-reaching changes in Belgium and throughout Europe.

However, online revenue continued to grow strongly. Customers are making more and more specific last-minute purchases, for which they mainly choose e-commerce. Meanwhile, a quarter of Dreamland's revenue comes from the webshop. This makes the family and seasonal store a strong omnichannel player. Dreamland remains the market leader in toy sales.

- Stores in Marche-en-Famenne (Belgium) and in Leers and Douai (France) closed
- 2 new stores next financial year: La Louvière and Mouscron

Dreamland won the award for **Best Toy Store** for the thirteenth time and that for **Best Webshop** in the toy category for the third time.

Black Friday was a huge success. The logistical department managed to keep to delivery times, even at the biggest peaks.

Collectables such as squishies and playground trends such as rainbow ropes performed strongly.

Second-hand formula Newstory expands further

Dreamland is also committed to second-hand concept Newstory. In September, a new collection and pick-up point opened in the Dreamland store in Bruges. This is the third location, after Lochristi and Wilrijk. Since its launch in the spring of 2018, the online second-hand platform has been on the rise. Collection campaigns are a success, across the whole of Belgium. Newstory therefore has its sights set on further growth. The environment is becoming more and more important, for young parents too. As a result, they increasingly opt for second-hand when it comes to investment items such as pushchairs, children's bedrooms and bicycles.
Read more

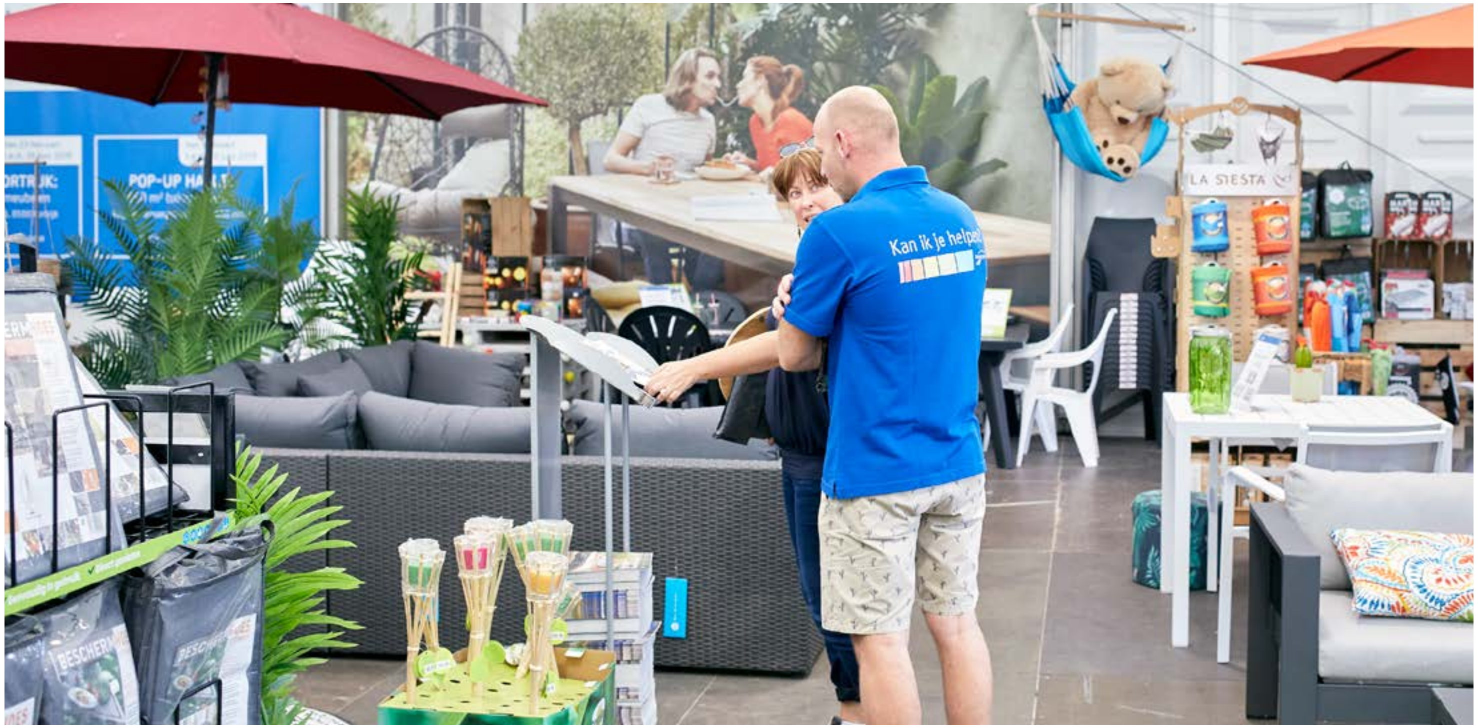
- More than **6.000 items** have changed hands so far.
- **More than 80%** of the goods donated are sold.
- Customers receive a Colruyt Group voucher for **75% of the sales price**.

New features for webshop

Dreamland works continuously to make its webshop more and more appealing. In October, for example, it launched an online wish list for special occasions such as Saint Nicholas, birthdays or first communion. Children can add any items they like from the Dreamland webshop or from other stores or webshops. This gives us more insight into possible gaps in our range. Just before the end of the year, DreamBuddy also went online: a chatbot with AI that helps customers find the right gift. A first for Colruyt Group.

Closure of French stores

This financial year, the two French Dreamland stores closed down. Leers in June, Douai in December. Despite our efforts and investments over the last ten years, it proved impossible to make the stores profitable. The seventeen employees received maximum support in their search for a new job.



Specialist in outdoor fun

Since this year, Dreamland once more offers a wide range for gardens and patios. Customers can choose from four design styles for furniture and on-trend decorations. It's all about having fun in the garden. That's why Dreamland offers originality and quality at a reasonable price. Perfectly tailored to its target audience: families with children who want to keep up with the latest trends. For years, Dreamland has been the market leader in Belgium for outdoor toys such as trampolines, swings and pools.

Physical stores remain a great advantage for investment items such as garden furniture. For this reason, alongside the complete offer online, all stores stock a basic range. The precise composition depends on the size and location of the store. The branches in Dilbeek, Lochristi and Meslin-l'Évêque are receiving an extra tent temporarily. Two Garden & Patio pop-ups are also opening in Kuurne and Halle.

2001

EUR 237,2 million combined Dreamland and Dreambaby revenue (- 7,1%)

29 stores

600 m² average store area

8.000 items (stores and webshop)

More than 300 employees in FTE

The best start for you and your baby

dreambaby.be

dreambaby

Dreambaby differentiates itself through its personal guidance and tailor-made advice. New parents and parents-to-be will find a high-quality range at competitive prices for babies and toddlers from 0 to 30 months, both instore and online. The Dreambee house brand is a prime example. Customers can create and manage birth lists both online and instore. They can collect the chosen items from their Dreambaby store, Colruyt, Dreamland or OKay, or have them delivered to their home.

Dreambaby's online revenue is included in the retail activity where collection takes place.

“Our new store concept is specially tailored to young parents and parents-to-be, with experience at the heart.”

Bruno Van Eeckhoudt (Divisional Manager Dreambaby)

Ready for the future

It was a challenging financial year for Dreambaby. Despite this, the baby specialist managed to keep revenue on a comparable level.

Of course, the baby supplies market remains highly competitive. Particularly online. For this reason, Dreambaby wants to make even more of a difference for parents(-to-be) through personal advice and experience. The highly trained staff, personalised service and wide range play a major role in this. The combination of physical stores and an extensive webshop also helps. In addition, Dreambaby organises baby workshops, on themes such as slings or baby massage, with Colruyt Group Academy. The baby specialist is also increasingly involved in second-hand baby supplies through Newstory. And, with personalised communication related to the stage of their pregnancy and the age of their child, Dreambaby stays relevant to its customers at all times. The baby specialist will continue on this track next financial year.

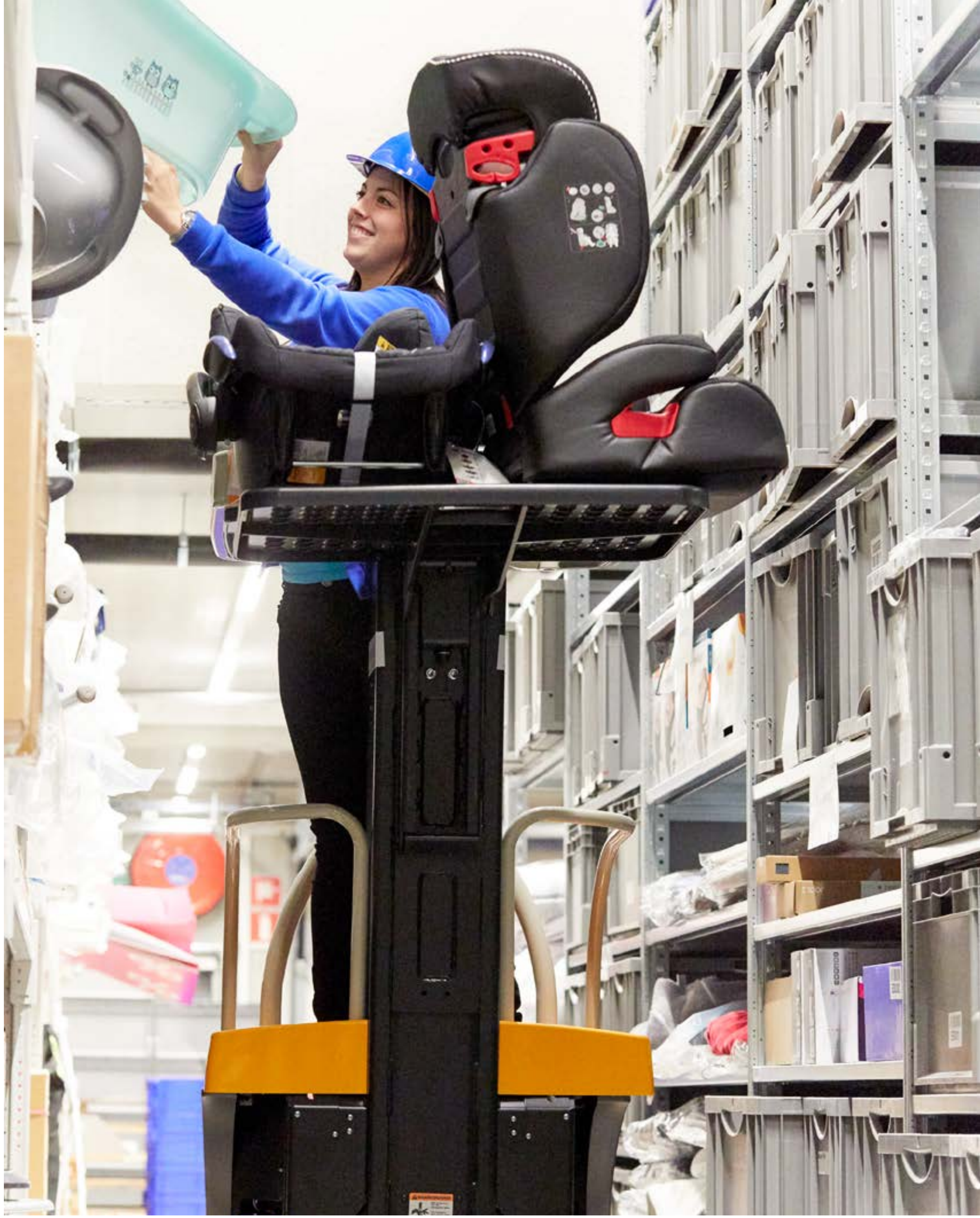
- 3 new stores: Groot-Bijgaarden (Dilbeek), Drogenbos and Jemappes
- Store in Halle has relocated

New collections for Dreambee

Own baby brand Dreambee received a makeover this year. In the autumn, we launched a new collection, based around the little rabbit Nino. The Essentials collection also received a three-yearly update with trendy colours and motifs. The two collections cover a total of around 360 items. For the first time, they include a special Dreambee pushchair and highchair. Eventually, Dreambaby wants to be able to offer its customers an own-brand alternative in every product category.

New distribution centre bears fruit

On 1 October 2018, Dreambaby's first distribution centre of its own went into service. All employees from corporate services (for example marketing, purchasing and sales) moved onto the same site in Halle last spring. The first results can already be seen. By separating the logistical processes for Dreambaby and Dreamland more, opportunities for optimisation can be identified more quickly. As a result, we can organise the entire supply chain based on the baby specialist's specific requirements and deliver more quickly to the various stores. Logistical and administrative services for the MyUnderwear24 webshop also moved to this site.



- As last year, Dreambaby won the award for **Best Retail Chain** in the Baby and Child category.
- Next year, Dreambaby intends to **convert eleven stores** according to the new experience-oriented store concept. The stores in Kuurne and Ghent will be fully refurbished.
- The **maternity wear range** is expanding further. All new stores offer it as standard.
- Dreambaby continues to exploit its unique positioning as a **multi-brand player for babies and toddlers**.

[Find your collection point](#)

1983

422 collection points
in Colruyt, OKay and Dreamland stores

24.000 non-food items
in 12 categories

Around 70 employees in FTE

Choosing made easy

[collishop.be](#)

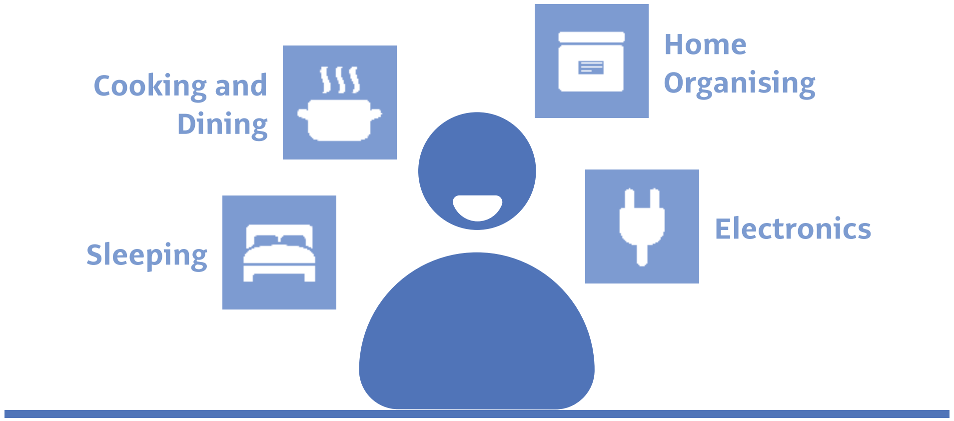
ColliShop

Collishop differentiates itself as a webshop by its physical presence: the webshop has an extensive network of service points where customers collect their reservations and obtain advice. Most customers collect their reservations from a Colruyt, OKay or Dreamland store. Some prefer home delivery. Collishop Professional is specifically aimed at companies and organisations that want to offer their customers, employees or partners extra benefits.

The online revenue of Collishop and Collishop Professional is included in the retail activity where collection takes place.

Further revenue growth

It was a good financial year for Collishop: revenue increased once more. The webshop is keeping pace with the growth of the online market. The revenue growth was boosted by online marketing and promotions. Collishop broke its own records again on Black Friday, for example. The 'Huge Discount Days' (*Kolossale Kortingsdagen*) in the spring and autumn were also very successful. Collishop remains the largest Belgian e-commerce platform.



Distribution centre relocates to more modern building

In September 2019, the online distribution centre for Collishop, Dreamland and Dreambaby will move to a new location. This presents many opportunities for Collishop, including several relevant integrations with Dreamland's offline logistics. Moving to a far more modern building, will mean that we can continue to support the growth of e-commerce in future, with a few simple adjustments. Finally, the logistics space will increase from 13.500 m² to 17.500 m². The new distribution centre will also allow us to work at greater height. In view of all this, we can expand our online offer.

Collishop Professional launches XTRA Present

This financial year, Collishop Professional developed a new loyalty platform: Xtra Present. Businesses can reward their own customers or employees through the platform. B2b customers can choose from three packages:

- Benefit: a collection of exclusive benefits. For example, a 10% discount on a certain product category.
- Deal: benefits via group purchases. The more people sign up, the cheaper it is.
- 2Save: saving scheme where you can redeem points for vouchers.

The end customer can redeem these benefits at various Colruyt Group companies. Collishop Professional also intends to form partnerships with other companies. Xtra Present is set to launch in June 2019.

FINE FOOD **Meat** SINCE 1950

FINE FOOD **Wine** SINCE 1937

FINE FOOD **Cheese** SINCE 1964

FINE FOOD **Coffee** SINCE 1937

FINE FOOD **Bread** SINCE 2014

7 production sites

58.152 m² production area

More than 1.000 employees

Colruyt Group Fine Food

Colruyt Group is the only food retailer in Belgium with its own production departments. These are grouped within Colruyt Group Fine Food. This means that we can operate more efficiently, save costs, guarantee constant quality and create added value for our customers. Colruyt Group Fine Food includes a meat-processing division (Fine Food Meat), a wine-bottling plant (Fine Food Wine), a cheese-processing department in Belgium and France (Fine Food Cheese), a coffee roasting house (Fine Food Coffee) and a bakery joint venture (Fine Food Bread).

Production keeps rising

Colruyt Group Fine Food saw its volumes grow once more this financial year, despite the general downward market trend for bread, meat and wine. On the one hand, sales of existing products are rising. On the other, Fine Food is producing more items itself. The soft cheese production department now supplies French Colruyt stores as well. And, as of this year, the Fine Food Meat site in Wommelgem also supplies poultry to OKay. Fine Food wants to continue to expand its offer in years to come.

47.900 tonnes of meat processed per year

24.670.000 litres of wine per year

50.000 tonnes of cheese per year (in Belgium)

6.650 tonnes of coffee per year

29.240.000 loaves per year

Fine Food starts with organic meat

Fine Food Meat now also cuts and processes organic beef. It has adapted the workshops for this goal and obtained the required certificate. Bio-Planet had the honour: the first own organic beef products are already on the shelves there. In a later phase, we intend to sell the meat at Colruyt too. Through its own production, Fine Food helps meet growing customer demand for organic meat.

Salad factory by 2021

Fine Food has begun the preparatory work for a brand new salad site. We already produce some salads for Colruyt and OKay. The extra site will allow us to expand our range and increase volumes. Production is scheduled to start in 2021.

Meatland welcomes butchers-to-be

In February, more than 250 students from twenty butchery schools in Flanders and Wallonia visited Fine Food Meat. During the fourth edition of Meatland, they discovered our meat-processing division and the finer points of being a butcher at Bio-Planet, Colruyt and Cru.

Factory of the Future

This year, our new meat-processing site Fine Food Meat 2 won the award for 'Factory of the Future' from employers' organisation, Agoria. Agoria found that our production building scored highly on three important points. Read more

The building is **best in class for ecology**. This is mainly due to its own wind turbine, water treatment and strict management of waste streams.

- Employees had a great deal of **input into the design and construction** of the new site. That way, they helped decide what their ideal workplace should look like.
- Motivated employees can **progress from the production floor** to planning, administrative work or other roles.

ZEB, **PointCarré**, **The Fashion Store** and **ZEB For Stars**: 110 stores

Fiets!: 11 stores

Participations in retail

ZEB is the main multi-brand chain for ladies' and men's fashion in Belgium. ZEB offers more than seventy brands and also has a successful webshop at zeb.be. The holding company above ZEB also owns multi-brand chains PointCarré, ZEB For Stars and The Fashion Store.

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

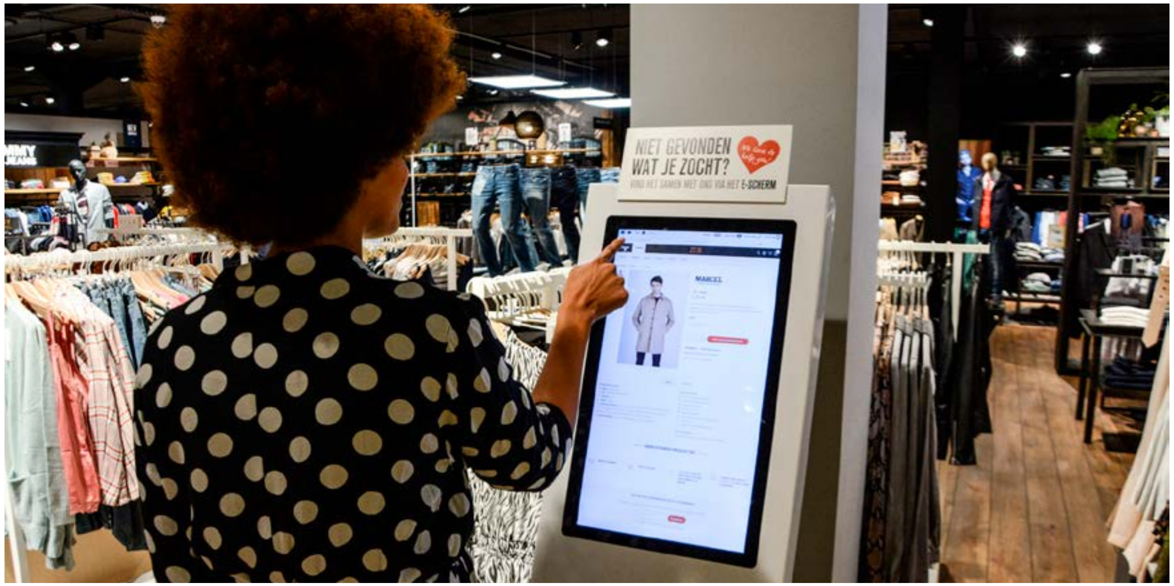
Newpharma is the largest Belgian online provider of parapharmacy and OTC products at affordable prices. The webshop operates in twelve countries.

Fiets! sells bicycles of well-known brands, cycling clothing and accessories. Highlights include the high-end offer and expertise of staff. The specialist store also offers bicycle leasing, maintenance and repair.

ZEB posts strong results once again

The last financial year was very tough for fashion retail. However, ZEB achieved good results in spite of the market trend. The multi-brand chain continues to grow, both through expansion and in existing stores. The redesigned webshop is also growing strongly. The combination of e-commerce and online purchasing via instore screens works well. ZEB continues to focus on an on-trend range, partnerships with well-known Belgian designers and well-timed marketing campaigns.

- 69 stores
- 3 new stores: Marche-en-Famenne, Diest and Herstal
- 3 stores renovated
- 2 stores relocated
- Potential of 100 stores



ZEB For Stars expands

In October 2017, the holding company above ZEB acquired 75% of the shares of For Stars. This financial year, the multi-brand chain for children was renamed ZEB For Stars. This is a better fit for ZEB's branding, putting the chain on the map faster. The range was also updated. Besides the existing store in Hasselt, new sites also opened in Bruges, Ostend and Zoersel.

ZEB focuses on the environment

With its digital till receipt, ZEB saved a tonne of paper this year. Organic cotton, recyclable tags and eco-friendly jeans are also growing in popularity. All new and renovated ZEB stores are fitted with LED lighting and a high-efficiency ventilation system as standard.

PointCarré

PointCarré prepares to expand

Before expanding any further, PointCarré is focusing on digitisation and expanding its own webshop. This is where ZEB's many years of expertise as an IT-driven fashion retailer come into their own. This financial year, PointCarré also finetuned its franchising concept. The store group covers 28 sites.

newpharma

Newpharma moves into Swiss market

The online parapharmaceutical market is growing strongly. As of this financial year, Newpharma also operates in the Swiss market, through a joint venture. This brings the number of focus countries for the webshop to twelve. However, most of its revenue still comes from Belgium and France. Thanks to its flexible IT platform, Newpharma can rapidly drill into new markets, although different laws apply in each country. In view of this, the range is adapted slightly for each target market. In the next few years, Colruyt Group intends to investigate where possible synergies with Newpharma lie.

THE FASHION STORE

New store concept for The Fashion Store

This financial year, The Fashion Store opened stores in Lennik and Ostend, bringing the total to nine. These new sites were the first to adopt a brand new concept. Wood sets the tone. With luxurious fitting rooms and a professional advice area, The Fashion Store plays the personal styling card.

fiets!

75% majority stake in Fiets!

In April 2019, Colruyt Group acquired a 75% stake in Belgian specialist cycle shop Fiets!. This investment is in keeping with our ambition to respond to the consumers' needs in the different stages of their lives. We want to promote sustainable mobility as well. Fiets! has eleven stores in Belgium. The specialist cycle shop will use the capital increase to expand its network. The next store openings are already scheduled for 2019.

- **1932** De Spar, the current Spar International
- **2003** Spar Retail
- **2014** Retail Partners Colruyt Group

213 Spar stores
72 Alvo stores
101 independent retailers
(including 28 Mini Markets)

More than 750 employees in FTE

retailpartnerscolruytgroup.be

RETAIL PARTNERS COLRUYTGROUP

Retail Partners Colruyt Group (RPCG) is the licensee of the Spar Colruyt Group formula in Belgium and works closely with the independent Spar storekeepers. Besides the entire logistical process, RPCG also determines the commercial policy, from marketing to sales support. The organisation of independent storekeepers offers a unique consultation model based on partnership. An elected delegation of storekeepers helps shape the range, commercial focus and future of Spar Colruyt Group.

RPCG also supplies fresh products and dry groods to Alvo stores and independent retailers, including Mini Markets.

High profitability and competitive prices

Retail Partners Colruyt Group looks back on the last financial year with great satisfaction. Once again, Spar Colruyt Group achieved revenue growth above sales forecasts. With the same sales space. This is mainly due to a bigger shopping basket, an increase in customer numbers, sales price inflation and the new generation stores. At the same time, Retail Partners managed to keep the margin of the Spar storekeepers at the same high level, without compromising on its competitive prices. This offers the independent storekeepers financial security and means at the same time that they can continue to invest in their stores.

Alvo performed in line with expectations. Retail Partners also kept its operating costs perfectly under control.

Inspiration fair attracts a lot of attention

Every year, at the spring and summer fair, Retail Partners presents new products, focussing particularly on the barbecue range. The storekeepers attending can also take part in workshops and inspiration sessions. A winning formula: 545 participants from 169 stores attended this year. RPCG also organises an inspiration fair in the autumn, focusing on the end-of-year range.

Business consultants support independent storekeepers

Retail Partners also provides commercial advice for its independent storekeepers. Business consultants visited all stores this financial year with practical marketing tips about product, price, place, promotion and people.

213 stores (including 164 in the Spar Colruyt Group formula)

350-1.800 m² average store area

monspar.be

In addition to the competitive prices, the quality Spar house brand and the focus on fresh products, it is the independent storekeepers in particular that make the difference at Spar Colruyt Group. Their craftsmanship and love of delicious food make their stores unique in the neighbourhood.

Spar was founded in the Netherlands in 1932 as the first cooperative of independent retailers. With more than 12.770 member stores in 48 countries, Spar is the retail organisation with the largest number of stores in the world. The cumulative annual revenue is more than EUR 34,5 billion. Spar International supports the national organisations from Amsterdam. Retail Partners Colruyt Group is the Belgian licensee for Spar Colruyt Group.

The power of the storekeeper

This financial year too, Spar Colruyt Group continued to work on its formula for success: competitive prices, strong focus on fresh products and the power of the independent storekeeper. More than ever, the storekeeper turns out to be the main lever for success. Stores with their own specialities in particular are experiencing faster revenue growth.

The updated store concept is another major revenue driver. Twenty-eight Spar stores have now been refitted according to the new generation concept. This conversion is often accompanied by an extension. The modified store layout is a success: on average, converted stores achieve 10% more revenue than before.

- 9 new stores: Alleur, Appelterre, Destelbergen, Erembodegem, Ormeignies, Paal, Peer, Vichte, Zonhoven
- 9 stores converted, 7 stores extended
- 11 stores closed
- 6 new stores planned in 2019/20

Self-scan with smartphone

In the summer of 2018, Spar Colruyt Group launched a first on the Belgian market: Scan. Pay. Go. With this app, you can scan and pay for your groceries with your smartphone. Without needing to pass through the checkout or stand in a queue. However, the classic checkouts still exist. Customers can choose how they prefer to pay.

For the time being, the test phase is running in four Spar and four OKay stores. Over the next few months, Spar Colruyt Group plans to continue to optimise the concept according to the requirements of its customers. “I strongly believe in this concept”, says manager Dirk Depoorter. “Over the next few years, services like Scan. Pay. Go. will only grow in popularity.”
Read more

15 years of Spar

Spar Colruyt Group celebrated fifteen years in 2018. To mark the occasion, it organised many special promotions for its customers in the autumn. For example, if they bought five products from participating brands, they received a special Spar folding crate as a gift. The cooking magazine *KOOK* also celebrated its fifteenth birthday.

Digital wine coach

To make wine advice even more accessible for customers and independent storekeepers, Spar has developed a wine app. Customers can find answers to a whole range of questions about wine on a tablet in the wine section. Whether it is about the taste of a specific wine or the right wine to go with a certain dish. This digital wine coach contains plenty of extra information for the independent storekeeper as well. Employees receive extra training too, so that they can help customers use the app. The pilot is now running in nine stores. From September 2019, the wine app will be available in all Spar stores.

- Spar Colruyt Group includes more organic products in its range. **Boni Selection Bio** received maximum coverage in the marketing communication. And it paid off.
- As of this year, the **Nutri-Score** is available for all products on sale at Spar Colruyt Group. Customers can easily scan barcodes using the SmartWithFood app. Both for house and national brands. Read more
- The **new bread bags** no longer contain paraffin and are now 100% recyclable.
- Xtra is doing well at Spar. This financial year, it reached the milestone of **300.000 unique users**.

- **1996** Coccinelle and Coccimarket
- **2003** Panier Sympa
- **294** affiliated stores
- **1.635** independent retailers
- **100-400 m²** average store area
- **8.000** items
- **Present in three quarters of France**
- **About 200** employees in FTE
- **codifrance.fr**

Codifrance supplies the 294 affiliated stores of Coccinelle, Coccimarket and Panier Sympa in France with fresh and dry food and frozen products. These mini-markets are located in town or village centres and are aimed at customers who shop daily. Beside national brands, we also offer a range of house and discount brands, representing excellent value for money for the storekeepers and their customers. Codifrance also supplies over 1.600 independent retailers in more than seventy departments.

Steady growth

Codifrance saw its revenue increase slightly this financial year. The company also managed to win market share from its competitors, despite the closure of several integrated stores which no longer fit the company strategy. An impressive achievement, as the neighbourhood store segment in France is becoming increasingly competitive. Pressure on prices also increased. Codifrance continues to invest in new technology to remain competitive. A new warehouse management system (WMS) is designed to increase efficiency and operational excellence.

We are aligning the financial year of our French activities (1 January to 31 December) with that of Colruyt Group (1 April to 31 March) from now on. As a result, financial year 2018/19 covers fifteen months' results for Codifrance.

Sustainable partnership

Codifrance systematically opts for close long-term partnerships with its independent storekeepers. With this in mind, it seeks passionate entrepreneurs with in-depth knowledge, a love of food and a customer-oriented mindset. Codifrance relies on its independent storekeepers to respect and convey the store image and concept. In return, they receive assistance with marketing, communication, range and pricing. In this way, Codifrance intends to constantly raise the quality of its store network, contributing to a strong brand image throughout France.

2013

EUR 119,5 million revenue (+ 1,6%)

25.000 customers (social catering, SMEs and hospitality sector)

10.000 items

3 distribution centres, **6** hubs, **108** trucks and delivery vans

More than 400 employees in FTE

solucious.be

Solucious
a taste for solutions

Solucious delivers food items to professional customers throughout Belgium, including hospitals, SMEs and the hospitality sector. The foodservice business offers fresh and frozen products and dry food. Solucious' greatest assets are convenience, competitive prices and the reliable logistics service. Solucious offers national and own brands, and with Econom and Culino has two house brands for professional kitchens. Professional customers can choose from a wide range of foodservice and retail products in bulk and individual packs.

Revenue follows market trend

Solucious saw its revenue keep pace with the consolidating market. However, revenue growth was below the last financial year. This is partly due to a shortage of delivery staff in the first half of the year. Then, the complicated relocation of the frozen activities had an impact on the second half of the year. Revenue grew mainly for the primary target groups: social catering and the hospitality sector. Those customers in particular prefer delivery to *cash & carry*. Average revenue per delivery also increased. Deliveries to SME customers remained at the same level.

Solucious works on its brand awareness on a daily basis. For example, at large hospitality fairs.

Online self-service and convenience

With its new e-commerce platform, Solucious offers customers even greater convenience. They can now place their order quickly and easily on their PC, tablet or smartphone. The online self-service facility has been expanded and the return process updated. This also helps Solucious operate more efficiently and gain more customer insights. It improves the quality of the service at the same time.

Rationalising activities

Solucious is preparing for strong growth in the coming years. In view of this, the focus lies on the efficiency and quality of internal processes. At the same time, Solucious identifies the changing needs of its primary target groups and adjusts its offer accordingly. In this way, the foodservice specialist intends to refocus on its core activities: delivering food items to professional customers. Total concepts such as ready-made meals or a coffee service are no longer part of this.

Find your filling station

1972

EUR 694,5 million revenue (+ 8,9%)

126 filling stations including 65 with CNG

64 stores with charging posts

More than 40 employees in FTE

Smart refuelling

dats24.be

DATS 24

At DATS 24 customers always fill up at low prices wherever they are. The Colruyt Group fuel specialist stands out through its green, sustainable policy. 50% of the stations are located next to one of the group's stores. At 64 stores, customers with electric vehicles can charge them with green electricity. DATS 24 is the leading fuel supplier in Belgium for CNG (compressed natural gas) for vehicles. Thanks to its rigorous environmental policy, the fuel specialist has for several years been one of the few suppliers to comply with the strict ISO 14001 standard.

6 new filling stations

Once again, DATS 24 achieved strong revenue growth. This was mainly due to price trends in the fuel market and the opening of six new stations. The market for fossil fuels remained stable overall. Consolidation continued in the sector. Purchasing power came under pressure slightly, which mainly affected the average refuelling this year. Drivers are filling up with less fuel at a time.

The CNG market continues to grow: more and more people are switching their conventional car for one that runs on natural gas. As a result, the fuel specialist is experiencing a significant rise in CNG sales.

- 6 new stations
- 10 extra stations equipped with CNG pumps
- Next financial year, 7 new stations (with CNG) and 12 extra CNG pumps at existing stations

Pioneer in mobile refuelling with XTRA

As of the start of 2019, DATS 24 customers can refuel with their mobiles using Xtra. In just three clicks: open the app, click on the tank function and finally select the pump number. After refuelling, simply replace the nozzle. By the time you get back in the car, the invoice is displayed on your smartphone screen. No need to print off a receipt. The day after refuelling, the amount is debited from your account. The entire focus is on speed, simplicity and customer experience. Since the launch of the new service, there have already been around 15.000 unique users. Read more

First public filling station for green hydrogen opens

As of October 2018, the DATS 24 station in Halle offers a full range of conventional and alternative fuels. Including 100% green hydrogen, locally produced using renewable electricity from our own wind turbines. Over the next five years, at Colruyt Group, we intend to invest a further EUR 35 million in the hydrogen economy, including four new filling stations. We receive EU funding for this. We need continuous support for hydrogen: not just financially, but also for raising awareness and for infrastructure in particular. We are also calling for a clear policy vision from the government. Read more

50% more CNG cars: better for the environment

More and more private individuals and companies are switching to natural gas. In the spring of 2019, twice as many CNG cars were driving around than a year earlier. This is despite the delayed launch of several new CNG car models due to the new testing standards. We see roughly the same increase for electric vehicles.

Natural gas is still cheaper at the pump. And, in Flanders, you have to pay no registration or road tax until the end of 2020. The fuel is also better for the environment. A CNG car emits 72% less fine particles, 76% less nitrogen oxides (NO_x) and 16% less carbon dioxide (CO_2) than a diesel car. Natural gas is also completely safe and can never pollute soil or water. Read more

2012

14 wind turbines
including 1 for Eoly Cooperative

56 solar energy systems

More than 30 employees in FTE

eoly.be

EOLY
COLRUYTGROUP ENERGY

Eoly generates green power using onshore wind turbines, solar panels and cogeneration. The sustainable energy producer also supplies power to Colruyt Group companies and external businesses. The company is a reliable and transparent supplier. Eoly works with customers to lower their energy consumption and make their energy supply more sustainable.

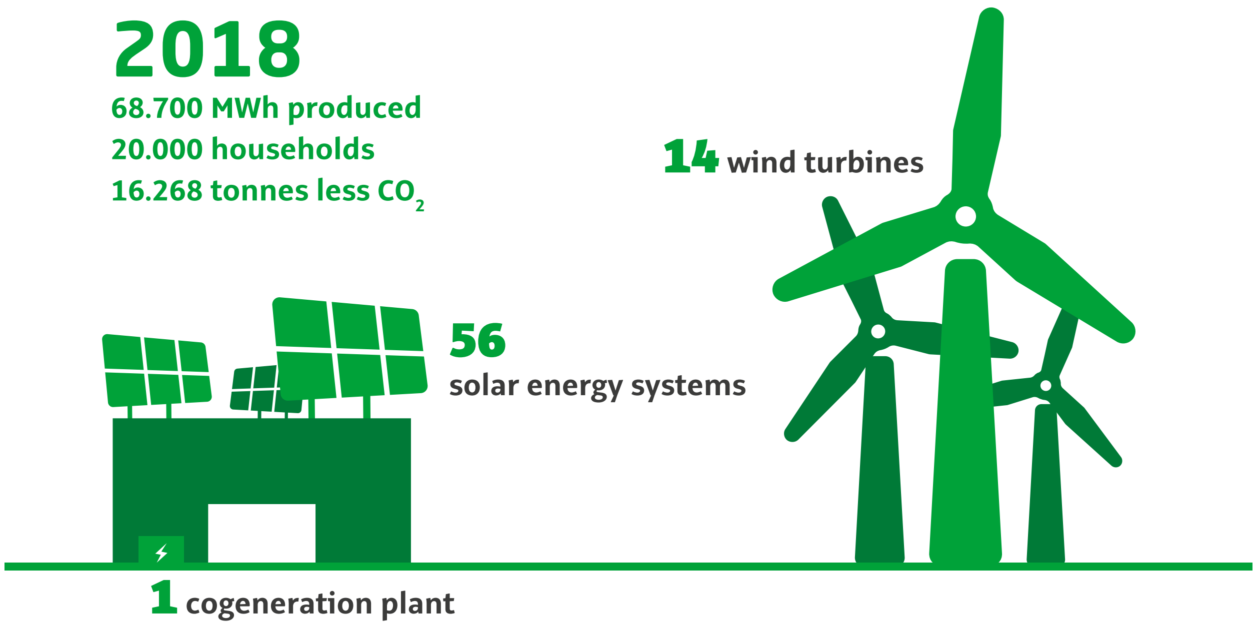
Eoly Cooperative offers local residents and other stakeholders the opportunity to invest directly in onshore wind farms.

31% Eoly already produces a third of our electricity consumption in Belgium

Maximising local production and consumption

This financial year, Eoly installed two more solar energy systems. We are also working hard to develop new wind energy projects. During periods when there is plenty of wind, our central operations are already powered entirely by self-generated green energy. That is our aim: to maximise local production and consumption.

Eoly also supplies sustainable energy to external businesses. These activities are constantly growing. More and more b2b customers are turning to Eoly for advice about producing their own energy or about hydrogen.



Flexibility platform

Eoly focuses on data analysis to create clear insights. It has developed an advanced system for this internally. The platform links Colruyt Group's energy consumption to current market prices for energy, predicted energy prices, weather data, user parameters and a range of technical requirements. Based on this, it automatically controls various systems in our central buildings. In short: we consume more energy when there is plenty of sun and wind and less when renewable energy is scarce. This reduces energy costs and improves grid stability.

First Annual General Meeting of Eoly Cooperative

Eoly Cooperative held its first Annual General Meeting at the beginning of June 2018. The high attendance demonstrates the strong commitment of member-owners. They have now received their first dividend payment.

Producing hydrogen on an industrial scale

The power-to-gas project of Eoly, Fluxys and Parkwind is backed by the federal Energy Transition Fund. We are working with these partners on a facility for producing hydrogen on an industrial scale. We intend to inject some of this hydrogen into the natural gas network, offer some as an alternative fuel and supply some to users wanting to switch to green hydrogen. Policies are also changing in the hydrogen economy.
Eoly intends to continue to contribute to this in future.

Investing in production capacity

Each year, Eoly increases its production capacity. We want to produce as much green energy as possible ourselves. Preferably in partnership with Eoly Cooperative.

- In March 2019, Eoly began to build **three turbines in Rebaix**, including one for the Cooperative. They are expected to start production in the autumn of 2020. Projects are also underway for Bassilly, Lessines/Silly and Frasnes-lez-Anvaing.
- We are working with Storm and Aspiravi to develop a **large wind farm running alongside the E40 motorway** towards France.
- Eoly applied for a permit for **two wind turbines in Lummen**, together with the *Broeders van Liefde* (O.C. Sint-Ferdinand).
- Solar energy is back on the agenda: its financial viability is increasing, despite the end of subsidy schemes. For this reason, in future, **every new Colruyt, OKay and Bio-Planet store** will have **solar panels**. During the next financial year, Eoly intends to invest in 4 MWp (megawatt peak).
- During the summer of 2019, Eoly will install **two new cogeneration systems** in Colruyt Group distribution centres.

Participations in offshore wind farms

Since 2009, Colruyt Group has invested in wind farms off the Belgian coast. The group has a 60,13% stake in Parkwind holding, an industrial company responsible for the development, contracting, financing, construction and exploitation of offshore wind farms in which it also is a shareholder. Korys, the Colruyt family's holding company, and the Flemish government (via *Participatie Maatschappij Vlaanderen*) also participate in Parkwind.

Power for 546.850 households

In 2018, the Belwind, Northwind and Nobelwind wind farms combined produced 1.848 GWh (gigawatt hours) of green electricity, equivalent to the annual consumption of 546.850 households. This is slightly less than expected: this year, there was less wind than the statistical average. During the last financial year, the turbines of the three wind farms once again achieved a very high availability, averaging more than 97%.

° 2010 165 MW **55 turbines**	° 2014 216 MW **72 turbines**	° 2017 165 MW **50 turbines**	° 2020 218 MW **23 turbines under construction**
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

Financing phase for Northwester 2 complete

In October 2018, Parkwind completed the financing phase for the new wind farm. Northwester 2 takes advantage of the government's revised support mechanism, applying to the last three wind farms to be developed in the North Sea.

Start of the works

Thanks to the financial close, the Belgian main contractor can start the offshore works in June 2019. The first electricity will be produced in December 2019. By 2020, Northwester 2 should be ready to deliver electricity equivalent to the consumption of 220.000 households. Each of the 23 MVOW V164 turbines has a capacity of 9,5 MW, a rotor diameter of 164 metres and a tip height of 197 metres. At the time of installation, the turbines will be the largest in the world. The wind farm will be connected to the 'power socket at sea' of Belgian grid operator Elia.

70% of the shares

This year, Colruyt Group sold its 30% direct stake in Northwester 2 to Sumitomo Corporation. Through the sale of this participation, we achieved a gain of EUR 18 million. At the end of March 2019, Parkwind owned 70% of the shares. All offshore wind energy projects now go through Parkwind.

Stake in Irish wind farm Clogherhead

Parkwind acquires 25% of the wind farm off the Clogherhead Coast in the east of Ireland. This is a project of Irish electricity company ESB. The total capacity is approximately 500 MW and will be developed in phases. In return, ESB acquires 25% of Parkwind's shares in the nearby Oriel wind farm. That project is much further on and has been controlled by Parkwind since 2017. Oriel Wind Farm will be built from 2022-2023 and will have a capacity of 330 MW, capable of supplying 280.000 households with green electricity.

Other international projects

The offshore world is constantly changing. In view of this, Parkwind constantly seeks challenging projects worldwide and strong partnerships to carry them out. For example, the company has pre-qualified for the French tender for Dunkirk and submitted a bid. Parkwind also looks forward to the new maritime spatial plan along the left side of the Belgian coast. It sees many possible synergies for development and maintenance. In short, Parkwind is pleased with the initiative from the Minister for the North Sea.

Parkwind wins German concession

This financial year, Parkwind won the tender for German wind farm Arcadis Ost 1 in the Baltic Sea. This was despite the highly competitive German offshore market. Construction of the farm with a capacity of 247 MW is scheduled for 2022.

Corporate services

Business Processes & Systems

Business Processes & Systems (BP&S) provides quality, 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 the specific requirements of Colruyt Group. Business Processes & Systems has more than 950 employees in Belgium, 25 in France and 400 in India. The department in India makes up for the shortfall of IT profiles in Belgium.

Corporate Marketing

Corporate Marketing has three tasks. First of all, the department gives strategic support to the management teams and marketing departments of the store formulas. In addition, Corporate Marketing determines the marketing strategy of Colruyt Group and sub-brands such as Collibri Foundation, Colruyt Group Academy and Xtra. And finally, the department is responsible for the brand management of house brands such as Boni Selection, Everyday, Dreamland and Kangourou. Every day, Corporate Marketing's seventy-strong team works on a strong identity, smart positioning and a recognisable corporate identity.

Corporate services operate at group level and support all store formulas with their own expertise.

Finance

The Finance department offers a full service package: from invoicing support and accounting, financial and analytical reporting and the production of forecasts to commercial legal support. The department has more than 300 employees in Belgium, France, India and Luxembourg. Finance constantly explores how it can improve its efficiency and effectiveness, to raise its service to an even higher level. For this reason, the department is focussed on the transformation to a process-oriented organisation. This will ensure that Finance can respond even better to the financial requirements of the entire group.

Customer Communication & Experiences

Customer Communication & Experiences (CCX) is Colruyt Group's communication, media and production agency. It translates the marketing objectives of the brands into targeted online and offline communication. CCX also uses the Symeta brand name for external clients. This print and document management specialist possesses unique print technology and is a major player in personalised marketing communication and transactional document flows. Symeta's external revenue is recorded under 'Other activities'. With more than 400 permanent employees, CCX is the largest communication and production agency in Belgium.

Technics, Real Estate & Energy

Technics, Real Estate & Energy is Colruyt Group's technical department in Belgium and Luxembourg. The 1.500 or so employees offer a complete service, from study and design to procurement, construction, installation, maintenance and prevention. Not just for stores and distribution centres, but also for vehicles and machines. Technics, Real Estate & Energy sets itself apart by its pursuit of sustainable, innovative solutions and often goes much further than required by law. It systematically applies sustainable techniques and meticulously follows environmental management rules.

People & Organisation

People & Organisation coordinates and supports Colruyt Group's HR policy. The 300 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.

The employees are specialists in IT, finance, communication, HR, marketing, technics, training and customer contacts.

In Contact

All customers, employees, suppliers and other partners of Colruyt Group in Belgium can take their questions to In Contact. The contact centre can be reached via various channels, including phone, email and social media. It handles around 3,4 million contacts each year. The customer is at the centre of all that the 250 employees do. For this reason, Colruyt Group invests year after year in training and expertise, along with modern technology and ergonomic office equipment.

COLRUYTGROUP ACADEMY

Colruyt Group Academy provides training courses for employees and workshops for consumers. The Academy has over eighty employees. Every year the group invests about 3,14% of the payroll, or around EUR 38,2 million, in training for employees. Colruyt Group Academy has the largest training offer in the Belgian private sector. Consumers can attend workshops at Colruyt Group Academy too. These are held at ten meeting centres and cover everyday themes around living life more consciously. Sustainable partnerships ensure affordable prices.

We believe that the Nutri-Score will grow into an authoritative, responsible indicator: a sound basis for a well-informed nutritional choice.

Make wiser choices with the Nutri-Score

This financial year, we were determined to implement the Nutri-Score. This label converts the nutritional value of products into a clear letter and colour code. We calculate the score based on a scientific algorithm. This gives customers total transparency about the nutritional value of more than 20.000 products available to buy at Colruyt, Bio-Planet, OKay and Spar Colruyt Group. Anyone can now look up the Nutri-Scores on our websites or via the MyColruyt and SmartWithFood app. Not just for our own brands, but for national brands too. By mid-2020, the label will be on the packaging of all Boni Selection food products as well. Read more

Realised by **Corporate Marketing**

Putting our faith in our own brands

In 2018, Boni Selection was five years old. Our own brand is performing very well, especially compared to market trends. In view of this, we are systematically expanding the range and making it even more tasty, balanced and sustainable. The private labels segment also offers great scope for innovation.

- This year, the sub-line **Boni Selection Eco** was added. Offering seventeen sustainable cleaning, care and garden products. Read more
- We have made the **Boni Kids offer** healthier. Read more
- Every year, we invest **EUR 2,5 million in taste and user tests** of our private labels. All 3.500 own brand products are continuously tested. Read more
- **Boni enVie**'s soup tackles food waste and long-term unemployment. Read more
- Boni herbs from our own **vertical farm** will reach the shelves of Bio-Planet by early 2020. Read more

Realised by **Corporate Marketing**

Investing in aquaculture

Colruyt Group has acquired a small stake in The Seaweed Company, an Irish firm that carries out research into seaweed. The goal: to gain insights and help support further innovation projects. This includes the current study into the cultivation of mussels and seaweed in the North Sea, along with our active role in Blue Cluster, the Flemish spearhead cluster for sustainable development in the North Sea.

Realised by **Technics, Real Estate & Energy**

33% more participants in 2018/19

New Academy in Melle

The offer of workshops for consumers continues to grow. More and more people are finding their way to Colruyt Group Academy. This is partly thanks to increased marketing communication. In addition, the tenth Academy opened its doors in Melle in August: a spacious new building with four kitchens and five multifunctional rooms. This is the Academy's largest site so far, with room for more than 200 participants.

Colruyt Group Academy expects even stronger growth in 2019/20. Next financial year, two new meeting centres will open in Kortrijk (April) and Liège (September). A further step towards twelve full-fledged sites, spanning the whole of Belgium and easily accessible for employees and the public. The Academy is also launching a revised, wider offer of children's parties and team-building activities for businesses. Workshops on conscious consumption are another focus area.

Realised by **Colruyt Group Academy**

Efficient data centres

Business Processes & Systems also invests in its data centres. The new hardware for storage and server virtualisation is far more energy-efficient: thanks to close monitoring, the PUE (Power Usage Effectiveness) fell from 2,40 in 2009 to 1,34 in 2018. We recover the heat produced by our IT systems to heat nearby offices. The data centres also run entirely on locally generated green energy.

Besides this, we invested in bandwidth, capacity, management software and connectivity between the various data centres. This improves the availability of our applications for customers and employees.

Realised by **Business Processes & Systems**

This financial year, Colruyt Group Academy inspired more than 55.000 consumers and employees

Internal training offer: focus on quality and blended learning

Last year, Colruyt Group Academy reviewed existing training courses and raised their quality. In particular, the offer around leadership and personal development was fully revised. Personal growth trainings were also updated. In addition, Colruyt Group Academy is focussing increasingly on blended learning: it believes in an ideal mix of e-learning, classroom training and learning on the job. Some 19.350 employees took a course via the Academy in 2018/19.

Realised by **Colruyt Group Academy**

Work-life balance

A healthy work-life balance is one of our basic principles. Last year, the HR department continued to promote flexible working, including through a new working framework based around regional working. Depending on their tasks, employees from corporate services can work in a shared office for up to two days a week. This financial year, we created 99 extra regional workplaces, including in a brand new regional office building in Denderhoutem. The 'Office on Wheels' pilot project was also completed successfully: the office bus will remain on the read. Every day, 28 employees travel on the bus between Ghent and Halle. These two initiatives improve the work-life balance while also offering a structural solution to mobility problems.

Realised by **People & Organisation** and **Technics, Real Estate & Energy**

10.400 PDAs

9.300 barcode scanners

17.500 computers

93% of defective IT assets are repaired. Amounting to 27.400 repairs per year.

Recruiting IT profiles in one day

As of October, applicants for nearly half of IT roles can opt to complete the whole selection process in one day. This has many advantages: the applicant only has to make him or herself available once, receives a much more realistic picture of the job and company culture and can come to a decision easier as a result. The concept is not new: many companies follow the same selection process. The big difference with us lies in the experience. We really make time for applicants. They spend a whole day with us, from the selection interview in the morning to a second test in the afternoon. They have lunch in our canteen, possibly followed by a tour, and can meet future colleagues. They can also ask questions right away. This gives them as complete a picture as possible and a sense of what it is like to work at Colruyt Group.

Around 65% of eligible applicants opt for this selection process.

Realised by **Business Processes & Systems** en **People & Organisation**

GDPR

GDPR: ahead of the game

On 25 May 2018, the new European privacy regulation (GDPR) came into force. All of our processes and systems were fully compliant well ahead of time. With more than three million registered customers, nearly 30.000 employees and 100.000 job applicants every year, we process a huge amount of data. We treat all of this data as strictly confidential. Our shared loyalty card Xtra led the way a year in advance. Customers manage all of their data and preferences themselves on their online profile. We only use personal data to refine our offer, present tailored promotions and open new stores in the right locations. We will never sell our customers' personal data.

Realised by **Corporate Marketing**

#dotogether

Working differently

Our revised employer brand emphasises how people make the difference every day at Colruyt Group. The slogan 'Working differently' is based on three pillars: #dotogether, #growtogether and #dreamtogether. We link these hashtags to authentic stories of employees from different areas. The result: a more precise match between our corporate identity and what future employees look for in an employer.

We apply this strategy in full on the new jobsite. Consistent communication encourages an influx of the right people.

Realised by **People & Organisation** and **Corporate Marketing**

#growtogether

#dreamtogether

Innovative work organisation

Last year, Finance tilted from a functional to a process-oriented organisation. Now, self-directed teams of ten to twenty colleagues per business partner carry out the financial process from A to Z: from transaction processing to accounting and financial controlling. Within this process, each employee now takes on several tasks. The result: job enlargement, higher job satisfaction and learning on the job. Managers coach their teams and get involved in operational duties.

The organisational tilt is no efficiency exercise for Finance, but part of a general policy centred on job enlargement, flexibility and lifelong learning. Sustainable careers are the ultimate goal.

Realised by **Finance**

104 million printed mailings

22 radio campaigns

127 million communications posted

39.000 orders

22 TV campaigns

16.000 tonnes of paper

New client segment for Symeta

Symeta managed to maintain its external revenue in a market in which the proportion of printed customer communications fell by around 7%. Paper communication is increasingly being replaced by digital alternatives. In response, Symeta is working hard to develop a broader offer of services and channels. This is so that it can better support its clients in their digital communications processes. The goal: to produce and send their communications faster, more cheaply and more efficiently. This financial year, Symeta continued to position itself in the market for accounting and transactional documents. Many companies are looking for a reliable partner for tax certificates, payroll documents and invoices. Symeta's hardware and processes are particularly well-suited to this. In recent months, it has managed to conclude some excellent long-term contracts with a number of new external clients.

Realised by **Customer Communication & Experiences**

Minority stake in Achilles Design

On 1 March 2019, we acquired a minority stake in Achilles Design through a capital increase. This experienced design agency specialises in brand and service design: skills that complement the expertise of our internal communication agency CCX and Technics, Real Estate & Energy.
A partnership of several years' standing creates strong mutual trust.

The stake guarantees Colruyt Group a quality partnership with a creative, experienced and technologically strong design agency. At the same time, the capital increase provides Achilles Design with the resources to continue growing as an autonomous business.

Realised by **Corporate Marketing**

Sustainable careers

Sustainable careers are a pillar of our HR policy. Especially now that people are working longer and longer. Ergonomics and psychosocial well-being matter, as do lifelong learning and career development.

- Pilot projects such as **exoskeleton** investigate how we can improve ergonomics in stores and distribution centres.
- OKay employees **no longer use ladders** to manage stock on the top shelves. A new platform is safer and more ergonomic.
- The **'In the driving seat of your career'** workshop helps employees define how they want their careers to progress.
- We support all long-term ill colleagues with an active **reintegration programme**.

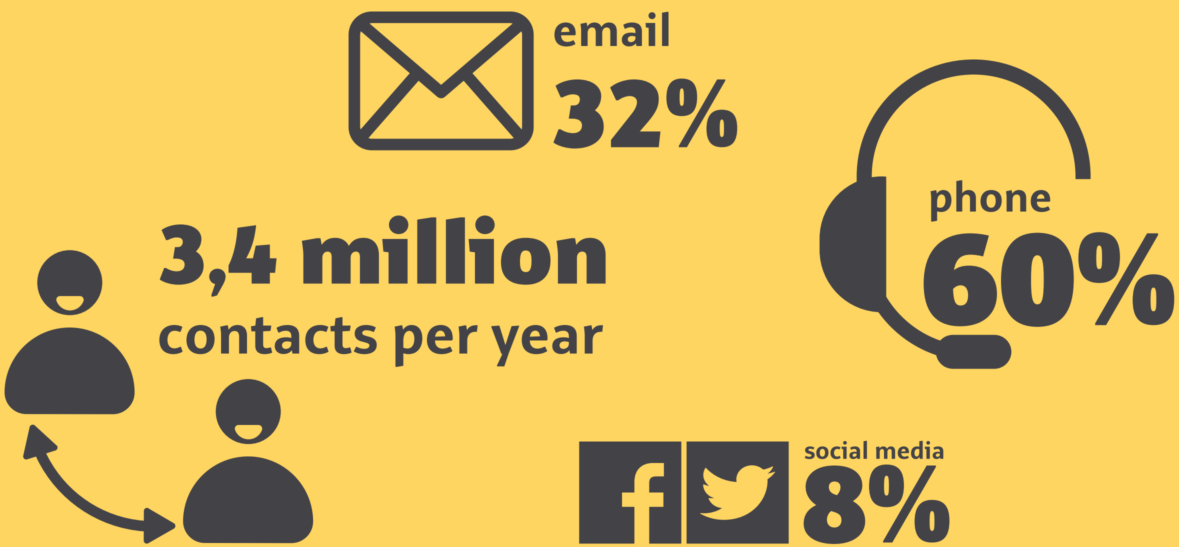
Realised by **People & Organisation**

Intelligent FAQ for employees and customers

In Contact has launched a new contact page for employees. There, they can find the right answer to frequently asked questions quickly at any time of the day. A smart algorithm places the most viewed answers at the top and links visitors to related pages. Based on the search terms used and feedback from users, In Contact constantly enriches the FAQ with new information. At the same time, there is an increase in efficiency for the contact centre. Ultimately, the contact page is designed to reduce the number of questions by phone and email by 20%.

Next financial year, the contact centre intends to launch similar pages for the store formulas. Dreambaby will be first. In the longer term, In Contact is also considering integrating chatbots and even virtual reality.

Realised by **In Contact**



Health at work

Through various pilot projects, we aim to help people eat more healthily and take more exercise. Because healthy employees are resilient employees. Read more

- We are trying out various formats around **balanced nutrition** at work. At OKay stores, for example, a healthy product is highlighted for employees every week. In the canteens of the central office buildings, the offer is more balanced and healthy products are at eye-level. The Nutri-Score on the price labels of many own brand products helps employees make more conscious choices.
- A pilot project encourages **more exercise**. Colleagues can work, hold meetings or lunch standing up, we are trialling organised runs at lunchtime and laying out signposted walking and cycle paths around the central sites.

Realised by **People & Organisation**

Innovative and sustainable vertical farming

We are the first retailer in Belgium to pilot our own vertical farm for herbs. Since the technology used was developed entirely within our own R&D department, it is perfectly tailored to our specific requirements. In the current test set-up, biotechnologists and engineers are perfecting the growing conditions. The goal: herbs with an intense, pure flavour and an extremely sustainable nature. We are already using 90% less water and 50% less nutrients than in conventional cultivation. And our own LED lighting is twice as efficient as the current market standard. Past innovation projects on water treatment, LED lighting, renewable energy, automation, ecodesign and refrigeration paved the way. Read more

Realised by **Technics, Real Estate & Energy**

Sustainable construction

Only low-energy stores from now on. Stores without fossil fuels. Experiments in circular construction. Our technical department is fully committed to innovative techniques, materials and building systems. Our goal: to evolve to 100% energy-efficient, circular construction.

Energy-efficient conversion of central buildings

Technics, Real Estate & Energy is performing an energy upgrade of central buildings and stores. Some distribution centres have already been given a facelift. The conversion of the head office Wilgenveld is also progressing well. For Dreambaby, the technical department has converted a building from the 90s into a modern distribution centre, focusing on sustainability and comfort. An example of how multi-functional construction can pay off years later.

Sustainably built stores

Sustainable construction covers many aspects. From materials and insulation to refrigeration and heating. Technics, Real Estate & Energy is constantly looking for ways to improve the current infrastructure in every respect. For this reason, the R&D department is conducting research into these specific areas. But the technical department also has other ideas. It is trying to integrate stores more into the city and the social fabric of the neighbourhood. For example, with city concepts such as OKay Compact or with 'supermarket housing': homes above store buildings.

Realised by **Technics, Real Estate & Energy**

Investing in added value

This chapter contains both financial and non-financial figures. However, there is a common element. All indicators show how we create added value in practice – economically, socially and ecologically. We have subdivided the sustainability indicators into the twelve programmes from the chapter 'Who are we?'.

Investments realised

(in million EUR)	2018/19	2017/18
I. Retail	**289**	**291**
Colruyt (Belgium and Luxembourg)	116	124
OKay, Bio-Planet and Cru	19	18
Dreamland and Dreambaby	4	4
Colruyt France and DATS 24 France	17	13
Other retail and real estate	132	131
II. Wholesale and Foodservice	**15**	**13**
Wholesale	8	4
Foodservice	1	3
Real estate	7	6
III. Other activities	**16**	**17**
IV. Unallocated corporate activities	**57**	**71**
Total Colruyt Group	**378**	**392**

The investments during the reporting period relate primarily to:
- the construction and modernisation of stores for Colruyt, OKay, Bio-Planet and Dreambaby in Belgium and for Colruyt in France
- the investments in production facilities for Colruyt Group Fine Food in Halle
- the construction of meeting centres for Colruyt Group Academy
- the renovation of the administrative buildings and distribution centres in Halle
- the investments in our machinery
- the investment in new refrigerated containers with liquid ice technology
- the investments in green energy (solar panels, wind turbines and CNG)
- the investments in our transformation programmes

Excluding any acquisitions or participations, Colruyt Group expects to realise an investment programme in a range between **EUR 390 and EUR 420 million** for financial year 2019/20. The majority of the investments relates to the construction of new stores or the renovation of existing stores and filling stations in Belgium and France. The other expected investments are for the restyling of administrative and logistical buildings, automation in logistical buildings, the planned opening of a regional hub in France and finally, further investments in liquid ice technology, CNG and green energy and in future-oriented transformation programmes.

Distribution centres and administrative buildings

	m^2	number
Production/distribution centres		
Belgium	587.511	23
France	50.017	3
Administrative buildings (office area)		
Belgium	144.359	27
France	7.445	4

Company-operated stores of Colruyt Group

		2018/19	2017/18	2016/17	2015/16	2014/15
BELGIUM AND LUXEMBOURG						
Colruyt	- number	243	239	237	237	236
	of which leased externally	19	19	19	19	21
	- in '000 m^2	426	414	403	395	384
OKay	- number	141	135	129	120	110
	of which leased externally	30	25	26	22	19
	- in '000 m^2	82	80	75	70	63
Bio-Planet	- number	29	27	24	19	13
	of which leased externally	15	13	12	10	7
	- in '000 m^2	19	18	16	13	9
Dreamland	- number	42	43	43	42	41
	of which leased externally	15	15	15	15	16
	- in '000 m^2	76	80	79	78	77
Dreambaby	- number	29	26	24	23	22
	of which leased externally	15	13	11	11	11
	- in '000 m^2	17	15	14	14	13
Cru	- number	3	3	3	1	1
	of which leased externally	2	2	2	0	0
	- in '000 m^2	2	2	2	1	1
FRANCE (1)						
Colruyt	- number	85	78	74	72	73
	of which leased externally	3	3	3	3	4
	- in '000 m^2	81	76	72	68	70
Dreamland	- number	0	2	2	2	2
	of which leased externally	0	2	2	2	2
	- in '000 m^2	0	4	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 2014/15 to 2017/18, this relates to the number on closing date 31 December.

Key figures over five years

(in million EUR)	2018/19	2017/18	2016/17	2015/16	2014/15
Revenue	9.434	9.031	9.493	9.177	8.917
Retail	7.837	7.551	7.319	7.148	6.871
Wholesale and Foodservice	958	933	1.688	1.589	1.541
Other activities	713	690	638	593	649
Intersegment	- 73	- 143	- 152	- 153	- 144
Gross profit	2.471	2.350	2.415	2.321	2.219
EBITDA	758	734	744	720	700
EBITDA margin	8,0%	8,1%	7,8%	7,8%	7,8%
EBIT	485	488	493	507	495
EBIT margin	5,1%	5,4%	5,2%	5,5%	5,6%
Profit before taxes	519	519	510	518	511
Taxes	135	145	126	152	148
Net profit	384	374	383	366	363
Net profit margin	4,1%	4,1%	4,0%	4,0%	4,1%
Cash flow from operating activities	565	497	537	641	570
Free cash flow	260	70	352	262	203
Total equity	2.208	2.042	2.140	2.048	1.801
Balance sheet total	4.147	4.054	4.095	4.019	3.661
Investments	378	392	387	388	369
ROCE	17,3%	18,9%	20,2%	21,4%	21,7%
Market capitalisation at the end of the financial year	9.460	6.747	6.900	7.660	6.350

In the interests of comparability, the figures of financial year 2014/15 exclude the amount of the settlement with the Investigation Service of EUR 31,6 million. As from financial year 2017/18, the figures are exclusive of the French foodservice business Pro à Pro.

Key figures over five years

(continued)

(in million EUR)	2018/19	2017/18	2016/17	2015/16	2014/15
Weighted average number of outstanding shares	137.758.364	143.361.535	146.729.840	147.004.025	149.419.713
Number of outstanding shares on 31 March	143.552.090	150.196.352	149.935.894	149.609.386	156.636.503
Earnings per share (EPS)	2,78	2,60	2,60	2,49	2,21
Gross dividend per share	1,31	1,22	1,18	1,12	1,00
Dividend yield	1,99%	2,72%	2,56%	2,19%	2,47%
Number of employees	29.903	29.388	29.255	29.683	28.117
Number of employees in FTE	28.339	27.795	27.633	28.047	26.491
Number of own stores in Belgium, Luxembourg and France	572	553	536	516	498
Store area of own stores in '000 m^2	704	687	665	641	622
Number of independent storekeepers in Belgium and affiliated stores in France (excluding independent retailers)	579	581	667	679	543

Our sustainability reporting can be found on the next few pages. Where we use the term 'year', this refers to the calendar year. Where we use the term 'financial year' with, for example, '2014' as reference, this relates to financial year 2014/15 (1 April 2014 to 31 March 2015 inclusive). Where we use the term 'products', this refers to our own brand products.

The indicators in this report apply mostly to Colruyt Group in Belgium, since more than 90% of our activities are concentrated there. This is a first step. We are committed to gradually expand the scope of the sustainability reporting in the coming years.

PROGRAMME 1 Agriculture

No indicators are available for the Agriculture programme as yet. We are working on this.

PROGRAMME 2 Health

Nutritional composition

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Products with improved nutritional composition	SDG 3	Year	2014	93	**167**		
# Tonnes per year reduction in fat	SDG 3	Year	2015	66	**49,8**		
# Tonnes per year reduction in saturated fat	SDG 3	Year	2015	41	**63,9**		
# Tonnes per year reduction in sugar	SDG 3	Year	2015	250	**421**		
# Tonnes per year reduction in salt	SDG 3	Year	2015	9	**28,2**		
# Tonnes per year increase in fibre	SDG 3	Year	2015	18	**26,9**		

PROGRAMME 3 **Animal welfare**

Chicken eggs

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
% Fresh chicken eggs not from cage systems	SDG 12	Year	2005	100	**100**		No fresh chicken eggs from cage systems
% Products containing chicken eggs not from cage systems	SDG 12	Year	2014	98	**100**		Since 2014 no eggs from cage systems in own brands

Rabbit

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
% Fresh rabbit meat from park systems (excluding ready-made dishes) supplied by Fine Food Meat	SDG 12	Year	2014	100	**100**	2018	100% Belgian rabbits from park systems

PROGRAMME 4 Work context

Social audits non-food

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
Total # non-food producers in at-risk countries	SDG 1, 8	Year	2008	190	**372**		

Social audits food

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
Total # food producers in at-risk countries	SDG 1, 8	Year	2013	141	**152**		

Social audits in general

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
Total # producers monitored (general) in at-risk countries	SDG 1, 8	Year	2013	318	**524**		
% Producers in at-risk countries (audited at least once)	SDG 1, 8	Year	2013	61,7	**100**		
% Producers in at-risk countries with acceptable result	SDG 1, 8	Year	2018	94,5	**94,5**		We aim for 100% each year
# Producers improved from poor to acceptable result compared with previous year	SDG 1, 8	Year			**11**		
# Producers with which cooperation was terminated due to a violation of the Code of Conduct	SDG 1, 8	Year	2018	7	**7**		We aim for 0 terminations each year

Sustainable employment and careers

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # employees	SDG 8	Financial year	2000	10.497	**29.903**		
% Men	SDG 8	Financial year	2017	60,4	**60,5**		
% Women	SDG 8	Financial year	2017	39,6	**39,5**		
% White-collar	SDG 8	Financial year	2017	78,8	**78,9**		
% Blue-collar	SDG 8	Financial year	2017	21,2	**21,1**		
% Full-time	SDG 8	Financial year	2017	79,2	**78,6**		
% Part-time	SDG 8	Financial year	2017	20,8	**21,4**		
Age pyramid: % employees under 20	SDG 8	Financial year	2017	0,54	**0,6**		
Age pyramid: % employees between 20 and 25	SDG 8	Financial year	2017	7,5	**7,2**		
Age pyramid: % employees between 25 and 30	SDG 8	Financial year	2017	15,59	**14,9**		
Age pyramid: % employees between 30 and 40	SDG 8	Financial year	2017	29,7	**29,7**		
Age pyramid: % employees between 40 and 50	SDG 8	Financial year	2017	26,48	**25,9**		
Age pyramid: % employees between 50 and 60	SDG 8	Financial year	2017	18,45	**19,5**		
Age pyramid: % employees over 60	SDG 8	Financial year	2017	1,73	**2,2**		
# Nationalities	SDG 8	Financial year	2017	82	**85**		
# Job students	SDG 8	Financial year	2014	5.500	**6.536**		
# Courses 'In the driving seat of your career'	SDG 8, 4	Financial year	2017	114	**87**		
# Job rotations	SDG 8, 4	Financial year	2014	781	**798**		
# Reorientation programmes	SDG 8, 4	Financial year	2014	104	**158**		
Average # years service	SDG 8	Financial year	2014	8,54	**9,56**		

Job creation

Breakdown by segment	In number of employees 31/03/2019	31/03/2018	Change in employment	In full-time equivalents (FTE) 31/03/2019	31/03/2018	Change in employment
Retail (1)	25.351	24.900	451	23.918	23.424	493
Wholesale and Foodservice (1)	1.442	1.454	- 12	1.406	1.424	- 17
Other activities	85	70	15	82	68	15
Corporate (unallocated)	3.025	2.964	61	2.933	2.880	53
Total Colruyt Group	**29.903**	**29.388**	**515**	**28.339**	**27.795**	**544**
- Belgium (2)	27.133	26.601	532	25.709	25.218	491
- Luxembourg	117	115	2	115	115	0
- France (3)	2.221	2.252	- 31	2.083	2.042	41
- Other countries	432	420	12	432	420	12

(1) As of financial year 2018/19, Colex employees are reported in the retail segment (included in the wholesale and foodservice segment in 2017/18).
(2) These figures are exclusive of job students employed during the weekend or in the school holidays (6.536 on 31/03/2019 and 6.003 on 31/03/2018).
(3) Number of employees and FTEs on 31/3/2019 and 31/12/2018 respectively. The definition of employees and full-time equivalents was revised in financial year 2018/19. On a comparable basis, the number of employees in France increased by 74 and the number of full-time equivalents by 52.

Inspiring students

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Teachers introduced to Colruyt Group business operations	SDG 8, 4	Financial year	2014	13	**36**		
# Participants "butcher" course	SDG 8, 4	Financial year	2014	33	**28**		
# Traineeship programmes	SDG 8, 4	Financial year			**8**		
# Guest lectures at educational institutions	SDG 8, 4	Financial year			**17**		
# Interns	SDG 8, 4	Financial year			**508**		
# School visits to distribution centres	SDG 8, 4	Financial year	2017	73	**98**		

Sustainable development and employability: dialogue

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Participants ‘basic communication skills’ course	SDG 16	Financial year			**620**		
# Participants ‘getting on with the trade unions’ course	SDG 16	Financial year			**9**		

Solidarity Fund

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Dossiers submitted	SDG 8	Financial year	2017	1.385	**1.669**		
# Dossiers paid	SDG 8	Financial year	2017	1.162	**1.299**		
Total amount paid (in EUR)	SDG 8	Financial year	2014	906.344	**1.076.723**		
# Registered members	SDG 8	Financial year	2014	15.445	**18.447**		
% Registered members	SDG 8	Financial year			**68,16**		

Profit sharing and employer's shares (capital increase)

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total profit sharing amount (in million EUR)	SDG 8	Financial year	2017	26,67	**26,09**		
# Employees capital increase	SDG 8	Financial year	2017	2.182	**2.259**		
# Corresponding shares	SDG 8	Financial year	2017	260.458	**355.738**		
Total amount of capital contribution of employees (in million EUR)	SDG 8	Financial year	2017	10,2	**15,2**		

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. This company collective labour agreement has since been extended a number of times. The latest collective labour agreement runs until the end of 2018.
- 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. A proportion of this is 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. The benefits of collective labour agreement 90 can only be paid out in cash.
- Due to a change in the legislative framework, a solidarity contribution of 13,07% has been deducted from the results-related bonuses (CLA 90) since 2013.
- For financial year 2018/19, subject to approval by the General Meeting, the total share in the profit will be EUR 26,09 million, broken down as follows:
  - a profit participation payment of EUR 5,40 million (76% in cash and 24% in shares), as stipulated according to the Act of 22 May 2001 on employee participation in the capital and profit of companies;
  - a payment of EUR 20,69 million according to CLA 90 and 90bis on non-recurring results-related benefits.

Overview of profit participation since financial year 2001/02

Year		Amount of profit participation in million EUR [1]	Total number of employees	CASH: In million EUR	CASH: Number of employees	SHARES: In million EUR	SHARES: Number of shares	SHARES: Number of employees
From 2001/02 to 2009/10		152,46	101.136	79,61	61.763	72,85	2.504.540	39.373
2010/11	Profit participation	9,89	19.605	5,54	11.985	4,35	101.339	7.620
	Results-related bonus	14,95		14,95				
	Total	24,84		20,49				
2011/12	Profit participation	8,97	20.877	5,55	13.797	3,42	97.196	7.080
	Results-related bonus	15,62		15,62				
	Total	24,59		21,17				
2012/13	Profit participation	7,46	21.203	4,64	13.807	2,82	63.921	7.396
	Results-related bonus	18,56		18,56				
	Total	26,02		23,20				
2013/14	Profit participation	5,43	22.249	3,66	14.948	1,77	37.378	7.301
	Results-related bonus	16,95 [2]		16,95				
	Total	22,38		20,61				
2014/15	Profit participation	7,02	22.880	4,71	15.404	2,31	47.942	7.476
	Results-related bonus	18,82 [2]		18,82				
	Total	25,84		23,53				

(1) The specified payments concern gross amounts on which the following deductions are applied upon payment to the employees:
- Profit participation: 13,07% employee social security contribution and withholding tax when cash is chosen and 15% solidarity contribution when shares are chosen.
- Results-related bonus (CLA 90): 13,07% employee social security contribution.

(2) Employer social security contributions are due on the results-related bonus (CLA 90) (EUR 6,83 million in 2018/19 and EUR 6,83 million in 2017/18).

Overview of profit participation since financial year 2001/02 (continued)

Year		Amount of profit participation in million EUR (1)	Total number of employees	CASH In million EUR	CASH Number of employees	SHARES In million EUR	SHARES Number of shares	SHARES Number of employees
2015/16	Profit participation	6,78	23.856	4,42	15.989	2,36	39.894	7.867
	Results-related bonus	19,57 (2)		19,57				
	Total	26,35		23,99				
2016/17	Profit participation	5,78	24.955	4,08	17.213	1,70	32.104	7.742
	Results-related bonus	19,66 (2)		19,66				
	Total	25,45		23,74				
2017/18	Profit participation	5,97	25.386	4,64	19.261	1,33	25.592	6.125
	Results-related bonus	20,70 (2)		20,70				
	Total	26,67		25,34				
2018/19	Profit participation	5,40	25.350	4,13	19.375	1,27	16.963	5.975
	Results-related bonus	20,69 (2)		20,69				
	Total	26,09		24,82				
	TOTAL	**380,68**		**286,50**		**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% employee social security contribution and withholding tax when cash is chosen and 15% solidarity contribution when shares are chosen.
- Results-related bonus (CLA 90): 13,07% employee social security contribution.

(2) Employer social security contributions are due on the results-related bonus (CLA 90) (EUR 6,83 million in 2018/19 and EUR 6,83 million in 2017/18).

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 2018/19, and which took place in November 2018, 2.259 employees subscribed to 355.738 shares, representing a capital contribution of EUR 15,2 million. Since 1987, employees of the group have subscribed to 22.194.015 shares of their own company, or the parent company, for a total amount of EUR 239,5 million.

Capital increases reserved for employees since 1987

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
Total	**239,5**	**22.194.015**

Well-being at work

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Occupational accidents	SDG 8, 3	Financial year	2014	609	**928**		
Severity of accidents	SDG 8, 3	Financial year	2014	0,54	**0,59**		
Frequency of accidents	SDG 8, 3	Financial year	2014	18,25	**25,1**		
# Days lost	SDG 8, 3	Financial year	2014	18.009	**21.825**		
# Long-term ill employees contacted	SDG 8, 3	Financial year	2017	1.500	**1.801**		
# Employees vaccinated against flu	SDG 8, 3	Financial year	2016	4.187	**4.624**		

PROGRAMME 5 # Training & development

Colruyt Group Academy for employees

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Cost of investment in education and training (in million EUR)	SDG 8, 4	Financial year	2017	38,0	**38,2**		
% Investment in education and training (in relation to payroll)	SDG 8, 4	Financial year	2017	3,16	**3,14**		
# Participants to Colruyt Group Academy internal training	SDG 8, 4	Financial year	2017	17.600	**19.350**		
# Employees who followed job-related trainings at suppliers	SDG 8, 4	Financial year	2017	2.111	**1.256**		

Focus on personal growth of employees

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Different personal growth trainings	SDG 8, 4	Financial year	2018	51	**51**		
# Personal growth training sessions given	SDG 8, 4	Financial year	2017	472	**239**		
# Unique participants to personal growth training	SDG 8, 4	Financial year	2017	4.574	**1.698**		
% Managers who followed a personal growth training	SDG 8, 4	Financial year	2017	30	**19**		

Colruyt Group Academy for consumers

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Colruyt Group Academy meeting centres	SDG 8, 4	Financial year	2017	9	**10**		
# Workshops for customers	SDG 8, 4	Financial year	2017	2.476	**2.891**		
# Workshop participants	SDG 8, 4	Financial year	2017	29.066	**37.549**		

PROGRAMME 6 **Living together**

Collibri Foundation

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Investment amount in Collibri Foundation (in EUR)	SDG 17	Year	2017	533.321	**647.928**		
# Training projects of Collibri Foundation	SDG 17	Year	2017	13	**13**		
# Young people directly involved in training projects Collibri Foundation	SDG 17	Year	2018	5.124	**5.124**		
% Projects in Belgium	SDG 17	Year	2018	24	**24**		

Dinner is served at 1-2-3 euros

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Families taking part in '1-2-3 euros' programme	SDG 3, 17	Financial year	2017	2.400	**5.069**		
# Cities and municipalities taking part	SDG 3, 17	Financial year	2017	110	**171**		

Eoly Cooperative

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Member-owners of Eoly Cooperative	SDG 7, 17	Year	2017	1.193	**1.193**		

Contributions passed on to the Belgian treasury in proportion to added value

In the last financial year, all Belgian companies of Colruyt Group together passed on EUR 948,8 million in social, fiscal and product-related taxes to the Belgian treasury. In addition, the net VAT payment (difference between VAT payable and deductible) to the tax authorities amounted to EUR 311,0 million.

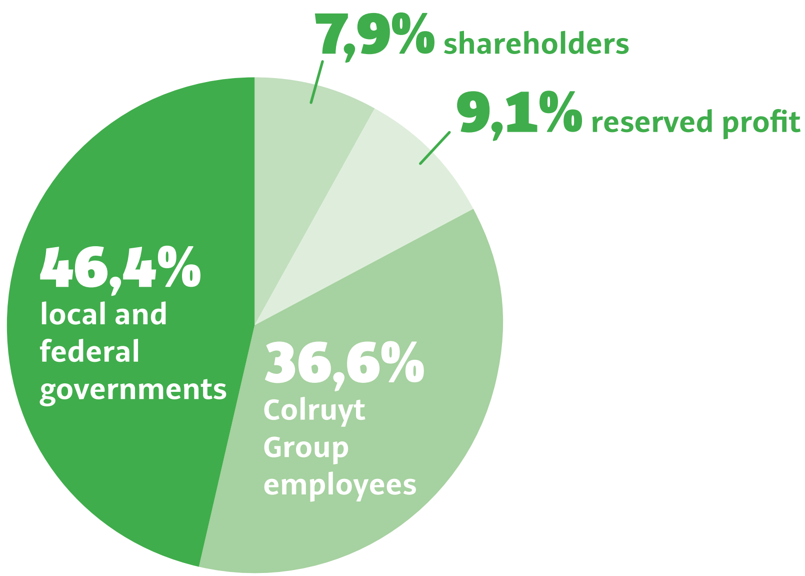
Payments made to the Belgian treasury

	(in million EUR)
Social security [1]	330,2
Withholding tax on wages [1]	132,7
Income tax on profits	131,0
Product-related taxes (customs, excise)	315,9
Withholding taxes	21,1
Property withholding taxes	9,1
Registration duties, provincial and municipal taxes and other federal taxes	8,8
Total	**948,8**

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

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

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 2,04 billion. Of this, 46,4% in taxes flows to the various local and federal governments and 36,6% is paid to employees for services rendered. 7,9% is paid to shareholders [2] and the remaining 9,1% is invested back into the group to finance future projects.



(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 948,8 million as a percentage of the net added value corrected in this way.
(2) This calculation method takes no account of purchases or cancellations of treasury shares.

Wild fish and shellfish

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # products wild fish and shellfish (excluding ready-made dishes and canned products)	SDG 12, 14	Year	2017	131	**173**		
% MSC certified products wild fish and shellfish	SDG 12, 14	Year	2012	0	**81,5**		
% MSC certified or ILVO monitored products wild fish and shellfish	SDG 12, 14	Year	2012	0	**89,59**	2020	100% sustainable (MSC certified or ILVO monitored)

Canned fish

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # products canned fish	SDG 12, 14	Year	2017	30	**30**		
% MSC certified products canned fish (wild fish)	SDG 12, 14	Year	2017	0	**36,7**		

Farmed fish and shellfish

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # ASC and Organic certified products farmed fish and shellfish	SDG 12, 14	Year	2018	81	**81**		
Total # products farmed fish and shellfish	SDG 12, 14	Year	2018	95	**95**		
% ASC and Organic certified products farmed fish and shellfish	SDG 12, 14	Year	2018	85,3	**85,3**		

Wood

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # wood products (min. 60% wood)	SDG 12, 15	Year	2017	134	**218**		
% FSC/PEFC certified wood products (min. 60% wood)	SDG 12, 15	Year	2016	78	**71,1**	2020	Aiming for 100%

Paper

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
Total # paper products	SDG 12, 15	Year	2017	204	**204**		
% FSC/PEFC certified paper products	SDG 12, 15	Year	2015	0	**100**		100% FSC or PEFC certified

Charcoal

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
% Certified charcoal products	SDG 12, 15	Year	2017	0	**50**	2019	50% certified

Cotton

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
% White bodies with GOTS certification (organic) at Dreambaby	SDG 12	Year	2015	0	**100**		100% GOTS certified white bodies at Dreambaby

Cocoa

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total # products containing cocoa	SDG 12	Year	2017	223	**218**		
% Certified products containing cocoa (UTZ, Organic, Fairtrade)	SDG 12	Year	2017	91	**98,2**	2019	100% with at least 1 certification

Coffee

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
% Certified coffee beans (UTZ, Rainforest Alliance, Organic, Fairtrade)	SDG 12, 15	Year	2015	1,8	**99,5**	2019	100% of the bought coffee bean volume is certified
% Certified coffee products (UTZ, Rainforest Alliance, Organic, etc.)	SDG 12, 15	Year	2015	3,7	**95,4**	2019	100% certified products

Soy feed

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Tonnes soy feed used in meat and dairy production	SDG 12, 15	Year	2017	33.100	**33.100**		
# Tonnes soy feed purchased with RTRS credits (BR)	SDG 12, 15	Year	2017	33.000	**33.100**		
% Soy feed offset by purchase of RTRS credits	SDG 12, 15	Year	2017	99,7	**100**	2019	100%

Palm oil and palm kernel oil

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Volume palm oil marketed (in tonnes)	SDG 12, 15	Year	2015	5.641	**4.769,38**		
% Palm oil: RSPO Mass Balance	SDG 12, 15	Year	2015	40	**47,25**	2020	0% RSPO Mass Balance
% Palm oil: RSPO Segregated	SDG 12, 15	Year	2015	35	**49,96**	2020	100% RSPO Segregated
% Palm oil: via purchased RSPO credits	SDG 12, 15	Year	2015	24,9	**2,79**	2020	0%
# Volume palm kernel oil marketed (in tonnes)	SDG 12, 15	Year	2015	472	**780**		
% Palm kernel oil: RSPO Mass Balance	SDG 12, 15	Year	2015	19,5	**21,57**		
% Palm kernel oil: RSPO Segregated	SDG 12, 15	Year	2015	0	**0,64**		
% Palm kernel oil: via purchased RSPO credits	SDG 12, 15	Year	2015	80,5	**77,79**		

PROGRAMME 8 **Raw materials**

Supply chain projects

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
# Active supply chain projects	SDG 12, 17	Year	2017	4	**7**	2020	10 supply chain projects by end of 2020
# Products from supply chain projects	SDG 12, 17	Year	2017	36	**41**		
# Farmers involved in supply chain projects, impact on farmers (estimated)	SDG 12, 17	Year	2017	30.550	**31.902**		

Valorisation of waste flows

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
% Fresh and frozen products actually sold	SDG 12	Year	2016	97,27	**97,38**		
% Waste recycling rate	SDG 12	Year	2003	64,04	**83,17**	2021	at least 85%
% Food loss to human consumption	SDG 12	Year	2009	2,3	**10**		
% Food loss to animal food	SDG 12	Year	2009	0	**18,1**		
% Food loss to biochemistry	SDG 12	Year	2009	7,4	**2,7**		
% Food loss incinerated or fermented	SDG 12	Year	2009	90,2	**69,2**		

Packaging

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Tonnes of plastic saved through charcuterie trays	SDG 12	Year	2017	0	**130**		

PROGRAMME 9 Water

Water

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Total water consumption (m^3)	SDG 12, 6	Year	2017	566.000	**561.694**		
% Mains water	SDG 12, 6	Year	2017	64	**67**		
% Groundwater	SDG 12, 6	Year	2017	10	**9**		
% Rainwater	SDG 12, 6	Year	2017	11	**9**		
% Waste water	SDG 12, 6	Year	2017	15	**15**		
Recycled waste water Fine Food Meat (m^3)	SDG 12, 6	Year	2017	81.000	**85.381**		
PURA drinking water system, water produced (m^3)	SDG 12, 6	Year	2017	2.624	**1.912**		

Hydrogen

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Logistics vehicles running on hydrogen in use	SDG 7, 13	Financial year	2017	30	**15**		
# DATS 24 public hydrogen filling stations	SDG 7, 13	Financial year	2017	0	**1**	2020	5
# Hydrogen cars	SDG 7, 13	Financial year			**18**		

Energy consumption - renewable energy - coverage rate - synchronisation

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Energy consumption (MWh/million EUR revenue)	SDG 7	Year	2009	62,92	**58,15**	2020	54,10
% Energy consumption reduction compared with 2009, in comparison to revenue	SDG 7	Year	2009	0	**7**	2020	14
% Electricity consumption (own production, purchase of green certificates) in Belgium and France	SDG 7	Year	2010	100	**100**	2018	100%
% Electricity consumption (own production, purchase of green certificates) in India and Hongkong	SDG 7	Year	2018	100	**100**		
Electricity consumption Colruyt Group in Belgium and Luxembourg (MWh)	SDG 7	Year	2018	223.828	**223.828**		
% Electricity production Eoly and Colruyt Group's share in Parkwind in relation to the electricity consumption of Colruyt Group in Belgium and Luxembourg	SDG 7	Year	2018	264	**264**		
Electricity production Eoly (MWh)	SDG 7	Year	2015	39.708	**68.700**		
Electricity production wind (MWh)	SDG 7	Year	2015	33.648	**55.700**		
Electricity production solar (MWh)	SDG 7	Year	2015	4.776	**6.600**		
Electricity production cogeneration (MWh)	SDG 7	Year	2017	6.645	**6.400**		
Energy production cogeneration (thermal - MWh)	SDG 7	Year	2017	6.528	**6.400**		
Electricity production offshore wind farms via Parkwind (MWh)	SDG 7	Year	2011	567.065	**1.848.000**		
Electricity production offshore wind farms for Colruyt Group (MWh)	SDG 7	Year	2011	267.803	**522.000**		
% Average coverage rate	SDG 7	Year	2015	22,5	**31**	2023	100% coverage rate (own electricity production)
% Average synchronisation rate	SDG 7	Year	2017	66,2	**73**		

PROGRAMME 11 Climate

Reduction greenhouse gas emissions

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
Colruyt Group greenhouse gas emissions (tonnes CO_2 per million revenue)	SDG 13	Financial year	2008	16,49	**14,31**	2020	13,2
Colruyt Group greenhouse gas emissions (% reduction)	SDG 13	Financial year	2008		**13**	2020	20

Refrigeration

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Liquid Ice Containers for fresh products	SDG 13	Financial year	2014	0	**6.600**	2018	6.600
# Liquid Ice Containers for frozen products (-40°C)	SDG 13	Financial year	2016	0	**142**		
# Stores with propane refrigeration systems	SDG 13	Financial year	2014	0	**75**	2030	All (re)opening stores with refrigeration
# Stores with heat recovery from refrigeration systems	SDG 13	Financial year	2016	0	**12**		

Infrastructure

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# New low-energy stores	SDG 7	Year	2012	3	**91**		
# Existing stores with energy-saving conversion	SDG 7	Year	2017	14	**28**	2029	All existing stores

Sustainable mobility for employees

KPI	SDG(s)	Year Type	Reference Year	Reference Value	2018	Target Year	Target Value
# Regional offices	SDG 13	Financial year			**10**		
# Tonnes CO_2 reduction per year through office bus	SDG 13	Financial year	2017	64	**64**		
# Lines office bus	SDG 13	Financial year	2017	1	**1**		
# Fewer cars on the road per day thanks to office bus	SDG 13	Financial year	2017	22	**22**		
# Kilometres saved through office bus	SDG 13	Financial year	2017	239.431	**508.440**		
# Company bicycles (conventional and electric)	SDG 13	Financial year	2008	1.463	**4.702**		
% Diesel cars	SDG 13	Financial year	2018	57,16	**57,16**		
% CNG cars	SDG 13	Financial year	2018	41,17	**41,17**		
% Hybrid cars	SDG 13	Financial year	2018	0,7	**0,7**		
% Electric cars	SDG 13	Financial year	2018	0,57	**0,57**		
% Hydrogen cars	SDG 13	Financial year	2018	0,4	**0,4**		
% Petrol cars	SDG 13	Financial year	2018	0	**0**		

Goods transport: inbound & outbound

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Journeys saved (inland waterways Belgium)	SDG 13	Financial year	2015	2.946	**4.502**		
Tonnes CO_2 saved through modal shift in EU	SDG 13	Financial year			**8.518**		
% Load factor inbound deliveries Colruyt	SDG 13	Financial year			**77**		
% Inbound deliveries at night	SDG 13	Financial year			**23,3**		
% Filling level of Colruyt trucks (# m^2 in % of trailer area)	SDG 13	Financial year	2017	94,48	**94,61**		
% Deliveries in late evening or early morning and at night	SDG 13	Financial year			**49,08**		
# Young people reached through training on 'blind spot'	SDG 13	Financial year	2017	9.634	**11.586**		

Smart refuelling and loading

KPI	SDG(s)	Year Type	Reference		2018	Target	
			Year	Value		Year	Value
# Electric charging stations	SDG 7, 13	Financial year	2017	12	**68**		
# Sites with electric charging stations	SDG 7, 13	Financial year	2017	12	**65**	2021	200 sites with charging stations
# Electric charging points	SDG 7, 13	Financial year	2017	24	**135**		
# DATS 24 stations with CNG pump	SDG 7, 13	Financial year	2010	2	**65**	2020	84 CNG stations by end of financial year 2019/20

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 Board of Directors - financial year 2018/19

Capacity	Name	Audit Committee member	Remuneration Committee member	Appointment expires at GM in
Representatives of the principal shareholders, executive directors	• Jef Colruyt			2022
	• Frans Colruyt			2021
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: Jef Colruyt (Chairman)			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 GCV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SPRL whose permanent representative is: Chantal De Vrieze	X	X	2019
Secretary	• Kris Castelein			

The following change occurred in the course of financial year 2018/19: at the end of March 2019, the Board of Directors co-opted Rika Coppens (permanent representative of Fast Forward Services BVBA) as independent director in accordance with article 526ter of the Companies Code to fill the post left vacant by Frans Colruyt. He resigned from the board as an individual and as Managing Director at the end of financial year 2018/19. We wish to thank Frans Colruyt most sincerely for the key role he has played in the sustainable growth of Colruyt Group.

In addition to the appointments as directors of the Colruyt Group companies, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt and François Gillet, as well as Ms Astrid De Lathauwer and Ms Chantal De Vrieze, also hold other external directorships. However, in accordance with the provisions of the Belgian Corporate Governance Code 2009, the above-mentioned directors do not exceed the maximum number of five directorships in listed companies.

1.2. Auditor

ERNST&YOUNG BEDRIJFSREVISOREN BCVBA (B00160) represented by Danny Wuyts BVBA [A01979]. The appointment of the auditor expires after the General Meeting of 2019.

The Board of Directors proposes to reappoint ERNST&YOUNG BEDRIJFSREVISOREN BCVBA (B00160), represented by Danny Wuyts BVBA [A01979], as auditor for a period of three years, up to the 2022 General Meeting.

1.3. Reappointment and appointment of directors at the General Meeting of 25 September 2019

The appointment of Chantal De Vrieze, acting as permanent representative of 7 Capital SPRL, expires after the General Meeting of 25 September 2019. Since she is re-electable, she will stand again. The Board of Directors proposes to grant her a new appointment of four years, to expire after the General Meeting in 2023.

At the end of March 2019, the Board of Directors co-opted Ms Rika Coppens (permanent representative of Fast Forward Services BVBA) as independent director in accordance with article 526ter of the Companies Code.
Her definitive appointment as independent director will be proposed at the next General Meeting on 25 September 2019.

The Board of Directors proposes to grant her an appointment of two years, to expire after the General Meeting in 2021. Rika Coppens is CEO of House of HR (Accent), active in staffing, consulting and recruitment in ten countries. She has previously held directorships and sat on audit committees. The available information demonstrates that the aforementioned director fulfils the conditions of independence as defined in article 526ter of the Companies Code.

Subject to approval by the General Meeting of 25 September 2019, the composition of the Board of Directors will then be as follows:

Capacity	Name	Audit Committee member	Remuneration Committee member	Appointment expires at GM in
Representative of the principal shareholders, executive director	• Jef Colruyt			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: Jef Colruyt (Chairman)			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 GCV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SPRL whose permanent representative is: Chantal De Vrieze	X	X	2023
	• Fast Forward Services BVBA whose permanent representative is: Rika Coppens	X		2021
Secretary	• Kris Castelein			

Independent director Rika Coppens, permanent representative of Fast Forward Services BVBA, becomes a member of the Audit Committee in financial year 2019/20.

In addition to the appointments as directors of the Colruyt Group companies, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt 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 2009, 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

During the last financial year, the following appointments or changes of manager or deputy manager were made:

- **Johan VERMEIRE** Deputy Sales Manager Colruyt Central West as of 01/01/2019
- **Marc HOFMAN** COO Retail as of 01/02/2019
- **Stefaan VANDAMME** Manager Finance Colruyt Group as of 01/02/2019
- **Jo WILLEMYNS** Marketing Manager Colruyt Group as of 01/03/2019

Members of the management who have ended their position as manager 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:

- **Fernando PARLANTE** Deputy Sales Manager Colruyt Central West until 31/12/2018
- **Frans COLRUYT** COO Retail until 01/02/2019

2.2. Directorate - financial year 2018/19

- **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 & Organisation
- **Peter VANBELLINGEN** Manager Business Processes & Systems and Customer Communication & Experiences
- **Koen BAETENS** Manager Technics, Real Estate & Energy (including DATS 24 and Eoly)

2.3. Future Board – financial year 2018/19

- **Jef COLRUYT** CEO

2.3.1. Colruyt Group Services

- **Jef COLRUYT** COO Services
- **Stefaan VANDAMME** Manager Finance
- **Liesbeth SABBE** Manager People & Organisation
- **Wim MERTENS** Deputy Manager Social Relations
- **Peter VANBELLINGEN** Manager Business Processes & Systems and Customer Communication & Experiences
- **Philip D'HOOGE** Manager Customer Communication & Experiences
- **Koen BAETENS** Manager Technics, Real Estate & Energy (including DATS 24 and Eoly)
- **Filip VAN LANDEGHEM** Deputy Manager Real Estate
- **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
- **Stéphanie DE BREE** Manager Dreamland
- **André CERON** Deputy Manager Logistics and Administrative Services

RETAIL PARTNERS COLRUYT GROUP
- **Dirk DEPOORTER** General Manager
- **Guido SORET** Sales Manager
- **Erik PAPPAERT** Deputy Logistics Manager

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
- **Marc HOFMAN** General Manager Foodservice Belgium

CRU
- **Stefan GOETHAERT** Manager Cru

Sustainable corporate governance

1. Sustainable corporate governance statement

1.1. Reference code

The Act of 6 April 2010 on the reinforcement of corporate governance in listed companies was published in the Belgian Official Gazette on 23 April 2010. Most of the new obligations introduced by the Act came into effect from financial year 2011/12. They mainly concern the formation of a Remuneration Committee within the Board of Directors and the provisions regarding the remuneration of directors and senior management.

The Board of Directors decided to adopt the Belgian Corporate Governance Code 2009 as a reference for responsible/sustainable corporate governance within Colruyt Group as of the publication of the Act. This Code has since been designated as the statutory compulsory reference framework by the Royal Decree of 6 June 2010. The Code and the Royal Decree of 6 June 2010 were published together in the Belgian Official Gazette of 28 June 2010.

In accordance with the 'comply or explain' principle, we state below where Colruyt Group has departed from the recommendations of the Belgian Corporate Governance Code 2009 during this financial year. Most departures are justified by 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.

The **departures** from the recommendations of the Belgian Corporate Governance Code 2009 for listed companies are as follows:

- At the end of financial year 2018/19, the Board of Directors is composed of one executive director and eight non-executive directors, three of whom are independent directors. 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.
- The Board of Directors has appointed an Audit Committee composed of one independent director and two non-executive directors. Based on the current composition of the board, as well as the various skills present, this composition is optimal for the efficient operation of this committee. Because Sofina NV is bound by a shareholder agreement with the Colruyt family, its representative cannot be considered as an 'independent director', despite its 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.
- 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 Directorate, with the approval of the entire Board of Directors. The limited number of directors means that this procedure works perfectly well.

- In line with the long-standing tradition of Colruyt Group, Jef Colruyt is the Chairman of the Board of Directors (as permanent representative of Korys NV) and Chairman of the Colruyt Group Directorate and the Future Board. This departure from the recommendations of the Belgian Corporate Governance Code for listed companies is justified in the light of the history of Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Directorate to one of their own. Where applicable, a strict application of the rules on conflicts of interests protects all shareholders against any form of 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.

On 28 February 2019, the Belgian Federal Parliament passed the new Companies and Associations Code, which will apply to all new Belgian companies from 1 May 2019. All existing Belgian companies of Colruyt Group have until 1 January 2020 to comply with this new company law. The associated revised Belgian Corporate Governance Code 2020 and the transposition of the revised Shareholder Rights Directive (2017/828/EU) into Belgian law will also take effect in 2020.

1.2. Charter

1.2.1. General 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 fifth of the share capital.

All General Meetings are convened in accordance with the law. One or more shareholders who together hold at least 3% of the share 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 carries the right 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. Registered shares are entered in the company's register of shareholders and dematerialised shares must be registered in an account of a recognised account holder or settlement institution in accordance with article 474 of the Companies Code.

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 of Shareholders has the exclusive right to appoint (and summarily dismiss) the directors.

In March 2019, the board welcomed the addition of a third independent director. 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 2018/19, 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 the Chairman of the Board of Directors (as permanent representative of Korys NV) and Chairman of the Colruyt Group Directorate and the Future Board. This departure from the recommendations of the Belgian Corporate Governance Code for listed companies is justified in the light of the history of Colruyt Group and the desire of the reference shareholders to entrust the leadership of the Directorate to one of their own.

OPERATION 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

Since September 2006, the Board of Directors has had an **Audit Committee** made up of one independent director and two non-executive directors. This committee liaises with the management of the group and the auditor.

7 Capital SPRL (for which Ms C. De Vrieze acts as permanent representative) sits on the Audit Committee as an independent director in accordance with article 526 of the Belgian Companies Code. Ms C. De Vrieze has many years' experience in general and financial management and holds independent directorships of various other companies.

The 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.

Since September 2011, the Board of Directors has also had a **Remuneration Committee** with two independent directors and one non-executive director.

The Remuneration Committee fulfils the roles described in article 526quater §5 of the Companies Code regarding the remuneration policy (in the broadest sense) for directors and members of the Directorate. 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. At the quarterly meetings of the Board of Directors, both committees report on their findings and present their recommendations to the board 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 executive management of Colruyt Group. The remuneration of directors (individually) and members of the Directorate (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 Directorate consists of the General Managers of the group's various commercial activities and the directors of the corporate services (Finance, People & Organisation, Business Processes & Systems, Customer Communication & Experiences and Technics, Real Estate & Energy)

The Colruyt Group Directorate 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.

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

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

There is a Future Board for each sub-activity and, from financial year 2018/19, 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 and COO Retail Marc Hofman, who in turn delegate a number of their responsibilities to the General Managers of the commercial activities and to the managers of corporate services (Finance, People & Organisation, Business Processes & Systems, Customer Communication & Experiences and Technics, Real Estate & Energy).

Each manager listed as a member of the Future Board, separately within their departments, is required 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 Directorate are bound to their employer by a contract of employment.

1.2.4. Diversity policy

Colruyt Group is engaged in applying the new article 96 §2 point 6 of the Companies Code, as amended by the Act of 3 September 2017, which transposed EU Directive 2014/95 of 22 October 2014 as regards disclosure of non-financial and diversity information by certain large undertakings and groups into Belgian law.

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.

Joining Hilde Cerstelotte, permanent representative of Korys Business Services I NV and independent directors Chantal De Vrieze, permanent representative of 7 Capital SPRL, and Astrid De Lathauwer, permanent representative of ADL GCV, Rika Coppens, permanent representative of Fast Forward Services BVBA, was co-opted as independent director in March 2019. Since the Board of Directors now includes four women, it complies with the Act of 28 July 2011 (Quota Act), which stipulated that, from 2017, at least one third of the members of the Board of Directors of listed companies must be of a different gender than that of the other members. As of October 2015, the Directorate 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 'Investing in added value'.

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 participation 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 Companies Code.

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.

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 offerings.

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 Directorate 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 information, as a result of their involvement in an operation with which price-sensitive information is associated (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 Directorate, 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 Directorate 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 involvement in an operation to which price-sensitive information is connected. 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. 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 and independent director Chantal De Vrieze, permanent representative of 7 Capital SPRL, are the two other permanent members of the committee.

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

Chaired by François Gillet, the committee held meetings on 8 June 2018, 13 September 2018, 26 November 2018 and 15 March 2019.
All members of the Audit 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 GCV, 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 SPRL, are also permanent members of the Remuneration Committee.

The Remuneration Committee has published its internal rules on our website at colruytgroup.com/investors/shareholders.

Chaired by Astrid De Lathauwer, the Remuneration Committee held meetings on 8 June 2018, 14 September 2018, 29 November 2018 and 15 March 2019.
The attendance rate at each meeting was 100%.

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 Colruyt Group Directorate.
The fixed and variable remuneration components for the CEO (Jef Colruyt) and the COO Retail (Frans Colruyt) were also discussed by the Committee.

The Committee also formulated proposals for 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 7 June 2019.

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

2.3. Meetings of the Board of Directors

The Board of Directors held four ordinary meetings during this financial year, on 14 and 15 June 2018, 20 and 21 September 2018, 6 and 7 December 2018 and 21 and 22 March 2019. The main points of the meetings were the discussion and progress of the performance of the various store formulas and the trading activities of the group. During the meeting in December 2018, the board visited the site and several Colruyt stores in Luxembourg. In keeping with tradition, the meeting in March 2019 was held in Rochefort-sur-Nenon (Dole, France). The directors were given an overview of operations in France and met the local management. Visits also took place to several Colruyt stores in the region. 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.

The average attendance rate of directors during the aforementioned ordinary quarterly meetings can be summarised as follows: in June 2018 97%, in September 2018 100%, in December 2018 100% and in March 2019 97%.

The board also held the following additional meetings:

- On 4 May 2018, to further debate Colruyt Group's new strategic plan. This meeting was attended by all directors.
- On 18 January 2019, to gain an insight into Enterprise Business Architecture and to finally approve Colruyt Group's new strategic plan. This meeting was also attended by all directors.

Other than the remuneration and variable pay of Jef Colruyt and Frans Colruyt, no other situations of possible conflicts of interest were reported by the directors. The fixed and variable remuneration of Jef Colruyt and Frans Colruyt were discussed and finalised by the Remuneration Committee and approved by the Board of Directors, each time in the absence of the two persons concerned, who did not participate in the deliberations or the decision. The result of these decisions is described in the Remuneration Report.

Last financial year, the Board of Directors validated Colruyt Group's new strategic plan, which is to be implemented from mid-2019. 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.

2.4. Remuneration report for financial year 2018/19

Introduction

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

Information on the general principles of the remuneration policy

DIRECTORS

The Remuneration Committee has chosen to pay a fixed remuneration (emolument) for the position of director, irrespective of the number of meetings of the Board of Directors or one of its committees.

DIRECTORATE

A basic principle of the remuneration of the members of the Directorate 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 a competitive group insurance policy, 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 Directorate, 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 on participation in the profit and capital of the company of 22 May 2001 (the Profit Share 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 Directorate is composed so as to enable the group to guarantee the recruitment and retention of competent Directorate members.

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 the emoluments for directors for financial year 2018/19 from EUR 91.000 to EUR 92.500 by application of indexation.

Thus, in financial year 2018/19, the members of the Board of Directors received the following emoluments:

EMOLUMENTS RECEIVED IN 2018/19 [1]

Korys NV (with permanent representative Jef Colruyt) [2]	EUR 277.500
Korys Business Services I NV (with permanent representative Hilde Cerstelotte)	EUR 92.500
Korys Business Services II NV (with permanent representative Frans Colruyt)	EUR 92.500
Korys Business Services III NV (with permanent representative Wim Colruyt)	EUR 92.500
Jef Colruyt	EUR 92.500
Frans Colruyt	EUR 92.500
François Gillet	EUR 92.500
ADL GCV (with permanent representative Astrid De Lathauwer, independent director)	EUR 92.500
7 Capital SPRL (with permanent representative Chantal De Vrieze, independent director)	EUR 92.500
TOTAL	**EUR 1.017.500**

(1) Gross amounts on an annual basis.

(2) Korys NV, which, at the end of March 2019, together with the other family companies and individual family members acting in concert, controlled 55,32% of the shares, takes on the role of Chairman of the Board of Directors, with Jef Colruyt as permanent representative.

Information on the composition of the variable remuneration of the Chairman of the Directorate and of the other members of the Directorate

The CEO acts as Chairman of the Directorate. For the CEO, the target variable remuneration is 85% of the basic salary.

For the other members of the Directorate, the target variable remuneration is:

- 75% of the basic salary for the COO Retail
- Half of the basic salary for the other members of the Directorate.

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

The variable remuneration of the members of the Directorate does not include any remuneration based on shares, except for that which the members of the Directorate can earn under the profit share plan. In this way, the Board of Directors aims to avoid any motivation for speculative behaviour.

A part of the variable remuneration of the members of the Directorate consists of the profit share granted to them on the basis of the profit share plan applicable for the financial year concerned. This is paid in cash or shares, without discount, according to the choice of the member of the Directorate. In financial year 2018/19, 169 shares were acquired via the profit share plan.

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

There is no arrangement regarding a right for the company to reclaim variable remuneration allocated on the basis of incorrect financial data.

70% of the variable remuneration of the CEO and the other members of the Directorate 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 company 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 Directorate. In the event of exceptional performance by one or more members of the Directorate, the Chairman of the Directorate may draw from an extra budget over and above the aforementioned variable remuneration.

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

- If the Directorate member has achieved less than half of the individual performance criteria:
  - A maximum of half of the collective variable remuneration can be allocated
  - But no individual variable remuneration will be allocated
- If the Directorate member has achieved half of the individual performance criteria:
  - A maximum of half of the collective variable remuneration can be allocated
  - Half of the variable remuneration arising from the achievement of the individual performance criteria can be allocated
- If the Directorate member has achieved more than half of the individual performance criteria:
  - 100% of the collective variable remuneration can be allocated
  - The variable remuneration arising from the achievement of the individual performance criteria can only be allocated pro rata to the criteria achieved.

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

The CEO and the members of the Directorate 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 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 520ter of the Companies Code regarding the staged payment of the variable remuneration to the executive management.

Information on the total remuneration of the Chairman of the Directorate and of other members of the Directorate

CEO (CHAIRMAN OF THE DIRECTORATE)

The remuneration paid directly or indirectly to the CEO in financial year 2018/19 comprised:

Basic salary	EUR 644.400
Variable remuneration in cash	EUR 620.519
Contributions paid for group insurance	EUR 115.992
Other components	EUR 7.920
Total	**EUR 1.388.831**

The variable remuneration in cash for services in financial year 2017/18, paid to the CEO in financial year 2018/19, rose in comparison to the variable remuneration in cash paid in financial year 2017/18. The higher variable remuneration is mainly due to the increase in operating profit in financial year 2017/18.

OTHER MEMBERS OF THE DIRECTORATE

The remuneration paid directly or indirectly to the other members of the Directorate in financial year 2018/19 comprised overall:

Basic salary	EUR 2.716.571
Variable remuneration in cash	EUR 1.887.095
Contributions paid for group insurance	EUR 394.716
Other components	EUR 35.700
Total	**EUR 5.034.082**

These figures show the remuneration in gross amounts for a complete financial year. This does not include the exit payment for Frans Colruyt. Compared to the previous financial year, the number of members of the directorate included in these figures increased by one manager. Dieter Struye was appointed General Manager Non-Food with effect from 01/05/2018. As of 01/10/2018, Stefan Goethaert, Fine Food Manager, is also responsible for Cru and Retail Services. Marc Hofman was appointed COO Retail with effect from 01/02/2019. He succeeds Frans Colruyt, who has stepped down from his operational role within the group.

The amounts are higher than in the previous financial year due to the addition of an extra manager to the Directorate. The basic salary for managers who were continuous members of the Directorate for both this financial year and the previous financial year increased by around 4%. Half of this increase (on average +2%) is due to the indexation of salaries. The variable remuneration also rose, mainly due to the increase in operating profit in financial year 2017/18.

The variable remuneration comprises payment for services for the group during financial year 2017/18. Except for Frans Colruyt, COO Retail, all members of the Directorate included in the above overview are salaried employees. Colruyt Group pays social security contributions on their gross salaries.

The value of the shares allocated to the members of the Directorate under the Profit Share Plan is also 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 Directorate and bound to their employer by a contract of employment have no individual contractual claim with respect to Colruyt Group regarding their exit payment.

Frans Colruyt, member of the Directorate, left the company during financial year 2018/19. At the suggestion of the Chairman of the Directorate and with the agreement of the Remuneration Committee and the entire Board of Directors, he received an exit payment corresponding to an amount between sixteen and eighteen months basic and variable remuneration. This was calculated based on the average variable remuneration over the last three reference periods. The Board of Directors considers it appropriate to award this payment, which lies within the contractually agreed limits, to Frans Colruyt as a mark of appreciation of his strategic contribution and added value to Colruyt Group.

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 Directorate, 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 whole group is divided into 31 operational and support domains. Each domain 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 Management department in consultation with the Directorate. Reporting takes place on a quarterly basis to the Directorate 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 group domain 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 domain and keeps risk management active within the domain through the administration and management of the risk registers.

The members of the Directorate 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 possibility 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 a possible 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.

- *Information technology 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 relating to 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 Management Department (internal audit). The latter reports on a quarterly basis on the activities performed and results.

Both external audit and risk management 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 business analysts 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 the quality of the figures supplied

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

3.3.3. Communication of financial reporting

In order to communicate and publish information as transparently as possible, Colruyt Group publishes financial press releases on pre-agreed dates. The communication efforts of management also find expression via 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

11/09/2019	Registration date for deposition of shares for participation in the annual General Meeting of Shareholders
25/09/2019 (16h00)	General Meeting of Shareholders for financial year 2018/19
	Dividend for financial year 2018/19 (coupon 9)
27/09/2019	Ex-date (detachment of coupons)
30/09/2019	Record date (centralisation of coupons)
01/10/2019	Payability
11/10/2019	Certificates relating to exemption from or reduction of withholding tax on dividends must be in our possession
10/10/2019	Extraordinary General Meeting Capital increase Etn. Fr. Colruyt NV reserved for employees of Colruyt Group (art. 609 Companies Code)
10/12/2019	Publication of consolidated information on the first half of financial year 2019/20
11/12/2019	Information meeting for financial analysts
16/06/2020	Publication of consolidated annual information on financial year 2019/20
17/06/2020	Information meeting for financial analysts
31/07/2020	Publication of annual report for financial year 2019/20
30/09/2020	General Meeting of Shareholders for financial year 2019/20

2. Dividend for financial year 2018/19 (1)

The Board of Directors endeavours to increase the annual dividend per share in proportion to the increase of the group profit. The Board of Directors consequently proposes to grant a gross dividend of EUR 1,31 for the shares of Etn. Fr. Colruyt NV participating in the profit of financial year 2018/19. Of the gross dividend of EUR 1,31, the shareholders will receive a net amount of EUR 0,917 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 11 October 2019 at the latest.

The dividend for financial year 2018/19 will be made payable as of 1 October 2019, against (electronic) submission of coupon No. 9 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 25 September 2019.

3. Reallocation of stability allowance for reference shareholders (1)

To guarantee stability and continuity in the reference share ownership, up to and including financial year 2017/18, an annual stability allowance, in the form of a bonus, was granted to the reference shareholders via the directors representing them on the Board of Directors, i.e. Korys NV and François Gillet for Sofina NV.

Having deliberated on this, the Board decided to no longer grant a stability allowance to the reference shareholders as from financial year 2018/19.

The Board of Directors therefore proposes to increase the dividend of financial year 2018/19 by half of the stability allowance. In addition, Colruyt Group will each year reserve an amount for education projects via Collibri Foundation, the group's company fund.

(1) Subject to the approval of the General Meeting of Shareholders of 25 September 2019.

Colruyt share information

COLR
LISTED
EURONEXT

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

4. Overview of Etn. Fr. Colruyt NV shares

Number of shares	2018/19	2017/18
Ordinary shares (1)	138.052.090	150.196.352
Shares participating in the profit (1)	138.052.090	150.196.352
Treasury shares (1)	195.660	12.549.852
Shares held by subsidiaries (1)	0	0
Balance of profit-participating shares in June (1)	137.856.430	137.646.500
Data per share (in EUR) on closing date of the reporting period (31 March)		
Gross dividend	1,31	1,22
Net dividend	0,917	0,854
Profit	2,78	2,60
Calculation base (weighted average in financial year 2018/19) (2)	137.758.364 shares	143.361.535 shares
Market price in Brussels (in EUR)		
Market price on 31 March	65,90	44,92
Highest price of the financial year (closing price)	66,52	49,72
Lowest price of the financial year (closing price)	44,44	41,39
Market value on 31 March (in million EUR)	9.460,08	6.746,82

(1) Situation on 12/06/2019 and 13/06/2018 respectively. By notarial deed of 08/05/2019, 5.500.000 treasury shares were cancelled.

(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. Subject to approval by the General Meeting on 25 September 2019, 16.963 treasury shares are reserved for the profit participation in shares for 2018/19 and will carry the right to a dividend once more at the end of September 2019. These shares are not yet included in this total. Read the full overview on p. 152-153.

5. Purchase of treasury shares

For several years, the Extraordinary General Meeting of Shareholders has granted authorisation the Board of Directors of Etn. Fr. Colruyt NV to acquire treasury shares. These acquisitions of shares take place in accordance with article 620 of the Companies Code and in accordance with articles 205 to 207 of the Royal Decree of 30 January 2001.

The Extraordinary General Meeting of Shareholders of 14 October 2014 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 as to the execution terms within which treasury shares can be purchased. In accordance with article 207 of the Royal Decree of 30 January 2001, 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.

Under the mandate granted by the Extraordinary General Meeting of 14 October 2014, the Board of Directors of Colruyt Group purchased treasury shares under the share buy-back programme announced on 27 September 2017 for a maximum amount of EUR 350 million.
The programme started on 2 October 2017 and has an expected term of two years. The aim of the buy-back programme is to reduce the company's available cash and to decrease the capital, by cancelling some or all of the shares acquired under the programme. The programme is executed by an independent intermediary under a discretionary mandate, making it possible to purchase shares during both open and closed periods. Under this buy-back programme, which is still running, Colruyt Group purchased a total of 1.032.718 treasury shares during the period from 1 April 2018 to 31 March 2019.
From the start of the programme on 2 October 2017 to 31 March 2019, a total of 7.629.649 treasury shares have already been purchased for a total amount of EUR 338,5 million.

During financial year 2018/19, Colruyt Group cancelled a total of 7.000.000 treasury shares by notarial deed dated 19 December 2018.

On 31 March 2019, Etn. Fr. Colruyt NV held 5.695.660 treasury shares. They represented 3,97% of the total number of issued shares (143.552.090) at the end of the reporting period.

By decision of the Board of Directors, and by notarial deed dated 8 May 2019, a total of 5.500.000 treasury shares were cancelled at the end of the reporting period. After this transaction, Colruyt Group still held 195.660 treasury shares, or 0,14% of the total number of shares issued, i.e. 138.052.090. The table on the next page shows changes in and the status of treasury shares on 12 June 2019.

Subject to approval by the General Meeting of 25 September 2019, 16.963 treasury shares will be given to employees who wish to receive their 2018/19 profit participation in the form of shares.

In accordance with article 622 §1 of the Companies Code, 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 shares purchase

During the reporting period	2018/19
Total treasury shares held at the start of the reporting period (01/04/2018)	11.688.496
Allocated to employees for 2017/18 profit participation, dated 30/09/2018	- 25.554
Purchase of treasury shares in 2018/19	+ 1.032.718
Cancellation of treasury shares by notarial deed dated 19/12/2018	- 7.000.000
Total treasury shares held at the end of the reporting period (31/03/2019)	5.695.660

After the reporting period	2019/20
Total treasury shares held at the start of the reporting period (01/04/2019)	5.695.660
Purchase of treasury shares in the period from 01/04/2019 to 12/06/2019	0
Cancellation of treasury shares by notarial deed dated 08/05/2019	- 5.500.000
Total treasury shares in our possession on 12/06/2019	195.660

6. Structure of share ownership of Etn. Fr. Colruyt NV according to the 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), on 15 February 2019, we received an updated notification of holdings from the Colruyt family and relatives, Sofina NV and Colruyt Group.

This transparency notification, dated 15 February 2019, reveals that, following the 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 denominator of 143.552.090 shares takes account of the cancellation of 7.000.000 treasury shares on the one hand and the capital increase reserved for employees, for which a total of 355.738 new shares were issued, on the other. Both transactions were executed by notarial deed dated 19 December 2018.

The company has no knowledge of other agreements between shareholders. The statutory thresholds per 5% bracket apply. No notifications or changes were received after the end of the financial year.

Transparency notification of 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.

7. Notice of an agreement to act in concert (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 30 August 2018, on behalf of all parties acting in concert.

On 30 August 2018, the number of shares involved in acting in concert amounted to 98.584.159 or 65,64% of the total number of outstanding Colruyt shares on that date (150.196.352)

By law, an update of the holdings concerned must be communicated once per year at the end of August. The full letter is available on our website, colruytgroup.com/investors.

8. 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 22 March 2019.

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 two hundred 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 (vigeo-eiris.com), 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 (forumethibel.org).

9. SDG Charter

As a ‘voice’ or spokesperson for the seventeen United Nations Sustainable Development Goals (SDGs), Colruyt Group, together with seven other Belgian organisations, has increased public awareness of these goals since 2016. The group wants to inspire as many people and organisations as possible to make an active contribution to more sustainable development. Since the development goals fit in seamlessly with our efforts to increase sustainability, Colruyt Group has now also signed the official ‘Belgian SDG Charter for International Development’ together with a hundred private and public companies and civil society organisations. This underlines the group’s commitment to sustainable and inclusive economic growth. More information can be found under ‘Who are we?’, into which the Sustainability Report is also included as from this financial year.

Financial report

207 .....Consolidated income statement
208 .....Consolidated statement of comprehensive income
209 .....Consolidated statement of financial position
210 .....Consolidated statement of cash flows
211 .....Consolidated statement of changes in equity
213 .....Management responsibility statement
214 .....Independent auditor's report
221 .....Notes to the consolidated financial statements
284 .....Definitions

Consolidated income statement

(in million EUR)	Note	2018/19[1]	2017/18
Revenue	3.	9.433,9	9.030,6
Cost of goods sold	3.	(6.962,7)	(6.681,1)
Gross profit	**3.**	**2.471,2**	**2.349,5**
Other operating income	4.	134,6	111,5
Services and miscellaneous goods	5.	(538,1)	(464,4)
Employee benefit expenses	6.	(1.280,4)	(1.228,8)
Depreciation, amortisation and impairment of non-current assets		(272,2)	(245,8)
Other operating expenses	4.	(29,7)	(33,7)
Operating profit (EBIT)		**485,4**	**488,3**
Finance income	7.	24,5	7,1
Finance costs	7.	(5,4)	(5,7)
Net financial result	**7.**	**19,1**	**1,4**
Share in the result of investments accounted for using the equity method	12., 13.	14,7	29,4
Profit before tax		**519,2**	**519,1**
Income tax expense	8.	(135,3)	(144,7)
Profit for the financial year		**383,9**	**374,4**
Attributable to:			
Non-controlling interests		1,4	1,3
Owners of the parent company		382,5	373,1
Earnings per share (EPS) – basic and diluted (in EUR)	22.	2,78	2,60

(1) The financial year of the French companies has been 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 comprehensive income

(in million EUR)	Note	2018/19(1)	2017/18
PROFIT FOR THE FINANCIAL YEAR		**383,9**	**374,4**
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.	(12,2)	21,0
Net change in fair value of financial assets at fair value through other comprehensive income, after taxes(2)(3)	14.	1,8	(4,0)
Total of the items that will not be reclassified to profit or loss		**(10,4)**	**17,0**
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries, after taxes		0,7	(2,2)
Net change in fair value of derivative financial instruments, after taxes		(0,2)	-
Total of the items that may be reclassified subsequently to profit or loss		**0,5**	**(2,2)**
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.	(3,6)	2,8
Total of the items that may be reclassified subsequently to profit or loss		**(3,6)**	**2,8**
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**(13,5)**	**17,6**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**370,4**	**392,0**
Attributable to:			
Non-controlling interests		1,4	1,3
Owners of the parent company		369,0	390,7

(1) The financial year of the French companies has been 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) As a result of the application of IFRS 9 '*Financial Instruments*', this line is reported under 'Items that will not be reclassified to profit or loss', whereas last year this line was reported under 'Items that may be reclassified subsequently to profit or loss'.
(3) Terminology in accordance with IFRS 9 '*Financial Instruments*' and applied to the consolidated statement of changes in equity as at 31 March 2019. The original description was 'Net change in fair value of financial assets available for sale, after taxes'.

Consolidated statement of financial position

(in million EUR)	Note	31.03.19	31.03.18
Goodwill	9.	55,4	58,1
Intangible assets	10.	151,1	123,6
Property, plant and equipment	11.	2.199,1	2.131,8
Investments accounted for using the equity method	12., 13.	254,2	261,5
Financial assets	14.	8,9	40,9
Deferred tax assets	17.	20,7	28,2
Other receivables	19.	43,9	37,5
Total non-current assets		**2.733,3**	**2.681,6**
Inventories	18.	630,7	592,5
Trade receivables	19.	534,4	496,1
Current tax assets		5,0	1,1
Other receivables	19.	49,3	39,6
Financial assets	14.	31,0	29,7
Cash and cash equivalents	20.	163,2	212,1
Assets held for sale	16.	-	1,4
Total current assets		**1.413,6**	**1.372,5**
TOTAL ASSETS		**4.146,9**	**4.054,1**
Share capital		331,2	315,9
Reserves and retained earnings		1.873,2	1.720,1
Total equity attributable to owners of the parent company		**2.204,4**	**2.036,0**
Non-controlling interests		3,3	5,5
Total equity	**21.**	**2.207,7**	**2.041,5**
Provisions	23.	26,3	32,7
Liabilities related to employee benefits	24.	143,1	127,6
Deferred tax liabilities	17.	51,2	59,0
Interest-bearing and other liabilities	25., 26.	6,5	13,7
Total non-current liabilities		**227,1**	**233,0**
Provisions	23.	0,3	0,9
Interest-bearing liabilities	25.	41,0	128,6
Trade payables	26.	1.120,7	1.092,3
Current tax liabilities		10,6	42,1
Liabilities related to employee benefits and other liabilities	26.	539,5	515,7
Total current liabilities		**1.712,1**	**1.779,6**
Total liabilities		**1.939,2**	**2.012,6**
TOTAL EQUITY AND LIABILITIES		**4.146,9**	**4.054,1**

Consolidated statement of cash flows

	(in million EUR)	Note	2018/19	2017/18
OPERATING ACTIVITIES	**Profit before tax**		**519,2**	**519,1**
	Adjustments for: Depreciation, amortisation and impairment of non-current assets		272,2	245,8
	Finance income and finance costs	7.	(19,1)	(1,4)
	Share in the result of investments accounted for using the equity method	12., 13.	(14,7)	(29,4)
	Other(1)		3,7	1,2
	Cash flow from operating activities before changes in working capital and provisions		**761,3**	**735,3**
	Decrease/(increase) in trade and other receivables		(63,2)	(52,2)
	Decrease/(increase) in inventories		(38,0)	0,5
	(Decrease)/increase in trade payables and other liabilities		31,5	18,6
	(Decrease)/increase in provisions and liabilities related to employee benefits		13,2	32,2
	Interest paid		(0,7)	(0,8)
	Interest received		5,7	3,3
	Dividends received		25,4	1,2
	Income tax paid		(170,0)	(241,1)
	Cash flow from operating activities		**565,2**	**497,0**
INVESTING ACTIVITIES	Purchase of property, plant and equipment and intangible assets		(377,9)	(391,6)
	Business combinations (net of cash and cash equivalents acquired) and business disposals (net of cash and cash equivalents disposed of)		9,5	(3,1)
	(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	12., 13.	(1,2)	(18,7)
	(Purchases)/sales of financial assets	14.	39,7	(26,4)
	(Payment of)/proceeds from repayment of loans granted		4,4	(2,5)
	Proceeds from sale of property, plant and equipment and intangible assets		20,0	14,8
	Cash flow from investing activities		**(305,5)**	**(427,5)**
FINANCING ACTIVITIES	Proceeds from the issue of share capital	21.	15,3	10,1
	Acquisition of non-controlling interests		(7,4)	-
	Purchase of treasury shares		(48,0)	(328,7)
	New/(repayment of) borrowings(2)		(92,5)	115,6
	Payment of finance lease liabilities		(2,7)	(2,8)
	Dividends paid	21.	(169,6)	(170,9)
	Stability allowance paid to reference shareholders	21., 31.	(3,7)	(3,8)
	Cash flow from financing activities		**(308,6)**	**(380,5)**
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS			**(48,9)**	**(311,0)**
Cash and cash equivalents at 1 April			212,1	523,7
Effect of changes in foreign currency rates			-	(0,6)
CASH AND CASH EQUIVALENTS AT 31 MARCH		**20.**	**163,2**	**212,1**

(1) The category 'Other' includes amongst others losses/(gains) on the sale of property, plant and equipment, intangible assets and financial non-current assets, impairments and reversal of impairments on inventories, trade receivables and other receivables, employee benefits in the context of profit-sharing and capital increases reserved for employees.
(2) At year-end 2018/19, EUR 33 million of straight loans were drawn down versus EUR 125 million at year-end 2017/18.

Consolidated statement of changes in equity

		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(1)	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	21.	-	-	-	-	-	-	-	-	(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**

(1) Terminology in accordance with IFRS 9 '*Financial Instruments*' and applied to the consolidated statement of changes in equity as at 31 March 2019. The original description was 'Fair value reserves of financial assets available for sale'.

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[1]	Retained earnings	Total	Non-controlling interests	Total equity
AT 1 APRIL 2017		**149.935.894**	**305,8**	**4.300.386**	**(180,0)**	**(57,8)**	**0,4**	**(8,4)**	**5,3**	**2.070,7**	**2.136,0**	**4,2**	**2.140,2**
Total comprehensive income for the financial year		-	-	-	-	21,0	(2,2)	2,8	(4,0)	373,1	390,7	1,3	392,0
Profit for the financial year		-	-	-	-	-	-	-	-	373,1	373,1	1,3	374,4
Other comprehensive income for the financial year		-	-	-	-	21,0	(2,2)	2,8	(4,0)	-	17,6	-	17,6
Transactions with the owners		260.458	10,1	7.388.110	(326,4)	-	-	-	-	(174,4)	(490,7)	-	(490,7)
Capital increase	21.	260.458	10,1	-	-	-	-	-	-	1,7	11,8	-	11,8
Treasury shares purchased		-	-	7.420.187	(327,6)	-	-	-	-	(0,8)	(328,4)	-	(328,4)
Treasury shares distributed as profit-sharing to employees	21.	-	-	(32.077)	1,2	-	-	-	-	(0,1)	1,1	-	1,1
Dividends	21.	-	-	-	-	-	-	-	-	(170,9)	(170,9)	-	(170,9)
Stability allowance reference shareholders	21.	-	-	-	-	-	-	-	-	(3,8)	(3,8)	-	(3,8)
Other		-	-	-	-	-	-	-	-	(0,5)	(0,5)	-	(0,5)
AT 31 MARCH 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**

(1) Terminology in accordance with IFRS 9 '*Financial Instruments*' and applied to the consolidated statement of changes in equity as at 31 March 2019. The original description was 'Fair value reserves of financial assets available for sale'.

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 2018/19 and 2017/18, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as accepted by the European Union up until 31 March 2019, 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

Ernst & Young
Réviseurs d'Entreprises SCRL
De Kleetlaan 2
1831 Diegem

www.ey.com/be

Independent auditor's report to the general meeting of Etn. Fr. Colruyt NV for the year ended 31 March 2019

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 2019, 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 2019 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 28 September 2016, 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 2019. We performed the audit of the Consolidated Financial Statements of the Group during three 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 2019, 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 2019 and the disclosures, which show a Consolidated balance sheet total of € 4.146,9 million and of which the Consolidated income statement shows a profit for the year of € 383,9 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 2019, 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.

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 € 2.199,0 million as at 31 March 2019. In addition, as a result of various acquisitions in the past, the Group has booked goodwill. The book value of this goodwill amounts to € 55,4 million as at 31 March 2019. 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 € 111,0 million as at 31 March 2019. 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.

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 119 of the Belgian Companies Code.

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:

- Key figures (page 6-9)
- Management report (page 10-15)

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 119 §2 of the Belgian Companies Code 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 119 of the Belgian Companies Code 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 134 of the Belgian Companies Code 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, 28 June 2019

Ernst & Young Bedrijfsrevisoren CVBA
Statutory auditor
represented by

Daniel Wuyts
Partner*
*Acting on behalf of a BVBA/SPRL

Ref: 19/DW/0250

Notes to the consolidated financial statements

1. Significant accounting policies 222
1.1. Basis of presentation 222
1.2. Statement of compliance 222
1.3 Consolidation principles 224
1.4. Other significant accounting policies 226
2. Segment information 233
2.1. Operating segments 233
2.2. Geographical information 236
3. Revenue and gross profit 237
3.1. Revenue by cash-generating unit 237
4. Other operating income and expenses 238
5. Services and miscellaneous goods 238
6. Employee benefit expenses 239
7. Net financial result 240
8. Income tax expense 241
8.1. Income taxes recognised in profit or loss 241
8.2. Tax impacts recognised in other comprehensive income 241
9. Goodwill 242
10. Intangible assets 243
11. Property, plant and equipment 245
12. Investments in associates 247
13. Investments in joint ventures 248
14. Financial assets 251
14.1. Non-current assets 251
14.2. Current assets 252
15. Business combinations 252
16. Assets held for sale and disposal of subsidiaries 253
16.1. Assets held for sale 253
16.2. Disposal of subsidiaries 253
17. Deferred tax assets and liabilities 254
17.1. Net carrying amount 254
17.2. Change in net carrying amount 254
18. Inventories 255
19. Trade and other receivables 255
19.1. Other non-current receivables 255
19.2. Current trade and other current receivables 256
20. Cash and cash equivalents 257
21. Equity 258
21.1. Capital management 258
21.2. Share capital 258
21.3. Treasury shares 258
21.4. Dividends 259
21.5. Stability allowance reference shareholders 259
21.6. Shares granted to employees as part of the profit-sharing scheme 259
21.7. Shareholder structure 260
22. Earnings per share 260
23. Provisions 261
24. Non-current liabilities related to employee benefits 262
25. Interest-bearing liabilities 267
25.1. Terms and repayment schedule 267
25.2. Repayment schedule finance lease liabilities 268
25.3. Repayment schedule bank borrowings and others 268
26. Trade payables, liabilities related to employee benefits and other liabilities 269
27. Risk management 270
27.1. Risks related to financial instruments 270
27.2. Other risks 273
28. Off-balance sheet rights and commitments 274
29. Contingent liabilities and contingent assets 275
30. Dividends paid and proposed 275
31. Related parties 276
31.1. Related party transactions excluding key management personnel compensation 276
31.2. Key management personnel compensation 277
32. Events after the reporting date 277
33. Independent auditor's remuneration 277
34. List of consolidated entities 278
34.1. Company 278
34.2. Subsidiaries 278
34.3. Joint ventures 280
34.4. Associates 280
34.5. Changes in consolidation scope 281
35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt NV, in accordance with Belgian accounting standards 281

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 2018/19 financial year, which closed on 31 March 2019, 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 2018/19 financial year were authorised for issue on 13 June 2019 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 25 September 2019. 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*), 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 2019.

A. New standards and interpretations effective as of 2018/19

The following (amended) standards and improvements are effective for Colruyt Group as of 1 April 2018, however none of these have a significant influence on Colruyt Group's consolidated financial statements:

- IFRS 2 (Amendment), *'Share-based Payment'*. This amendment clarifies the classification and measurement of share-based payment transactions.
- IFRS 4 (Amendment), *'Insurance Contracts'*. This amendment clarifies that entities that issue insurance contracts can either opt for a temporary exemption from applying IFRS 9 (the deferral approach), or choose to apply the 'overlay' approach.
- Improvements to IFRS cycle 2014-2016, consisting of a series of minor improvements to the existing standard IAS 28 *'Investments in Associates and Joint Ventures'*.
- IAS 40 (Amendment), *'Investment Property'*. This amendment clarifies when an entity should transfer property, including property under construction or development to, or from, investment property.
- IFRIC 22 (Amendment), *'Foreign Currency Transactions and Advance Consideration'*. This amendment clarifies the transaction date to determine the exchange rate to be used for the recognition of revenue when an entity has received advance consideration in a foreign currency.
- IFRS 9, *'Financial Instruments'.* This standard replaces the provisions of IAS 39 *'Financial Instruments: Recognition and Measurement'*. IFRS 9 introduces a new model regarding the recognition of impairments based on the 'expected' credit losses and introduces limited amendments to the classification and measurement of financial assets. IFRS 9 also contains new general requirements for hedge accounting to further align hedge accounting with risk management. In addition, Colruyt Group adjusted its significant accounting policies in order to align them with IFRS 9.

Classification and measurement

The classification and measurement of financial assets under IFRS 9 depends on the business model and the assets' contractual cash flow characteristics. Colruyt Group has made no adjustments to the measurement of financial assets and financial liabilities, with the exception of equity instruments measured at amortised cost under IAS 39. All equity instruments are measured at fair value in accordance with IFRS 9. The adjustment made to the measurement method had no effect on the opening balance of equity. Finally, the designation of financial assets and liabilities has been further aligned with designations under IFRS 9.

Impairment

Colruyt Group has identified one category of financial assets that is subject to the new expected credit loss model, i.e. trade and other receivables. To calculate 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. The choice depends on the specific circumstances. The application of provision matrices has an insignificant impact on the opening balance. As the impact is insignificant, it was not included in the opening balance, but accounted for as an additional impairment in the current accounting year 2018/19.

Hedge accounting

The existing hedge accounting relationships, which under IAS 39 are designated as effective hedge accounting relationships, also qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general accounting principles for effective hedges, its application does not have an impact on the figures of 31 March 2019.

- IFRS 15, *'Revenue from Contracts with Customers'*. This standard replaces the existing standards IAS 18 *'Revenue'* and IAS 11 *'Construction Contracts'*, as well as certain related IFRIC interpretations, such as IFRIC 13 *'Customer Loyalty Programmes'*. This standard introduces a new five-step model for the recognition of revenue from contracts with customers. The core principle of this standard is that an entity recognises revenue to the extent it represents the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard introduces extended disclosure requirements regarding revenue. Based on the analysis performed, the application of IFRS 15 has no material impact on Colruyt Group. No adjustments were made to the opening balance of equity. Finally, Colruyt Group adjusted its significant accounting policies in order to align them with IFRS 15.

Colruyt Group supplies goods, either food or non-food, through different sales channels. These activities consist of three operational segments: 'Retail', 'Wholesale & Foodservice' and 'Other activities'.

Retail

IFRS 15 does not have a material impact on the recognition of revenue from sale transactions within retail. The sale transactions include the sale of products at the cash desk in various points of sale. The contracts are relatively straightforward and are limited to one single transaction at the cash desk or online when the customer has paid up-front. Colruyt Group will recognise the revenue when control over the asset is transferred to the customer, in general upon delivery of the goods at the cash desk.

For the application of IFRS 15 Colruyt Group has taken into account variable considerations as Colruyt Group applies several rebate mechanisms. Discount vouchers, such as for birth lists and gift cards, are included in profit or loss at the time of the sale of the goods.

Wholesale & Foodservice

The wholesale activity includes the supplies to independent stores in Belgium and France. A cooperation agreement has been set up with the independent storekeepers, laying down agreements for a longer period. This agreement is not a contract under IFRS 15.

The foodservice activity includes the sale of products that are delivered to the customer's location. The contracts are limited to one transaction only, in which the revenue is recognised when control is transferred to the customer, in general upon delivery of the goods to the customer.

Other activities

The other activities include fuel supply, printing and document management activities and activities related to energy. Fuel supplies are settled at the pump. Rebates granted are settled immediately, as a result of which IFRS 15 has no impact on the revenue recognition.

B. Standards and interpretations published but not yet effective for 2018/19

Colruyt Group did not early adopt the following published (amended) standards, interpretations and improvements relevant to the group and effective only after 31 March 2019. Colruyt Group intends to apply these standards when they become effective.

- IAS 19 (Amendment), *'Employee Benefits'* (effective date for Colruyt Group 1 April 2019). 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. This change will have no impact on Colruyt Group's consolidated financial statements.
- IAS 28 (Amendment), *'Investments in Associates and Joint Ventures'* (effective date for Colruyt Group 1 April 2019). 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. This change will have no impact on Colruyt Group's consolidated financial statements.
- IFRIC 23 (Amendment), *'Uncertainty over Income Tax Treatments'* (effective date for Colruyt Group 1 April 2019). 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. Taking into account the current activities of Colruyt Group, this amendment will have no impact on the consolidated financial statements of Colruyt Group.
- Improvements to IFRS cycle 2015-2017 (effective date for Colruyt Group 1 April 2019), 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'*. These improvements will have no impact on the consolidated financial statements of Colruyt Group.
- IFRS 9 (Amendment), *'Financial instruments - Prepayment Features with Negative Compensation'* (effective date for Colruyt Group 1 April 2019). 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.
- IFRS 16, *'Leases'* (effective date for Colruyt Group 1 April 2019). IFRS 16 will replace the current leasing standard IAS 17. 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

(1) Solely Payments of Principal and Interest

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 substantially finalised its activities in respect of the implementation of IFRS 16. When implementing this standard Colruyt Group will apply 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 will use 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 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 income statement. No adjustments will be made to the figures of the previous financial year.

As a result of applying IFRS 16 Colruyt Group will recognise a right of use and a corresponding lease liability (estimated at EUR 100-150 million) at the transition date (1 April 2019). The one-off effect of the financial sublease agreements will be accounted for through equity. The right of use and the corresponding lease liability mainly relate to leases for buildings that Colruyt Group classified as 'operating leases' under IAS 17.

The liability was measured at the present value of the remaining lease payments, discounted at a predetermined discount rate. Colruyt Group will use the 'incremental borrowing rate, which is revised annually. The right of use of the assets has been measured at an amount equal to the lease liability.

- 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 and the extent of the information. Finally, Colruyt Group needs to consider the characteristics of those users as well as its own circumstances. These improvements will have no influence 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 will be started.

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 of future economic benefits derived from the use of the specific asset to which the subsequent expenditure is related. All other expenditure is expensed as incurred.

Amortisation

Intangible assets with a finite useful life are subject to straight-line amortisation over their estimated useful lives. Amortisation of intangible assets only begins when assets are available for intended use.

Intangible assets that are not yet ready for their intended use and intangible assets with an indefinite useful life are tested for impairment at least annually. For internally developed intangible assets, this evaluation is made at least twice a year.

For intangible assets, Colruyt Group makes a distinction between software, 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, furnishings and vehicles: 3 to 20 years;
- IT equipment: 3 to 5 years.

D. Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recorded in the consolidated statement of financial position at the commencement of the lease term at the lower of the asset's fair value and the present value of the minimum lease payments determined at inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease liability.

When ownership is almost certainly transferred at the end of the contract, the leased assets are depreciated over the same period of time as an equivalent owned asset; otherwise they are depreciated over the term of the lease if the latter is shorter.

Lease payments are apportioned between finance expenses and amortisation of the outstanding finance lease liability. The finance expenses are allocated to each period as to achieve a constant periodical rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss. Contingent lease payments are recognised as expenses in the period in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as an integral part of the total of lease expenses. The aggregate benefit of incentives granted by the lessor is recognised as a reduction of lease expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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;
  - 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 employees of Colruyt Group.

The costs related to these systems consist of the following items:
- the current service cost, which includes the increase in the present value of the liability resulting from employee service in the current reporting period;
- the past service cost, which includes the change in the present value of the benefit obligation for services delivered by employees in prior reporting periods, resulting from an amendment or a curtailment of the existing benefit plan;
- gains or losses on settlement of the benefit liability, if any;
- the net interest on the net liability, which is a consequence of time passing by;
- 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 grants its personnel based in Belgium the choice to receive profit-sharing either in shares or in cash, without any discount on the share price. The profit-sharing is recognised in the financial year in which the profit is realised.

Discounts on share capital increases

In accordance with article 609 of the Companies Code, Colruyt Group gives a discount to its employees on its yearly share capital increase 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.

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, when the hedging instrument is sold, terminated or exercised, when management decides to revoke the hedge accounting designation of the instrument or when 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.

O. Revenue

Revenue is recognised in accordance with IFRS 15, *'Revenue from Contracts with Customers'*, 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. As a consequence, 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 under IFRS 15 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 is 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 collected from financial assets are recognised in the consolidated income statement when the shareholder's right to receive payment is established. Interest income is recognised based on the effective interest method.

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

Operating lease payments are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

Finance costs

Finance costs comprise of interest on loans, interest on repayments of finance 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. 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 '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 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[1]	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 financial year of the French companies has been 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).

(in million EUR)	Retail 2017/18	Wholesale and Foodservice 2017/18	Other activities 2017/18	Operating segments 2017/18
Revenue - external	**7.460,1**	**926,6**	**643,9**	**9.030,6**
Revenue - internal	**91,0**	**5,9**	**45,9**	**142,8**
Operating profit (EBIT)	**448,3**	**29,6**	**12,1**	**490,0**
Share in the result of investments accounted for using the equity method	2,1	-	19,9(1)	22,0
Purchase of property, plant and equipment and intangible assets	**290,7**	**13,2**	**17,0**	**320,9**
Depreciation and amortisation	182,1	14,3	9,1	205,5
Impairment of non-current assets	4,9	1,1	1,6	7,6

(in million EUR)	Operating segments 2017/18	Unallocated 2017/18	Eliminations between operating segments 2017/18	Consolidated 2017/18
Revenue - external	**9.030,6**	**-**	**-**	**9.030,6**
Revenue - internal	**142,8**	**-**	**(142,8)**	**-**
Operating profit (EBIT)	**490,0**	**(1,7)**	**-**	**488,3**
Share in the result of investments accounted for using the equity method	22,0	7,4	-	29,4
Net financial result				1,4
Income tax expense				(144,7)
Profit for the financial year				**374,4**
Purchase of property, plant and equipment and intangible assets	**320,9**	**70,7**	**-**	**391,6**
Depreciation and amortisation	205,5	32,5	-	238,0
Impairment of non-current assets	7,6	0,2	-	7,8

(1) In 2017/18 higher one-off results were realised on the investment in the Parkwind Group (EUR 17 million).

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 Netherlands, Grand Duchy of Luxembourg, Hong Kong and India. The reinsurance company Locré S.A. (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)	2018/19	2017/18	2018/19(1)	2017/18	2018/19	2017/18	2018/19	2017/18
Revenue	8.604,0	8.410,6	773,5	572,0	56,4	48,0	9.433,9	9.030,6
Purchase of property, plant and equipment and intangible assets	339,0	352,8	38,6	31,9	0,3	6,9	377,9	391,6

(1) The financial year of the French companies has been 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)	2018/19	2017/18
Revenue	9.433,9	9.030,6
Cost of goods sold	(6.962,7)	(6.681,1)
Gross profit	2.471,2	2.349,5
As a % of revenue	**26,2%**	**26,0%**

3.1. Revenue by cash-generating unit

(in million EUR)	2018/19	2017/18
Retail Food(1)	7.544,0	7.204,7
Colruyt Belgium and Luxembourg(2)(5)	*5.943,7*	*5.828,2*
OKay, Bio-Planet and Cru(3)	*952,9*	*908,1*
Colruyt France and DATS 24 France(4)	*647,4*	*468,4*
Retail Non-food(1)	237,2	255,4
Dreamland Belgium and France and Dreambaby	*237,2*	*255,4*
Transactions with other operating segments(5)	55,4	91,0
Retail	**7.836,6**	**7.551,1**
Wholesale(4)	832,6	782,0
Foodservice(5)	119,5	144,6
Transactions with other operating segments	5,9	5,9
Wholesale and Foodservice	**958,0**	**932,5**
DATS 24 Belgium	694,5	637,8
Printing and document management solutions	6,1	6,1
Transactions with other operating segments(6)	12,1	45,9
Other activities	**712,7**	**689,8**
Total operating segments	**9.507,3**	**9.173,4**
Eliminations between operating segments	(73,4)	(142,8)
Consolidated	**9.433,9**	**9.030,6**

(1) The subtotals 'Food' and 'Non-food' within the operating segment 'Retail' are for information purposes only.
(2) Inclusive of the revenue from the webshops Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby realised by Colruyt stores.
(3) Inclusive of the revenue from the webshops Collishop, Dreamland and Dreambaby realised by OKay and Bio-Planet stores.
(4) The financial year of the French companies has been 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) As from the financial year 2018/19, the export activities of Colex are presented in the 'Retail' segment (previously in the 'Foodservice' segment').
(6) As from the financial year 2018/19, the internal revenue generated by our printing solutions is reported as 'other operating income'.

4. Other operating income and expenses

(in million EUR)	2018/19[1]	2017/18
Rental and rental-related income	14,3	13,6
Gains on disposal of non-current assets	6,9	6,3
Remuneration received	87,0	69,4
Other	26,4	22,2
Total other operating income	**134,6**	**111,5**

(1) The financial year of the French companies has been 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).

Remuneration received includes, amongst others, income from sustainable energy, services rendered to third parties, revenue from waste recycling and canteen sales.

(in million EUR)	2018/19	2017/18
Operating taxes	13,9	11,0
Property withholding tax	13,2	12,0
Losses on disposal of non-current assets	2,0	0,6
Other	0,6	10,1
Total other operating expenses	**29,7**	**33,7**

5. Services and miscellaneous goods

(in million EUR)	2018/19[1][2]	2017/18[2]
Rental and rental-related charges	45,5	42,2
Maintenance and repairs	67,5	71,5
Utilities	72,9	49,6
Logistic expenses	143,8	130,5
Fees, IT and IT-related expenses	125,9	110,3
Administration, marketing and other expenses	77,1	56,6
Impairment of current assets	5,4	3,4
Total services and miscellaneous goods	**538,1**	**464,4**

(1) The financial year of the French companies has been 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) During the financial year 2018/19 the presentation of the expense categories has been modified. For comparability purposes, the figures of the previous reporting period have been adjusted accordingly.

6. Employee benefit expenses

(in million EUR)	2018/19[1]	2017/18
Wages and salaries[2]	1.004,5	962,8
Social security contributions	223,5	220,5
Consultants and interim personnel	60,3	47,2
Profit-sharing schemes for employees[3]	33,0	33,5
Contributions to defined contribution plans	15,9	14,0
Other post-employment benefits	2,3	4,8
Discount on capital increase reserved for personnel	2,5	1,7
Other personnel costs	35,2	35,1
Compensatory amounts	(96,8)	(90,8)
Total employee benefit expenses	**1.280,4**	**1.228,8**
Number of staff employed (FTE) at reporting date	28.339	27.795

(1) The financial year of the French companies has been 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 EUR 919,4 million of the Belgian salary pool for financial year 2018/19 (EUR 896,3 million for financial year 2017/18).
(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 609 of the Companies Code. During the most recent capital increase, 2.259 employees subscribed to 355.738 shares, which corresponds to a capital contribution of EUR 15,2 million. The discount granted on this transaction was EUR 2,5 million and is accounted for as an employee benefit.

	2018/19	2017/18
Number of shares subscribed	355.738	260.458
Discount per share (in EUR)	7,0	6,4
Total discount granted (in million EUR)	**2,5**	**1,7**

Compensatory amounts

Employee benefit expenses are presented free of compensatory amounts. Compensatory amounts relate mainly to employee costs capitalised in the context of non-current assets constructed by Colruyt Group.

Number of employees

The number of employees in full-time equivalents (FTE) includes only employees which 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

The terminology and presentation of comparable figures in the table below has been adjusted in order to be in accordance with IFRS 9 *'Financial Instruments'*.

(in million EUR)	2018/19	2017/18
Interest income on unimpaired customer loans and other loans	2,7	2,4
Dividends received	0,3	1,2
Interest income on current bank deposits	0,1	0,1
Interest income on fixed-income securities at fair value through profit or loss	0,3	0,3
Fair value adjustments to financial assets at fair value through profit or loss	0,9	1,2
Gains on disposal of financial assets(1)	18,2	0,5
Exchange gains	1,1	0,3
Other	0,9	1,1
Finance income	**24,5**	**7,1**
Interest expense on current and non-current loans	0,3	0,2
Interest expense on lease liabilities	0,2	0,2
Fair value adjustments to financial assets at fair value through profit or loss	1,3	1,8
Losses on disposal of financial assets	0,9	0,3
Adjustment for the time value of liabilities	2,4	2,6
Exchange losses	0,3	0,6
Finance costs	**5,4**	**5,7**
Net financial result	**19,1**	**1,4**

(1) This includes a EUR 17,9 million gain on the sale of the financial assets in Northwester 2 NV.

8. Income tax expense

8.1. Income taxes recognised in profit or loss

(in million EUR)	2018/19	2017/18
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	504,4	489,7
Income tax expense	135,3	144,7
Effective tax rate	**26,81%**	**29,56%**
B) Reconciliation between the effective tax rate and the applicable tax rate(1)	**28,71%**	**32,70%**
Profit before tax (excluding share in the result of investments accounted for using the equity method)	504,4	489,7
Income tax expense (based on applicable tax rate)	**144,8**	**160,1**
Non-taxable income/non tax-deductible expenses	(3,5)	4,4
Permanent differences	2,3	2,6
Impact of tax deductions(2)	(5,4)	(16,3)
Other	(2,9)	(6,1)
Income tax expense	**135,3**	**144,7**
Effective tax rate	**26,81%**	**29,56%**
C) Income tax expense recognised in profit or loss		
Current year taxes	134,7	159,0
Deferred taxes	0,6	(13,6)
Adjustments relating to prior years	-	(0,7)
Total income tax expense	**135,3**	**144,7**

(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: 33,33%, Grand Duchy of Luxembourg: 26,01%, the Netherlands: 25,00%, India: 29,12% and Hong Kong: 16,50%). Last financial year the applicable tax rate in Belgium was 33,99%.
(2) Includes the impact of - amongst others - the dividend received deduction, the deduction for risk capital, the deduction for innovation, the deduction of compensatory losses and the increased deduction for investment.

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)	2018/19	2017/18
Tax impact on revaluation of liabilities related to long-term post-employment benefits	0,9	(9,7)
Total tax impacts recognised in other comprehensive income	**0,9**	**(9,7)**

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.

In accordance with the described 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. In preparing the cash flow forecasts, Colruyt Group uses estimated growth rates and expected future margins based on actual figures of the most recent financial year and forecasts for the next 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 at a central level through alignment and validation processes on the one hand and determined using external information sources on the other.

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 of 1% to 2% (same as in the previous reporting period), a Market Risk Premium of 6% (same as in the previous reporting period) and an 'unlevered' Beta of 0,6 (same as 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 4,2% and 5,3% (between 4,5% and 5,5% 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 growth percentages for the revenues of the next 5 to 10 years:
- operating segment 'Retail': 2% on average (same as in the previous reporting period);
- operating segment 'Wholesale and Foodservice': 2,5% on average (2% on average in the previous reporting period).

To determine the residual value using the discounted cash flow method, the 'Gordon growth model' was used. The share of discounted residual value is within a range of 60% and 80% of the calculated value in use.

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 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)	2018/19	2017/18
Colruyt Belgium	44,8	44,8
Retail	**44,8**	**44,8**
Wholesale	0,4	3,1
Foodservice	10,2	10,2
Wholesale and Foodservice	**10,6**	**13,3**
Consolidated	**55,4**	**58,1**

The changes in 'Goodwill' can be explained as follows:

(in million EUR)	Gross book value 2018/19	Accumulated amortisation and impairment 2018/19	Net book value 2018/19	Gross book value 2017/18	Accumulated amortisation and impairment 2017/18	Net book value 2017/18
At 1 April	**81,9**	**(23,8)**	**58,1**	**79,6**	**(22,2)**	**57,4**
Acquisitions	–	–	–	2,7	–	2,7
Impairment	–	–	–	–	(1,6)	(1,6)
Other	(2,7)[1]	–	(2,7)	(0,4)	–	(0,4)
At 31 March	**79,2**	**(23,8)**	**55,4**	**81,9**	**(23,8)**	**58,1**

(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 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**

(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 2017	**8,3**	**105,5**	**4,5**	**40,2**	**158,5**
Acquisitions	2,2	12,3	-	46,1	60,6
Sales and disposals	-	(0,9)	(0,1)	-	(1,0)
Reclassification	-	1,2	-	(1,2)	-
Other	-	(1,5)	-	-	(1,5)
At 31 March 2018	**10,5**	**116,6**	**4,4**	**85,1**	**216,6**
Amortisation					
At 1 April 2017	**(3,3)**	**(70,4)**	**-**	**-**	**(73,7)**
Amortisation	(1,5)	(13,1)	-	-	(14,6)
Sales and disposals	-	0,9	-	-	0,9
At 31 March 2018	**(4,8)**	**(82,6)**	**-**	**-**	**(87,4)**
Impairment					
At 1 April 2017	**-**	**(0,5)**	**(4,5)**	**-**	**(5,0)**
Impairment	-	-	-	(0,6)	(0,6)
Sales and disposals	-	-	0,1	-	0,1
Other	-	(0,1)	-	-	(0,1)
At 31 March 2018	**-**	**(0,6)**	**(4,4)**	**(0,6)**	**(5,6)**
Net carrying amount at 31 March 2018	**5,7**	**33,4**	**-**	**84,5**	**123,6**

The concessions, software, licenses and similar rights which amount to EUR 85,7 million (EUR 33,4 million for the previous reporting period) mainly consist of permits and software that was predominantly generated internally by the IT department of the group. The internally generated software which is still under development at the end of the financial year 2018/19 amounts to EUR 58,7 million (compared to EUR 84,5 million for the previous financial year). During the financial year 2018/19 the group acquired intangible assets for an amount of EUR 59,2 million (compared to EUR 60,6 million during the previous financial year), of which EUR 53,4 million were developed internally (compared to EUR 48,5 million during the previous financial year).

11. Property, plant and equipment

(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**

(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 2017	**2.362,0**	**675,3**	**456,6**	**37,3**	**163,2**	**48,2**	**3.742,6**
Acquisitions through business combinations	1,5	0,3	-	-	-	-	1,8
Acquisitions	145,0	67,8	56,8	-	9,6	51,8	331,0
Sales and disposals	(29,1)	(22,0)	(35,7)	-	(1,1)	(2,5)	(90,4)
Reclassification	21,6	1,2	2,1	0,3	1,3	(26,5)	-
Currency translation differences	(0,9)	(0,3)	(0,3)	-	-	-	(1,5)
Other	-	-	-	0,3	-	(0,1)	0,2
At 31 March 2018	**2.500,1**	**722,3**	**479,5**	**37,9**	**173,0**	**70,9**	**3.983,7**
Depreciation							
At 1 April 2017	**(910,9)**	**(386,5)**	**(319,7)**	**(13,0)**	**(66,9)**	**-**	**(1.697,0)**
Depreciation	(115,0)	(49,3)	(47,2)	(1,6)	(10,3)	-	(223,4)
Sales and disposals	21,0	20,7	33,5	-	0,6	-	75,8
Reclassification	0,4	(0,4)	(0,4)	0,4	-	-	-
Currency translation differences	0,1	0,3	0,2	-	-	-	0,6
Other	(0,4)	-	-	-	-	-	(0,4)
At 31 March 2018	**(1.004,8)**	**(415,2)**	**(333,6)**	**(14,2)**	**(76,6)**	**-**	**(1.844,4)**
Impairment							
At 1 April 2017	**(8,0)**	**(0,7)**	**-**	**-**	**0,1**	**-**	**(8,6)**
Impairment	(4,4)	(0,9)	(0,1)	-	(0,5)	-	(5,9)
Sales and disposals	4,3	0,9	0,1	-	0,4	-	5,7
Reversal of impairment	1,3	-	-	-	-	-	1,3
At 31 March 2018	**(6,8)**	**(0,7)**	**-**	**-**	**-**	**-**	**(7,5)**
Net carrying amount at 31 March 2018	**1.488,5**	**306,4**	**145,9**	**23,7**	**96,4**	**70,9**	**2.131,8**

Property, plant and equipment are no longer pledged as collateral for liabilities. This is in contrast with last financial year, where the net carrying amount of property, plant and equipment pledged as collateral for contracted liabilities amounted to EUR 3,1 million (note *25. Interest bearing liabilities*).

The line item 'Finance leases and similar rights' consists mainly of land (net carrying amount of EUR 5,5 million), buildings (net carrying amount of EUR 11,9 million) and machinery and vehicles (net carrying amount of EUR 3,8 million). The total net carrying amount for this financial year amounts to EUR 21,2 million (compared to EUR 23,7 million for the previous reporting period). This line item includes amongst others the logistics site in Mechelen to reinforce the Retail Partners Colruyt Group activity within the operating segment 'Wholesale and Foodservice', as well as the machinery of bakery Roecol.

On property, plant and equipment an impairment loss of EUR 5,5 million has been recognised, which mainly relates to the expansion, resettlement and renovation of existing stores. The impairment loss was recognised in the income statement of the current financial year 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 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	Finance leases and similar rights	Other property, plant and equipment	Assets under construction	Total
At 31 March 2018	(9,5)	(6,5)	(0,2)	-	-	-	(16,2)
At 31 March 2019	**(8,6)**	**(5,9)**	**(0,1)**	**-**	**-**	**(0,5)**	**(15,1)**

The grants recognised in profit or loss amount to EUR 1,5 million (EUR 1,3 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)	2018/19	2017/18
Carrying amount at 1 April	**54,4**	**28,4**
Acquisitions/capital increases	1,1	21,1
Capital decreases	(0,3)	(2,3)
Share in the result of the financial year	11,4	7,2
Dividend	(25,1)	-
Carrying amount at 31 March	**41,5**	**54,4**

The investments in associates for the financial year 2018/19 relate to the non-quoted entities Alliance Internationale de Distributeurs Alidis S.A. (16,67%), AgeCore S.A. (16,67%), First Retail International 2 NV (4,48%), Vendis Capital NV (13,45%) and Newpharma Group S.A. (26%). 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'*. During this financial year a dividend of EUR 24,9 million was received from Vendis Capital NV.
The ownership percentage in Vendis Capital NV was adjusted during the current financial year to reflect the economic right to distribution, i.e. 10,87% (compared to 13,45% as per 31 March 2018).

13. Investeringen in joint ventures

(in million EUR)	2018/19	2017/18
Carrying amount at 1 April	**207,1**	**182,4**
Acquisitions/capital increases	0,4	0,5
Goodwill recognised on acquisitions	-	0,3
Sales	-	(0,9)
Share in the result for the financial year	3,2	22,2
Share in other comprehensive income	(3,6)	2,8
Other	5,6	(0,2)
Carrying amount at 31 March	**212,7**	**207,1**

The investments in joint ventures for the financial year 2018/19 consist of the non-quoted entities Achilles Design BVBA (33,33%), Parkwind NV (60,13%) 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 (60,13%) and Fraluc NV (68,31%) are both non-quoted companies organised as limited liability companies ('naamloze vennootschap'/'société anonyme'). The legal form of these companies (NV/S.A.) 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 these companies.

The investment in Fraluc NV is presented under the operational segment 'Retail' and the investments in Parkwind NV and Achilles Design BVBA are presented under 'Other activities'.

The main activities of these three companies (Achilles Design BVBA, Parkwind NV and Fraluc NV) are located in Belgium. The investment holding Parkwind NV develops, builds and operates offshore wind farms. Fraluc NV includes the activities of the Belgian clothing retail chains ZEB, Pointcarré, For Stars and The Fashion Store. As a result of the acquisition of the second and final tranche on 4 November 2018 the ownership percentage of Fraluc NV in Fashion Store NV has increased from 58,2% to 100%.

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.

The investment in the design and innovation agency Achilles BVBA at the end of the current financial year 2018/19 was made through a capital increase.

The consolidated figures of the material joint ventures are as follows:

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)**	**-**

2017/18 (in million EUR)	**Parkwind NV[1]**	**Fraluc NV**
Non-current assets	640,2	81,4
Including goodwill	*0,0*	*37,3*
Current assets	156,9	46,8
Including cash and cash equivalents	*114,1*	*5,6*
Non-current liabilities	421,1	36,4
Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)	*388,3*	*31,8*
Current liabilities	47,2	40,0
Including current financial liabilities (trade payables and other liabilities and provisions excluded)	*33,7*	*3,4*
Net assets	328,8	51,8
of which non-controlling interests	*40,1*	*3,6*
of which equity attributable to owners of the parent company	*288,7*	*48,2*
Share of Colruyt Group in net assets	**173,6**	**32,9**
Goodwill (at Colruyt Group level)	-	0,6
Revenue	94,9	116,4
Depreciation, amortisation and impairment of non-current assets	(45,3)	(6,4)
Finance income	20,9	0,3
Finance costs	(25,0)	(1,0)
Income tax expense	4,1	(1,6)
Profit from continuing operations	30,7	3,2
Other comprehensive income[2]	4,8	-
Total comprehensive income	35,5	3,2
of which non-controlling interests	*(2,4)*	-
of which equity attributable to owners of the parent company	*37,9*	*3,2*
Share of Colruyt Group in total comprehensive income	**22,8**	**2,2**

(1) Due to presentation adjustments within Parkwind NV, some figures related to the previous reporting period have been adjusted in order to ensure comparability with the figures of the current reporting period. Those presentation adjustments do not have an impact on the share of Colruyt Group in the net assets and the share of Colruyt Group in total comprehensive income.
(2) Due to a change in the consolidation method of one of the subsidiaries of Parkwind NV, an amount of EUR 2,1 million was recycled from other comprehensive income to profit or loss.

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 (EUR 17,1 million in the comparative reporting period).

The shares of Northwester 2 NV, a company belonging to the joint venture Parkwind NV, which were held by Colruyt Group, were sold to Sumitomo Corporation Group on 21 June 2018. The current loan agreement that was signed during the previous financial year between amongst others Etn. Fr. Colruyt NV and Northwester 2 NV has been completely transferred to this external party the Indian company Sanchore Renewable Private Ltd.

14. Financial assets

14.1. Non-current assets

(in million EUR)	31.03.19	31.03.18
Financial assets at fair value through other comprehensive income	8,5	40,7
Financial assets at fair value through profit or loss	0,4	0,2
Total	**8,9**	**40,9**

The above table has been prepared in accordance with IFRS 9 *'Financial Instruments'*. During the financial year 2017/18 an amount of EUR 40,9 million was reported under 'Equity securities available for sale'.

The non-current financial assets evolved as follows during the financial year:

(in million EUR)	2018/19	2017/18
At 1 April	**40,9**	**12,0**
Classification (to)/from held for sale	-	14,4
Acquisitions	0,4	7,5
Capital increases	1,9	12,2
Capital decreases	(3,2)	-
Fair value adjustments through other comprehensive income	1,7	(4,0)
Fair value adjustments through profit or loss(1)	-	(0,5)
Disposals through sales of subsidiaries	(32,8)	-
Currency translation differences	-	(0,7)
At 31 March	**8,9**	**40,9**

(1) During the financial year 2017/18 an amount of EUR 0,5 million was reported as an 'impairment' on Ticom NV. As the terminology was adjusted under IFRS 9 *'Financial Instruments'*, this impairment is now reported under the line item 'Fair value adjustments through profit or loss'.

The financial assets at fair value through other comprehensive income mainly consist of investments in the holding companies Sofindev II NV (22,31%), 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 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 decreased by a net amount of EUR 32,0 million. This can mainly be explained by 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 compensated by fair value adjustments in Sofindev II NV, Sofindev III NV 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 capital decrease of EUR 3,2 million was performed within the company Sofindev IV NV.

During the previous reporting period, the investments had increased mainly as a result of the reclassification of the investment in the Lithuanian group IKI (EUR 14,4 million) from the line item 'Assets held for sale' and the additional EUR 7,1 million investment acquired within this group. In addition, the previous reporting period included a capital increase of EUR 11,8 million in the Indian company Sanchore Renewable Private Ltd.

14.2. Current assets

(in million EUR)	2018/19	2017/18
Equity instruments at fair value through profit or loss	11,0	11,4
Fixed-income securities at fair value through profit or loss	15,5	14,7
Financial assets at amortised cost	4,5	3,6
Total	**31,0**	**29,7**

The above table has been prepared in accordance with IFRS 9 *'Financial Instruments'*.

The current financial assets evolved as follows during the financial year:

(in million EUR)	2018/19	2017/18
At 1 April	**29,7**	**24,5**
Acquisitions	7,7	14,4
Sales and disposals	(6,2)	(7,3)
Classification (to)/from held for sale	-	(1,4)
Fair value adjustments through profit or loss	(0,4)	(0,1)
Currency translation differences	0,2	(0,4)
At 31 March	**31,0**	**29,7**

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 S.A. (EUR 26,5 million for the current period). The financial assets at amortised cost relate to a term deposit held by Colruyt IT India.

The equity instruments and fixed-income securities are valued at their closing price on 31 March 2019.
Fair value adjustments are recognised through profit or loss. The return on the fixed-income securities is 1,6% on average, with a maximum of 6,5%. The maturities of these investments vary between 4 and 30 years, with an average maturity of 10 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 2019 resulted in a net loss of EUR 0,4 million for the current financial year (compared to a net loss of EUR 0,1 million for the financial year 2017/18).

15. Business combinations

No material business combinations occurred during the financial year 2018/19 or during the financial year 2017/18.

16. Assets held for sale and disposal of subsidiaries

16.1. Assets held for sale

During the financial year 2018/19 no assets were classified as 'Assets held for sale'. 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.

Also during the financial year 2017/18, the investment in the Lithuanian group IKI (EUR 14,4 million) was reclassified back to 'Financial assets at fair value through other comprehensive income'[(1)]. More details can be found under note *14. Financial assets*.

(1) The terminology has been adjusted to IFRS 9 '*Financial Instruments*'. In 2017/18 this was reported as a classification to the category 'Equity securities available for sale'.

(in million EUR)	2018/19	2017/18
Non-current assets held for sale	-	-
Current assets held for sale	-	1,4
Total assets held for sale	**-**	**1,4**

The assets classified as held for sale changed as follows during the financial year:

(in million EUR)	2018/19	2017/18
At 1 April	**1,4**	**14,4**
Classification to/(from) held for sale	-	(13,0)
Sales and disposals	(1,4)	-
At 31 March	**-**	**1,4**

16.2. Disposal of subsidiaries

No material disposals of subsidiaries have occurred in 2018/19 or in 2017/18.

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	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Intangible assets	10,6	8,4	(0,7)	-	9,9	8,4
Property, plant and equipment	1,4	0,3	(79,3)	(87,6)	(77,9)	(87,3)
Inventories	0,3	1,4	(0,8)	-	(0,5)	1,4
Receivables	3,1	0,3	(2,8)	(0,9)	0,3	(0,6)
Liabilities related to employee benefits	39,8	43,8	-	(3,0)	39,8	40,8
Other provisions	2,3	3,6	(12,4)	(11,7)	(10,1)	(8,1)
Other liabilities	3,3	3,6	(1,6)	(2,2)	1,7	1,4
Tax losses carry-forward, deductible items and reclaimable tax paid	71,6	81,8	-	-	71,6	81,8
Gross deferred tax assets/(liabilities)	**132,4**	**143,2**	**(97,6)**	**(105,4)**	**34,8**	**37,8**
Unrecognised tax assets/liabilities	(70,2)	(70,9)	4,9	2,3	(65,3)	(68,6)
Offsetting tax assets/liabilities	(41,5)	(44,1)	41,5	44,1	-	-
Net deferred tax assets/(liabilities)	**20,7**	**28,2**	**(51,2)**	**(59,0)**	**(30,5)**	**(30,8)**

17.2. Change in net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Net carrying amount at 1 April	**28,2**	**22,6**	**(59,0)**	**(57,3)**	**(30,8)**	**(34,7)**
Changes recognised in profit or loss	(8,4)	5,6	7,8	8,0	(0,6)	13,6
Changes recognised in other comprehensive income	0,9	-	-	(9,7)	0,9	(9,7)
Net carrying amount at 31 March	**20,7**	**28,2**	**(51,2)**	**(59,0)**	**(30,5)**	**(30,8)**

On 31 March 2019 Colruyt Group did not recognise deferred tax assets for an amount of EUR 65,3 million (EUR 68,6 million on 31 March 2018). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward for a total amount of EUR 214,9 million (EUR 234,0 million for the financial year 2017/18) of which EUR 214,8 million can be carried forward indefinitely to future reporting periods (EUR 233,9 million in the financial year 2017/18).

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 5,5 million for the current financial year compared to EUR 5,7 million for the previous financial year.

The amount of inventories recognised as an expense in the income statement of 2018/19 amounts to EUR 6.962,7 million and was presented as 'Cost of goods sold'. Last year this expense was EUR 6.681,1 million.

19. Trade and other receivables

19.1. Other non-current receivables

(in million EUR)	31.03.19	31.03.18
Loans to customers	4,9	5,6
Loans to joint ventures	16,7	16,8
Guarantees granted	12,2	8,0
Other receivables	10,0	7,1
Total other non-current receivables	**43,8**	**37,5**

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. These loans are usually granted for a maximum period of 12 years and at an interest rate between 3,15% and 8%.

Colruyt Group granted a subordinated interest-bearing loan to Parkwind NV for an amount of EUR 10,7 million. The group also granted an interest-bearing loan to Fraluc group (ZEB) for an amount of EUR 6,0 million.

The 'Guarantees granted' have been provided in respect of purchase obligations.

The 'Other receivables' mainly consist of receivables held on the French authorities in respect of social security for an amount of EUR 8,2 million.

19.2. Current trade and other current receivables

(in million EUR)	31.03.19	31.03.18
Trade receivables	534,4	496,1
Total trade receivables	**534,4**	**496,1**
VAT	3,8	2,3
Prepaid expenses	27,3	15,3
Loans granted to customers that expire within 1 year	1,1	1,2
Guarantees granted	0,1	-
Interest	0,9	1,7
Other receivables	16,0	19,1
Total other current receivables	**49,2**	**39,6**

Trade receivables

Trade receivables are presented net of impairment allowances. The impairment allowances amount to EUR 15,4 million on 31 March 2019 (compared to EUR 12,0 million on 31 March 2018).

Other receivables

Other receivables are presented net of impairment allowances. The impairment allowances amount to EUR 0,6 million on 31 March 2019 (compared to EUR 1,0 million on 31 March 2018).

The ageing of trade receivables is as follows:

	31.03.19		31.03.18	
(in million EUR)	Gross	Impairment	Gross	Impairment
Not past due	504,3	(0,5)	451,7	(0,4)
Past due between 1 and 6 months	22,1	(4,8)	40,4	(4,6)
Past due for more than 6 months	23,4	(10,1)	16,0	(7,0)
Total	**549,8**	**(15,4)**	**508,1**	**(12,0)**

The movement in impairment allowances on trade and other receivables is as follows:

(in million EUR)	Impairment trade receivables		Impairment other receivables	
	2018/19	2017/18	2018/19	2017/18
At 1 April	**(12,0)**	**(11,5)**	**(1,0)**	**(0,6)**
Addition	(8,4)	(8,7)	(0,5)	(0,4)
Reversal	3,1	5,5	0,4	0,2
Use	1,9	2,7	0,5	0,1
Other	–	–	–	(0,3)
At 31 March	**(15,4)**	**(12,0)**	**(0,6)**	**(1,0)**

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)	31.03.2019	31.03.2018
Term deposits with an original maturity of three months or less	10,0	30,0
Other cash and cash equivalents	153,2	182,1
Cash and cash equivalents	**163,2**	**212,1**

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 shareholders' value. The Board of Directors strives to at least increase the annual dividend per share in proportion to the increase in group profits (excluding the profit participation of the employees). The pay-out ratio over the past years has always been higher than one third of the group's profit and amounts to 47,2%[(1)] for this financial year. According to the bylaws, at least 90% of distributable profits (excluding the profit sharing of employees) are reserved for shareholders and a maximum of 10% can be reserved for directors. Furthermore, in addition to its organic growth, Colruyt Group seeks to increase shareholders' value by purchasing treasury shares. The Board of Directors is authorised to acquire treasury shares up to a maximum of 20% of the shares issued. As employee commitment to the group's growth is one of Colruyt Group's priorities, an annual capital increase reserved for employees has been organised since 1987.

(1) More details can de found under notes *21.4 Dividends* and *21.5 Stability allowance reference shareholders.*

21.2. Share capital

As a result of the resolution of the Extraordinary General Meeting of Shareholders on 10 October 2018 the capital was increased by 355.738 shares; the related capital increase amounted to EUR 15,2 million.

The Company's share capital on 31 March 2019 amounted to EUR 331,2 million divided into 143.552.090 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 million.

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 Extraordinary General Meeting of Shareholders that will decide on this subject. 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 2019 Colruyt Group held 5.695.660 treasury shares; this represents 3,97% 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 up to 20% of the number of shares issued. The Board of Directors regularly discusses its buy-in policy and has approved on 27 September 2017 the launch of a share buyback programme. Within the scope of this programme Colruyt Group purchases treasury shares up to a maximum amount of EUR 350 million. The buyback programme started on 2 October 2017 and has 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. The aim of the buyback programme is to reduce the company's excess cash and to decrease capital. Purchases are made in accordance with the applicable laws and regulations and are in line with the mandate granted by the Extraordinary General Meeting of Shareholders. No treasury shares were purchased between 1 April 2019 and 12 June 2019. In accordance with article 622, paragraph 1 of the Companies Code, the voting rights of shares held by the company or its subsidiaries are suspended.

In December 2018 7.000.000 treasury shares were cancelled. 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 13 June 2019 a gross dividend of EUR 180,6 million or EUR 1,31 per share was proposed by the Board of Directors. Last year the gross dividend amounted to EUR 168,0 million or EUR 1,22 per share. The gross dividend takes into account the number of treasury shares purchased, if applicable, up until 12 June 2019 and the number of shares reserved within the context of the profit-sharing distribution in September 2019. The dividend was not incorporated in the consolidated financial statements for the financial year 2018/19.

21.5. Stability allowance reference shareholders

As from the financial year 2018/19 no more stability allowance will be granted to the reference shareholders Korys NV and Sofina NV. Therefore, the Board of Directors proposes to increase the dividend of the financial year 2018/19 by half of the stability allowance. In addition, Colruyt Group will each year reserve an amount for education projects via Colibri Foundation, the group's company fund.

(in million EUR)	2018/19	2017/18(1)
Korys NV	-	2,8
François Gillet(2)	-	0,9

(1) This bonus bore no relationship to the performance of the permanent representatives or other representatives of the reference shareholders concerned in their capacity as director or in any other capacity.
(2) The allowance to François Gillet, presented as director by the reference shareholder Sofina S.A., has been paid to Sofina S.A.

21.6. Shares granted to employees as part of the profit-sharing scheme

In accordance with the Law of 22 May 2001 in respect of the participation in the share capital and in the profit of companies (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 have 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 is based on market conditions; for this year the share price is fixed at EUR 63,74 per share. 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.

On 31 March 2019 an amount of EUR 32,9 million (including withholding tax and social security charges) was made available for profit-sharing, subject to the approval of the General Meeting of Shareholders. This year 5.975 employees accepted shares as part of their profit-sharing scheme. The value of this scheme amounts to EUR 1,1 million (excluding withholding taxes) and 16.963 shares.

On 31 March 2018 an amount of EUR 33,5 million (including withholding tax and social security charges) was reserved 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 25.592 shares, of which 25.554 shares were distributed.

21.7. Shareholder structure

In accordance with the most recent transparency notification of 18 February 2019, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	79.415.490
Etn. Fr. Colruyt NV (treasury shares)	5.695.660
Sofina Group	5.844.480
Total of parties that act in deliberation	**90.955.630**

The remainder of the total shares issued (143.552.090 shares per 31 March 2019), being 52.596.460 shares or 36,64% are publicly held. For more details we refer to the Corporate Governance section.

22. Earnings per share

	2018/19	2017/18
Total operating activity		
Profit for the financial year (group share) (in million EUR)	382,5	373,1
Weighted average number of outstanding shares	137.758.364	143.361.535
Earnings per share – basic and diluted (in EUR)	2,78	2,60

As there are no discontinued operations in either of the reporting periods, the above table is also valid for information in respect of continuing operations.

Weighted average number of outstanding shares

	2018/19	2017/18
Number of outstanding shares at 1 April	**138.507.856**	**145.635.508**
Effect of capital increase	99.804	73.796
Effect of shares granted to employees (profit-sharing scheme)	12.777	16.039
Effect of shares purchased	(862.073)	(2.363.808)
Weighted average number of outstanding shares at 31 March	**137.758.364**	**143.361.535**

23. Provisions

(in million EUR)	Environmental risks	Other risks	Total
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**
Non-current provisions	1,7	31,0	32,7
Current provisions	-	0,9	0,9
At 31 March 2018	**1,7**	**31,9**	**33,6**
At 1 April 2017	**2,5**	**24,8**	**27,3**
Addition	0,6	13,3	13,9
Use	(0,8)	(5,2)	(6,0)
Reversal	(0,6)	(1,0)	(1,6)
At 31 March 2018	**1,7**	**31,9**	**33,6**

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)	31.03.19	31.03.18
Defined contribution plans with a legally guaranteed minimum return	115,6	86,8
Benefits related to 'Unemployment regime with company supplement'	18,9	33,6
Other post-employment benefits	8,7	7,2
Total	**143,2**	**127,6**

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)	31.03.19	31.03.18
Present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return	269,5	226,0
Fair value of plan assets	153,9	139,2
Deficit/surplus (-) of funded status	**115,6**	**86,8**
Total liability for employee benefits, of which:		
Portion recognised as non-current liabilities	115,6	86,8
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)	2018/19	2017/18
At 1 April	**226,0**	**203,2**
Current service cost	15,9	14,0
Interest expense	4,2	3,5
Experience adjustments	6,2	7,2
Change of financial assumptions	14,6	-
Change of demographic assumptions	5,8	2,6
Benefit payments from plan assets	(3,9)	(4,9)
Participant contributions	2,7	2,6
Expenses and taxes paid	(2,0)	(2,2)
At 31 March	**269,5**	**226,0**

The plan assets (EUR 153,9 million) fully consist of investments in insurance contracts.

The evolution of the fair value of the plan assets is as follows:

(in million EUR)	2018/19	2017/18
At 1 April	**139,2**	**123,8**
Employer contributions	16,4	15,0
Interest income	2,6	2,3
Return on plan assets	(1,1)	2,6
Benefit payments from plan assets	(3,9)	(4,9)
Participant contributions	2,7	2,6
Expenses and taxes paid	(2,0)	(2,2)
At 31 March	**153,9**	**139,2**

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)	31.03.19	31.03.18
Total service cost(1)	15,9	14,0
Net interest cost(2)	1,6	1,2
Components recorded in the income statement	**17,5**	**15,2**

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial result' in the consolidated income statement.

	31.03.19	31.03.18
Experience adjustments	6,2	7,2
Change of financial assumptions	14,6	-
Change of demographic assumptions	5,8	2,6
Return on plan assets	1,1	(2,6)
Components recorded in other comprehensive income	**27,7**	**7,2**

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: 1,3% compared to 1,7% for the previous financial year;
• price inflation: 1,8% (same as for the previous financial year);
• salary inflation: 2,3% (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 of the 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 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)	2018/19	2017/18
At 1 April	**33,6**	**67,8**
Addition(1)	1,8	4,0
Use	(1,6)	(1,8)
Net interest expense(2)	0,6	1,3
Experience adjustments(3)	1,8	2,1
Change of financial assumptions(3)	1,0	(0,3)
Change of demographic assumptions(3)	(18,3)	(39,5)
At 31 March	**18,9**	**33,6**

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial result' in the consolidated income statement.
(3) Included in the consolidated statement of comprehensive income.

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment regime with company supplement' applicable in Belgium. The accounting principles in respect of the liabilities and costs related to this system are included under note *1.4. Other significant accounting policies*.

Colruyt Group regularly reviews the long-term assumptions in respect of these liabilities. For this financial year the following assumptions were used:
• discount rate: 1,50% compared to 1,95% for the previous financial year;
• salary inflation: 2,3% (same as for the previous financial year).

The changes made to the actuarial parameters this financial year have led to a decrease of the liabilities related to the benefits under the 'Unemployment regime with company supplement' by EUR 15,5 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 17,05 years, as compared to 17,25 years for the previous financial reporting period.

Other post-employment benefits

(in million EUR)	2018/19	2017/18
At 1 April	**7,2**	**6,4**
Addition(1)	0,5	0,8
Use	-	(0,2)
Net interest expense(2)	0,2	0,1
Return on plan assets(3)	0,1	-
Experience adjustments(3)	0,2	-
Change of financial assumptions(3)	0,5	(0,1)
Change of demographic assumptions(3)	-	(0,1)
Reclassification	-	0,3
At 31 March	**8,7**	**7,2**

(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: 1,35% compared to 1,8% for the previous financial year;
- salary inflation: 2,3% (same as for the previous financial year).

For the legal compensations, the following parameters are used:

French entities:
- discount rate: 1,6% compared to 1,5% for the previous financial year;
- salary inflation: 1,75% compared to 1,5% for the previous financial year.

Indian entities:
- discount rate: 7,6% compared to 8,05% for the previous financial year;
- salary inflation: 10,0% compared to 9,0% 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)	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Base scenario	115,6	86,8	18,9	33,6	3,9	3,5	4,8	3,7
Discount rate + 0,5%	94,6	70,1	17,6	30,4	3,6	3,2	4,4	3,3
Discount rate - 0,5%	139,6	105,7	20,2	37,0	4,2	3,7	5,2	3,9
Salary inflation + 0,5%	135,3	93,8	20,3	37,4	3,9	3,5	4,5	3,9
Salary inflation - 0,5%	96,2	80,0	16,9	28,5	3,9	3,5	5,1	3,3

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 above information does not necessarily provide a reasonable reflection of future results.

25. Interest-bearing liabilities

25.1. Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
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**
Finance lease and similar liabilities	2,7	8,5	2,5	13,7
Bank borrowings	125,9	1,5	0,5	127,9
Total at 31 March 2018	**128,6**	**10,0**	**3,0**	**141,6**

25.2. Repayment schedule finance lease liabilities

(in million EUR)	Total 2018/19	Interest 2018/19	Principal 2018/19	Total 2017/18	Interest 2017/18	Principal 2017/18
< 1 year	7,6	0,1	7,5	2,9	0,2	2,7
1-5 years	3,6	0,1	3,5	8,7	0,2	8,5
> 5 years	-	-	-	2,5	-	2,5
Total	**11,2**	**0,2**	**11,0**	**14,1**	**0,4**	**13,7**

Financial lease liabilities are guaranteed by the property title of the lessor on the leased assets.

The lease contracts concluded do not contain any conditional lease payments. There are however a number of restrictions imposed on dividends, debt increase and changes in shareholding. In addition, possibilities exist to further rent or buy the leased equipment.

25.3. Repayment schedule bank borrowings and others

(in million EUR)	Total 2018/19	Interest 2018/19	Principal 2018/19	Total 2017/18	Interest 2017/18	Principal 2017/18
< 1 year	33,6	0,1	33,5	126,0	0,1	125,9
1-5 years	2,3	0,3	2,0	1,7	0,2	1,5
> 5 years	-	-	-	0,6	0,1	0,5
Total	**35,9**	**0,4**	**35,5**	**128,3**	**0,4**	**127,9**

The interest-bearing liabilities mainly consist of finance lease liabilities and bank borrowings. During the previous reporting period an amount of EUR 125 million was drawn down in straight loans to cover short-term financing needs, compared to EUR 33 million for the current reporting period. The repayment of these straight loans during the current reporting period explains the sharp decrease in bank borrowings and others compared to the previous reporting period.

26. Trade payables, liabilities related to employee benefits and other liabilities

(in million EUR)	31.03.19	31.03.18
Trade payables (non-current)	0,8	0,5
Total trade payables (non-current)	**0,8**	**0,5**
Other liabilities (non-current)	0,2	0,2
Total other liabilities (non-current)	**0,2**	**0,2**
Trade payables	1.101,5	1.074,6
Guarantees received and advances on work in progress	19,2	17,7
Total trade payables (current)	**1.120,7**	**1.092,3**
Current liabilities related to employee benefits	461,7	441,5
VAT, duties and other operating taxes	64,4	63,3
Dividends	0,5	0,5
Deferred income and accrued costs	10,9	8,7
Derivative financial instruments – cash flow hedging instruments	0,2	-
Other	1,8	1,7
Total liabilities related to employee benefits and other liabilities (current)	**539,5**	**515,7**

Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
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**
Trade payables (non-current)	-	0,5	-	0,5
Other liabilities (non-current)	-	0,2	-	0,2
Trade payables (current)	1.092,3	-	-	1.092,3
Liabilities related to employee benefits and other liabilities (current)	515,7	-	-	515,7
Total at 31 March 2018	**1.608,0**	**0,7**	**-**	**1.608,7**

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. As from this financial year Colruyt Group uses 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)	31.03.19	31.03.18
AUD/EUR	(0,2)	(0,2)
EUR/INR	(1,7)	(2,2)
HKD/EUR	-	(1,8)
USD/EUR	(2,0)	(1,4)
ZAR/EUR	-	(0,1)
CAD/EUR	(0,1)	(0,1)
GBP/EUR	0,1	-
Total	**(3,9)**	**(5,8)**

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 finance lease liabilities in the statement of financial position, Colruyt Group does not hedge its interest rate risk.

At 31 March 2019 the total amount of bank and other borrowings was EUR 35,5 million (non-current and current) or 0,86% of total assets (compared to EUR 127,9 million on 31 March 2018) and 21,73% of the cash and cash equivalents. The decrease compared to previous reporting period is the result of a lower drawdown of straight loans (EUR 33 million in 2018/19 versus EUR 125 million in 2017/18). Most of these borrowings are at a fixed interest rate.

Colruyt Group's finance lease liabilities amounted to EUR 11,0 million on 31 March 2019 (compared to EUR 13,7 million on 31 March 2018) and are mainly contracted at 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 managed 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 29,5 million (compared to EUR 36,1 million last year). The collectability of this amount was secured by bank guarantees for an amount of EUR 24,3 million (compared to EUR 28,1 million last year).

For the calculation of the expected credit losses Colruyt Group applies the following approaches, under IFRS 9 *'Financial Instruments'*:
- 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.

In previous years, impairments on receivables were determined based on a model of incurred credit losses instead of expected credit losses.

D. Liquidity risk

Finco NV is Colruyt Group's financial coordinator, and ensures that all entities of Colruyt Group have access to the financial resources they need. Finco NV applies 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 is also responsible for the investment of Colruyt Group's cash and cash equivalents, and does so by using short-term term deposits. Finco NV uses cash projections to follow up on Colruyt Group's liquidity. Over the past few years Colruyt Group made very limited use of any form of external financing. Liabilities and finance lease arrangements are mainly the result of business combinations. Colruyt Group's policy is to settle these liabilities 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 S.A., manages a portfolio of financial instruments (fixed interest-bearing instruments and equity instruments). These are used to cover the reinsurance risk. On 31 March 2019 the total value of Colruyt Group's current investment portfolio amounts to EUR 31,0 million (EUR 29,7 million per 31 March 2018); EUR 26,6 million of this amount belongs to Locré S.A. (EUR 26,1 million per 31 March 2018). 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 -0,4 million during this financial year (a net write-off of EUR -0,1 million during the previous reporting period).

The ratio of the current investment portfolio to cash and cash equivalents of Colruyt Group amounts to 19,0% (14,0% 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.

The table for the current reporting period has been prepared according to the new classification under IFRS 9 *'Financial Instruments'*, whereas the table of the previous financial year was prepared according to the classification under IAS 39 *'Financial Instruments: Recognition and Measurement'*.

(in million EUR)	Historical or 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	-	-	-	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
Financial instruments	-	-	0,2	-	0,2
Total at 31 March 2019	**1.168,2**	**-**	**0,2**	**-**	**1.168,4**
Financial assets:					
Financial assets available for sale	12,0	-	-	28,9	40,9
Receivables	540,8	-	-	-	540,8
Financial assets held for trading	3,6	26,1	-	-	29,7
Cash and cash equivalents	212,1	-	-	-	212,1
Total at 31 March 2018	**768,5**	**26,1**	**-**	**28,9**	**823,5**
Financial liabilities:					
Interest-bearing and other liabilities	142,3	-	-	-	142,3
Trade payables	1.092,3	-	-	-	1.092,3
Total at 31 March 2018	**1.234,6**	**-**	**-**	**-**	**1.234,6**

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 'historical or 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 historical or 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 the investments in the holding companies Sofindev II NV, Sofindev III NV and Sofindev IV NV in which Colruyt Group does not have a significant influence.
During the current reporting period the participation in the Lithuanian group IKI (13,12%) was sold, amongst others.

The opening and closing balance of the investments classified under level 3 can be reconciled as follows:

(in million EUR)	2018/19	2017/18
At 1 April	**28,9**	**11,2**
Classification (to)/from held for sale	-	14,4
Acquisitions	0,4	7,3
Sales	(21,7)	-
Capital increases	1,9	-
Capital decreases	(3,2)	-
Fair value adjustments through other comprehensive income	1,7	(4,0)
Other	0,9	-
At 31 March	**8,9**	**28,9**

27.2. Other risks

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. Colruyt Group has rental commitments on the one hand, and contractual obligations in relation to future acquisitions of property, plant and equipment and future purchases of goods and services on the other.

The amounts due in relation to these commitments are as follows:

(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	-

(in million EUR)	31.03.18	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee	59,7	24,2	21,7	13,8
Commitments relating to the acquisition of property, plant and equipment	74,5	64,5	10,0	-
Commitments relating to purchases of goods	109,0	99,6	9,4	-
Other commitments	17,5	11,7	5,8	-

Commitments relating to operating lease arrangements where Colruyt Group acts as a lessee, mainly relate to obligations as a result of non-cancellable lease arrangements for immovables. Rental and rental-related charges for immovables were recognised in profit or loss for an amount of EUR 29,4 million (EUR 29,6 million for the previous financial year). The income statement includes rental charges related to non-cancellable leases together with other rental-related charges (e.g. property withholding taxes) and rental charges from cancellable lease arrangements.

The adjusted definition of lease term under IFRS 16 *'Leases'* was not taken into consideration in the above table.

The income statement includes rental and rental-related charges in respect of movables for an amount of EUR 16,1 million (EUR 12,9 million in the previous reporting period). These rental charges mainly result from cancellable lease arrangements.

The commitments related to the acquisition of property, plant and equipment for an amount of EUR 54,9 (EUR 74,5 million in the previous reporting period) consist mainly of contractual commitments for the acquisition of land and buildings.

The commitments for the purchase of trade goods for an amount of EUR 133,5 million (EUR 109,0 million in the previous reporting period) are the result of forward contracts concluded with suppliers in order 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) for an amount of EUR 34,6 million (EUR 17,5 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 an operating lease arrangement.

The amounts to be received in relation to the rights are as follows:

(in million EUR)	31.03.19	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	17,1	9,4	7,7	-

(in million EUR)	31.03.18	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	17,2	8,9	8,1	0,2

The rights resulting from lease agreements whereby Colruyt Group acts as a lessor relate to subleased assets for an amount of EUR 13,8 million (EUR 14,4 million in the previous reporting period). Within the line item 'Other operating income' of the consolidated income statement, an amount of EUR 7,0 million (EUR 7,1 million in the previous reporting period) has been included in respect of subleased assets. The related cost (included in the consolidated income statement under the line item 'Services and miscellaneous goods') amounted to EUR 7,1 million (EUR 7,0 million in the previous reporting period).

A part of these agreements will be treated as financial sublease agreements under IFRS 16 *'Leases'*, as a result of which these revenues will no longer be recognised under the line item 'Other operating income' in the next financial year, but as a lease receivable on the consolidated statement of financial position.

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)	31.03.19	31.03.18
Disputes	7,7	0,3
Other	0,4	31,8

At balance sheet date there were a limited number of legal actions outstanding against Colruyt Group which, although disputed, constitute together a contingent liability of EUR 7,7 million (compared to EUR 0,3 million in the previous reporting period). The pending cases primarily concern commercial law claims.

Similar to 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 buy-back commitments supplied as an additional guarantee for the financing of affiliated independent storekeepers for an amount of EUR 0,4 million (compared to EUR 0,8 million in the previous reporting period). In the previous reporting period these guarantees also included guarantees for financing provided for investment projects (EUR 31,0 million).

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 2 October 2018 a gross dividend of EUR 1,22 per share was paid to the shareholders.

For the 2018/19 financial year, the Board of Directors has proposed a gross dividend of EUR 1,31 per share, which will be declared payable from 1 October 2019. 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 must still be approved at the General Meeting of Shareholders of 25 September 2019, 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 137.873.393 shares (after deduction of treasury shares and taking into account the shares reserved for the profit-sharing scheme), as determined on 12 June 2019, the total amount of proposed dividends amounts to EUR 180,6 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 S.C.A., Korys Capital S.A.R.L., Korys Renovables S.L., Korys Investments NV, Eurowatt NV, Smartmat NV, Greenbyte AB, D-Drinks Group NV and Realdolmen NV (until 30 September 2018).

31.1. Related party transactions excluding key management personnel compensation

(in million EUR)	2018/19	2017/18
Revenue	26,6	2,8
Costs	2,3	2,1
Receivables	17,5	20,5
Liabilities	3,9	9,5
Dividends paid	104,7	101,3
Paid stability allowance reference shareholders	3,7	3,8

The amounts disclosed above result from transactions made on terms equivalent to those that prevail in arm's length transactions between independent parties.

Transactions with various related parties generated revenue for an amount of EUR 26,6 million (EUR 2,8 million in the previous reporting period). This mainly relates to a dividend received from Vendis Capital (EUR 24,9 million).

The costs arising from transactions with various related parties amount to EUR 2,3 million and are mainly related to maintenance and IT costs (EUR 1,0 million) and compensations paid to joint ventures (EUR 1,3 million). Last year these costs (EUR 2,1 million) were primarily related to maintenance and IT costs from Realdolmen.

The outstanding receivables from related parties amounting to EUR 17,5 million (compared to EUR 20,5 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 3,9 million (compared to EUR 9,5 million in the previous reporting period). The amount in the current financial year mainly relates to transactions with entities that are controlled by members of Colruyt Group's key management. In the previous financial year this mainly involved acquisitions of intangible assets and property, plant and equipment.

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 2018/19	Number of persons/shares 2018/19	Remunerations 2017/18	Number of persons/shares 2017/18
Board of Directors		**9**		**9**
Fixed remuneration (directors' fees)	1,0		1,0	
Senior management		**12**		**11**
Salaries	3,36		3,09	
Variable remuneration	2,51		2,05	
Payments into defined contribution plans and other components	0,55		0,48	
Share-based payments	0,01	169	0,01	190

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

There have been no significant events after the reporting period.

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)	2018/19	2017/18
Audit assignments	0,7	0,6
Other assignments	-	0,1
Total	**0,7**	**0,7**

The consideration paid for audit services was EUR 0,7 million, of which EUR 0,2 million was recognised at the level of the Company and EUR 0,5 million was recognised at the level of its subsidiaries.

For non-audit services, such as other control assignments, tax advice and other assignments, Colruyt Group recognised a cost of EUR 0,1 million in the previous reporting period.

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 BVBA	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%
Chrisa NV	Edingensesteenweg 196	1500 Halle, Belgium	0443 121 734	100%
Codevco NV	Edingensesteenweg 196	1500 Halle, Belgium	0715 775 767	100%
Codevco I NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 318	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%
Codifrance S.A.S.[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 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 Gestion S.A.	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 S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B124296	100%
Colruyt Retail France S.A.S.[1]	Zone Industrielle	39700 Rochefort-sur-Nenon, France	789 139 789	100%
Colruyt Retail S.A.	Rue Du Parc Industrielle (GHI) 34	7822 Ath, Belgium	0401 377 189	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%
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%
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 France S.A.S.(1)	Zone Industrielle	39700 Rochefort-sur-Nenon, France	504 931 668	100%
DreamLand NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 746 645	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 S.A.S.	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 S.A.S.(1)	Zone Industrielle	39700 Rochefort-sur-Nenon, France	319 642 252	100%
Immo Colruyt Luxembourg S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B195799	100%
Immoco S.A.R.L.(1)	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	527 664 965	100%
Locré S.A.	Rue de Neudorf 534	2220 Luxembourg, Grand Duchy of Luxembourg	B59147	100%
Puur NV	Edingensesteenweg 196	1500 Halle, Belgium	0544 328 861	100%
Puurgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0631 815 438	100%
Puurwijn NV	Edingensesteenweg 196	1500 Halle, Belgium	0645 906 865	100%
Retail Partners Colruyt Group NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 970 957	100%
Retraco International BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0418 524 811	100%
R.H.C. S.A.S.(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%
SmartRetail CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Vlevico NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 846 259	100%
Walcodis S.A.	Rue du parc industriel (GHI) 34	7822 Ath, Belgium	0829 176 784	100%
Witeb Oost BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0697 694 571	100%
Witeb West BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0699 852 426	100%

(1) The financial year of the French companies has been 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 BVBA(2)	Borchtstraat 30	2800 Mechelen, Belgium	0691 752 926	33,33%
Fraluc NV(1)	Brusselsesteenweg 185	1785 Merchtem, Belgium	0553 548 910	68,31%
Parkwind NV(2)	Sint-Maartenstraat 5	3000 Leuven, Belgium	0844 796 259	60,13%

(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) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.4. Associates(1)

AgeCore S.A.	Rue de la Synagogue 33	1204 Genève, Switzerland	CHE-222 427 477	16,67%
Alliance Internationale de Distributeurs Alidis S.A.	Route de Meyrin 123 c/o BDO S.A.	1219 Châtelaine, Switzerland	CHE-110 054 794	16,67%
First Retail International 2 NV	Pontbeekstraat 2	1702 Dilbeek, Belgium	0644 497 494	4,48%
Newpharma Group S.A.	Rue du Charbonnage 10 bus 2	4020 Liège, Belgium	0684 465 652	26%
Vendis Capital NV	Jan Emiel Mommaertslaan 22	1831 Machelen, Belgium	0819 787 778	10,87%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.5. Changes in consolidation scope

a. New investments

On respectively 1 May and 17 May 2018 Colruyt Group acquired all the shares of Retraco International BVBA and Banden Deproost BVBA.

On 13 March 2019 Colruyt Group acquired a 33,33% stake in Achilles Design BVBA through a capital increase. This company is considered as a joint venture and is included in the consolidation using the equity method.

b. Mergers

On 1 April 2018 the company Center-Shop All-Seasons NV merged with Colim CVBA.

Respectively on 1 October 2018 and 1 January 2019 the companies Birdy NV and Ecam-Zepperen NV also merged with Colim CVBA.

c. Newly established companies

On respectively 5 June and 6 July 2018 the companies Witeb Oost BVBA and Witeb West BVBA were established.

On 11 December 2018 the companies Comnie NV and Codevco NV were established. On 19 December 2018 Codevco I NV, Codevco II NV, Codevco III NV and Codevco IV NV were also established.

In France the company Finco France S.A.S. was established on 20 December 2018.

d. Other changes

At the end of 2018 the liquidation of Colruyt Vastgoed Nederland BV was finalised.

On 1 October 2018 Etn. Fr. Colruyt NV exercised its call option to acquire 20% of the shares of Roecol NV held by Northlandt NV. As a result, the stake of Colruyt Group in Roecol NV increased from 50% to 70%.

On 27 November 2018 the agreement for the sale of Colruyt Renewable Energy Private Limited to Sanchore Services Private Limited was signed.

During the current financial year the ownership percentage of Vendis Capital NV has been adjusted to the economic right to distribution, i.e. 10,87% (compared to 13,45% as per 31/03/2018).

35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt NV, in accordance with Belgian accounting standards

The financial statements of Etn. Fr. Colruyt NV are presented below in condensed form.

For the individual financial statements of Etn. Fr. Colruyt NV an unqualified audit opinion was delivered by the auditor. The statutory report of the auditor confirms that the individual financial statements of Etn. Fr. Colruyt NV for the financial year ending 31 March 2019, 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. 98 and 100 of the Companies Code. A copy of these documents can be obtained there on request.

These documents can also be obtained on request at the Company's registered office:

Etn. Fr. Colruyt NV – Edingensesteenweg 196, 1500 Halle

Tel. +32 (2) 363 55 45
Internet: www.colruytgroup.com
E-mail: contact@colruytgroup.com

Condensed statement of financial position of Etn. Fr. Colruyt NV

(in million EUR)	31.03.19	31.03.18
Non-current assets	**4.921,6**	**4.950,6**
II. Intangible assets	98,7	83,9
III. Property, plant and equipment	235,6	226,3
IV. Financial non-current assets	4.587,3	4.640,4
Current assets	**1.167,6**	**1.413,6**
V. Receivables exceeding one year	6,6	7,0
VI. Inventories and work in progress	376,8	365,4
VII. Receivables for less than one year	476,1	452,7
VIII. Cash investments	252,4	507,8
IX. Cash and cash equivalents	52,1	77,7
X. Prepayments and accrued income	3,6	3,0
Total assets	**6.089,2**	**6.364,2**
Equity	**1.211,0**	**1.495,1**
I. Share capital	331,2	315,9
IV. Reserves	290,3	542,4
V. Profit carried forward	589,2	636,5
VI. Capital grants	0,3	0,3
Provisions and deferred taxes	**4,0**	**5,2**
Liabilities	**4.874,2**	**4.863,9**
VIII. Liabilities exceeding one year	3.250,1	3.250,1
IX. Liabilities for less than one year	1.610,1	1.600,3
X. Accruals and deferred income	14,0	13,5
Total liabilities	**6.089,2**	**6.364,2**

Condensed income statement of Etn. Fr. Colruyt NV

(in million EUR)	2018/19	2017/18
I. Operating income	7.086,3	6.974,5
II. Operating expenses	(6.799,8)	(6.657,6)
III. Operating profit	**286,5**	**316,9**
IV. Finance income	74,4	58,5
V. Finance expenses	(124,4)	(110,2)
VI. Profit for the financial year before tax	**236,5**	**265,2**
VII. Transfer to deferred tax	(0,1)	(0,2)
VIII. Income tax	(49,5)	(70,0)
IX. Profit for the financial year	**186,9**	**195,0**
X. Transfer to the tax exempt reserves	(0,5)	(0,7)
XI. Profit for the financial year available for appropriation	**186,4**	**194,3**

Profit appropriation Etn. Fr. Colruyt NV

For the 2018/19 financial year, the Board of Directors will propose the following profit distribution to the General Meeting of Shareholders on 25 September 2019:

(in million EUR)	2018/19	2017/18
Profit for the financial year available for appropriation	186,4	194,3
Profit carried forward from previous financial year	636,5	946,4
Profit available for appropriation	**822,9**	**1.140,7**
Transfer to the legal reserve	1,5	1,0
Addition to/(transfer from) other reserves	46,4	326,5
Result to be carried forward	589,2	636,5
Dividend to owners	180,4	167,0
Bonuses	-	3,7
Other debts	5,4	6,0

Dividend to the owners

This line item was calculated considering the number of treasury shares on 12 June 2019 and taking into account the shares reserved for distribution as part of the profit-sharing scheme in September 2019.

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 also includes finance leases, but excludes acquisitions through business combinations and contributions by third parties.

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.

Contact

Limited liability company Etn. Fr. Colruyt
Headquarters: Wilgenveld
Edingensesteenweg 196
B-1500 HALLE

RPR Brussels
VAT: BE 0400.378.485
Enterprise number: 0400.378.485

+32 (0)2 363 55 45
colruytgroup.com
contact@colruytgroup.com

Investor relations (for questions about shares, financial issues, annual rapport)
+32 (0)2 363 55 45
investor@colruytgroup.com

Press and media enquiries
+32 (0)473 92 45 10
press@colruytgroup.com

Risks relating to forecasts

Statements by Colruyt Group included in this publication, along with references to this publication in other written or verbal statements of the group which refer to future expectations with regard to activities, events and strategic developments of Colruyt Group, are predictions and as such contain risks and uncertainties. The information communicated relates to information available at the present time, which can differ from the final results. Factors that can generate a variation between expectation and reality are: changes in the micro- or macroeconomic context, changing market situations, changing competitive climate, unfavourable decisions with regard to the building and/or extension of new or existing stores, procurement problems with suppliers, as well as all other factors that can impact the group's result. Colruyt Group does not make any commitments with respect to future reporting that might have an influence on the group's result or which could bring about a deviation from the forecasts included in this publication or in other group communication, whether written or oral.

colruytgroup.com/annualreport

Publisher: Etn. Fr. Colruyt NV
Edingensesteenweg 196, B-1500 Halle • +32 (0)2 363 55 45

Design: Customer Communication & Experiences • Edingensesteenweg 249, B-1500 Halle

Only the Dutch version of the annual report is the official version.
The French and English versions are translations of the original Dutch version.