

Colruyt Group Sustainable Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Colruyt Group Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021 and Social Loan Principles 2021. This assessment is based on the following:



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



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



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



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



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Introduction

Colruyt Group (the “Company”) is a food and non-food distributor and retailer with more than 700 stores and approximately 580 affiliated stores including grocery stores, fashion retail, fitness clubs, food delivery, energy supply and printing. The Company operates in Belgium, France and Luxembourg and is headquartered in Halle, Belgium. As of April 2021, Colruyt Group had a workforce of over 32,000 employees and reported EUR 10 billion in revenue.

Colruyt Group has developed the Sustainable Financing Framework (the “Framework”) under which it intends to issue green, social and sustainability bonds, loans, medium term notes, promissory notes, financial leases, and syndicated loans and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to support the shift towards sustainable food systems and a low carbon environment. The Framework defines eligibility criteria in six green and one social category:

Green Categories:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation
4. Energy Efficiency
5. Sustainable Water and Wastewater Management
6. Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products

Social Categories:

7. Employment Generation

Colruyt Group engaged Sustainalytics to review the Colruyt Group Sustainable Financing Framework, dated December 2022, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP),¹ Green Loan Principles 2021 (GLP), and Social Loan Principles 2021 (SLP)². This Framework will be published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021 and Social Loan Principles 2021, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.12, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

¹ The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

³ The Colruyt Group Sustainable Financing Framework is available on Colruyt Group’s website at: <https://www.colruytgroup.com/en/invest/financial-press-releases>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

As part of this engagement, Sustainalytics held conversations with various members of Colruyt Group's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Colruyt Group representatives have confirmed (1) they understand it is the sole responsibility of Colruyt Group to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Colruyt Group.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Colruyt Group is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Colruyt Group has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Colruyt Group Sustainable Financing Framework

Sustainalytics is of the opinion that the Colruyt Group Sustainable Financing Framework is credible, impactful and aligns with the SBG and with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Sustainable Water and Wastewater Management, Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products and Employment Generation – are aligned with those recognized by the GBP, SBP, GLP and SLP.
 - Colruyt Group has established a three-year look-back period for its refinancing activities, which Sustainalytics considers to be aligned with market practice.
 - Under the Green Buildings category, Colruyt Group may invest commercial buildings in accordance with the following eligibility criteria:
 - Construction of new buildings that have a net primary energy demand (PED) at least 10% lower than the local threshold set for nearly zero building (NZEB) requirements.⁵ Sustainalytics considers this to be aligned with market practice.
 - Buildings that have achieved or are intended to achieve an Energy Performance Certificate (EPC) with energy class A or above in Belgium, France and Luxembourg. Sustainalytics considers this to be aligned with market practice.

⁵ European Commission, "Nearly zero-energy buildings", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

- Renovation costs of buildings in Belgium and France in alignment with the following criteria: i) renovations comply with major renovation requirements listed in the respective Belgian Energy Performance of Buildings (EPB) legislation⁶ and French Energy Performance Diagnosis (EPD) legislation⁷; or ii) renovations result in at least a 30% reduction of PED after the refurbishment in comparison to prerenovation performance figures.
 - For major renovations, Sustainalytics notes that the EU Taxonomy⁸ requires meeting the relevant cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive (EPBD), which varies among EU member states. Sustainalytics therefore encourages Colruyt Group to report on the actual improvement on PED performance or energy savings achieved in comparison with the existing building stock in the area or region.
 - Sustainalytics considers investments under this category to be in line with market practice.
 - Under the Renewable Energy category, Colruyt Group may finance or refinance expenditures related to the procurement, acquisition, development, construction and installation of renewable energy projects including: i) solar photovoltaic technologies;⁹ ii) green hydrogen production units; and iii) battery and hydrogen storage projects that are connected to renewables.¹⁰ Colruyt Group may also finance the purchase of renewable energy (onshore and offshore wind) through long-term physical power purchase agreements (PPAs) and virtual PPAs (with a minimum tenor of five years). Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Clean Transportation category, Colruyt Group may finance or refinance expenditures related to the establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon transport in accordance with the following criteria:
 - Zero direct emission transportation projects and technologies including electric and hydrogen vehicles for the Company's fleet and heavy-duty trucks.
 - Electrical and non-electrical bikes for the Company's employees.
 - Supporting infrastructure including electric vehicle charging stations, cyclist facilities (bicycle lanes and bicycle parking spaces), charging buildings¹¹ and hydrogen fuelling stations.
 - Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Energy Efficiency category, Colruyt Group may invest in the design, construction, operation and maintenance of energy efficient facilities and infrastructure. Colruyt Group has confirmed it will not finance projects or technologies that are reliant on fossil fuels or associated with carbon-intensive processes. Projects and technologies financed under this category may include:
 - Energy efficient lighting, improvements to heating, ventilation and air conditioning¹² and improvements to buildings' thermal performance (including to windows, walls and roof insulation).
 - Controls for equipment and automatic metering including smart meters for measuring electricity and water consumption. Sustainalytics notes that Colruyt Group also intends to finance smart meters for gas, which is consistent with the EU Taxonomy Delegated Act, even if such investments may prolong fossil fuel consumption. Sustainalytics considers investments tied to natural gas and associated components and systems to be suitable for transition finance.

⁶ The Belgian EPB is the first relevant ordinance under the EU's EPBD. More details can be found at: <https://epbd-ca.eu/wp-content/uploads/2022/02/Implementation-of-the-EPBD-in-Belgium-2020-%E2%80%93-Brussels-Capital-Region.pdf>

⁷ Government of France, "Diagnostic de performance énergétique", at: <https://www.ecologie.gouv.fr/diagnostic-performance-energetique-dpe>

⁸ European Commission, "Energy performance of buildings directive", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

⁹ Colruyt Group has communicated to Sustainalytics that it will finance the purchase, installation and maintenance of solar photovoltaic panels on stores and central buildings for self-consumption.

¹⁰ Storage systems will be specifically connected to solar and green hydrogen energy.

¹¹ Charging buildings provide charging accommodation for six electrified heavy-duty trucks using the fast-charging methodology.

¹² Sustainalytics notes that these systems will be certified as high-efficiency systems.

- Installation, maintenance and upgrade of refrigeration equipment (such as liquid ice containers), including leak detection and monitoring systems.¹³ Colruyt Group has confirmed to Sustainalytics that refrigerants considered will have a global warming potential close to zero. The Company has also confirmed that it will promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life.
 - Sustainalytics encourages Colruyt Group to report on the estimated or achieved energy efficiency gains as a result of the projects and technologies financed under this category, where feasible.
 - Based on the above, Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Sustainable Water and Wastewater Management category, Colruyt Group may finance or refinance projects related to improving water efficiency, water conservation and water quality in accordance with the following criteria:
 - Installation of water efficient sanitary equipment such as low flush toilets and low-consuming sensor water taps. Colruyt Group has confirmed that the costs financed will be directly linked to equipment or parts that enable water efficiency.
 - The development of water monitoring and control equipment such as leakage control and monitoring systems. The Company has confirmed that equipment financed will not be applied in hard-to-abate industries.
 - The development of rainwater harvesting systems and water and wastewater recycling infrastructure, including the reuse of water used in crate washing and recycling of wastewater from crate washing and sanitary use.¹⁴
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products category, Colruyt Group may finance costs related to the development and implementation of an eco-score, reflecting the ecological impact throughout the life cycle of a product. The Company has communicated to Sustainalytics that the eco-score includes specific environmental metrics and is developed based on a standardized calculation method. Colruyt Group engages with suppliers to encourage the application of eco-score. Sustainalytics notes that the eco-scores developed by Colruyt Group are reviewed by an external auditor on an annual basis. The Company has further confirmed to Sustainalytics that financing under this category will be limited to expenditures related to the development and implementation of eco-score. Sustainalytics considers eco-score to be a credible metric to measure the potential environmental impact of a product and therefore, views such financing as aligned with market practice. Sustainalytics further notes that the Company's financing to expand coverage of eco-score will support its efforts toward supporting consumers make informed decisions, thereby promoting responsible consumption.
- Under the Employment Generation category, Colruyt Group may finance or refinance the Collibri Foundation with the aim to improve access to employment opportunities. The Collibri Foundation is Colruyt Group's charitable foundation and company fund which offers training, coaching and exchange opportunities to young vulnerable people aged between 15 and 24 years in Belgium and developing countries;¹⁵
 - Sustainalytics notes that the Collibri Foundation operates in collaboration with the King Baudouin Foundation^{16,17} and works with training organizations and third-party organizations that provide awareness programmes. Amongst the 17 projects undertaken in Belgium and developing countries outside the EU, example projects relate to improving debating skills of young people growing up in vulnerable home situations and providing training to young people after school drop-out in Belgium.¹⁸

¹³ Colruyt Group's liquid ice container are refrigerated trolleys used to keep products cool during transportation. More details can be found at: <https://www.colruyt.be/nl/over-colruyt/duurzaamheid/liquid-ice>

¹⁴ Therefore, Sustainalytics notes that wastewater from fossil fuel operations will not be financed under the Framework.

¹⁵ Collibri Foundation, "Projects", at: <https://www.collibrifoundation.org/en/content/one-story>

¹⁶ King Baudouin Foundation, "Mission, Vision, Values", at: <https://kbs-frb.be/en/mission-vision-values>

¹⁷ Colruyt Group has communicated with Sustainalytics that the King Baudouin Foundation is an external partner that acts as an external governance body and hence, allows Colruyt Group to guarantee transparency throughout its funding process and throughout the selection of projects.

¹⁸ Ibid.

Sustainalytics considers that the projects of the Colibri Foundation are expected to improve access to education and employment for young vulnerable people, and therefore, views these investments as impactful.

- Project Evaluation and Selection:
 - Colruyt Group’s Sustainable Finance Committee (the “Committee”), consisting of representatives from the Corporate Sustainability and Treasury departments and the Board’s sustainability domain, will be responsible for the evaluation and selection of eligible projects in accordance with the criteria defined in the Framework.
 - Colruyt Group has established internal procedures to address environmental and social risks under which each business unit will be responsible for identifying and managing the risks associated with projects financed under its domain and providing the relevant information to the Committee. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional details, refer to Section 2.
 - Based on a well-defined project evaluation and selection process and the presence of adequate risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Sustainable Finance Committee will manage the net proceeds using a portfolio approach and will track the allocation of net proceeds using a sustainability mark within an internal tracking system.
 - The Company intends to achieve full allocation of net proceeds as soon as practicable, and commits to allocate the net proceeds within three years from the respective issuance date.
 - Pending full allocation, net proceeds will be temporarily held in cash or cash equivalents or in liquid short term products such as current and notice accounts and in accordance with Colruyt Group’s liquidity policy.¹⁹
 - Based on a well-defined approach to manage proceeds, including disclosure of an allocation timeframe and temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Colruyt Group intends to report on the allocation and impact of proceeds in separate reports which will be published on its website on an annual basis until full allocation.
 - Allocation reporting will include a description of eligible green and social projects by category, the total amount of sustainable financing issued and the total eligible projects portfolio by category, the balance of unallocated proceeds and the share of financing and refinancing (showing the percentage of the total eligible projects portfolio corresponding respectively to projects financed during the reporting year and to projects financed during previous reporting years).
 - Impact reporting may include: i) avoided CO₂ emissions (in tonnes) using clean transportation; ii) annual MWh solar power produced; iii) annual energy savings in MWh (electricity); and iv) number of young people involved in Colibri foundation training projects. For a full list of impact metrics, refer to Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Colruyt Group Sustainable Financing Framework aligns with the four core components of the GBP, SBP, GLP and SLP. For detailed information please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

¹⁹ Colruyt Group has communicated to Sustainalytics that notice accounts will hold proceeds for a maximum of three months.

Section 2: Colruyt Group's Sustainability Strategy

Contribution of framework to Colruyt Group's sustainability strategy

Sustainalytics is of the opinion that Colruyt Group demonstrates a commitment to sustainability through integrating sustainability considerations into its business operations and prioritizing strategies that aim to deliver a positive impact on the environment, social well-being, animal welfare and human health. The Company's efforts are guided by the UN Sustainable Development Goals (SDGs).²⁰ Sustainalytics has focused on the areas below that are most relevant to the use of proceeds categories that may be financed under the Framework.

In order to minimize its environmental footprint, Colruyt Group focuses on reducing emissions from its business operations and resource consumption. In 2021, the Company reduced its scope 1 and 2 GHG emissions by 42.4%, from a 2008 baseline (in comparison to the turnover) through heating and cooling efficiency measures, switching to alternative fuels and electric vehicles for company cars and transport fleet, and adoption of sustainable refrigerants across its logistics chain.^{21,22} By 2030, Colruyt Group aims to reduce its scope 1 and 2 emissions by another 42%, relative to a 2021 baseline, a commitment that is currently undergoing the validation process by SBTi.²³ In terms of energy use, the Company is focused on reducing its consumption and switching to renewable sources. By adopting energy efficiency measures in its stores and promoting energy saving behaviour amongst employees, Colruyt Group is aiming for a 20% reduction in its energy consumption in Luxembourg and Belgium by 2030 against a 2009 baseline, and has already achieved a 13.5% reduction in 2021.²⁴ Additionally, the Company fulfilled 44.4% of its energy demand from renewable sources as of 2021 and is committed to increasing this to 60% by 2030 through the installation of solar PV on company sites and investment in wind energy.^{25,26} Regarding transport, Colruyt Group is committed to making its freight transport zero-emission by 2030 via battery-electrical driven vehicles or hydrogen-electric vehicles.²⁷ Colruyt Group is also seeking to increase water use efficiency by capturing rainwater, recycling wastewater and through the adoption of high-efficiency design in its buildings. The Company established a target to fulfil 50% of its water consumption from rainwater and treated wastewater by 2025, relative to 33.5% in 2021.²⁸

Colruyt Group promotes nutritious and sustainable diets through collaboration with its agricultural producers and healthy-eating awareness initiatives. In Belgium, the Company has partnered with local producers who provide sustainable grains, eggs, and meat and has also sought to secure sustainable products from outside of Europe.^{29,30} The Company is also implementing initiatives to improve the nutritional composition of products offered in its retail food stores by reducing sugar, fats, and salts and adding more fibre.³¹ In addition to the above, Colruyt Group has also undertaken a variety of initiatives to help inform its customers about healthy eating, including the distribution of affordable healthy recipe booklets and the provision of workshops and webinars on health-related topics to the general public through the Colruyt Group Academy.^{32,33}

²⁰ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

²¹ Colruyt Group, "Sustainable cooling of products in our logistics chain", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/sustainable-cooling>

²² Colruyt Group, "Cleaner atmosphere with less greenhouse gases", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/our-12-sites/atmosphere>

²³ Colruyt Group, "Our plan to reduce CO₂", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/co2-reduction-plan>

²⁴ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

²⁵ Colruyt Group, "Sustainable energy for a sustainable future", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/our-12-sites/energy>

²⁶ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

²⁷ Colruyt Group, "Zero emission transport for goods", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/zero-emission-transport>

²⁸ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

²⁹ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

³⁰ Colruyt Group, "Step by Step: Together, we are building a more sustainable world", (2022), at: <https://issuu.com/colruytgroup/docs/sustainability-projects-colruyt-group-2022?fr=sYjVjNTUxODQ4NDQ>

³¹ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at:

https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

³² Colruyt Group, "Step by Step: Together, we are building a more sustainable world", (2022), at: <https://issuu.com/colruytgroup/docs/sustainability-projects-colruyt-group-2022?fr=sYjVjNTUxODQ4NDQ>

³³ Colruyt Group, "Healthier living is something we do together", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/our-12-sites/health>

In addition to its impact on the environment and enhancing access to healthy food for its customers, Colruyt Group is also committed to delivering a positive impact on the community through initiatives that provide better access to education and foster economic empowerment. Through the Collibri Foundation, Colruyt Group offers targeted programmes aimed at providing professional skills training to the youth in difficult situations and the development of sustainable production chains.³⁴ The foundation operates in 11 countries globally, including Belgium, where it is also involved in other social programmes that are designed to support vulnerable youth, including unaccompanied foreign minors, with mentorship services, career coaching, and social support.^{35,36}

Sustainalytics is of the opinion that the Colruyt Group's Sustainability Bond Framework is aligned with the Company's overall sustainability strategy and will further the Company's action on the noted key priorities.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents, and waste generated in construction, occupational health and safety, labour rights and community and stakeholder relations.

Sustainalytics is of the opinion that Colruyt Group is able to manage or mitigate potential risks through implementation of the following:

- The overall environmental impacts of Colruyt Group's operations and associated risks are managed by a dedicated team led by an Environmental Coordinator.³⁷ The Environmental Coordinator is responsible for monitoring the Company's performance and ensuring compliance with environmental legislation. In addition, Colruyt Group has also obtained and maintained the ISO 14001 Environmental Management certification for its Fine Food and Dats24 businesses, which ensures that thorough systems are in place to reduce the environmental impact of the Company's operations.
- Colruyt Group relies on several different strategies to address land use and biodiversity issues. For its construction projects, Colruyt Group ensures that the necessary environmental permits are acquired according to the relevant municipal guidelines. Additionally, for its retail products, the Company selects products and raw materials with social and ecological sustainability certifications, such as the Marine Stewardship Council, the Forest Stewardship Council, the International Seafood Sustainability Foundation, Rainforest Alliance and Fairtrade.³⁸ Colruyt Group also mitigates ecological risks through sector-specific initiatives that seek to improve the sustainability of its local and international supply chains, including the production and purchase of coffee beans³⁹, cocoa⁴⁰ and cashews.⁴¹
- To tackle effluents and waste generated in construction, Colruyt Group takes part in the EU ICEBERG project,⁴² collaborating with 34 international partners to research the reuse of building materials and the application of new circular building materials and techniques developed within the project.⁴³ Colruyt Group is currently upgrading its residual streams and increasing the circularity of its products and packaging, including the recycling and reuse of raw materials.⁴⁴ Further, the Company focuses on the treatment of wastewater, which is returned into the circuit afterwards and used across its facilities.⁴⁵

³⁴ Colruyt Group, "Collibri Foundation", (2022), at: <https://www.colruytgroup.com/en/about-us/our-societal-surplus-value/collibri-foundation>

³⁵ Collibri Foundation, "A Boost for life", (2022), at: <https://www.collibrifoundation.org/en/project/boost-for-life>

³⁶ Collibri Foundation, "Mentor-Escale: a welcome for minors", (2022), at: <https://www.collibrifoundation.org/en/project/mentor-escale-welcome-minors>

³⁷ Colruyt Group has shared this information confidentially with Sustainalytics.

³⁸ Colruyt Group has shared this information confidentially with Sustainalytics.

³⁹ Colruyt Group, "Sustainable coffee and tea", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/more-sustainable-coffee>

⁴⁰ Colruyt Group, "Belgian fair trade chocolate", at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/belgian-chocolate>

⁴¹ Colruyt Group, "More sustainable cashew nuts from Benin", (2022), at: <https://www.colruytgroup.com/en/sustainable-entrepreneurship/initiatives/chain-project-cashew-nuts>

⁴² For more information on the European iceberg project, please refer to: <https://iceberg-project.eu/scope/>

⁴³ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at: https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

⁴⁴ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at: https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

⁴⁵ Colruyt Group, "Annual Report with Sustainability Reporting 2021/22", (2022), at: https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

- Colruyt Group’s health policy intends to raise awareness and provide guidance in view of physical, mental and social health topics.⁴⁶ The Company has also developed another policy with standards and guidelines that address well-being at work, occupational safety, health protection and incident management.⁴⁷
- Colruyt Group applies the Amfori BSCI Code of Conduct⁴⁸ to protect labour rights amongst their private-label product suppliers.⁴⁹ Adherence to this code ensures the upkeep of international human rights, including the adherence to a minimum working age, payment of fair wages, the exclusion of forced labour, and the provision of safe and healthy working conditions. Additionally, audits are undertaken to monitor adherence, and improvement processes are launched to ameliorate shortcomings when they are found.⁵⁰
- Colruyt Group manages risks associated with community relations and its stakeholders by conducting regular consultations that seek insight into expectations and provide an opportunity to share feedback. The latest round of consultations occurred in March 2022 and involved business partners, sector federations, NGOs, and social and environmental organizations. Colruyt Group uses insights from these consultations to inform its sustainability agenda.⁵¹ Additionally, Belgium, Luxembourg, and France are classified as “Designated Countries” under the Equator Principles, implying the presence of robust environment and social governance systems, legislation, and institutional capacity for protecting the environment and communities.⁵²

Based on these policies, initiatives, standards and assessments, Sustainalytics is of the opinion that Colruyt Group has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All seven use of proceeds categories are aligned with those recognized by GBP, SBP, GLP or SLP. Sustainalytics has focused below on three categories where the impact is specifically relevant in the local context.

Contribution of green buildings and energy efficiency to climate change mitigation in the EU

The building sector is a key contributor to the emissions profile and the largest final consumer of energy in the EU. Buildings accounted for 43% of the EU’s total energy consumption in 2021⁵³ and 36% of the EU’s total CO₂ emissions in 2020.⁵⁴ According to the EU, a large proportion of CO₂ emissions from buildings relates to construction, operation and renovation processes, which are reliant on the energy generated from fossil fuels.⁵⁵ Additionally, 75% of the EU’s existing building stock is considered energy inefficient.⁵⁶ In order to decarbonize the building sector, increasing efforts around reducing energy consumption and enhancing energy efficiency is crucial.

As per the European Climate Law, the EU aims to become climate neutral by 2050 and has committed to reducing GHG emissions by 55%, compared to 1990 levels, by 2030.⁵⁷ Furthermore, the EU aims to increase energy efficiency across the building, transport, industry and energy supply sectors, amongst others, by 32.5% by 2030, compared to the projected energy usage for the same year.⁵⁸ To achieve these targets, CO₂ emissions from the building sector are required to decrease by an estimated 60% through renovations, energy efficiency gains from insulation and improved heating and cooling systems. The European Commission

⁴⁶ Colruyt Group has shared its health policy directly with Sustainalytics for assessment on a confidential basis.

⁴⁷ Colruyt Group has shared the prevention policy directly with Sustainalytics for assessment on a confidential basis.

⁴⁸ For more information on Amfori BSCI, please refer to: [amforihttps://www.amfori.org/content/amfori-bsci](https://www.amfori.org/content/amfori-bsci)

⁴⁹ Amfori BSCI is an organization that facilitates the monitoring of supply chain performance information and provides an auditing programme to ensure transparency in their data. Amfori BSCI, “What we offer”, (2022), at: <https://www.amfori.org/content/amfori-bsci>

⁵⁰ Colruyt Group, “Annual Report with Sustainability Reporting 2021/22”, (2022), at: https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

⁵¹ Colruyt Group, “Annual Report with Sustainability Reporting 2021/22”, (2022), at: https://issuu.com/colruytgroup/docs/annual_report_with_sustainability_reporting_2021-22?fr=sNWUwOTUyNDQ0MTc

⁵² Equator Principles, “Designated & Non-Designated Countries”, (2022), at: <https://equator-principles.com/about-the-equator-principles/designated-countries/>

⁵³ Odyssee-Mure, “Energy efficiency trends in buildings in the EU”, (2021), at: <https://www.odyssee-mure.eu/publications/policy-brief/buildings-energy-efficiency-trends.pdf>

⁵⁴ European Commission, “In focus: Energy efficiency in buildings”, (2020), at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

⁵⁵ European Commission, “Energy efficiency in buildings”, (2020), at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

⁵⁶ Ibid.

⁵⁷ European Commission, “European Climate Law”, at: https://climate.ec.europa.eu/eu-action/european-green-deal/european-climate-law_en

⁵⁸ European Commission, “Energy efficiency targets”, at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficiency-targets-directive-and-rules/energy-efficiency-targets_en

announced the Renovation Wave strategy in 2020, under which it aims to renovate 35 million residential and non-residential buildings across EU member states by 2030.⁵⁹ Additionally, the EPBD requires all new buildings to be nearly zero energy buildings as of 2021 and requires all EU member states to establish a long-term strategy that supports the achievement of a highly energy efficient and decarbonized building stock by 2050, including milestones for 2030 and 2040.⁶⁰

In Belgium, the building sector accounted for 26% of energy-related CO₂ emissions in 2020.⁶¹ Additionally, the sector also represented 32% of the country's final energy consumption for 2019.⁶² Belgium has committed to a CO₂ emissions reduction target of 35% by 2030, compared to 2005 levels with an aim to achieve carbon neutrality by 2050.⁶³ The Government of Belgium aims to achieve complete decarbonization of the building sector by 2050, through retrofits and energy-efficient solutions such as smart technologies, as well as a carbon-free energy mix.⁶⁴ As part of its recovery and resilience plan developed in 2021, Belgium commits to invest EUR 1 billion to renovate public and private buildings, to improve their energy performance.⁶⁵

In view of the above, Sustainalytics expects Colruyt Group's financing of green buildings and energy efficiency projects to be impactful in reducing energy consumption and contributing to the decarbonization of the building sector in the EU.

Importance of decarbonizing the transportation sector in the EU

The transportation sector accounted for almost 25% of the EU's total GHG emissions in 2020.⁶⁶ The major reason for the need to reduce transportation-related GHG emissions drastically is the harmful effect of pollutants on the environment and air quality in particular, with road transport representing a major source of air pollution in most European cities.^{67,68} The EU's target to become climate neutral by 2050 requires a 90% reduction in transportation-related GHG emissions.⁶⁹ In the context of its low-carbon mobility strategy, the EU prioritizes investments in the deployment of low-carbon energy sources, the transition towards low- and zero-carbon vehicles, including cars, vans and heavy-duty vehicles, and increased transport system efficiency.⁷⁰

In Belgium, the transportation sector accounted for 21.7MtCO₂e of GHG emissions in 2020, compared to 26 MtCO₂e in 2019.⁷¹ In line with the national target to achieve net-zero emissions across the transportation sector by 2050, Belgium aims to reduce transportation-related GHG emissions by 27% by 2030, compared to 2005 levels.⁷² Additionally, while Belgium's current share of renewable energy used for transportation is approximately 11%, it has set the target to increase this share to 23.7% by 2030.^{73,74} To achieve these goals, Belgium has identified the following strategies: i) increasing zero-carbon vehicles and energy carriers used for passenger and freight transport, relying mainly on electrification, hydrogen and alternative fuels; ii) encouraging the shift to active transport such as cycling, and shared transportation such as public

⁵⁹ Ibid.

⁶⁰ European Commission, "Directive (EU) 2018/844 of the European Parliament and of the Council", (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3A0J.L_.2018.156.01.0075.01.ENG

⁶¹ International Energy Agency, "Belgium – Energy Policy Review", (2022), at: https://iea.blob.core.windows.net/assets/638cb377-ca57-4c16-847d-ea4d96218d35/Belgium2022_EnergyPolicyReview.pdf

⁶² IEA, "Belgium 2022 Energy Policy Review", (2022), at: https://iea.blob.core.windows.net/assets/638cb377-ca57-4c16-847d-ea4d96218d35/Belgium2022_EnergyPolicyReview.pdf

⁶³ The Belgian federal website, "National burden sharing 2021-2030", at: <https://klimaat.be/klimaatbeleid/belgisch/nationaal/lastenverdeling>

⁶⁴ The Belgian federal website, "Vision and strategic workstreams for a decarbonised Belgium by 2050", (2020), at: <https://climat.be/doc/visionandstrategicworkstreamsforadecarbonisedbelgiumby2050.pdf>

⁶⁵ Europa Nu, "NextGenerationEU: European Commission endorses Belgium's €5.9 billion recovery and resilience plan", (2021), at: https://www.europa-nu.nl/id/vljwcz6satsi/nieuws/nextgenerationeu_european_commission?ctx=vgaxlcr0e008&s0e=vhdubxdwqrzwhhttps://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/belgiums-recovery-and-resilience-plan_en

⁶⁶ European Commission, "Transport and the Green Deal", (2020), at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/transport-and-green-deal_en

⁶⁷ European Environment Agency, "Improving air quality improves people's health and productivity", (2022), at: <https://www.eea.europa.eu/signals/signals-2020/articles/improving-air-quality-improves-people2019s>

⁶⁸ European Environment Agency, "Emissions of air pollutants from transport in Europe", (2022), at: <https://www.eea.europa.eu/ims/emissions-of-air-pollutants-from>

⁶⁹ European Commission, "Transport and the Green Deal", (2020), at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/transport-and-green-deal_en

⁷⁰ European Commission, "A European Strategy for low-emission mobility", at: https://climate.ec.europa.eu/eu-action/transport-emissions_en

⁷¹ Statista, "Annual greenhouse gas emissions from fuel combustion in the transport sector in Belgium from 2011 to 2020", (2022), at: <https://www.statista.com/statistics/411827/annual-greenhouse-gas-emissions-of-the-transport-sector-in-belgium/>

⁷² European Parliament, "Climate action in Belgium – Latest state of play", (2021), at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690578/EPRS_BRI\(2021\)690578_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690578/EPRS_BRI(2021)690578_EN.pdf)

⁷³ Ibid.

⁷⁴ IEA, "Belgium 2022: Energy Policy Review", (2022), at: https://iea.blob.core.windows.net/assets/638cb377-ca57-4c16-847d-ea4d96218d35/Belgium2022_EnergyPolicyReview.pdf

transportation and carsharing; and iii) improving local freight transport through digitization, efficient land use planning and circular efforts to shorten value chains, amongst other topics.⁷⁵

Based on the above context, Sustainalytics expects Colruyt Group's financing of clean transportation projects to contribute to decarbonizing the transportation sector, and thereby, support the EU, especially Belgium, in achieving its clean transportation targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Colruyt Group Sustainable Financing Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products	12. Responsible Consumption and Production	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
Employment Generation	8. Decent Work and Economic Growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-,

⁷⁵ UNFCCC, "Belgium's long-term strategy", at: https://unfccc.int/sites/default/files/resource/LTS_BE_EN_summary.pdf

		small- and medium-sized enterprises, including through access to financial services
--	--	---

Conclusion

Colruyt Group has developed the Colruyt Group Sustainable Financing Framework under which it may issue green, social and sustainability bonds, loans, medium term notes, promissory notes and, financial leases, syndicated loans and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to deliver positive environmental and social impact.

The Framework outlines a process for tracking, allocating and managing the proceeds and makes commitments for Colruyt Group to report on the allocation and impacts of the use of proceeds. Furthermore, Sustainalytics believes that the Colruyt Group Sustainable Financing Framework is aligned with the overall sustainability strategy of the Company and is expected to contribute to the advancement of the UN Sustainable Development Goals 6, 7, 8, 9, and 12. Additionally, Sustainalytics is of the opinion that Colruyt Group has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Colruyt Group is well-positioned to issue green, social and sustainability instruments and that the Colruyt Group Sustainable Financing Framework is robust, transparent, and in alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021 and Social Loan Principles 2021.

Appendix

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Colruyt Group
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Colruyt Group Sustainable Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 28, 2022
Publication date of review publication: Original publication date <i>[please fill this out for updates]:</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

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

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|---|--|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify): Access to healthy food |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

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

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

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

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

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

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): A description of eligible green and social projects by eligible project category; total amount of the Sustainable Financing issued and the total eligible projects portfolio by eligible project category; balance of unallocated proceeds; share of financing and refinancing (showing the percentage of the total Eligible Projects Portfolio corresponding respectively to projects financed during the reporting year and to projects financed during previous reporting years) | |

Frequency:

- Annual Semi-annual
 Other (please specify):

Impact reporting:

- Project-by-project On a project portfolio basis
 Linkage to individual bond(s) Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
 Decrease in water use Number of beneficiaries
 Target populations Other ESG indicators (please specify):

Use of Proceeds Category	Potential impact indicators
Clean transportation	<ul style="list-style-type: none"> ▪ Avoided CO₂ emissions (in tonnes) using clean transportation ▪ % own tractors, box trucks and vans on alternative fuels (excl. CNG) ▪ % own zero-emission transport fleet (tractors, trucks and vans) ▪ Number of company cars, own trucks and vans running on alternative fuels ▪ Number of public DATS 24 hydrogen filling stations ▪ Number of added electric charging stations
Renewable energy	<ul style="list-style-type: none"> ▪ Annual MWh solar power produced ▪ Annual MWh green electricity produced by Virya Energy allocated to Colruyt Group ▪ Avoided CO₂ emissions (in tonnes) using renewable energy
Green buildings	<ul style="list-style-type: none"> ▪ Number of buildings with EPC A certificate
Energy efficiency	<ul style="list-style-type: none"> ▪ Number of conversions into low-energy store ▪ Annual energy savings in MWh (electricity) and GJ (other energy savings) ▪ Avoided CO₂ emissions (in tonnes)
Sustainable water and wastewater management	<ul style="list-style-type: none"> ▪ Annual volume of used rainwater ▪ Annual volume of recycled wastewater ▪ % rainwater and wastewater
Eco-efficient and/or circular economy adapted products, production technologies and processes and/or certified eco-efficient products	<ul style="list-style-type: none"> ▪ % of Boni products featuring the Eco-score on the packaging
Employment generation	<ul style="list-style-type: none"> ▪ Number of young people directly involved in Collibri Foundation training projects

Frequency:

- Annual Semi-annual
 Other (please specify):

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Separate Allocation and Impact reports |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance

data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

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