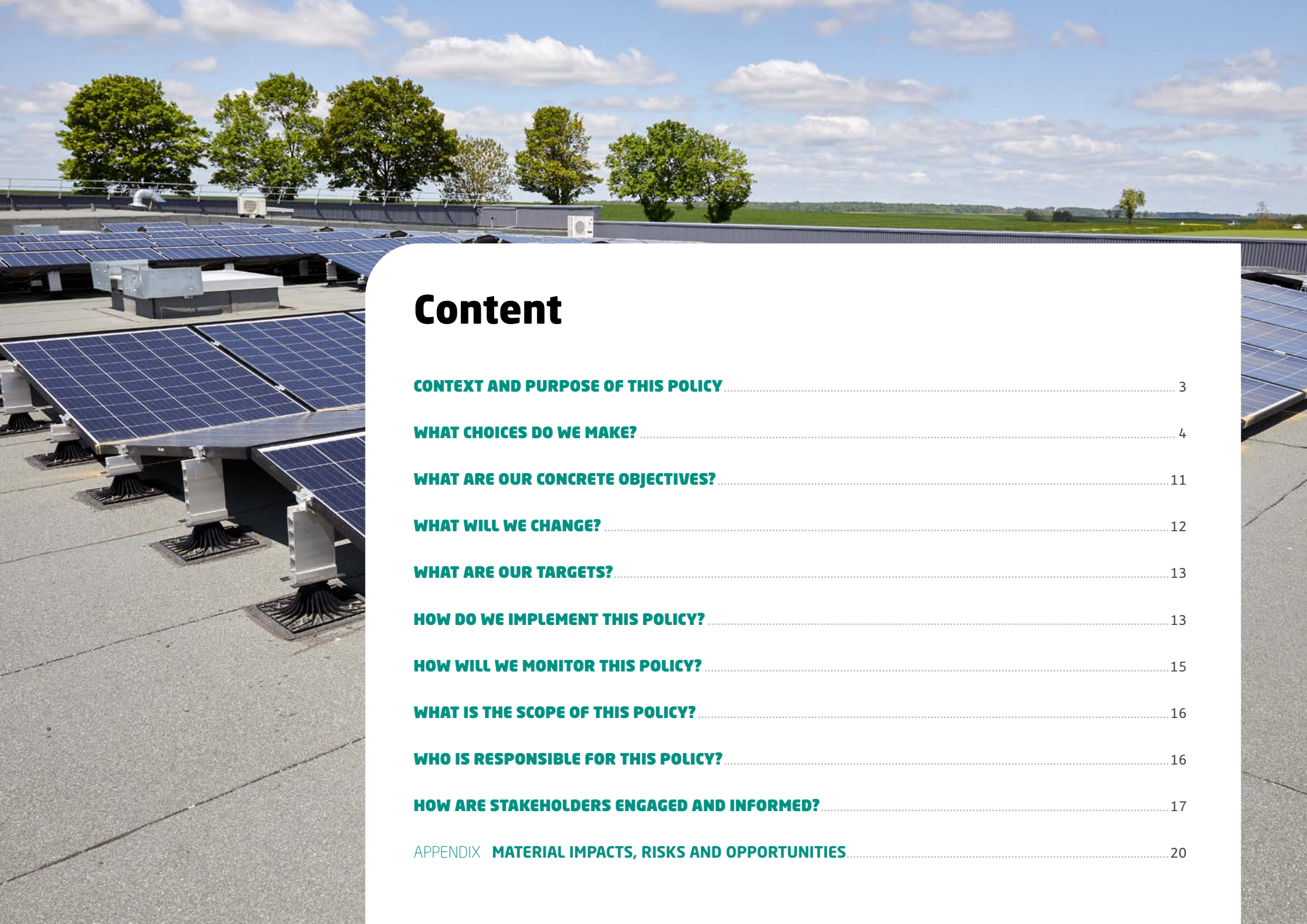
Climate Change Mitigation in scope 1 and 2

Version: March 2025

COLRUYTGROUP



Content

CONTEXT AND PURPOSE OF THIS POLICY 3

WHAT CHOICES DO WE MAKE? 4

WHAT ARE OUR CONCRETE OBJECTIVES? 11

WHAT WILL WE CHANGE? 12

WHAT ARE OUR TARGETS? 13

HOW DO WE IMPLEMENT THIS POLICY? 13

HOW WILL WE MONITOR THIS POLICY? 15

WHAT IS THE SCOPE OF THIS POLICY? 16

WHO IS RESPONSIBLE FOR THIS POLICY? 16

HOW ARE STAKEHOLDERS ENGAGED AND INFORMED? 17

APPENDIX MATERIAL IMPACTS, RISKS AND OPPORTUNITIES 20

CONTEXT AND PURPOSE OF THIS POLICY

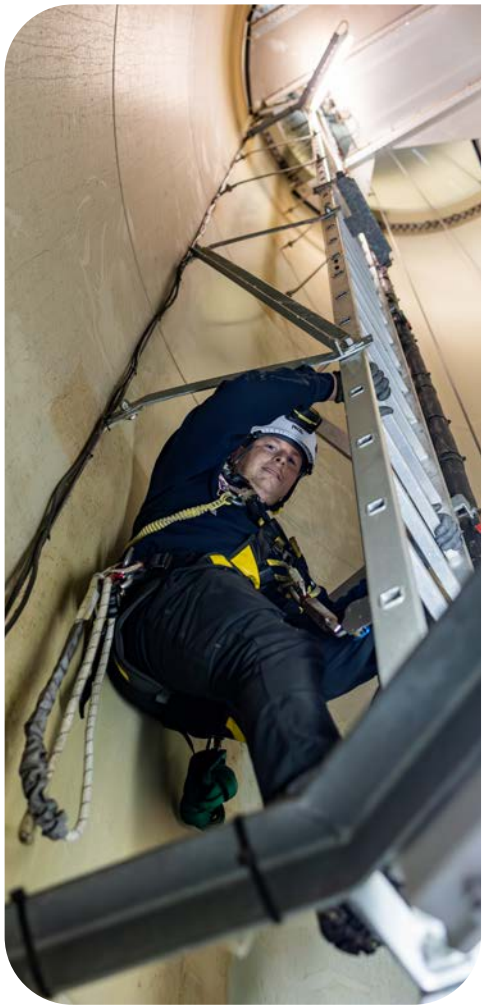
Climate change is one of the biggest challenges of our time. As a company, we have to adjust to it (climate change adaptation), but climate change mitigation is even more important.

Climate change mitigation means taking measures to limit the extent or speed of climate change, especially by reducing greenhouse gas emissions. In addition, mitigation is also possible by increasing the so-called natural 'carbon sinks', for example by means of reforestation or carbon farming.

This approach helps to ensure that global warming is limited to 1.5°C.[1] If the temperature rises by more than 2°C compared to the pre-industrial era, scientists say this may lead to dangerous and even disastrous changes to the environment across the globe.

As a large company, we take our responsibility to contribute to the global efforts to reduce greenhouse gas emissions. We took this path years ago for the emissions under our direct control.

In 2008, Colruyt Group drew up a greenhouse gas inventory for scope 1 and 2 for the first time.[2] In the period of 2011-2015, the first reduction projects were started up. First, the focus was on making our purchased electricity greener and reducing the emissions coming from refrigeration; later, heating and mobility were added.



Meanwhile, we have already defined, achieved and renewed objectives multiple times. In the outside world, we are therefore seen as a trailblazer in terms of greenhouse gas reduction for our own infrastructure.

This Colruyt Group policy aims at reducing Colruyt Group's greenhouse gas emissions in its own activities, in order to limit or mitigate the negative impact on climate change. Underlying, we also explain the strategic choices regarding energy efficiency, renewable energy and carbon removal.

[1] The European Union has set the target to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990. This target is legally binding through the European climate law. An ambitious and sizeable legislative package must ensure that Member States achieve this ambition and thus pave the way for climate neutrality by 2050. This last target is one of the pillars of the European Green Deal.

[2] Companies measure their greenhouse gas emissions according to the 3 scopes of the Greenhouse Gas Protocol. Scope 1 includes all direct emissions, generated through assets that are owned by or controlled by Colruyt Group. For example, natural gas that is combusted in a heating boiler or fuel that is used by a company car. Scope 2 includes all indirect emissions that are caused by purchased and consumed electricity, heating, cooling and hydrogen. For example, the electricity that is used for lighting at the stores. Scope 3 includes the emissions throughout the entire value chain linked to our products and activities.

This group policy is the next step in formalising our climate policy and continuing to work towards a climate-neutral business operations. Because that is the aim: to work towards a maximum reduction of greenhouse gas emissions by 2050, as close to zero as possible. Therefore, we want to get rid of the current emission sources, as far as this is possible technologically and economically. This applies to the energy we use as well as to the installations and vehicles that create emissions.

In our upstream and downstream value chains, we will also play an active role to promote climate change mitigation and sustainable practices. Click the image above to read the policy that specifically relates to the reduction of greenhouse gas emissions in scope 3.

WHAT CHOICES DO WE MAKE?

The strategic choices below reflect the policy that we've been implementing at Colruyt Group for years, when it comes to climate change mitigation for its own operations. They are now embedded in the organisation and clearly visible in the actions we take and have taken.

1 We are pioneer in the corporate world for a number of consciously chosen decarbonisation topics.

For a number of clearly defined topics, we want to be a pioneer in the corporate world and set things in motion. The degree of impact also defines the choice. Like this, we prepare for the future and hope to inspire others.

In other areas, it's a conscious choice to follow the market. For example, pending (profitable) solutions that are technologically ready to be applied widely. We cannot and don't want to be first all the time.

In the past, we've regularly assumed a pioneering role and took the sector along. A good example is propane as a coolant. We've deliberately chosen propane and not CO_2 as a natural coolant in our Belgian stores: this allows us to use heat recovery as a simple manner to heat store buildings, so that no more fossil fuels are needed for this.

Regarding this topic, we've played a very active role, both in sector consultations (and more widely) and in the implementation of this technology. Our efforts have meanwhile been confirmed in a legislative framework on phasing out F-gases and the retail sector has taken big steps in this as a whole.

With CNG as well, we took the lead in positioning this fuel as a transition fuel. However, the fluctuating energy market and high natural gas prices as a result of the current geopolitical situation have ushered in the final transition to electric driving more quickly.

Propane installation at Bio-Planet Mons

Today, we put full focus on two decarbonisation topics: zero-emission transport and circular construction.

1 **Zero-emission transport**

As a retailer, we depend on transport every day to supply our distribution centres, stores and customers, in a very visible manner. That's why we consciously put a focus on zero-emission transport, to make all these kilometres cleaner.

100 % hydrogen powered truck with 0 % carbon emission

We want to be a pioneer in the sector to introduce electric and hydrogen-electric lorries in the daily processes, including all infrastructure that comes with this.

2 **Circular construction**

For circular construction, embodied carbon[3] and building materials with a low carbon footprint, we also have a pioneering role in the Belgian construction sector, in the position of client.

We are active in various (international) research projects and have active collaborations in business with building companies, suppliers and processors of building materials to achieve change together. In our test centre, we try out new concepts for our stores and examine circular building solutions.

[3] 'Embodied carbon' refers to the CO_2 emission that is caused by all steps in the life cycle of a building. This includes the mining of raw materials, production of building materials, transport, construction, use and eventually demolition and removal of materials. In short: a building's carbon footprint.

2 The greenest energy is the energy you don't use. Energy efficiency, energy recovery and energy care are inherent to our 'lowest costs" philosophy and are therefore a daily focus in our business processes and our buildings.

At Colruyt Group, energy efficiency and energy care are deeply rooted in our DNA, based on the philosophy 'the lowest prices thanks to the lowest costs'. In the 1960s, we strived to save energy mainly for economic reasons, because it allowed us to save costs, which was necessary to guarantee our customers the lowest prices. Eventually, it became our nature to use the available resources economically, including energy.

Today as well, we continue to make an effort to reduce our energy consumption. Our refrigerated fresh markets and closed freezers are widely known, as are the maximum loading rate of our lorries, and our low-energy stores with their high level of insulation, airtightness and heat recovery.

These are all examples of how we've been making principled choices for energy efficiency and were way ahead of the sector and legislation. Energy care also remains high on our agenda: we want every co-worker to pay attention to possibly energy loss in their behaviour and when applying procedures.

We want to and will continue to make these choices. Although we do realise: more and more, energy efficiency is no longer synonymous with lower costs, at least not in the short term. However, this does not prevent us from making investments anyway, if the positive impact is big enough and everything adds up.

By 2030, 90% of our stores will be low-energy stores. Thanks in part to solar panels, half of those stores will be completely free of fossil fuels by then. Learn more about our low-energy stores at More low-energy stores, fewer fossil fuels | Colruyt Group

3 We make maximum use of renewable energy and continue to invest in it.

When energy consumption cannot be avoided, we consciously choose renewable energy. It can come in the form of electricity based on renewable sources such as solar or wind, but also of green hydrogen or biofuel for specific applications where electrification is not feasible (yet). Nuclear energy does not have a place in this today.

This choice is also a direct result from our history: in 1999, we built our first wind turbine, which was one of the first ones in Belgium at that time, close to our logistic heart in Halle. This resulted in a company, Eoly Energy, now part of Virya Energy and still owned by the Colruyt family (Korys) and Colruyt Group.

We also acquired a lot of experience and knowledge in the production of green hydrogen thanks to various pioneer projects. We've been investing in renewable energy and will continue to do so.

The electricity we purchase is nearly 100% renewable. This has already been the case for Belgium since 2010, by the way. The basic principle is to use as much local electricity as possible, generated on the same site. Like this, we maximise simultaneity between production and consumption.

We generate our own electricity with solar installations at our store sites and logistics sites. A number of sites have wind turbines by Virya Energy, of which we purchase electricity directly. The remainder of our electricity need is covered by purchased renewable electricity, often produced offshore, with Guarantees of Origin.

4 For our real estate, we consistently invest in CO_2 reduction and work towards climate-neutral buildings across the entire life cycle. Our focus is on the long term.

With Colruyt Group, we deliberately choose to buy and manage real estate depending on our retail activities and not for short-term yield. This gives us the opportunity to consistently consider the climate impact of our buildings on the one hand, and make long-term investments on the other hand, that create sustainable added value, for example in eco-friendly techniques and installations or innovative building materials.

For our real estate, we therefore make decisions for the long run. The longer an asset lasts, the smaller the annual footprint is of its production or construction. We go for literally sustainable buildings, that are solid and stable enough and can last for a long time. We know and understand well that our buildings usually last 50 years or longer. This means we are already looking at 2050 and beyond in the choices we make today.

On the one hand, we strive for a building to have few to no greenhouse gas emissions during its use. We have already achieved that for a number of stores. We will continue to work on this in the years to come. We systematically improve our buildings in terms of techniques, insulation and airtightness.

On the other hand, we are not afraid to look at the emissions a building has during its entire life cycle, including the production of building materials, the construction itself and the demolition at the end of the life cycle. Ultimately, we want to reduce this emission to zero as well, but we still have longer way to go there and don't control everything.

We are already taking demonstrable steps today, and will continue down this road in the years to come. For example, we're examining and testing new materials and procedures with a lower CO2 emission and are also experimenting with organic residual flows, urban mining and the reuse of materials to close the loop.

During the demolition and reconstruction of Colruyt Temse, the principles of urban mining were applied. The construction site became a benchmark for circular building. Read more about it at Demolition of Colruyt Temse: benchmark for circular construction | Colruyt Group

5 When making investment decisions, we look at the complete environmental impact. This allows us to limit negative effects on other important environmental topics due to a one-sided focus on CO_2 reduction.

Our activities and our decisions also have an impact on the environment and nature as a whole, not just on climate change.[4] Sometimes, a measure also helps to reduce the entire environmental impact, but sometimes it creates a contradiction.

A good example is the contradiction between the positive impact of CO_2 reduction and the negative impact of material use. Or sometimes a choice shifts the emission of scope 1 or 2 to scope 3, and doesn't achieve a real reduction, on the whole. When making investment decisions, we want to create insight in this trade-off and avoid it as much as possible. Impact analyses, such as *life cycle assessments* (LCA), can help us in this.

For example, for our buildings we work towards a complete package of measures. In every situation, we consider which actions should take priority over others. For example, as soon as enough residual heat is recovered from the cooling installation additional insulation and a lower energy consumption no longer outweigh the impact of the use of materials.

Techniques and building shell are inextricably linked to each other, and should therefore be approached as a holistic whole. The choice of material can also have a direct influence on the rest of the construction and, despite the one better material, cause a negative effect on the entire building because a greater load-bearing capacity, and therefore more materials, is required somewhere else. We therefore always choose to include the bigger picture and only make decisions if it is holistically correct.

An example in terms of techniques is our conscious choice to replace F-gases with natural coolants, instead of the 'improved' chemical coolants with double bond that could easily be used in existing installations. Despite the strong lobby of the involved industry, we saw a potential negative impact on (water) pollution and human health due to the formation of harmful substances.[5] Since then, these chemical coolants are being criticised.

---

[4] We use 'nature' as a collective term for all living organisms, their habitat, the ecosystem they live in and the relationships they have between them. We use the term 'environment' to refer to the entire living environment. In addition to external elements such as the air, the climate, the water, the soil, etc., people and other organisms also have a direct effect on nature. Actually, 'climate' is a component of the elements that are described by the collective term 'environment'. Because the climate has a direct influence on both people and nature. Source: onzenatuur.be

[5] TFAs (trifluoroacetic acid)

6 As from 2030, we want to offset at least the equivalent of our remaining emissions in scope 1 and 2 by investing in reforestation.

Even the most advanced technology can't ensure (yet) that we don't emit anything. Even after 2030, it will require a lot of time and resources to reduce our CO_2 emissions to as close as possible to 0. We want to actively offset the emissions that remain until then.

We continue to reduce our emissions structurally and with the necessary ambition, even after 2030, but at the same time choose a complementary solution. As a first big step, we started offsetting CO_2 through afforestation in the Democratic Republic of the Congo.

After thorough analysis of the different alternatives, we opted for afforestation. Today, afforestation is one of the most versatile solutions against climate change . Our goal is to plant 12 million trees by 2028 – creating a forest of about 10,000 hectares.

Instead of buying carbon credits or offsets, we chose to start and manage our own reforestation project. At the same time, we want to create added value, not only for the climate and biodiversity, but also for society and the local communities. This means the project has a social dimension as well.

[6] See: https://climatepromise.undp.org/news-and-stories/forests-can-help-us-limit-climate-change-here-how

WHAT ARE OUR CONCRETE OBJECTIVES?

1 By 2030, we will reduce our greenhouse gas emissions in scope 1 and 2 (market-based) by 42% compared to 2021.

▸ Status 2024: -19,8 %

This objective describes the intended reduction of greenhouse gas emission by Colruyt Group between base year 2021 and target year 2030.

Measures that contribute to the reduction of the greenhouse gas emissions are calculated in absolute values (tonnes of CO_2eq) and projected on the total greenhouse gas emissions by Colruyt Group in base year 2021.

The objective relates to scope 1 and 2, which means that it includes greenhouse gas emissions in own activities (scope 1) and in the production of purchased electricity (scope 2).

The target was drawn up according to the method of the Science-based Targets initiative (SBTi) and subsequently also validated successfully by this organisation. This means that the ambition level of our target is compatible with limiting global warming to +1.5°C, in line with the Paris Agreement.

The retail and distribution sector is not one of the sectors that received a separate reduction pathway at the Science-based Targets initiative. That's why Colruyt Group chose the 'cross-sector pathway' to work out science-based targets.

This objective applies to all consolidated subsidiaries of Colruyt Group, in accordance with the principle of financial control. For the sake of comparability and in line with the requirements of the Greenhouse Gas Protocol, the base year is recalculated when necessary to reflect structural and methodological changes.

2 By 2030, we will reduce our energy consumption by 20% per million euros of sales compared to 2021.

▸ Status 2024: -8,4 %

With this internal target, we want to work on the energy intensity of our Belgian activities, i.e. the energy consumption relative to turnover. In our annual report, we do not report separately on this KPI, but consider it part of our climate objective.

Energy efficiency is one of the main pillars of our climate change mitigation policy for scope 1 and 2 (cf. strategic choice 2) and is directly linked to the decarbonisation levers for zero-emission passenger transport, zero-emission freight transport, the reduction of fossil fuels for heating and the optimisation of the building shell of buildings. The actions that contribute to the reduction of greenhouse gas emissions from these levers will therefore also positively contribute to the achievement of this objective aimed at energy efficiency.

The additional aspect of this objective is that we want to reduce the consumption for all energy applications, i.e. also those applications for which renewable, decarbonised energy is already used. Therefore, we will not necessarily emit less greenhouse gases with this ambition, but create a social added value (i.e. more renewable energy that is 'left' for other purposes and less energy infrastructure needed). We do this by optimally focusing on the energy efficiency of processes and installations, and especially by optimising the (logistics) flow so that operational needs that consume energy can be reduced.

This objective was not presented to the Science-based Targets initiative and therefore not explicitly aligned with the Paris Agreement. Since this objective largely (but not exclusively) contributes to the objective that was aligned for the reduction of greenhouse gas emissions in scope 1 and 2, we see nothing wrong in this.

3 By 2030, we will have net-zero emissions in scopes 1 and 2.

By 2030, we aim to achieve emission neutrality in our operations. Net-zero emissions mean that the sum of the greenhouse gases we emit (+) and the CO_2 we remove from the atmosphere (–) equals zero. This objective is directly linked to strategic choice 6.

To reach emission neutrality, we launched the N'situ Pelende reforestation program in the Democratic Republic of the Congo. Through this project, we are reforesting former savanna grasslands to maximize carbon storage and promote biodiversity.

In no way does the existence of this additional and complementary objective affect the level of ambition of our emission reduction target.

WHAT WILL WE CHANGE?

To achieve the target and the group policy, we have identified a number of necessary changes. These will be expanded more.

- continue the implementation of the reduction plans of the operating units serviced by Colruyt Grou^p Technics and Real Estate (Belgium)
- drafting and implementation of OU-specific reduction plans for the non-integrated operating units
- include greenhouse gas intensity and reduction potential in the due diligence processes in Mergers & Acquisitions
- installation of operational monitoring of the consumption and emission figures, allowing to steer in the short term
- planting and management of a forest in the Democratic Republic of the Congo to generate sufficient verified carbon offsets to compensate our remaining emissions by 2030 (incl. growth scenarios)

WHAT ARE OUR TARGETS?

The targets are our intermediate targets per financial year, specifically for the climate change mitigation topic in scope 1 and 2. From the 2024/25 financial year, achieving them is linked to a part of the profit bonus, a component of the collective variable pay of the middle and senior management.

	Target for reduction of GHG emission (%)
21/22 financial year	(base year)
22/23 financial year	-4,7 %
23/24 financial year	-9,3 %
24/25 financial year	-14,0 %
25/26 financial year	-18,7 %
26/27 financial year	-23,3 %
27/28 financial year	-28,0 %
28/29 financial year	-32,7 %
29/30 financial year	-37,3 %
30/31 financial year	**-42 %**

HOW DO WE IMPLEMENT THIS POLICY?

For the implementation of our strategic choices and objectives, we selected four decarbonisation levers that should allow to mitigate the impact of Colruyt Group on climate change. These levers are described, quantified and substantiated in the form of a plan of action in our climate change mitigation plan.

1 **Zero-emission passenger transport**
Colruyt Group's existing fleet of company vehicles comprises vehicles powered by CNG, diesel, petrol, hydrogen and electricity. The share of electric company vehicles will increase to 100% by 2030, at least for the group's central fleet which is managed in Belgium. In the coming financial year, we will start preparing reduction plans for the group's non-integrated activities.

2 **Natural refrigerants**
Our aim is to replace all our cooling systems running on synthetic refrigerants or to modify them in line with the new regulations.

This means that we are installing new cooling systems running on natural refrigerants and modifying existing systems to comply with the lower Global Warming Potential (GWP) requirements under the EU F-Gas Regulation. This is being or will be done for all systems in the branches of Bio-Planet, Colruyt Lowest Prices, Okay and Comarkt.

3 **Reduction in fossil fuels for heating**
A preliminary key action under this decarbonisation lever is to use residual heat from the cooling systems in the branches of Bio-Planet, Colruyt Lowest Prices, Okay and Comarkt.

When installing the new cooling systems running on natural refrigerants, a further system will be installed enabling the residual heat from the cooling plant to be used to heat the store buildings. In many cases, this residual

heat will be sufficient to cover the majority or even the entirety of store heat demand.

A second key action under this lever is to add further insulation to (the roofs of) the store buildings which we own. This is being implemented in the branches of Bio-Planet, Colruyt Lowest Prices, Okay and Comarkt.

For renovation work, we are looking into whether it is possible to add additional insulation to lower the heat demand of the buildings and reduce the need for external heating as far as possible.

The optimum degree of insulation will be determined, ensuring that the amount of emissions released in the production phaseof the insulation material does not exceed the amount of emissions avoided in the use phase of the building thanks to the additional insulation.

4 Zero-emisson freight transport

We want to reduce our greenhouse gas emissions in the area of freight transport to zero by 2030 by means of zero-emission freight transport. This target is applicable to our own fleet, in other words all freight vehicles involved in Davytrans, Solucious, Northlandt (Belgium) and Codifrance (France) operations.

We will switch our trucks to electric vehicles (Battery Electric Vehicle or Fuel Cell Electric Vehicle) and are exploring ways of deploying bio fuel HVO100 in the short term. Lastly, we are working on the electrification of our refrigerated trucks and terminal tractors.

Our food service company Solucious uses five electrically cooled trucks in the Brussels region.

When choosing the levers, we use a few principles, in addition to the strategic choices:

- We always choose maximum impact per invested euro.
- We monitor how much CO_2 reduction our measures yield and actively adjust based on the consumption figures of our buildings, machines and vehicles.

Simultaneously and to support:

- We follow legislative initiatives related to climate change mitigation and energy efficiency.
- We observe trends and evolutions in the (wide) retail sector.
- We examine the use and necessity of (pre-competitive) collaborations.
- We initiate pilot projects to learn by doing and anticipate future challenges by already focusing on innovation.
- We evaluate and update our policy and our plans of action.

HOW WILL WE MONITOR THIS POLICY?

The policy was drawn up by the **Direct Greenhouse Gas Emissions Steering Committee** led by the **Business Lead** assigned within Colruyt Group for Energy and Climate change mitigation, Koen Baetens, Real Estate director. The Sustainability Service Centre ensures the facilitation and preparation of the Steering Committee with a **working group composed of experts**.

In the Steering Committee, the objectives formulated in this policy and the indicators and targets linked to them are monitored periodically. The Sustainability Service Centre always prepares the necessary reporting for this. The project managers involved also report on the progress and effectiveness of the changes and actions.

Every year, we go through the following **process**:

- We closely monitor our **material IROs**[7] and slightly update the double materiality assessment at least once a year, including for Energy and Climate change mitigation. Any changes are integrated in our sustainability strategy.
- We evaluate the **progress of our objectives** regarding Energy and Climate change mitigation by means of the linked indicators and targets.[8]
- Based on this, we determine what has to be adjusted or added to the existing **Energy and Climate change mitigation policy**.
- If necessary, strategic choices are adjusted and additional **objectives and indicators** are formulated.
- These new objectives are validated by the Management Committee.
- Finally, the related **roadmaps** are also adjusted.

[7] IRO stands for Impact, Risk and Opportunity and is a key concept for the double materiality assessment, in which companies not only have to evaluate and report on the influence of sustainability matters on their financial performance (risks and opportunities), but also on their impact on the environment and society.

[8] For more information on the measuring method of the greenhouse gas inventory and the indicators, we refer to the reporting principles as stated in our annual report, chapter 'Climate change'.

WHAT IS THE SCOPE OF THIS POLICY?

The policy applies to the entire Colruyt Group, in Belgium, Luxembourg and France (as main geographical dimensions) and applies to all our activities and consolidated legal entities. Each operating unit follows the principles from this climate policy, but has the freedom to add its own accents based on its own strategy.

The policy mainly refers to the reduction of greenhouse gas emissions in scope 1 and 2 and therefore de facto mainly refers to the own operations and to a lesser extent to the upstream or downstream value chain.

WHO IS RESPONSIBLE FORT HIS POLICY?

The responsibility for the implementation of the policy for Energy and Climate change mitigation was assigned to the **Business Lead** appointed in Colruyt Group for Energy and Climate change mitigation, Koen Baetens, Real Estate director.
The Business Lead takes ownership of the implementation of the policy, as well as the corresponding objectives, and decides on the necessary changes and actions.

It's the responsibility of the Sustainability Service Centre, led by the **Colruyt Group Sustainability Officer**, to ensure the necessary reporting and thus help monitor the effectiveness of the implementation of the policy.

The final responsibility for the implementation of Colruyt Group's overarching sustainability policy lies with Colruyt Group's **Management Committee** led by the CEO.

Koen Baetens
Business Lead Energy and Climate Mitigation

HOW ARE STAKEHOLDERS ENGAGED AND INFORMED?

In addition to setting up and implementing a policy regarding decarbonisation, a frequent, clear and open communication about the plan and the implementation is also important. Communication creates transparency and support, both internally and externally.

This communication is not an empty slogan for Colruyt Group but an active working point that creates added value for internal and external stakeholders. At Colruyt Group, we attach great importance to this, as a Belgian retailer and listed company. We use various channels and tools to share the content and progress of our decarbonisation policy.

External stakeholders are informed and consulted on this policy plan through various channels at frequent intervals.

- The policy is published on Colruyt Group's website and is referred to in the annual report. Moreover, all stakeholders can consult Colruyt Group's website for more information on our approach and concrete achievements.

- Colruyt Group's annual report also includes information on the policy, the objectives and the actions we take to reduce greenhouse gas emissions.

In addition to merely informing, we also want to enter into dialogue regarding our policy plan and existing and future legislation. This is the task of our Public Affairs department. Public Affairs Colruyt Group propagates our vision on Climate change mitigation among policy makers on a European, federal and regional level. Depending on the topic, we follow the law correctly or pioneer and are even ahead of future legislation.

As the biggest Belgian retailer with a clear vision on decarbonisation (and wider: sustainability), we take steps to reduce our footprint every day. As a result, we can rely on solid knowledge of content and practical experience regarding the correct implementation.

We find it important to share these experiences with policy makers. In doing so, we indicate which existing policy measures to reduce greenhouse gas emissions work efficiently and effectively or where we see challenges in the implementation of this legislation. In this last case, we propose alternatives to the policy makers.

As explained before, we also pioneer when it comes to climate change mitigation. Pioneering means not being afraid, taking responsibility, being ahead and anticipating. In these cases, we are confronted with a non-existing or only partially existing legal framework or with a legal framework that hinders our innovation or makes it completely impossible.

In these cases as well, we will enter into a dialogue with the policy makers, but especially to point out the lack of legislation or conflicting regulation that hinders us in our innovation regarding the reduction of greenhouse gas emissions.

In some cases, we enter into a direct dialogue with the policy makers. This is often the case for innovation. In other cases, it's better to join forces at sector level. In these scenarios, we enter into dialogue with the legislator through federations such as VOKA or the VBO. Often, the dialogue with the policy makers at a regional and federal level goes through the Belgian sector federation for retail, Comeos. Comeos represents all retailers active in Belgium and can in some cases act as Single Point of Contact for dialogue, about topics that concern all retailers.

Specifically for climate change adaptation, we also actively enter into dialogue with government institutions that shape the federal or regional climate policy. In Flanders, this is the VEKA. By actively sharing insights, concerns, ideas and proposals with them, we contribute to a feasible, affordable and targeted policy on climate change adaptation.

The European counterpart of Comeos is Eurocommerce. Since long, Eurocommerce has been active in the domain of climate change mitigation and actively reducing the carbon footprint. In 2024, Eurocommerce started an elaborate study in the European retail sector to map out the carbon footprint. The study, in which Colruyt Group participated actively, was carried out in close collaboration with external consultant Olivier Wyman.

The results from the study were summarised in a report that clearly highlighted the crucial role of European retail in achieving the net zero objective. In a next phase, the findings from this report will be used to examine which concrete steps the European retail sector can take to continue to shape the "quest to reach net zero". We wish to work constructively on elaborating new legislation at a European level and love to be a sounding board.

In addition to direct discussions with policy makers and consultation of sector federations at various levels, we also discuss possible initiatives and policy regarding climate with other stakeholders. Organisations such as Embuild, OVAM, ODE are perfect discussion partners to share ideas and visions on the implementation of the climate change mitigation strategy. Our experience shows that these discussions are enlightening and constructive and yield a clear added value.

In our discussions with the policy makers at the various levels, we include two important messages:

1 We ask a uniform legislation for all European member states and are opposed to scattered legislation per member state. As a retailer, we are active in one competitive European market and therefore, there should be a level playing field for all retailers at that level, also when it comes to measures regarding climate change mitigation. A scattered legislation that varies highly per member state as a result of *goldplating* by individual member states is counterproductive and detracts from the competitive strength of the companies situated there.

2 If there are any initiatives for new climate legislation, we are requesting party for a feasible and affordable regulating framework. As a retailer, we are active in a highly competitive environment. This is translated in a cost-efficient and well-considered approach, also in terms of climate. Investments in climate change mitigation require time (think for example of investments in real estate with a long service life) and resources. As a result, we ask policy makers for a policy that facilitates innovation instead of hindering it, and sufficient time to implement the legislation.

Colruyt Group means Colruyt Group NV, including all entities in which a majority stake is held. Moreover, the directors who represent Colruyt Group in participations also propagate the values of this policy, and strive to apply this Colruyt Group Policy there as well as possible.

BIJLAGE

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO) THE POLICY RELATES TO

Our material impacts, risks and opportunities were defined by means of a double materiality assessment carried out in the spring of 2024. This assessment focuses on two dimensions: financial materiality and impact materiality.

Financial materiality focuses on the themes that directly influence the economic value and performance of Colruyt Group, such as risks and opportunities that may influence financial results. Impact materiality on the other hand, looks at how Colruyt Group's activities have social, environmental and economic consequences for the wider society and the planet.

By integrating both perspectives, we get a broader and deeper understanding of the relevant sustainability themes that influence both Colruyt Group's financial performance and the impact the company has on society and the environment.

This helps us to:

- continue to integrate sustainability in Colruyt Group's strategy and decision-making processes and the further substantiation of the sustainability objectives;
- mitigate sustainability risks and seize opportunities that may have financial consequences for Colruyt Group;
- give investors and other stakeholders a completer image by reporting and communicating on the relevant sustainability themes. The materiality assessment is the foundation of the sustainability reporting, as defined in the Corporate Sustainability Reporting Directive (CSRD).

For the Energy and Climate change mitigation topics, these are our material impacts, risks and opportunities in the own operations (OO):

	Material IRO	Description	Field
Energy			
Opportunity (OO)	Independence from the city grid	The opportunity to become more independent from the city grid because we generate our own energy more.	In general
Opportunity (OO)	Energy efficiency	The opportunity of energy efficiency in both processes and energy consumption of buildings.	Real Estate
Climate change mitigation			
Negative impact (OO)	Fossil fuels for goods transport	The impact of the use of fossil fuels for goods transport on greenhouse gas emissions.	In general
Negative impact (OO)	Fossil fuels for heating and industrial processes	The impact of the use of fossil fuels for heating and industrial processes.	In general