

Questions and answers
AGM 24 March 2021

No.	Date received	Shareholder's name	Name of shareholder's representative	Question	Relating to agenda item	Answer	Method of reply 1. incorporated in presentation 2. themed answer together with other similar questions 3. answered separately 4. answered separately (only on website)	Answered by:																																
1	18-3-2021	Mr R. Snoeker	Mr R. Snoeker	What will the 'new normal' sales level be after Covid, given the structural changes brought about by Covid?	3	We expect that a gradual recovery in the various customer segments to pre-Covid levels is realistic if the vaccination strategy works and the lockdowns end. An exception to this is company catering in offices as a result of a change in behaviour. We expect market consolidation in the Netherlands and Belgium that we can benefit from and furthermore expect a lot from the partnership with	1	Rob van der Sluijs																																
2	18-3-2021	Mr R. Snoeker	Mr R. Snoeker	Page 7 (Annual Report 2020). "Furthermore we took advantage of the Dutch government's NOW wage subsidy schemes, and one of the conditions for NOW 3.1 is a ban on dividends for 2020." Page 124. "... the Executive Board announced that ... recovery of the Group's financial position has priority and there are insufficient grounds for paying a dividend for the calendar year 2020."	4	We want to offset the huge loss of sales by taking strong action on costs. Protecting the cash position is decisive in this and we have successful. The NOW allowed us to offset the loss of sales while retaining the jobs of permanent employees. We made use of this opportunity.	1	Koen Slippens																																
3	18-3-2021	Mr R. Snoeker	Mr R. Snoeker	Page 106. "The wage subsidies from NOW 1.0 amounting to €13 million and from NOW 3.1 amounting to €9 million have been deducted from employee expenses." Question: How does this total of €22 million relate to the €7.6 million reported in the charts on p7 of Het Financieele Dagblad of 24 February 2021.	4	The figure in the FD is simply wrong/incomplete. It seems that only one of the applications in 2020 has been taken into account and that only the advance on that application has been included.	1	Rob van der Sluijs																																
4	18-3-2021	Mr R. Snoeker	Mr R. Snoeker	Page 61. "Seeing as Sligro also operates in the petrol segment, a considerable share of our sales comes from tobacco products." This is the item with the largest share of sales and has developed as follows: <table><tr><td></td><td>2018</td><td>2019</td><td>2020</td></tr><tr><td>% share of sales</td><td></td><td></td><td></td></tr><tr><td>eerlijk & heerlijk</td><td>10%</td><td>11.6%</td><td>10.5%</td></tr><tr><td>tobacco</td><td>11%</td><td>10.7%</td><td>13.6%</td></tr><tr><td>alcohol</td><td>7%</td><td>6.9%</td><td>8.9%</td></tr><tr><td>pork</td><td>2%</td><td>2.0%</td><td>1.8%</td></tr><tr><td></td><td>-----</td><td>-----</td><td>-----</td></tr><tr><td></td><td>30%</td><td>31%</td><td>35%</td></tr></table> Question: How likely do you think it is that government policy will lead to the end or drastic curtailment of sales of tobacco products and how will this affect		2018	2019	2020	% share of sales				eerlijk & heerlijk	10%	11.6%	10.5%	tobacco	11%	10.7%	13.6%	alcohol	7%	6.9%	8.9%	pork	2%	2.0%	1.8%		-----	-----	-----		30%	31%	35%	3	We think that in the long term, food convenience on the go rather than tobacco will be a traffic generator in the petrol segment. We are allowing for this in our long-term strategy and expect that tobacco will have a less dominant role between now and 2030, partly because of current and future government policy.	1 (cf Q20)	Rob van der Sluijs
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5	18-3-2021	VBDO	Ms A. Laskewitz	Climate change and its physical effects create material risks for businesses, including disruption to the production chain as a result of extreme weather and health risks for employees from heat and illness stress (Climate Change 101 for business leaders, Deloitte, 2021). In 2020, Sligro committed to look at whether greater insight could be given in scenario analyses to the physical effects of climate change on specific product groups. We have not seen any scenario analyses on the physical effects of climate change for Sligro's highest-risk product groups. Nor are risks (if there are any) presented in the risk management section of the annual report. Why has Sligro still not published any information and can the company provide insight into the risks in the main product groups in 2021?	3	We do not yet have a sufficient idea of whether climate change scenario analyses add real value for Sligro Food Group. Nor, therefore, if they are sufficiently relevant for us to include in the risk management section. In respect of 2021 and later years, we can report that we had initial discussions with Deloitte, our auditor, in 2020 on preparations for the EU Non-Financial Reporting Directive (EU NFRD).	3	Koen Slippens																																
6	18-3-2021	VBDO	Ms A. Laskewitz	After a productive meeting with VBDO, Sligro announced at the 2020 AGM that it would consider reporting in more detail on the implementation of the BSCI supplier code. VBDO was very happy with this suggestion as the outcome contributes to the transparency of Sligro's chain and so the company can see how it approaches and improves conditions in the chain. VBDO has not, however, seen progress in this area this year. Can Sligro explain why no progress has been made this year and can it commit to taking concrete steps next year on transparency of the implementation of the BSCI?	3	Sligro has been a member of BSCI for many years and carries out the duties of membership. Implementation of the BSCI supplier code is already well behind us. Sligro is a BSCI RSP holder (responsibility holder) and so has a specific status. This means that we can plan our own audits. If, like many suppliers and/or producers, you are not an RSP holder, you are dependent on RSP holders to have a valid certificate. An external party (SIM) reports regularly to Sligro. If this leads to escalation, we talk to the purchasers and suppliers concerned to deliver remediation plans in BSCI. This is done according to a fixed system. If wished we can share these with you and explain them at a meeting. The same applies to progress and results in this process. Whether and how we disclose the results in general terms is also a subject of discussion with Deloitte, i.e. on the preparations for the EU Non-Financial Reporting Directive (EU NFRD).	3	Koen Slippens																																

7	18-3-2021	VBDO	Ms A. Laskewitz	VBDO would like to compliment Sligro on the improved employee satisfaction figures. During the discussions ahead of the AGM in 2020, Sligro said it had developed a new People Strategy that would enhance the diversity policy. The People Strategy, which was introduced in 2020, is supposed to offer a solid structure to safeguard the Sligro culture. Which elements and initiatives of the People Strategy make a concrete contribution to promoting diversity and inclusivity at Sligro, and how?	10	<ul style="list-style-type: none"> - The pending application for a PSO certificate will formalise our current position for people at a disadvantage in the labour market, the long-term unemployed and new citizens who have requested asylum. - A deal with The Custodial Institutions Agency (DJI) will offer a second chance to former prisoners. - Mangers learn how to communicate with people properly and so better help employees of all backgrounds in their development. - We offer language training for non-Dutch speakers employed by Sligro (SmitVis, Culivers, delivery service Amsterdam). 	4	Koen Slippens
8	18-3-2021	VBDO	Ms A. Laskewitz	Equal pay is a given at many companies. Unfortunately, in practice, women are often in a worse position than men. Women in the Netherlands are paid 14% less on average than men (Women.inc. Loonkloof NL). VBDO notes that Sligro does not yet have quantitative insight into a possible pay gap between men and women across the organisation, or at each layer in it. Is Sligro prepared to report on the pay gap between men and women in the different layers in the organisation for the coming year? And is Sligro prepared to take corrective action if there is a pay gap that can only be explained by the difference between men and women?	10	This year (2021/2022) we will be setting up a job classification and pay structure. We are being supported by a specialist external party. A sophisticated scan of a possible pay gap is part of this process.	4	Koen Slippens
9	19-3-2021	VEB	Mr A. Jorna	What opportunities does Sligro see to reduce its high fixed cost base in the coming years?	4	Our business does indeed have a relatively high fixed cost base. Volume growth is the way to reduce it in relative terms and we are working on this.	1	Koen Slippens
10	19-3-2021	VEB	Mr A. Jorna	The medium-term EBITDA target of 7.5% is higher than Sligro has achieved in the recent past. Can Sligro explain how it intends to achieve this target?	4	We are not exactly sure what you mean by recent; in 2016 Foodservice had an EBITDA of 6.6%, of sales and then IFRS 16 came into force, adding about 0.8% to the reported EBITDA. We have completed the carve-out of EMTÉ, integration of Heineken and starting up in Belgium. These have put pressure on our results in recent years but the effects have gone or are improving. As a result we see 7.5% as a realistic aim.	3 (cf Q11)	Rob van der Sluijs
11	19-3-2021	VEB	Mr A. Jorna	The trend towards home delivery in the cash-and-carry concept has affected profit margins because of logistics costs and competition. How has Sligro considered this development in the EBITDA margin target?	4	Cash-and-carry sales are indeed now more profitable than delivery sales. Our efforts in recent years have focused on increasing profitability in delivery and so we can also take steps on its EBITDA margin. We are also investing in cash-and-carry and further digitalisation to maintain/improve its sales and profitability.	3 (cf Q10)	Rob van der Sluijs
12	19-3-2021	VEB	Mr A. Jorna	At the end of last year, Sligro managed to the ease its financing conditions with a temporary relaxation of debt arrangements. The normal arrangements (<3x EBITDA) will, however, have to be met again at 31 December 2021. It is not impossible that the headroom will be inadequate in a worst-case scenario. What contingency measures has Sligro taken to remain within the banking arrangements in those circumstances?	3	We see sufficient margin in our worst-case scenario to meet our year-end agreements and so we can still deal with a setback. We have good contacts with our banks and financiers and currently have their explicit three-fold support. We will talk to them again if major new shocks occur in the second half of the year. We do not have any concerns on this.	1	Rob van der Sluijs
13	19-3-2021	VEB	Mr A. Jorna	Sligro has opted to build a market position in Belgium. The site set up in Antwerp for this cannot yet be called successful, partly because of a series of setbacks. Is Sligro considering changing its plans in Belgium by opting to increase market share only by acquiring smaller players?	4	As in the Netherlands, delivery sales disappeared almost completely in Antwerp last year. Nevertheless sales in Antwerp grew last year by almost 20%. The start has indeed been rather slow but we see that the tide is turning. Despite the sharp fall in sales in Belgium, losses (excluding impairment) are smaller. We are reducing costs and are simultaneously working on growth (via new sites and possible acquisitions). Our confidence in a successful future in Belgium is undiminished.	3	Koen Slippens
14	19-3-2021	VEB	Mr A. Jorna	Sligro is preparing for acquisitions. Does the company see ways other than a share issue to finance them – partly in view of the current debt position?	4	This depends on the timing and amount. As soon as the market recovers, our scope for financing will also recover very quickly since the pressure is from disappointing EBITDA as a result of loss of sales and not from a rising debt position. After a couple of quarters' recovery, there will be scope for renewed debt financing. We do not exclude the possibility of financing by a share issue if an opportunity arises before a market recovery, or a significantly large party comes along.	1	Rob van der Sluijs
15	19-3-2021	VEB	Mr A. Jorna	Sligro states that the integration of the logistics partnership with Heineken was completed earlier than planned. The new distribution network has to deliver efficiency gains. How large are those gains on a normal pre-coronavirus level of sales?	4	We estimate that it delivers relative gains of about €8 million per year compared with the situation before integration, from better productivity, lower infrastructure costs and efficient transport. Volumes first need to return but all preparations have been made to capitalise on this.	3 (cf Q16)	Rob van der Sluijs
16	19-3-2021	VEB	Mr A. Jorna	Sligro was extremely positive about the new customer base when it acquired the Heineken wholesale operations. What is the estimate of sales of Sligro products to these Heineken customers?	4	Our analysis is that in addition to beer sales the new Heineken customers buy about €400 million of food and related non-food items per year. We have calculated that eventually (3-4 years after integration) we will be able to achieve our market share (about 25%) of this. In other words, creating extra sales potential of €100 million per year over 3-4 years. These are all sales with existing beer deliveries for Heineken and so attractive to us.	3 (cf Q15)	Rob van der Sluijs
17	19-3-2021	VEB	Mr A. Jorna	Before the coronavirus pandemic, Sligro faced higher costs as a result of a shortage of drivers. Will Sligro again face a shortage when the hospitality sector reopens and have steps been taken to deal with a possible peak?	4	We have made arrangements with our transport partners and offered them some financial compensation to get through the difficult coronavirus weeks. We are already talking to them on preparations for a recovery in the markets. It will nevertheless be a challenging restart (because of the short lead-time we can expect from the government) in both personnel, transport and product availability, but we are as prepared as we can be.	1	Koen Slippens

18	19-3-2021	VEB	Mr A. Jorna	What consequences did not filling the internal audit position at Sligro in early 2020 have for the structure and performance of Deloitte's audit?	4b	In the first place, we knew at the beginning of our 2020 audit that there would be no IAD available and so we could and did anticipate this. Secondly we structured our testing so that we could perform sufficient procedures for the 2020 audit year without relying further on IAD.	3	Albert-Jan Heitink (Deloitte)
19	21-3-2021	Mr H. Rienks	Mr H. Rienks	You say that you made targeted decisions with regard to marketing expenditure in 2020 and so made considerable savings compared with 2019. Please comment further. Which marketing activities did you end and why? Are the savings structural and will they continue when coronavirus has passed?	4	We have opted for more digital communications. This was already part of our plans for the future and they have been brought forward. This is of a long-term nature. In addition, we have adapted or not carried out focused campaigns on non-active customer groups. We often changed savings and other campaigns for our customers and so were able to limit the costs.	3	Koen Slippens
20	21-3-2021	Mr H. Rienks	Mr H. Rienks	Tobacco-related sales at Sligro have recently shown remarkable growth. Sligro appears to be proud of this but, as a Sligro shareholder, I am unhappy. I would like to know why you want to grow in tobacco products. They have a low margin and it has been proven that you die sooner if you use them regularly. A product with a negative image. As a shareholder I would prefer to see Sligro stop selling tobacco products and proudly tell the outside world. Sligro should mainly promote healthy products, but of course not forget slightly unhealthy ones such as butter, cakes and soft drinks. But really unhealthy ones, ones that can kill you early, and especially which have a low profit margin ... My advice is: STOP!! Please explain why you think this is a bad idea.	4	We note that sales in tobacco products have in fact increased despite Covid. The main driver of this growth is, however, a price increase mainly from higher taxes; the number of packs has increased only slightly. As a result the percentage of total sales increased hugely but we are not 'proud' of this as you put it. We see this product category as a 'service' that is particularly important in segments such as petrol. Without this service, we would not have the other sales. We monitor the changing legislation on tobacco carefully and are preparing for a future in which this category gradually loses importance. This will lead to a gradual reduction in the Netherlands but not an abrupt stop. In Belgium we never started sales of tobacco products and do not intend to.	1 (cf Q4)	Rob van der Sluijs
21	21-3-2021	Mr H. Rienks	Mr H. Rienks	No increase in Supervisory Directors' remuneration! Great, because there is then more money left over for me, the shareholder. But a regular increase in remuneration is customary, not only to make up for inflation but also because supervisory directors are having to spend more time on their duties. What is the percentage increase in time that Sligro's supervisory directors have spent on their work since the last increase in remuneration in 2018?	8	We note that the time spent and engagement of the Board is increasing, certainly in a crisis such as the past year. Our policy for assessing the level of remuneration means that in our view we have appropriate remuneration and allow for market trends. The assessment was made and offered a little scope for an increase in remuneration but given the Covid developments and their impact on SFG, the Board decided not to make use of that scope.	3	Freek Rijna
22	21-03-21	Mr H. Rienks	Mr H. Rienks	Finally, I am also curious about opportunities to acquire attractive businesses. Are more now for sale as a result of the crisis? Will the asking price be lower? And can Sligro borrow enough money for an acquisition of some size? Could you buy a company such as De Kweker today?	4	We expect that there will be further consolidation in the market as a result of the pressure from Covid. We will consider any opportunities properly, partly because visibility of the quality of sales is now limited. We will look at the financing options depending on the size of an acquisition candidate and the timing. If there is initially some scope for recovery after the end of the lockdown, the financing ratios will recover quickly and debt financing will again be an option. If good opportunities arise in the near future, a share issue may be among the possibilities. A combination of the two is also of course a possibility.	1-01-00	Rob van der Sluijs