



Sligro Food Group N.V.

Remuneration Report

Remuneration Report

This report explains how the remuneration policy approved by the Annual General Meeting of Shareholders has been put into practice over the past financial year (2024), and it details the remuneration that has been paid to or accrued by the individual members of the Executive Board. Members of the Executive Board and Supervisory Board are considered key Group staff members.

Composition and results of the remuneration policy

The remuneration policy¹ is published on the company website. There were no changes to this policy in 2024. The details of the Executive Board's remuneration are given each year in the financial statements. The key points of the remuneration policy are that:

- the policy extends to the remuneration of both the Executive Board and the Supervisory Board;
- the Supervisory Board drafts the policy and the Annual General Meeting adopts it;
- the remuneration policy must be put to the Annual General Meeting for re-adoption within four years of adoption of the existing policy;
- the Works Council is given the opportunity to provide its formal opinion to the Supervisory Board on the remuneration policy to be adopted;
- the policy provides the framework for attracting qualified candidates for the Executive Board;
- the remuneration policy must be competitive while also reasonable in comparison to that of the other members of management, and the pay and benefits package of the other employees in the company must also be taken into account, with the starting point being competitive remuneration for members of the Executive Board and other employees.

The remuneration package comprises:

- a fixed annual salary;
- a short-term bonus plan;
- a long-term bonus plan;
- pension accrual and other fringe benefits.

Remuneration of Executive Board members in office in 2024 that was charged to the result amounted to €2,691 thousand (2023: €2,011).

At the Annual General Meeting held on 27 March 2024, the Remuneration Report for 2023 was put to an advisory vote. 97% of the votes cast were in favour of the 2023 Remuneration Report. Given the contents of the Remuneration Report for 2024, it may be concluded that the total amount of remuneration is in line with the remuneration policy and contributes to the long-term performance of the company. The variable remuneration presented in this report includes an upper limit of 150% of the 'at target' amount. In the maximum outperformance scenario, a maximum payout of 150% of the 'at target' amount is considered appropriate.

There were no deviations from the remuneration policy or the decision-making process regarding the remuneration policy this year. Executive Board and Supervisory Board remuneration is not charged to subsidiaries.

¹ See website:
www.sligrofoodgroup.nl –
 About > Corporate Governance
 > Codes and rules

The remuneration can be broken down as follows:

x € thousand	Koen Slippens		Rob van der Sluijs		Dries Bögels		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed-variable remuneration²⁾	77%-23%	76%-24%	75%-25%	74%-26%	75%-25%	N/A	76%-24%	75%-25%
Fixed pay	651	624	566	543	387	0	1,604	1,167
Short-term bonus	130	125	113	109	99	0	342	234
Long-term bonus ³⁾	114	142	99	123	69	0	282	265
Pension premium and compensation	206	206	119	115	102	0	427	321
Statutory social security costs	13	12	13	12	10	0	36	24
Total	1,114	1,109	910	902	667	0	2,691	2,011

Fixed pay

The fixed annual pay is reviewed in a three-year cycle, meaning that the remuneration package is benchmarked against a reference group of around twenty companies once every three years, with the help of an external expert. This was last done in 2021. The benchmark study performed was presented at the Annual General Meeting of 2022.

Based on the benchmark study results from 2021, the fixed remuneration for both Executive Board members was increased by 10% as per 1 January 2022⁴⁾. In the years 2023 and 2024, an increase was granted during the year as per the collective labour agreement/general pay increase (lowest increment used for employees in the 'above collective labour agreement' category). As a result, the average annual pay rise awarded over the 2022-2024 period is 6.17%. Given the development of the result, it was decided not to organise a review in 2024 to measure salary based on a reference group in the market. Consequently, in 2025, an increase will be granted as per the collective labour agreement/general pay increase (basic increment used for employees in the 'above collective labour agreement' category).

2022-2024	Average	2024	2023	2022
Increase	6.17%	4.50%	4.00%	10.00%

Short-term and long-term bonus

The Executive Board's variable remuneration comprises a short-term bonus paid in cash and a long-term bonus settled in shares.

The composition of half of the short-term bonus depends on the extent to which the annual budgeted profit target set by the Supervisory Board has been achieved and the other half depends on the achievement of specific, short-term targets set annually by the Supervisory Board on the recommendation of the Remuneration and Appointments Committee. The short-term bonus is awarded annually based on performance in the year in question, however quality-related targets do have a longer horizon, as they are linked to programmes that contribute to the company's long-term strategy and value creation. If and to the extent that the conditions for awarding the bonus have been met, the short-term bonus is paid out in the following year. On achieving 100% of the 'at target' level (where possible), a short-term bonus of 40% of the fixed gross salary as at 1 January of the year of granting is paid out in cash.

²⁾ Fixed remuneration is the sum of fixed salary, pension contributions/compensation and statutory social security contributions. Variable remuneration is the sum of the short-term and long-term bonuses.

³⁾ Concerns the cost of the long-term bonus based on IFRS and does not reflect the value of the long-term bonus when awarded or when made unconditional.

⁴⁾ See website: www.sligrofoodgroup.nl – Investor relations > AGM > Previous Meetings of Shareholders > AGM of 23 March 2022 > Presentation > sheet 50 to 53

The objective in awarding a long-term bonus is to align the interests of the Executive Board with the long-term objectives of the Company's strategy, the interests of the shareholders and the interests of other stakeholders of the Company. It also serves as an incentive for members of the Executive Board to remain with Sligro Food Group. The composition of the long-term bonus depends on three targets, comprising two financial targets and one or some non-financial target(s), which are set in advance by the Supervisory Board on the basis of a proposal by the Remuneration and Appointments Committee. On achieving 100% of the 'at target' level, a long-term bonus of 60% of the fixed gross salary of the Executive Board member concerned is granted. This bonus is awarded in shares after deduction of tax. The long-term bonus is conditionally granted annually in shares, based on performance over a three-year period commencing 1 January of the year in which the long-term bonus is conditionally granted (grant frequency: rolling; type of vesting: cliff). If and to the extent that the conditions for granting

the long-term bonus are met, the grant of the shares becomes unconditional in the year after the three-year period referred to above has expired. A lock-up period of two years applies from the time that these shares have been unconditionally awarded. For an explanation of the treasury shares purchased, please see Note 20 - Earnings per share in the financial statements.

In the event of overachievement or underachievement of bonus targets, the short-term and long-term bonus will be determined in line with the percentages shown in the table below, with each bonus component assessed separately and, in the case of performance between 80% and 120% in relation to a component, the percentage will be calculated based on a linear ratio. The remuneration policy contains a more detailed explanation of the calculation method.

Variable remuneration	Bonus component	Threshold	Bonus 'at target'	Maximum
Short-term bonus (STB): cash	Budgeted profit target	10.0%	20.0%	30.0%
	Four qualitative targets	10.0%	20.0%	30.0%
Total STB		20.0%	40.0%	60.0%
Long-term bonus (LTB): shares	Financial target	9.0%	18.0%	27.0%
	Financial target	9.0%	18.0%	27.0%
	Non-financial target	12.0%	24.0%	36.0%
Total LTB		30.0%	60.0%	90.0%
Total		50.0%	100.0%	150.0%

Targets

For the year 2024, the four qualitative targets for the STB were set as follows (each 5% of fixed salary):

1. Ready for the first formal ESG report in 2025, relating to 2024, in accordance with the CSRD
2. Clear routes forward for SAP, as approved by the Supervisory Board
3. Successful implementation of the BeNe structure
4. Roll-out of the Belgium basic organisation structure programme as per plan

The following targets have been set for the 2024-2026 long-term bonus:

1. Financial target (18% of fixed salary): 2026 EBITDA: 7.5% of revenue
2. Financial target (18% of fixed salary): Total Shareholders' Return (TSR) based on 2026 AMX & AScX ranking¹⁾
3. Non-financial target (24% of fixed salary): 42% decrease in CO₂ emissions in 2026 as % of revenue relative to 2010

The following targets have been set for the 2025-2027 long-term bonus:

1. Financial target (18% of fixed salary): 2027 EBITDA: 7.5% of revenue
2. Financial target (18% of fixed salary): Total Shareholders' Return (TSR) based on 2027 AMX & AScX ranking¹⁾
3. Non-financial target²⁾ (24% of fixed salary): Reduction of the Scope 1 and 2 greenhouse gas emissions (CO₂ emissions) to 39,200 tons CO₂eq in 2027

¹⁾ Subject to application of the following scale: <25%: 0%; ≥25%-50%: 9%; ≥50%-75%: 18% (at target); ≥75%: 27%

²⁾ For the 2025-2027 long-term bonus, the non-financial target has been adjusted relative to previous years. In 2024, we brought the way we calculate our CO₂ emissions in line with the CSRD and the Greenhouse Gas Protocol and thus set ourselves a new target for our Scope 1 and 2 GHG emissions.

* Each year, the Supervisory Board determines in advance whether there might be a threshold or maximum. This was not the case for 2024.

Short-term bonus result

In 2024, the short-term bonus was 50% (2023: 50%) of the 'at target' level, corresponding to 20% (2023: 20%) of fixed salary.

The main reason for the shortfall relative to the 'at target' level was non-achievement of the budgeted profit target. The qualitative targets were met.

In 2024, further action was taken to comply with the European CSRD, as a result of which we obtained an audit opinion in line with market practice. This objective has been achieved. The Supervisory Board approved the route forward for SAP and, as of year-end, implementation is on track. During 2024, phase 2 of the BeNe structure was successfully implemented. This led to a reduction in costs as a result of FTE downsizing. This goal was achieved. In addition, in 2024, the basic organisation structure programme for Belgium was also successfully rolled out. In 2024, JAVA and Rotselaar were integrated into the Group's existing systems and processes, and customers were redistributed across the sites.

The table below shows the bonus percentage achieved relative to the target. All percentages shown are percentages of fixed salary.

Target	Bonus			
	Threshold	'at target'	Maximum	Achievement
Net profit	10.0%	20.0%	30.0%	0.0%
Ready for ESG reporting	*	5.0%	*	5.0%
SAP route	*	5.0%	*	5.0%
BENE structure implementation	*	5.0%	*	5.0%
Belgium basic organisation structure roll-out	*	5.0%	*	5.0%
Total	*	40.0%	*	20.0%

Long-term bonus

In 2024, 35,092 shares were conditionally awarded to the Executive Board under the 2024-2026 long-term bonus plan.

The number of conditionally awarded shares was determined by dividing the value of the bonus by the volume-weighted average share price for the 4th quarter of 2023, taking into account a 10% tax write-off in connection with a two-year resale ban.

The table below summarises the shares that have been conditionally granted to Executive Board members:

x €	Date of conditional award	Number of conditionally awarded shares net of tax (x1)	Market value per share on date of conditional award	Net market value at the time of conditional award	Date on which the award becomes unconditional	Lock-up period following unconditional award	Market value per share at the end of the financial year	Net market value at the end of the financial year	Gross fair value at the end of the financial year
Koen Slippens	22-3-2023	13,561	15.74	213,450	AGM 2026	2 years	10.14	127,878	253,223
Rob van der Sluijs	22-3-2023	11,790	15.74	185,575	AGM 2026	2 years	10.14	111,160	220,118
Koen Slippens	27-3-2024	13,228	13.86	183,340	AGM 2027	2 years	11.14	132,622	262,617
Rob van der Sluijs	27-3-2024	11,500	13.86	159,390	AGM 2027	2 years	11.14	115,299	228,315
Dries Bögels	27-3-2024	10,364	13.86	143,645	AGM 2027	2 years	11.14	103,914	205,770

Shares

Movements in Executive Board members' shareholdings break down as follows:

x 1	Koen Slippens	Rob van der Sluijs	Dries Bögels
Opening balance	114,151	17,867	5,455
Purchase	0	0	0
Sale	0	0	0
Closing balance	114,151	17,867	5,455

Long-term value creation

By using a performance period of three years for the long-term bonus followed by a lock-up period of a further two years on any shares acquired by exercising a share option, the remuneration structure is also geared towards forging a long-term mindset and encouraging long-term value creation. With this approach, a significant part of the remuneration is geared towards the longer term; this is in line with the company's strategic vision, which also focuses on long-term value creation.

Expense allowance

In addition to the above, members of the Executive Board also receive an expense allowance, as well as a kilometre allowance for driving a private car for business purposes. The breakdown of these allowances is as follows:

x € thousand	Koen Slippens		Rob van der Sluijs		Dries Bögels	
	2024	2023	2024	2023	2024	2023
Expense allowance	8	8	8	8	1	0
Kilometre allowance	37	36	28	25	25	0

Pay ratio

The pay ratio is the ratio between the pay of the CEO and that of the other employees of the Group. To calculate the pay ratio, we use the total remuneration, comprising fixed salary, bonuses, share options, and pension accrual, as well as the social security costs paid on this remuneration

package. We compare the average pay of the CEO with the average pay of all other employees of Sligro Food Group. The table below shows the pay ratio over the last five years and how this was calculated:

x €1,000	2024	2023	2022	2021	2020
Koen Slippens, CEO	1,114	1,109	1,097	716	705
CEO					
Average number of FTEs	1.0	1.0	1.0	1.0	1.0
Average remuneration (A)	1,114	1,109	1,097	716	705
Other employees					
Average number of FTEs	4,591	4,578	4,016	3,974	4,115
Employee expenses	289,369	273,521	226,819	210,467	218,154
Average remuneration (B)	63	60	56	53	53
Total					
Average number of FTEs	4,592	4,579	4,017	3,975	4,116
Employee expenses	290,484	274,630	227,916	211,183	218,859
Average remuneration	64	60	57	53	53
A/B pay ratio	17.6	18.6	19.4	13.5	13.3

The calculation of the average remuneration of the other employees for 2020 and 2021 did not factor in the NOW and TWO¹⁾ wage subsidy schemes provided by the Dutch and Belgian government respectively, because employees continue to be employed by the Group under these schemes.

The table below shows the development of the Group's financial and non-financial KPIs over the last five years:

x € million	2024	2023	2022	2021	2020
Revenue	2,890	2,859	2,483	1,898	1,946
EBITDA	138	137	126	109	75
EBIT	43	15	43	25	(76)
Dividend	18	13	24	0	0
Carbon reduction since 2010 as % of revenue	48.6	38.9	33.4	19.5	22.7
Scope 1+2 GHG emissions - ton CO ₂ eq	56,176				

Supervisory Board remuneration

The annual remuneration for the chair of the Supervisory Board amounted to €60 thousand (2023: €58) while the other Supervisory Board members were paid €46 thousand for a full year's service (2023: €40). Supervisory Board members also received compensation for attending Supervisory Board meetings amounting to €40 thousand (2023: €32). Supervisory Board

chair and member remuneration does not depend on the company's results. Total remuneration amounted to €299 thousand (2023: €270). Supervisory Board members are not awarded shares and/or share options. No loans, advances and/or guarantees have been granted to Executive Board and Supervisory Board members. Total remuneration per Supervisory Board member can be broken down as follows:

x € thousand	2024	2023	2022	2021	2020
Dirk Anbeek, Chair	65	22	0	0	0
Gert van de Weerdhof	50	45	48	50	48
Aart Duijzer	59	50	44	0	0
Inge Plochaet	59	48	31	0	0
Angelique de Vries	49	40	31	0	0
Freek Rijna	17	63	68	73	65
Hans Kamps	0	2	55	53	50
Marianne van Leeuwen	0	0	0	31	50
Pieter Boone	0	0	0	40	22
Bart Karis	0	0	0	0	20
Total	299	270	277	246	255

¹⁾ Tijdelijke Noodmaatregel Overbrugging Werkgelegenheid in the Netherlands (the Dutch temporary wage subsidy scheme) and Tijdelijke Werkloosheid door Overmacht in Belgium (the Belgian temporary wage subsidy scheme).