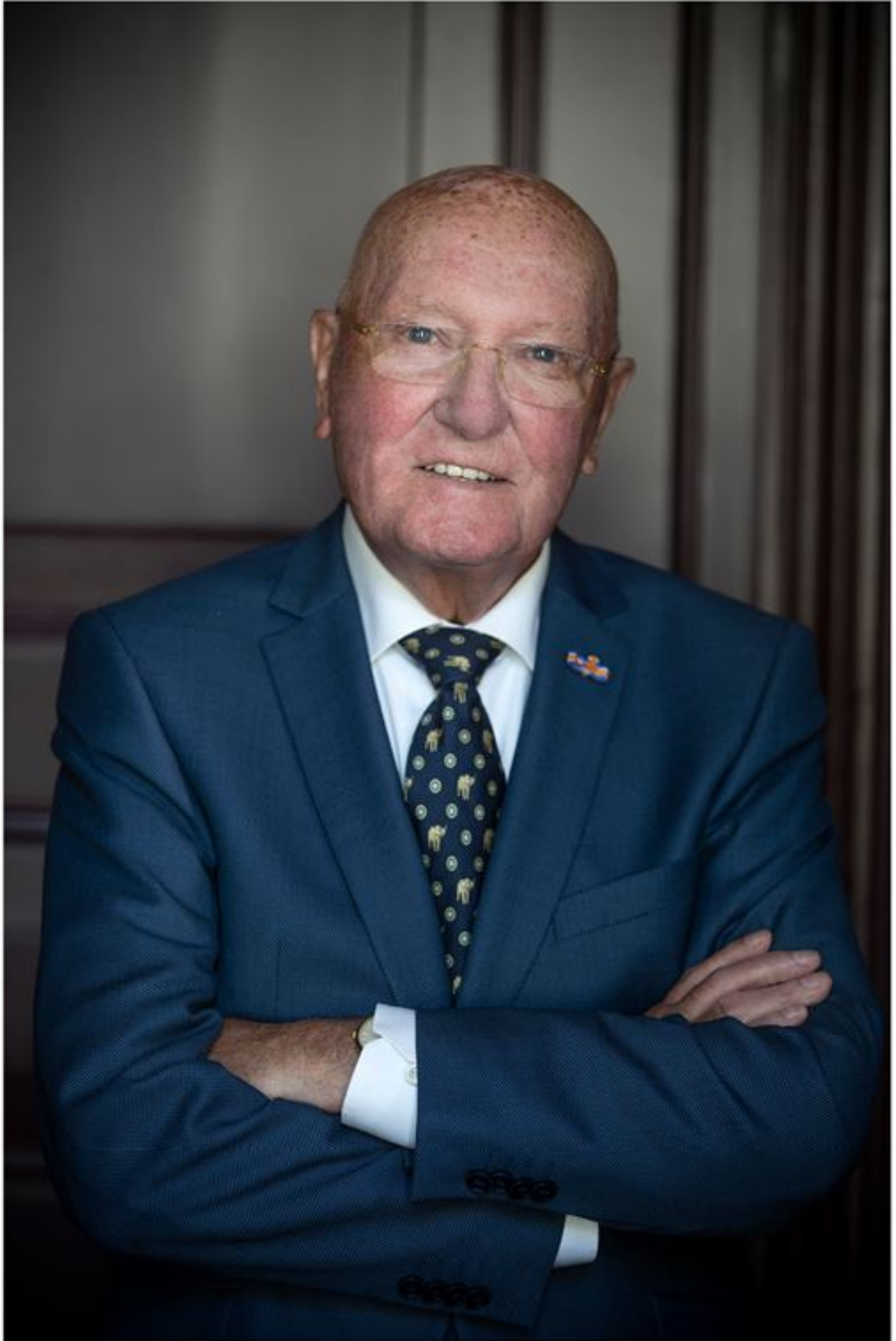




ANNUAL REPORT

2022

  
**JUMBO**  
— FOOD GROEP —



In memoriam

# Karel van Eerd

8 April 1938 - 15 December 2022

*Entrepreneur at heart  
to the end*

*In Memoriam on page 78.*

# Foreword

We introduce this annual report somewhat differently than usual. After all, the financial year under review saw a number of significant events for Jumbo. We would like to take a moment to reflect on those.

## Death of "Mr Karel"

On 15 December 2022, Jumbo's founder and Supervisory Board Chairman Karel van Eerd died at the age of 84. This is a great loss for everyone involved with Jumbo. "Mr Karel" meant a great deal to our company. He brought Jumbo to where it is today. Despite having been ill for some time, he remained closely involved with Jumbo as Supervisory Board Chairman to the end. Everyone at our family business is immensely grateful to him for this. We are convinced that his unique vision of retail will always resonate within Jumbo. Full of conviction and entirely in his spirit and in accordance with his vision, we will continue following the path he and the Van Eerd family have taken.

## Investigation by Public Prosecutor's Office

The events concerning our Managing director and co-shareholder Frits van Eerd also have a major impact on our organisation. Jumbo was stunned by the news of the investigation by the Public Prosecutor's Office. Although the Public Prosecutor's Office's investigation is not focused on Jumbo, Allen & Overy (A&O), on the instructions of the Supervisory Board, requested KPMG in autumn 2022 to conduct an independent investigation into our sponsorship activities in motorcycle sports and to some extent in auto sports. This investigation, completed in early 2023, did not reveal any criminal offences within Jumbo. A&O and KPMG did identify a number of vulnerabilities that are starting points for further improvement of internal processes and procedures around sponsorship and to further strengthen governance, in line with Jumbo's current size and its social role. Independent of the investigation and its outcome, we also decided to end our sponsorship of motor sport and part of the sponsoring of auto sport.

## Adjusted governance structure

As a result of the (temporary) step back from Jumbo's management team by Managing director Frits van Eerd, we made some adjustments to the management of the business. As of the beginning of October 2022, Ton van Veen is leading Jumbo's management team as delegated Supervisory Board member. As delegated Supervisory Board member, Colette Cloosterman-van Eerd acts as the link between the organisation, the Supervisory Board and the family. She has also (temporarily) taken over the role of vice-chair of the Supervisory Board from Ton van Veen. As such, she has been acting as chairperson since the death of Karel van Eerd in December 2022.



## **Responsibility**

As the country's second largest supermarket chain, our responsibility has increased significantly in recent years. We realise that this requires an even greater degree of social awareness. This also applies for the need to be as transparent as possible about our operations and the choices we make. Even if those choices were not well thought out, as with the mishandled television commercial around the Qatar World Cup. It is human to make mistakes, but we are well aware that we may have unintentionally offended people with this. Apologies are therefore in order. We immediately took appropriate measures to minimise the likelihood of such things happening again.

## **Strong foundation**

Especially in this rocky period, we benefit from Jumbo being built on a rock-solid foundation. This enables us to stay firmly on course and continue to build on a healthy future with all of our colleagues and independent entrepreneurs. We always want to go the extra mile for the customer and our environment, which remains our key motivator. We work on this every day anew with all our Jumbo colleagues, so we are especially grateful for their contribution during this eventful year.

Veghel, 28 February 2023

Management team Koninklijke Jumbo Food Groep



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# Key metrics

in € million	2022	2021	2020	2019	2018
Consumer revenue Jumbo Netherlands	9,953	9,735	9,628	8,432	7,405
Consumer revenue Jumbo Belgium	216	119	57	-	-
Consumer revenue EMTÉ	-	-	-	85	262
Consumer revenue La Place	107	52	50	165	150
<b>Consumer revenue Koninklijke Jumbo Food Groep B.V. (total)</b>	<b>10,276</b>	<b>9,906</b>	<b>9,736</b>	<b>8,682</b>	<b>7,817</b>
<b>Financial statements revenue</b>	<b>8,168</b>	<b>7,841</b>	<b>7,737</b>	<b>6,874</b>	<b>6,331</b>
<b>Result and Equity</b>					
Normalised operating result before depreciation and amortisation (EBITDA)	686	725	753	637	376
Reported operating result before depreciation and amortisation (EBITDA)	659	691	736	608	345
Operating result (EBIT)	116	190	237	188	181
Result after taxes	80	114	137	115	160
Equity	704	674	689	601	555
Net debt	2,963	2,918	2,888	2,916	309
Net debt/normalised EBITDA (leverage ratio)	4.32	4.02	3.83	4.57	0.82
Net debt/normalised EBITDA (leverage ratio) excluding IFRS 16	1.23	0.82	0.57	0.86	0.82
<b>Employees</b>					
Number of employees Jumbo	41,053	42,038	43,507	41,707	37,806
Number of employees EMTÉ	-	-	-	-	2,863
Number of employees La Place	181	177	1,370	2,804	2,992
<b>Number of employees Koninklijke Jumbo Food Groep B.V. (total)</b>	<b>41,234</b>	<b>42,215</b>	<b>44,877</b>	<b>44,511</b>	<b>43,661</b>
<b>Locations</b>					
Number of Jumbo stores	712	705	687	672	618
Number of EMTÉ stores	-	-	-	-	56
Number of La Place restaurants	69	73	71	105	101



# Explanation of key metrics

## Consumer revenue

Consumer revenue is the revenue including VAT realised through sales via the company's own Jumbo stores (including online), its own La Place restaurants and the affiliated franchisees, such as Vermaat. In 2022, Jumbo's revenue share grew by 3.2% to €10.169 billion. The contribution to consumer revenue by food service formula La Place of €107 million increased with 106% compared to 2021, while still including two months with restrictions due to coronavirus measures.

## Revenue reported in the financial statements

The financial statements revenue is the net revenue realised by Koninklijke Jumbo Food Groep. This is the total revenue, excluding VAT, realised from sales via the company's own stores (including online), restaurants and through distribution centres to third parties (franchisees in particular). In 2022, the net revenue grew by 4% compared to the 2021 financial year. This increase is largely due to price increases.

## Result

### Normalised and reported EBITDA

The normalised operating result before depreciation is the EBITDA corrected for one-off items. In 2022, the one-off items were caused by acquisition-related transactions, the additional costs of opening new stores in Belgium and, finally, the costs related to the investigation into our Managing director and co-shareholder Frits van Eerd. The decrease in reported EBITDA in 2022 compared to 2021 is mainly due to start-up losses in Belgium and rising costs as a result of inflation.

### Operating result (EBIT)

The decrease in the operating result in 2022 compared to 2021 is mainly due to higher amortisation of intangible fixed assets and higher impairments. The regular operating result for the Netherlands remained stable as a percentage compared to the previous year. Impairments were €9.9 million higher in 2022 compared to 2021 due to the challenging conditions we currently face in the world. Depreciation was €32.6 million higher than in 2021 due to (past) investments in our offline and online portfolios.

### Result after taxes

Compared to 2022, the financial income and expenses decreased by €11 million, partly due to changes in the (present) value of the financial instruments and other balance sheet positions related to higher interest rates. The tax expense for 2022 of €11 million includes a one-off positive effect of €8.5 million. The provision for deferred tax liabilities was revalued as a result of the rate changes in relation to the Innovation box. Corporate income tax rate changes also took place in previous years.

## Equity and liabilities

### Shareholders' equity

Dividends paid in 2022 were in line with previous years. Additional dividends were paid out last year in connection with the financing of the partial acquisition of HEMA B.V. by the shareholders of Koninklijke Jumbo Food Groep B.V. Our solvency ratio, calculated as shareholders' equity divided by total assets, was 13% at year-end 2022 (2021: 12%).

### Net debt

Net debt increased during 2022 due to investments made as well as the reduction of payment terms for SME suppliers and fresh suppliers. This resulted in an increase of the leverage ratio to 4.32 at the end of the financial year, compared to 4.02 at the end of 2021. If we adjust the net debt for the extension options recognised under the lease liabilities, the leverage ratio at the end of the financial year is 2.31 compared to 2.17 at the end of 2021.

Credit institutions fully correct for IFRS 16 effects in their covenants, including in relation to net debt and EBITDA. This resulted in a leverage ratio of 1.23 at year-end (2021: 0.82), which may not exceed 3.0.

### Employees

The number of employees represents the employees who were employed by Koninklijke Jumbo Food Groep B.V. at the end of the financial year. These figures do not include the employees employed by the franchisees. The decrease in the number of employees at Jumbo was compensated by employees working more hours. At the FTE level, we increased by 62 FTEs to 15,787 FTEs at year-end 2022.

### Locations

The number of Jumbo stores increased to 712 at the end of the financial year, comprising 336 own branches (incl. 19 Belgian stores) and 376 franchise stores (incl. 8 Belgian stores). In 2022, eight new stores opened in the Netherlands and eight stores closed. In Belgium, we opened a total of 10 new stores. The number of La Place restaurants decreased by 4 to 69 at the end of the financial year, consisting of 7 own restaurants and 62 franchise restaurants. The coronavirus measures meant that all La Place locations were temporarily closed during the first two months of 2022.

## Investments and acquisitions through business combinations in tangible fixed assets/intangible fixed assets

in €1,000	2022	2021
<b>Intangible fixed assets</b>		
Goodwill	-	6,641
Locations	36,528	28,936
(Internally-developed) software	99,380	101,031
Other	949	1,581
	<b>136,857</b>	<b>138,189</b>
<b>Tangible fixed assets</b>		
Land and buildings	-	3,226
Structural facilities	62,682	58,193
Fixtures, fittings and installations	78,472	77,116
Other fixed operating assets	9,845	3,436
Assets under construction	3,074	17,569
	<b>154,073</b>	<b>159,540</b>
<b>Total investments and acquisitions through business combinations</b>	<b>290,930</b>	<b>297,729</b>

### Intangible fixed assets

The investments in locations relate to the acquisition of new individual Jumbo store locations in The Netherlands and Belgium. The new store locations in 2022 were mainly obtained from entrepreneurs in these two countries. This involved the acquisition of the location (with lease) and any tangible fixed assets and employees. Investments in (internally-developed) software mainly relate to investments in IT applications, licences and Online.

### Tangible fixed assets

The investments in the tangible fixed assets mainly relate to the conversion of acquired store locations, the opening of new stores and the refurbishment of existing Jumbo stores and La Place branches. Regular replacement investments were also made in existing stores, distribution centres, the head office, hardware and internal transport equipment. The investments in assets under construction mainly relate to the construction of new locations in the Netherlands and Belgium.



JUMBO







JUMBO  
DAW

JUMBO

EXTRA  
GOED  
KOOP

## Non-financial key metrics



Indicators	2020	2021	2022	Target 2022	Target 2025
<b>Locally connected</b>					
 <b>Local involvement</b>					
Customer satisfaction score for local involvement	44%	42%	42%	48%	54%
<b>Value for money</b>					
 <b>Value for money</b>					
Customer satisfaction score for value for money	69%	69%	63%	72%	77%
<b>Healthier eating</b>					
 <b>Healthy products</b>					
Revenue share healthy own brand range	52%	51%	49%	54%	59%
<b>Healthy lifestyle</b>					
Customer satisfaction score for health			39%	Baseline measurement	42%
<b>Wasting less</b>					
 <b>Energy and emissions</b>					
CO <sub>2</sub> emissions scope 1 and 2 (kilo tonnes)	228	234	229	STBi <sup>1</sup>	STBi <sup>1</sup>
CO <sub>2</sub> emissions scope 3 (kilo tonnes)			10,448	STBi <sup>1</sup>	STBi <sup>1</sup>
Energy Efficiency Index	58.6	55.7	53.7	55.3	STBi <sup>1</sup>
<b>Packaging and waste</b>					
Grams of packaging material per CE	27.2	26.9	23.8	24.5	21.8
<b>Food wastage</b>					
Less food thrown away (weight in tonnes) per 1 million euro revenue	1.57	1.52	1.56	1.5	1.4
<b>Making supply chains more sustainable</b>					
 <b>Animal welfare<sup>2</sup></b>					
Share own brand range with animal welfare label	88%	96%	67%	50%	100%
<b>Sustainable chain<sup>2</sup></b>					
Share own brand range with sustainability label	95%	96%	81%	60%	100%
<b>Fair chain</b>					
Share of own brand range coming from suppliers certified with social label (high risk countries)	99%	93%	90%	100%	100%
<b>Good employer</b>					
 <b>Employment conditions and working environment</b>					
ENPS score		22	37	40	50
<b>Diversity and inclusion</b>					
% women in senior management	30%	31%	29%	33%	33%

<sup>1</sup> Science Based Targets initiative

<sup>2</sup> Scope of share own brand range with label changed in 2022

# Explanation of non-financial key metrics

## Locally connected

### Local involvement

The customer satisfaction score related to local involvement remained stable. In this area, customers' perception is virtually the same as the previous year, thanks in part to initiatives such as the Chat Checkout in various Jumbo stores and our participation in the National Clean-up Day, bottle deposit campaigns and collections for the Food Bank.

### Value for money

The score on customer satisfaction regarding Jumbo's value for money fell six percentage points this year. This decline is largely due to the effects of high inflation. As a result, customer perception of value for money has declined across the entire Dutch supermarket sector. Sustained investment in the quality of Jumbo's own brand products was unable to prevent this.

## Healthier eating

### Healthy products

Revenue share of healthy products (Nutri-Score A/B) in our own brand range decreased by one percentage point compared to the previous year. The range of healthy products has increased proportionally, but sales of this range have lagged behind to some extent. In 2023, we will be carrying out a new baseline measurement using the new Nutri-Score algorithm. We will do this as soon as the Ministry of Health has taken a decision on the introduction of the proposed changes.

### Healthy lifestyle

This year, we conducted a baseline measurement regarding customer perception of the importance Jumbo attaches to a healthy lifestyle. This score came to 39%. The goal is to increase this outcome in 2023 by helping and inspiring our customers even more to make healthy choices.

## Wasting less

### Food wastage

The total weight of products with an expired best-before date increased slightly this year. This was due in part to the fact that we are getting better at indicating more accurately the proportion of packaging material within the total weight. The result of this, however, is that the relative share of wasted food did increase somewhat. Jumbo is making an effort to further reduce product wastage by, among other things, better managing inventories and investing in extra refrigeration walls in the fruit and vegetable department; the latter has now been implemented in over 210 stores.

### Packaging

Our efforts to reduce the volume of packaging resulted in a 12% reduction in 2022. This concerns the weight of packaging per consumer unit for Jumbo own brand products. Thanks to better insight into packaging data and policies adjusted accordingly, we were able to achieve this reduction. For example, we replaced the shake cup for Jumbo snack vegetables with new packaging, saving 120 tonnes of plastic every year. Our goal is to achieve a 20% reduction in packaging material in 2025 compared to 2020.

### Energy and emissions

We carried out a baseline measurement this year for energy and emissions for 'scope 3': indirect emissions of CO<sub>2</sub> equivalents caused by business activities of organisations that are part of our supply chains. Emissions in scope 1 (direct emissions in the form of fuel and natural gas) and scope 2 (indirect emissions in the form of electricity consumption) decreased by 2.7% and 1.6%, respectively. Total emissions in scope 1, 2 and 3 came to 10,677 kilo tonnes. In 2023, we will submit this result along with our targets to the Science Based Targets initiative (SBTi).

In line with our objective, the Energy Efficiency Index (EEI) improved by 2 percentage points this year. This is due to investments in sustainability when building or refurbishing our stores. We have implemented an energy management system in all Dutch stores. Based on this, we can also perform a weekly analysis that helps to further improve the EEI.

## Making supply chains more sustainable

### Animal welfare

In 2022, the proportion of products in the Jumbo own brand range with an animal welfare label decreased. This is due to an expanded scope of products, which now includes beef and eggs as ingredients in products. We aim for 100% 'Beter Leven keurmerk' [Better Life label] products and other approved equivalents in 2025.

### **Sustainable chain**

The decrease in the share of Jumbo own brand products with a sustainability label compared to previous years was caused by the inclusion of an expanded scope of products. A number of product groups were added in the dairy category, such as baby milk, ice cream and cheese.

### **Fair chain**

This year, 90% of suppliers from designated high-risk countries were certified, a decrease of three percentage points caused by a change in the so-called BSCI classification of high and medium-risk countries. As a result, other countries have now been classified as 'high-risk'. We maintain our goal of 100% certification and have included it as such in our CSR terms and conditions.

## **Good employer**

### **Employment conditions and working environment**

A baseline measurement was carried out for the eNPS-score last year. This year, the eNPS-score increased to 37. In recent years, employee satisfaction at Jumbo was mapped for each department at various times. Topics mentioned as areas for improvement, such as workload, internal communication and forms of collaboration, are followed up with targeted action as well as possible, see page 54. To obtain a more complete view of employee satisfaction in general, Jumbo will conduct a uniform, company-wide survey every year from 2023.

### **Diversity and inclusion**

The percentage of women in senior management decreased from 31% to 29% this year. This decline was due to an increase in the number of senior positions held by men.

# 2022 Highlights

2022 was an eventful year for Jumbo. Nonetheless we managed to stay firmly on course in building on a healthy future with all our colleagues and independent entrepreneurs. That made for some noteworthy highlights. For example, we opened our ninth and tenth Foodmarkets, further expanded our 'Beter Leven keurmerk' [Better Life label] range and made an extra effort against loneliness with our Chat Bouquet and many new Chat Checkouts, including the first in Belgium.

## January



Announcement of strategic partnership with delivery company Gorillas

## February



Documentary to mark 100th anniversary goes live



Expansion of 1-star Beter Leven keurmerk [Better Life label] on Jumbo's own brand dairy range



Announcement of tightened corporate strategy and updated senior management structure



Ninth Jumbo Foodmarket opens in Dordrecht

## March



Jumbo signs deal to acquire four Belgian Alvo stores



Start of installation of fast charging stations at Jumbo stores and La Place restaurants



Introduction of deposit on plastic bottles of own brand juices and smoothies



Start of supply to delivery company Gorillas in the Netherlands

## April



King's Games and Jumbo once again make healthy breakfasts into a party

## May



Opening of first Chatty Checkout in Belgium



Jumbo is the first Dutch supermarket to introduce own brand line of sports nutrition



Jumbo wins AMMA Award for 'Brand of the year'

## June



Start on construction of mechanisation of central distribution centre (CDC) for fresh products in Nieuwegein



Launch of nationwide fundraising campaign for Food Banks

## July



Introduction of 'Jumbo Bezorgeloos' online delivery subscription



Team Jumbo-Visma wins Tour de France

## September



Introduction of Chat Bouquet during Week Against Loneliness



Jumbo wins Webshop of the Year award



Jumbo completely switches to fresh chicken with Better Life label

## October



Tenth Jumbo Foodmarket opens in Naaldwijk



Max Verstappen wins world title again



Agreement on new conditions regime for franchise stores



New delivery hub in Bergen op Zoom



La Place celebrates 35 years

## November



Store visit by State secretary Maarten van Ooijen



Fully circularly built Jumbo opens in Meerstad

## December



New delivery hub in Emmen



5 Jumbo own brand products win Best Product of the Year award





# Profile

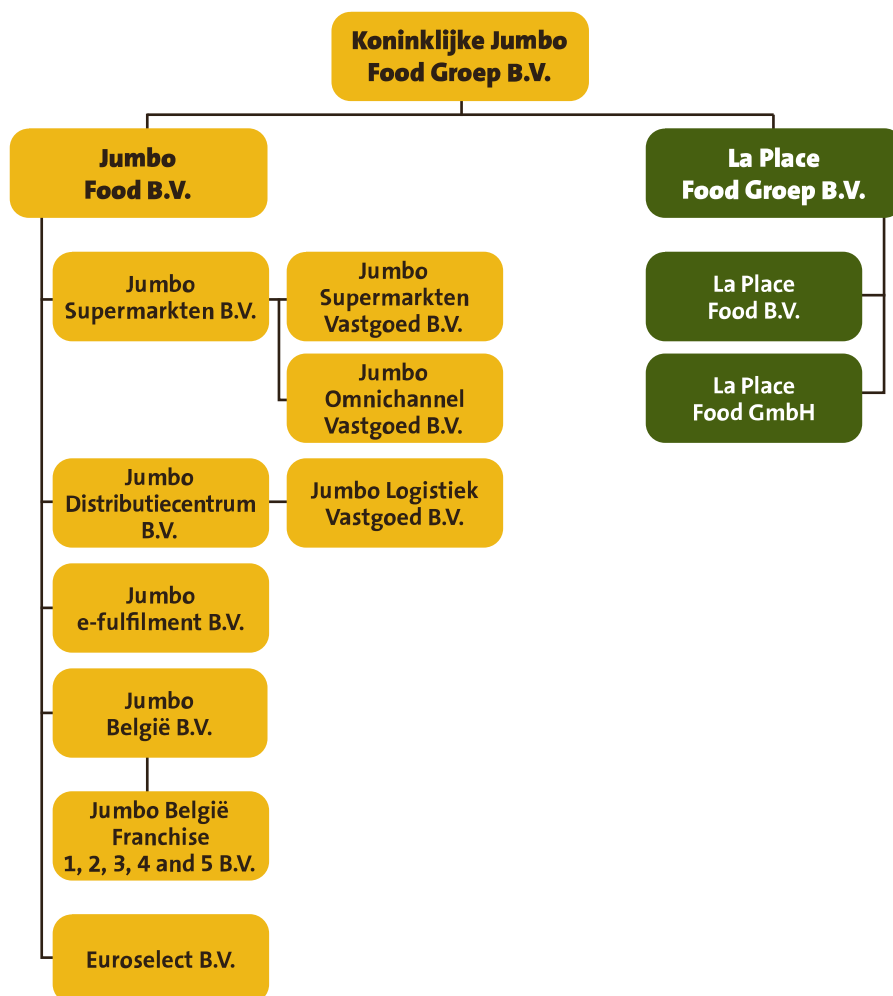
As Koninklijke Jumbo Food Groep, we are active in the food market with our Jumbo and La Place formulas. With Jumbo Supermarkets, Jumbo Foodmarket, and Jumbo.com, we are very consciously building our omnichannel proposition. We are doing that mainly in the Netherlands and, since 2019, in Belgium as well. Always with one goal in mind: customers who are 100% satisfied. Koninklijke Jumbo Food Groep also owns the La Place food service formula, active in the Netherlands and in seven other countries. We also own the nutrition and recipe platform Smulweb.

## Our organisation

Koninklijke Jumbo Food Groep is wholly owned by the Van Eerd family. Founder Karel van Eerd was Supervisory Board Chairman of the group until his death in December 2022. Until 28 March 2022, Frits van Eerd held the position of Chief Executive Officer and Colette Cloosterman-van Eerd that of Chief Customer Officer. Together with Chief Financial Officer Ton van Veen and Chief Operational Officer Cees van Vliet, they formed the Management Board. The management structure was subsequently adjusted, with the number of management layers reduced from three to two: a Supervisory Board and a management team. As a result, Frits van Eerd was appointed Managing director and Colette Cloosterman-van Eerd and Ton van Veen joined the Supervisory Board with delegated responsibilities on some key themes of the Multi-year Plan. Since then, the Statutory Board consists of Finance Director Peter van Erp and Operations Director Cees van Vliet. Monique Groenewoud-van Eerd holds the position of Manager Culture & DNA.

In September 2022, Frits van Eerd decided to temporarily step down as Managing director after careful consultation with his family and the Supervisory Board. He took this decision because he is involved in an investigation launched by the Public Prosecutor's Office. Since that time, Ton van Veen has been heading Jumbo's management team as delegated Supervisory director. As delegated Supervisory director, Colette Cloosterman-van Eerd acts as the link between the organisation, the Supervisory Board and the family. She has also taken over the role of Vice-chairperson of the Supervisory Board from Ton van Veen. As such, she has been acting chairperson since the death of Karel van Eerd in December.

Our head office is located in Veghel. At the end of 2022, we had approximately 100,000 employees, which includes the colleagues working at independent Jumbo entrepreneurs.



# Jumbo

## Jumbo Supermarkets

Our customers can get all their daily shopping at the more than seven hundred Jumbo stores throughout the Netherlands and Belgian Flanders. The product range is always attuned to the needs of local customers. Our stores can play a role in the region, area, village or for passers-by. Jumbo's portfolio of stores consists of both own branches and franchises operated by independent entrepreneurs.

## Jumbo Foodmarket

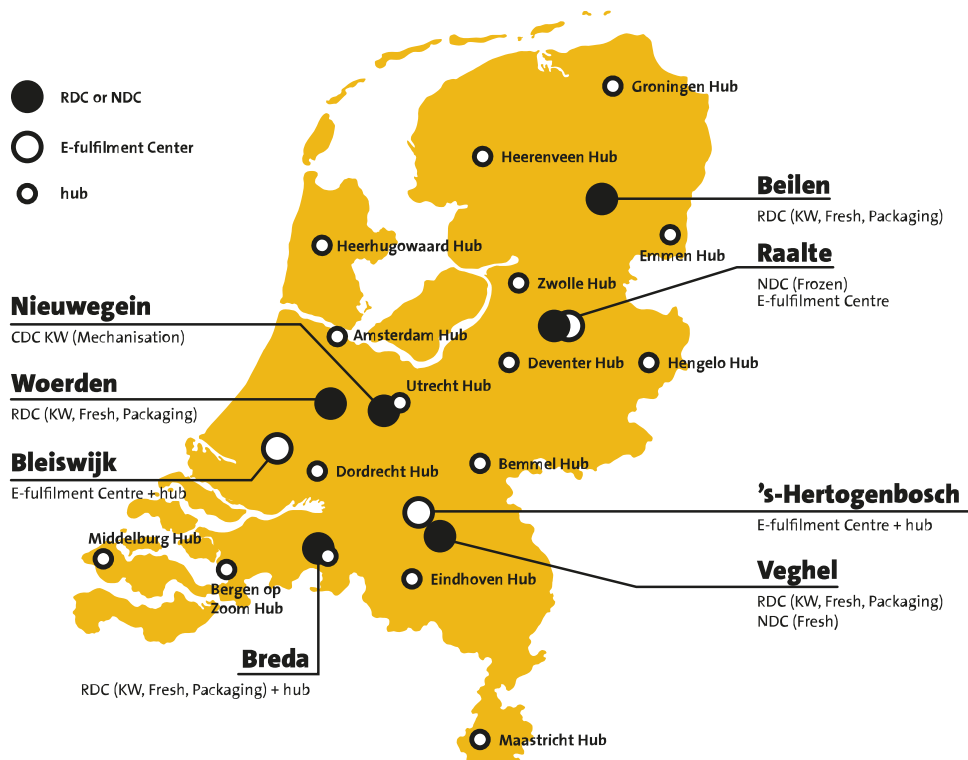
With the Jumbo Foodmarket, we bring together healthy, fresh and tasty food at the lowest price. Every day, chefs and other culinary specialists work here to prepare national and international dishes from the world kitchens of Jumbo and La Place. Customers have the choice of purchasing the ingredients they need to prepare a dish at home themselves, buying the meal ready-made, or enjoying it on site in a Food café. In 2022, we opened two new Foodmarkets, in Dordrecht and Naaldwijk, now giving us a total of ten.

## Jumbo.com

Our customers can also opt to shop at Jumbo.com or the Jumbo app. We offer the option of having orders delivered to your home or collecting them from one of our Pick Up Points (PUPs). We put the orders together at our E-Fulfilment Centres (EFCs) in Bleiswijk, Raalte and 's-Hertogenbosch. We deliver the groceries directly to the customer's home through our hubs in Amsterdam, Bemmell, Bergen op Zoom, Bleiswijk, Breda, Deventer, Dordrecht, Eindhoven, Emmen, Groningen, Heerenveen, Heerhugowaard, Hengelo (OV), Maastricht (Beek), Middelburg, 's-Hertogenbosch, Utrecht and Zwolle. With the continued growth of online orders, we are constantly looking at opportunities to further expand the number of delivery hubs.

## Distribution centres

We have our own distribution centres throughout the Netherlands, from which we supply our stores in the Netherlands and Belgium. The regional distribution centres for fresh food and groceries are in Veghel, Woerden, Breda and Beilen. We also have nationwide distribution centres in Veghel (fresh) and Raalte (frozen). Our mechanised nationwide distribution centre for groceries is in Nieuwegein. In 2021, we started to further expand the processing capacity of this distribution centre; this was already foreseen when it opened in 2020. At the same time, we started building a mechanised nationwide distribution centre for fresh products at the same location. This is expected to be operational in 2024.



## La Place

La Place Restaurants are all about delicious, good and fresh food, with an emphasis on flavour, experience, speed and convenience. At any time of day restaurant guests will find an extensive range of homemade products here, freshly prepared daily: hot meals, sandwiches, smoothies, fresh juices, soups, fresh fruit salads, coffee, desserts and bread. The La Place restaurant portfolio includes both company-owned and franchised outlets. Both in the Netherlands and in other countries.

## Smulweb

We have owned Smulweb since 2018. This popular nutrition and recipe platform counts more than 2.5 million unique visitors monthly who inspire and advise each other on delicious and healthy food. The content of Smulweb gives us many valuable insights and thus contributes to our strategy, in which we increasingly focus on customer convenience and food experience. For our customers, Smulweb provides an enrichment of the information they can find on Jumbo.com and in the Jumbo app.





# Management Report



# VERSE NOTEN

Een verrijking voor je borrelplank

LET'S  
GO NUTS

# Introduction

## Market developments

The tumultuous market developments of the past financial year strongly shaped the day-to-day operations of Koninklijke Jumbo Food Groep. Step by step, we emerged from the corona pandemic in 2022. Hopes for a quick economic rebound soon faded as signs of global scarcity of commodities, energy and transport became evident. Immediately after the outbreak of the war in Ukraine, the shortages only became worse, and from spring 2022 onwards we saw prices for energy and food in particular rise sharply. Unprecedentedly high inflation confronted many consumers with a drop in their purchasing power. That undeniably affected daily shopping. More and more consumers were struggling to make ends meet. As a result, our attention was focused more than ever on containing the steep increases in the cost of living. This is no simple task at a time of great economic and geopolitical uncertainty on the world stage.

We also had to deal with complex issues closer to home, such as the farmer issue and the general tightness in the labour market. Yet we managed to stay true to our ambition of putting our customer first every day. Our Multi-year Plan 2022-2025 served as the guide in this. Several elements of this strategic plan were implemented in 2022. We shifted our emphases in some places, in order to respond more actively to the current market situation and to meet the changing needs and requirements of our customers and other stakeholders even better. In this annual report, we clarify how we did that.

## Revenue development

Despite tough market conditions, we managed to achieve our revenue target for 2022. Koninklijke Jumbo Food Groep's total consumer revenue reached €10.3 billion this year (€9.91 billion in 2021), breaking through the €10 billion mark for the first time. We are happy with the growth achieved, but a caveat is in order: the higher revenue is mainly due to unavoidable price increases. We have shown restraint in price increases to keep daily shopping as affordable as possible for our customers. In negotiations with our suppliers, we only agreed to well-substantiated cost price increases. We also chose to settle for a lower margin on a number of daily grocery items. This resulted in a smaller profit contribution at the bottom line. Jumbo Supermarkets' (Dutch) market share remained virtually the same as last year at around 22%. The consumer revenue contribution of our foodservice formula La Place of €107 million was more in line with revenue levels of the pre-corona years.

## Investing in retail channels

After the tumultuous growth of online grocery shopping during the coronavirus pandemic, 2022 saw customers alternating store visits and home delivery more frequently. This picture is in line with our vision of 'omnichannel retailing', as well as our strategy derived from this. We expect more than half of our customers to truly do omnichannel shopping by 2025. To retain our strong market position across the various retail channels, we continued to invest in our offline and online portfolio in 2022. We increased the number of delivery hubs near urban and regional centres to 18 across the country with two new branches. We also introduced an attractively priced home delivery subscription with Jumbo Bezorgeloos. Our online activities in the business market continue to grow strongly, by more than 50% in 2022. Jumbo's physical store portfolio in the Netherlands has remained on level: at the end of 2022, there were 685 locations. A total of 62 Dutch Jumbo shops were completely revamped during the year. With already 27 Jumbo stores in Belgium at the end of 2022 - 17 a year earlier - we have become a valued player in the supermarket landscape of our southern neighbours.

## Building on the future

Also 'after corona', customers are more concerned about better and healthier, tasty, responsible and affordable food, preferably produced locally. At Jumbo, we have been anticipating this trend for some time. In 2022, we devoted extra attention to our own brand range, which is very popular with our customers due to its favourable price-quality ratio. In product development and expansion of the range, there is a strong emphasis on improving taste, composition and freshness. Our customers see the fresh food on offer in the store as an important indicator of quality. That is why we are working hard to live up to our promise that Fresh really means fresh. Jumbo is determinedly working on long-term partnerships with selected farmers and growers, which improves the availability, quality, freshness and sustainability of the range. Much emphasis here is on restructuring the fresh produce chain for fruit and vegetables. This should result not only in a quality boost for this segment, but also in a better earning model for farmers and growers, enabling them to invest responsibly in sustainable development.



### **Sustainable and healthy**

As a grocery chain and family business, Jumbo is at the heart of society and plays a role in the daily lives of millions of people. As mentioned already, customers are increasingly on the lookout for tasty, healthier and responsible products that are also affordable and preferably come from the Netherlands. Some 75% of Jumbo's fresh range now comes from the Netherlands; that share will continue to rise in the coming years. Jumbo makes this visible to customers with the 'van Dichtbij' logo. The logo also emphasises the widespread pride in our beautiful and tasty products of Dutch origin. Since this year, all fresh chicken meat on Jumbo shelves has the 1-star 'Beter Leven keurmerk' [Better Life label]. More products in Jumbo's own brand dairy range also satisfy the requirements of this quality mark. Together with its suppliers, farmers and growers, Jumbo is working on a product range with the lowest possible negative impact on the environment and a positive impact on humans and animals. By 2030, the proportion of plant-based food should be at least as high as that of animal-based food. In many areas that involve concern for people, animals and the environment, Jumbo took important steps in 2022. We also provide an increasingly healthy product range and aim to help our customers with a conscious lifestyle. Not by lecturing people, but by inspiring, by offering tasty and healthy alternatives, and by connecting ourselves with sport and exercise. We are also looking for ways to waste less food and use packaging more sparingly, and we are reducing the use of fossil fuels, in our buildings and in our means of transport.

### **Excelling in customer focus**

We continue to be driven by a desire to unburden our customers and provide them with the best possible shopping experience under all circumstances. That means not only responding quickly and effectively to changes in the world around us. Above all, our 100,000-plus employees are the ones who are passionate about serving our customers and make the difference. Therefore, we continue to encourage excellence in customer focus in many ways, in cooperation with our independent entrepreneurs. We invest in the vitality and health of all Jumbo employees, and offer room for entrepreneurship on the shop floor. It is an encouraging thought that throughout all of 2022, the essence of the Jumbo DNA - Together, Entrepreneurship, Winning - was fully present in all layers of the company.

# Environment

More than ever, 2022 showed how economic and socio-political developments affect our operations. We are sometimes caught off guard by external events with far-reaching consequences. Responding promptly is a requirement in all cases. Always guided by the interests of our customers, the Jumbo organisation and the environment in which we operate.

## **Turbulence in the market**

There were a number of major events which impacted society as whole in 2022. In the first two months of the year, there was still uncertainty about the further course of the coronavirus pandemic that had kept us firmly in its grip in previous years. Signs of rising energy prices and rising living costs soon presented themselves. In more and more sectors, the tight labour market was felt. With the Russian invasion of Ukraine in late February 2022, we faced new disruptions. The combination of skyrocketing gas, electricity and fuel prices and commodity shortages prompted unprecedentedly high inflation, resulting in a drop in purchasing power for many consumers. Amid all these events, the climate issue was also high on the agenda. The repercussions this had in the Netherlands included demonstrations by farmers protesting against the government's nitrogen policy. We undeniably faced substantial market turbulence in 2022.

## **After the coronavirus pandemic**

Step by step, we came out of the coronavirus pandemic in early 2022, with restrictions being gradually suspended and later scrapped entirely. Our stores could return to their regular opening hours; customers and employees were no longer required to wear face masks or maintain a distance of one-and-a-half metres. Foodservice formula La Place still had to keep its doors closed during the months of January and February, but was then able to welcome guests as usual and without coronavirus vaccination or Covid certificates. For colleagues working at Jumbo headquarters, the work-from-home advice expired in March 2022. Even 'after corona', demand for home delivery of groceries ordered online remained strong, but the rapid growth of the previous two years did weaken slightly. We now see that customers often combine having their groceries delivered to their home with a visit to the store.

## **Price increases**

Because of the coronavirus pandemic, as well as the rapid economic recovery once the pandemic faded into the background, we were already increasingly facing global scarcity of commodities, transport capacity and energy. The shortages only became worse after the outbreak of the war in Ukraine. From spring 2022 onwards we saw prices for energy and food in particular rise sharply. Suppliers of commodities and food increased their prices more frequently and more than previous years. This had repercussions for the price negotiations between these suppliers and the retail sector.

Especially in these times, when the purchasing power of many consumers is under pressure, we at Jumbo stick to our Promise of Saving more with us. We stress the importance of this customer promise during the discussions we have with our suppliers. Whenever a price increase is proposed, we always carefully study the facts and make thorough analyses to determine whether the proposed increase is realistic. In some cases, this results in protracted discussions and occasionally to the temporary unavailability of certain (A-brand) items. We regret this, as we believe that customers should be able to go to Jumbo for all their shopping. For the rest, we do not simply pass on supplier price increases to customers. We engage in a competitive market and believe it is important for customers to save more when they do their shopping at Jumbo. This is also why we settle for a lower margin on essential items for ourselves.

## **Responsible choices**

It is worrying that more and more consumers are struggling to make ends meet. At Jumbo, we see it as our responsibility to help keep the sharply increased cost of living in check as much as possible. This is no easy task as supermarket margins have traditionally been low. Nevertheless, we are reluctant to pass on the increased costs to customers on a one-to-one basis. We also notice that customers are more price-conscious in their shopping and opt more often for Jumbo's own brand products. The ample attention we have given in recent years to further improving the value for money of our own brand range comes in handy here.

In recent years, we saw customers increasingly opting for tasty, healthier and more sustainable products. Interest in these offerings remains high, but often the idea that responsible food is more expensive prevails. At Jumbo, we believe that the current pressure on household budgets should not result in unhealthier choices. We like to point out to our customers that in these expensive times, the prices of plant-based meat substitutes, for example, have not risen as much, which means they are usually less expensive than their animal-based counterparts. We also make sure we always have special offers and promotions on fresh fruits and vegetables. After all, tasty and healthy food produced sustainably should be accessible to everyone.

### **Sustainability and the environment**

Changing laws and regulations, alongside an increasing call for stricter environmental measures, have a direct impact on society and therefore also on our business operations. Last year, we at Jumbo were also confronted with farmers' protests in response to the government's nitrogen plans. We recognise the complexity of this issue. As far as it is within our capabilities, we are happy to contribute to a solution to this difficult issue. We advocate for a more sustainable agricultural sector, with a healthy earning model for farmers and growers. We try to realise this by establishing long-term partnerships with carefully selected Dutch farmers and growers. We typically pay a premium for more sustainable, certified products. Multi-year supply security and compensation for responsible production enable farmers to invest in improving their sustainability and animal welfare.

### **Responsibility**

In recent years, our impact as the country's second largest supermarket chain has increased further. This not only brings an even greater degree of social responsibility; we also realise that, as a major player, we are increasingly subject to heightened scrutiny. We feel it is important to be in constant dialogue with our stakeholders and value transparency in this regard. Also when we make mistakes, like the ill-fated TV ad for the World Cup in Qatar, we take action immediately to minimise the likelihood of such things happening again.

### **Guiding compass**

The shortages on the labour market mean that we have to make extra efforts to retain employees and bring in new talent. It is inevitable that the current market situation will drive up our operating costs. Nevertheless, our ambition to become the most customer-oriented company and achieve sustainable growth for the future nevertheless remains paramount. However, this does entail the need to constantly look at how we can reduce our operating costs and optimise our revenue models. In our Multi-year Plan 2022-2025, we made sharp choices and included a large number of innovative initiatives. We will continue to use this as our guiding compass.

# Ambition and strategy

## Our drivers

It is our ambition to become the most customer-oriented company in the country. That is why we have built the Jumbo formula entirely around the customer. We move in line with the changing wishes and needs in society.

Today's customer likes tasty and affordable food, but is also increasingly concerned about health and sustainability. Convenience is also gaining importance, as is support in making conscious food choices. Customers are also increasingly critical of origin, production methods and, in particular, the pricing of daily groceries.

These topical customer requirements determine how we operate at Jumbo. We want to make tasty, healthy and responsible food accessible to everyone, and available anytime, anywhere. Whereby affordability is a prerequisite in this day and age. With all our colleagues and independent entrepreneurs, we work hard to achieve this every day. Our customers must really feel that they come first at Jumbo, both in our stores and online. Doing business together to win over the customer. We want to surprise customers and exceed their expectations so that they enjoy doing their shopping with us.

## Our strategy

Customer focus has served as the guide in Jumbo's strategy and working method from its founding, and is therefore the foundation of our formula. We believe that shopping can be done just a little differently, more enjoyably, easier, better and cheaper. With this attitude, we want to be the common theme in our customers' lives. Every day, always and everywhere. The '7 Zekerheden' [7 Promises] are our promises to the customer in this respect. They are the key principles of our day-to-day operations and form a reference framework that enables us to assess whether we are consistently living up to our promises to our customers.



## 7 Promises

1. Save more with us
2. Service with a smile
3. All your shopping under one roof
4. Fresh really means fresh
5. A smooth shopping experience
6. Satisfied or your money back
7. We put your needs first

The characteristic Jumbo DNA - Together, Doing business, Winning - remains an important guideline for how we work and how we make a difference for our customers. It is also the basis of the Jumbo Multi-year Plan 2022-2025, which is structured according to the following five strategic choices that are also reflected in the structure of this annual report:

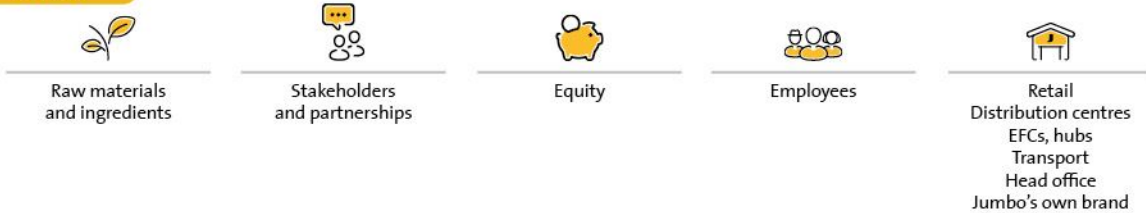
- Jumbo as Jumbo is meant to be
- Providing the winning omnichannel customer experience
- Delivering top quality at a Jumbo price
- Making healthier and more sustainable living enjoyable
- Building a robust, enterprising organisation

## How we create value

We strive to create positive value for our customers, employees, independent entrepreneurs, chain partners and society as a whole. Customers can count on the fact that they can always turn to Jumbo, no matter where they are, that Jumbo makes an affordably healthier and more sustainable life possible and that the products on Jumbo's shelves have been produced with concern for people, animals and the environment. We provide employment to over 100,000 employees, which includes the colleagues who work at independent Jumbo entrepreneurs. The long-term continuity of the organisation is the starting point in everything we do. Our value creation model describes how we make a difference. The value chain model shows the spots at which this happens.

# VALUE CREATION MODEL

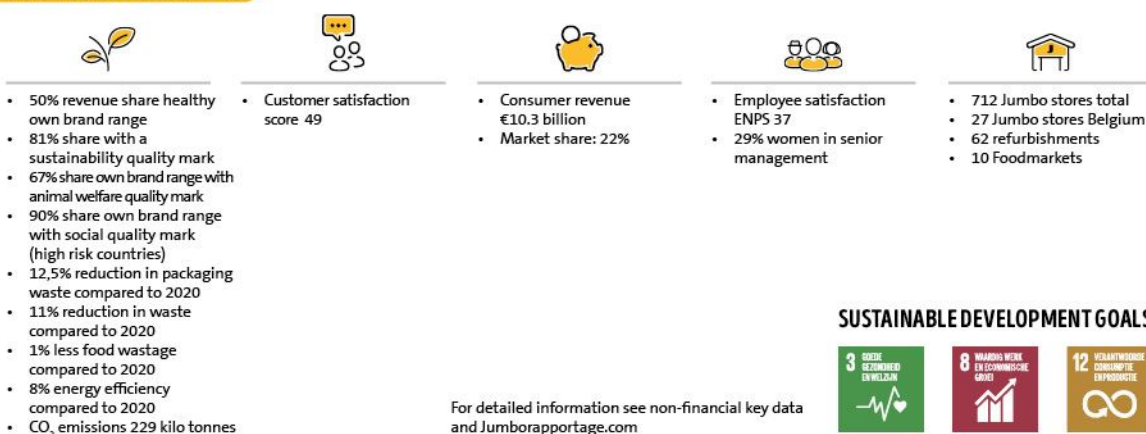
## INPUT



## HOW WE MAKE A DIFFERENCE



## OUTPUT AND IMPACT



# VALUE CHAIN





JUMBO

100%  
ELEKTRISCH

# Strategic priorities

In 2021 and at the beginning of 2022, together with our employees, independent entrepreneurs and other stakeholders, we worked hard to prepare our Multi-year Plan 2022-2025. We feel it is important to be in constant dialogue with our stakeholders. To provide strategic direction, we focus on five priorities.

1. Jumbo as Jumbo is meant to be
2. Providing the winning omnichannel customer experience
3. Top quality at a Jumbo price
4. Making healthier and more sustainable living enjoyable
5. Building a robust, enterprising organisation with passion for our customers

## 1. Jumbo as Jumbo is meant to be

It is Jumbo's ambition to become the most customer-oriented company in the Netherlands and Belgium. To be able to achieve that, we always put the customer first. One way we do this is by sticking to our '7 Zekerheden' [7 Promises]; these form the foundation of our formula. Our promises to customers are always applicable, everywhere. If necessary, we add new touches to make them even more appropriate to the times we live in.

### Passion for the customer

#### Customer focus

At Jumbo, we consider customer focus to be the common theme in everything we do. The Jumbo formula has been built entirely around the customer. All innovations are, by definition, based on the changing wishes and needs of our customers, therefore. We also strongly value one-to-one customer contact and like to go the extra mile. For example, at the Chat Checkout, by helping the customer find a particular product or, carrying the shopping bag to the customer's car or bicycle, if needed. As a family business, we believe in a warm relationship with our customers.

With our stores and online channels, we are very much in the midst of society and keep a close eye on what is going on. We also periodically gauge customer satisfaction using the Jumbo Image Monitor (JIM). This tool shows whether and where we need to adjust our approach. It is important to us that customers and other stakeholders perceive Jumbo to be a party that responds to their current needs. In the course of 2022, more and more households suffered from sharply increased living costs. While we as Jumbo cannot reverse this development, we do see the need to deliver even better on our Promise to Save more with us than with the competition. With a more appealing offering that customers really need, for example. Or by continuing to invest in the quality of our own brand products at Always Low Prices.

We find it equally important to maintain a high level of service. We do this by harnessing both the power of our employees and modern technology to give our customers an enjoyable experience across all retail channels. We are always looking for opportunities to provide extra inspiration and experience, strengthen the personal connection with customers, and take education about tasty, healthy and responsible eating to the next level. Locally, too, we work hard to make the neighbourhoods in which we operate more pleasant.

#### Enterprising employees

Over 100,000 colleagues dedicate themselves passionately to customers every day. Together they pull out all the stops to ensure that customers become and stay Jumbo fans. We want all colleagues to feel the freedom to fulfil customer needs as they see fit. We call this personal entrepreneurship in customer focus. Together with the Jumbo Academy, we are making efforts to develop this approach more widely and strongly.

The range of training and education offerings at the Jumbo Academy has a clear common denominator, namely thinking and acting based on the customer's wishes. Almost 34,000 employees took part in the training on the '7 Zekerheden' [7 Promises] and customer focus in 2022. The range of online and in-person training courses designed to strengthen our corporate culture was furthermore expanded by over 136 new modules in 2022. When refurbishing existing stores and undertaking new construction projects, we continue to put strong emphasis on our 'Wij van Jumbo' and '7 Zekerheden' [7 Promises] training courses. In 2022, more than 150,000 training programmes, e-learning modules and full educational courses were successfully completed at the Jumbo Academy.



New, broadly-based learning lines have been developed for executives and professionals at the head office, team leaders in the stores and colleagues in supporting positions in the Supply Chain. In collaboration with NCVB Bedrijfsopleidingen, Jumbo offers its employees a specially developed MBO programme (senior secondary vocational education). Participants are thus given the opportunity to combine work and learning.

The partnership we have had with Avans Hogeschool since 2019 has been reinforced. Among others, Jumbo employees can take the Entrepreneurship & Retail Management (ORM) course here, with the possibility of progressing to the bachelor's programme. Since 2019, more than 300 Jumbo colleagues have already availed of this offer, 111 of whom have since obtained a higher professional education diploma.

The Enterprising Leadership master class, set up in 2020 in collaboration with EFMI Business School and management consulting firm Korn Ferry, has become a fixture in the educational offerings. The programme, co-created by the Jumbo Entrepreneurs' Association, strengthens entrepreneurs in their professional and personal development. The same applies for the traineeship programme for store management.

We believe it is important that all Jumbo employees continue to learn and work on their personal growth. To encourage this, we set up the 'Leuk om te leren' [Fun to Learn] project. On the freely accessible website leukomteleren.com, we offer a convenient drop-down tool for employees in all job groups and at all business units. After filling in some basic questions, tailored advice follows on possible career steps and the education and training offered that could be useful in this regard.

### **Digital convenience**

We are convinced that shopping can be easier and faster, and therefore more enjoyable. Digitalisation can provide a solution in this context. It can also make working in the store more pleasant. We are increasingly using digital solutions at checkout, for example, to free up time to serve customers in other ways. Self-service checkouts are already widely accepted, but by constantly adding small improvements to them, we ensure a more personalised shopping experience. Customers who scan their Jumbo Extra's card using the hand scanner will immediately see while shopping which products they are saving points on. They can also immediately redeem these for free products or a discount at the self-scanning checkouts. We continue to expand these personalised services.

Other digital solutions also help to free up more time for the customer, such as the use of electronic shelf labels, showing current product prices. We introduced this new system on a large scale in 2022. By the end of the year, over 250 stores had already made the switch; the entire store portfolio is expected to have these electronic shelf labels by mid-2023. In almost half of our stores, we have now launched digital screens equipped with customer information. We are testing the use of a so-called local content tool so that the information on the screen is particularly relevant to customers from the immediate area.

### **Local involvement**

Within the principles of the Jumbo formula, we want to become even more distinctive, especially on a local level. The store should be the hub of the neighbourhood; the offerings and service should be strongly aligned with the needs of local customers and other stakeholders. We are involved in what is going on in the surroundings and like to contribute to making the neighbourhoods in which we operate more pleasant. Providing the best service locally also means that our 700-plus stores are completely up-to-date in terms of experience and offer clear added value on several fronts. We are always making improvements and innovations within the possibilities that exist.

### **Chat Checkouts**

In 2019, we set up the concept of the Chat Checkout, to create an extra moment of personal contact. Chat Checkouts are specially designed for customers who are not in a hurry and like to have a chat while checking out. Jumbo is a driving force behind the National Coalition Against Loneliness and in that capacity we want to do our bit to tackle loneliness. By the end of 2022, 126 Dutch Jumbo stores had their own Chat Checkout. In the meantime we have also successfully introduced the concept at three stores in Belgium. In early October, during the Week Against Loneliness, we encouraged customers and colleagues to give some extra attention to people who could use it with a special Chat Bouquet and Chat Card.

### **Sponsorship**

As a family business, Jumbo attaches great importance to the world around it. This is why Jumbo supports various social, cultural and sports initiatives. We think healthy living is important. Healthy eating and (more) exercise play a role in this. Our sponsorship of Team Jumbo-Visma gives talented sports people the opportunity to excel. We also want to get young talents excited about skating and cycling. That is why, among other things, we support school projects, sport associations and a training team for talented skaters, cyclists and cyclo-cross competitors under the age of 23. We also believe in young, promising, talented sports people who have the potential to grow into icons in society. Max Verstappen is the most outstanding example of these. In our support for good causes, we put the emphasis on children, health and exercise.

*Following on the investigation by the Public Prosecutor's Office, Jumbo has stopped sponsoring motorcycle sports and to some extent auto sports.*

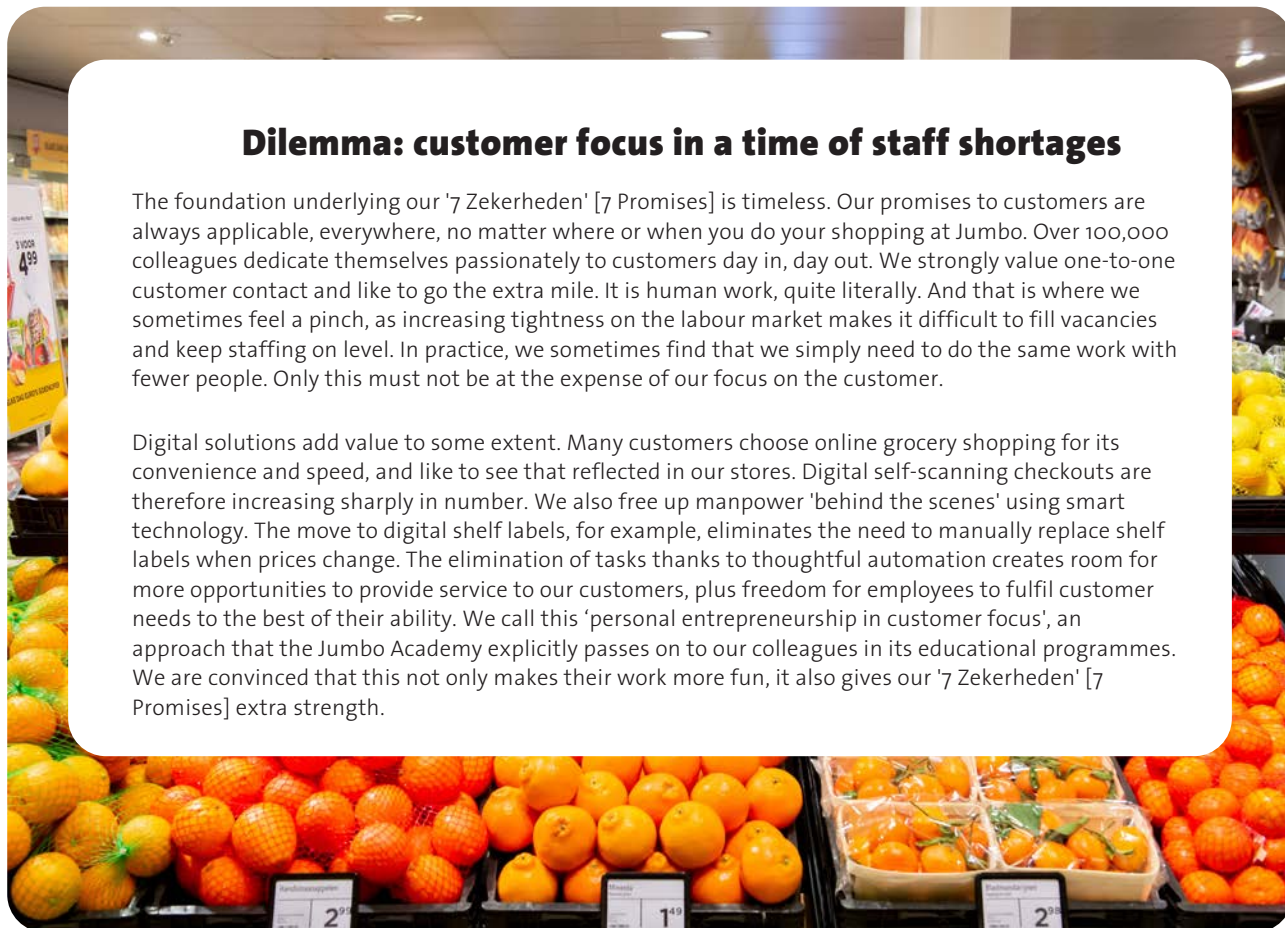
## Local initiatives

Our stores can choose to support local associations, charities and events. The initiatives range from bottle deposit campaigns to clothing collection containers at stores. Over 150 stores participated in the National Clean-up Day in 2022 and thus contributed to a cleaner environment. During the One-extra weeks in June, 400 Jumbo shops and their customers enthusiastically and generously participated in the campaign where customers could donate their free promotional products to the food banks. Through the partnership between Jumbo and Voedselbanken Nederland (Food Banks Netherlands), these groceries reached the people who need them most.

### **Dilemma: customer focus in a time of staff shortages**

The foundation underlying our '7 Zekerheden' [7 Promises] is timeless. Our promises to customers are always applicable, everywhere, no matter where or when you do your shopping at Jumbo. Over 100,000 colleagues dedicate themselves passionately to customers day in, day out. We strongly value one-to-one customer contact and like to go the extra mile. It is human work, quite literally. And that is where we sometimes feel a pinch, as increasing tightness on the labour market makes it difficult to fill vacancies and keep staffing on level. In practice, we sometimes find that we simply need to do the same work with fewer people. Only this must not be at the expense of our focus on the customer.

Digital solutions add value to some extent. Many customers choose online grocery shopping for its convenience and speed, and like to see that reflected in our stores. Digital self-scanning checkouts are therefore increasing sharply in number. We also free up manpower 'behind the scenes' using smart technology. The move to digital shelf labels, for example, eliminates the need to manually replace shelf labels when prices change. The elimination of tasks thanks to thoughtful automation creates room for more opportunities to provide service to our customers, plus freedom for employees to fulfil customer needs to the best of their ability. We call this 'personal entrepreneurship in customer focus', an approach that the Jumbo Academy explicitly passes on to our colleagues in its educational programmes. We are convinced that this not only makes their work more fun, it also gives our '7 Zekerheden' [7 Promises] extra strength.







## THE PIVOTAL ROLE OF THE JUMBO STORE INVOLVED IN THE NEIGHBOURHOOD

Bospolder-Tussendijken is a dynamic, diverse neighbourhood in Rotterdam, where 14,000 people live together in one square kilometre. At the Jumbo store on Schiedamseweg, service with a smile is a given. There is no question of understaffing due to staff shortages. The strength of the neighbourhood lies in engagement and social connection, as city safety officer Danielle van den Heuvel and Jumbo branch manager Dirck Slabbekoorn know.

**Danielle van den Heuvel:** "For many people in this neighbourhood, the energy crisis is nothing new. They have lived for years in draughty homes with old-fashioned gas fires and have therefore become accustomed to cold. But there is also a tremendous amount of resilience in

this neighbourhood, a great degree of togetherness which gives rise to wonderful initiatives. Volunteers got to work insulating the homes and taking other energy-saving measures. With such decisiveness, Havensteder, the largest social housing landlord in the neighbourhood, could not be



left behind. Five apartment buildings from just after the war are now the first to be completely off gas."

**Dirck Slabbekoorn:** "As a branch manager, I explicitly see it as my job to connect with the neighbourhood. Of course we want to generate revenue, but that is not just a matter of taking money out of the market. I call it investing on the front end. If you do that in a way that connects people, the neighbourhood takes care of you at the back end. This became very clear early in the coronavirus era. There was panic, there were a lot of employees out. People from the neighbourhood immediately came to offer help, with shelf-filling, cleaning, delivering groceries. We were not just the supermarket with the yellow letters, we had really won a place in the hearts of neighbourhood residents."

For five years, Danielle van den Heuvel worked in Bospolder-Tussendijken as city safety officer, a position created by the city council. Her job description in "one of the poorest postcodes" in the country was simple: improve public order and safety, solve problems, but do so in collaboration with residents and other stakeholders. In that capacity, she met Dirck Slabbekoorn, who as a branch manager regularly dealt with a lack of police deployment for shoplifting problems. From that first acquaintance, a close collaboration developed.

**Danielle:** "Even then, the police were understaffed. That's why I said to Dirck: 'How do we ensure that we have fewer shoplifters in the neighbourhood? What can you do?' I quickly learned that as a city safety officer, you have to use all your networks, by seeking out cooperation, with schools, local businesses, churches and mosques, the property company, and especially the residents themselves. Great initiatives emerged, for example by engaging mothers with children at the Valentijn School. Several mothers from that group now work permanently in Dirck's store."

**Dirck:** "When they joined Jumbo, I was already working on a system of 'Open Hiring'. At Jumbo, branch managers and entrepreneurs can choose this way of recruiting if it suits the store and environment, as is the case with us. We no longer want to choose between people. The first person who applies and wants to contribute to the best shopping experience is welcome. Like these 'school mothers', who initially said they were afraid to apply. You don't have to be, I said, because you are already hired. They perform perfectly, their self-confidence has grown considerably, as have their language skills. They derive a lot of satisfaction from the work, and you notice that straightaway in the store. 'Service with a Smile' is right up their alley. The great thing is that I am actually never short of

*Danielle:*

**"THE WORLD GETS A LOT BIGGER WHEN YOU ARE IN THE MIDDLE OF THE COMMUNITY"**

colleagues. And that, in turn, shines through in the service we give our customers."

**Danielle:** "What we sometimes call 'vulnerable shoulders' often turn out in practice to be 'strong shoulders'. These people are used to sharing. They are involved in volunteer initiatives that only gain in momentum when others join them. Take food provision, school breakfasts for the children in the neighbourhood, distributing Christmas hampers to residents who have almost nothing. The supermarket has a pivotal role here in the neighbourhood, just like the primary school or church. Without the business community, none of this would succeed. I tell the business



*Danielle van de Heuvel*

owners that local involvement just makes the work more fun, that the world gets a lot bigger when you are in the middle of the community."

**Dirck:** "Residents and business owners are always finding each other in these kinds of social initiatives. For instance, we have ensured that freezers and fridges are available in several schools for the school breakfast. Over the past years, the food banks could not cope with the demand; then we set up an alternative together. Several times a week, we now receive large quantities of products that still have several days of shelf life from the Jumbo distribution centre in Bleiswijk. It simply should not be the case that people are starving.



*Dirck Slabbekoorn*

*Dirck:*

**"AS A BRANCH MANAGER, I AM CONSTANTLY IN TOUCH WITH THE PEOPLE AROUND ME"**

## 2. Providing the winning omnichannel customer experience

At Jumbo, we want to be where the customer is, always and everywhere. Not only in locations suitable for 'a big shop', but equally in city centres or at transit locations for a quick snack or a forgotten purchase. We see more and more Jumbo customers combining a visit to our stores with the convenience and care-free experience of online shopping. We are convinced that different channels can reinforce each other, which is why we work hard to make seamless connections between them. Customers should have the same Jumbo experience everywhere.

### Investing in a strong store portfolio

In response to the changing wishes and needs of our customers and other stakeholders and to make room for further expansion of our product range, we continue to work hard to modernise our stores. In 2022 we completely renovated 62 Jumbo stores. The total store portfolio remained level at 712 locations; in the Netherlands we now have 685 supermarkets and in Belgium we expanded our presence to 27 stores. For the expansion of our store portfolio, we are particularly looking at locations where we can strengthen our position. The ongoing urbanisation plays an important role in that.

### Stable growth online

Even after the rollback of most coronavirus measures, demand for home delivery of groceries ordered online remains high. We expect customers to increasingly decide for themselves where, when and how they do their shopping, as well as how and when they want to receive their groceries at home. According to our most recent forecast, more than half of our customers will do truly omnichannel shopping with us, i.e. both physically and online, by 2025. Our aim is to maintain our strong market position in the various channels and further expand in relevant areas. For Jumbo Online, we are committed to profitable growth. This calls for further strengthening our omnichannel strategy with additional investments and innovations.

In 2022, we again opened home delivery hubs near urban and regional centres, namely in Bergen op Zoom and Emmen. This brings the number of Jumbo's delivery hubs to 18. We are also working hard to improve services in terms of accurate and timely delivery. The freshness of our products also has our full attention. We opt for a relevant, focused online assortment, which will enable us to provide better service and longer shelf life. With Jumbo Bezorgeloos, we have been offering our customers an attractively priced home delivery subscription since the spring of 2022. We notice that there is a lot of demand for this and see the number of subscribers growing steadily.

### Other developments in E-commerce

At the parties active in the online market, we see a strong need for a sector-wide vision with agreements on a level playing field for all stakeholders. For this reason, Jumbo Online joined the new employers' association E-commerce Nederland in spring 2022. As a result, new employees hired from 20 June 2022 onwards would now automatically be covered by the E-commerce Netherlands sector collective labour agreement. Jumbo nevertheless decided to have the VGL collective labour agreement apply to new employees of Jumbo Online from 10 October 2022 until at least 2 July 2023. This step was taken after the minister of Social Affairs and Employment stipulated that the collective labour agreement for the food industry was declared universally binding for all employees in the sector, including Online. The decision, which is temporary for now, contributes to a level playing field for all the parties in the sector, a situation Jumbo welcomes.

In early 2022, Jumbo and on-demand delivery company Gorillas entered into a strategic partnership. The partnership focuses on the growing market for the rapid delivery of groceries ordered online in major cities. At Jumbo, we see a lot of potential in rapid delivery, which will allow us to tap into new customer groups. Gorillas was active in 11 Dutch cities at the end of 2022. Under the agreement, Jumbo will supply Gorillas' Dutch warehouses with well-known A-brands, a selection of products from Jumbo's home brand and popular food items from the La Place range. Jumbo now supplies some 1,600 products to Gorillas.

The agreement initially also applied to the Belgian market, but this was discontinued after Gorillas ceased operations there earlier this year. The cooperation now focuses on the Netherlands. Both parties are preparing the availability of Gorillas' rapid delivery service through Jumbo's online channels. Jumbo's independent entrepreneurs are closely involved in this process. At the end of 2022, Gorillas was acquired by Getir. In dialogue with Getir, we are looking at what this means for future cooperation.

### Growth in the business to business market

We see strong growth of our online activities in the business to business market. This is partly due to the scaled-down coronavirus measures and most employees returning to the office. Joining forces with foodservice wholesaler Makro in 2021 also contributed to the substantial growth of more than 50% in the business market. We are working hard to further strengthen our offering in this segment, so that we can increase our market share. The expansion to incorporate a wider and targeted range, as well as the introduction of automated business (payment) solutions, will enable us to strengthen our position as a total supplier in key sectors such as sports canteens, daycare centres and education, SMEs and healthcare institutions.

## Jumbo Extras

The number of active, registered users of our loyalty programme Jumbo Extras grew to over 1.7 million in 2022. Jumbo Extras offers customers a variety of benefits. They can redeem points saved for free groceries, for instance, get the highest discount on days out, or benefit from one of the other extras. The saving promotion for a scale model of Max Verstappen's champion race car was particularly popular this year. In 2023, we will further expand the functionalities and customer benefits to be gained from Jumbo Extras.

## Collaboration with HEMA

Jumbo and HEMA are convinced that they share a common starting point, namely to make everyday life more fun and enjoyable. Jumbo customers now know how to find their way to the HEMA shelf in the supermarkets. Nearly all Jumbo stores in the Netherlands and Belgium now have a shelf with popular household items from the well-known department store. In 2022, we added to the Jumbo Extras loyalty programme the ability to redeem points at HEMA throughout the year. This option is very popular with our customers.

## Strengthening of the Belgian market

For Belgium, we are constantly exploring opportunities for expansion, while in the meantime working to further reinforce our business processes. At the end of 2022, the number of Jumbo stores in Belgium reached 27, including 8 franchise stores. The number of new stores will grow in 2023.

### Dilemma: in search of returns for e-commerce

The latest projections assume that more than half of our customers will engage in truly omnichannel shopping with us by 2025, meaning that they will shop both in our stores and online via Jumbo.com. We are preparing for this situation with the choices we have made in our omnichannel strategy. We have over 100 years of experience in physical retail; we know how and when to adapt our business model to meet changing customer wishes as well as keep our operations healthy. With online, the situation is different. Customer wants and needs are still taking shape. Moreover, all the players in the online grocery market are in search of returns.

It is not easy to profitably exploit the digital food shopping channel. But the learning curve we are going through is gradually providing us with new insights. In 2022, for example, we were able to shed light on the demand for instant on-demand home delivery in major cities by partnering with Gorillas. Ongoing research among our online customers yields relevant information. For example, many regular customers have a recurring ordering pattern for their 'big shop'. This raises the question of whether it makes sense for online to offer the widest range possible, like in the physical stores. Or, whether for online we should work primarily to make our offer as relevant as possible. In parallel to this, we are constantly investigating which parts of our e-commerce network can be further mechanised. This too should contribute to better, faster service and a healthier business model.

# Samen **WINNEN** ondernemen PAS **OP** DE



## SAVING TIME AND MONEY ONLINE E-COMMERCE FOR THE BUSINESS MARKET



'After corona', the delivery of groceries ordered online to business customers is growing at Jumbo. Yet it was precisely during the early days of the pandemic that the seeds were sown for the solution that sets Jumbo apart. Kevin Rasenberg, manager B2B E-commerce at Jumbo, and Babette Klaassens of healthcare institution Lunet look back - and ahead.

**Kevin Rasenberg:** "With the first lockdown in March 2020, we saw business revenue evaporate by 70% overnight. It was the time when individual consumers started ordering their groceries online en masse. We saw that business customers in healthcare in particular were struggling to find available delivery times. These kinds of organisations are very dependent

on guaranteed delivery at fixed times. Based on that need, we immediately started providing more customisation to ensure the delivery of daily groceries. That solution was greatly appreciated by our customers. We are still benefiting from that now."

**Babette Klaassens:** "That personal support greatly strengthened the

bond with Jumbo. At the beginning of the first lockdown, we had hectically compiled a list of basic necessities, and groceries were high on it. Many of our clients live in residential groups and cannot go to a supermarket by themselves. Grocery delivery also needs to be structured. Together with Jumbo, we looked at what was needed. Everything was soon running smoothly again."

As Team leader Logistics, Babette Klaassens is responsible for operational procurement and contract management at Lunet, a large healthcare organisation in South-East Brabant. Lunet has dozens of assisted living locations in the region, ranging from smaller living groups in 'ordinary neighbourhoods'





Kevin Rasenberg

to large residential parks where hundreds of differently abled people live together. Kevin Rasenberg and his team are well acquainted with the needs in this sector and can therefore respond effectively. Besides healthcare facilities, they also focus on the segments offices and businesses, childcare and education, and sports canteens and small catering establishments.

**Kevin:** "Many of our business customers have started to discover the benefits of delivery by a supermarket like Jumbo. For example, we use the same delivery network as for private consumers, allowing us to deliver quickly, flexibly, availing of population density, and more inexpensively. Traditional providers only offer delivery times that fit within their own schedule. We turn it around and let the customer decide on the most suitable time. Our product range is also very comprehensive. Thanks to our cooperation with Makro which started last year, we now also have a specific business product range."

**Babette:** "Jumbo has been our 'preferred supplier' for about five years. We have our own ordering platform into which Jumbo's online offering can be easily integrated. Price and delivery terms were a factor, but in the end it was mainly about the 'quality click'. At Lunet, we

*Kevin:*

**"WE INVEST A LOT IN THE PERSONAL RELATIONSHIP WITH THE CUSTOMER"**

want to create a homely atmosphere, eating and drinking like you are used to at home. We also have to deal with dietary requirements and certain religious beliefs. With Jumbo's extensive supermarket offering, we can now go in many more directions."

**Kevin:** "In large tenders, we increasingly hear that we won it because of our emphasis on maintaining a personal relationship. We invest a lot in that, including from the stores and the contacts there with local businesses. We want to become well acquainted with the needs of the business segments we supply and tailor our offerings accordingly. Customers also want to save time and money. We meet

*Babette:*

**"WITH JUMBO'S EXTENSIVE SUPERMARKET OFFERING, WE CAN NOW GO IN MANY MORE DIRECTIONS"**

that demand with, among other things, handy tools for invoicing and monitoring budgets."

**Babette:** "The dashboard Jumbo provides gives us good insight into ordering patterns. It is important to us that residential groups order a variety of foods and base their meals on the food pyramid. For example, we can see if they are ordering enough fruits and vegetables. In this way, we also pay attention to preventing food wastage."

**Kevin:** "In 2022, we saw B2B sales grow by 55%. We aim to maintain that growth by continuing to innovate and respond to customer needs. Look at healthcare, where labour shortages are only increasing. This also leads to changing demand. Our customers want to buy time, in a manner of speaking, and have the hassle of preparing meals taken off their plate. We are exploring how we can meet that demand by bringing together the knowledge we have built up with La Place, Jumbo Foodcollege and our Fresh Kitchens."

**Babette:** "I have already dropped that hint with Jumbo, that we would like a good meal service that is more innovative and diverse than what the existing providers can provide. I understand it is quite a complex request. But the great thing about working with Jumbo is that there is always room for each other's ideas and wishes."



Babette Klaassens

### 3. Top quality at a Jumbo price

At Jumbo, we notice that customers are increasingly looking for better, tastier, more responsible and affordable products that are preferably produced locally. By constantly working on quality improvements and paying close attention to affordability, we meet that demand. We will only be satisfied once the customer recognises us for top quality at an affordable price.

#### Value for money

With the sharply rising costs of everyday life, consumers are paying ever closer attention to what they spend their money on. Hence, we are consciously sticking with our Always Low Prices approach. Product innovation and quality, alongside price, continue to be the key indicators for customer loyalty. We therefore aim to always exceed customer expectations in these areas. In 2022, 16 Jumbo own brand products, including Jumbo's Chocolate Tart, its Ribbel Paprika Chips and its Semi-skimmed Chocolate Milk, were internationally awarded a Superior Taste Award. These awards were given by an expert jury made up of experienced chefs and sommeliers from the independent International Taste Institute. On the national level, five Jumbo own brand products were voted 'Best Product of the Year' by consumers, namely the Jumbo Fruit Syrup Grenadine with Apple, Jumbo Real-Butter Caramel Waffles, Jumbo Greek-style Plain Yoghurt, Jumbo Potato Gratin with Cheese, and Jumbo Liquorice-Fruit Duos.

#### Developments in product range

Interest in Jumbo's own brand is growing steadily. We want to maintain this by constantly improving and innovating the range. After all, our quality, taste, price and sustainability sets us apart. At the end of 2022, we had approximately 10,000 products in Jumbo's own brand range. In product development and expansion of the range, there is a strong emphasis on freshness and innovativeness. We are working across the board to further increase the sustainability of products and reduce the sugar, salt and fat content without compromising on taste.

#### Fresh really means fresh

The demand for healthy and delicious food increases every year. Customers also see the fresh food on offer in the store as an important indicator of quality. We are responding to this at Jumbo by working even harder to deliver on our Promise in this area: Fresh really means fresh. Since this year, our customers are assured of freshly baked bread until the stores close. Establishing long-term partnerships with value-added partners allows us to constantly work with selected growers on the quality, freshness, availability, sustainability and origin of our fruit and vegetable products. Together, we look at each step in the chain: how can we do it even better, more efficiently and more sustainably to offer the customer the freshest, tastiest product. At the moment, some 75% of our range of fruit and vegetables, dairy, meat and eggs is of Dutch origin and that share will continue to grow in the coming years.

#### 'Van Dichtbij' logo

We are making the Dutch origin of more and more fresh products visible with the 'van Dichtbij' logo, meaning 'from nearby'. The logo emphasises our widespread pride in the beautiful and tasty products originating from Dutch soil. The attention Dutch farmers and growers devote to freshness, taste and sustainability deserves special mention. But not only that: together with these farmers and growers, we are also building a future-proof chain, whereby the earning power of the partners provides sufficient room for the necessary investments in innovation. We pay a premium to farmers and growers who make extra efforts in terms of sustainability and animal welfare.

#### Jumbo Food College

As a catalyst for product development, Jumbo Food College places strong emphasis on tasty, fresh and healthy food. This shared knowledge, development and training centre of Jumbo and La Place for new products and recipes was responsible for over 500 innovations that found their way to Jumbo store shelves and the La Place restaurants in 2022. This is also reflected in the further expansion of the Verskeukens [Fresh Kitchens] in Jumbo stores, including tasty, healthy and in-store prepared meals that are inspired by the seasons. These include chilled and non-chilled fresh food packages, La Place soups, tea, tapas and the seasonal range and the introduction of new Vegetarian, Mexican, and Asian Fresh Kitchens and hot sandwiches in, among others, the new Jumbo Foodmarkets in Dordrecht and Naaldwijk. Jumbo Food College is specifically looking at ways to make new products and dishes from leftovers from the store, thus reducing food wastage. In 2022, for example, this resulted in French toast cakes made from day-old bread and croissant muffins prepared from unsold croissants.

#### Fixed low prices

While we too cannot escape necessary price increases, we continue to see it as our job to help keep everyday life affordable. We want our customers to notice that at Jumbo they save more than at the competition. This should be visible from a glance at the bottom of the receipt. 'Save more with us' is a very important part of our '7 Zekerheden' [7 Promises] and, especially in this day and age, more relevant than ever. The cheapest shopping is the sum total of our A-brand pricing, the prices of our own brand products and fresh products as well as the special discount offers we run. We constantly measure and monitor our price level and its distance from the competition.

### Seasonal supermarket

At Jumbo we consciously orient ourselves to the seasons of the year, so that we can always offer our customers the best possible product range. This approach is also in line with our emphasis on tasty, fresh, healthy and sustainable products 'Van Dichtbij'. We ensure a good offering of products that customers use on a daily basis and which are available on a promotion or for a set low price for an entire season. This includes our Mix & Match offer with a choice of selected fresh fruit and vegetables. The seasons play a prominent role while shopping in the store and online with a rich selection of tasty, varied and healthy food. But we stick to this for at home as well, with inspiring recipes, sportive ideas and fun tips for in and around the home, which we share in our Hallo Magazine and online. On a number of media channels, we provide answers to customers' most common question: what shall we eat today? In this way, we aim to make everyday life more pleasant and convenient.

### Strengthening purchasing power

In 2022, we launched a series of initiatives aimed at strengthening our purchasing power and our collaboration with suppliers. With data technology and smart tools, we expect to make a big impact on procurement, both nationally and internationally. The goal is to source the best products at an even more competitive price for our customers. International cooperation is also a response to increasing scarcity and price increases in the global market.

With the newly established Jumbo Retail Media, we offer suppliers the opportunity to better highlight their offerings to our customers through our own media channels and those of third parties. After all we welcome millions of customers to our stores every week, and maintain a close relationship with them through our online and offline media.

### **Dilemma: ample product availability versus food wastage**

A key part of the Jumbo formula is to carry the biggest range. Customers want the freedom of choice, and we are happy to satisfy their needs. This also means that we make an extra effort to keep store shelves well stocked. Because we know equally well that customers don't like it when their desired product is missing from the shelf. This is especially true for products with a limited shelf life. We therefore promise that fresh bread is available until closing time, and we do our best to keep the supply in the fruit and vegetable department as optimal - and fresh - as possible.

This approach is sometimes at odds with our efforts to reduce food wastage. After all, if you want to ensure wide availability of fresh produce, you cannot escape the fact that some of the supply will be less popular with customers due to its limited shelf life. Nevertheless, we want to guard against this supply disappearing from the food chain or - worse - being destroyed. We will therefore start selling 'Yesterday's Bread' at an attractive discount in early 2023. We are confident that our fresh bread baked daily tastes great even on the next day. In recent years, customers have in any event become accustomed to finding discounted fresh products with a best-before date of today. In over 600 Jumbo stores, we offer these products on a special 'Wasting Less Together' shelf for a set price of €0.50, €1.00 or €2.50. We have been donating larger batches of fresh products with limited shelf life to food banks for many years. Based on the idea: no longer fit for sale, but still fit for consumption.



## PARTNERSHIP JUMBO AND THE GREENERY

# WORKING TOGETHER IN THE FRESH PRODUCE CHAIN

The new partnership between Jumbo and The Greenery should ensure a quality boost in fruit and vegetables. By working closely together, major benefits can be achieved in taste, freshness, availability, sustainability and cost. According to commercial director Willem-Jan Boelema of The Greenery and unit manager AGF & Convenience Joris Savelkouls of Jumbo, both customers and growers are reaping the long-term benefits of this collaboration.

**Willem-Jan Boelema:** "Some 200 Dutch growers are affiliated with The Greenery. They are 100% owners of The Greenery cooperative. They are all passionate entrepreneurs with only one goal in mind: to deliver

the tastiest products to satisfied customers. They are constantly working on quality improvement and sustainable cultivation, ensuring that the best products are in stores at the right time. Only it is not easy



to pull that off on your own as a grower. At The Greenery, we have been connecting growers with retailers for many years. But now that we have become Jumbo's Added Value Partner, we can get a lot more out of that connection."

**Joris Savelkouls:** "At the end of the day, it's about maintaining customer loyalty. Fruit and vegetables are a decisive factor in this. The quality of fresh produce is number one for customers, followed by availability and price. If you really want to distinguish yourself as a retailer with this in a positive sense, you have to take the lead in the chain. We are now doing that together with The Greenery. Not for a while, but 365 days a year. And

*Willem-Jan:*

**“TOGETHER,  
WE CAN BETTER  
CONTROL QUALITY  
AND COSTS”**

not for one or two years, but really for the long term. This is the only way you can optimise the chain and improve product quality.”

In late 2022, Jumbo and The Greenery reached agreement on a long-term partnership to accelerate the supermarket chain's so-called fruit and vegetable transition. Over 80 Dutch growers will supply their vegetables to Jumbo. Only if the Dutch product is not available will The Greenery's foreign partners step in. In winter, the cauliflower at Jumbo comes from a grower in Spain, for instance. The partnership also ensures a quality supply of strawberries and kiwis. For all other fruits, we will collaborate with two other Added Value Partners.



*Joris Savelkoul*



*Willem-Jan Boelema*

**Joris:** “An important factor is the Dutch origin of fruit and vegetables; we are increasingly focusing on fresh produce Van Dichtbij [From Nearby]. Only if there really is no other option will we source certain products from further afield. And in 2023, we will stop air transport altogether. My colleagues in Procurement and Category Management know exactly what range they want, and what specifications that range must satisfy. Together with The Greenery, they will now create a detailed procurement plan, looking at which growers best meet our needs and expectations.”

**Willem-Jan:** “Our growers find it especially important that the cooperation is based on trust. If trust

*Joris:*

**“THE QUALITY  
OF FRESH PRODUCE  
IS NUMBER ONE  
FOR CUSTOMERS”**

is on level, it will automatically result in a fair price. The growers also want to sit down with a party that thinks about quality, about improving returns in the chain and about sustainability. They are proud of their products and they want to radiate that, get a face in the shop as it were. We regularly visit a Jumbo store with a group of growers. And then, for example, they see a picture of Rob van der Wouw, one of our grower-owners, hanging above the strawberries. This partnership allows us to much better communicate the provenance of our fresh produce.”

**Joris:** “Together, we really look for improvements, deep in the chain. The shorter the chain, the fresher the product in the shop. That means that we improve the conditioning and the logistics flows. Of course, we ensure that products have the right certifications. Together, we are exploring new, more sustainable packaging. We get less wastage because we can deliver fresher produce at higher availability. Quality control will also improve: if a product is not optimal, we can spot it at a much earlier stage. Optimising the fresh produce chain also reduces costs. Our growers are going to benefit from that, and ultimately our customers.”

**Willem-Jan:** “The Greenery's mission is to make fresh fruit and vegetables accessible to everyone. That means we continue to supply other retailers as well. But working closely together in this partnership does add a new dimension. Take Dutch asparagus, which is only available at a limited time. Demand sometimes exceeds supply, and what matters to growers then is who you really work with. Who are you working with to further develop the category? Who is also there for the grower in more difficult periods? The most important thing for us is working together for the long term. That means you can invest, in each other, in cultivation, in innovation. Together, we can better control quality and costs.”

## 4. Making healthier and more sustainable living enjoyable

As a supermarket and family business, Jumbo is at the heart of society. From that position, we also play a role in the daily lives of millions of people. This naturally brings with it responsibilities in terms of more conscious, healthy and sustainable living. Step by step, we are working towards a more responsible product offering. We want to support our customers in making conscious lifestyle choices. We are reducing the use of fossil fuels and purposefully looking for ways to waste less food and use less packaging. We are making efforts to improve working conditions in food chains and to reduce the impact on nature and the environment. We also like to ensure a pleasant neighbourhood in the places where we operate. On [Jumborapportage.com](https://www.jumborapportage.com), we report in detail on our policy in this area, as well as on our targets and the progress we are making in this regard.

### Healthy eating

#### Healthy, tasty and affordable products

We are gradually making our own brand range healthier, in a way that does not compromise on taste, quality or affordability. We are enthusiastic about Nutri-Score as a supplement to the food pyramid and support the introduction of this food choice logo nationwide. We await the decision of the Ministry of Health, Welfare and Sport (VWS) on the introduction of Nutri-Score in the Netherlands.

We already use Nutri-Score as a guide to help our customers make healthier choices. The logo is visible on various packaging, such as bread, convenience meals and frozen vegetables. This is a coordinated experiment with the Ministry of Health, Welfare and Sport. About half of our customers say they are familiar with the Nutri-Score food choice logo. Besides mentioning the Nutri-Score, Jumbo will henceforth only make health claims on products within the food pyramid.

Our goal is to increase the share (in revenue) of healthy own brand products with Nutri-Score A and B with 2% in 2023, in 2022 this was 50% of the total own brand range. We await publication by the Ministry of Health, Welfare and Sport of the new Nutri-Score algorithm. Based on that, we can carry out a new baseline measurement with corresponding revision of our targets. When developing and adapting our own brand range, we will strive to improve Nutri-Score performance. The Jumbo Food College plays an important role in this. For instance, the convenience meals from the Fresh Kitchens contain more vegetables and we are gradually reducing the salt content. We have also developed new meal packages with Nutri-Score A or B. Several products have improved in nutritional value, such as the prawn crackers and vegetarian steak tartare. Special Nutri-Score workshops for product range managers and buyers ensure proper knowledge development among Jumbo employees.

We believe that healthier and more sustainable eating starts with a good foundation, which increasingly consists of plant-based products. In line with the National Protein Strategy, we are also aiming for a more plant-based product range. By 2030, we aim to have achieved a ratio of 50% plant-based to 50% animal-based. Based on this view, we again expanded the range of vegetarian and plant-based products. The product range in our Lekker Veggie line has grown to 60 products, for instance, and we have introduced new plant-based products, such as plant-based ice cream and celeriac steak, a vegan broccoli burger and vegan teriyaki 'beef strips'. These tasty meat replacements were developed in-house by Jumbo Food College. We are also making it easier for our customers to choose wholegrain products, for example by expanding the range of wholegrain pizza bases and fresh wholegrain pasta.

#### Helping and inspiring customers with healthy choices

On the shop floor, online, via the Jumbo app and with our recipes, we help customers to make healthier choices. The professional Jumbo Foodcoach app has been transferred to Team Jumbo-Visma, which, as its new owner, focuses entirely on providing balanced nutritional advice for top athletes, among others. We will continue to use customer app functionalities, on our website [jumbo.com](https://www.jumbo.com) and in the Jumbo app, while focusing on broader customer groups. We want to show our customers options for putting a healthy and delicious meal on the table without it being expensive or complicated. On [Jumbo.com](https://www.jumbo.com), we have further expanded the information concerning our products. It is easier for customers to find foods that are, for example, high in fibre, plant-based or low-carb.

We are also placing increasing emphasis on conscious eating and healthier alternatives with our special promotions. For example, we make it easier to consume more fruit and vegetables by including products in this category as standard in our Mix & Match offerings every season. Some 50 percent of our promotional offerings now consist of fresh products, such as fruit and vegetables, bread, spreads, meat, dairy, fish and vegetarian or plant-based products.

Several times a year, we put an extra spotlight on healthy lifestyles. In the 'A bit healthier' campaign, for example, we used 'swaps' to devote special attention to healthy products. We also actively promote the annual National Week Without Meat & Dairy, which we use as an opportunity to encourage our customers to choose plant-based or vegetarian food more often. Our motto in doing so is 'More plant-based: feels good, does good'. We think it is important that more and more customers will embrace plant-based food. We intend to achieve this through targeted communication and a sharp pricing policy, among other things.

We think it is equally important to introduce children to healthy eating at an early age. For example, we conduct tests with a specially developed Taste Challengers shopping route, which teaches children about new tastes and healthy products in an inspiring way. We have also made it a habit in our stores to offer free fruit to children. The annual King's Breakfast for more than one million primary school children, provided by Jumbo at the start of the King's Games, has likewise become a fixture. In a festive way, we let children experience the importance of eating a healthy breakfast every day. The King's Breakfast is fully consistent with the food pyramid guidelines from the Netherlands Nutrition Centre.

We promote a healthy and active lifestyle in various ways, from sports sponsorships to inspiration and advice. The Team Jumbo-Visma athletes are important ambassadors for Jumbo in terms of healthy living. With advice and tips, they inspire our customers via social media and elsewhere to exercise more and eat healthier.

In 2021 we announced a partnership with sports umbrella organisation NOC\*NSF. The cooperation focuses on making the Netherlands healthier through sport and good nutrition. The first initiatives have already been launched, such as a new learning programme on nutrition, health and sport. As a partner, we have committed to the NOC\*NSF National Sports Week.

## **Making supply chains more sustainable**

Concern for people, animals and the environment plays an important role in our operations and the composition of our product range. In this area we work actively with farmers, growers, suppliers, experts and civil society organisations.

### **Sustainable chain**

Together with our suppliers, farmers and growers, we are working on a product range with the lowest possible negative impact on the environment. Our cooperation with interest groups and certification bodies also contributes to a more responsible product offering. Our target for 2025 is that 100% of our own brand products in the categories of cocoa, coffee, tea, fish, palm oil, soy, fruit and vegetables, hazelnuts and dairy have a sustainability quality mark.

All our Dutch potatoes, fruit and vegetables are On the way to PlanetProof certified. This quality mark, which applies to products grown more sustainably and with extra attention to nature and climate, helps our customers make a responsible choice. Strict requirements apply for, among other things, the use of (biological) plant protection products, reuse of (rain) water and processing of compost. We call extra attention to this sustainability feature among our customers during the annual On the way to PlanetProof week.

Products in the fruit and vegetable category at Jumbo come from Dutch soil as much as possible. Where we depend on imports, we cooperate in several international covenants aimed at making chains more sustainable. With our participation in the Sustainability Initiative Fruit and Vegetables (SIFAV), we aim for 100% sustainable trade in fruit and vegetables from Africa, Asia and South America. Most of these imports take place by road or boat. A limited number of products are transported to the Netherlands by plane a few weeks a year due to their limited shelf life. We expect to be able to stop this in 2023. With the Floriculture Sustainability Initiative (FSI), we also committed to the further sustainability of flowers and plants.

We make a strong case for preserving the earth's biodiversity. In areas where many of our raw materials come from, we want to help counter negative impacts on ecosystems, deforestation and overfishing. We strive to process only raw materials that have been produced sustainably. For a number of products and ingredients, we require reliable certifications from our own brand suppliers, such as FSC, PEFC, ASC, MSC, RTRS, RSPO and Rainforest Alliance. Based on the risk analysis that forms part of our due diligence process, we have identified risk products. With these products, we are therefore particularly vigilant about potential environmental damage. For soy, we have committed to ensure a 100% deforestation-free and land conversion-free chain by 2025. The scope of this commitment will be expanded with the upcoming deforestation legislation.

The range of organic products carried under Jumbo's own brand was expanded to include spreads and pasta in 2022. In 2022, all Jumbo stores were also certified organic by Skal, which means our organic products, such as fruit, vegetables and bread, can also be sold unpackaged.

### **Fair chain**

We endeavour to ensure good working and living conditions in national and international supply chains. These are often complex issues, where we seek cooperation with civil society organisations. We learn and work to improve every day. Our target for 2025 is for suppliers from high and medium-risk countries to be 100% certified in social compliance. This means that for a number of products and ingredients, we require reliable certifications from our own brand suppliers, such as BSCI, Rainforest Alliance and Fairtrade.

Spotting abuses in supply chains starts with comprehensive investigations. In recent years, for instance, we screened a number of chains - coffee, citrus, coconut, mango, roses and cocoa - to gain better insight into the problems and risks involved and to determine what impact we have on these. In 2022 we specifically researched the tea, shrimp and rice chains. We participate in the industry-wide Dutch Initiative on Sustainable Cocoa (DISCO), which aims to structurally improve the situation of cocoa production for farmers and their environment. More information on these and other efforts can be found in our due diligence report on [jumborapportage.com](https://www.jumborapportage.com). This report also contains a world map showing the origin of high-risk products and ingredients.

In 2022, we sharpened our CSR conditions and shared them with our suppliers. At the end of 2022, over 66% of suppliers had endorsed these conditions. The Jumbo Code of Conduct for Responsible Purchasing, part of our CSR conditions, has been endorsed by 81%. We are in discussions with the remaining suppliers on how targets can be met. The aim is that in 2023, all our suppliers will have signed our CSR conditions. Every year, all the buyers and product range managers at Jumbo receive (refresher) training on responsible sourcing and risks to people, animals and the environment in the various production chains.

We are working to expand and deepen our human rights policy. The expansion is focused on the themes of animal welfare and environment, with specific indicators and targets. Next year, we will focus on recalibrating our risk analysis and we will also carry out special campaigns for product groups that fall into this category, for example, rice or cashews. For more information, please see our due diligence report. We also devoted extra attention to smallholder farming and women's rights. For the latter theme, among other things, we further mapped out the underlying causes of gender inequality. The goal we have in mind is to achieve an approach for an inclusive economy and sustainable future for women and smallholder farmers in our food supply chains.

### **Animal welfare**

We believe it is important that the animals from which our meat products, eggs and dairy products originate have or had a good life. That is why we invest in good living conditions for these animals. For instance, we raise the standard of animal welfare and ensure that the basics are in order by consciously choosing quality marks and certifications. In 2025, all Jumbo own brand animal products must satisfy a quality mark or certification for animal welfare.

Since 2022, a larger part of Jumbo's own brand dairy range satisfies the requirements of the 1-star 'Beter Leven keurmerk' [Better Life label]. The certified products feature new packaging, making it easier for customers to make a conscious choice for tasty, responsible dairy from Dutch farmers. By working with an established group of Dutch dairy farmers, we know exactly where the dairy comes from.

All fresh chicken meat on Jumbo shelves has had a 1-star 'Beter Leven keurmerk' since autumn 2022. The chicken meat comes from 120 Dutch poultry farmers with whom Jumbo has entered into a long-term partnership. The switch to 1-star Beter Leven chicken was initially planned for 2023. But the preparations for this transition went so well that we were able to bring forward the introduction of the new range.

The outbreak of the avian flu virus limited the supply of free-range eggs during 2022. After all, the national outdoor ban on poultry meant hens were not allowed outside, so that at a certain point, eggs from free-range hens were being sold as barn eggs with the 1-star 'Beter Leven keurmerk'. The poultry farmers who supplied these eggs to Jumbo still received the higher contract price applicable to free-range eggs in that case.

We took advantage of the Beter Leven Week of the Dutch Society for the Protection of Animals in 2022 to give animal-friendly products the attention they deserve. Several types of meat, eggs, dairy and some ready meals with the quality mark were given an extra spotlight.

### **Wasting less**

At Jumbo, we see it as our responsibility to reduce negative impacts on the environment and climate. We are working towards a climate-conscious and future-proof organisation in the production of our range, in our shops and distribution centres, and on the road.

#### **Packaging and waste**

We are making efforts to further reduce the impact of (product) packaging on the environment and to reuse waste as a raw material wherever possible. We have set a target of using 20% less packaging material by 2025 compared to 2020. This target is in line with the industry plan 'Making Packaging More Sustainable' and the agreements within Plastic Pact NL. Besides reducing packaging, we are also working to increase its recyclability. In 2022, 65% of our own brand packaging was recyclable. We are also actively pursuing reusable packaging.

Through public campaigns, among other things, we also emphatically reminded our customers in 2022 of the deposit system for small PET bottles introduced in 2021. On our own initiative, we also started charging a deposit on plastic bottles for fresh juices and smoothies, both in Jumbo stores and La Place restaurants. We are also preparing to introduce deposits on tins and the Single Use Plastic (SUP) directive. With this last measure, we are working towards future disincentives on single-use food packaging. The SUP directive has a major impact on Jumbo. Among other things, we are going to list the price of certain packaging separately on the receipt. We will also make an additional contribution to the Waste Fund for cleaning up this packaging. Beyond this, we will offer reusable alternatives or allow customers to bring their own packaging for food items prepared on site.

Our efforts to reduce the quantity of packaging resulted in 2022 in new, more sustainable packaging for Jumbo snack tomatoes, cucumbers and peppers. This saved some 120,000 kilos of plastic a year, which is a 45% reduction. Together with Coca-Cola, Vrumona and industry peers, we decided to stop providing the plastic handles on multi-packs of soft drinks. Aside from the savings realised, this also improves the recyclability of the remaining plastic.



Our partnership with PeelPioneers, an innovative company engaged in reusing orange peels left over from freshly squeezed juices, has been expanded again. Having previously been used in Jumbo's own brand cleaning products and chocolate orange muffins from our own bakery, the peels have now also been made suitable for use in Lowlander 0.0% white beer.

### **Food wastage**

Our goal is to reduce food waste by half in 2030 compared to 2015. That starts by taking a critical look at our own business processes. The approach is always to minimise product loss in our stores and distribution centres by smart procurement and efficient transport.

Unsold products find their way to one of the food banks we work with. Last year we optimised the chain between Voedselbanken Nederland and our distribution centres. This has led to, among other things, better organisation of storage and transport. Flows from our distribution centres are delivered directly to regional food bank collection points. In 2022, our home delivery hubs also started supplying the food banks.

Customers can buy products with limited shelf life at a discount in Jumbo stores. In 2022, we sold some 26 million products on the special 'Wasting Less Together' shelf. During the annual Wastefree Week, we help our customers with practical tips on how to use unused food products. We also distributed a special recipe booklet from the 'Together against Food Wastage' foundation to Jumbo's online customers. Following a successful pilot in 2022, this year we will also be offering 'yesterday's bread' at heavily discounted prices.

### **Energy and emissions**

At Jumbo, we are investing in making our stores, distribution centres, offices and restaurants more sustainable. We do this by choosing more often for renewable raw materials and reducing the use of fossil energy as much as possible. Our buildings must be carbon-neutral by 2030.

In 2022, we committed to the Science-Based Target initiative (SBTi). This obliges us to come up with a clear target for reducing emissions within two years, such that we meet the requirements as laid down in the Paris Agreement. These are so-called scope 1, 2 and 3 emissions, direct and indirect emissions of CO<sub>2</sub> from own sources and business activities. We mapped data availability throughout 2022. Using these data, we will work with SBTi in 2023 to set our concrete target for the coming years, including detailed plans to reduce emissions.

We work every day to use energy more efficiently in our stores. To this end, we introduced a new energy management system that allows us to monitor consumption more frequently and make adjustments as necessary. At the end of 2022, 251 stores in the Netherlands were off gas. In Belgium, this applies to all Jumbo stores. We also manage to organise our transport more and more efficiently and with less environmental impact. We are also participating in various coalitions to investigate the switch to hydrogen. In 2022, we started installing rapid charging stations for electric cars at Jumbo stores in the Netherlands and Belgium. At the end of 2022, 150 charging points were under development in cooperation.

We aim to set up the entire chain in a climate-conscious and future-proof manner, together with our partners. In 2022, for instance, we started a project with onion supplier Wiskerke Onions that combines attention to landscape and environment with the use of alternative energy sources. In an area of 20 hectares close to Wiskerke's processing facilities, we are installing 45,000 solar panels, making Wiskerke's operations completely energy-neutral. The remaining energy goes to local stores and the water in this area is collected for the onion and potato fields in the region. The total number of solar panels on the roofs of our offices, stores and distribution centres grew to over 62,000 in 2022. This can supply power to approximately 7,500 households.

A number of Jumbo buildings were recently distinguished with the highest BREEAM certificate for sustainable construction. Our Central Distribution Centre (CDC) in Nieuwegein was honoured with a special BREEAM design award for being the most sustainably designed building in the world. The current expansion of this complex, which includes a mechanised CDC for fresh produce, was also designed according to the strictest BREEAM guidelines.

## **Dilemma: healthy, sustainable food without lecturing people**

To offer Jumbo customers the widest choice, we carry the largest range. But it is indeed a range that moves with the times. After all, the demand for more conscious, healthier and sustainable food at an affordable price continues to grow. Customer demand for this is reflected directly in the product range in stores, in the way we develop and redevelop existing products and in how we introduce new products. But we do not like to 'force' a different lifestyle on customers by banning products that are less healthy.

We believe in increasing sustainability incrementally. From September, for example, all fresh chicken meat at Jumbo bears at least the 1-star 'Beter Leven keurmerk' [Better Life label] from the Dutch Society for the Protection of Animals. Fresh chicken meat with the 1-star Beter Leven quality mark comes from some 120 Dutch poultry farmers with whom Jumbo has a long-term partnership. The chicken can therefore be recognised on the shelf by the 'van Dichtbij' [from Nearby] logo on the packaging. The switch to fresh chicken with the 1-star 'Beter Leven keurmerk', produced with more attention to animal welfare, was initially planned for 2023. However, the preparations for the transition went so well that we were able to bring forward the introduction of the new range. The switch to 1-star Beter Leven chicken is an important step in further improving the living conditions of chickens and follows logically from the Nieuwe Standaard Kip (NSK) with which Jumbo set a new standard in chicken welfare in 2014.

We also believe in this step-by-step approach when it comes to making food healthier. In our own brand products, we are gradually reducing the levels of salt, sugar and unsaturated fats so that it hardly affects the taste. We also focus on informing and inspiring customers, for example with product guides and delicious recipes, and last year with advice on smart product swaps that allow you to make a dish 'a tad healthier'. Not by lecturing, but by inspiring.

We believe that healthy, more sustainable food should also be affordable. About half of our products on promotion are fresh produce, much of which falls into the category of fruit and vegetables from Dutch soil. Fruit and vegetables are part of our extra competitively priced Mix & Match range year-round anyway. Compared to other protein groups like meat, chicken and fish, the ingredients for Jumbo's own brand meat replacements have seen only slight price increases. As a result, these are now mostly cheaper than their animal counterparts. We have made a good habit of always combining promotions for less healthy products, cola for example, with healthier alternatives. Ultimately, we leave the choice to the customer and ensure there are plenty of options.



KOFFIEMELK

VISCONSERVEN  
VLEESCONSERVEN

ZUIDVROUCH

Le PLACE  
Originele  
Espresso  
Cappuccino  
EXCLUSIEF  
BETRIJF  
VERSTREKT

JUMBO  
food  
markt

JUMBO



## FRESH FOOD PACKAGES BEING IMPROVED STEP BY STEP

# INNOVATING WITH HEALTHY PRODUCTS

Easy, healthy, tasty and affordable: more and more Jumbo customers are discovering the growing range of fresh food packages. Jumbo's innovation and development centre Foodcollege is developing them, in collaboration with supplier Hessing. Nutritionist Imke Maas (Jumbo) and product manager Marjolein Hoogendoorn (Hessing) on making the range healthier without sacrificing flavour.

**Marjolein Hoogendoorn:** "I was quite proud when, at the opening of the Jumbo Foodmarket in Naaldwijk, I saw a whole shiny wall of fresh food packages. There are already almost sixty different types. Over the past five years, supermarket revenue from this product has increased as much as fourfold. Four in 10 households sometimes buy a fresh food package.

They are especially popular with families with children."

**Imke Maas:** "We have really started a trend with the fresh food packages. It inspires customers and saves them a bit of effort and time. They no longer have to think about how to put a tasty and nutritious meal on the table. We've done that for them. We make

sure it contains a large proportion of the recommended daily allowance of vegetables and that the nutritional values are right. We are also working constantly to make the range tastier and healthier. We do that in small steps, so the customer gets used to it easily."

The success of the fresh food packages comes from the close cooperation between Jumbo Foodcollege and supplier Hessing, which specialises in slicing, assembling and packaging fresh produce. Foodcollege is Jumbo's own food and beverage innovation and development centre, which, in addition to product development for retail, also compiles recipes for Jumbo's foodservice branch and La Place. Chefs work there together with category managers, developers, trainers and other area specialists. For the development of the fresh food packets, a diverse team was put together with employees from Jumbo and Hessing. Marjolein Hoogendoorn is project manager on behalf of Hessing; Imke



Marjolein Hoogendoorn

*Marjolein:*

**“FOR EXAMPLE, WE ARE SATISFYING THE DEMAND FOR MORE CONVENIENCE BY EXPANDING THE OFFERING OF FRESH CUT VEGETABLE PACKAGES”**

Maas is a nutritionist from Jumbo Foodcollege involved in making the range healthier.

**Marjolein:** “It sounds very simple: you put some vegetables in a box and add a bag of spices, done. But it is not that simple. You always have to look at the right ratio of vegetables to carbohydrates, the flavour balance, the amount of chicken or meat substitute you want to taste. It is a constant process of figuring out and adjusting. What is the right portion size? Are there enough seasonal vegetables available? For example, we only introduce asparagus soup when Dutch asparagus is available, so we don't have to import foreign asparagus.”

**Imke:** “Figuring that out and adjusting also applies to reducing saturated fats, sugars and salt, increasing the amount of vegetables and fibre, and improving portion sizes. We always have modified recipes reviewed for taste by test panels. We aim for each serving to weigh around 500g, with most meals containing less than 700 calories and around 200 grammes of vegetables per serving. That's a good starting point for a balanced evening meal.”

**Marjolein:** “The packages of sliced vegetables are now tailored to two to three people, but we are constantly looking at changing customer demand and how we can respond to this. Packages for four people, for instance.”

**Imke:** “The Nutri-Score food choice logo does not yet take into account optimal portion sizes. We already do, because we want to help customers with correct portion sizes and avoid food wastage. The aim is for the fresh food packages to satisfy Nutri-Score A or B as much as possible, according to the new algorithm as well, which may come into force in 2023. We are anticipating the changing guidelines as best as we can and are now working on new packages that will not be in the stores for another eight to 12 months.”

**Marjolein:** “Everything is in flux. For example, we are satisfying the demand for more convenience by expanding the offering of fresh cut vegetable



Imke Maas

SEE HOW THE KIDS COUNCIL JUDGES FRESH FOOD PACKAGES HERE.



packages. We also see that a beautiful, appealing presentation in the store is crucial. Sales of fresh food packages in stores that really put effort into this are growing two to three times faster. This is where we will definitely make strides again in 2023.”

**Imke:** “First and foremost, these fresh food packages must be to customers' liking as well as help them to eat healthier, especially families with children. We make a point of having the packages reviewed by our own Kids Council. If we are told, for example, that pasta bolognese is a favourite, we will gladly accept the challenge to make that very package even healthier, without compromising on taste and quality.”

*Imke:*

**“WE MAKE SURE IT CONTAINS A LARGE PROPORTION OF THE RECOMMENDED DAILY ALLOWANCE OF VEGETABLES AND THAT THE NUTRITIONAL VALUES ARE RIGHT”**

## 5. Building a robust and enterprising organisation with a passion for our customers

We want our customers everywhere to step into the same Jumbo world and encounter an unbeatable shopping experience. Our employees play a decisive role in this. Based on this knowledge, we are building a robust and enterprising organisation with colleagues who are comfortable in their own skin and have a passion for the customer.

### Good employment practices

It is our drive to unburden our customers and provide them with the best possible shopping experience in all circumstances. This means that as a company, we need to be able to respond quickly and effectively to changes in the world around us. We therefore consistently work on making our organisation more agile, robust and enterprising. In our way of working, the Jumbo DNA is central: Together, Doing business, Winning.

### Feeling good, working well

In order to provide a pleasant working environment, we invest in the vitality and health of our employees. We do this under the heading 'Feeling good, working well'. In that context, we offer our colleagues free fruit, lifestyle programmes, online training and a smoking cessation course, for instance. We also devote extra attention to exercising more by providing walking routes, home work-outs, the Jumbo Gym at the head office and an employee bicycle scheme. For years, we have been working to ensure a safe working environment. The emphasis is on using the right equipment, strict compliance with hygiene regulations and access to a diverse range of safety education and training. In 2022 we made the workshop on preventing undesirable behaviour mandatory for all employees.

We continue to be very appreciative of the resilience and extra commitment of all our people. We reward this not only with a competitive salary and good employee benefits. We also give colleagues structural discounts on their shopping at Jumbo. We offer help and support to employees who need it, for example in psychosocial areas or with money worries. In recent years, the departments at Jumbo have surveyed employee satisfaction at various points. Topics mentioned as areas for improvement, such as workload, internal communication and forms of collaboration, are followed up with targeted action as well as possible. Feedback sometimes varies by department. To get a more complete picture of employee satisfaction in general, Jumbo will conduct a uniform, company-wide survey every year as from 2023. This survey will also provide us with the response to the strategic focal points of our Multi-year Plan 2022-2025.

### Talent development and recruitment

We believe it is very important that the right Jumbo employee is in the right place. This helps us to successfully realise our strategy. Equally important is a stimulating working atmosphere with room for development. After all, in this kind of environment we can develop all potential talents and deploy them for the organisation. To attract and retain talents with the right skills for now and the future, we focus on an inspiring working environment. We offer colleagues plenty of opportunities for career advancement: they can make horizontal, vertical and cross-positional moves, and continue to develop themselves personally and professionally. In today's tight labour market, many employers are fishing in the same pond. At Jumbo, we try to make the most of this by always emphatically highlighting all these points in the various target-group-specific recruitment campaigns. Besides the usual use of online and offline recruitment campaigns, regional and local activations, recruitment events, campus events, sponsorship of study associations and student and sports groups, in 2022 we embarked on a roadshow throughout the country with our job application bus and organised open days, such as the Hello Jumbo day for future employees.

Because we put our employees first, alongside our customers, we encourage our managers to think in terms of opportunities and solutions in this tight labour market. We also increasingly organise ourselves in line with the availability of various target groups, including short or more flexible shifts for students. We also make the work more accessible for various target groups, such as speakers of other languages. Furthermore, we focus on automation and digitalisation to reduce the capacity required, without losing sincere attention for our employees and customers, of course.

### Development-focused organisation

Our more than 100,000 employees are the most visible link in Jumbo's success. By making our organisation both agile and scalable, it is clear to all colleagues within which frameworks they can demonstrate entrepreneurship. They come into their own even more in that role.

In recent years, we have transformed ourselves into a development-focused organisation. This transformation was partly informed by our rapid growth, which has made the organisation more complex. We realise that we must be able to respond quickly to all the changes around us and that alert employees are the key to success in this respect. Since 2018 we have been working under the heading of Develop & Perform with instruments that no longer automatically link assessment and remuneration. The ongoing dialogue on personal and professional development is central to this. We now use this approach in all our business units.

## **Diversity and inclusion (D&I)**

Jumbo is of and for everyone. We want employees to feel at home with us and identify with our values. That is why we promote a safe, fair and open working environment, where employees can be themselves. Our efforts are aimed at ensuring within our organisation that everyone, regardless of their background, feels at home, not discriminated against, treated equally and safe. The versatility of our employees allows us to learn from each other and to make the most of the talent we have.

Jumbo promotes diversity in the composition of the workforce via influx and outflow by, among other things, working with asylum permit holders in a number of our distribution centres and stores. We also work with over two hundred people at a distance from the labour market and we also work with older people (65+) in our stores.

In terms of the ratio of men to women at Jumbo, we are achieving results step by step. At the end of 2022, 29% of the senior management at Jumbo were women. The management team has three female members (38%), the Supervisory Board two (33%). Our objective is to further increase the number of women at the top to 33%. Of the employees in Jumbo's own stores, 52% are women. We want colleagues to receive equal pay for equal work. That is why we actively monitor the remuneration of men versus women in our organisation.

Since 2021, we have been measuring the extent to which our employees feel at home and safe at Jumbo, can be themselves and have equal opportunities. This helps us to both measure the progress of our actions and take targeted measures when current data call for this. For the Jumbo head office, the stores, distribution centres and La Place, we have developed an approach to undesirable behaviour tailored to each business unit. During workshops there are discussions on what undesirable behaviour is, how to recognise and prevent it, and where to go if you want to report it.

In our recruitment and selection process, we have taken steps in drafting inclusive job advertisements, in which we approach gender and culture in a neutral way, and in conducting job interviews that focus exclusively on competences.

We carry out the activities in our D&I programme under the banner 'All Different, Together Jumbo'. For more information, see [Jumborapportage.com](https://jumborapportage.com).

## **Enterprising and decisive organisation**

We continued to invest in a customer-oriented and cost-conscious Jumbo organisation in 2022. Further optimisation of our processes and systems contributes greatly to this. Feedback and commitment from our employees are of great importance here, as is intensive guidance to colleagues in working with more efficient resources.

### **Operational excellence**

The Operational excellence programme focuses on both improving our processes and activating and facilitating an Every Day Better mindset. This involves a way of thinking and working that is inspired by the need to constantly ensure improvement and serve the (internal) customer more effectively and efficiently.

### **Process optimisations**

Optimising key processes throughout the Jumbo organisation should ensure an overall strengthening of the business foundation, boost customer satisfaction and minimise errors in performance. We are working to make items more widely available, among other ways by adapting the composition and layout of stores shelves more quickly when current data indicate this is required. We also implement additional controls to ensure price adjustments are made correctly and are clear to the customer.

### **S4 programme**

IT systems that are up-to-date and help us achieve our growth ambition are indispensable. That is why we are switching company-wide to the latest generation of SAP, so that we satisfy the requirements and expectations for the future. We are implementing this innovation under the name S4. We are building processes and systems that are in line with a single Standard and are Stable and Simple to use and which can be used to take decisions Speedily. We are moving to S4 in phases; in 2025, the entire organisation will have 'migrated'. S4 will deliver concrete improvements. For example, the forecasts on which our Supply Chain department relies will become more accurate, we are setting up a new promotion process, tools are being introduced for the correct production of, for instance, bake-off rolls in the store and we are expanding the availability of electronic shelf labels to all stores.

Raising awareness about how data works and increasing our skills in this area is very important for all colleagues. We devote attention to this in all layers of the organisation, including by offering training courses and workshops.

### **Expansion of mechanical distribution**

Our supply chain must be focused on unburdening the stores. Accurate, complete and timely delivery is of paramount importance to keep the satisfaction of our customers - and stores - on level. Further mechanisation plays an important role in improving our logistics network. In 2021, we started a major expansion of the mechanised central distribution centre (CDC) in Nieuwegein, which was opened in 2020. We expanded the automated processing capacity for long-life products by 6,000 m<sup>2</sup> and 11 robotised lines to more than 50,000 m<sup>2</sup>. The site will also house a new mechanised CDC for the Fresh category of around 40,000 m<sup>2</sup> in size. This new centre should be operational in 2024.

## **Dilemma: high inflation and manageable labour costs - can these coexist?**

Over 100,000 Jumbo employees dedicate themselves passionately to customers every day. This is invaluable. It is important to us to empower colleagues by having them participate in targeted education and training. It goes without saying that so much commitment and passion should be met with a good, competitive salary and a solid package of employee benefits. This is especially true in these expensive times. On a limited scale, we can support colleagues to cope with the sharply increased cost of living. For example, we structurally offer them a 10% discount on groceries at Jumbo, with a maximum on an annual basis. That offsets some of the higher household costs.

At the same time, we need to keep a sharp eye on our operating costs, including labour costs. After all, we are in a very competitive market, where margins are traditionally low. The current cost increases are affecting our own organisation as well. Nevertheless, we are reluctant to pass these costs on to customers on a one-to-one basis. Where possible, we try to keep price increases in check for consumers, so that they will save more at Jumbo. To some extent that comes at the expense of our margin, but obviously we cannot do that indefinitely. Rather, we are looking at how we can work more efficiently to curb the rising costs. We encourage our suppliers to follow this path too.







## TECHNOLOGY AND DATA DRIVE INNOVATION

# THE SHOPPING EXPERIENCE OF TOMORROW



The Jumbo organisation is being made more robust and enterprising on all sorts of fronts. Technology and the use of data play an important role in most of the improvements. Innovations are, by definition, driven by customer needs. Gosse Reinsma, manager of the Jumbo Tech Campus, and data scientist Ana Karla Alves de Medeiros on working on the shopping experience of tomorrow.

**Gosse Reinsma:** "To encourage digital development you need, among other things, an entrepreneurial culture, a working atmosphere where we encourage each other to keep exploring. There are over 400 specialists working here, from more than 25 different nationalities, people from very diverse backgrounds. In fact, every team at the Tech Campus runs as a small, autonomous enterprise responsible for a piece of the

customer journey. Making mistakes is allowed - unavoidable even - because innovation is also about the learning process. We use the knowledge we gain from this to continuously improve the customer experience."

**Ana Karla Alves de Medeiros:** "It is cool to see that almost all improvements have their origin in analysing data. This is also what makes working for a large

supermarket organisation so fascinating: millions of people benefit directly from the innovations we make. It all starts with understanding customer behaviour and needs."

Ana Karla studied computer science in her native Brazil. Twenty years ago, she came to the Netherlands to pursue a PhD in data science at Eindhoven University of Technology. After several jobs in technology, she



Gosse Reinsma

joined Jumbo. It suits her down to the ground, since “the culture of doing business together is palpable here”. As manager of the JumboTech Campus (JTC), Gosse Reinsma is eager to keep that culture alive. For example, by inspiring each other during hackathons and other events designed to unlock creativity playfully.

**Gosse:** “In fact, we contribute to all the digital developments at Jumbo. Primarily, this means that we work towards a robust organisation; we ensure that all the systems are running optimally. Equally important is the entrepreneurial component of our work, introducing innovation based on customer needs. In this process, we make choices using the data analysed by Ana Karla and her colleagues. The areas of application are very diverse. It ranges from optimising stock levels and store opening hours to the most appropriate location for self-scanning checkouts in our stores and new features in the Jumbo Extras customer loyalty programme.”

**Ana Karla:** “Together with Supply Chain, we are constantly looking at how to prevent items being out of stock. For example, we are increasingly able to predict which products individual stores should stock and in what volumes. This also helps to combat wastage. Or take new applications that directly unburden the customer. We introduced the ‘Remind Me’ feature, for example. If the customer gives permission, we

**Gosse:**

“THE FEEDBACK WE GET FROM STORE COLLEAGUES IS CRUCIAL”

point out which groceries may have been forgotten when checking out on Jumbo.com. We link purchasing data from the store and online, which shows us, for instance, that the customer may be running low on toilet paper or soy sauce, for instance. Surveys show that our customers really appreciate this feature.”

**Gosse:** “We are strict about protecting customer data. For example, we work with so-called ‘privacy champions’, colleagues who check in detail whether new applications comply with laws and regulations in this area. There is more and more digital interaction, which theoretically allows you to have a lot of customer information. By definition, we anonymise that information. It is unthinkable for customer data to fall into the wrong hands.”

**Ana Karla:**

“MILLIONS OF PEOPLE BENEFIT DIRECTLY FROM OUR INNOVATIONS”

**Ana Karla:** “Retail is a sector where you can do a lot with group behaviour. So you don’t have to look at the behaviour of one specific customer. We also use public data on things like residential area, age, spending patterns. By combining that data at the level of customer groups, you find out a great deal about habits, needs and wants.”

**Gosse:** “Many new developments are also designed to free up manpower so that colleagues on the shop floor can pay more attention to customers. Take the introduction of electronic shelf labels, which eliminates the need for manual replacement. The feedback we get from store colleagues is crucial, as they know better than anyone else what the customer values.”

**Ana Karla:** “Customers rightly place higher demands on the quality, freshness and availability of fruit and vegetables. This is something we are firmly committed to at Jumbo. Information systems are getting better and better; we can now even take weather effects into account in stock management and ensure that fresh produce stays in the chain for as short a time as possible. All of that contributes to the quality improvement we are making in the area of fresh food.”



Ana Karla Alves de Medeiros

# La Place

## Results

After two years of recurring lockdowns, guests managed to find their way to La Place in 2022 as before. This year saw a forced restaurant closure until early March due to the coronavirus pandemic. Despite this, La Place was able to contribute €107 million to consumer revenue, more than double compared to the 'second coronavirus year' of 2021. A fine achievement keeping in mind that the restaurants were not open for a full year.

## New locations

The ambition to further grow La Place 'after corona' remains undiminished. A few locations closed in 2022 and three new locations were added to the portfolio; one in the Netherlands and two abroad. In Groningen, La Place opened a new restaurant on the Grote Markt, above the Jumbo store that also houses the to-go concept La Place Express. In the Danish capital Copenhagen, La Place expanded further with a second location, at Kastrup International Airport. La Place also opened a restaurant at the Google Campus in Sunnyvale, California. In previous years, La Place had already moved into other Google regional offices. The total number of La Place locations at home and abroad was 69 at year-end 2022. Three new La Place restaurants will open in the first half of 2023, including at Google's Boston (Massachusetts) office and at Schiphol Plaza.

## Working on innovation

Much of 2022 was spent working intensively on further adjustments to the La Place concept, with the aim of bringing the products on offer and experience more in line with visitors' changing wishes and needs. The adjustments are expected to be pilot tested in the market in spring 2023. La Place wants to be more appealing to younger generations, while maintaining its unique features. Since La Place's launch in 1987, the restaurant chain has introduced the Netherlands to richly filled baguettes and focaccia bread, freshly squeezed juices and smoothies, and meals freshly prepared on site in open kitchens. In the coming years, La Place wants to keep innovating, especially in terms of experience and sustainability, but also in its product range.

## Expansion of product range

In 2022, the offering of premium La Place products on Jumbo shelves was substantially expanded. Familiar classics like La Place herb cream cheese, coffee beans, sausage bread and chocolates were joined by the La Place teas, tapas, soups and artisanal meats revamped in 2022. The La Place bread range has also been expanded and updated, and as of this year, Jumbo offers a special La Place Christmas range with fresh staples like dressings, gravies, and broths. With these and other additions, Jumbo is bringing even more fresh restaurant-quality products to the shop floor.

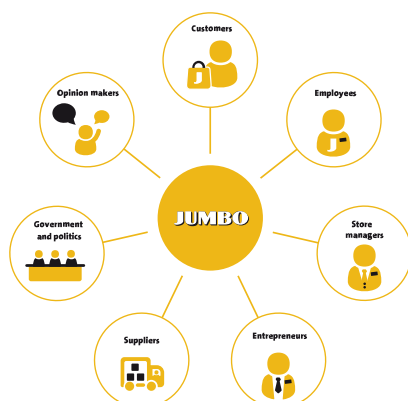


# Stakeholders

We attach great value to an open dialogue with our stakeholders. We can learn a great deal from listening closely to what is going on in our immediate environment. Shared insights and knowledge enable us to better respond to various developments in society.

We have defined seven stakeholder groups at Jumbo, specifically:

Stakeholder group	Description
<b>Jumbo customers</b>	Jumbo has been built around the customer. Our customers are a representative reflection of the Dutch population. We are also welcoming more and more Belgian customers.
<b>Jumbo employees</b>	Our over 100,000 employees (including the employees at independent entrepreneurs) are a crucial part of implementing the Jumbo formula with excellence. This group includes employees with a permanent (28%) or temporary (72%) employment contract with Jumbo.
<b>Jumbo store managers</b>	Jumbo store managers are responsible for operating Jumbo locations.
<b>Jumbo entrepreneurs</b>	Jumbo is a large franchise organisation in the Netherlands. Jumbo's independent entrepreneurs are responsible for operating their own Jumbo franchise stores and are affiliated with the Jumbo Entrepreneurs' Association. They provide valuable input commercially and operationally.
<b>Suppliers</b>	Jumbo works intensively with its suppliers and aims for a strategic long-term partnership in this context. This group involves Jumbo suppliers, both producers of our own brand products and brand manufacturers. Although we at Jumbo do not directly do business with agricultural suppliers, such as growers or livestock farmers, we are conscious of our role in the chain and have direct contact.
<b>Government and politics</b>	Jumbo has contact with representatives from the government and politics on a regular basis. This mainly involves relevant stakeholders in the political-administrative arena with an impact on our policy in relation to the material topics, including the Tax and Customs Administration and regulators.
<b>Opinion makers and (civil society) organisations</b>	Jumbo has regular contact with relevant retail experts, trade unions, civil society organisations, NGOs (non-governmental organisations), knowledge institutes, sector organisations, etc. These contacts are focused on the longer-term alignment of ambitions and objectives in relation to our material topics and the Sustainable Development Goals. The discussions take place on the level of the management team. In order to make an impact together, Jumbo also has several partnerships.



## In dialogue with our stakeholders

The starting point for all contacts with our stakeholders is open dialogue and mutual respect. We utilise various occasions, resources and platforms to maintain these contacts. Jumborapportage.com provides an explanation of the collaborations and Public-Private Partnerships (PPPs) in which we are active.

Stakeholder group	Topics of discussion	Dialogue
<b>Jumbo customers</b>	Value for money, local involvement, healthy lifestyle	Annual customer satisfaction survey, contact in the stores, constant research via, e.g., customer panels, Jumbo Service Centre, social media
<b>Jumbo employees</b>	Employment conditions and working environment in the organisation, diversity and inclusivity	Periodic employee satisfaction survey, employee representation (Central Works Council, Head Office Works Council, Stores Works Council, Supply Chain Works Council, La Place Works Council), periodic updates for employees (Jumbo Update)
<b>Jumbo store managers</b>	Food wastage, packaging and waste, energy and emissions, local involvement, healthy lifestyle, employment conditions and working environment in the organisation, diversity and inclusivity	Employees and various management committees, working groups and focus groups
<b>Jumbo entrepreneurs</b>	Food wastage, packaging and waste, energy and emissions, local involvement, healthy lifestyle, employment conditions and working environment in the organisation, diversity and inclusivity	Jumbo Entrepreneurs' Association and various management committees, working groups and focus groups
<b>Suppliers</b>	Sustainable chain, health, animal welfare, working conditions in the chain, packaging and waste, food wastage	Visits and supplier visits, one-to-one talks, annual supplier day(s)
<b>Government and politics</b>	Food wastage, packaging and waste, healthy products, working conditions in the chain, local involvement, sustainable chain, healthy lifestyle, value for money, working conditions and working environment within the organisation, animal welfare, energy and emissions, diversity and inclusivity	Municipalities, province of Noord-Brabant and other provinces, the Ministry of Public Health, Welfare and Sport, the Ministry of Economic Affairs and Climate, the Ministry of Infrastructure and Water Management, the Ministry of Agriculture, Nature and Food Quality, the Ministry of Social Affairs and Employment, the Netherlands Food and Consumer Product Safety Authority, the Tax and Customs Administration and company visits by members of parliament to Jumbo stores
<b>Opinion makers and civil society organisations</b>	All relevant social topics	Cooperation with industry associations CBL, Comeos Cooperation with: Brabant Family Businesses Association (BFBG), Brainport Eindhoven, CSR Netherlands, Kids Council Consultation with Consumers' Association, Foodwatch, Questionmark, Foundation for Nature Conservation and Environmental Protection Educational institutes such as Berkeley, Erasmus University Rotterdam, The Hague Hogeschool, HAS Hogeschool, Wageningen University & Research (WUR) Cooperation and knowledge exchange with, among others, retail experts and financiers
	Food wastage	Partnerships: Together Against Food Waste, Wageningen University & Research (WUR), Dutch Food Banks, Verspillingsfabriek
	Packaging and waste	Partnerships: Sector Plan Sustainable Packaging, Plastic Pact, Statiegeld Nederland, Stichting Afvalfonds verpakkingen, Wecycle Other: Netherlands Institute for Sustainable Packaging, Milieucentraal, Foundation for Nature Conservation and Environmental Protection, Nederland Schoon

Healthy products and healthy lifestyle	Partnerships: Krajiček Foundation - King's breakfast, NOC*NSF, PPS Transparent healthy & sustainable, Nutrition Centre, Week without Meat, NL2025, Team Jumbo-Visma Academy, Sven Kramer Academy Other: Diabetes Fund, Heart Foundation, JOGG, National Action Plan for Fruit and Vegetables, Unicef
Working conditions in the chain	Partnerships: Commitment Living Wage Belgium, Disco, IMVO Food Covenant, SIFAV. Other: Fairfood International, Fairtrade Max Havelaar, HIVOS, Oxfam Novib
Local involvement	Partnerships: JOGG, Stichting Jarige Job, National Coalition Against Loneliness, Nederland Schoon, NOC*NSF, Sven Kramer Academy, Voedselbanken Nederland, Netherlands-America
Animal welfare	Dutch Society for the Protection of Animals, GAIA, Wakker Dier, World Animal Protection
Sustainable chain	Partnerships: Bee Deals, Protein Transition, Jumbo farmer and grower programme, Covenant on Accelerated transition to robust potato varieties  Sustainability in cooperation with labels/certification: Dutch Society for the Protection of Animals Beter Leven Keurmerk (BLK), Fairtrade, PlanetProof, Rainforest Alliance, MSC/ASC, RSPO, RTRS, Weidemelk, Food Fish Foundation, FSI, Global GAP, Sustainable Rice Platform  Other: Feedback EU, Greenpeace, LTO, Milieu Centraal, Foundation for Nature Conservation and Environmental Protection, Transition Coalition Food, Urgenda, World Nature Fund, ZLTO
Diversity and inclusion, employment conditions and working environment	Partnerships: Women Empowerment Principles Other: CNV, FNV, VNO-NCW and other trade unions
Energy and emissions	Partnerships: BREEAM, Data2Move community, evofenedex, Lean & Green, Logistics Community Brabant (LCB), Nederland Waterstofland, Top sector Logistics, Race to Zero

# Risk management

Jumbo's success is largely based on our ambition and motives, the quality of our employees and entrepreneurs and our strength to identify and seize opportunities together. We realise that we also inevitably face risks in our operations. Promptly identifying and correctly responding to possible risks is important for achieving our strategic objectives. That is why this is an integral part of our daily way of working.

## Looking back on 2022

The importance of effective risk management has once again become clear to Jumbo in 2022 following the investigation by the Public Prosecutor's Office, in which our Managing director and co-shareholder Frits van Eerd is under investigation. We have become more aware than ever that the (private) activities of directors and other key management personnel can pose a risk to our reputation. The prosecutor's investigation does not focus on Jumbo, but it does put us in the spotlight. To mitigate potential damage as a result, we took immediate action, which included ensuring effective management of the business.

## Events in response to the investigation by the Public Prosecutor's Office

On Tuesday, 13 September 2022, we, Jumbo's management team, were informed about the investigation by the Public Prosecutor's Office and the possible involvement of our Managing director and co-shareholder Frits van Eerd. We were stunned by this news. Immediately after this notification, we put together a crisis team and convened the management team. We took note of the many media reports that day. The information provided by the Public Prosecutor's Office, however, was very limited. What the Public Prosecutor's Office did confirm was that Frits van Eerd was questioned, but that the investigation did not focus on Jumbo.

After it became known that Frits van Eerd had been detained for questioning, we decided, in consultation with the Supervisory Board, to strictly separate the legal representation and spokespersonship for Jumbo from that for Frits van Eerd to avoid a possible conflict of interest. This separation was almost immediately implemented.

After a week, the Supervisory Board had an in-depth discussion with Frits van Eerd and received a further explanation of the situation that had arisen and the events after 13 September. The amount of new information on the situation was very limited, however. The media coverage was quite extensive, but the extent to which the information reported was reliable remained unclear.

On 23 September, Frits decided to temporarily step down as Managing director after careful consultation with his family and the Supervisory Board. This was in the interest of Jumbo and also allowed Frits to focus fully on his personal situation. Jumbo's day-to-day operations were guaranteed in full by Jumbo's management team.

Immediately after Frits' decision, the family together with the Supervisory Board considered the temporary succession for his position as Managing director. It was announced on 4 October 2022 that Ton van Veen would, as delegated Supervisory director, temporarily head Jumbo's management team and that Colette Cloosterman-Van Eerd would, as delegated Supervisory director, act as the link between the organisation, the Supervisory Board and the family. With their extensive experience in the company and their immediate availability, Ton van Veen and Colette Cloosterman – Van Eerd were also the ideal candidates for the management team to temporarily fill in these roles. This change in the company's governance structure was immediately ratified and implemented.

The situation that had arisen was also new to our stakeholders and the media was the main source of information for them. We were well aware of this from day one and this was a key point for us. Very soon after the events, we proactively contacted key stakeholders including our franchise entrepreneurs, suppliers, banks, advisors, external auditor and the Tax and Customs Administration to share with them the limited knowledge we had about the situation that had arisen. The years of good cooperation with these parties meant that there was great understanding for the situation we found ourselves in as Jumbo's management team and confidence that the situation would be handled carefully. We also communicated as transparently and fully as possible to our colleagues. We thank all our stakeholders for their patience and feel privileged to have these relationships.

Apart from the creation of a crisis team, a committee was also quickly put together. This committee was temporarily in charge of ramping up internal controls with tightened procedures in relation to the investigation. This committee's activities pertain in particular to reviewing, approving and instructing payment of a specific category of invoices. These tightened procedures are currently still in place.



At the end of September 2022, the Supervisory Board, in consultation with us, instructed Allen & Overy to conduct a preliminary investigation in response to the investigation by the Public Prosecutor's Office. Although Jumbo was not identified as a suspect in the investigation by the Public Prosecutor's Office, the aim was to quickly obtain clarity on Jumbo's legal position and, if necessary, to be advised on possible measures in response. In that context, the relevant facts and circumstances relating to sponsorship of activities in motorcycle sport and to some extent auto sports were identified. Based on the preliminary investigation, no criminal offences were ascertained, but vulnerabilities emerged regarding some internal processes and procedures.

Following this preliminary investigation, the Supervisory Board, in consultation with us, instructed A&O to have KPMG Advisory (Forensic department) carry out a fact-finding investigation. We felt the need to thoroughly identify any vulnerabilities in the organisation and take precautionary measures around Jumbo's sponsorship activities in motorcycle sport and some auto sport. The purpose of this was to be able to exclude whether there were or had been possible irregularities at Jumbo in relation to the ongoing investigation by the Public Prosecutor's Office. This investigation, the findings of which were set out in a report of factual findings, provided us with insight into the nature and extent of potential vulnerabilities and potential management involvement in these. This did not reveal any criminal offences within Jumbo.

The results of both the A&O and KPMG investigations comforted us a lot. Nevertheless, both the management team and the Supervisory Board felt the need to internally follow up on the vulnerabilities the investigations had identified in relation to some internal processes and procedures. In response to this and in consultation with the Supervisory Board we asked the Internal Audit & Risk department to further summarise these vulnerabilities and elaborate on them in a remediation plan. This resulted in a recovery plan that provides in tightening some internal processes and procedures. In February 2023, the content of this plan was approved by both the Statutory Board of directors and Audit Committee of the Supervisory Board and implementation has started immediately.

As management team, we are pleased to note that in these extraordinary times, we have once again been able to rely on our stable, robust organisation and the commitment and motivation of our employees. At the same time, we are aware of the ongoing uncertainty surrounding the progress and lead time of the investigation by the Public Prosecutor's Office. We will continue to evaluate this situation, together with the family and Supervisory Board, throughout 2023, so that we, in the best interests of Jumbo, are able to determine what is the right way to go forward.

### Roles and responsibilities

There is effective risk management if there is ample room for active and open dialogue with all stakeholders, with opportunities to identify and weigh the key risks. The degree to which we are prepared to take risks is primarily the responsibility of the management team. We endeavour to create risk awareness and risk management in all layers of the organisation. This helps ensure that decisions are taken on the basis of a sound risk assessment that is in line with our risk appetite. Our risk management approach is reflected in the 'three lines of defence' risk governance model.



The management team and operational management - the first line - are responsible for achieving results while identifying risks, acting on them and controlling them. This creates a field of tension that calls for an ongoing dialogue on risk management. Risk management is a separate item on the management team agenda every quarter. In this way, we ensure that risk awareness contributes to the achievement of business objectives. The Control, Quality and Legal & Compliance departments form the second line. They facilitate, challenge operational management and provide overview and insight into the extent to which we identify,

accept and control risks. The Internal Audit Function is the third line, with responsibility for independently reviewing how risks are managed, for example through risk-based audits and advisory engagements. The Internal Audit Function (IAF) reports its findings to the responsible management team members, the Audit Committee and the Supervisory Board as a whole. At the end of 2022, the Internal Audit department received the quality review certificate from the Institute of Internal Auditors and Jumbo won the Protiviti Internal Audit Innovation Award for its approach to truly integrating internal control into the business.

## Risk management

The control environment encompasses the behaviour, corporate culture and expertise of the employees in relation to (risk) management, the administrative organisation and an adequately-functioning Internal Control Framework (ICF). Important in this regard is the balance between the monitoring set up for risk management and entrepreneurship at Jumbo as a family business. The ICF also provides for measures to prevent and detect fraud, both within our own organisation and committed by third parties. Our employees reflect on the opportunities and risks associated with realising our objectives and ambitions. This way of thinking is part of the DNA at Jumbo and, together with our 'Code Yellow' code of conduct, forms an important starting point for together making the right decisions and weighing the risks. The management team sets high standards for this control environment and for the values that are important to Jumbo. It renders account on this to the Audit Committee and the Supervisory Board as a whole at set times.

The Internal Audit Function (IAF) monitors the risk management process and, among other things, performs audit and advisory work on the operational processes. This is necessary to test whether the processes are controlled correctly. The IAF is also the driver of the continuous improvement of the ICF. The ICF was optimised in 2022 using the following principles:

- Key controls: from descriptive control measures (processes and activities) to focus on key controls.
- Focus and Operational Excellence: shift to more preventive measures that can result in efficiency gains.
- Ownership: pivoting of ICF from process to chain with chain responsibilities and a different action model.
- Targeted and actionable: a targeted ICF used as a tool to improve and control processes with actionable ICF reporting per chain, including feedback to the management team and the Audit Committee.
- Process design: design and automation issues are optimised, ensuring efficient process flow through the use of as many automated controls as possible.

## Key risk areas

Jumbo is willing to take responsible business risks in order to realise its strategic objectives, whereby the interests of stakeholders are always central. Jumbo avoids risks related to legislation and regulations, and wants to prevent risks in relation to customer and employee safety, business continuity, and product safety and quality wherever possible. The management team has determined the risk appetite in advance. The IAF team provides support with the (risk) considerations and helps to conduct an open dialogue about them. We stress that the risk appetite at Jumbo can generally be qualified as 'low'.

Below is an overview of the key strategic, operational and financial risks and risks in relation to law and regulations, and compliance. Provisions and measures have been taken in all areas to limit the potentially detrimental effects of these risks.

## Strategic risks

Risk	Description and/or possible consequences	Measures
<b>Reputation</b>	Possible incidents or changes in public opinion could have serious consequences for our reputation or market position.	<ul style="list-style-type: none"> <li>• Culture and behaviour: Jumbo DNA</li> <li>• Jumbo's Code Yellow code of conduct/uniform internal processes and procedures</li> <li>• Managing based on score in reputation survey</li> <li>• Active stakeholder management</li> <li>• Tightening internal processes and procedures as a result of KPMG investigation</li> </ul>
<b>Corporate social responsibility</b>	Jumbo may not meet stakeholders' changing needs and requirements in terms of sustainability, health, working conditions, diversity & inclusiveness. Climate change is an urgent issue.	<ul style="list-style-type: none"> <li>• Managing based on score in reputation survey and score for Jumbo Image Monitor (JIM)</li> <li>• Environmental, Social &amp; Governance (ESG) Impact dashboard per quarter</li> </ul>
<b>Current events and social developments</b>	Jumbo may not respond adequately to current events and social developments that affect its operations, such as increases in purchasing and energy prices (inflation), public opinion, nitrogen policy, (difficult) negotiations with suppliers and the war in Ukraine.	<ul style="list-style-type: none"> <li>• Identifying current events</li> <li>• Constantly considering the impact of these current events on Jumbo's operations and stakeholders and responding appropriately</li> <li>• Timely signalling of product deliverability and maintaining dialogue on this with customers and suppliers</li> </ul>
<b>Digitalisation and technology</b>	Business models and processes could be overtaken by advanced technological developments.	<ul style="list-style-type: none"> <li>• Accelerating and investing in digital strategy and technology</li> <li>• Focus on improved digital customer experience</li> </ul>
<b>Innovation and changing customer needs</b>	Innovation is moving along at a rapid pace and could potentially result in a limited ability to innovate and/or respond on time to the customer's changing needs.	<ul style="list-style-type: none"> <li>• Identifying and responding to customer needs and trends</li> <li>• Focusing on and investing in innovation and trends, especially in the areas of product range, technology, service and e-commerce</li> <li>• Importance of recruiting and training colleagues with the necessary knowledge and skills</li> </ul>
<b>Competition</b>	Competition online and in stores from home and abroad and other sectors is increasing and could have an impact on revenue, prices and market share.	<ul style="list-style-type: none"> <li>• Implementation of the strategic Multi-year Plan (MYP)</li> <li>• Jumbo formula and '7 Zekerheden' [7 Promises]</li> <li>• Identifying market opportunities and developments</li> <li>• Net Promoter Score (NPS) is part of the objectives and is discussed periodically in management team meetings</li> <li>• Investing in various distinctive (online) formats</li> </ul>

## Operational risks

Risk	Description and/or possible consequences	Measures
<b>Disruption of supply chain</b>	The likelihood of (natural) disasters, pandemics and man-made risks, such as war, remains and can result in a detrimental effect on the continuity of business processes and lead, for example, to commodity and raw material shortages or supply disruptions.	<ul style="list-style-type: none"> <li>• Mitigating impact due to unforeseen disruptions</li> <li>• Continuity plan distribution centres</li> <li>• Focus on operational excellence to prevent or detect and correct disruptions and learn from them for the future</li> </ul>
<b>Scarcity on the labour market and sustainable employability</b>	This may lead to palpable shortages throughout the organisation. Recruiting and retaining colleagues with the right knowledge and skills is also a risk.	<ul style="list-style-type: none"> <li>• Focus on and attention to working environment, age structure of the workforce and employment terms</li> <li>• Investing in automation</li> <li>• Employee Net Promoter Score (eNPS) as part of the internal objectives</li> <li>• Attention to employee satisfaction and its improvement</li> <li>• Active employee engagement</li> </ul>
<b>Product safety and quality</b>	Product safety and quality are top priorities. Jumbo satisfies high quality standards for product safety and quality and ensures traceability and product integrity. The inability to guarantee product safety or a change in quality perception can have serious consequences for our reputation and market position.	<ul style="list-style-type: none"> <li>• Performance of external testing by IFS (International Food Standard) in stores and distribution centres; distribution centres are IFS certified</li> <li>• Quality conditions, HACCP procedures and controls/ audits</li> <li>• Use of labels and quality marks promotes traceability and product integrity (e.g. BLK, van Dichtbij)</li> <li>• Training and education</li> <li>• Monitoring on KPIs in the recall process</li> <li>• Supplier management for Jumbo own brand through taste and quality testing and root-cause analysis in consumer recalls</li> </ul>
<b>Safety of customers and employees</b>	Unsafe distribution centres and/or stores could keep customers away and employees and potential employees may no longer be willing to work for Jumbo.	<ul style="list-style-type: none"> <li>• Investing in prevention (visible and invisible security)</li> <li>• Deploying detective measures in stores, distribution centres, EFCs, hubs, restaurants and the head office</li> <li>• Making the perceived safety of customers and employees measurable</li> <li>• Collaboration with organisations such as Detailhandel Nederland, CBL, Retail Security Group and affiliation to the FAD (national warning register Tackling Fraud in Retail)</li> </ul>
<b>Cybersecurity</b>	Information flows, systems and analysis tools may be inadequately secured which means data could be lost, which could be damaging for our customers and other stakeholders, as well as Jumbo's reputation. This could affect the continuity of business operations.	<ul style="list-style-type: none"> <li>• Investing in preventive and detective measures (technology, processes and awareness) appropriate to the increased threat level and cybercrime. Focus and attention on (possible) hacks, data breaches and critical security incidents</li> <li>• Educating and training employees regarding, among other things, awareness regarding phishing and cyber crisis management</li> </ul>
<b>IT systems</b>	Systems may potentially fail or upgrades to IT infrastructure may not have been performed correctly and/or completely. This directly impacts data reliability and availability.	<ul style="list-style-type: none"> <li>• Back-up and recovery procedures</li> <li>• SLA with suppliers</li> <li>• Firewalls and pentesting (testing for vulnerabilities)</li> </ul>

## Financial risks

Risk	Description and/or possible consequences	Measures
<b>Investment risk</b>	There is potential risk of extensive and multi-year investments in branch locations, supply chain and IT changes due to changing market and/or geographical and technological conditions.	<ul style="list-style-type: none"> <li>• Alignment of investment budget</li> <li>• Comprehensive analysis and research prior to investment decision</li> <li>• Internal review and agreement by, for example, Committee on Investments &amp; Franchise (CIF) before investment takes place</li> </ul>
<b>Credit risk</b>	Purchasers may not be able to meet the conditions stipulated for the financing and securities provided.	<ul style="list-style-type: none"> <li>• Periodic monitoring of the recoverability of outstanding receivables from customers</li> <li>• Requiring security such as mortgage registrations for immovable property, bank guarantees, pledging of assets, etc. when providing financing</li> </ul>
<b>Interest rate risk</b>	There is possible exposure to risk in relation to market interest rate developments.	<ul style="list-style-type: none"> <li>• Monitoring interest rate risk</li> <li>• Hedging of interest rate risk by derivatives</li> </ul>
<b>Liquidity risk</b>	There is a possibility that current and future liabilities and potential liabilities cannot be satisfied. This risk potentially includes currency risk, but this has limited application to Jumbo's operations.	
<b>Fraud and loss prevention</b>	Possible fraud and/or theft of money and goods in stores, restaurants, EFCs, hubs, distribution centres and head office.	<ul style="list-style-type: none"> <li>• Periodic assessment of the cash/goods movements</li> <li>• Daily analysis of cash register transactions</li> <li>• Collaboration with organisations such as Detailhandel Nederland, CBL, Retail Security Group and affiliation to the Tackling Fraud in Retail (FAD) foundation</li> <li>• Investing in securing products</li> <li>• Control measures in the ICF for the prevention and detection of fraud such as the four-eye principle, the authorisation matrix and the segregation of functions</li> <li>• Periodic consultation to raise fraud awareness within the organisation</li> </ul>

## Risks in relation to legislation and regulations and compliance

Risk	Description and/or possible consequences	Measures
<b>Compliance with - changing and growing - legislation and regulations</b>	Possible non-compliance or late compliance with legislation and regulations can have a negative (material and financial) impact on Jumbo's legal position and reputation.	<ul style="list-style-type: none"> <li>• Keeping knowledge and skills up-to-date so that Jumbo identifies changes in laws and regulations early</li> <li>• Monitoring and training in relation to legislation and regulations</li> </ul>
<b>Compliance with reporting legislation</b>	The internal and external (financial) reporting does not comply with the relevant legislation.	<ul style="list-style-type: none"> <li>• Ensuring that the reports to external stakeholders, for example in the form of banking reports and the consolidated financial statements, satisfy the applicable legislation and regulations for financial reporting (IFRS)</li> <li>• Timely identification of and response to new or changed reporting, e.g. on ESG</li> </ul>
<b>Compliance</b>	In the absence of a healthy ethical and compliance culture, incidents and structural problems with a potential negative impact on Jumbo's reputation are not identified and addressed early on.	<ul style="list-style-type: none"> <li>• Jumbo's Code Yellow code of conduct/uniform internal processes and procedures</li> <li>• Jumbo Speak Up scheme</li> </ul>

## Additional disclosure on compliance

### **Code Yellow: Jumbo's code of conduct**

The Jumbo code of conduct 'Code Yellow' was introduced in 2017. Awareness in relation to Code Yellow has been expanded to include franchisees with whom we work, as well as the temporary employment agencies. Code Yellow contains the behaviours and forms of conduct we consider important as a company. It is a compass that helps to strengthen Jumbo's reputation as organisation and employer. Code Yellow not only provides guidelines for complying with the relevant legislation and regulations, it also contains provisions concerning ethical conduct, respectful cooperation and protecting company resources and information. All employees at the head office, in the stores, restaurants, at the distribution centres, EFCs and in the hubs are expected to respect and comply with Code Yellow. One of the objectives set by Jumbo's management team is to ensure that compliance is safeguarded in all parts of the organisation. Partly for this reason, constantly raising awareness of Code Yellow has been included in the ICF.

### **Jumbo Speak Up scheme**

Through Speak Up, employees can report actual or possible violations of Code Yellow or any other actual or possible abuses. An effective reporting system is essential for a healthy corporate culture. Jumbo attaches great value to honesty, integrity and transparency. That requires an open and safe working environment in which everyone feels free to speak out and report actual or possible abuses related in any way whatsoever with Code Yellow. That way, we can address problems in a timely and correct manner. Employees can make a report - anonymously if they wish - through various channels:

- Manager or HR Business Partner
- External confidential advisor
- Speak Up service (by telephone or online)

At Jumbo, the Ethics Committee is responsible for receiving, assessing and evaluating reports made through Speak Up. The Ethics Committee also oversees any investigations. The Speak Up scheme does not apply for HR-related reports, for instance about assessments, employment conditions, application of the collective labour agreement or health and safety, absenteeism and rehabilitation or similar matters.

### **Vision on taxation**

At Jumbo, we want to be transparent about our operations. That is why we committed to a new Tax Governance Code developed by VNO-NCW in 2022. The aim of this code is to provide more transparency on the tax position of large companies in the Netherlands.

Jumbo's growth and the character of our business means that tax issues and associated tax risks should be managed proactively and controlled sufficiently. Jumbo therefore sees the payment of taxes as part of its daily business operations. And more importantly, as a responsibility towards society where customers and Jumbo together are on centre stage.

Jumbo stands for fiscal transparency and effective risk management, both inside and outside the Jumbo organisation. This results in timely and complete tax payment in the countries in which Jumbo operates. This entails that:

- The Jumbo management team believes that tax payment is part of corporate social responsibility and therefore ensures tax capacity in the organisation. In this respect, compliance with the Jumbo tax strategy is important and risk management in this area is sufficiently highlighted.
- Jumbo complies with the letter, purpose and scope of the tax legislations in the countries in which it operates.
- Koninklijke Jumbo Food Groep's profit before tax is consistent with the economic and commercial business rationale and is reported in the correct legal entity and tax jurisdiction.
- Jumbo's strategy on tax risk management and tax compliance as well as the total amount of tax payments is disclosed to third parties.
- Our relationships with (tax) authorities and other external stakeholders are based on transparency and mutual trust.

A complete vision on tax compliance and our tax strategy can be found at [Jumborapportage.com/downloads](https://jumborapportage.com/downloads).



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# Corporate governance

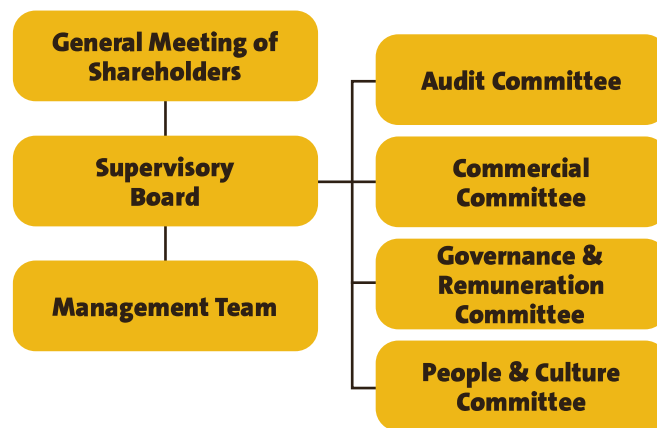
As a family business, we want and need to consider the interests of many different stakeholders. Sometimes those interests are at odds and we have to make careful trade-offs. We report extensively to various stakeholders how we are managed and how we deal with such trade-offs. This is disclosed on [Jumborapportage.com](https://www.jumborapportage.com), [Nieuws.Jumbo.com](https://www.nieuws.jumbo.com), [Jumbo.com](https://www.jumbo.com) and through external publications.

## Revised governance structure

In March 2022, Jumbo adjusted its governance structure. The number of management layers was reduced from three to two: a Supervisory Board and a management team. The newly formed management team - led by Frits van Eerd - became responsible for implementing the refined strategy. The Management Board ceased to exist; directors Colette Cloosterman-van Eerd and Ton van Veen joined the Supervisory Board, in which they were given delegated responsibilities on some key themes of the Multi-year Plan.

In September 2022, Frits van Eerd decided to temporarily step down as Managing director after careful consultation with his family and the Supervisory Board. He took this decision because of his involvement in an investigation of the Public Prosecutor's Office. Ton van Veen has been heading Jumbo's management team as delegated Supervisory Board member since then. As delegated Supervisory Board member, Colette Cloosterman-van Eerd acts as the link between the organisation, the Supervisory Board and the family. She has also taken over the role of vice-chair of the Supervisory Board from Ton van Veen. As such, she has been acting as chairperson since the death of Karel van Eerd in December.

## Corporate governance structure



	Description	Consultation structure
<b>Shareholders</b>	The Jumbo shares are fully owned by the Van Eerd family. The family regulations lay down the shareholder relations and agreements. These are aimed at ensuring Jumbo's continuity as a family business. The family regulations have been in force since 2012.	General meeting of shareholders 1 time per year and family meeting 4 times per year.
<b>Supervisory Board</b>	Karel van Eerd was Supervisory Board Chairman of the group until his death in December. The other supervisory directors are Colette Cloosterman-van Eerd (vice-chair), Ton van Veen, Antony Burgmans, Piet Coelewijn, Jacqueline Hoogerbrugge and Wilco Jiskoot. All of the supervisory directors have extensive management experience. There is also a great deal of knowledge on the Supervisory Board about food retail, consumer marketing, supply chain management, e-commerce, digitalisation, financing, mergers and acquisitions and corporate governance.	The Supervisory Board met six times during the reporting year. In addition to regular meetings according to a pre-established meeting schedule, the Supervisory Board met frequently as a result of the investigation by the Public Prosecutor's Office. The Supervisory Board meetings are usually attended by all members. There were no frequent absences on the part of one or more members. The Supervisory Board also met without the management team during the reporting year.
<b>Audit Committee</b>	The Audit Committee is made up of Wilco Jiskoot (chair), Jacqueline Hoogerbrugge and Ton van Veen.	The Audit Committee met four times during the reporting year. The Audit Committee supports the Supervisory Board in relation to financial reporting, accounting, the financial statements, financing, tax issues and the internal control and risk management system.
<b>Commercial Committee</b>	The Commercial Committee is made up of Colette Cloosterman-van Eerd, Antony Burgmans and Piet Coelewijn. Until his death in December, Karel van Eerd was also (chair) member of the Commercial Committee.	The Commercial Committee met three times during the reporting year. The Commercial Committee supports the Supervisory Board in relation to the commercial strategy and sub-areas relating to that.
<b>Governance &amp; Remuneration Committee</b>	The Governance & Remuneration Committee is made up of Colette Cloosterman-van Eerd, Ton van Veen, Antony Burgmans and Wilco Jiskoot. Until his death in December, Karel van Eerd was also (chair) member of the Governance Committee.	The Governance & Remuneration Committee met twice during the reporting year. The Governance & Remuneration Committee supports the Supervisory Board and the Shareholders in issues relating to good governance, the relationship between shareholders and the company as well as succession issues in the Supervisory Board and the management team.
<b>People &amp; Culture Committee</b>	The People & Culture Committee is made up of Colette Cloosterman-van Eerd (chair), Piet Coelewijn, Jacqueline Hoogerbrugge and Ton van Veen.	The People & Culture Committee met twice during the reporting year. The People & Culture Committee supports the Supervisory Board on HR policy and culture.
<b>Management team</b>	The management team (as of 28 March) consists of Cees van Vliet (Operations and also director under the articles of association of Koninklijke Jumbo Food Groep), Peter van Erp (Finance and also director under the articles of association of Koninklijke Jumbo Food Groep), Frances Franken (Commerce), Ralph Bertrand (Formula), Tim Hehenkamp (Tech & Data), Claire Saes (HR) and Alice Theunissen (La Place). Until his retirement in September, the management team was headed by Frits van Eerd. From then on, by Ton van Veen in his role as delegated Supervisory Board member.	The management team meets at least once a week and takes decisions on both the long-term strategy and the day-to-day implementation of that.
<b>Company secretary</b>	Ronald Molenaar was company secretary in 2022. In addition to his role as secretary, Ronald was Business Development manager. As of October Wouter Vermaas holds this position. Wouter also holds the position of manager Legal & Compliance.	Attends and reports on management team and Supervisory Board meetings.

**Fit for Purpose teams** The Fit for Purpose teams were set up for cross-functional decision-making around topics such as commerce, format development, CSR, operational excellence, people & culture and strategy execution.

The consultation structure varies by team and ranges from once a week to once a quarter.

## Personal details

### Supervisory Board

#### **C.J.M. van Eerd (84) Supervisory Board Chairman\***

Mr C.J.M. van Eerd holds the Dutch nationality. The year of first appointment was 2009.

Former principal position: CEO Koninklijke Jumbo Food Groep B.V.

#### **Drs. C.M.P.W. Cloosterman-van Eerd (56), vice-chair as of 4 October 2022**

Ms C.M.P.W. Cloosterman-van Eerd holds the Dutch nationality. The year of first appointment was 2022. The term of the appointment expires in 2026.

She is co-owner of Koninklijke Jumbo Food Groep and has a number of delegated responsibilities in terms of strategy formation, development of the "store concept of the future" as well as sustainability. As delegated Supervisory Board member, she also acts as the link between the organisation, the Supervisory Board and the family.

Relevant ancillary activities: board member at Topsport Community, Member of the Management Board and Supervisory Board of Thuiswinkel.org, supporter of NL2025, supporter of the National Coalition against Loneliness.

#### **Drs. A.L. van Veen (53), vice-chair until 4 October 2022**

Mr A.L. van Veen holds Dutch nationality. The year of first appointment was 2022. The term of the appointment expires in 2026.

He is temporarily leading Jumbo's management team as delegated Supervisory Board member. On behalf of the Supervisory Board he is also the point of contact for the Jumbo Entrepreneurs' Association (OVJ) and has a number of delegated responsibilities in the areas of strategy formation, mergers and acquisitions, and future financing strategy.

Relevant ancillary activities: Supervisory Board Chairman for Team Jumbo-Visma, Member of the Supervisory Board of PSV, Member of the Supervisory Board of Rituals Cosmetics, Member of the Supervisory Board of HEMA and director of Mississippi Ventures.

#### **A. Burgmans (75)**

Mr A. Burgmans holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2024.

Former principal position: CEO Unilever.

Relevant ancillary position until April 2018: Chair of the Supervisory Board of AkzoNobel; other ancillary positions until April 2016: Chair of the Supervisory Board of TNT Express, Non-Executive Director of BP.

#### **P. Coelewijn (62)**

Mr P. Coelewijn holds Dutch nationality. The year of first appointment was 2018. The term of the appointment expires in 2026.

Former principal position: CEO Wehkamp B.V.

Relevant ancillary positions: Chairman of the Supervisory Board of PMM Public Mediamarkt (until March 2022), member of the Supervisory Board of Royal FloraHolland, Supervisory Board of Interparking and Chairman of Sonion (part of Novo holdings, Denmark).

#### **Ir. J.C. Hoogerbrugge (59)**

Ms J.C. Hoogerbrugge holds Dutch nationality. The year of first appointment was 2020. The term of the appointment expires in 2024.

Former principal position: President Operations Cloetta.

Relevant ancillary positions: Member of the Supervisory Board of Dometic, Broadview Holding and BA Glass.

#### **Drs. W.G. Jiskoot (72)**

Mr W.G. Jiskoot holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2025.

Former principal position: Member of the Management Board of ABN AMRO.

Relevant ancillary positions: Member of the Supervisory Board of Topicus inc., Member of the Supervisory Board of HEMA and Member of the Supervisory Board of IJsvogel Holding.

The composition and ages shown are as of 1 January 2023.

*\* Karel van Eerd was Supervisory Board Chairman of Koninklijke Jumbo Food Groep until his death on 15 December 2022. Until a new Supervisory Board chairperson is appointed, C.M.P.W. Cloosterman-van Eerd does the honours as vice-chair.*

**Management team**

Drs. A.L. van Veen, delegated Supervisory Board member  
C.H. van Vliet, Operational director  
Drs. P.A. van Erp RA, Financial director  
F.M.S. Franken-Mulder, Commercial director  
Drs. R.M.J. Bertrand, Formula director  
Ir. T. Hehenkamp, Tech & Data director  
Mr. C.P.W. Saes, HR director  
A. Theunissen, La Place director

**Central Works Council (CWC)**

R.T. Huitenga, Chair  
C.J.J.B. van Overveld, vice-chair  
G.J. Middelbos, Board member  
M. de Rozario, Board member  
J. Blaak, Member  
J. Kamphuis, Member  
S.L. Rozendaal, Member  
R.J.P.B. van de Laar, Member  
J.J.H. van Meer, Member  
M.C.P. Kortman-Hopman, Official Secretary

## Supervisory Board



Colette Cloosterman-  
van Eerd  
Vice-chair Supervisory Board



Ton van Veen  
Member of the  
Supervisory Board



Antony Burgmans  
Member of the  
Supervisory Board



Piet Coelewijn  
Member of the  
Supervisory Board



Jacqueline Hoogerbrugge  
Member of the  
Supervisory Board



Wilco Jiskoot  
Member of the  
Supervisory Board

## Management Team



Ton van Veen  
Delegated Supervisory  
Board member



Cees van Vliet  
Operational director



Peter van Erp  
Financial director



Frances Franken-Mulder  
Commercial director



Ralph Bertrand  
Formula director



Tim Hehenkamp  
Tech & Data director



Claire Saes  
HR director



Alice Theunissen  
La Place director

# Karel van Eerd

8 April 1938 - 15 December 2022

## Entrepreneur at heart to the end

Karel van Eerd was born into an entrepreneurial family on 8 April 1938. His father and his uncle formed the first generation in the family business, a wholesale food company. Due to his father's poor health, Karel was given responsibility for the business at the age of 18: Inexperienced, not entirely trained but full of enterprising spirit, he took over his father's position. The company grew and thrived under Karel's leadership.

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**“Making customers  
into fans is  
our aim”**

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### US study trip

Karel became interested in supermarkets during his younger years. It was in the United States that he first encountered the phenomenon. During a study trip, he learned from a group of American entrepreneurs that you have to put the customer first in everything. If you listen carefully to customers and indulge them, you will be a success, was the wise lesson. The experiences he gained during his US study trip formed the foundation of the Jumbo formula as we know it today.

### 7 Certainties

Karel was considered a pioneer in the industry during his career. He never shied away from new ideas and he had a gift for turning ideas into concrete business opportunities. In 1996, Karel opened his first Jumbo Supermarket together with his children Colette, Frits and Monique. A formula where customers' biggest annoyances were transformed into the 7 Certainties. This new formula was labelled a 'kamikaze action' by the industry in the early years. Doomed to fail, is what they said. In the eyes of experts, you cannot combine service and quality with the lowest prices.

Now, more than 25 years later, Jumbo has more than 700 stores and has become the country's second largest supermarket. In 2019, Jumbo also entered the Belgian market. Unprecedented growth, whereby the 'kamikaze action' introduced by the family proved itself.



### A success in golf as well

Besides the supermarket chain, Karel van Eerd also built a successful business around a passion of his and his wife Kitty's: golf. They started golf course De Hooge Vorssel together in Nistelrode. A venue where everything was finished to the highest standard for its members, most of whom successful entrepreneurs looking for a place to relax. The golf course was later renamed The Duke and expanded to include a luxury hotel with butler service.

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**“Smart growth  
through frugality”**

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At the same time, Karel also built a chain of sports stores under the name Jumbo Sports. Speciality shops focusing primarily on golf. Hockey was added later, following the acquisition of Hockey Republic. In autumn 2022, the chain also added winter sports. Jumbo Sports draws the public's interest because once again, it combines the lowest prices in the market with the best service and quality. A success that Karel actively steered until the very end.

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**“If you always do what the other is doing, you will never come up with anything new”**

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#### **Great passion for the piano**

Karel had a great passion for playing piano. “If I didn't have that, my businesses would never have done so well,” he said himself. Karel tinkled the ivories more than convincingly on numerous stages and with his band The Birdies Seven. They performed regularly at home and abroad. He always classified himself as an amateur and had boundless respect for Dutch and foreign jazz professionals to whom he regularly offered the spotlight as well as joined on stage.



#### **Royal decoration**

In 2007, Karel was awarded a royal decoration as Officer in the Order of Orange-Nassau for his commercial successes and social commitment. Karel had been in the business for 50 years at that point. In this year of celebration for him, Jumbo opened its 100th store and achieved sales of €1 billion for the first time. Karel had no interest in resting on his laurels and instead continued to build the business alongside his children. From 2009 onward, he did so in the role of Supervisory Board Chairman. A step away from the day-to-day operations, but still directly and diligently involved.

#### **Koninklijke Jumbo Food Groep**

In 2021 marked the 100th anniversary of the family business from which Jumbo emerged. Truly a milestone. Karel celebrated together with his wife Kitty, who always played an indispensable supporting role behind the scenes, and children Frits, Colette and Monique because Jumbo Food Group could henceforth call itself 'Royal'. An honour that literally crowned the work of the family, the hundred thousand employees and Karel in particular. Probably the most important recognition Karel received for his pioneering work in the company where he had been for over 65 years at that point.

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**“Nothing better than doing business together and winning together”**

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#### **Entrepreneur to the very end**

Karel van Eerd was a beloved husband, father (in law) and grandfather. A family man with a lust for life. An epicurean, who believed that everything should be celebrated. Lover of a good glass of wine, but also at home with a lager in hand at the bar. No matter how big Jumbo grew, Karel always tracked the daily revenue of his supermarkets in a notebook every week. Modest and in service to the company. He kept in touch with branch managers and phoned them regularly with questions about the store's performance. Not to give comments, but to learn and better understand what was going on in his business. An entrepreneur at heart, he remained engaged in the business, alongside his family, to the very end.

# Outlook for 2023

**In 2023, we will continue to build a robust and enterprising organisation. Needless to say, we do this entirely in the light of current developments and all the changes ahead of us. Uncertainty in the market remains high, making it difficult to predict if and when prices will stabilise. It is inevitable that the current market situation will have an upward effect on our operating costs. Nevertheless, our mission is still to put the customer first and to achieve sustainable growth for the future.**

## Management and governance

At least during the first few months of 2023, the company's form of management will remain adapted. In other words, Ton van Veen will, as delegated Supervisory Board member, lead Jumbo's management team and Colette Cloosterman-van Eerd will, as delegated Supervisory Board member, act as the link between the organisation, the Supervisory Board and the family. She also chairs the Supervisory Board on an interim basis. This allows us to maintain a unified focus on our multi-year strategy and ensure steadfast decision-making. However, we realise that the organisation would benefit from clarity on permanent day-to-day management and composition of the supervisory body. Jumbo therefore strives to provide clarity on this topic in the first quarter of 2023.

## Price development

In early 2023, we do not yet see clear signs of stabilisation of the turbulent market situation. The sharp increases in energy and fuel prices seem to have reached their peak and ebbed again, also causing inflation rates to fall slightly. Nevertheless, we are taking into account a certain 'lingering effect' that will impact purchasing and consumer prices this year. This is compounded by the persistent uncertainty about the course of the war in Ukraine, as well as structural shortages in the labour market and increased wage pressure due to price developments. At Jumbo, we do everything we can to keep shopping affordable for everyone. That means we continue to invest in the Jumbo own brand, which guarantees appealing value for money. We also continue to offer relevant special promotions and our range at Always Low Prices. In discussions with suppliers, we continue to actively push for moderation of purchase prices.

## Growth

Due to the uncertain market situation, we foresee moderate development in revenue for the supermarket sector as a whole. Some of the revenue growth will also come from the inevitable price increases in 2023. For Koninklijke Jumbo Food Groep, we are heading for further revenue growth compared to 2022. The relative share of food service formula La Place is expected to be slightly higher than in 2022, assuming we do not face lockdowns this year. Revenue growth from the supermarket business will come, amongst others, from new store locations in the Netherlands. We expect to open about 13 new locations. Furthermore, we will continue the renovation of existing stores. Investments in our Belgian operations will continue. In 2023, we expect to open around 10 new locations there.

## Online developments

The demand for home delivery of groceries ordered online continues to grow. Following the introduction last year of the Jumbo Bezorgeloos home delivery subscription, we are looking at options for expanding this model in 2023. We also continue to invest in optimising the delivery network. We expect continued growth in the business customer base, especially in the segments offices and businesses, childcare and education, sports canteens and small hospitality and healthcare institutions.

## Fresh really means fresh

By 2023, we are consciously working on 'Jumbo quality for a Jumbo price', which is an essential part of our multi-year strategy. Further optimisation of the fresh range under the slogan 'Fresh really means fresh' has our full attention. We are implementing a transition in the fruit and vegetable chain that should result in higher quality and availability, more sustainable cultivation and a better price for both customer and supplier. We achieve this by working with so-called Added Value Partners to take tighter control of fresh produce chains and shorten them as much as possible. With this goal in mind, we entered into a strategic partnership with cooperative The Greenery in early 2023. More such long-term partnerships in fruit and vegetables will follow in the course of 2023. The experience we gain from this can, in the near future, also be used for other groups of fresh products, such as dairy, meat and deli meats. In view of the fast-growing demand for fresh products, Jumbo is building a nationwide mechanised distribution centre for the 'Shelf-stable Fresh' category in Nieuwegein. From early 2024, the stores will be supplied from this location. From that point onward, the regional distribution centres will focus on delivering products in the Ultra Fresh category, such as sliced fruit and vegetables, salads and ready meals. In 2023, we will prepare this transition in detail.



### **Working on sustainability**

In parallel with our emphasis on our fresh range, we will continue to focus our offering on healthy and responsible food in 2023. We want customers to be able to make healthier choices more easily and consciously and are awaiting the decision of the Ministry of Health, Welfare and Sport on the introduction of Nutri-Score in the Netherlands so that we can place the Nutri-Score food choice logo on Jumbo own brand products. We continue to work in various other areas as well to make our product range and operations more sustainable. Society rightly demands that everyone contribute to combating climate change. For several years, we have had our own targets in this area, but we want to extend these to our entire value chain. We therefore work with so-called science-based targets to stay within the margin of a maximum temperature increase of 1.5°C. To make progress in these areas and others, we are committed to open dialogue with diverse stakeholder groups, ranging from customers to civil society organisations, and from employees to suppliers. We want to be transparent about the activities we undertake and consider it very important to share knowledge and insights with each other. We will continue to report on this periodically at [Jumborapportage.com](https://www.jumborapportage.com).

### **Constant factor: attention to the customer and employee**

The changes and uncertainties in the food industry are greater than ever. The supermarket business is currently characterised by increased pressure on margins. In addition, all the players are seeking a profitable model for online shopping. The playing field also continues to be hampered by the ongoing scarcity of commodities and transport capacity, higher procurement prices and a volatile labour market. This situation of rising costs and narrower margins calls for a critical look at our earning models and, if necessary, adjustments to our formula and business operations. It is above all a matter of smart innovation and keeping costs under control at the same time. The various initiatives in our Multi-year Plan 2022-2025 are strongly oriented towards this. During 2023, we will be implementing more and more of these initiatives. Amid all the uncertainty and changes, there is also one constant factor: full attention to the customer is and remains paramount. As a family business, we therefore fully maintain our custom of putting the customer first.

Our employees have a decisive role in this. Based on that knowledge, we are building a robust and enterprising organisation with colleagues who feel good about themselves and are passionate about the customer. To offer a pleasant working environment, we continue to invest in vitality and sustainable employability of our employees.

# Report from the Supervisory Board

The Supervisory Board of Koninklijke Jumbo Food Groep took note with regret of the death of Karel van Eerd on 15 December 2022. The founder of Jumbo Supermarkets was a gifted and visionary entrepreneur and, above all, a very amiable human being. For the past 65 years, he was the driving force behind the growth of his family business. Since 2009, he did so in the role of Supervisory Board Chairman. He showed himself to be a very inspiring and committed chairman. With his unprecedented passion for the customer, enormous dedication and unique vision of retail, he made a difference right up to the end. Karel, we are grateful to have had the opportunity to work with you over the past years.

**The Supervisory Board looks back on a turbulent year in which Koninklijke Jumbo Food Groep nevertheless managed to successfully implement its strategic objectives. The revenue increase realised is satisfactory, even if it is largely due to the sharp inflation rates. Food service formula La Place is back on the rise 'after corona', making a contribution to revenue that offers the prospect of more. The Supervisory Board has met in a changed composition since spring 2022. Because of external developments and the private situation of Managing director Frits van Eerd, who temporarily resigned from his position, the Supervisory Board met more frequently than in the past.**

## **Tightened strategy**

We have confidence in Jumbo's tightened business strategy set out by the management team in the Multi-year Plan 2022-2025. The fundamental choices made therein are aimed at building on the strong market position in both stores and online. By making additional investments in its omnichannel strategy and implementing a further quality improvement in its range of fresh, healthy and sustainably produced food at affordable prices, Jumbo is consolidating its growth potential. It is prudent for the organisation to continue working in parallel to simplify business processes and improve ICT and data processing systems. We note that all Jumbo employees and independent entrepreneurs are closely involved in the implementation of the strategy and that the shared goal of keeping full focus on the customer is very much in place.

## **Revised governance structure as of March 2022**

The Supervisory Board endorses the widely felt need to make the Jumbo organisation flatter and therefore more effective. In that respect, we consider the reduction in the number of management layers at the beginning of 2022 a wise decision. With the disappearance of the Management Board, we now have the expertise of two additional administrative 'heavyweights' in the Supervisory Board. We welcome the arrival of Colette Cloosterman-van Eerd and the delegated responsibilities assigned to her in the areas of strategy formation, sustainability and the development of 'the retail concept of the future'. As a Supervisory Board member, Colette also chairs the Commercial Committee and the new People & Culture Committee. We are also pleased that Ton van Veen has joined as vice-chair of the Supervisory Board, with delegated responsibilities in the areas of strategy formation, financing strategy, and mergers and acquisitions. Ton sits on the Audit Committee and the People & Culture Committee, and is the point of contact on the Supervisory Board for the Jumbo Entrepreneurs' Association (OVJ). With the appointment of Colette and Ton, the Supervisory Board consists of seven members.

## **Appropriate management**

Due to an ongoing investigation by the Public Prosecutor's Office involving Managing director Frits van Eerd, who temporarily resigned from his position on 23 September 2022. As a result, we as Supervisory Board advised shareholders on appropriate management of the company during this period. In proper consultation, it was decided that Ton van Veen would temporarily lead Jumbo's management team as delegated Supervisory Board member. His extensive experience within Jumbo as Chief Financial Officer is of great value in this regard. As delegated Supervisory Board member and temporary vice-chair of the Supervisory Board, Colette Cloosterman-van Eerd acts as the link between the organisation, the Supervisory Board and the shareholders. She has been acting as chairperson since the death of Karel van Eerd in December. The Supervisory Board is convinced that these adjustments - for as long as necessary - are a guarantee for an everlasting stable control of our business. We regard this of great importance, especially at a time of various social and economic challenges.

Naturally, the developments with regard to Frits van Eerd did not leave the Supervisory Board unmoved. We respect his decision to take a temporary step back and remain vigilant during this period to ensure adequate compliance with the governance requirements for the Jumbo organisation. The investigation by the Public Prosecutor's Office is not focused on Jumbo. However, we did want to be able to independently and objectively establish that there had been proper management in this regard. This is why Allen & Overy commissioned KPMG in autumn 2022 to conduct an independent investigation into sponsorship activities in motorcycle sports and to some extent in auto sports. The investigation was completed in early 2023 and did not reveal any criminal offences at Jumbo. The investigation did result in some procedures at Jumbo that will be tightened in consultation with the Supervisory Board.

### **Market developments**

We experienced turbulence in the market on several fronts in 2022. After some after-effects of the coronavirus in the first two months of the year, the pandemic seems to be heading towards its end. But since the beginning of the Russian invasion of Ukraine in late February, new, large-scale trade disruptions have been occurring. While we were already facing reduced transport capacity and price hikes due to the pandemic, this is now compounded by sharply increased energy prices and commodity shortages due to the war. As a result, we are facing a rare level of inflation, which directly affects consumers and businesses.

The revenue growth that Jumbo managed to achieve in 2022, and its breaking through the €10 billion sales barrier, is largely due to necessary price increases. Nonetheless Jumbo has shown restraint in pushing through higher prices, in part by negotiating sharply with suppliers and only agreeing to genuine increases in cost prices, and in part by settling for a lower margin on certain daily groceries. Jumbo also made extra efforts to contain the cost increase of the average 'shopping trolley' with the good value for money offered by its own brand products and with special promotions.

Food service formula La Place benefited from the lifting of coronavirus measures at the beginning of March 2022. As planned, this resulted in decent revenue growth and a modest contribution to profit. With La Place now in calmer waters, we are watching with great interest the preparations the formula is making to strengthen its concept and appeal to new target groups.

### **Omnichannel**

With the petering out of coronavirus restrictions, we see more and more consumers combining store visits with the convenience of online shopping. We expect Jumbo customers to increasingly want to decide for themselves where, when and how they make their purchases, as well as how and when they want to receive their groceries at home. It is good that Jumbo continues to respond to these developments with targeted investments and partnership initiatives and is carefully working on its omnichannel strategy. Investments are directed at renewing and expanding the store portfolio as well as strengthening online activities. We also see strong growth in the business market for home delivery, which Jumbo successfully serves in partnership with wholesaler Makro. The partnership with flash delivery company Gorillas focuses on learning about the needs and purchasing behaviour of new customer groups in Dutch city centres.

### **From Dutch soil**

In line with its tightened strategy, Jumbo is taking big steps in further improving its fresh food offering. We applaud this, as we see that consumers are increasingly looking for tasty, fresh, more responsibly produced and affordable food, preferably produced locally. To this end, when it comes to buying fresh produce, Jumbo has for years been using the motto: close by if possible, further away if necessary. It is a good sign that already more than 75% of the fresh range in Jumbo stores comes from Dutch origin. Jumbo is engaged in close, long-term partnerships with suppliers, farmers and growers to achieve this. We think it is important that in addition to a healthy earning model, this also provides farmers and growers with room to innovate and become more sustainable. From the long-term partnerships, great strides were also made again this year to make the range more sustainable. For example, all the fresh chicken meat on Jumbo's shelves carries the 1-star 'Beter Leven keurmerk' [Better Life label] and a larger proportion of Jumbo's own brand dairy range satisfies the requirements of this label.

### **Corporate social responsibility**

We observe that Jumbo assumes its social responsibility in numerous areas. Significant steps were taken in 2022 and previous years in making food chains more sustainable, among other ways by ensuring a fair earning model for farmers and growers. In terms of animal welfare, Jumbo introduced the 'Beter Leven keurmerk' for its own brand dairy products in cooperation with the Dutch Society for the Protection of Animals. Since autumn 2022, all fresh chicken meat on Jumbo shelves has also carried the 1-star 'Beter Leven keurmerk'. In addition to this, Jumbo works consistently to reduce its environmental impact. It does so by reducing energy consumption and emissions in its own operations, but also by introducing solutions that benefit customers. For example, Jumbo is installing rapid charging stations for electric cars at several Jumbo stores and La Place restaurants in cooperation with PowerGo. It is also working hard on more sustainable packaging that produces less waste and wastage. Jumbo also sees it as its responsibility to encourage customers to adopt a healthy and conscious lifestyle. Jumbo is using the Nutri-Score food choice logo for a growing number of products so that customers can make an informed choice from the range.

## Supervisory Board meetings

The Supervisory Board met six times during the reporting year for regular Supervisory Board meetings. In addition to the regular meetings according to a predetermined meeting schedule, the Supervisory Board met frequently in response to the investigation by the Public Prosecutor's Office, as mentioned above. The Supervisory Board meetings are usually attended by all members. There were no frequent absences on the part of one or more members. The Supervisory Board also met without Jumbo's management team during the reporting year.

The following topics determined the Supervisory Board's agenda during the 2022 reporting year: the effects of the coronavirus pandemic, development of the food retail market in general, the creation and implementation of the new Multi-year Plan and made more concrete in the 2023 Year Plan, the impact of the war in Ukraine, initiatives for the Jumbo formula and differentiation, marketing campaigns, periodic discussion of the results, corporate social responsibility, financing of the business, the results of the employee satisfaction survey, risk management and control systems, integrated reporting, the investigation by KPMG, Jumbo's governance model and other topics relating to the Supervisory Board's role in monitoring the business.

During this reporting year, special attention was paid to the implementation of the new Multi-year Plan, the future and profitability of e-commerce, the quality improvement of the product range, the growth and profitability of our activities in Belgium, the realisation and progress of our strategy for sustainability and health, mechanisation of the logistics network, the Jumbo organisation, employee satisfaction, and the principles of the Jumbo formula. The Supervisory Board approved the 2023 Year Plan, including the budget for 2023.

### **Audit Committee**

In 2022, the following topics were among those discussed in the Audit Committee: the financial results of Jumbo and La Place, the financial statements, financing and tax issues, strategic projects, compliance, supply chain management, the Year Plan, the audit charter, the management letter and the audit report from the external auditor, and the quarterly Internal Audit reports. The Audit Committee was also involved in advising on the implications that could arise from the investigation by the Public Prosecutor's Office.

### **Commercial Committee**

The following topics were among those discussed in the Commercial Committee in 2022: brand positioning and marketing policy, the NPS and customer surveys, market and price developments, product range policy, market penetration, development in revenue, price and promotional policy, omnichannel strategy and retail media.

### **Governance & Remuneration Committee**

In 2022, the Governance Committee discussed the following topics, among others: governance of the company, succession planning, relationship between the family charter and the company, long-term value creation, composition of the management bodies and remuneration.

### **People & Culture Committee**

This Committee was newly added to the Supervisory Board organisation in 2022. Topics discussed in this first reporting year included: shortages in the labour market, culture and Jumbo DNA, absenteeism and employee satisfaction.

### **General Meeting, financial statements, profit appropriation and discharge**

The 2022 financial statements are accompanied by an audit opinion from PricewaterhouseCoopers Accountants N.V.

The Supervisory Board advises the General Meeting to adopt the 2022 financial statements and add the 2022 result to the other reserves in line with the proposal from the statutory directors. The Supervisory Board also advises the General Meeting to grant discharge to the statutory directors for the policy pursued and the Supervisory Board for the supervision exercised.

The Supervisory Board feels it is important to express its appreciation for the major efforts made by the Jumbo management team and all the employees during the reporting year, as well as for the results achieved during this year.

Veghel, 28 February 2023

Supervisory Board

Koninklijke Jumbo Food Groep B.V.

Colette Cloosterman-van Eerd

Piet Coelwij

Ton van Veen

Jacqueline Hoogerbrugge

Antony Burgmans

Wilco Jiskoot



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# Financial Statements 2022



# Consolidated income statement for 2022

<i>in €1,000</i>	Note	2022	2021
<b>Net revenue</b>	1	<b>8,168,494</b>	<b>7,840,687</b>
Cost of sales	2	(6,810,395)	(6,515,951)
<b>Gross revenue result</b>		<b>1,358,099</b>	<b>1,324,736</b>
Other operating income	4	150,135	171,569
Selling costs	5	(972,647)	(962,435)
General and administrative costs	6	(259,578)	(206,966)
Total expenses		(1,232,225)	(1,169,401)
<b>Net revenue result</b>		<b>276,009</b>	<b>326,904</b>
Amortisation of intangible fixed assets	10	(135,157)	(121,938)
Impairments/reversal of impairments	7	(24,464)	(14,563)
<b>Operating result</b>		<b>116,388</b>	<b>190,403</b>
Financial income	8	11,402	1,735
Financial expenses	8	(36,687)	(37,806)
<b>Result before taxes</b>		<b>91,103</b>	<b>154,332</b>
Taxes	9	(11,423)	(40,067)
<b>Result after taxes attributable to shareholders</b>		<b>79,680</b>	<b>114,265</b>



# Consolidated statement of comprehensive income for 2022

<i>in €1,000</i>	Note	2022	2021
<b>Result after taxes</b>		<b>79,680</b>	<b>114,265</b>
<b>Results that will not be reclassified to the income statement</b>			
Actuarial results on defined benefit plans	21	2,855	(2,148)
Taxes on changes in defined benefit plans	9	(738)	530
		2,117	(1,618)
<b>Total result</b>		<b>81,797</b>	<b>112,647</b>
<b>Total result attributable to shareholders</b>		<b>81,797</b>	<b>112,647</b>

# Consolidated balance sheet as of 1 January 2023

Before profit appropriation, in €1,000

ASSETS	Note	1 January 2023	2 January 2022
<b>Fixed assets</b>			
Intangible fixed assets	10	1,681,658	1,699,863
Tangible fixed assets	11	557,176	528,155
Right-of-use assets	12	2,429,625	2,502,193
Financial fixed assets	13	130,250	109,882
Deferred tax assets	9	5,404	4,074
		<b>4,804,113</b>	<b>4,844,167</b>
<b>Current assets</b>			
Assets held for sale	14	8,449	17,329
Inventories	15	234,547	187,446
Trade debtors and other receivables	16	435,188	401,140
Corporate income tax	9	16,905	-
Cash and cash equivalents	17	33,372	78,705
		<b>728,461</b>	<b>684,620</b>
<b>TOTAL ASSETS</b>		<b>5,532,574</b>	<b>5,528,787</b>
<b>EQUITY AND LIABILITIES</b>			
	Note	1 January 2023	2 January 2022
<b>Group equity</b>			
Issued capital		8	8
General reserves		623,880	559,498
Unappropriated result		79,680	114,265
<b>Total group equity</b>	18	<b>703,568</b>	<b>673,771</b>
<b>Non-current liabilities</b>			
Lease commitments	19	2,234,035	2,319,177
Loans and other liabilities	20	450,459	350,841
Pensions and other employee benefit obligations	21	18,840	23,684
Deferred tax liabilities	9	171,700	187,845
Provisions	22	1,616	1,527
		<b>2,876,650</b>	<b>2,883,074</b>
<b>Current liabilities</b>			
Liabilities held for sale	14	3,478	4,754
Lease commitments	19	237,594	227,934
Loans and other liabilities	20	75,827	101,009
Provisions	22	235	891
Corporate income tax	9	-	1,304
Trade creditors and other payables	23	1,635,222	1,636,050
		<b>1,952,356</b>	<b>1,971,942</b>
<b>Total liabilities</b>		<b>4,829,006</b>	<b>4,855,016</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,532,574</b>	<b>5,528,787</b>

# Consolidated cash flow statement for 2022

According to the indirect method, in €1,000

	Note	2022	2021
<b>Cash flow from operational activities</b>			
<b>Operating result</b>		<b>116,388</b>	<b>190,404</b>
Adjustments for:			
Depreciation and amortisation of tangible fixed assets, intangible fixed assets and right-of-use assets	10, 11, 12	518,418	485,832
Impairments/reversal of impairments	7	24,463	14,563
Result on divestments of assets		(1,261)	(15,347)
Movement in right-of-use assets and lease commitments		2,645	(13,172)
Movement in long-term receivables, non-current liabilities and provisions		8,234	(2,464)
		<b>668,887</b>	<b>659,816</b>
Movements in working capital:			
Movement in inventories		(47,101)	11,122
Movement in trade debtors and other receivables		(48,268)	(89,359)
Movement in trade creditors and other accounts payable		(8,836)	90,074
<b>Cash flow from business operations</b>		<b>564,682</b>	<b>671,653</b>
Corporate income tax paid		(47,747)	(53,019)
<b>Net cash flow from operational activities</b>		<b>516,935</b>	<b>618,634</b>
<b>Cash flow from investment activities</b>			
Investments in tangible fixed assets/intangible fixed assets	10/11	(272,619)	(272,129)
Divestments of tangible fixed assets/intangible fixed assets	10/11	3,068	2,518
Investments in right-of-use assets	12	(2,875)	(2,795)
Investments in assets held for sale		(3,316)	(13,331)
Divestments of assets held for sale		29,309	19,573
Acquisition of interests		(16,584)	(31,786)
Disposals of interests		-	21,928
Long-term receivables provided	13	(39,991)	(95,353)
Repayments on long-term receivables	13	18,776	66,414
Interest received		1,675	3,679
<b>Net cash flow from investment activities</b>		<b>(282,557)</b>	<b>(301,282)</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term loans	20	175,000	300,000
Repayments on long-term loans	20	(100,000)	(200,000)
Payments under lease commitments	19	(297,414)	(279,347)
Interest paid		(5,297)	(6,157)
Dividends paid	18	(52,000)	(127,500)
<b>Net cash flow from financing activities</b>		<b>(279,711)</b>	<b>(313,004)</b>
<b>Total net cash flow</b>		<b>(45,333)</b>	<b>4,348</b>
Opening balance cash		78,705	74,357
<b>Closing balance cash</b>	17	<b>33,372</b>	<b>78,705</b>

# Consolidated movements in group equity 2022

The movements in group equity for 2022 are as follows (see note 18):

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
<b>Balance at start of 2022 financial year</b>	<b>8</b>	<b>559,498</b>	<b>114,265</b>	<b>673,771</b>
Result after taxes	-	-	79,680	79,680
Appropriation of profit previous financial year	-	114,265	(114,265)	-
Actuarial results on defined benefit plans	-	2,117	-	2,117
Fair value of derivative financial instruments	-	-	-	-
<b>Total result</b>	<b>-</b>	<b>116,382</b>	<b>(34,585)</b>	<b>81,797</b>
Payment of dividend to Stichting Jumbo Groep	-	(52,000)	-	(52,000)
<b>Total movements in relationship with shareholders</b>	<b>-</b>	<b>(52,000)</b>	<b>-</b>	<b>(52,000)</b>
<b>Balance at end of 2022 financial year</b>	<b>8</b>	<b>623,880</b>	<b>79,680</b>	<b>703,568</b>

The movements in group equity for 2021 are as follows:

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
<b>Balance at start of 2021 financial year</b>	<b>8</b>	<b>551,744</b>	<b>136,872</b>	<b>688,624</b>
Result after taxes	-	-	114,265	114,265
Appropriation of profit previous financial year	-	136,872	(136,872)	-
Actuarial results on defined benefit plans	-	(1,618)	-	(1,618)
Fair value of derivative financial instruments	-	-	-	-
<b>Total result</b>	<b>-</b>	<b>135,254</b>	<b>(22,607)</b>	<b>112,647</b>
Payment of dividend to Stichting Jumbo Groep	-	(127,500)	-	(127,500)
<b>Total movements in relationship with shareholders</b>	<b>-</b>	<b>(127,500)</b>	<b>-</b>	<b>(127,500)</b>
<b>Balance at end of 2021 financial year</b>	<b>8</b>	<b>559,498</b>	<b>114,265</b>	<b>673,771</b>

# Notes to the consolidated financial statements

## General

### The company and its activities

The activities of Koninklijke Jumbo Food Groep B.V. ('Jumbo' or 'Group') (Chamber of Commerce number 17136209), with registered office at Rijksweg 15 in Veghel, and its group companies consist mainly of food retail and hospitality.

These consolidated financial statements were prepared by the statutory Board of Directors and signed on 28 February 2023. The 2022 annual report has been submitted to the General meeting for adoption on 28 February 2023.

### Statement of compliance with International Financial Reporting Standards

The consolidated financial statements and notes are in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the European Union and with Title 9 of Book 2 of the Dutch Civil Code (Dutch financial reporting rules).

### General principles

The detailed accounting policies are explained in Note 1 to 23.

Jumbo's financial year covers a period of 52 or 53 weeks and ends on the Sunday closest to 31 December of the applicable year. The 2022 financial year consisted of 52 weeks and ended on 1 January 2023. The comparative 2021 financial year consisted of 52 weeks. The 2021 financial year started on 4 January 2021 and ended on 2 January 2022.

The consolidated financial statements are presented in thousand euros, unless stated otherwise. The consolidated financial statements have been prepared based on historical cost, unless stated otherwise.

### Going concern

In first the two months of 2022 the corona pandemic was still ongoing. These past years the corona pandemic has had a significant (operational) impact on the retail sector. Research by the Central Plan Bureau shows that the corona pandemic will impact the economy on the medium and long term.

Step by step we came out of the pandemic in 2022. Hopes for a quick economic recovery were quickly dashed when war broke out in Ukraine, resulting in a further increase in the global scarcity of raw materials and energy. From spring 2022, we particularly saw a sharp rise in the prices for energy, housing and food. These rising costs put more pressure on our profitability.

At the moment there is no reason for Jumbo to conclude that its continuity is jeopardized by the social and economic situation. Jumbo continues to invest heavily in the future. The financial statements have therefore been prepared on the presumption of going concern.

### Consolidation principles

The consolidated financial statements include the financial data of Jumbo and its subsidiaries. Subsidiaries are all entities in which Jumbo directly or indirectly exercises control over the operational and financial policies in order to derive benefits from it.

Control is achieved when Jumbo exerts control over an entity, is exposed to variable returns from its involvement with the entity and Jumbo has the ability to affect those returns through its power to direct the activities of the entity. If Jumbo does not have the majority of the voting rights or similar rights in an entity, it takes into account all the relevant facts and circumstances in assessing whether it can exercise control over the participation.

The assets, liabilities and results of subsidiaries are fully consolidated. The results of subsidiaries are included from the date control is obtained over these entities. Consolidation ceases when Jumbo loses control over the subsidiaries.

Intercompany transactions, balance sheet items and unrealized gains on transactions between subsidiaries are eliminated when preparing the financial statements.

The entities in the table below are included in the consolidation. Entities in which Jumbo holds 100% of the issued shares are subsidiaries.

Entity	Registered office	2022	2021
<b>Jumbo Food B.V.</b>	Veghel	100%	100%
- Jumbo Distributiecentrum B.V.	Veghel	100%	100%
> Jumbo Logistiek Vastgoed B.V.	Veghel	100%	100%
- Jumbo Supermarkten B.V.	Veghel	100%	100%
> Jumbo Supermarkten Vastgoed B.V.	Veghel	100%	100%
> EMTÉ Kapelle B.V.	Veghel	100%	100%
> Jumbo Omnichannel B.V.	Veghel	-	100%
> Jumbo Omnichannel Vastgoed B.V.	Veghel	100%	100%
- Jumbo e-fulfilment B.V.	Veghel	100%	-
- Euroselect B.V.	Veghel	100%	100%
- Jumbo België B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 1 B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 2 B.V.	Brasschaat	100%	-
> Jumbo België Franchise 3 B.V.	Brasschaat	100%	-
> Jumbo België Franchise 4 B.V.	Brasschaat	100%	-
> Jumbo België Franchise 5 B.V.	Brasschaat	100%	-
<b>La Place Food Groep B.V.</b>	Veghel	100%	100%
- La Place Food B.V.	Veghel	100%	100%
- La Place Food GmbH	Montabaur	100%	100%
<b>J&amp;C Acquisition Holding B.V.</b>	Veghel	100%	50%

Koninklijke Jumbo Food Groep B.V. is the parent company of the Group. Stichting Jumbo Groep holds 100% of the issued shares and was incorporated to promote the interests of the ultimate shareholders of Jumbo. Stichting Jumbo Groep is not a parent company since Stichting Jumbo Groep is not entitled or exposed to variable returns from its involvement with Jumbo.

Jumbo has made the following changes to the company structure in 2022:

- Jumbo Food B.V. incorporated Jumbo e-fulfilment B.V. on March 10, 2022.
- Jumbo België B.V. incorporated Jumbo Franchise 2 B.V., Jumbo Franchise 3 B.V., Jumbo Franchise 4 B.V. and Jumbo Franchise 5 B.V. on March 22, 2022.
- Jumbo Omnichannel B.V. (disappearing company) merged on May 21, 2022 with Jumbo Supermarkten B.V. (acquiring company).
- Koninklijke Jumbo Food Groep B.V. acquired the remaining 50% of the shares in J&C Acquisition Holding B.V. on December 30, 2022. As of this date, J&C Acquisition Holding B.V. is fully consolidated. Before the acquisition date, the entity was accounted for as a joint operation.

### Joint operation

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement (including Jumbo) have rights to the assets and are liable for the commitments of the arrangement. These parties are referred to as participants in a joint operation. In a joint operation, Jumbo includes its share in the jointly held assets, accepted liabilities, income and expenses in the consolidated financial statements. This method of accounting of joint operations is comparable to proportionate consolidation.

### Business combinations

A business combination is recognised based on the acquisition method of accounting on acquisition date. This is the date on which Jumbo obtained control.

Jumbo records goodwill on acquisition date as the excess of the consideration transferred over the fair value of the identifiable assets and liabilities acquired. If the difference is negative, a gain is recognised in the income statement.

The cost of an acquisition is measured at acquisition date as the cash consideration (or equivalent) agreed to acquire the acquiree and/or the fair value at acquisition date of any other consideration (assets, liabilities assumed, equity instruments issued) provided by the acquiring party. If the settlement of the consideration is deferred, the cost of an acquisition is measured at the present value of the deferred purchase price.

The consideration transferred does not include any amounts for settling existing relationships. These amounts are recognised in the income statement. Transaction costs incurred by Jumbo in acquiring a business combination, not being the costs for issuing liability or equity instruments, are recognised in the income statement when they are incurred.

### **Fair value measurement**

Jumbo's accounting policies and disclosure practices require that the fair value of both financial and non-financial assets and liabilities are determined. Fair value measurements are categorized in accordance with the levels of the fair value hierarchy. In accordance with IFRS 13, the following number of valuation levels are defined for fair value measurement of the financial instruments recognised:

- Level 1: quoted market prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices.).
- Level 3: inputs for the asset or liability which are not based on observable market data (non-observable input). To determine these level 3 valuations, Jumbo uses generally accepted valuation models.

The methods used for fair value measurement are stated below for the relevant items.

### **Intangible assets**

The fair value of intangible assets acquired in a business combination is based on the expected present value of the cash flows from the use of the asset or by using a revenue multiple (level 3).

### **Tangible fixed assets**

The fair value of tangible fixed assets acquired in a business combination is based on the market value. The market value is the estimated amount for which the asset can be traded between a well-informed buyer and seller in a business transaction between third parties (level 3).

### **Inventories**

The fair value of the inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated selling and disposal costs less a reasonable profit allowance for the effort of preparing the inventories for sale and selling the inventories (level 3).

### **Financial instruments (such as receivables and debts)**

The trade and other receivables, trade payables and other liabilities are measured at fair value upon initial recognition. They are subsequently measured at amortised cost, using the effective interest method less an allowance for the risk of uncollectability. These allowances are based on the individual assessment of the receivables. When determining the effective interest rate, mark-ups and discounts at acquisition date are taken into account (level 3).

### **Derivative financial instruments (derivatives)**

The fair value of derivative financial instruments is the estimated amount that Jumbo would receive or pay to settle the contract as of the balance sheet date, taking into account the current interest rate and current creditworthiness of both contract parties. These valuations are verified for reasonableness using techniques based on discounted cash flows on the basis of the conditions and the terms of the contract and using the market interest rate for a similar instrument as of the valuation date (level 2).

### **Foreign currencies**

#### **Functional and presentation currency**

The items in the financial statements of each entity belonging to Jumbo Group are recorded in the currency of the primary economic environment in which the entity operates ('the functional currency'). Jumbo has interests in companies established in the European Union (the Netherlands, Belgium and Germany) that use the euro as their functional currency.

The consolidated financial statements are prepared in euros, Jumbo's functional and presentation currency.

#### **Translation of transactions and balances**

Receivables and liabilities denominated in foreign currencies are converted to euros at the spot rate of exchange on the balance sheet date. Transactions in foreign currencies during the reporting period are converted to euros in the consolidated financial statements at the spot rate of the exchange on the transaction date. Differences arising from the translation are recognised in the income statement.

### Impact of new and amended accounting policies effective for the current financial year

The amendments to IFRS's adopted by the EU that are applicable to financial years beginning on or after 1 January 2022 have no material effect on Jumbo's consolidated financial statements. This concerns the following standards:

- Amendment to IAS 16 Property, Plant and Equipment: The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss (applicable to financial years beginning on or after 1 January 2022);
- Amendments to IFRS 3 Business combinations: minor amendments to update the references to the Conceptual Framework (applicable to financial years beginning on or after 1 January 2022).
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendments concern a clarification regarding the assessment of whether an arrangement is onerous (applicable to financial years beginning on or after 1 January 2022).
- Annual amendments to the IFRS Standards 2018-2022: this mainly concerns improvements to IFRS 9 Financial instruments and IFRS 16 Leases (applicable to financial years beginning on or after 1 January 2022).

### Impact of new and amended accounting policies applicable to future years

The following new standards and interpretations have been issued that are not yet effective for the financial year beginning on 1 January 2022:

- IFRS 17 Insurance Contracts: standard for the accounting treatment for insurance contracts (applicable to financial years starting on or after 1 January 2023).
- Amendments to IAS 1 Presentation of financial statements: disclosure of accounting policies (applicable to financial years starting on or after 1 January 2023).
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: definition of estimations (applicable to financial years starting on or after 1 January 2023).
- Amendments to IAS 12 Income tax: deferred tax related to assets and liabilities arising from a single transaction (applicable to financial years starting on or after 1 January 2023).
- Amendments to IFRS 16 Leases: Lease liabilities in a sale and leaseback transaction (applicable to financial years starting on or after 1 January 2024, not yet endorsed by the European Union).
- Amendments to IAS 1 Presentation of financial statements: classification of liabilities as current or non-current (applicable to financial years starting on or after 1 January 2024, not yet endorsed by the European Union).

Jumbo does not apply early adoption of these standards and interpretations and does not expect that the application of these new accounting policies will have a significant impact on Jumbo's future consolidated financial statements, except for the amendments to IFRS 16. Jumbo is currently assessing the impact of the amendments to IFRS 16.

Furthermore, it is expected that the Pillar 2 legislation (worldwide minimum tax rate of 15%) will be implemented as of 1 January 2024. Jumbo is currently assessing the impact of the implementation of Pillar 2.

### Consolidated cash flow statement

The consolidated cash flow statement is prepared using the indirect method. Cash in the cash flow statement consists of the cash and cash equivalents. Cash flows are divided into cash flows from operational activities, investment activities and financing activities.

Cash flows denominated in foreign currencies have been converted at the rates used in the income statement. Income tax receipts and payments are included under the cash flow from operational activities. Interest receipts and payments are included under the cash flow from investment activities and the cash flow from financing activities, respectively. Any dividends paid are included under the cash flow from financing activities.

The payment of lease instalments is designated as a cash flow from financing activities.

Transactions not involving any exchange of cash are not included in the consolidated cash flow statement.



## 1. Net revenue

The net revenue is the revenue (excluding VAT) realised by Jumbo and La Place and consists of:

	2022	2021
Jumbo own stores (including online) The Netherlands	3,809,315	3,749,266
Jumbo distribution centres to third parties	4,186,475	3,988,276
Jumbo own stores Belgium	159,923	95,737
La Place restaurants	12,781	7,408
	<b>8,168,494</b>	<b>7,840,687</b>

The sales of Jumbo distribution centres to third parties mainly relates to deliveries to franchisees.



### Estimates and judgments

Jumbo has several saving campaigns, such as Jumbo Extras, where consumers save points that can be redeemed in the future for discounts on products or free products. A best estimate is made of how many of the points issued will be redeemed by consumers and what the expected redemption mix will be. Revenue is deferred at the time of the initial purchase, until the moment that consumers use the points for the discount or free products.



### Accounting policies

The net revenue consists of the income from the provision of goods and services, including catering, to consumers and retail, less discounts and excluding taxes levied on revenue. Revenue is recognized based on a five step model. Revenue from goods and services provided is recognized at an amount that reflects the consideration to which Jumbo expects to be entitled.

The net revenue from goods/service provision to consumers is recognised when the performance obligation has been met and control has been transferred to the consumer. For goods which are sold in our stores, revenue is recognized upon settlement by consumers at the cash register.

The net revenue from goods/service provision to franchisees and third parties is recognised upon delivery from the distribution centres or delivery from suppliers. Income from services is recognised prorated to the degree to which the services have been performed, based on the costs incurred up to the balance sheet date in the context of the service provision as a proportion of the estimated costs of the total service provision to be performed. The cost price of these services is attributed to the same period. Under our customer program Jumbo Extra's, consumers can save points that can be redeemed in the future for discounts on products or free products. These points are issued when a consumer purchases goods and represent a separate performance obligation that provides a substantial entitlement to future discounts or free products. The total consideration is allocated to the Jumbo Extra's points and the products sold based on their relative stand-alone sales prices. Revenue is recognized when points are redeemed by the consumer.

## 2. Cost of sales

The cost of sales consists of:

	2022	2021
Cost of inventories	(6,174,592)	(5,946,895)
Other costs	(635,803)	(569,056)
	<b>(6,810,395)</b>	<b>(6,515,951)</b>

The cost of sales in relation to net sales remained stable in percentage terms compared to last year.



### Estimates and judgments

When vendor allowances cannot be specifically identified in the purchase price of products, this requires the application of estimates on the timing of when performance obligations have been fulfilled, the volume of purchases that will be made during a period of time, the product remaining in ending inventory, and the probability that funds can be collected from vendors. Using these estimates, earned vendor allowances are allocated between cost of sales and inventory based upon the amount of related product that was sold and the amount that remains in ending inventories. This practice is based upon the turnover of the inventories.



### Accounting policies

The cost of sales includes the acquisition price of the goods supplied less the vendor allowances realised. The cost of sales also includes the costs associated with operating the distribution centres, including transport to the stores. Also included are the depreciation costs for right-of-use assets, where these relate to distribution centres.

## 3. Employee benefits

The employee benefits are recognised in the income statement under the financial statements items cost of sales, selling costs and general and administrative costs. Employee benefits consist of:

	2022	2021
Salaries	(561,801)	(541,488)
Social security contributions	(101,307)	(88,441)
Pension costs based on defined benefit plans	(297)	40
Pension costs based on defined contribution plans	(45,818)	(42,713)
Other employee benefits	(14,931)	(20,582)
	<b>(724,154)</b>	<b>(693,184)</b>

Jumbo employed an average of 15,756 full-time equivalents in 2022 (2021: 15,970), 613 of whom (2021: 468) were employed outside of the Netherlands.

The increase in employee benefits relates to salary increases and a temporary reduction in social insurance contributions in 2021.

## 4. Other operating income

The other operating income consists of:

	2022	2021
Sublease income real estate	121,998	110,538
Movement in fair value of derivative financial instruments	-	303
Services provided to franchisees	13,752	12,279
Proceeds from disposal of real estate	-	5,611
Proceeds from disposal of interests	-	12,609
Other	14,385	30,229
	<b>150,135</b>	<b>171,569</b>

The decrease in other operating income relates to one-off proceeds in 2021 from the sale of real estate and the book result from the acquisition and subsequent sale of the shares in Coback B.V. and its subsidiary HEMA Bakkerijen B.V. (Proceeds from disposal of interests). Furthermore the proceeds from delivering store and catering operations to franchisees and proceeds in connection with the sale of assets decreased (included under Other), while sublease income from real estate increased compared to 2021.

The fair value movement in derivative financial instruments is included in 2022 under financial income and expenses. Reference is made to note 8.



### Accounting policies

Other operating income includes proceeds which are not directly attributable to the provision of goods or service in the ordinary, non-incident course of business. These proceeds are recognized in the reporting period in accordance with the underlying agreements.

Income from sublease contracts that can be classified as operational leases is recognised under other operating income. Jumbo's general principle is not to own real estate for store locations. Rental income from real estate therefore only relates to income from sublease agreements, mainly with entrepreneurs where Jumbo acts as the lessor.

The other operating income also includes the compensation charged to franchisees and other buyers for services provided. This also includes the income received for delivering store and catering operations to franchisees, income in connection with the sale of assets and the delivery of store and catering operations to third parties.

## 5. Selling costs

Selling costs consist of:

	2022	2021
Employee benefits expense	(471,259)	(462,361)
Depreciation/amortisation costs	(294,382)	(279,380)
Marketing costs	(87,080)	(103,372)
Other selling costs	(119,926)	(117,322)
	<b>(972,647)</b>	<b>(962,435)</b>

Other selling costs mainly relate to housing costs, including energy, cleaning and maintenance costs.

Selling costs increased due to higher employee benefits and other employee-related costs (see note 3), higher depreciation costs of right-of-use assets due to newly opened store locations and inflation-related cost increases, including higher energy and housing costs, partly offset by lower marketing expenses.



## Accounting policies

The selling costs consist of the costs directly and indirectly related to the sale of goods and services, including catering. This includes the costs relating to the operation of the company's own stores and the costs incurred by the head office to support the sales activities, including marketing costs for the stores and the franchisees. Also included are the depreciation costs for right-of-use assets, where these relate to store locations.

## 6. General and administrative costs

The general and administrative costs consist of:

	2022	2021
Employee benefits expense	(94,265)	(77,053)
Depreciation/amortisation costs	(27,594)	(26,735)
Maintenance expenses	(41,926)	(33,025)
Lease expense real estate	(8,097)	(6,800)
Other general and administrative expenses	(87,696)	(63,353)
	<b>(259,578)</b>	<b>(206,966)</b>

The general and administrative costs relate mainly to the costs of the head office, including personnel costs, ICT costs and other indirect costs.

The increase in general and administrative costs is related to an increase in employee benefits and other employee-related costs (see note 3), costs incurred to make Jumbo future proof and inflation-related cost increases.

The fees for external auditor PricewaterhouseCoopers Accountants N.V. ('PwC') which were charged to the income statement (attributed to the relevant financial year) can be summarised as follows:

	2022	2021
Audit of the financial statements	(627)	(512)
Other audit engagements	(16)	(12)
Tax consultancy services	-	-
Other non-audit services	-	-
	<b>(643)</b>	<b>(524)</b>

In 2022, the costs incurred in relation to the other PwC network amount to € 95 (2021: € 139).



## Accounting policies

The general and administrative costs include the costs incurred in the context of managing the activities of Jumbo. Also included are the depreciation costs for right-of-use assets, where these relate to locations which are neither distribution centres nor store locations.

## 7. Impairments

The impairments can be specified as follows:

1. **Impairment losses**
2. **Reversal of impairments**

	2022			2021		
	1	2	Total	1	2	Total
Goodwill and brand names	-	-	-	-	-	-
Other intangible fixed assets	(14,569)	1,364	(13,205)	(6,350)	266	(6,084)
Tangible fixed assets	(8,379)	4	(8,375)	(3,422)	-	(3,422)
Right-of-use assets	(4,307)	1,990	(2,317)	(8,015)	2,567	(5,448)
Assets held for sale	(567)	-	(567)	(203)	594	391
	<b>(27,822)</b>	<b>3,358</b>	<b>(24,464)</b>	<b>(17,990)</b>	<b>3,427</b>	<b>(14,563)</b>

The impairment losses and reversals during the financial year can be explained as follows:

### Goodwill and brand names

The recoverable amounts, i.e. the values in use, of the cash flow-generating units that have been defined for the other items under goodwill and brand names, as stated above, are substantially higher than the carrying amounts for the goodwill and brand names. The carrying amount of the goodwill acquired in previous acquisitions allocated to the cash flow-generating unit Jumbo Netherlands amounts to €754,223 and to the cash flow-generating unit Jumbo Belgium amounts to € 6,490. The carrying amount of the La Place brand name totals €32,059 and is attributed to the La Place cash flow-generating unit. Also refer to note 10.

### Other intangible fixed assets

The impairment losses and the reversals of the impairments related to locations. Also refer to note 10.

### Tangible fixed assets

The impairment losses and reversals for tangible fixed assets relate to structural facilities and fixtures and fittings (note 11).

### Right-of-use assets

The impairments on right-of-use assets of €4,307 (2021: €8,015) relate to Jumbo store locations and a La Place location. The reversal of impairments related to the right-of-use assets for a sum of €1,990 (2021: €2,567) relate to a Jumbo store location. See also note 12.



## Estimates and judgments

Goodwill acquired in a business combination is allocated to (groups of) cash-generating units that are expected to benefit from the business combination. Jumbo has defined its cash-generating units at the level of Jumbo Netherlands, Jumbo Belgium and La Place. For the right of exclusivity in relation to the cooperation agreement with HEMA, included in other intangible fixed assets, the cash flow-generating unit has been set at the level of Jumbo Supermarkets. For other intangible fixed assets, tangible fixed assets and right-of-use assets which cannot be assessed on the individual level, Jumbo has defined the cash flow-generating unit to be the related location.

The most important estimates made in determining the recoverable amount relate to the revenue multiple to be used, the discount rate, the remaining useful life and the growth percentage included in the cash flow forecasts, the operational costs and the estimates of the future margins to be achieved as well as the residual value of the assets (if applicable). The effects of rising inflation are included in the determination of the recoverable amount of the cash-generating units. The further growth of Jumbo Belgium with several shops per year and positive cash flows in the near future is also included as an assumption.

In determining the size of an impairment loss, developments in the market area corresponding to a location are also taken into account. The estimated future cash flows, which are used in calculating the value in use, are discounted based on the weighted average cost of capital of 6.0% (2021: 4.0%) after taxes, which corresponds to 10.1% (2021: 7.5%) before taxes for The Netherlands and 6.5% (2021: 4.5%) after taxes and 10.0% (2021: 8.0%) before tax for Belgium. The growth rate and the allocated operational expenses used in future cash flows are related to Jumbo's strategic plan and the future expectations for the particular store locations. The cash flow horizon to be used is equal to the remaining economic life. Jumbo assumes that a location will contribute to the operation of the Jumbo formula for twenty years, unless it is known that the location will be sold or closed in the near future. In calculating any impairment losses, the replacement investments, working capital developments and any residual value of tangible fixed assets are taken into account in relation to the cash flows.

The valuation models have been applied consistently. Reasonable, possible changes in the assumptions of the recoverable amount calculated as of the end of the year, such as a 0.5% increase in the discount rate in the final value calculation, a 0.5% decrease in the growth rate, or a decrease of the calculated revenue multiple of 1 also do not result in material impairments other than as mentioned above. It has also been concluded that there is enough headroom in the calculations, which is why no detailed sensitivity analysis is included.



## Accounting policies

Goodwill and brand names are subjected annually to a so-called impairment test, whereby it is determined whether an impairment needs to be recognized. An impairment is recognised if the recoverable amount of an asset is lower than the carrying amount; the recoverable amount is the higher of the fair value less cost to sell and the value in use, which is the present value of the estimated future cash flows that could be generated from use of the fixed asset.

For the other intangible fixed assets, tangible fixed assets and right-of-use assets, an assessment is made at least once a year to determine whether there are indications that an individual fixed asset may be subject to impairment. If such indications are present, the recoverable amount of the relevant asset or cash-generating unit to which the asset belongs is determined.

If the impairment test results in an impairment loss, the impairment loss is allocated first to reduce the carrying amount of the goodwill and brand names of the cash generating unit, before the impairment loss is allocated to the other fixed assets.

An impairment is recognised in the income statement. In the reporting periods subsequent to an impairment, the company assesses whether there are indications that an impairment that has been recognised in relation to a fixed asset may have to be reversed. If there are such indications, the recoverable amount of that asset is recalculated and the carrying amount is increased to the recoverable amount. The increase in the carrying amount due to the reversal of an impairment is limited to the carrying amount that would apply for the asset if the original impairment had not been taken. Reversals of impairments are recognised in the income statement. Impairments in relation to goodwill are not reversed.

## 8. Financial income and expenses

The financial income and expenses can be specified as follows:

	2022	2021
<b>Financial income</b>		
Interest income on leases	121	146
Movement in fair value of derivative financial instruments	6,204	-
Other interest income and similar proceeds	5,077	1,589
	<b>11,402</b>	<b>1,735</b>
<b>Financial expenses</b>		
Interest on lease liabilities	(28,350)	(30,455)
Interest on loans from credit institutions	(4,830)	(3,876)
Interest on defined benefit pension plan	(77)	(34)
amortisation financing fee	(445)	(399)
Other interest expense and similar costs	(2,985)	(3,042)
	<b>(36,687)</b>	<b>(37,806)</b>
<b>Balance at end of financial year</b>	<b>(25,285)</b>	<b>(36,071)</b>

The fair value movement of derivative financial instruments was recognized in 2021 (€ 303) under other operating income, see note 4. These proceeds increased compared to the previous financial year as a result of changed (financial) market conditions.

The other interest income and similar proceeds includes an amount of € 3,972 (2021: nil) related to an increase in the discount rate applied to the other employee benefit obligations (note 21). This increase compared to the previous financial year is caused by a change in the (financial) market conditions, as a result of which market interest rates have risen.



## Accounting policies

The financial income is the interest income on invested funds and interest income on financial subleases and the increases in the fair value of derivative financial instruments, to the extent these are recognised in the result. The financial expenses include the interest expense on loans and borrowings, interest on lease liabilities related to right-of-use assets, financing costs on provisions and liabilities and decreases in the fair value of derivative financial instruments, to the extent these are recognised in the result. Financial income and expenses are recognised in the income statement on the basis of the effective interest method.

## 9. Taxes

### Tax charges

The tax charges consist of:

	2022	2021
Current tax expense	(29,791)	(39,863)
Deferred tax income/(expense)	18,368	(204)
<b>Taxes</b>	<b>(11,423)</b>	<b>(40,067)</b>

The reconciliation between the nominal tax rate and the effective tax rate is as follows:

	2022		2021	
Result before taxes		91,103		154,332
Nominal tax rate	-25.8%	(23,518)	-25.0%	(38,574)
Rate changes	9.4%	8,517	-3.8%	(5,860)
Other corrections	4.0%	3,632	2.7%	4,191
Adjustments to previous years	-0.1%	(53)	0.1%	176
<b>Effective tax rate / Taxes</b>	<b>-12.5%</b>	<b>(11,423)</b>	<b>-26.0%</b>	<b>(40,067)</b>

The rate changes relate to the effect of the tax credit of the innovation box (Wet Vennootschapsbelasting). The innovation box tax rate is 9% compared to the nominal tax rate of 25.8%. The deferred tax liabilities as of year-end 2022 are stated at the adjusted rates for the innovation box.

The other corrections mainly relate to permanent differences caused by the innovation box and tax carry forward tax losses of J&C Acquisition Holding B.V. The share holdings in J&C Acquisition Holding B.V. has been expanded to 100% as of December 30, 2022, with Jumbo expecting to be able to offset the losses in the future. The other corrections in 2021 mainly relate to permanent differences in the participation exemption and the innovation box. The adjustments of previous years are corrections based on the final tax returns filed.

## Deferred tax assets and liabilities

The deferred tax assets and liabilities are netted in the balance sheet per tax jurisdiction and are predominantly long term in nature. The movements in deferred tax assets at year-end 2022 consist of claims against the Belgian tax jurisdiction (2021: same). The movements in the deferred tax assets were as follows:

	2021		Movements during the financial year		2022	
	Receivable	Liability	Through income statement	Through OCI	Receivable	Liability
Intangible fixed assets	161	-	(201)	-	(40)	-
Tangible fixed assets	416	-	(416)	-	-	-
Right-of-use assets	-	(12,252)	(799)	-	-	(13,051)
Pensions and other employee benefit obligations	16	-	262	(77)	201	-
Lease liabilities	12,317	-	778	-	13,095	-
Other assets and liabilities	1	-	(1)	-	-	-
Carry forward losses	3,415	-	1,784	-	5,199	-
Netting of deferred receivables and liabilities	(12,252)	12,252	-	-	(13,051)	13,051
<b>Net deferred tax assets</b>	<b>4,074</b>	<b>-</b>	<b>1,407</b>	<b>(77)</b>	<b>5,404</b>	<b>-</b>

The deferred tax liabilities at year-end 2022 consist of liabilities to the Dutch and German tax jurisdictions (2021: same). The movements in the deferred tax liabilities were as follows:

	2021		Movements during the financial year		2022	
	Receivable	Liability	Through income statement	Through OCI	Receivable	Liability
Intangible fixed assets	(3,726)	205,136	(10,162)	-	(12,797)	204,045
Tangible fixed assets	(3,697)	2,370	300	-	(2,245)	1,218
Right-of-use assets	-	636,538	(20,310)	-	-	616,228
Financial fixed assets	-	2,578	975	-	-	3,553
Pensions and other employee benefit obligations	(3,423)	-	1,949	815	(659)	-
Provisions	-	3,310	(1,105)	-	(1,231)	3,436
Lease liabilities	(652,822)	-	19,427	-	(633,395)	-
Non-current liabilities	(6,289)	-	(846)	-	(7,135)	-
Other assets and liabilities	(2,639)	71	400	-	(2,579)	411
Reinvestment reserve	-	10,438	(6,093)	-	-	4,345
Loss compensation	-	-	(1,495)	-	(1,495)	-
Balance of deferred receivables and liabilities	672,596	(672,596)	-	-	661,536	(661,536)
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>187,845</b>	<b>(16,961)</b>	<b>815</b>	<b>-</b>	<b>171,700</b>

The deferred tax liabilities for the Dutch tax jurisdiction as of the end of 2022 are recognised on balance at the adjusted tax rate of 25.8% (2021: 25.8%), taking into account the effect of the lower tax rate for the innovation box tax credit which runs to 2027.

The current portions of the deferred tax assets and deferred tax liabilities are € 2,884 (2021: € -171) and € 30,613 (2021: € 33,024) respectively.

The movement in the deferred taxes in the statement of comprehensive income concerns the tax on the actuarial results on the defined benefit plans of €738 (2021: € -530).



### **Current tax assets and liabilities**

The current (immediate) tax assets and liabilities relate to the tax positions of the relevant business units, consisting of tax years not yet settled, with deduction of input taxes or provisional refunds.

### **Fiscal unity**

At the end of the 2022 financial year, all the Dutch group companies included in the consolidation were included in Koninklijke Jumbo Food Groep B.V.'s fiscal unity for value added tax from the moment of incorporation or acquisition, with the exception of Euroselect B.V.

At the end of the 2022 financial year, all the Dutch group companies included in the consolidation were included in Koninklijke Jumbo Food Groep B.V.'s fiscal unity for income tax from the moment of incorporation or acquisition.

Because of their inclusion in a fiscal unity, the group companies of Koninklijke Jumbo Food Groep B.V. are each jointly and severally liable for the tax debts of the particular fiscal unity.



## **Estimates and judgments**

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Jumbo has made estimates in determining its current and deferred tax positions. New information may become available that causes Jumbo to change its estimates. Such changes to deferred tax positions will impact the income tax expense in the period in which the change is made.

Deferred tax assets, with the inclusion of those deferred tax assets arising from losses carried forward, are recognised if, based on the current information available, it is probable that the asset will be realised in the future. Deferred tax assets are revised and lowered each year on the reporting date if it is no longer probable that the related tax benefits can be realised.



## **Accounting policies**

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The taxes on result of the reporting year consist of the corporate income tax due or to be received on the commercial result, taking into account elements of the result which are tax exempt. Income tax is recognised in the income statement unless it relates to items recognised in the statement of comprehensive result, in which case the tax is recognised in the statement of comprehensive result.

Deferred tax assets and liabilities are recognised as temporary differences between the value of the assets and liabilities according to the valuation principles and principles for determining the result used in these financial statements, on the one hand, and the tax regulations, on the other. The deferred tax assets and liabilities are calculated at the tax rates known at the end of the reporting year, at which future settlement is expected to take place. Deferred tax assets and liabilities are measured at their nominal value.

The current tax expense or benefit for the financial year is the expected tax payable on the income before taxes of the financial year, calculated using tax rates determined on the report date, and any corrections to the income tax payable of previous years.

## 10. Intangible fixed assets

The movements in the intangible fixed assets for 2022 were as follows:

1. **Goodwill**
2. **Brand names**
3. **Locations**
4. **(Internally developed) software**
5. **Miscellaneous**

	1	2	3	4	5	Total 2022
<b>Balance at start of financial year</b>						
Acquisition value	761,340	32,059	1,203,895	393,816	59,519	2,450,628
Cumulative amortisation	-	-	(547,208)	(165,124)	(38,434)	(750,765)
<b>Carrying amount at start of financial year</b>	<b>761,340</b>	<b>32,059</b>	<b>656,687</b>	<b>228,692</b>	<b>21,085</b>	<b>1,699,863</b>
<b>Movements during the financial year</b>						
Investments	-	-	21,226	99,380	949	121,555
Acquisitions through business combinations	-	-	15,302	-	-	15,302
Divestments	-	-	(527)	-	-	(527)
Transfers to assets held for sale	-	-	(6,173)	-	-	(6,173)
Amortisation	-	-	(55,824)	(73,929)	(5,404)	(135,157)
Impairments	-	-	(13,949)	(620)	-	(14,569)
Reversal of impairments	-	-	1,364	-	-	1,364
	-	-	<b>(38,581)</b>	<b>24,831</b>	<b>(4,455)</b>	<b>(18,205)</b>
<b>Balance at end of financial year</b>						
Acquisition value	761,340	32,059	1,230,901	484,360	57,804	2,566,464
Cumulative amortisation	-	-	(612,795)	(230,837)	(41,174)	(884,806)
<b>Carrying amount at end of financial year</b>	<b>761,340</b>	<b>32,059</b>	<b>618,106</b>	<b>253,523</b>	<b>16,630</b>	<b>1,681,658</b>

The movements in the intangible fixed assets for 2021 were as follows:

	1	2	3	4	5	Total 2021
<b>Balance at start of financial year</b>						
Acquisition value	754,285	32,059	1,182,477	334,460	81,963	2,385,244
Cumulative amortisation	-	-	(489,423)	(147,763)	(54,766)	(691,952)
<b>Carrying amount at start of financial year</b>	<b>754,285</b>	<b>32,059</b>	<b>693,054</b>	<b>186,697</b>	<b>27,197</b>	<b>1,693,292</b>
<b>Movements during the financial year</b>						
Investments	-	-	9,623	101,031	1,581	112,235
Acquisitions through business combinations	6,641	-	19,313	-	-	25,954
Transfers within intangible fixed assets	414	-	(414)	-	-	-
Transfers to tangible fixed assets	-	-	(187)	-	-	(187)
Transfers to assets held for sale	-	-	(3,409)	-	-	(3,409)
Amortisation	-	-	(55,209)	(59,036)	(7,693)	(121,938)
Impairments	-	-	(6,351)	-	-	(6,351)
Reversal of impairments	-	-	266	-	-	266
	<b>7,055</b>	<b>-</b>	<b>(36,367)</b>	<b>41,995</b>	<b>(6,112)</b>	<b>6,571</b>
<b>Balance at end of financial year</b>						
Acquisition value	761,340	32,059	1,203,895	393,816	59,519	2,450,628
Cumulative amortisation	-	-	(547,208)	(165,124)	(38,434)	(750,765)
<b>Carrying amount at end of financial year</b>	<b>761,340</b>	<b>32,059</b>	<b>656,687</b>	<b>228,692</b>	<b>21,085</b>	<b>1,699,863</b>

Goodwill was recognised as a result of the acquisition of Super de Boer, C1000, EMTÉ and other supermarkets. Furthermore, the La Place brand name, acquired in the takeover of La Place in 2016, is recognised under brand names.

The acquisitions of locations through business combinations during 2022 mainly concern a number of Belgian locations. These transactions only involved the acquisition of activities and no share purchases. In these transactions only locations were acquired and recognized. No goodwill was recognized.

As a result of a change in the total consideration of the cooperation agreement with HEMA B.V. in 2021 there was a change in estimate last year. This change is recorded negatively in the investments of the locations and other intangible fixed assets in 2021 through adjustments of € 7,300 and € 4,500 respectively.

Included in the other intangible fixed assets is the exclusivity right with regard to the cooperation agreement with HEMA.

For further explanation of the recognition and reversal of impairment losses, refer to note 7.



## Estimates and judgments

Intangible fixed assets are amortised over the expected useful life of the assets. The amortisation rates applied for intangible fixed assets at initial recognition are:

Goodwill	0%
Brand names	0%
Locations	5% - 20%
(Internally-developed) software	20%
Miscellaneous	10% - 20%

For costs of internally developed software a distinction is made between research costs and development costs. Development phase costs are recognized as an intangible asset if the criteria for capitalisation are met.



## Accounting policies

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### Goodwill

Goodwill is calculated as the difference between the consideration paid for acquisitions and the fair value of the assets and liabilities acquired (taking into account the valuation of locations). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

At the time of acquisition, goodwill is allocated to the cash generating unit that is expected to benefit from the business combination. Jumbo defined cash generating units on the level of Jumbo Netherlands, Jumbo Belgium and La Place.

### Brand names

The valuation of the brand names acquired is based on the so-called discounted cash flow method using estimated future free cash flows. After initial recognition, brand names are measured at cost less any accumulated impairment losses. Brand names are not amortised, since the applicable brand names will be actively used in the current and future business operations.

### Locations

Locations are measured at the amount of the costs incurred, less any accumulated amortisation and accumulated impairment losses. Considerations paid to acquire new locations are capitalised to the extent that associated future economic benefits are expected to flow to Jumbo and Jumbo has control over the capitalised assets. The valuation of locations acquired is based on the so-called discounted cash flow method. Locations are amortised on a straight-line basis assuming an expected useful life of 5 to maximum 20 years without a residual value. Key money paid for the acquisition of new locations is also included under locations. These down payments are amortised from store opening at these locations.

### (Internally developed) software

Costs of (internally developed) software are capitalised if the criteria for capitalisation are satisfied. Capitalised software is amortised on a straight-line basis from initial recognition over the estimated useful life and expensed to the profit or loss, less any accumulated impairment losses.

Implementation and configuration expenses related to Software as a Service (SaaS) cloud solutions are capitalised if the criteria for capitalisation are satisfied.

### Other intangible fixed assets

The other intangible fixed assets consist of contributions provided to entrepreneurs and software purchased from third parties. The contributions to entrepreneurs are capitalised to the extent the associated future economic benefits are expected to flow to Jumbo. Costs relating to software purchased from third parties are capitalised if the criteria for capitalisation are satisfied.

After initial recognition, capitalised other intangible fixed assets are measured at cost less any accumulated amortisation and accumulated impairment losses. Other intangible fixed assets are amortised on a straight-line basis from initial recognition over the estimated useful life and expensed to the profit or loss.

## 11. Tangible fixed assets

The movements in the tangible fixed assets for 2022 were as follows:

1. Land and buildings
2. Structural facilities
3. Fixtures and fittings
4. Other fixed operating assets
5. Assets under construction

	1	2	3	4	5	Total 2022
<b>Balance at start of financial year</b>						
Acquisition value	11,118	503,993	527,893	36,953	20,622	1,100,579
Cumulative depreciation	(1,502)	(212,776)	(329,952)	(28,194)	-	(572,424)
<b>Carrying amount at start of financial year</b>	<b>9,616</b>	<b>291,217</b>	<b>197,941</b>	<b>8,759</b>	<b>20,622</b>	<b>528,155</b>
<b>Movements during the financial year</b>						
Investments	-	61,601	78,271	9,845	5,365	155,082
Acquisitions through business combinations	-	1,081	201	-	-	1,282
Divestments	-	(242)	(2,276)	(19)	(4)	(2,541)
Transfers within tangible fixed assets	-	18,019	819	453	(19,291)	-
Transfers to assets held for sale	-	(445)	(153)	3	-	(595)
Depreciation	(287)	(44,646)	(66,791)	(4,108)	-	(115,832)
Impairments	-	(5,921)	(2,444)	-14	-	(8,379)
Reversal of impairments	-	4	-	-	-	4
	<b>(287)</b>	<b>29,451</b>	<b>7,627</b>	<b>6,160</b>	<b>(13,930)</b>	<b>29,021</b>
<b>Balance at end of financial year</b>						
Acquisition value	11,118	562,082	581,884	41,713	6,692	1,203,489
Cumulative depreciation	(1,789)	(241,414)	(376,316)	(26,794)	-	(646,313)
<b>Carrying amount at end of financial year</b>	<b>9,329</b>	<b>320,668</b>	<b>205,568</b>	<b>14,919</b>	<b>6,692</b>	<b>557,176</b>

The movements in the tangible fixed assets for 2021 were as follows:

	1	2	3	4	5	Total 2021
<b>Balance at start of financial year</b>						
Acquisition value	7,892	468,403	490,996	35,153	11,995	1,014,439
Cumulative depreciation	(1,312)	(191,668)	(305,328)	(26,428)	-	(524,736)
<b>Carrying amount at start of financial year</b>	<b>6,580</b>	<b>276,735</b>	<b>185,668</b>	<b>8,725</b>	<b>11,995</b>	<b>489,703</b>
<b>Movements during the financial year</b>						
Investments	3,226	57,024	75,453	3,436	17,569	156,708
Acquisitions via business combinations	-	1,169	1,663	-	-	2,832
Divestments	-	(388)	(2,118)	(12)	-	(2,518)
Disposals	-	(3,680)	(2,610)	(29)	-	(6,319)
Transfers within tangible fixed assets	-	4,686	4,147	109	(8,942)	-
Transfers to intangible fixed assets	-	187	-	-	-	187
Transfers to assets held for sale	-	(1,349)	(669)	(29)	-	(2,047)
Depreciation	(190)	(40,580)	(62,758)	(3,440)	-	(106,968)
Impairments	-	(2,587)	(835)	0	-	(3,422)
	<b>3,036</b>	<b>14,482</b>	<b>12,273</b>	<b>35</b>	<b>8,627</b>	<b>38,453</b>
<b>Balance at end of financial year</b>						
Acquisition value	11,118	503,993	527,893	36,953	20,622	1,100,579
Cumulative depreciation	(1,502)	(212,776)	(329,952)	(28,194)	-	(572,424)
<b>Carrying amount at end of financial year</b>	<b>9,616</b>	<b>291,217</b>	<b>197,941</b>	<b>8,759</b>	<b>20,622</b>	<b>528,155</b>

Some of the assets recognised in the category fixtures and fittings are leased to franchisees. The carrying amount of these assets at the end of 2022 is € 20,364 (2021: € 15,938). The leased assets include cash registers, scales, scanners, hand terminals and card payment equipment. The increase in 2022 compared to 2021 mainly relates to the addition of digital screens.

For further explanation of the recognition and reversal of impairment losses, refer to note 7.



## Estimates and judgments

Tangible fixed assets are depreciated over their estimated useful lives. The depreciation rates applied for tangible fixed assets are:

Land and buildings	0% - 4%
Structural facilities	10%
Fixtures and fittings	10% - 33.3%
Other fixed operating assets	10% - 33.3%
Assets under construction	0%



## Accounting policies

### Land & Buildings

Land and buildings are valued at acquisition cost less any accumulated straight-line depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis from the date of commissioning, taking into account any residual value. Land is not depreciated.

### Other tangible fixed assets

Other tangible fixed assets, including leasehold improvements, equipment and installations and other fixed operating assets, are valued at acquisition cost, less any accumulated depreciation and accumulated impairments. The depreciation is based on the estimated useful life and is calculated based on a fixed percentage of the acquisition price, taking into account any residual value. The asset is depreciated from the date of commissioning.

Costs for large-scale maintenance are included in the carrying amount of the asset, with application of the component approach.

Depreciation charges for tangible fixed assets are recorded under cost of sales, selling costs and general and administrative costs.

## 12. Right-of-use assets

The movements in the right-of-use assets for 2022 were as follows:

1. Land and buildings
2. Vehicles
3. Other operating assets

	1	2	3	Total 2022
<b>Balance at start of financial year</b>				
Acquisition value	3,218,450	48,108	14,424	3,280,982
Cumulative depreciation	(749,302)	(27,255)	(2,232)	(778,789)
<b>Carrying amount at start of financial year</b>	<b>2,469,148</b>	<b>20,853</b>	<b>12,192</b>	<b>2,502,193</b>
<b>Movements during the financial year</b>				
Investments	59,835	10,159	652	70,646
Acquisitions via business combinations	8,447	-	-	8,447
Terminations	(13,622)	-	-	(13,622)
Transfers from and to finance leases	(1,593)	-	-	(1,593)
Transfers to assets held for sale	(1,666)	-	-	(1,666)
Depreciation	(255,244)	(10,844)	(1,341)	(267,429)
Remeasurements	135,033	-	(67)	134,966
Impairments	(4,307)	-	-	(4,307)
Reversal of impairments	1,990	-	-	1,990
	<b>(71,127)</b>	<b>(685)</b>	<b>(756)</b>	<b>(72,568)</b>
<b>Balance at end of financial year</b>				
Acquisition value	3,404,884	58,267	15,009	3,478,160
Cumulative depreciation	(1,006,863)	(38,099)	(3,573)	(1,048,535)
<b>Carrying amount at end of financial year</b>	<b>2,398,021</b>	<b>20,168</b>	<b>11,436</b>	<b>2,429,625</b>

The movements in the right-of-use assets for 2021 were as follows:

	1	2	3	Total 2021
<b>Balance at start of financial year</b>				
Acquisition value	3,034,229	41,063	9,061	3,084,353
Cumulative depreciation	(498,338)	(16,942)	(1,135)	(516,415)
<b>Carrying amount at start of financial year</b>	<b>2,535,891</b>	<b>24,121</b>	<b>7,926</b>	<b>2,567,938</b>
<b>Movements during the financial year</b>				
Investments	78,083	7,045	5,363	90,491
Acquisitions via business combinations	6,657	-	-	6,657
Terminations	(8,755)	-	-	(8,755)
Transfers from and to finance leases	(2,509)	-	-	(2,509)
Transfers to assets held for sale	(4,506)	-	-	(4,506)
Depreciation	(245,516)	(10,313)	(1,097)	(256,926)
Remeasurements	116,191	-	-	116,191
Impairments	(8,015)	-	-	(8,015)
Reversal of impairments	2,567	-	-	2,567
Deferred result from sale and leaseback contracts	(940)	-	-	(940)
	<b>(66,743)</b>	<b>(3,268)</b>	<b>4,266</b>	<b>(65,745)</b>
<b>Balance at end of financial year</b>				
Acquisition value	3,218,450	48,108	14,424	3,280,982
Cumulative depreciation	(749,302)	(27,255)	(2,232)	(778,789)
<b>Carrying amount at end of financial year</b>	<b>2,469,148</b>	<b>20,853</b>	<b>12,192</b>	<b>2,502,193</b>

### Land and buildings

The leases for Jumbo, La Place and other locations, including any related sites and car parks, are recognised in land and buildings.

The right-of-use assets also include leases pertaining to land and buildings that are not fully used for Jumbo's regular business operations. In those cases, real estate is rented out to third parties. The carrying amount of right-of-use assets relating to these rental agreements with third parties amounts to €32,519 (2021: €39,299), of which €16,587 (2021: €17,892) involves related parties.

### Vehicles

Lease contracts for passenger cars, home delivery vans and semi-trailers are included in means of transport.

### Other operating assets

Leases for paper balers and solar panels are recognised in other operating assets.

For further explanation of the recognition and reversal of impairment losses, refer to note 7. For an explanation of the related lease liabilities, refer to note 19; for off balance sheets assets, commitments and contingencies, refer to note 24.



## Estimates and judgments

For more information on estimates related to right-of-use assets reference is made to Note 19 Lease liabilities.





## Accounting policies

Jumbo has right-of-use assets relating to land and buildings, vehicles and other operating assets. Right-of-use assets are valued at cost, comprising the initial amount of the lease liabilities, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Payments by Jumbo in relation to leases at existing locations are recognized as an investment in right-of-use assets.

After initial recognition right-of-use assets are measured at cost less any accumulated straight-line depreciation and accumulated impairment losses, and adjusted for any remeasurements of lease liabilities. Right-of-use asset are depreciated from commencement date. The depreciation period has been set at a maximum of 15 years, which is equal to the expected term of each individual lease.

Jumbo holds several land and building properties that are not fully used for regular business operations. In those cases, Jumbo locations are subleased to third parties. The locations subleased to third parties generate rental income for Jumbo, but are retained because of the strategic importance of these locations for Jumbo's business operations. Jumbo's general principle is not to own real estate for store locations. The carrying amount of right-of-use assets relating to these kinds of sublease agreements with third parties is included as part of the right-of-use assets. Land and building properties subleased to entrepreneurs are considered part of the normal business operations as they contribute directly to Jumbo's business operations. The right-of-use assets relating to the subleases to third parties follow the valuation method applied to all right-of-use assets for land and buildings.

In the event of a so-called 'sale and leaseback' transaction in which Jumbo sells a building and then immediately leases it back and the sale has resulted in a gain, it is not permitted under IFRS 16 to immediately report this result in full in the income statement. For each transaction it is determined which part of the gain was realised and should be recognized in the income statement and which part of the gain should be recognized over the term of the new lease. Any losses that arise from a sale and leaseback transaction are directly recognized in the income statement.

The depreciation charges to the right-of-use assets are recognised under the cost of sales, selling costs and general and administrative costs.

## 13. Financial fixed assets

The financial fixed assets consist of:

	2022	2021
Loans provided	49,992	49,159
Prepaid contributions	60,049	45,492
Finance leases	8,459	10,331
Prepaid expenses	1,116	1,366
Fair value of derivative financial instruments	6,634	430
Other receivables	4,000	3,104
	<b>130,250</b>	<b>109,882</b>

The movements in the loans provided were as follows:

	2022	2021
<b>Gross balance at start of financial year</b>	<b>49,899</b>	<b>8,626</b>
New advances	5,001	97,031
Repayments received	(3,894)	(54,218)
Other movements	(247)	(1,540)
<b>Gross balance at end of financial year</b>	<b>50,759</b>	<b>49,899</b>
Provision	(767)	(740)
<b>Net balance at end of financial year</b>	<b>49,992</b>	<b>49,159</b>

The loans receivable are loans to entrepreneurs and other loans. An amount of €625 is expected to be repaid in 2023 on the loans to entrepreneurs. An amount of € 4,000 is expected to be repaid in 2023 on the other loans provided. Most of the loans to entrepreneurs are not interest bearing. The movements in present value are included under other movements. The movements in 2022 regarding the loan provision relate to an addition of € 574 and a release of € 547.

The movements in the prepaid contributions were as follows:

	2022	2021
<b>Gross balance at start of financial year</b>	<b>46,654</b>	<b>40,665</b>
New advances	34,990	18,322
Repayments received	(13,367)	(7,889)
Amortisation	(5,542)	(6,088)
Other movements	(1,800)	1,644
<b>Gross balance at end of financial year</b>	<b>60,935</b>	<b>46,654</b>
Write-down	(886)	(1,162)
<b>Net balance at end of financial year</b>	<b>60,049</b>	<b>45,492</b>

The prepaid amounts mainly concern contributions to entrepreneurs which are written off over the course of the term. The increase in new advances of prepaid contributions is temporary and is explained by an increase in the number of ongoing projects.

The movements in the finance leases were as follows:

	2022	2021
<b>Carrying amount at start of financial year</b>	<b>10,331</b>	<b>10,177</b>
Transfers from and to right-of-use assets	1,593	2,509
Remeasurements	141	175
Terminations	(2,212)	(1,305)
Repayments received	(1,515)	(1,307)
Interest charge	121	82
<b>Carrying amount at end of financial year</b>	<b>8,459</b>	<b>10,331</b>

The finance leases expire as follows:

	2022	2021
Terms expiring within 1 year	1,177	1,085
Terms expiring in 1 to 5 years	4,707	3,698
Terms expiring after 5 years	2,575	5,548
	<b>8,459</b>	<b>10,331</b>



## Estimates and judgments

Changes in the present value of loans provided are calculated using a discount rate of 5.2% (2021: 2.6%), consisting of the risk-free rate plus a risk premium. This increase compared to the previous financial year is caused by a change in the (financial) market conditions, as a result of which market interest rates have risen.

Finance leases are lease contracts where Jumbo subleases 75% of the lease term or more to third parties and whereby Jumbo passes on the lease conditions on a one-on-one basis in the sublease conditions. This makes Jumbo a lessor. Furthermore, Jumbo holds property leases which are subleased to entrepreneurs. Jumbo has assessed and concluded that these subleases are classified as operational lease contracts, as the risks and rewards of the leased properties are attributed to Jumbo.

For more information on the estimates related to leases, reference is made to Note 19 Lease liabilities.



## Accounting policies

Financial assets are classified as debt instruments, derivatives (derivative financial instruments) and equity instruments. Upon initial recognition, the financial fixed assets are measured at fair value. Depending on the classification, financial assets are subsequently measured at amortised cost, at fair value with movements recognised in the consolidated statement of comprehensive income or at fair value with movements in the income statement.

In relation to debt instruments, the classification is assessed based on the 'business model test' and the 'Solely Payments of Principal and Interest' test (hereafter: SPPI test). In the 'business model test', the company reviews whether debt instruments are held to collect the contractual cash flows or if the contractual cash flows are held so that they can be collected and subsequently sold. If this is the case, the SPPI test is performed to determine whether the cash flows generated are exclusively caused by payments of the principal and interest. Depending on the business model, the outcome of the SPPI test and the existence of options that must be valued at fair value, the amortised cost price method or fair value method is applied.

The financial assets stated at amortised cost are loans provided, prepaid amounts, finance leases (included in financial fixed assets) and trade debtors and other receivables.

The loans provided are initially recognised at fair value and subsequently measured at amortised cost after deduction of any provisions for uncollectability that are deemed necessary.

The prepaid contributions are measured at fair value upon initial recognition, and are subsequently measured at amortised cost, with deduction of impairments deemed necessary in the event of cash flow set-backs expected in future years. The periodic releases of the prepaid contributions are charged directly to revenue.

Finance leases are recognised initially at fair value and subsequently measured at amortised cost after deduction of any provisions for uncollectability that are deemed necessary. The rent receipts during the financial year are deducted from this item. These cash flows are discounted and the interest revenue is recognised in the income statement.

## 14. Assets and liabilities held for sale

The assets and liabilities held for sale comprise:

	2022	2021
<b>Assets held for sale</b>		
Intangible fixed assets	1,081	3,839
Tangible fixed assets	3,977	8,984
Right-of-use assets	3,391	4,506
	<b>8,449</b>	<b>17,329</b>
<b>Liabilities held for sale</b>		
Lease liabilities	<b>3,478</b>	<b>4,754</b>
	<b>3,478</b>	<b>4,754</b>

### Acquisition and sale of Jan Linders Supermarkten locations

On 3 November 2021 Jumbo and Jan Linders Supermarkten agreed a to an exchange of several store locations in the provinces Limburg and North Brabant. Under this agreement, Jumbo will acquire two locations from Jan Linders Supermarkten. Jan Linders Supermarkten will acquire four locations from Jumbo. In addition, Jan Linders will acquire one Jumbo location in connection with Jumbo's relocation to another store location. The assets and liabilities of the locations that will be transferred to Jan Linders Supermarkten are included in the financial statements as assets and liabilities held for sale. In 2022, three of the planned five locations were transferred to Jan Linders.

The proceeds from the sale of assets held for sale are recognized as other operating income. Refer to note 4.



## Accounting policies

Fixed assets or groups of assets are designated as 'held for sale' if it is highly likely that the carrying amount will be recovered primarily through a sale transaction within 12 months rather than through continuing use.

The assets held for sale are valued at the lower of carrying amount or fair value, less costs to sell. Any impairments required are recognised in the income statement. Assets held for sale are not depreciated or amortised once classified as held for sale. Liabilities related to the assets held for sale are classified separately as liabilities held for sale.

## 15. Inventories

The inventories consist primarily of trade goods and packaging.

The carrying amount of the inventory of trade goods that is valued at lower net realisable value totals € 11,898 (2021: € 13,998), taking into account selling costs still to be incurred. The provision in the inventories valuation includes the write-down to fair value. The movements in the provision are recognised via the income statement.



### Accounting policies

The inventories consist primarily of trade goods and packaging and are valued at the lower of cost and net realisable value. This lower net realisable value is determined by individual assessment of the inventories. Cost of inventories encompasses the last known purchase price and directly attributable additional costs, including transport costs, less the directly attributable supplier contributions.

The net realisable value is the estimated selling price in the ordinary course of business less the costs that still need to be incurred, such as selling costs. Valuation at the last known purchase price can result in unrealised gains. Given the high turnover rate of inventories, the impact on the overall valuation is negligible. As such, this valuation does not differ significantly from the first-in, first-out method.

## 16. Trade debtors and other receivables

The trade debtors and other receivables consist of:

	<b>2022</b>	<b>2021</b>
Trade debtors	372,724	323,634
Receivables from subsequent payments	3,843	3,350
Prefinancing real estate	32,797	18,152
Prepayments and accrued income	25,824	56,004
	<b>435,188</b>	<b>401,140</b>

The trade debtors include a provision for bad debts of € 7,044 (2021: € 3,384).

At year-end 2022, the trade debtors included receivables from related parties of € 41 (2021: € 33), for which no provision for bad debts has been recognised (in line with 2021).

The receivables from subsequent payments are receivables from entrepreneurs regarding payments arrangements that will be received in the upcoming year. No reliable estimate can be made of the receipts for the subsequent years and for this reason, no receivable has been recognised.

The prefinancing is prefinancing for real estate that is under development as of the year-end.

The prepayments and accrued income include prepaid expenses, receivables from employees and other receivables and prepayments.



### Accounting policies

The trade debtors and other receivables are measured at fair value upon initial recognition. These current receivables are subsequently measured at amortised cost based on the effective interest method. This usually equals the nominal value, under deduction of impairment losses for the risk of uncollectability as disclosed in Note 25.

## 17. Cash and cash equivalents

Of the total cash and cash equivalents, € 8,320 is not at free disposal due to issued bank guarantees (2021: € 43,311, of which € 7,758 due to issued bank guarantees and € 35,553 due to cash and cash equivalents in trust accounts).



### Accounting policies

Cash and cash equivalents consist of cash, bank balances and term deposits with an original term of maximum three months. Cash and cash equivalents are recognised at nominal value. Given the short-term nature of the cash and cash equivalents, the nominal value is virtually the same as the fair value. If assets cannot be freely disposed of, this is mentioned in the notes.

## 18. Group equity

### Issued capital

The issued and paid-up capital at the end of the 2022 financial year consists of 8.008 ordinary shares (2021: 8.008). The nominal value per ordinary share is €1 (one euro).

The authorised capital amounts to €90, consisting of 90,000 ordinary shares, each with nominal value of €1 (one euro).

All shares are entitled to dividend.

### General reserves

Jumbo maintains general reserves on grounds of provisions in the articles of association. The balance is at the disposal of the shareholders, with the exception of the statutory reserves on grounds of Dutch legislation and regulations, as stated in note 4 of the notes to the company balance sheet.

In 2022, a dividend of € 52,000 was paid out to Stichting Jumbo Groep (2021: € 127,500).

The movements in the general reserve are shown in the consolidated movements in group equity.

### Unappropriated result

The unappropriated result consists of the balance of profits that have not been paid out. The balance is at the disposal of the shareholders. The movements in the unappropriated result are shown in the consolidated movements in group equity.

### Earnings and dividend per share

	2022	2021
Weighted average number of shares	8,008	8,008
Ordinary earnings per share (x €1)	€ 9,950	€ 14,269
Diluted earnings per share (x €1)	€ 9,950	€ 14,269
Dividend per share (x €1)	€ 6,494	€ 15,922



### Accounting policies

Financial instruments issued are classified as equity or as a financial liability depending on the economic reality of the contractual conditions of the instrument. Ordinary shares issued are classified under group equity. Costs that are directly attributable to the issue of ordinary shares are deducted from group equity, after deduction of any taxes.

## 19. Lease liabilities

The lease liabilities, which are linked to the right-of-use assets, can be specified as follows:

	2022	2021
<b>Non-current lease commitments</b>		
Land and buildings	2,214,670	2,298,251
Vehicles	9,528	9,984
Other operating assets	9,837	10,942
	<b>2,234,035</b>	<b>2,319,177</b>
<b>Current lease commitments</b>		
Land and buildings	226,199	215,780
Vehicles	10,087	10,867
Other operating assets	1,308	1,287
	<b>237,594</b>	<b>227,934</b>
<b>Total lease commitments</b>	<b>2,471,629</b>	<b>2,547,111</b>

The movements in the lease liabilities were as follows:

	2022	2021
<b>Balance at start of financial year</b>	<b>2,547,111</b>	<b>2,612,514</b>
Investments	69,164	87,696
Acquisitions through business combinations	8,447	6,657
Terminations	(13,778)	(10,243)
Transfers to liabilities held for sale	(1,636)	(4,754)
Remeasurements	131,385	104,133
Repayments	(297,414)	(279,347)
Accretion of interest	28,350	30,455
	<b>(75,482)</b>	<b>(65,403)</b>
<b>Balance at end of financial year</b>	<b>2,471,629</b>	<b>2,547,111</b>

Of the total lease liability a significant part relates to periods covered by extension options of which it is reasonably certain that Jumbo will exercise these options. The remainder concerns liabilities for right-of-use assets that Jumbo leases and subleases to entrepreneurs and third parties and for which Jumbo will receive rental payments in the future. This can be summarised as follows:

	2022	2021
Own use	955,168	992,096
Sublease to entrepreneurs and third parties	632,292	578,131
<b>Lease liabilities for non-cancellable lease terms</b>	<b>1,587,460</b>	<b>1,570,227</b>
Lease liabilities with extension options to be exercised	<b>884,169</b>	<b>976,884</b>
<b>Total lease liabilities</b>	<b>2,471,629</b>	<b>2,547,111</b>

For further explanation of the rental payments to be received for finance leases, refer to note 13 and for an explanation of operational leases, refer to the off-balance-sheet receivables in note 24.

The lease liabilities fall due as follows (not discounted):

	<b>2022</b>	<b>2021</b>
Terms expiring within 1 year	267,920	255,131
Terms expiring in 1 to 5 years	1,120,676	1,067,652
Terms expiring after 5 years	1,265,489	1,385,397
	<b>2,654,085</b>	<b>2,708,180</b>

This amount is determined based on the amounts still to be paid as of the balance sheet date for the remaining term of the lease liabilities. This method of calculation results in a total amount of €2,654,085. The amounts reported correspond to the contractual cash flows as of the balance sheet date as disclosed in note 25.

Costs under leases with a term of less than 1 year or a value of less than €5 are recognised in the income statement for an amount of €16,843 (2021: €13,855) and €3,691 (2021: €9,496), respectively. These costs relate to the lease of land and buildings, means of transport such as cars and trucks, internal transport such as forklift trucks, store automation, copying equipment and other machinery and fixtures and fittings.

Variable lease payments are not included in the lease liabilities or in the right-of-use assets. Variable lease payments are recognised in the income statement for €2,134 in 2022 (2021: € 478). These costs relate to leases for company buildings where part of the lease amounts payable is related to the revenue achieved by Jumbo and/or La Place at such a location.

The total lease commitment includes an amount of €284,245 (2021: € 289,260) relating to lease liabilities with related parties regarding the lease of a number of Jumbo and La Place store locations, a number of distribution centres, the head office of Jumbo and solar panels on company buildings.

For further explanation of right-of-use assets, refer to note 12.

For related off balance sheets assets, commitments and contingencies, refer to note 24.



## Estimates and judgements

Jumbo applies the incremental borrowing rate when discounting lease payments, taking into account the remaining term of the lease contract. The incremental borrowing rate interest rate consists of the following components: the risk-free interest rate based on Dutch government bonds, Jumbo-specific credit premium and a premium based on the risk category of the underlying assets. The weighted average incremental borrowing rate for 2022 is 1.2% (2021: 1.0%).

When determining the expected term of the lease liabilities, Jumbo takes into account all facts and circumstances which provide an economic incentive to exercise an extension option or to not exercise a termination option. Extension options (or periods after termination options) are only included and recognized in the lease liabilities if it is reasonably certain the lease will be extended (or not terminated).

Jumbo mainly uses store locations, i.e. land and buildings, through leases contracts and has limited ownership of land and buildings. The initial term of leases for store locations in the Netherlands is 10 years in general with continuous extension options of 5 years each. In Belgium, the initial term of leases is 3 years in general with continuous extension options of 3 years.

Jumbo expects to use extension options for the majority of its portfolio of leased store locations and to continue the leases in the medium term. Furthermore, differentiation is applied for locations based on their attention profile, which may lead to adjustments in the expected use of extension options. The power to exercise extension options is mainly within Jumbo's control, as a result of legal protection.

A maximum lease term of 15 years is applied to Jumbo store locations in the Netherlands, a maximum term of 9 years is applied to Jumbo store locations in Belgium and a maximum term of 10 years is applied to La Place locations.

In addition, Jumbo has leases related to vehicles and other operating assets which are recognized under IFRS16, assuming an average lease term of 4 years for vehicles and maximum 15 years for other operating assets. For the vehicle lease contracts a portfolio approach is applied based on the average remaining lease term.



## Accounting policies

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Lease liabilities are initially measured at the present value of the unpaid lease payments discounted at the interest rate implicit in the lease. If this interest rate cannot be reliably determined, which generally is the case for lease contracts in which Jumbo acts as lessee, the incremental borrowing rate of the lessee must be used. Jumbo does not recognize lease liabilities for leases with a term of less than 12 months or a value of less than €5. The cost of the right-of-use assets is based on the amount of lease liabilities recognized.

The expected term of a contract includes the lease period (based on the non-cancellable period of a lease contract), including the periods covered by a contract extension option, if it is reasonably certain that Jumbo will exercise this option, and including the periods covered by a contract termination option, if it is reasonably certain that Jumbo will exercise this option.

Lease payments included in the measurement of the lease liabilities are:

- fixed payments less lease incentives received;
- variable lease payments that are based on an index or a rate and which are initially measured using the index or rate as at the commencement date;
- amounts expected to be paid by Jumbo in respect of residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain that Jumbo will exercise this option; and
- payments of penalties for termination of the lease, if the lease period used reflects the exercise of an option to terminate the lease by Jumbo.

Applicable rent concessions, with the exception of Covid-19-related rent concessions, are included in the valuation of the lease liability. Service costs are not included in the measurement of the lease liability, but recognised directly in the income statement.

After initial recognition, lease liabilities are measured at (amortised) cost. The amount of lease liabilities is increased to reflect the accretion of interest, reduced for the lease payments made, remeasured to reflect any reassessment or modifications in the lease. Interest on the lease liabilities and variable lease payments not included in the valuation of the liabilities are recognised in the income statement.

Remeasurements and modifications of the lease liabilities arise from changes in lease payments, changes in the lease term or in the assessment of an option to purchase the underlying asset, changes in amounts of to be paid under residual value guarantees and changes in the discount rate. The amount of the remeasurements and modifications of the lease liabilities is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset has been written down to nil and there is a further reduction in the lease liability, the remeasurements and modifications are recognised in the income statement.

For lease contracts with a lease term of less than 12 months or a value of less than €5, which are not recognized in accordance with IFRS 16, the lease payments are recognized as expense in the income statement. The lease liabilities arising from these lease contracts are included in the notes to the financial statements under contingent assets and liabilities. This note also includes lease contracts which are signed, but which have not yet commenced at balance sheet date.



## 20. Loans and other liabilities

The loans and other liabilities consist of:

	2022	2021
<b>Non-current loans and other liabilities</b>		
Schuldschein	199,451	199,303
Bank loans	249,123	148,826
Liabilities related to triple-net distribution centres	1,885	2,712
	<b>450,459</b>	<b>350,841</b>
<b>Current loans and other liabilities</b>		
Bank loans	75,000	100,000
Liabilities related to triple-net distribution centres	827	759
Other liabilities	-	250
	<b>75,827</b>	<b>101,009</b>
<b>Total interest-bearing loans</b>	<b>526,286</b>	<b>451,850</b>

Movements in long-term loans and other liabilities can be represented as follows:

	2022	2021
<b>Gross balance at start of financial year</b>	<b>350,000</b>	<b>350,000</b>
Repayments	(75,000)	(200,000)
Increase / decrease in facility	-	200,000
Proceeds	175,000	-
<b>Gross balance at end of financial year</b>	<b>450,000</b>	<b>350,000</b>
Deferred bank fees	(1,426)	2,712
Other	1,885	(1,871)
<b>Net balance at end of financial year</b>	<b>450,459</b>	<b>350,841</b>

On the 26th of April 2021 Jumbo raised a Schuldschein financing with a principal amount of €200 million. This financing arrangement consists of three underlying loans, being two five-year loans and one seven-year loan. A fixed interest rate has been agreed over the entire term for a five-year loan and the seven-year loan. The other five-year loan is a loan with a variable interest rate based on the Euribor percentage plus a premium. This financing arrangement has been agreed with foreign banks and insurers. As of January 1, 2023, the amount is fully classified under long-term loans. The average interest rate in 2022 was 1.12% (2021: 1.00%).

The bank loans are part of the five-year financing arrangement agreed on 15 December 2020. In addition, a working capital financing agreement was agreed on 6 December 2021. An interest rate of Euribor plus a premium or fixed interest rate has been agreed over the full term of the bank loan financing. For the long-term bank loans, the interest rate depends on the use of the facility and the leverage ratio. With effect from 2022, the achievement of sustainability indicators will also be taken into account when determining the interest rate. The average interest rate on the bank loans in 2022 was 1.18% (2021: 0.94%).

The deferred financing fees which are deducted from the debt liability relate to the fees paid to banks when the credit facility was obtained. These costs are amortised and recognized in the income statement over the term of the financing arrangement.

### Triple net liabilities

The liabilities include an amount of € 827 (2021: € 759) related to triple-net liabilities, which will be used in the operation within 1 year. This amount consists of a release of € 1.071 (2021: € 1.071) and an amortisation effect of € 244 (2021: €312). At the end of 2022, the remaining term of the liabilities related to triple-net distribution centres is 3 years.



## Accounting policies

Loans and other liabilities consist of debts to financial institutions and other investors, triple net obligations concerning real estate and other loans and commitments. Interest-bearing loans and borrowings are initially valued at fair value, net of directly attributable transaction costs of acquisition. After initial recognition, interest-bearing loans and borrowings are valued at amortised cost, which is the nominal value less the non-amortised costs of acquisition.

The costs of acquisition are amortised to the income statement over the term of the respective financing agreements, so that the effective interest rate is consistent throughout the term.

Triple net liabilities originate from lease contracts, agreed based on the so called triple net conditions, whereas Jumbo has committed itself to pay all ownership charges related to the leased real estate object during the term of the lease contracts. The obligations arising from these contracts have been recorded as non-current liabilities and consist of the present value of estimated future cash flows. When discounting, a discount rate is used based on an interest rate which applicable to similar financing arrangements and is in line with the average expected remaining duration.

## 21. Pensions and other employee benefit obligations

The pensions and other employee benefit obligations consist of:

	2022	2021
Defined benefit pension plan obligations	4,054	6,833
Other employee benefit obligations	14,786	16,851
	<b>18,840</b>	<b>23,684</b>

### Pension obligation based on defined benefit plans:

1. Defined benefit obligations
2. Fair value of plan assets
3. Net pension assets and obligations (balance 1 and 2)
4. Chargeable to the income statement
5. Recognised directly in group equity

2022	1	2	3	4	5
<b>Balance at start of financial year</b>	<b>58,012</b>	<b>(51,179)</b>	<b>6,833</b>		
<b>Movements during the financial year</b>					
Service cost attributable to current year	303	-	303	303	-
Service cost attributable to prior years	-	-	-	-	-
Interest expense/income	661	(585)	76	76	-
Contributions by employer	-	(298)	(298)	-	-
Contributions by employees	-	-	-	-	-
Return on plan assets	-	16,940	16,940	-	16,940
Experience adjustments	(644)	-	(644)	-	(644)
Changes in financial assumptions	(19,700)	-	(19,700)	-	(19,700)
Changes in demographic assumptions	549	-	549	-	549
Pension benefits paid	(1,276)	1,276	-	-	-
Value transfer pension plan	(100)	100	-	-	-
Other movements	(9)	4	(5)	(5)	-
	<b>(20,216)</b>	<b>17,437</b>	<b>(2,779)</b>	<b>374</b>	<b>(2,855)</b>
<b>Balance at end of financial year</b>	<b>37,796</b>	<b>(33,742)</b>	<b>4,054</b>		

2021	1	2	3	4	5
<b>Balance at start of financial year</b>	<b>60,645</b>	<b>(55,954)</b>	<b>4,691</b>		
<b>Movements during the financial year</b>					
Service cost attributable to current year	275	-	275	275	-
Service cost attributable to prior years	-	-	-	-	-
Interest expense/income	436	(402)	34	34	-
Contributions by employer	-	(307)	(307)	(307)	-
Contributions by employees	-	-	-	-	-
Return on plan assets	-	4,086	4,086	-	4,086
Experience adjustments	(8)	-	(8)	-	(8)
Changes in financial assumptions	(1,930)	-	(1,930)	-	(1,930)
Changes in demographic assumptions	-	-	-	-	-
Pension benefits paid	(1,315)	1,315	-	-	-
Value transfer pension plan	(83)	83	-	-	-
Curtailment of pension scheme	-	-	-	-	-
Other movements	(8)	-	(8)	(8)	-
	<b>(2,633)</b>	<b>4,775</b>	<b>2,142</b>	<b>(6)</b>	<b>2,148</b>
<b>Balance at end of financial year</b>	<b>58,012</b>	<b>(51,179)</b>	<b>6,833</b>		

Jumbo has its defined benefit plan administered at pension insurers. These are primarily career average pay schemes with conditional indexation, while a few of the insured schemes involve indexation linked to the indexation of an industry-wide pension fund. The employer's obligation for active schemes consists of the annual premium, any indexations, administration costs and single premiums for individual outbound value transfers. The employer's obligations for inactive schemes consist of the single premiums for outbound value transfers and any indexations. The financing schemes are laid down in insurance contracts between Jumbo and the pension insurers. These schemes fall under the Pensions Act. If these contracts expire, there is a risk that taking out new contracts could result in higher pension costs.

In 2022, €351 in gross premium contributions (2021: € 357) was paid by the employer.

The plan assets are 100% insured contracts. The value of the plan assets is based on the guaranteed values of these contracts. The pension insurer is responsible for the fund investments. The plan assets are not divided up by pension contract. The pension insurers periodically prepare an analysis for aligning the plan assets and pension obligations in the short and long term. Based on the outcomes of the aforementioned analyses, the pension insurers adjust the nature and composition of the investments, if necessary, in line with the expected terms of the pension obligations. The term of the liabilities relating to the defined contribution plans ranges from ten to thirty years.

The main actuarial assumptions used in calculating the pension obligations are shown in bandwidths below.

	2022	2021
Discount rate	3,6% - 3,8%	1.0% - 1.3%
Expected future real salary increases general	3.3%	3.1%
Expected future real salary increases individual	1.0%	1.0%
Expected future inflation	2.3%	2.1%
Expected pension increase for active participants	0.0%	0.0%
Expected pension increase for inactive participants	0,0% - 2,3%	0.0%-2.1%

The AG Forecast Table 2022 was used for 2022 (2021: AG Forecast Table 2020).

The sensitivity analysis below is based on the most plausible changes in the actuarial assumptions which could occur at the end of the reporting period, while the other actuarial assumptions remain constant. The effect on the present value of the defined pension obligations is shown below. A decrease in the discount rate and an increase in indexation would result in an increase in the pension obligation. An increase in the discount rate and a decrease in indexation would result in a decrease in the pension obligation.

	2022	2021
Decrease in discount rate by 0.5%	3,082	5,931
Increase in discount rate by 0.5%	(2,677)	(5,174)
Decrease in indexation by 0.5%	(1,201)	(2,466)
Increase in indexation by 0.5%	3,253	6,107

### Contribution to defined contribution plans

The defined contribution plans consist mostly of schemes at industry-wide pension funds. Jumbo is affiliated with several industrywide pension funds. Multiple companies are required by law to be affiliated with the industry-wide pension funds. All the affiliated companies pay a self-financing premium to the industry-wide pension fund. At the end of 2022, the large majority of the employees were participants in the industry-wide pension funds for the food business (Stichting Bedrijfstakpensioenfonds voor het Levensmiddelenbedrijf) and the food service business (Stichting Bedrijfstakpensioenfonds Foodservice). The current funding ratios of these funds were 99.8% and 117.2%, respectively, as of the balance sheet date 2022 (2021: 96.6% and 114.3% respectively). Both industry-wide pension funds have a recovery plan in which the premium is a steering instrument. No additional premiums are expected in the coming years alongside the regular self-financing premiums.

Jumbo expects to make a contribution in 2023 in the form of premiums totalling €49,830 (2021: €45,935) to the defined contribution plans.

### Other employee benefit obligations

The other liabilities in relation to employee benefits consist of a provision for jubilee benefits, a provision for disability benefits and a provision for early retirement.

The movement in the other employee benefit obligations is as follows:

	Long-service awards	Disability	Early retirement scheme	Total 2022	Total 2021
<b>Balance at start of financial year</b>	<b>16,770</b>	<b>81</b>	<b>-</b>	<b>16,851</b>	<b>16,794</b>
Additions	1,417	974	892	3,283	2,012
Releases	-	-	-	-	(464)
Withdrawals	(429)	(759)	(188)	(1,376)	(1,491)
Accretion of interest	(3,996)	24	-	(3,972)	-
<b>Movements in carrying amount</b>	<b>(3,008)</b>	<b>239</b>	<b>704</b>	<b>(2,065)</b>	<b>57</b>
<b>Balance at end of financial year</b>	<b>13,762</b>	<b>320</b>	<b>704</b>	<b>14,786</b>	<b>16,851</b>
Long-term	12,963	3	372	13,338	16,266
Short-term	799	317	332	1,448	585
<b>Balance at end of financial year</b>	<b>13,762</b>	<b>320</b>	<b>704</b>	<b>14,786</b>	<b>16,851</b>



## Estimates and judgments

### Pensions

To perform the actuarial calculations for the defined benefit plans, Jumbo applies assumptions for discount rates, future pension increases and life expectancy as described in this note. The actuarial calculations are made by an external actuary based on inputs from observable market data. These observable market data include:

- corporate bond returns and yield curves to determine the discount rates used;

- mortality tables to determine life expectancy; and
- inflation numbers to determine future salary and pension growth assumptions.

### Other employee benefit obligations

The recognized liability is the best estimate of the amounts necessary to settle the related obligations as per balance sheet date. The calculation takes into account the probability that employees will not be eligible for a jubilee bonus as a result of early termination of employment. The liability is measured by discounting the expected future cash flows to be discounted using a discount rate that reflects current market estimates of the time value of money and of the specific risks relating to the liability. The accretion of the liability is recognized as a finance result.



## Accounting policies

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Jumbo has a number of pension schemes. The pension schemes are financed by contributions to pension administrators, i.e. industry-wide pension funds and insurance companies. In the pension obligations, a distinction is made between defined contribution plans and defined benefit plans.

### Defined contribution plans

A defined contribution plan is one in which Jumbo pays fixed contributions to a separate entity and has no legal or constructive obligation if the pension fund has insufficient assets to pay all the benefits to employees in connection with the employees' service years in the current and previous periods. As soon as the contributions are paid, Jumbo has no further payment obligations. The pension contributions are recognised in the income statement as the costs of employee benefits in the year to which they relate.

Prepaid pension contributions are recognised as an asset to the extent this results in a repayment in cash or set-off with future contributions. Contributions to a defined contribution plan which are payable more than 12 months after expiration of the period in which the employees perform the related services are discounted to their present value.

### Defined benefit plans

Defined benefit plans are all pension schemes that are not a defined contribution plan. The obligation under the defined benefit plans is the balance of the present value of the defined benefit obligations on the balance sheet date less the fair value of the fund investments held in connection therewith. Jumbo's obligation under defined benefit plans is calculated separately for each scheme annually based on the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future outflow of funds based on the interest rates of high-grade corporate bonds with comparable maturities.

If the calculation results in a positive balance for Jumbo, the recognition of the asset is limited to an amount that is at most equal to any unrecognised pension costs of past employment and the present value of economic benefits in the form of any future refunds or reduction in future pension contributions. In calculating the present value of economic benefits, the minimum financing obligations that apply to Jumbo's separate schemes are taken into account. An economic benefit is available for Jumbo if it can be realised within the term of the scheme or upon settlement of the obligations of the scheme. Actuarial gains and losses arising from changes to the actual developments or actuarial assumptions are recognised in the consolidated statement of comprehensive result. If the pension entitlements under a scheme are changed or if a scheme is curtailed, the ensuing change in entitlements in relation to past service time or the gain or loss on that curtailment is recognised directly in the income statement. Jumbo recognises gains or losses in relation to the settlement of a defined benefit plan at the moment that an official decision has been taken.

### Other employee benefit obligations

Other employee benefit obligations relate to benefits that are part of the remuneration package. These liabilities include the deferred remuneration (jubilee benefits, disability benefits and early retirement benefits). The provision for early retirement relates to contractual agreements with employees made in 2022 for early retirement.

## 22. Provisions

The provisions can be specified as follows:

	2022	2021
Restructuring	1,851	2,418
Non-current	1,616	1,527
Current	235	891
	<b>1,851</b>	<b>2,418</b>

The movements in the provisions are as follows:

	Total 2022	Total 2021
<b>Balance at start of financial year</b>	<b>2,418</b>	<b>7,865</b>
Additions	1,605	8,447
Releases	(136)	(3,099)
Withdrawals	(2,036)	(10,795)
<b>Movements in carrying amount</b>	<b>-567</b>	<b>-5,447</b>
<b>Balance at end of financial year</b>	<b>1,851</b>	<b>2,418</b>
Long-term	1,616	1,527
Short-term	235	891
<b>Balance at end of financial year</b>	<b>1,851</b>	<b>2,418</b>



### Accounting policies

Provisions are recognized for obligations enforceable by law or constructive obligations on grounds of events on or before the balance sheet date when it is probable that an outflow of resources will be required and the size of these can be reliably estimated.

Provisions are valued by discounting the expected future cash flows using a discount rate that reflects the current market estimations of the time value of money and the risks specific to the liability. Interest accrual on the provisions is recognised as a financing expense.

#### Restructuring provision

The restructuring provision relates to costs associated with the restructuring of activities and is formed if a constructive or legal obligation has arisen for Jumbo.

## 23. Trade creditors and other payables

Trade creditors and other payables consist of:

	2022	2021
Trade creditors	1,263,744	1,247,598
Employee-related liabilities	86,578	87,602
Taxes and social security charges	99,833	95,740
Stamp obligations	51,641	52,945
Deferred income	20,563	15,595
Accruals	112,863	136,570
	<b>1,635,222</b>	<b>1,636,050</b>

Trade creditors include a receivable in relation to purchase bonuses and promotional contributions still to be received. As of the end of the 2022 financial year, this receivable amounts to € 110,379 (2021: € 77,959). At year-end 2022, a liability to related parties of € 349 (2021: € 51) is included in the related parties.

Jumbo gives its suppliers the option to apply Supply Chain Finance. This allows suppliers to be paid earlier by the banks where Jumbo has taken out the facility, with deduction of interest that is in line with the market. Jumbo itself continues to pay at the payment time contractually agreed with the supplier and as a result the facility has a positive effect on the working capital.

The average payment term for trade creditors decreased once again in 2022: to 25 days compared to 27 days in 2021. This is Jumbo's response to society's desire to pay trade creditors faster. The actual payment terms realised are as follows:

	<b>2022</b>	<b>2021</b>
Trade creditors (incl. VAT)	1,263,744	1,247,598
VAT amount in trade creditors	-168,539	-142,226
Supply Chain Finance and Dynamic Discounting facilities and other	-573,478	-562,660
<b>Trade creditors (normalised)</b>	<b>521,727</b>	<b>542,712</b>
Cost of inventories	6,174,592	5,946,895
Purchases of non-trade goods and services and other	1,484,239	1,357,800
<b>Total purchases (normalised)</b>	<b>7,658,831</b>	<b>7,304,695</b>

<b>Payment term Trade creditors</b>	<b>25 days</b>	<b>27 days</b>
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The payment period has been determined by dividing the normalised trade creditors by the normalised total purchases and multiplying this number by the number of days in a year. For a correct calculation, trade creditors are corrected for VAT, outstanding amounts relating to the Supply Chain Finance and Dynamic Discounting facilities are left out of consideration as these amounts are directly available to the suppliers. This gives Jumbo a normalised balance of trade creditors. In order to determine total purchases, both the purchase value of inventories and purchase of non-trading goods and services must be included. When applicable, adjustments are also made to purchases in case of acquisitions during the financial year in order to determine the correct total purchase values related to the trade creditors concerned.

The reservations for employee-related liabilities also include a debt for pensions of € 10,171 (2021: € 13,006).

In relation to stamp obligations, a total of €69,070 in stamps was issued in 2022 (2021: €73,082), specifically 690,703 stamps (2021: 730,825). The movement in the stamp obligations in 2022 amounts to €1,304.

The liability for deferred revenue consists of obligations involving saving campaigns and delivery subscriptions. The saving campaign obligation is, in accordance with IFRS 15, realised when consumers use saved points for discounts or free products.

The accruals and deferred income consist mainly of interest payable, property-related items, other accounts payable, accruals and deferred income. These current liabilities are not interest-bearing.



## Estimates and judgments

The supply chain agreement is a payment service provider to Jumbo's suppliers. From Jumbo's point of view, this agreement does not result in changes to payment dates, payment terms, due dates and other conditions. Jumbo has obligations to its suppliers for providing goods and/or services, for which the payments are processed through the platform of the participating banks. These obligations are therefore classified as liabilities to trade creditors.



## Accounting policies

Trade creditors and other payables are measured at fair value upon initial recognition. These current liabilities are subsequently measured at amortised based on the effective interest method. This usually equals the nominal value. Government levies are also included under the other current liabilities. The government levies are recognised in the period in which the government levy arises.

## 24. Off balance sheet assets, commitments and contingencies

### Contingent receivables

Jumbo has contingent receivables from former and current entrepreneurs in relation to subsequent settlement schemes for, among other things, purchase considerations and investment contributions. The contingent receivables are contractually agreed with the stipulation that if there is excess profit and/or discontinuation profit in any future year, the entrepreneur will pay part of this contingent receivable to Jumbo.

To some extent, the size of the future economic benefits associated with the aforementioned receivables cannot be determined reliably. A receivable for the subsequent settlement schemes has been included in the balance sheet exclusively for the portion that can be estimated reliably.

In 2022 and previous reporting years, an amount of €3,843 was included under other receivables, prepayments and accrued income (2021: €3,350). Jumbo cannot estimate the size of the receivable for 2023 and beyond with reasonable certainty.

### Purchase agreements

Jumbo has entered into procurement contracts with parties outside of the regular purchasing for the supply of goods and services for amounts of €1,000 or more.

The liabilities relating to these procurement contracts fall due as follows:

	2022	2021
Terms expiring within 1 year	90,638	77,322
Terms expiring in 1 to 5 years	59,531	80,688
Terms expiring after 5 years	670	6,368
	<b>150,839</b>	<b>164,378</b>

At the end of the 2022 financial year, Jumbo had also entered into various procurement contracts for the supply of goods and services which are in reasonable proportion to the normal business operations.

### Purchase and repurchase commitments and other guarantees

Entrepreneurs have pledged fixtures and fittings items to third-party financiers for the financing extended to entrepreneurs. Jumbo gives these third-party financiers repurchase commitments in relation to these inventory items. These commitments are secured with the fixtures and fittings items which would be received back, so that the credit risks are mitigated.

Jumbo has also issued warranties and direct guarantees to the aforementioned third-party financiers in connection with the financing taken by the entrepreneurs. In the guarantees provided to the third-party financiers, the inventory items of the relevant entrepreneurs are pledged directly to Jumbo.

At year-end 2022, Jumbo had given purchase and repurchase commitments and other guarantees up to a sum of €11,702 (2021: €14,084).

### Lease commitments and rental obligations

Jumbo has entered into lease agreements for the distribution centres, internal transport, vehicles and other assets. Jumbo also leases real estate and subleases some of this real estate, mainly to entrepreneurs. In these cases, Jumbo is responsible for the full owner's charges. The conditions under which leases are contracted are based primarily on economic considerations and market conditions at the time the lease is concluded.

The lease commitments and rental obligations have been reported in accordance with IFRS 16 and included in lease commitments, refer to note 19. For the related right-of-use assets, refer to note 12. Leases and rental contracts with a term of less than 1 year or an underlying asset with a low value of less than €5 are exempted. The rental obligations arising from these lease contracts are included below, along with obligations entered into in 2022, which take effect from 2023 or later.



The minimum rental obligations from leases not reported under IFRS 16 fall due as follows:

	2022	2021
<b>Rental obligations</b>		
Terms expiring within 1 year	35,771	29,686
Terms expiring in 1 to 5 years	133,269	64,640
Terms expiring after 5 years	171,231	53,686
	<b>340,271</b>	<b>148,012</b>

The total off-balance-sheet liability for leases for real estate not measured under IFRS 16 amounts to €340,271 (2021: € 148,012). This includes a liability of 213,149 to related parties (2021: nil). The increase compared to previous year is mainly due to commitments entered into for the construction of a mechanized countrywide distribution centre for fresh products in Nieuwegein.

The minimum receivables from the subleasing immovable property held under operational lease contracts fall due as follows:

	2022	2021
<b>Rent receivables (real estate)</b>		
Terms expiring within 1 year	122,044	123,827
Terms expiring in 1 to 5 years	377,880	386,448
Terms expiring after 5 years	165,389	142,064
	<b>665,313</b>	<b>652,339</b>

The total off-balance-sheet receivables for operational leases for real estate amount to € 665,313 (2021: € 652,339). In addition, there are off-balance-sheet receivables from related parties for operational leases of € 385 (2021: € 101)

In 2022, rental income of €121,998 (2021: € 110,538) was credited to the income statement for operational leases for real estate.

#### Receivables and liabilities arising from the agreement with Jan Linders Supermarkten

As part of the agreement with Jan Linders Supermarkten, as described in note 14, Jumbo has entered into a contingent obligation to purchase two locations and has a contingent receivable arising from the sale of four locations. During 2022, Jumbo has realized the purchase of the two locations, as well as the sale of 3 locations. The sale of the remaining location is planned for 2023. In addition to the aforementioned transaction, Jumbo and Jan Linders Supermarkets have agreed on the sale of an additional location.

#### Investigation Public Prosecutor's Office

On 13 September 2022, the Police and the FIOD carried out various searches on behalf of the Public Prosecutor's Office, including the private home of Frits van Eerd and the head office of Koninklijke Jumbo Food Group in Veghel. The investigation of the Public Prosecutor's Office focuses, among other things, on private activities of Frits van Eerd, where suspicions relate to forgery and money laundering. Jumbo is not a suspect and is fully cooperating with the investigation. In response to the suspicions of the Public Prosecutor's Office, the Supervisory Board has instructed A&O and KPMG to conduct an independent investigation into sponsorship activities in motorsport and to some extent auto sports. No criminal offenses were found in the independent investigation by the forensic accountant. It is therefore unlikely that Jumbo will still be involved in the investigation by the Public Prosecutor's Office. The management team and the Supervisory Board have confidence in the outcome of the internal investigation, but the outcome of the investigation by the Public Prosecutor's Office cannot be predicted with certainty.

#### Other commitments

Jumbo has made commitments to entrepreneurs about financial compensation and contributions to be provided and has entered into liabilities with third parties in this regard. The total of these liabilities amount to €372,736 at year-end 2022 (2021: € 397,612). The commitments to entrepreneurs are primarily investment and divestment contributions, transition allowances, opening contributions, closing costs, operating contributions and goodwill guarantees. The other obligations also consist of a contractual obligation of Jumbo with a third party regarding the provision of a subordinated loan. The total of this obligation at the end of 2022 amounts to € 6,000. As of the balance sheet date, € 3,000 of this has been provided to the third party. The remaining amount can be withdrawn until mid-2026 at the latest. Pending legal disputes are not included in the balance sheet if the outgoing cash flows cannot be reliably estimated.

#### Other receivables

There are no other off-balance sheet receivables in 2022 (2021: €713). Last year, these related to unsettled receivables of insurance policies.

## 25. Financial instruments

### General

Jumbo uses various financial instruments in the course of normal business operations to hedge financial risks. Jumbo's financial instruments include cash and cash equivalents, loans receivable, trade debtors and other receivables, interest-bearing loans and other long-term liabilities, current account credits, trade creditors and other payables and derivative financial instruments. The cash and cash equivalents, interest-bearing loans and current account credits are held or taken out with renowned banks and financial institutions with a high credit rating. Jumbo only provides loans if necessary and sensible on the basis of responsible entrepreneurship. Starting points for loans to entrepreneurs include that the loan agreement must be officially documented, there must be sound operational planning with an expected positive result and structural monitoring of the development in the operations and financing during the term of the loan. As concerns the other financial instruments, Jumbo seeks to enter into financial transactions with financially sound counterparties. Jumbo enters into transactions in derivative financial instruments in order to hedge the risks related to financial instruments. Derivative financial instruments are not held for trading purposes.

In its regular operations, Jumbo uses various financial instruments that expose Jumbo to liquidity, credit and market risks. Jumbo estimates that these risks have a limited impact on the operation of the business. Despite rising (base) interest rates, Jumbo is not significantly more affected by these risks compared to last year in its business operations. Jumbo's policy for managing these risks has not changed compared to prior year.

### Managing of working capital

Jumbo pursues a financing policy which centres on continuity of the business and takes into account the management of the working capital (the capital held to perform the operational activities). To this end, Jumbo takes the investment level into account, for the short- and long-term, and adjusts it if necessary to guarantee the continuity of the operational activities.

Since February 1, new legislation has limited the payment period between businesses to 60 calendar days. The statutory period remains 30 days. Jumbo has also taken these developments into account when planning its financing needs.

Jumbo uses various forms of financing including longer-term bank financing, a Schuldschein and working capital facilities. When the Schuldschein was issued in 2021, it emerged that there was ample interest from investors in providing such financing to Jumbo. By issuing the Schuldschein, Jumbo reduced its dependence on banks in its financial management.

In relation to the financing, Jumbo must satisfy the requirements stipulated by the lenders. The most important covenant, agreed in the long-term bank financing, concerns the leverage ratio excluding IFRS 16 impact, whereby a ratio of 3.00x is maintained. At January 1, 2023, the leverage ratio is 1.23x (January 2, 2022: 0.82x). Jumbo thus amply meets these requirements.

### Liquidity risk

The liquidity risk is the risk that Jumbo will be unable to meet its financial obligations at a certain moment. Jumbo maintains sufficient cash and cash equivalents and has adequate credit facilities at its disposal to minimise the liquidity risk, under both normal and more challenging circumstances. The cash flows are monitored closely and planned in order to minimise the liquidity risk. The liquidity risk is limited since there is sufficient head room in the existing credit facilities.

### Credit facilities

The current financing agreement with a principal amount of €700 million took effect at December 15, 2020 and has a term of five years, with the option of a two-year renewal. The financing agreement was concluded with the bank syndicate consisting of ABN AMRO, Rabobank, ING, Deutsche Bank and BNP Paribas.

For these credit facilities a covenant has been agreed with the banks that can be summarised as follows: the (corrected) net debt as a percentage of the EBITDA (cumulative EBITDA on a 12-month progressive basis) ) should be no higher than 3.0x (leverage ratio). The banks correct the net debt for the effects of the implementation of IFRS 16.

On April 26, 2021, Jumbo issued a Schuldschein financing with a principal amount of €200 million. This financing consists of three underlying loans, being two five-year loans of €150 million and one seven-year loan of €50 million. For one five-year loan and the seven-year loan, a fixed interest rate has been agreed for the entire term. The remaining five-year loan is a loan with a variable interest rate based on the Euribor rate plus a mark-up. This financing was concluded with foreign banks and insurers.

Finally, on December 6, 2021, Jumbo entered into an uncommitted working capital facility which currently amounts to € 75 million.

The credit facilities at year-end 2022 are as follows::

	Credit facility	Amount used
Revolving Facility	550,000	250,000
Ancillary	150,000	-
Schuldschein	200,000	200,000
Working capital facility	75,000	75,000
<b>Gross balance at end of financial year</b>	<b>975,000</b>	<b>525,000</b>

To secure the credit facilities, Jumbo provided as security the joint and several liability of the following subsidiaries belonging to Jumbo: Jumbo Distributiecentrum B.V., Jumbo Supermarkten B.V., Jumbo Food B.V. and Jumbo Supermarkten Vastgoed B.V.

### Financial instruments

The interest on part of the financing is variable and based on the Euribor plus a mark-up. The refinancing has a floor at 0%, consequently the interest payable cannot be lower than the mark-up.

Some of this interest rate risk is hedged using interest rate derivatives. As of year-end 2022, the interest rate derivatives consisted of interest rate caps, which cap the Euribor at 0% and which end at December 2023, and interest rate swaps, which swap the Euribor rate to a fixed interest rate on a quarterly basis and end at December 2025. The nominal value of the interest rate caps and swaps present on January 1, 2023 is €300,000. On the balance sheet date, this hedges € 300,000 (2021: €200,000) of the credit facility used. The interest rate caps and swaps had a market value of €6,634 at year-end 2022 (2021: €430)

### Contractual terms of the financial liabilities

Below are the contractual terms of the financial liabilities including mandatory repayments and interest payments by Jumbo on the balance sheet date. The interest charges have been estimated taking into account an average Euribor rate of 3.00% and a debt redemption in accordance with the multi-year planning.

	Carrying amount	Contractual cash flows	Less than one year	1-5 years	More than 5 years
<b>2022</b>					
Bank loans	324,123	355,954	81,479	274,475	-
Schuldschein	199,451	214,517	4,010	160,315	50,192
Lease commitments	2,471,629	2,654,085	267,920	1,120,676	1,265,489
Stamp obligations	51,641	51,641	51,641	-	-
Creditors and other payables	1,583,581	1,583,581	1,583,581	-	-
	<b>4,630,425</b>	<b>4,859,778</b>	<b>1,988,631</b>	<b>1,555,466</b>	<b>1,315,681</b>
<b>2021</b>					
Bank loans	248,826	261,337	102,780	158,557	-
Schuldschein	199,303	210,591	2,165	157,616	50,810
Lease commitments	2,547,111	2,708,180	255,131	1,067,652	1,385,397
Other financing obligations	250	250	250	-	-
Stamp obligations	52,945	52,945	52,945	-	-
Creditors and other payables	1,583,105	1,583,105	1,583,105	-	-
	<b>4,631,540</b>	<b>4,816,408</b>	<b>1,996,376</b>	<b>1,383,825</b>	<b>1,436,207</b>

### Credit risk

Credit risk is the risk of financial loss for Jumbo if a buyer or counterparty in a financial instrument fails to comply with the contractual obligations entered into.

Jumbo's credit risk consists of credit risk on financing provided to buyers, securities provided to financial institutions for the financing arrangements provided to buyers and trade receivables.

For the financing provided and the security provided to financial institutions for the financing arrangements provided to buyers, Jumbo requires that the particular buyers furnish security in return, including mortgage registrations for real estate, bank guarantees and the pledge of assets, receivables and life insurance entitlements.

The maximum credit risk is the carrying amounts of the financial assets on the balance sheet date and is as follows:

	<b>2022</b>	<b>2021</b>
Financial fixed assets	130,249	109,882
Trade debtors	372,724	323,634
Other receivables, prepayments and accrued income	62,464	77,506
Cash and cash equivalents	33,372	78,705
	<b>598,809</b>	<b>589,727</b>

To determine the provision for financial assets, the expected credit losses model is applied in accordance with IFRS 9. Three stages are distinguished in the model. These stages relate to the assessment of the counterparty's credit quality. The provision for financial assets and trade debtors is largely determined and calculated on the basis of stage 3, whereby actual late payments have already arisen. Jumbo availed of the possibility of applying the simplified approach under IFRS 9 for determining the provision relating to the trade debtors.

The ageing breakdown of these trade debtors as of the balance sheet date is as follows:

	<b>2022</b>	<b>2021</b>
Not due	319,172	230,643
Overdue by 0-30 days	15,017	47,119
Overdue by 31-60 days	14,321	24,758
Overdue by 61-90 days	11,959	7,753
Overdue by more than 90 days	19,299	17,196
	<b>379,768</b>	<b>327,468</b>
Provision for uncollectability	(7,044)	(3,834)
<b>Carrying amount of receivables</b>	<b>372,724</b>	<b>323,634</b>

The fair value adjustments resulting from the possible uncollectability of the trade debtors take place on an individual basis. In relation to the receivables that are not yet due and not written down, there were no indications on the balance sheet date that these would not be paid.

The movements during the year in the provision for bad debt in relation to trade debtors were as follows:

	<b>2022</b>	<b>2021</b>
<b>Balance at start of financial year</b>	<b>(3,834)</b>	<b>(2,539)</b>
Additions	(3,335)	(3,392)
Withdrawals	-	192
Releases	125	1,905
	<b>(3,210)</b>	<b>(1,295)</b>
<b>Balance at end of financial year</b>	<b>(7,044)</b>	<b>(3,834)</b>

As of the balance sheet date, there was no concentration of credit risks at certain parties. The maximum credit risk was also mitigated by the securities obtained in relation to the assets. These are explained in note 24 under purchase and repurchase commitments and other guarantees.

#### **Market risk**

Market risk is the risk that Jumbo's income or the value of financial instruments will be detrimentally affected by changes in interest rates.

### Interest rate risk

The interest rate risk is limited to any changes in the market value of loans taken up and provided. Some of the loans Jumbo has entered into have a variable interest rate. Jumbo has taken out interest rate derivatives to limit the interest rate risks. Jumbo has also taken up loans with a fixed interest rate for the entire term of the loan.

As of the end of the 2022 financial year, Jumbo has interest rate caps with terms to the end of 2023 and interest rate swaps with terms up to the end of 2025. The fair value of the interest rate derivatives is the estimated amount that Jumbo would receive to settle the contract as of the balance sheet date, taking into account the current interest rate and current creditworthiness of the contract parties with whom the interest rate derivatives have been taken out. In line with the previous year, Jumbo does not apply hedge accounting for its interest rate derivatives.

Movements in the fair value of the interest rate caps and swaps are recognised on the balance sheet under the derivative financial instruments and in the income statement under financial income and expense. At year-end 2022, 76.25% of the variable interest-bearing debts was hedged using interest rate derivatives (2021: 92.2%). The average interest rate on the variable interest-bearing debts was 0.98% in 2022 (2021: 0.94%).

The counterparty risk is judged to be extremely low since the interest rate derivatives have been agreed with leading financial institutions.

### Interest rate sensitivity analysis

The objective of managing the interest rate risk is to limit the effect of short-term interest rate fluctuations on the group results. In the long term, however, permanent changes in interest rates will affect the result.

On balance sheet date, the interest rate profile of Jumbo's interest-bearing financial instruments is as follows, taking into account the effective hedging instruments linked to these instruments:

	2022	2021
<b>Fixed-interest instruments</b>		
Financial assets	29,578	29,000
Financial liabilities	184,270	252,945
<b>Floating-interest instruments</b>		
Financial assets	33,372	78,715
Financial liabilities	390,945	248,129

The financial assets relate to interest-bearing loans and borrowings and cash and cash equivalents, the financial liabilities relate to bank loans drawn down and stamp obligations.

### Sensitivity analysis of cash flow for instruments with a floating interest rate

Fluctuations in the variable interest rate are largely hedged using the interest rate derivatives. Nevertheless, an increase in the Euribor rate will, to a certain extent, result into higher interest expenses.

In the event of a decrease of 100 basis points in the interest rates (Euribor) over 2022, the group result before taxes would increase with € 330. In the event of an increase of 100 basis points in the interest rates (Euribor) over 2022, the group result before tax would decrease by € 1.877. This is the result of rising interest expenses on the financing, largely compensated by the receipts from the interest rate derivatives. This is assuming that all other variables were to remain constant. The impact of (present) value movements in the financial instruments and other balance sheet positions are not part of this sensitivity analysis.

### Financial instruments included in the balance sheet and fair value

The determination of the fair value of (derivative) financial instruments is explained in the accounting policies below, whereby the level in the fair value hierarchy is reported. No transfers of financial instruments took place between the different hierarchies.

On the balance sheet date, the fair value and corresponding hierarchy of the financial instruments were as follows:

	2022			2021		
	Carrying amount	Fair value	Hierarchy	Carrying amount	Fair value	Hierarchy
<b>Fixed assets</b>						
Financial fixed assets (a)	123,615	123,615	3	109,452	109,452	3
Derivative financial instruments (a)	6,634	6,634	2	430	430	2
	<b>130,249</b>	<b>130,249</b>		<b>109,882</b>	<b>109,882</b>	
<b>Current assets</b>						
Trade debtors (a)	372,724	372,724	3	323,634	323,634	3
Cash and cash equivalents (a)	33,372	33,372	1	78,705	78,705	1
	<b>406,096</b>	<b>406,096</b>		<b>402,339</b>	<b>402,339</b>	
<b>Non-current liabilities</b>						
Bank loans (c)	249,123	249,123	2	148,826	148,826	2
Derivative financial instruments (e)	199,451	199,451	2	199,303	199,303	2
	<b>448,574</b>	<b>448,574</b>		<b>348,129</b>	<b>348,129</b>	
<b>Current liabilities</b>						
Bank loans (c)	75,000	75,000	2	100,000	100,000	2
Stamp obligations (c)	51,641	51,641	2	52,945	29,489	2
Trade creditors (c)	1,263,744	1,263,744	3	1,247,598	1,247,598	3
	<b>1,390,385</b>	<b>1,390,385</b>		<b>1,400,543</b>	<b>1,377,087</b>	
Total financial instruments	<b>2,375,304</b>	<b>2,375,304</b>		<b>2,260,893</b>	<b>2,237,437</b>	
<b>Total per category</b>						
(a) Financial assets at amortised cost	529,711	529,711		511,791	511,791	
(b) Financial at fair value through profit or loss	-	-		-	-	
(c) Financial liabilities at amortised cost	1,838,959	1,838,959		1,748,672	1,725,216	
(d) Financial liabilities at fair value	-	-		-	-	
(e) Derivative financial instruments	6,634	6,634		430	430	
<b>Total</b>	<b>2,375,304</b>	<b>2,375,304</b>		<b>2,260,893</b>	<b>2,237,437</b>	

The carrying amount of the loans and receivables approximates the fair value because any uncollectability is expressed in the value at the end of the financial year.

The fair value of the interest-bearing long-term liabilities approximates the amortised cost, given the floating interest rate based on the 3-month Euribor rate agreed on during the term. The carrying amount of the other financial liabilities approximates the fair value. The liabilities are stated at fair value, which is the value at which settlement is expected to take place.

## 26. Related parties

The transactions with related parties are based on commercial conditions and are at arm's length. The main transactions are explained below, with the amounts presented for transactions higher than € 100.

### **Administratiekantoor Zuidkade B.V.**

The ultimate beneficial owners of Administratiekantoor Zuidkade B.V. were members of or related to the statutory Board of Directors of Koninklijke Jumbo Food Groep B.V. for a part of 2022. The transactions with Administratiekantoor Zuidkade B.V. relate to advisory and management fees of the personal holdings of the ultimate beneficial owners of Koninklijke Jumbo Food Groep B.V. The amounts are disclosed in this section under the related the personal holdings.

### **C.E.G. Beheer B.V.**

The director of C.E.G. Beheer B.V. was statutory director until the end of March 2022 and is subsequently a member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. The transactions with C.E.G. Beheer B.V. consist of management and advisory fees of € 600 and the sale and lease of real estate of € 806.

### **DCJ B.V.**

The directors of CJ B.V. were statutory director or member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. in 2022. The transactions with DCJ B.V. consist of payments of € 8,484 (2021: € 5,884) for the lease of real estate and a consideration received for the transfer of investments in tangible fixed assets of € 11,814 (2021: nil) for the mechanized central distribution centre in Nieuwegein.

### **F.E.G. Beheer B.V.**

The director of F.E.G. Beheer B.V. was statutory director of Koninklijke Jumbo Food Groep B.V. until the end of September 2022. The transactions with F.E.G. Beheer B.V. consist of advisory fees of € 250.

### **Greenstone Real Estate B.V.**

Greenstone Real Estate B.V. is an associate of M.E.G. Beheer B.V. and therefore a related party of Koninklijke Jumbo Food Groep B.V. The transactions with Greenstone Real Estate B.V. consist of lease of real estate of € 213.

### **Handelsonderneming Frits van Eerd B.V.**

The director of Handelsonderneming Frits van Eerd B.V. was statutory director of Koninklijke Jumbo Food Groep B.V. until the end of September 2022. The transactions with Handelsonderneming Frits van Eerd B.V. consist of a consideration received of € 102 for the lease of real estate and hiring of personnel and a consideration paid of € 68 for the acquisition and maintenance of vehicles.

### **Jumbo Onroerend Goed B.V.**

The directors of Jumbo Onroerend Goed B.V. were statutory director or member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. in 2022. The transactions with Jumbo Onroerend Goed B.V. consist of payments of € 6,216 (2021: € 5,968) for the lease of real estate.

### **La Place Food Vastgoed B.V.**

The directors of La Place Food Vastgoed B.V. were statutory director or member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. in 2022. The transactions with La Place Food Vastgoed B.V. consist of payments of € 1,715 (2021: € 9,930) for the lease of real estate.

### **Listelba B.V.**

The director of Listelba B.V. was statutory director until the end of March 2022 and is subsequently a member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. The transactions with Listelba B.V. consist of advisory fees of € 609.

### **M.E.G. Beheer B.V.**

The director of M.E.G. Beheer B.V. was closely related to the statutory Board of Directors of Koninklijke Jumbo Food Groep B.V. for a part of 2022. The transactions with M.E.G. Beheer B.V. consist of advisory fees of € 402 and payments of € 248 for the lease of real estate.

### **Stichting Beheer Gelden Stimuleringsregeling Jumbo**

The Stichting Beheer Gelden Stimuleringsregeling Jumbo aims to facilitate a scheme to encourage a uniform way of cooperating for all Jumbo supermarkets, in order to operate, safeguard and successfully market the Jumbo formula.

### **Stichting Jumbo Groep**

The directors of Stichting Jumbo Groep were members of or related to the statutory Board of Directors of Koninklijke Jumbo Food Groep B.V. for a part of 2022.

### **The Duke Golf B.V.**

The director of The Duke Golf B.V. was chairman of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. until 15 December 2022. The transactions with The Duke Golf B.V. mainly consist of considerations paid for memberships and events of € 128.

### **Van Eerd Beheer B.V.**

The director of Van Eerd Beheer B.V. was chairman of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. until 15 December 2022. The transactions with Van Eerd Beheer B.V. mainly consist of the lease of real estate. The transactions related to the lease of real estate amount to € 12,254 in 2022 (2021: € 12,004).

### **Van Eerd Golf & Hockey B.V.**

The director of Van Eerd Golf & Hockey B.V. was chairman of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. until 15 December 2022. The transactions with Van Eerd Golf & Hockey B.V. amount to € 481 and mainly relate to the lease of real estate.

### **Van Eerd Onroerend Goed B.V.**

The directors of Van Eerd Onroerend Goed B.V. were statutory director or member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V. in 2022. The transactions with Van Eerd Onroerend Goed B.V. amount to € 5,063 (2021: € 4,757) and consist of lease of real estate.

### **VES Racing B.V.**

The director of VES Racing B.V. was statutory director of Koninklijke Jumbo Food Groep B.V. until the end of September 2022. The transactions with VES Racing B.V. consist of a sponsorship fee paid of € 500, an outgoing cash flow of € 3,846 for sponsorship fees of third parties which Jumbo received as an intermediary for VES Racing B.V. and consideration received for administrative services of € 395.

### **Other related parties**

Furthermore, in 2022 there were transactions with other related parties with an amount per related party of less than € 100. The other related parties are Centraal Bureau Voedingenhandel, Choc-late Production B.V., Coco & Sebas B.V., FAM Design B.V., Handelonderneming Frits van Eerd B.V., Hotel Uden/Veghel Holding B.V., JG Vastgoed B.V., Kroon B.V. and Rituals Cosmetics Enterprise B.V. The transactions with these other related parties are based on commercial conditions and are at arm's length.

### **Remuneration of statutory directors, Supervisory Board and other key management**

The remuneration granted in 2022 to the statutory directors amount to € 4,005 (2021: € 8,123) and consist of short-term employee benefits of €3,949 and pension contributions of €56. The decrease in 2022 is largely due to a change in the management structure which was implemented at the beginning of 2022 and the temporary adjustment to the management team composition as of September 2022.

Key management personnel are those individuals who have the authority and responsibility for planning, directing, and exercising control over the activities of the company as a whole. Up to the change in the management structure, only the statutory directors were considered key management personnel. After the change in the management structure, the other members of the management team and the members of the Supervisory Board are also considered key management personnel. The remuneration granted to the other members of the management team amount to € 1,988 and consist of short-term employee benefits of € 1,906 and pension contributions of € 82.

The remuneration granted in 2022 to the Supervisory Board amount to € 802 (2021: € 413) and solely consist of short-term benefits. No loans, advance payments or guarantees were provided to the Supervisory Board members. The increase in the remuneration in 2022 is due to the expansion of the Supervisory Board that took place at the beginning of 2022 and the temporary adjustment in the management team composition of Jumbo as of September 2022 through the appointment of delegated Supervisory Board members.



## 27. Provisions in the articles of association concerning profit appropriation

Article 30 of the articles of association stipulates that the profit is adopted according to generally accepted standards and that the profit is at the free disposal of the General Meeting, with due observance of the provisions in this article. On the understanding that the company can only make profit distributions to the shareholders to the extent that the equity is greater than the statutory reserves and reserves according to the articles of association (paragraph 2).

Distribution of profit takes place after the adoption of the financial statements showing that this is justified. Interim distributions are permitted, with due observance of the provisions in the previous paragraph.

The profit achieved in any financial year is at the free disposal of the General Meeting, with due observance of the provisions in paragraph 2, and can either be added to the reserves or paid out to shareholders and, to the extent such have been issued, the holders of profit-sharing certificates.

Payments chargeable to a dividend reserve can, without prejudice to the provisions in paragraph 2, take place at all times pursuant to a resolution from the General Meeting. A dividend is made payable at the time and place stipulated by the General Meeting. Dividends which are not claimed within five years after they are made payable revert to the company.

### **Appropriation of the result for the 2021 financial year**

The 2021 financial statements were adopted in the General Meeting held at February 22, 2022. The General Meeting decided that the result for the 2022 financial year would be added to the general reserves in the amount of €114,265.

Dividend payments in the amount of € 52,000 were made to shareholders in 2022.

### **Proposed appropriation of 2022 result**

In anticipation of the decision of the General Meeting, the result for 2022 in the amount of € 79,680 will be added to the other reserves. The proposal to add the € 79,680 to the other reserves has not yet been incorporated in the financial statements.

## 28. Subsequent events

No significant events occurred after the balance sheet date of 1 January 2023 which provide further information on the actual situation on the balance sheet date and which require recognition and/or disclosure in the 2022 financial statements.

# Company income statement for 2022

<i>in €1,000</i>	Note	2022	2021
Result from participations after taxes		71,739	116,579
Other income and expenses after taxes	1	7,941	-2,314
<b>Net result</b>		<b>79,680</b>	<b>114,265</b>

# Company balance sheet as of 1 January 2023

Before profit appropriation, in €1,000

<b>ASSETS</b>	<b>Note</b>	<b>1 January 2023</b>	<b>2 January 2022</b>
<b>Fixed assets</b>			
Financial fixed assets	2	1,540,046	1,290,962
		<b>1,540,046</b>	<b>1,290,962</b>
<b>Current assets</b>			
Corporate income tax		16,922	-
Cash and cash equivalents	3	-	284
		<b>16,922</b>	<b>284</b>
<b>TOTAL ASSETS</b>		<b>1,556,968</b>	<b>1,291,246</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>Note</b>	<b>1 January 2023</b>	<b>2 January 2022</b>
Issued capital		8	8
Legal reserve		253,523	228,692
General reserves		370,357	330,806
Unappropriated result		79,680	114,265
<b>Total equity</b>	4	<b>703,568</b>	<b>673,771</b>
<b>Non-current liabilities</b>	5	448,574	348,129
<b>Current liabilities</b>			
Short-term loans and other liabilities	5	75,000	100,000
Credit institutions	3	273,347	101,648
Intercompany current account	6	52,696	63,597
Corporate income tax		-	1,272
Other accounts payable, accruals and deferred income		3,783	2,829
		<b>404,826</b>	<b>269,346</b>
<b>Total liabilities</b>		<b>853,400</b>	<b>617,475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,556,968</b>	<b>1,291,246</b>

# Notes to the company financial statements

## General accounting policies for the preparation of the financial statements

The company financial statements were prepared in accordance with the provisions in Title 9 of Book 2 of the Dutch Civil Code. With application of Section 362 (8) of the Dutch Civil Code, the valuation principles and principles used for determination of the result are in accordance with the valuation principles used by Koninklijke Jumbo Food Groep B.V. in the consolidated financial statements. For the valuation principles and principles used for determination of the result, reference is made to notes of the consolidated financial statements.

The amounts in the company financial statements are presented in thousands of euros, except where stated otherwise.

The financial data of Koninklijke Jumbo Food Groep B.V. are incorporated in the consolidated financial statements so that using Section 2:402 of the Dutch Civil Code, an abbreviated income statement in the company financial statements suffices.

In 2022, a different way of processing corporate income tax between Koninklijke Jumbo Food Groep B.V. and its subsidiaries was applied. As a result of this change in accounting policy, the deferred taxes belonging to the subsidiaries of Koninklijke Jumbo Food Groep B.V. accounted for in the administration of these subsidiaries are therefore no longer visible in the corporate financial statements of Royal Jumbo Food Groep B.V. The processing of this change in accounting policy has taken place retrospectively and has no impact on the equity and the result of the previous financial year. The impact on the assets and result of the current financial year is limited to the change in the deferred taxes.

## 1. Other income and expenses after taxes

The other income and expenses after taxes consist of:

	2022	2021
Corporate income tax rate adjustment	-	(6,262)
Other result after taxes	7,941	3,948
	<b>7,941</b>	<b>(2,314)</b>

Other results after tax include earnings of € 6,204 (2021: € 303) with respect to change in fair value of derivative financial instruments as a result of the rise in interest rates.

## 2. Financial fixed assets

The financial fixed assets consist of:

	2022	2021
Participations	1,533,412	1,290,532
Fair value of derivative financial instruments	6,634	430
<b>Balance at end of financial year</b>	<b>1,540,046</b>	<b>1,290,962</b>

An overview of the participating interests is included in the general notes to the consolidated financial statements.

The fair value of derivative financial instruments are explained under note 13 of the consolidated financial statements.

The movements in the participating interests are as follows:

	2022	2021
<b>Balance at start of financial year</b>	<b>1,290,532</b>	<b>1,143,743</b>
Direct equity movements participations	171,141	30,210
Result from participations	71,739	116,579
<b>Balance at end of financial year</b>	<b>1,533,412</b>	<b>1,290,532</b>

Direct equity movements of participations concern additional paid in capital in Jumbo e-fulfilment B.V. and Jumbo Belgium B.V.

#### Accounting policies

Participations with a negative asset value are stated at nil. If the company wholly or partly guarantees the debts of the particular participations or has the constructive obligation to enable the participations (for its share) to pay its debts, a provision is recognized. In determining the size of this provision, provisions for uncollectability already deducted from receivables from the participation are taken into account.

Participations in group companies in which significant influence is exercised on the business and financial policy are valued at net asset value, but no lower than nil. This net asset value is calculated on the basis of the valuation principles of Koninklijke Jumbo Food Groep B.V. as applied in the consolidated financial statements.

### 3. Cash and cash equivalents

Of the total cash € 6,233 (2021: € 5,635) is not freely available due to bank guarantees issued.

### 4. Equity

Refer to note 18 of the notes to the consolidated financial statements as well as the statement of the consolidated movements in group equity 2022.

#### Legal reserve

A legal reserve for participations in relation to (internally developed) software was formed in accordance with Section 2:389 (6) of the Dutch Civil Code.

The movements in the reserve were as follows:

	2022	2021
<b>Balance at start of financial year</b>	<b>228,692</b>	<b>188,063</b>
Movements from unappropriated result	24,831	40,629
<b>Balance at end of financial year</b>	<b>253,523</b>	<b>228,692</b>

On grounds of Dutch law and regulations, the legal reserves cannot be paid out as dividend to Jumbo shareholders.

### 5. Loans and other liabilities

The loans and other liabilities consist of (see note 20 of the consolidated financial statements):

	2022	2021
<b>Non-current loans and other liabilities</b>		
Bank loans	249,123	148,826
Schuldschein	199,451	199,303
	<b>448,574</b>	<b>348,129</b>
<b>Current loans and other liabilities</b>		
Bank loans	75,000	100,000
	<b>75,000</b>	<b>100,000</b>

### 6. Liabilities to group companies

The liabilities to group companies were partly repaid with own cash at the beginning of the 2023 financial year.



#### Accounting policies

Receivables and/or liabilities on group companies are recognised at fair value at first measurement and then valued at the amortised cost.

## 7. Off balance sheets assets, commitments and contingencies

In connection with the use of the publication exemptions for the group companies included in the consolidation, as referred to in Title 9 of Book 2 of the Dutch Civil Code, Section 403 (1) (f), the company has accepted joint and several liability for debts arising from all juridical acts of the following subsidiaries: Jumbo Food B.V., Jumbo Distributiecentrum B.V., Jumbo Logistiek Vastgoed B.V., Jumbo Supermarkten B.V., Euroselect B.V., Jumbo Omnichannel Vastgoed B.V., Jumbo Supermarkten Vastgoed B.V., Jumbo e-fulfilment B.V., La Place Food Groep B.V., La Place Food B.V. and EMTÉ Kapelle B.V.

# Other disclosures and the signing of the financial statements

## Employees

Koninklijke Jumbo Food Groep B.V. did not have any employees in 2022 (2021: 0).

## Remuneration of management team members and Supervisory Board members

Details concerning the remuneration of the management team members and Supervisory Board members are contained in note 26 to the consolidated financial statements.

## Profit appropriation and appropriation of the result

Details concerning the profit appropriation and result according to the articles of association are contained in note 27 to the consolidated financial statements.

## Auditor's fees

Details concerning the fees for external auditor PricewaterhouseCoopers Accountants N.V. are contained in note 6 to the consolidated financial statements.

## Subsequent events

The subsequent events are contained in note 28 to the consolidated financial statements.

## Signing of the financial statements

Veghel, February 28, 2023

On behalf of the statutory Board of Directors,

**drs. P.A. van Erp RA**

Financial director

**C.H. van Vliet**

Operational Director

On behalf of the Supervisory Board,

**Drs. C.M.P.W. Cloosterman - van Eerd**

Chairman Supervisory Board

**Drs. A.L. van Veen**

**A. Burgmans**

**P. Coelewij**

**Ir. J.C. Hoogerbrugge**

**Drs. W.G. Jiskoot**



# Other information



# Profit appropriation according to the articles of association

Article 30 of the articles of association stipulates that the profit is adopted according to generally accepted standards and that the profit is at the free disposal of the General Meeting, with due observance of the provisions in this article. On the understanding that the company can only make profit distributions to the shareholders to the extent that the equity is greater than the statutory reserves and reserves according to the articles of association (paragraph 2).

Distribution of profit takes place after the adoption of the financial statements showing that this is justified. Interim distributions are permitted, with due observance of the provisions in the previous paragraph.

The profit achieved in any financial year is at the free disposal of the General Meeting, with due observance of the provisions in paragraph 2, and can either be added to the reserves or paid out to shareholders and, to the extent such have been issued, the holders of profit-sharing certificates.

Payments chargeable to a dividend reserve can, without prejudice to the provisions in paragraph 2, take place at all times pursuant to a resolution from the General Meeting. A dividend is made payable at the time and place stipulated by the General Meeting. Dividends which are not claimed within 5 years after they are made payable revert to the company.

# Independent auditor's report

To: the management team and the supervisory board of Koninklijke Jumbo Food Groep B.V.

## Report on the translated financial statements for the period 3 January 2022 to 1 January 2023

### Our opinion

In our opinion, the accompanying translated financial statements for the period 3 January 2022 to 1 January 2023 of Koninklijke Jumbo Food Groep B.V., are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the general notes to the translated financial statements.

### The translated financial statements

The translated financial statements of Koninklijke Jumbo Food Groep B.V., Veghel ('the company'), derived from the audited financial statements for the period 3 January 2022 to 1 January 2023, comprise:

- Foreword, Key metrics, 2022 Highlights, Profile;
- Management Report;
- Report from the Supervisory Board;
- The consolidated and company income statements for the year then ended;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated and company balance sheet as of 1 January 2023;
- The consolidated cash flow statement for the year then ended;
- The consolidated movements in group equity for the year then ended;
- The related notes to the consolidated and the company financial statements; and
- Other information.

The audited financial statements and the translated financial statements do not reflect the events that occurred subsequent to the date of our report on the audited financial statements.

### The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 February 2023.

### Responsibilities of the management team for the translated financial statements

The management team is responsible for the preparation of the translated financial statements in accordance with the basis described in the general notes to the translated financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the translated financial statements are consistent, in all material respects, with the audited statutory financial statements based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Eindhoven, 15 march 2023

PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Dekker RA







*Appels zijn het  
ultieme*  
**POWER  
FOOD**

*Pinkland  
recept*

*Pink Lady  
recept*

*Sweigart  
recept*

# About this report

## Reporting period and scope

This report was written for all Jumbo employees, customers, civil society organisations, supermarket entrepreneurs, lenders, suppliers, government authorities and other interested parties. The scope of this report encompasses Koninklijke Jumbo Food Groep B.V., including the Jumbo locations and stores operated by independent entrepreneurs, distribution centres, the head office and La Place. Jumbo aims to make the content of this report readable and interesting for everyone.

Koninklijke Jumbo Food Groep B.V.'s financial year covers a period of 52 or 53 weeks and ends on the Sunday closest to 31 December of the particular year. The 2022 financial year consisted of 52 weeks and ended at 1 January 2023. The report was drawn up with the involvement of those responsible for the departments within the Jumbo organisation. The data in this report relate to the performance of Jumbo and not to the performance of other parties in the value chain, unless stated otherwise.

## Reporting of information

### Reporting of financial information

The reliability of the internal and external financial reporting is extremely important to Jumbo. After all, the management of the organisation and internal decision making take place based on this information. The reports to external stakeholders must also satisfy the applicable legislation and regulations for financial reporting (Title 9 of Book 2 of the Dutch Civil Code and IFRS). The uncertainties and risks present in the reporting are mainly related to estimates and the degree of subjectivity in valuation issues. These estimates and assumptions affect the reported assets and liabilities, the disclosure of rights and commitments not yet recognised at the balance sheet date and the income and expenditure in the period being reported on.

The assumptions, expectations and forecasts used as the basis for the estimates are as accurate as possible a reflection of the outlook for Jumbo. The estimates reflect Jumbo's views on the way in which the data were arrived at and relate to known and unknown risks, uncertainties and other factors. This means that the actual results could deviate from the expected results. Jumbo does not expect there will be material differences.

### Reporting of non-financial information

We have published our CSR reporting online at [Jumborapportage.com](https://jumborapportage.com) since 2012. This ensures our ambitions, objectives and results in the field of sustainability are accessible to a wide audience. We describe what we do, why and how. Transparency is very important to us and we try to improve our reporting every year. In cooperation with independent parties, we have improved data collection and control of non-financial information greatly in recent years.

Jumbo is as complete as possible in its reporting and bases decisions on the data available now. These are data from our own systems such as SAP, Tableau, JDW, PIM, Erbisonline, and Microstrategy. Since 2017, the CSR annual report has been integrated in the corporate annual report. Our GRI table can be found online at [Jumborapportage.com](https://jumborapportage.com).

## Transparency

The standards and guidelines which Jumbo uses in its reporting are the GRI Standards (Core), internally applied reporting criteria, transparency guidelines from the Transparency Benchmark, Corporate Governance Code, EU Directive on the Disclosure of Non-Financial Information and information on diversity. Jumbo reports on the basis of GRI Core and is inspired by the GRI Standards. We are also preparing for upcoming laws and regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy.

Jumbo acknowledges and endorses the Universal Declaration of Human Rights from the United Nations (UN), the Guiding Principles for Business and Human Rights from the UN, and the OECD guidelines for multinational companies.

## Towards integrated reporting

At Jumbo we are on the road towards integrated reporting. The starting shot for this was a comprehensive stakeholder survey in 2018, which led to a so-called materiality matrix. In 2019, the material topics from this matrix were tested against the business strategy. We also identified risks and determined indicators for the management of the organisation. For each topic, a reporting manual has been put together which serves to prepare for an audit opinion with respect to non-financial data. Since 2021, we have been monitoring progress on each topic quarterly using an 'Impact Dashboard'. The possibility of managing Jumbo's performance on these topics and reporting on this in an integrated report is an important condition for long-term value creation. For this reason, we conducted a so-called readiness assessment in 2022, designed to externally validate the information and processes related to non-financial data collection. The outcome of this confirmed that we were on the right track. We have incorporated certain points for improvement, such as clear mention of scoping and definitions, in the reporting on [Jumborapportage.com](https://jumborapportage.com).

We also internally validated our current materiality matrix with our management team during 2022. This did not result in any change to our 12 material topics. However, the definition of the topic 'working conditions in the chain' has been tightened up; we now refer to it as a 'fair chain'. We take a more integrated approach to making our chains more sustainable, instead of approaching the topics - animal welfare, working conditions in the chain, and sustainable chain - separately. In 2023, a recalibration of our materiality matrix is planned in line with CSRD.

### Creation of the current materiality matrix

The strategic pillars contain information on the material topics for Jumbo. The materiality matrix was created by means of an extensive stakeholder survey that we carried out in 2018 and evaluated and validated in 2022. The results of this so-called materiality analysis can help us better determine how we can strengthen our social relevance.

For the materiality analysis, we made a selection from the stakeholder groups relevant to us. An important selection criterion was that the value chain must be fully represented, i.e. from supplier and employee to customer. Among other things, we also looked at groups with a direct relationship to Jumbo, including a reflection of the indirect stakeholders. The selection of stakeholder groups was made under the responsibility of the Manager Corporate Communications & Sustainability and was validated by the management team.

The analysis was performed among the stakeholder groups most important for us: customers, employees, store managers, entrepreneurs, suppliers, the government, opinion makers and civil society organisations.

The topics that were eligible for analysis were selected from a great many guidelines, such as the Sustainable Development Goals, Global Reporting Initiative, International Integrated Reporting Framework, United Nations Guiding Principles, Transparency Benchmark and the Jumbo Multi-year Plan. This produced a long list which, after consultation with the management team, was reduced to a shorter but still diverse overview of topics. This was ultimately presented to the stakeholder groups.

The materiality analysis resulted in a series of topics which, according to the stakeholders, are relevant for Jumbo Supermarkets, excluding Jumbo Belgium and La Place, and which can have an impact on society. The performance on these topics and the stakeholders' expectations were also included in the survey. These are described in the chapter 'Strategic choices'.

### Definition of material topics

1. **Food wastage:** reducing food wastage, both in-store and in production, storage and transport, including raising consumer awareness of this and encouraging consumers to waste less food.
2. **Packaging and waste:** reducing environmental impact through using less packaging and using packaging with less environmental impact, with the aim of reducing waste and a smaller plastic footprint. We are also reducing our other waste and - together with partners - using as much of it as possible as new raw materials.
3. **Healthy products:** ensuring that healthy products are affordable for the general public.
4. **Fair chain:** working with producers and suppliers who offer their employees decent wages and good working conditions, with attention to safety, health, working hours, prevention of child and forced labour and discrimination. Use of quality marks such as Fairtrade and UTZ.
5. **Local involvement:** be a good neighbour and make a positive contribution to the local community via the stores, for example, through local initiatives and sponsorship.
6. **Sustainable chain:** making the chain more sustainable through the responsible use of resources and by purchasing from suppliers who respect the environment and satisfy a sustainability label from an independent body, such as Biologisch [Organic], PlanetProof and MSC label.
7. **Healthy lifestyle:** encouraging, inspiring and helping customers to eat, cook and live healthier, and adopting responsible policies in relation to unhealthy products.
8. **Value for money:** offering the best value for money and thereby supplying at the lowest price compared to other supermarkets in the Netherlands.
9. **Working conditions and working environment within the organisation:** offering a market-based salary and good employee benefits, such as leave schemes and pension, and showing great commitment to employees, respect and attention for each other and for a safe working environment, including accident and injury prevention.
10. **Animal welfare:** contributing to better animal welfare in the chain by taking the health, living conditions and treatment of animals into account when purchasing animal products, among other ways by using the 'Beter Leven keurmerk' [Better Life label].
11. **Energy and emissions:** reducing and increasing the sustainability of energy consumption in supermarkets, distribution centres and for transport.
12. **Diversity and inclusion:** ensuring a diverse workforce that reflects society, an organisation where everyone feels at home regardless of background, where there is no discrimination based on age, gender, skin colour, race, religion, origin, disability or sexual orientation and where everyone is treated equally.

## Materiality matrix

- **Providing the winning omnichannel customer experience**
  - 1 Lowest price
  - 2 Best service
  - 3 Innovation
  - 4 Relevant range
  - 5 Convenience
- **Making healthier and more sustainable living enjoyable**
  - 6 Delicious and healthy products
  - 7 Local and seasonal products
  - 8 Affordable healthy products
  - 9 Product safety and quality
  - 10 Healthy lifestyle
  - 11 Attention for animal welfare
  - 12 Reducing food wastage
  - 13 Reducing packaging and waste
  - 14 Reduction in energy and emissions
  - 15 Reducing water use
  - 16 Biodiversity
  - 17 Sustainable chain
  - 18 Fair chain
  - 19 Local involvement
- **Building a robust, enterprising organisation**
  - 20 Pleasant and safe working environment
  - 21 Long-term employability
  - 22 Good employment conditions
- **Corporate governance**
  - 23 Ethical behaviour
  - 24 Diversity & inclusion
  - 25 Privacy and data protection
- **Economic performance**
  - 26 Economic performance





## **Credits**

**This annual report is a publication of**

Koninklijke Jumbo Food Groep B.V.

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