



TRANSLATED
ANNUAL REPORT

'20

JUMBO  La PLACE
Jumbo Groep Holding B.V.








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Foreword

The financial year under review was exceptional in several ways. We succeeded in adhering to our long-term strategy and are on course to realising the planned revenue growth. That is satisfying. And yet this continuing success feels different from previous years. The coronavirus outbreak caused a great deal of suffering and cast its shadow over 2020. Our focus was on guaranteeing the safety of our customers and employees and on keeping the food supply at sufficient levels.

Food supply

During the year, Jumbo and all of its employees, entrepreneurs and suppliers put their utmost into keeping the food supply at sufficient levels and guaranteeing a safe and pleasant shopping and working environment. We are proud that everyone passionately dedicated themselves to fulfilling the essential function of our retail business. Promoting such great societal responsibility exceeds the importance of extra revenue. We are very appreciative of the amazing commitment of all our people. Day in, day out we continued to work on our ambition of making shopping enjoyable for our customers. We took a significant number of extra steps in that regard.

Revenue development

Jumbo Groep Holding as a whole closed 2020 with total consumer revenue of €9.74 billion. Consumer revenue under the Jumbo formula grew by no less than €1.25 billion to €9.69 billion, representing growth of 15%. The 2020 financial year had 53 instead of 52 weeks. Corrected for this extra week of revenue, the growth compared to 2019 would be approximately 13%. The organic revenue growth in the existing stores was 11% (9% after correction for the extra week). In the Netherlands, Jumbo's market share increased further and now approaches 22% (source: Nielsen).

Always and everywhere

Based on the conviction that our customers must be able to turn to Jumbo for their shopping needs always and everywhere, we once again fully pursued our omnichannel strategy in 2020. It is increasingly clear to us that our store network and online channels reinforce each other. As stores became busier, more customers turned to Jumbo.com and discovered the advantages of home delivery. The significantly growing demand for online shopping requires constant expansion of our capacity. The number of delivery hubs grew, with the new Breda and Heerhugowaard locations, to six in total in 2020. Further expansion remains high on the agenda, for instance with the introduction of a third Jumbo E-fulfilment Centre (EFC) in Bleiswijk at the beginning of 2021. Despite the ongoing growth of online, a strong store network is as important as ever. In 2020 we added ten stores in the Netherlands, including stores at desirable urban locations in Amsterdam, Utrecht, The Hague and Haarlem. These are the kind of locations where we want to further strengthen our position in the coming years. This applies for our position on the Belgian market as well, where the opening of five new locations in 2020 brought the total number of Jumbo stores in that country to eight.

Active, delicious and healthy

We notice that the coronavirus outbreak has contributed to both an increase in demand for healthy and delicious food and an interest in an active lifestyle. This reinforces our conviction that we are on the right path with our product range. With a delicious, healthy and high-quality product range, we consistently meet the updated needs of the consumer, with, among other things, innovations from our own Jumbo Foodcollege. The development of healthy and tasty ready meals for at home and new dishes for La Place continued unabated at the Jumbo Foodcollege throughout 2020. The successes of Team Jumbo-Visma also contribute to encouraging our customers to pursue a healthier lifestyle with the right nutrition and sufficient exercise. We facilitate this with the Jumbo Foodcoach app, which we are making available on an increasingly wider scale. This innovative digital tool that provides personalised advice on balanced nutrition has been available to runners as well as cyclists since 2020 and will be available to new groups of amateur athletes in 2021.

Digital customer relationship

In 2020, we continued to invest in the digital relationship with our customers in a number of areas. We see a great need for convenience and innovation, and we can largely satisfy this need with accessible digital tools. This is demonstrated by, among other things, the many enthusiastic reactions to and growth in the Jumbo Extras customer loyalty programme introduced in 2019. The accompanying app was given national coverage in 2020. With Jumbo Extras, we want to add value to the daily shopping; it also enables us to further personalise our range and provide customised service. We can also better reward our customers for their brand loyalty with attractive promotions and gifts. In 2020, we continued to invest in smart payment solutions that help make shopping more enjoyable and convenient.

Mechanised distribution

Since the autumn of 2020, most Jumbo stores have been receiving their long-life products from the new mechanised National Distribution Centre (NDC) in Nieuwegein. We worked hard over the recent years to realise this complex with a total floor area of 45,000 m². We are proud that 'Nieuwegein' received the highest BREEAM certificate for sustainable building. This award puts the NDC among the most sustainable buildings of its kind in Europe.

Passion for the customer and cost control

In 2020, too, we worked at all levels of the organisation to increase efficiency and keep expenditure in check. It is very important to us that we can continue to welcome our customers with our always low prices. We likewise want our organisation to remain customer-oriented, decisive and enterprising. We are constantly working on this under the project name 'Licence to grow'. A modified organisational structure was put in place for the Jumbo head office in Veghel as of 7 September 2020. It has fewer FTEs and is more decisive and agile than before. A passion for the customer and a keen eye for cost awareness are firmly anchored in the new organisation.

Taking responsibility

We tried to fulfil our role as a socially responsible company to the best of our ability during the coronavirus pandemic. We did not make use of the Emergency Measures for Bridging Employment (NOW scheme) that the government made available because Jumbo Groep Holding is strong enough to absorb the lost revenue. We are also convinced that other companies and entrepreneurs need state support more than we do.

We believe it is important to be at the centre of society in a wide range of areas. Making our product range even more sustainable remains a top priority. We want to increase sustainability from the ground up and thus have an impact on the generations of today and tomorrow. We prefer to do that in close cooperation with interest groups and other stakeholder groups, in which we work together to seek a balance between the needs of people, animals and the environment. There are sometimes conflicts of interest at play or such large and complex topics that no simple solutions are available. Take the problems faced by Dutch farmers. However, we believe in the importance of an open and constructive dialogue between all stakeholders and would like to contribute to this.

Further growth

In our anniversary year of 2021, we will continue to put Jumbo on the map as a company that is 100% oriented to the customer. Based on this ambition, we want to celebrate the centenary of our family business together with all our employees, entrepreneurs and suppliers. We are also continuing our journey from food retail to food experience with enthusiasm and purpose. In even more stores and with a product range that is even tastier and healthier. We do this by continuing to work on a strong, enterprising organisation with a keen eye for cost control. We will adhere to that in putting together our next Multi-year Plan, for which we will take the first steps in 2021.

We are counting on being able to continue the growth of recent years in our anniversary year. The previously stated expectation of €10 billion in consumer revenue in 2021 therefore still holds.

Veghel, 23 February 2021

Management Board
Jumbo Groep Holding B.V.

Frits van Eerd
Ton van Veen
Colette Cloosterman-van Eerd
Cees van Vliet



Key data

in € million	2020	2019	2018	2017	2016
Consumer revenue Jumbo	9,685	8,432	7,405	7,010	6,679
Consumer revenue EMTÉ	-	85	262	-	-
Consumer revenue La Place	50	165	150	124	84
Consumer revenue Jumbo Groep Holding (total)	9,736	8,682	7,817	7,134	6,763
Net revenue	7,737	6,874	6,331	5,734	5,443
Result					
Normalised operating result before depreciation and amortisation (EBITDA)	753	637	376	354	315
<i>Normalised operating result before depreciation and amortisation (EBITDA) excluding IFRS16</i>	<i>483</i>	<i>400</i>	<i>376</i>	<i>354</i>	<i>315</i>
Reported operating result before depreciation and amortisation (EBITDA)	736	608	345	350	312
<i>Reported operating result before depreciation and amortisation (EBITDA) excluding IFRS16</i>	<i>448</i>	<i>371</i>	<i>345</i>	<i>350</i>	<i>312</i>
Operating result (EBIT)	237	188	181	204	178
Result before taxes (EBT)	204	148	169	189	143
Result after taxes	137	115	160	156	109
Result after taxes (normalised for corporation tax rate changes)	162	121	127	156	109
Normalised EBITDA as % of the financial statements revenue	9.7%	9.3%	5.9%	6.2%	5.8%
EBIT as % of the financial statements revenue	3.1%	2.7%	2.9%	3.6%	3.3%
Result after taxes (normalised) as % of the financial statements revenue	2.1%	1.8%	2.0%	2.7%	2.0%
Equity					
Equity	689	601	555	440	319
Net debt	2,888	2,916	309	170	323
<i>Net debt excluding IFRS16</i>	<i>276</i>	<i>346</i>	<i>309</i>	<i>170</i>	<i>323</i>
Net debt/normalised EBITDA (leverage ratio)	3.83	4.57	0.82	0.48	1.03
<i>Net debt/normalised EBITDA (leverage ratio) excluding IFRS16</i>	<i>0.57</i>	<i>0.86</i>	<i>0.82</i>	<i>0.48</i>	<i>1.03</i>
Employees					
Number of employees Jumbo	43,507	41,707	37,806	33,024	32,814
Number of employees EMTÉ	-	-	2,863	-	-
Number of employees La Place	1,370	2,804	2,992	2,688	1,805
Number of employees Jumbo Groep Holding (total)	44,877	44,511	43,661	35,712	34,619
Locations					
Number of Jumbo stores	687	672	618	585	580
Number of EMTÉ stores	-	-	56	-	-
Number of La Place restaurants	71	105	101	92	59

Explanation of key data

Consumer revenue

Consumer revenue is the revenue (including VAT) realised through cash register sales via the company's own Jumbo stores (including online), its own La Place restaurants and the affiliated franchisees. The revenue from the Jumbo share grew in 2020 by €1.253 billion to €9.685 billion, representing an increase of 15%. Organic growth in existing Jumbo stores during the 2020 financial year was 11%, comparable to the average market growth. The 2020 financial year had 53 weeks, creating 2% additional organic revenue growth, both in the market and at Jumbo. The total revenue increase was caused on the one hand by the coronavirus measures that came into effect in March 2020 and on the other by the opening of new locations in combination with strong organic growth. With this, Jumbo realised a market share of over 21.5% with 687 Jumbo stores. La Place's revenue was hit hard by the coronavirus measures in 2020. As a result of the (partial) closure of restaurants in 2020, this decreased by €115 million to €50 million.

Net revenue

The net revenue is the revenue (excluding VAT) realised by Jumbo and La Place. This is the total revenue realised from sales via the company's own stores (including online), restaurants and via the distribution centres to third parties (franchisees in particular). In 2020, the financial statements revenue increased by €863 million compared to the 2019 financial year, representing a growth of 13%.

Result

Normalised and reported EBITDA

The normalised operating result before depreciation and amortisation is the EBITDA corrected for one-time items and amounted to €753 million for the 2020 financial year. In 2020, the one-time items were caused by the definitive closure of 23 La Place restaurants, the planned outsourcing of the operation of 44 La Place restaurants to the Vermaat Group and the reorganisation at Jumbo's head office. The total size of the one-time items was in line with the previous year. The reported EBITDA was €736 million for the 2020 financial year.

Based on IFRS16, the IFRS standard that has been applied since 2019, lease contracts are included on the balance sheet via right-of-use assets and lease liabilities. The consequence of this for the result is that from 2019 onwards, the rental payments must be deducted from the lease liabilities and are no longer reported as rental expenses. This has a significant effect on EBITDA: excluding the application of IFRS 16, the normalised EBITDA for the 2020 financial year was €483 million and the reported EBITDA was €448 million.

Operating result (EBIT)

The increase in the operating result in 2020 compared to 2019 by €49 million to €237 million is the result of a combination of a strong improvement in Jumbo's result and a negative result for La Place, both driven by the effects of the coronavirus pandemic and also reinforced by incidental transactions related to Jumbo real estate locations and La Place restaurants. The depreciation costs and impairments increased by €79 million in 2020 compared to 2019, to a level of €499 million. Of this amount, €266 million relates to right-of-use assets. The increase is attributable to a growing level of investment in online and stores, the mechanised distribution centre in Nieuwegein and impairments in relation to the closed La Place locations.

Result before taxes (EBT)

The result before taxes increased by €56 million in 2020 compared to 2019. This is attributable to the combination of the effects already explained for the above items and the financial income and expenditure of €34 million, €26 million of which is the result of discounting the lease liability. Compared to 2019, the financial income and expenses decreased by €6 million.

Result after taxes

The tax expense for 2020 of € 67 million includes a one-time adverse effect of € 25 million. The provision for deferred tax liabilities was recalibrated as a result of the rate changes in the 2021 Tax Plan with respect to the future rate changes communicated earlier in the 2020 Tax Plan and which were taken into account in determining the tax position at year-end 2019. If the result after taxes from 2019 and 2020 were corrected for the one-off effects resulting from the change in the corporation tax rate, this would have increased by €41 million compared to 2019, to a sum of €162 million.

Equity

Equity

The equity further increased to €689 million due to the 2020 results, less the dividend paid out in 2020. Solvency calculated as shareholders' equity divided by total equity was 13% at year-end 2020 (2019: 11%). Corrected for the 'IFRS16 effect,' solvency at year-end 2020 was 25% (2019: 23%).

Net debt

During the course of 2020, the net debt (excluding the IFRS16 impact) decreased as a result of repayments on bank debts to a level of €276 million compared to €346 million last year. This results in a reduction of the leverage ratio to 0.57 at the end of the financial year, compared to 0.86 at the end of 2019. Including IFRS16, the net debt at year-end 2020 was €2,888 million, compared to €2,916 million in the previous year. As such, the leverage ratio including IFRS16 decreased to 3.83, compared to 4.57 at the end of 2019. For the rest, this has no impact on the financing and ability to attract financing since the credit institutions correct for IFRS16 effects in the covenants.

Employees

The number of employees represents the size of the workforce at the end of the financial year. These are the employees who were employed by Jumbo and La Place at the end of the financial year. These figures do not include the employees employed by the franchisees. The number of employees at La Place decreased by 1,434 compared to the previous year. This decrease was the result of the definitive closure of locations in 2020, but also of the temporary closure of locations due to coronavirus measures. In many cases La Place employees were put to work in the Jumbo supermarkets, which meant the decrease in the number of employees remained as limited as possible in the locations closed temporarily.

Locations

The number of Jumbo stores increased to 687 at the end of the financial year, comprising 322 own branches (including 8 Belgian stores) and 365 franchise stores. The increase of 15 stores compared to the end of the previous year was the result of the opening of 10 new stores in the Netherlands, which included 6 former HEMA and Marqt stores, and 5 new stores in Belgium.

The number of La Place restaurants decreased to 71 at the end of the financial year, consisting of 53 own restaurants and 18 franchises. The decrease of 34 restaurants compared to the end of the previous year was the result of the opening of 1 new restaurant, the closure of 12 restaurants in former Hudson's Bay locations and the definitive closure of 23 restaurants. The numbers reported include both the company's own restaurants and the franchises. The coronavirus measures meant that all 71 locations were temporarily closed at the end of 2020.



Investments in tangible fixed assets/intangible fixed assets

in €1,000	2020	2019
Intangible fixed assets		
Goodwill	3,880	6,225
Locations	59,794	30,435
(Self-developed) software	84,799	73,640
Other	19,325	3,037
	167,798	113,337
Tangible fixed assets		
Land and buildings	1,803	-
Structural facilities	73,870	78,274
Fixtures and fittings	72,594	70,829
Other fixed operating assets	4,331	3,040
Assets in progress	7,800	55,314
	160,398	207,457
Total investments	328,196	320,794

Intangible fixed assets

The goodwill investment mainly concerns the acquisition of 4 Udea locations in 2020 (in 2019: acquisition of Agrimarkt).

The investments in locations pertain to the acquisition of new individual Jumbo store locations. The store locations acquired in 2020 were mainly taken over from HEMA, Udea and entrepreneurs in Belgium. This involved the location (with lease) and any tangible fixed assets and employees.

The investments in (self-developed) software pertain primarily to investments in IT software, licences and Online.

The other investments in intangible fixed assets were primarily due to the cooperation agreement signed by Jumbo and HEMA at the end of 2019. Based on this cooperation agreement, from 2020 onwards Jumbo holds the exclusive right as food retailer to add HEMA products to its product range in stores. The other investments in intangible fixed assets consist of investments made for the development of the new 'All day good food fast' La Place concept.

Tangible fixed assets

The investments in the tangible fixed assets mainly relate to the conversion of HEMA and Udea stores, 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 in progress relate to the construction of new locations in the Netherlands and Belgium and the mechanised distribution centre in Nieuwegein.

Non-financial key data



Healthier diet and lifestyle

HEALTHY PRODUCTS

45% healthy products in our private label assortment

Sodium reduced in more than 300 butcher's products, so **9,500 kg** less sodium!

More health consciousness in relation to beverages and over **6%** fewer kcal/100ml sold

HEALTHY LIFESTYLE

> 50,000 downloads of Jumbo Foodcoach App



Products that show concern for people, animals and the environment

WORKING CONDITIONS IN THE CHAIN

100% of coffee, tea and chocolate and 95% of hazelnuts with quality mark

99% of suppliers certified in high-risk countries

5 projects to gain insight into and improve working conditions in the chain

SUSTAINABLE CHAIN

80% dairy beverages with a quality mark

100% Dutch fruit and vegetables with quality mark

430 organic products in our own brand range

85% sustainable soy

100% fish with quality mark

95% sustainable palm oil

ANIMAL WELFARE

98% eggs with quality mark

99% chicken with quality mark

83% pork with quality mark

100% turkey with quality mark



Reducing environmental impact

FOOD WASTAGE

637 stores with Wasting less together shelf

3.4 million kg less food wasted compared to 2019

430 stores and all distribution centres work together with Food Bank and almost 1.5 products were donated

PACKAGING AND WASTE

Almost **7 million kg** of orange peels collected

5% reduction in waste flows

Weight of reusable shopper bags reduced by 15%, saving 50,000 kg in plastic and 10,000 kg in cardboard each year

Packaging for Lekker Veggie line is 100% recyclable and made from 100% recycled PET bottles

ENERGY AND EMISSIONS

4% less gas consumption

55,000 solar panels on our roofs

8% reduction of CO₂ emissions from transport



Fun employer

EMPLOYMENT CONDITIONS AND WORKING ENVIRONMENT IN THE ORGANISATION

> 200,000 education and training courses and e-learning programmes

50 long-service anniversaries

>700 long-service anniversaries

DIVERSITY AND INCLUSIVITY

47% men

53% women

30% women in management positions



Doing business in society

LOCAL INVOLVEMENT

Through local campaigns and bottle deposit campaigns, we raised money for, among others, schools and (sporting) associations throughout the Netherlands

>100,000 products from King's Breakfast donated to Food Bank

200 stores participated in World Clean Up Day





2020 Highlights

January



Jumbo updates its executive structure to benefit further growth



Jumbo expands trial with meal delivery from stores to Utrecht and Amsterdam



All Dutch vegetables and fruit at Jumbo is 'On the way to PlanetProof' certified



Introduction of eggs without day-old chicks

February



Festive unveiling of HEMA range at Jumbo Foodmarket Breda



Festive opening of Jumbo City in Utrecht

March



Focus on maintaining the food supply in the Netherlands

April



Jacqueline Hoogerbrugge joins Jumbo's Supervisory Board

May



New hub in Breda



Two new Jumbo City stores in the Randstad area

June



Jumbo Belgium takes over Alvo supermarket in Deurne and Ranst



Supermarket entrepreneur Frank Nanning opts for Jumbo formula



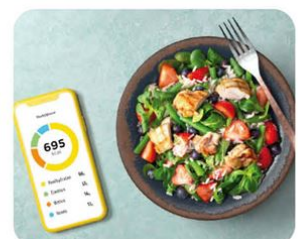
Twelve Superior Taste Awards for Jumbo own brand products



Range of dairy products with 1-star Beter Leven quality mark further expanded



New Belgian store at Ten Eekhoelei in Deurne



Jumbo Foodcoach app now available for customers too

July



Jumbo City opened at Gedempte Oude Gracht in Haarlem



First with MSC-certified own brand line of tinned fish

August



Automated Jumbo national distribution centre in Nieuwegein officially opened



New private label line with more than 40 vegetarian products: Jumbo LekkerVeggie



Home delivery from Jumbo on Sundays



Jumbo and Team Jumbo-Visma launch Tour de Kans



Jumbo introduces 'Bread from Bread' in fight against food wastage

September



Jumbo City opened at Markelerbergpad in Amsterdam



Saving for Max Verstappen's Formula 1 car



Jumbo Radio now live daily with top DJs Kristel van Eijk and Daniël Smulders



Jumbo introduces Chat Packages during Week Against Loneliness

October



Jumbo proud of new Team Jumbo-Visma women's cycling team



Millions of orange peels get a second life



Start of exclusive masterclass for top entrepreneurs

November



New functions added to the Foodcoach app and app available for more athletes



Sixth Belgian store opened in Ranst

December



Opening of seventh Belgian store in Sint-Lambrechts-Herk, Limburg



New hub in Heerhugowaard



Eighth Belgian store opened in Beveren, Oost-Vlaanderen



Introduction of new premium brand Fijnproevers



Report from the Management Board



Environment

Jumbo wants to respond well, quickly and distinctively to the environment in which we operate. It is constantly changing and affects us in every possible way.

Customer wishes and needs

Customers increasingly appreciate convenience, being relieved of their concerns and the experience surrounding food. We also notice that there is growing demand for better, tastier, healthier and more sustainable food. As a result, the traditional dividing line between supermarket and catering establishment is becoming blurred. New players are entering the market, in many cases with a distinctive offering of fresh products and a special customer experience.



Pandemic

At the beginning of 2020, we faced the global outbreak of the coronavirus. This had a major impact on the food supply, among other things. Suppliers were not only faced with huge increases in demand, but sometimes also with decreases. In several areas it was difficult to obtain raw materials and packaging materials. Production sites had to make adjustments in order to comply with the coronavirus regulations. Extra-stringent hygiene and safety measures applied throughout the food chain. At the end of 2020, this situation was virtually unchanged.

Technology and digitalisation

Consumers are increasingly discovering the advantages of online shopping. This prompts existing and new providers to seek out attractive earning models in the digital domain. New and innovative payment methods are making their way into both the physical and digital world. The importance of digital information - from online price comparisons to interpreting customer data - is only increasing. This is very valuable in a market where margins are traditionally narrow.

Call for transparency

Collecting and processing customer data is subject to ever stricter legislation and regulations. This demands we keep a close eye on the legal possibilities and customer acceptance of these. Customers and civil society organisations also demand more transparency from companies about their activities.

Legislation and labour market

The market in which we operate is highly dependent on changing legislation and regulations. Amendments to environmental, employment and tax legislation have a direct impact on operational management. The climate plans in formation of both the Dutch government and the European Union will have far-reaching consequences for the entire business sector. New social legislation and regulations, such as the Balanced Labour Market Act since 1 January 2020, the scrapping of the youth wage from age 21 since 2019, and the introduction of the Franchise Act as of 2021, call for, among other things, the amendment of contracts. The persistent shortages on the labour market will result in higher costs, as will the growing scarcity of transport capacity. New tax regulations and changes in VAT rates also have an impact on prices.

This is how this affects Jumbo

The rapid changes in the market and in society prompt Jumbo to constantly invest in its own formula. We continue to be guided by the changing wishes and needs of our customers, which we respond to with substantial investments in our offering and shopping experience. For instance, we have started a move from food retail to food experience, in which we use the reinforcing effect between Jumbo and La Place. The possibilities offered by digitalisation and mechanisation also help us propel our growth along the right track. As a result, we inevitably come up against upward pressure on the operating costs. In reaction to this, we are constantly on the lookout for possibilities for lowering operating costs and optimising our earning model. That is necessary in order to continue to make good on our lowest-price promise to the customer.

Response to the pandemic

The large-scale outbreak of the coronavirus forced us to make considerable investments in the safety of our employees and customers. Our efforts to maintain the national food supply also involve additional costs. This unforeseen situation also calls for actively evolving in line with the developments. This is particularly visible at La Place and Jumbo.com, where we have had to quickly adapt the business models.

Service and personalisation

The world around us is changing rapidly. At Jumbo we are closely monitoring all those changes. We are constantly asking ourselves what this means for our service to the customer. For Jumbo, this has always been the distinguishing factor. Personal contact is and remains the most important criterion, but we realise that the way in which this contact occurs is also changing. Customers spend more time online and are more on the move. In their demand for service, they demand more personalisation. At Jumbo, we expect that the supermarket of the future will play much more of a service-providing role and will not purely be a place to purchase groceries.

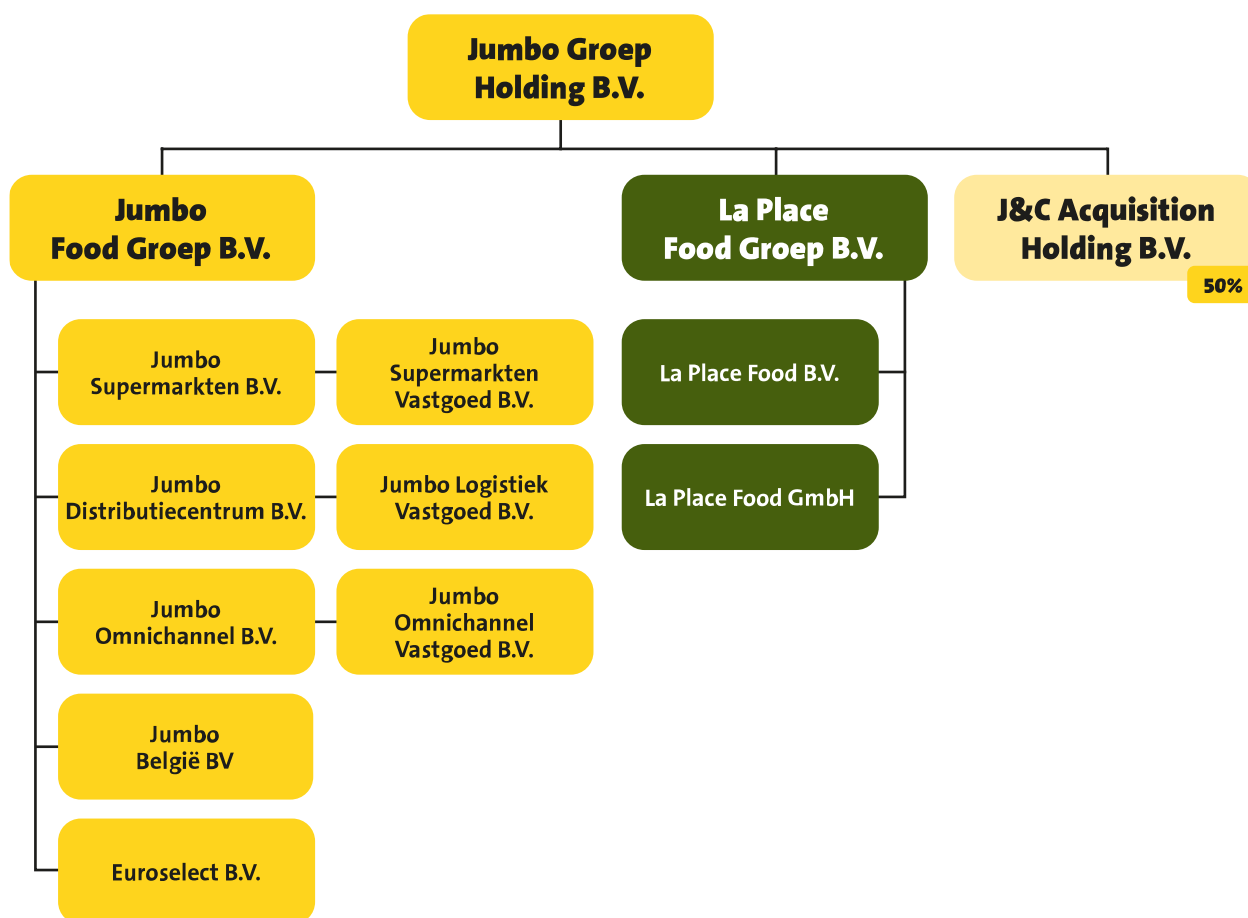


Profile

Jumbo Groep Holding is active in the food market with its Jumbo and La Place formulas. With the Jumbo Supermarkets, Jumbo Foodmarket, Jumbo City and Jumbo.com formulas, we are deliberately building on an omnichannel proposition, mainly in the Netherlands and, since 2019, in Belgium as well. Always with one goal in mind: customers who are 100% satisfied. Jumbo also owns the La Place food service formula, which has locations both in the Netherlands and abroad. We also own the nutrition and recipe platform Smulweb.

Our organisation

Jumbo is wholly owned by the Van Eerd family. The founder of Jumbo is Supervisory Board Chairman Karel van Eerd. Frits van Eerd is Chief Executive Officer and Colette Cloosterman-van Eerd is Chief Customer Officer. Together with Chief Financial Officer Ton van Veen and Chief Operating Officer Cees van Vliet, they constitute the Management Board of Jumbo. Our head office is located in Veghel. At the end of 2020, we had approximately 100,000 employees (including those at franchises).



Jumbo

Jumbo Supermarkets

Our customers can get their daily shopping at almost 700 Jumbo supermarkets throughout the Netherlands. The product range is 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 prepare national and international dishes here from the world kitchens of Jumbo and La Place. Customers can choose to purchase just the ingredients they need to prepare a dish at home themselves, buy the dish ready-made, or eat it on site in the Food café.

Jumbo City

Jumbo City is our contemporary convenience store concept which highlights ultra-fresh, home-cooked meals. Jumbo City is also the ideal stop for a quick buy. In this formula, we combine the best of the Jumbo Supermarkets, the Jumbo Foodmarkets and the La Place restaurant chain. With the Jumbo City concept, we want to grow strategically and further expand our presence in the increasingly busy city centres in the coming years.

Jumbo.com

Our customers can also opt to shop via the Jumbo app or in the online store at Jumbo.com. Customers can have their order delivered to their home or pick it up at Pick Up Points (PUPs). The online orders are put together in the E-fulfilment Centres (EFCs) in 's-Hertogenbosch and Raalte. Work has also started on the construction of the third Jumbo E-fulfilment Centre (EFC), which will open in Bleiswijk in early 2021. Jumbo has hubs in Amsterdam, Breda, Heerhugowaard, Middelburg, 's-Hertogenbosch and Utrecht, from which shopping is delivered directly to the customer's home.

Distribution centres

We supply our stores from distribution centres throughout the country. The national distribution centres are located in Veghel (fresh and groceries), Raalte (frozen) and Elst (groceries). The regional distribution centres for fresh food and groceries are in Woerden, Breda and Beilen. The automated national distribution centre for groceries is in Nieuwegein.



Jumbo Belgium

At Jumbo we see abundant opportunities in the supermarket landscape in Belgium. To make the most of those, we started setting up a Belgian organisation in 2018. The first Jumbo Supermarkets in Belgium opened in 2019. By the end of 2020 the counter reached 8 branches.

La Place

La Place Restaurants

In La Place Restaurants, guests find an extensive range of hot meals, sandwiches, smoothies, fresh juices, soups, fresh fruit salads, coffee, desserts and bread.

La Place Express

La Place Express is La Place's take-away formula. We operate this formula mainly in busy city squares, in shopping centres, in lively city neighbourhoods and at departure and arrival points for travellers, such as Schiphol airport and various NS stations. Guests can come here for a full range of sandwiches to eat straight away or take with them. There are also coffees, teas, sweet and savoury snacks, juices, shakes, soft drinks and seasonal fruit available.

Smulweb

In 2018, Jumbo acquired the popular nutrition and recipe platform Smulweb. Each month, Smulweb counts more than three million unique visitors who inspire and advise each other on delicious and healthy food. We are learning a great deal from the content on Smulweb and see that this makes a valuable contribution to our strategy, which is increasingly focused on customer convenience and the experience surrounding food. Smulweb provides an enrichment of the existing content of Jumbo.com and the Jumbo app.

Mission, vision and strategy

Mission and vision

This is what we believe in

At Jumbo we believe that shopping can be enjoyable, every day. It is our ambition to become the most customer-oriented company in the Netherlands and - why not? - in the world! Today's customer wants to eat delicious food, feels health is important, wants to be able to make an easy and informed choice and does not want to pay too much. That is why at Jumbo, we make delicious and healthy food within everyone's reach and we are always and everywhere where the customer is. It is important to us that customers enjoy visiting our stores. That they feel they come first for us and that this is also genuinely the case, whether they visit a physical store or our online environment.

What we are aiming for

We are not going to stop until we are the best and most enjoyable supermarket. In fact, we are not going to stop until customers actually feel that is the case! That is why every day, we make things more enjoyable for the customer and for ourselves. We want to do business together to win over the customer. We surprise, exceed expectations and aim for our highest goal on a daily basis: ensuring customers enjoy shopping with us.

Strategy

The Jumbo formula is all about the customer. Customer focus is the common theme throughout Jumbo's strategy and working method and is therefore the foundation of our formula. Every day at Jumbo we ask: how can we make it even more enjoyable for our customers? The 7 Promises Missing Reference are the basis for ensuring customers enjoy shopping at Jumbo. They contain the key starting points of our day-to-day business operations. They form a reference framework that enables us to assess whether we are consistently living up to our promises to the customer.



De 7 Zekerheden (7 Certainties)

1. **Save more with us**
2. **Service with a smile**
3. **For all your shopping**
4. **Fresh really means fresh**
5. **Shopping made easy**
6. **Not fully satisfied? Money back guarantee!**
7. **Your preferences are key**

We are moving from food retail to food experience. We want to reach customers with food in every possible way. By being where the customer is and offering help throughout the customer journey. Jumbo's 2018-2022 Multi-year Strategy is entirely built around this. These four strategic priorities are characteristic:

1. **Strengthening the Jumbo formula** (proposition), so that it becomes even more distinctive in the market.
2. **Always and everywhere** (portfolio), to be where the customer is and give them the possibility of shopping at Jumbo via different channels.
3. **Service for the future** (service), whereby personal contact - both physical and digital - serves as an important measure.
4. Working on an **enterprising organisation** (operational excellence organisation, Every Day Low Cost), in which employees are challenged to do better every day and to make customers into fans.

Four strategic priorities

In 2020, we continued to work with our employees, entrepreneurs and suppliers on implementing our multi-year strategy. We feel it is important to be in constant dialogue with our stakeholders. To reinforce the strategic direction, we emphasise four priorities.

1. Strengthening the Jumbo formula

Since 1996, the Jumbo formula has been characterised by the best service, the biggest product range and the lowest price. Employees throughout the Jumbo organisation are constantly working to refine the formula even further. There are all sorts of ways in which we promote that Jumbo is an and-and formula, with the widest range, and the best service and always low prices. As a result, customers unmistakably see us as a supermarket with Every Day Low Prices (EDLP).

Fixed low prices

We have traditionally distinguished ourselves with a strong offering characterised by high quality and permanently low prices. This is how we help customers in their day-to-day life. In 2020, Jumbo continued to make significant investments in product quality, with even higher value for money as a result. We also constantly measure and monitor the price distance with competitors.

Seasonal supermarket

At Jumbo we orient ourselves to the seasons of the year, so that we can always offer our customers the best possible product range. We want to make it more enjoyable for the customer in many ways. Our positioning as the Netherlands' leading seasonal shop is bearing fruit. While shopping in the store or online with a rich selection of tasty, varied and healthy food. But also at home, with inspiring recipes, sportive ideas and other fun tips for in and around the house, all to be found in the Hallo Magazine or online. Via a number of media channels, we help our customers answer the most common question: what shall we eat today?

We continued our focus on seasonal offers in 2020. These are items that customers use on a daily basis and which are available for a set low price for an entire season. Continuous research shows that customers rate this approach very highly.

Product quality

We managed to increase the value for money we offer even further by making significant investments in product quality. Product innovation and quality, alongside price, continue to be the key indicators of customer loyalty. By constantly devoting attention to flavour and freshness, Jumbo strives to permanently exceed customer expectations on this front as well. Twelve Jumbo own brand products were internationally awarded a Superior Taste Award by the independent International Taste Institute.

Developments in product range: delicious and healthy

At Jumbo, we invested in various areas of our product range in 2020 as well. The number of products carried under Jumbo's own brand increased to 9,500 this year. In the constant improvement of quality and product development, we look closely at the key trends in nutrition, such as health, sustainability, diversity and price-consciousness. We are working across the board to further reduce the sugar, salt and fat content without compromising on taste. We want to offer our customers a delicious and healthy range. In early 2021, Jumbo will be adding a new premium range including fresh meat and fish products to its offering. Under the name Jumbo Fijnproevers [Jumbo Gourmet], Jumbo offers lovers of culinary excellence an even wider selection of unprocessed fresh products, such as a nice flank steak, an XL ribeye or redfish fillet.

We use sales data increasingly efficiently to tailor our product range in each store. This results in changes to the shelving plans and an expansion of the regional product range.

Product range for the business market

We significantly expanded our online product range for the fast-growing business market. Business customers can choose from a growing number of products on Jumbo.com/bedrijven or via the Jumbo app. In order to even better meet the needs of business customers, Jumbo offers a large number of new items in single-serving, bulk and wholesale packs. Naturally this results in lower overall prices.

Best service

Service is a high priority at Jumbo. With our stores and online channels, we are very much in the midst of society. From this position, we see what is going on, what is needed. We periodically measure customer satisfaction among our customers via the Jumbo Image Monitor. We make adjustments where necessary. Strengthening the bond with our customers has taken on special significance in the coronavirus era. We feel it is important for customers to know we are there for them. We are happy to inform them thoroughly about the additional measures we have taken in terms of safe shopping and sufficient availability of food. We also see that customers need warmth and human contact. At Jumbo, we are meeting that need in more and more stores with a Kletskassa (Chatty Cash Register), a place where we take the time for a pleasant chat. In the Week Against Loneliness, we introduced special Chat Packages. These are fresh meal packages, including a 'from me to you' gift box and greeting card. With this, Jumbo - a driver of the National Coalition against Loneliness - hopes to inspire its customers to cook something tasty and share it with someone who could use a chat.

At the same time, we do everything we can to make shopping fun and enjoyable. Our own radio station Jumbo Radio has been providing live broadcasts by professional DJs every workday as of this year. We also continue to create enthusiasm among customers with high-profile saving campaigns, such as the campaign involving the scale model of Max Verstappen's Formula 1 car and the Tour de Kans online game which allowed customers to win prizes. The extra measures meant a number of activities could not take place, such as the Super Friday at the first Dutch Grand Prix.

Sponsorship: supporting talent

Our sponsorship of Team Jumbo-Visma gives talented sports people the opportunity to excel. We also want to encourage young talent to start cycling or professionalise their commitment to this sport. That is why, among other things, we support school projects, sport associations and a new 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. Jumbo also sponsors the annual King's Breakfast for primary school pupils, which is entirely in line with the Wheel of Five. Because of the coronavirus pandemic, we donated our contribution to the King's Breakfast to the Food Banks this year. In our stores and via our own media, we also devoted extra attention to the Food Banks' Stay safe and Give campaign.



2. Always & everywhere

At Jumbo, we want to be where the customer is, always and everywhere. This omnichannel approach ensures that customers can shop at Jumbo via a number of channels. In all retail channels, the customer experience must always be genuinely Jumbo.

Investing in a strong store portfolio

In 2020 we completely renovated 53 Jumbo stores. We remain firmly committed to renewing our stores in response to the changing customer wishes and needs and to make room for further expansion of the product range. During this year, we also added 10 stores to our portfolio in the Netherlands. We are looking mainly at reinforcing our position in the city centres. The Jumbo City concept lends itself well to this. This year we opened Jumbo City branches in Amsterdam, The Hague and Haarlem.



Strong online growth

The coronavirus pandemic is part of the reason for the sharp increase in demand for home delivery. This has enormously accelerated the further expansion of Jumbo online. We started with Sunday deliveries and added two more hubs for home delivery, in Breda and Heerhugowaard. These hubs complement the existing locations in 's-Hertogenbosch, Amsterdam, Utrecht and Middelburg. Work has also started on the construction of the third Jumbo E-fulfilment Centre (EFC), which will open in Bleiswijk in early 2021; the other EFCs are in 's-Hertogenbosch and Raalte. Jumbo is exploring several other options for expanding online capacity, including new hub locations and a fourth EFC.

Home delivery of freshly prepared meals

Following the successful pilot with home deliveries of freshly prepared meals from the Groningen Jumbo Foodmarkt in cooperation with the takeaway ordering website Thuisbezorgd.nl, Jumbo also started delivering to homes and workplaces in Utrecht and Amsterdam in February 2020. The meals and other fresh products, from sushi and (meal) salads to generously filled focaccias and pizzas, are prepared to order by the chefs. Delivery drivers from Thuisbezorgd.nl deliver the order by e-bike ready for consumption at the desired time. Train passengers can also collect freshly prepared meals they have ordered from the Jumbo City at the Stationsplein in Eindhoven, through Thuisbezorgd.nl.

Entering the Belgian market

Jumbo's entry into the Belgian market is going satisfactorily: customers are embracing the formula and the results are exceeding expectations. In 2020, we opened 5 new stores in Belgium, partly through the takeover of Alvo supermarkets in Deurne and Ranst. The coronavirus pandemic has caused a slight delay in the roll-out of new Belgian stores.

3. Service for the future

We use modern technology and the strength of our employees to provide excellent service to customers in all shopping channels. Besides investing in human service, we are also building a digital relationship with the customer. To do this, we are using the data we have available and our successful experience with online ordering. This offers numerous opportunities for inspiration, experience and education.

Jumbo Academy

The Jumbo Academy plays an important role in making Jumbo even more service-oriented. The common theme throughout the training offerings is thinking and acting based on the customer's wishes. In 2020, this was once again reflected in over 18,000 graduates of the training course on the 7 Certainties and customer orientation. A constant in the Jumbo Academy's offering is the 'Wij van Jumbo' [We at Jumbo] day. Further reinforcing our company culture is the focus on these days. With a growing range of e-learning modules, the Jumbo Leerplein [Learning Square] is growing in importance. A hundred new online training programmes were added in 2020, for instance.

In 2020 a total of more than 200,000 training programmes and e-learning modules were successfully completed at the Jumbo Academy. We also organised a series of digital theme days in 2020. These are aimed at providing employees with ideas and tools enabling them to promote Jumbo's commercial policy in the stores. Approximately 2,100 employees participated in each session. Customer service is a priority for us during the home delivery of groceries as well, which is why all delivery employees received special training in this area in 2020.

The Jumbo Academy also launched the first edition of the new, exclusive Entrepreneurial Leadership masterclass in 2020. This is a collaboration with EFMD Business School and management consultancy Korn Ferry. The masterclass, which strengthens entrepreneurs in their development, was co-created by the Jumbo Entrepreneurs' Association.

Jumbo also offers a special programme for management trainees with eight ambitious participants starting in 2021.

Building on the digital customer relationship

Jumbo Extras

The Jumbo Extras digital customer programme launched in 2019 has been enthusiastically received. The corresponding app now has nationwide coverage. Jumbo Extras offers various advantages for customers. Customers 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 current campaigns for which points can be redeemed can always be found in the app, on the website or in an email. Additional services, such as a digital receipt, will become available in 2021.

Jumbo Food Coach

The Jumbo Food Coach provides customers with personalised help in making well-informed, responsible and delicious nutritional choices. In 2020, we stepped up efforts to make the successful Jumbo Food Coach app accessible to broader target groups. The digital nutrition coach was initially only available to elite athletes, but is now gradually being opened up to other sporting customers, such as amateur cyclists, runners and hockey players.

Betaalgemak [Easy pay]

At Jumbo we started on the national introduction of a fully integrated payment solution called Betaalgemak in 2018. This solution is based on the customer promise of Smooth Shopping and should ensure a single future-proof payment system for all Jumbo formats and for all contact moments with our customers.

The foundation of Betaalgemak is an in-house developed cash register optimisation model. This model uses factors such as store format, floor area and risk management to determine the optimal number of check-out points and functions. The solution also provides for further differentiation of payment options, using self-scan technology and other payment innovations, for instance. We are aiming for maximum payment convenience combined with security for customer and Jumbo. We introduced self check-out possibilities in a number of Jumbo City stores and regular Jumbo supermarkets in city centre locations in 2020. We also started on the step-by-step introduction of selfscan 2.0 in 2020, a new generation of scanners that is prepared for Betaalgemak and the new functionalities of Jumbo Extras and Jumbo Food Coach.

Cash payments continue to decline, prompting us to open more and more 'debit card only' registers. We also saw a breakthrough of mobile payments in 2020 with Android Pay and Apple Pay.

4. Enterprising organisation

Jumbo is committed to an Every Day Low Prices (EDLP) formula. To achieve this, we need to keep costs in check. That is why we work based on the principle of 'Every Day Low Costs' (EDLC). An excellent service organisation and a customer-oriented, cost-conscious organisation are central to this.

Excellent service organisation

Towards a development-focused organisation

Since 2018, at Jumbo we have been taking major steps towards becoming a development-focused organisation. This kind of transformation is needed because we have grown quickly over the past several years, which has resulted in a more complex organisation. We realise that we must be able to quickly respond to all these changes and that alert employees are the key to success in this respect. In 2018, under the heading of Develop and Perform, we started using new instruments at the Jumbo head office that no longer link assessment and remuneration. Central to this is the ongoing dialogue on personal and professional development. We gradually extended this approach to our stores and distribution centres from 2019 onwards. Since 2020, all stores have been working with Develop & Perform and we also made a start in our distribution centres.

Employee talent development

It is very important that the right Jumbo employee is in the right place. After all, this is what allows us to successfully realise our strategy. Equally important is a stimulating working atmosphere where there is room for development. Jumbo wants to develop all potential talents and deploy them for the organisation. Attracting and retaining talented employees is also of utmost importance. We try to increase the internal flow for filling key positions as much as possible. In order to concretely strive for this, we have been working with a so-called talent review since 2018. We use this to gain better insight into our employees' talents and ambitions, so that we can direct talent development in a more targeted manner. We used this method in 2020 as well, with various internal appointments and moves as a result.



Leadership development

At Jumbo, building an effective, efficient and decisive organisation is something we do together. The head office, stores and supply chain connect seamlessly in this process. Providing the best shopping experience for the customer is the shared motivation. Leadership is of decisive importance here. Managers guard the core of who we are and what we do. At the same time, they encourage innovation and progress. This is how we improve every day and remain successful in the future as well. In order to fulfil this role excellently, we renewed and expanded the development offering for our managers in 2020. The new offerings include peer supervision sessions, in which managers from all over the organisation engage with each other to discuss how they can successfully overcome certain professional dilemmas together.

Feeling good, working well

In order to provide a pleasant working environment, we also invest in the vitality and health of our employees. We do this under the heading 'Feeling good, working well'. In 2020, for example, we offered colleagues free fruit, health check-ups and a smoking cessation course. We devoted extra attention to exercising more by providing walking routes and home work-outs and introducing a bicycle scheme.

Customer-oriented and cost-conscious organisation

At Jumbo we continued to invest in a customer-oriented and cost-conscious organisation in 2020. Processes and systems were further optimised to contribute to this principle. We involved our employees closely in this and provided intensive guidance.

Licence to grow: customer focus and cost control

In addition to ongoing investments in many areas, Jumbo is facing increasing tightness in the labour market, scarcity in transport capacity and changes in laws and regulations. This drives operating expenses up. In response to this, Jumbo is constantly working to boost efficiency and keep expenditure in check, so that it can continue to deliver on its promise of permanently low prices for the customer. Jumbo wants to prevent the rapid growth of recent years from culminating in too much complexity and bureaucracy. This requires smarter organisation, so that the company remains agile and decisive. Jumbo is further optimising its organisation in this area under the project name 'Licence to grow'. First and foremost, Jumbo remains an enterprising and customer-oriented business, with a passion for the customer and a keen eye for cost awareness. This has resulted in a modified organisational structure for the head office organisation since mid-2020. The new organisation has fewer FTEs and is more decisive and agile than before. In 2021, further optimisation will take place with the aim of having the organisation fully serve the customers and Jumbo stores.

Balanced wage costs

The importance of properly motivated and service-oriented employees is at the forefront at Jumbo. This is why we devote a great deal of attention to training and education. We also feel that employees deserve market-based pay and good employee benefits. At the same time, however, wage costs must be kept manageable. After all, we are working on a healthy future for Jumbo and all employees. Securing the company's competitive position and its continuity is something that concerns everyone involved.

New store organisation

Jumbo wants to be the most entrepreneurial and customer-oriented company, where employees operate from a position of confidence and self-realisation and work with passion and skill on creating the most enjoyable shopping experience for the customer. Based on this desire, we started a study into the effectiveness of our current store organisation in 2018. In this context, we primarily take the experience and feedback from the stores themselves into account. This study has yielded a lot of new knowledge and insights which we can use to shape the optimal store organisation. We tested the first findings in a pilot in 2019. Step by step we looked into how different adapted parts of the new store organisation work in practice. Periodically we conducted an interim review of the situation with the pilot stores. In doing so we always assigned a great deal of weight to the experiences, tips and advice from employees. All of this resulted in outline sketches for the New Store Organisation, including possible scenarios with shifts in tasks, job modifications and system changes. In the course of 2021, we want to start working according to this new set-up step by step.

Opening of automated distribution centre in Nieuwegein

After a preparation, construction and testing phase of about three years, the new mechanised national distribution centre (NDC) for dry groceries in Nieuwegein opened in the summer of 2020. Most of the Jumbo stores are supplied from this complex, which has a floor area of approx. 45,000 m². The NDC received the highest possible BREEAM design certificate for sustainability, making it one of the most sustainably designed buildings in the world. Jumbo is also investigating the possibilities for a mechanised NDC in Nieuwegein for the national distribution of some of its fresh products.

Safety

The events of 2020 made it clear that continued investment in a safe, pleasant and clean working and shopping environment must be a top priority. Throughout the years we have managed to realise this by using the right equipment, strictly observing hygiene regulations and offering all kinds of safety training courses. Since the outbreak of the coronavirus, we have paid extra attention to safety and hygiene under the heading **Take good care of yourself and each other!** Measures have been taken in all parts of the company to prevent the spread of the virus: splash screens, free distribution of face masks, safety vests to keep 1.5 metres distance, training, etc. Employees at the Jumbo head office work from home as much as possible; business-critical positions that cannot be performed remotely take place in A and B teams that do not mix. We have also introduced a large number of measures that allow customers to shop safely. Frequently used items, from hand scanners to shopping trolleys, are given additional cleaning. We have introduced a cleaning station especially for shopping trolleys. The aisles near the cash registers have been fitted with additional screens and each store now has a host or hostess at the entrance to draw customers' attention to the measures. This is also done with the help of various other communication materials.

We are very appreciative of the extra commitment of all our people at these extraordinary times. Employees were therefore personally surprised by their manager in 2020 with a package consisting of a Jumbo shopping voucher, a pass with 2,000 Jumbo Extras points, and the announcement that in the course of 2021 they will get a structural discount on their shopping and some special treats.



La Place

Results

Food service formula La Place can look back on an exceptional year, in which most restaurants had to remain closed due to the coronavirus outbreak. Partly as a result of this, the revenue in 2020 remained at €50 million (€165 million in 2019). During the year, La Place employees were deployed in parts of the Jumbo organisation wherever possible.

Retention of employment

Like all hospitality businesses in the Netherlands, La Place was hit hard by the outbreak of the coronavirus and the government measures taken as a result. We have made maximum and successful efforts to keep a very large part of the La Place workforce at work in other parts of the Jumbo organisation, such as the stores, distribution centres and home delivery. As a result, employment was not jeopardised during 2020.

No government support

We did not make use of the Emergency Measures for Bridging Employment (NOW scheme) that the government made available, even though the forced closure of La Place has caused very substantial economic losses. Jumbo Groep Holding is strong enough to absorb the lost revenue. We are also convinced that other companies and entrepreneurs need state support more than we do. Our employees continued to be paid during this period.

Alternative use for 23 La Place branches

For 23 restaurants, we unfortunately did not see enough possibilities to be able to properly implement the updated concept developed in 2020. Because of the negative impact of the coronavirus crisis, in combination with location, size and expected limited visitor numbers, the prospect of profitable operation of the new concept at these locations was unfavourable. Together with the real estate owners, interested parties and other stakeholders, Jumbo is investigating alternative operational possibilities for these locations. This should lead to suitable solutions. Other positions at La Place and Jumbo are available for the employees affected.

Love at first bite

La Place wants to emerge stronger from the coronavirus crisis with a series of innovations and improvements. Under the heading 'Love at first bite', the new restaurant concept All Day Good Food Fast combines delicious, good, fresh food with a presentation that stimulates the senses and fast service that puts convenience first. The new La Place concept was introduced in the autumn in the restaurants in Laren and Bruchem-De Lucht on the A2. The other La Place restaurants are gradually introducing the new concept.

Collaboration with the Vermaat Group

La Place has reached agreement on a strategic cooperation with hospitality specialist the Vermaat Group. As part of the cooperation, Vermaat will take over the operations of 44 La Place restaurants, which includes one in Germany. All employees of the restaurants involved will be employed by Vermaat. The Works Council of La Place has advised positively on this plan, which is expected to be implemented in March 2021. The two companies will further develop the La Place concept together in the coming period.

Jumbo will remain the owner of the La Place brand, five of its own restaurants, four station locations and the national and international franchise relationships. This cooperation will allow Jumbo to focus more on the plans to expand the convenience formula La Place Express and the further expansion of the La Place product range in Jumbo stores.

La Place Express

La Place took over four La Place Express franchise locations at the NS stations in Utrecht, Leiden, Rotterdam and The Hague from HMSHost as of 21 December 2020. All the employees will be transferred to La Place. This step is consistent with the strategy of expanding the portfolio with smaller locations where many flows of passing traffic meet. New branches of La Place Express were opened in the Leidsestraat in Amsterdam in recent months, as well as in Jumbo stores in Amsterdam and Haarlem city centres. For 2021 and the years to follow, more openings are planned at busy locations, such as NS stations and attractive spots in city centres.



Sustainable message

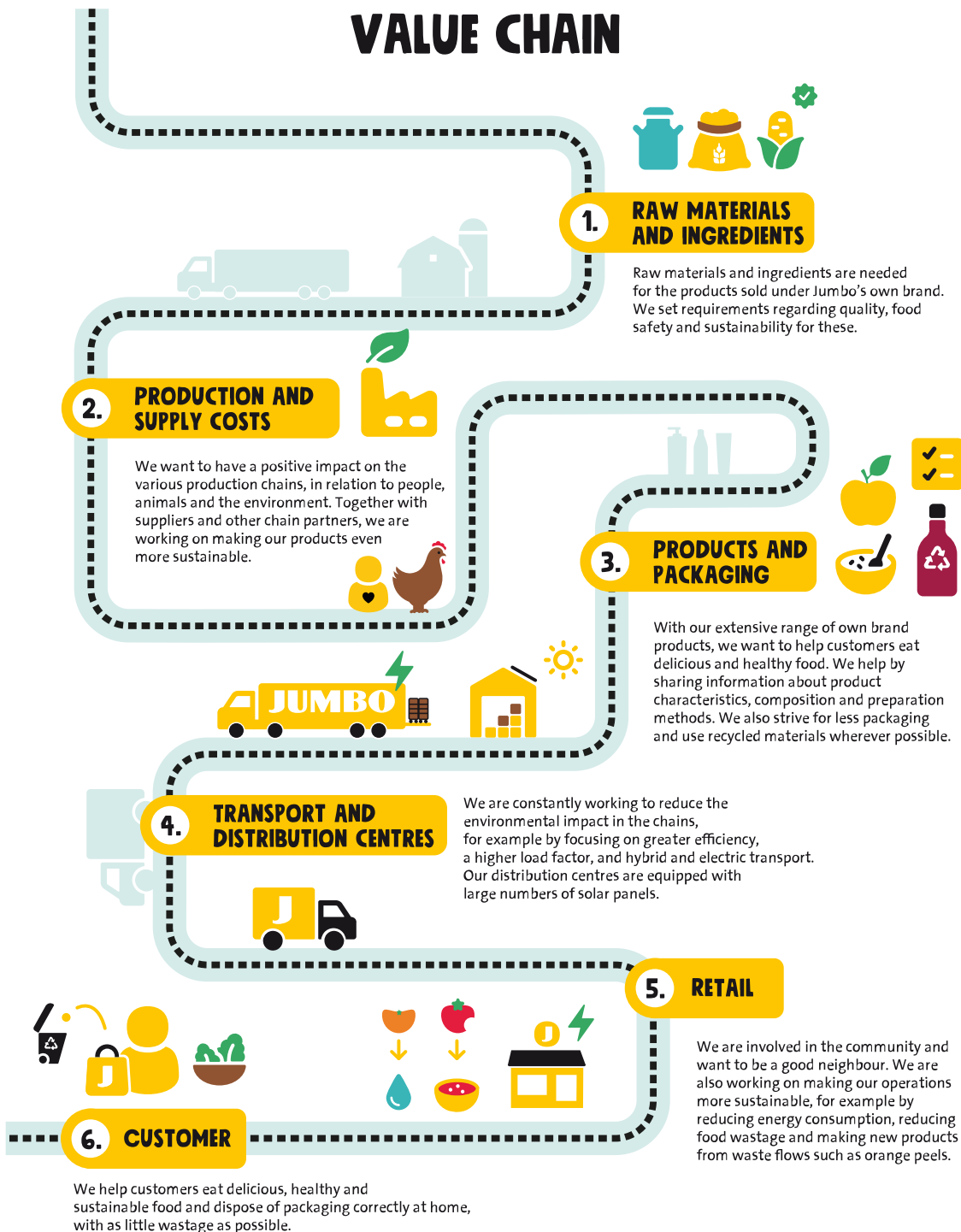
As a family business and leading supermarket chain, Jumbo finds itself very much in the midst of society. We feel responsible for the world around us, for present and future generations. We also believe that we can only really improve the world together. It starts with getting the best out of ourselves, every day. We do this step by step and in close cooperation with all our employees, entrepreneurs, customers, suppliers and other stakeholders.

How we go about it

Jumbo Groep Holding has one overarching sustainability policy. In principle, we apply the topics, ambitions and objectives to all the activities we undertake, both in the Netherlands and in Belgium. In certain cases, there may be some differentiation. The Corporate Communications & Sustainability department makes policy choices regarding the various material topics within the broad field of corporate social responsibility (CSR). Per topic, a specially set up cross-functional team is responsible for embedding and implementing the policy throughout the Jumbo organisation. The progress in sustainability development at Jumbo was presented to and discussed with the Executive Committee, the Management Board and the Supervisory Board in 2020.

Our place in the chain

To offer Jumbo own brand products to our customers, we are part of a chain that consists of suppliers and other cooperation partners. The variety of products and our position in this chain ensure that we encounter a multitude of sustainability topics. Jumbo strives to add value and create distinctiveness on every specific topic.



Sustainability topics

From different angles, we at Jumbo are working to make our business operations and product range more sustainable. By closely monitoring market developments, we can respond appropriately to what is going on in society. We are increasing sustainability from the ground up and want to create as good and strong an impact as possible. We work on sustainability topics that are not only relevant for Jumbo, but also for our stakeholders. In the chapter 'About this report', we describe the (creation of the) materiality matrix and the process towards an integrated report in which we prepare for an independent audit opinion on the non-financial data. More information on our sustainability topics and achievements can be found at [Jumborapportage.com](https://www.jumborapportage.com).

Our stakeholders have named ten topics as 'highly material topics'. Besides these, we have added topics as well. All of these topics are current issues, they tie in with the priorities from our long-term strategy and have been identified by customers, employees and other stakeholders as relevant for Jumbo. Based on this stakeholder research, we linked the set of material topics to five overarching sustainability topics:

1. **Healthier diet and lifestyle**, putting delicious and healthy food within everyone's reach.
 - Healthy products
 - Healthy lifestyle
2. **Products that show concern for people, animals and the environment**, which are affordable for the customer and feasible for the farmer.
 - Animal welfare
 - Sustainable chain
 - Working conditions in the chain
3. **Reducing the environmental impact**, from reducing food wastage and packaging to sustainable business operations.
 - Food wastage
 - Packaging and waste
 - Energy and emissions
4. **A fun employer**, that provides a challenging, pleasant and healthy work environment.
 - Diversity and inclusion
5. **Doing business in society**, involved with the local community and part of society.
 - Local involvement

1. Healthier diet and lifestyle

Healthy products

At Jumbo we are convinced that delicious and healthy food does not have to be complicated or expensive. We back up this conviction with our offering. We also help our customers make healthy choices.

How we go about it	Results
Make product range healthier	<ul style="list-style-type: none">• Less sugar in, among other things, yoghurt drinks, spreads and butcher's products.• Less sodium in, among other things, cheese, licorice and butcher's products.• Less fat in, among other things, spreadable fats and margarines.• More wholegrain options, such as fibre-rich bars on the 'snack shelf', a fried rice meal with brown rice on the 'convenience shelf', wholegrain couscous or a wholegrain pita bread.
Helping customers with the basics	<ul style="list-style-type: none">• Expansion of vegetable panel to the convenience and meal salads product groups and introduction of fibre counter on bread packaging.• Preparations for introduction of Nutri-Score in 2021.• Introduction of new own-brand line Lekker Veggie with vegetarian and vegan products.• Encouraging customer health consciousness in relation to beverages and over 6% fewer kilocalories per 100ml sold compared to 2019.



Healthy lifestyle

At Jumbo, we want to help customers choose a healthy lifestyle. We do this with advice and inspiration for cooking and eating healthier and exercising more. We also opt for a responsible policy with regard to unhealthy products.

How we go about it

Results

Helping customers with the basics

- With so-called food swaps, we encourage customers to substitute certain ingredients. For instance, a pizza crust made from cauliflower or a plant-based burger patty.
- In 2020 we again actively participated in the national Week Without Meat.
- We offer free fruit for children in over 400 Jumbo stores. With this we encourage the consumption of fruit.
- We signed the Belgian Pledge in 2020. We hereby endorse the guidelines in Belgium for responsible advertising aimed at children.
- Jumbo sponsors the King's Breakfast: a festive and healthy breakfast preceding the annual King's Games, for 1.2 million primary school children. The breakfast provides enough energy for a day full of exercise and games and is in line with the food pyramid guidelines from the Netherlands Nutrition Centre. The King's Breakfast partnership has been extended until 2023.

Healthy lifestyle (customised)

- In 2020, we gradually introduced more widespread use of the Jumbo Foodcoach app. The app is now available to customers who actively cycle, run and play hockey. Wider availability is again planned for 2021.
- The athletes of Team Jumbo-Visma inspire our customers to choose a healthy lifestyle. They do this with tips for exercising more and sharing their favourite recipes. At the beginning of 2020, they participated in a social media campaign on this topic.

2. Products that show concern for people, animals and the environment

Animal welfare

At Jumbo it is important to us that the animals from which our meat products, eggs and dairy products originate have or had a good life. We encourage the use of quality marks with specific animal welfare criteria.

How we go about it	Results
Clarity through certification	<ul style="list-style-type: none"> 99% of the chicken products in our own-brand product range is certified in accordance with Jumbo's Nieuwe Standaard Kip protocol. 83% of the pork in our own-brand product range is certified with at least the 1-star Beter Leven quality mark. 98% of the fresh eggs are at least barn eggs and 1-star Beter Leven quality mark certified. During Beter Leven Week [Better Life Week], we inspired customers to make more animal-friendly choices.
Raising the standard	<ul style="list-style-type: none"> From 2020 onwards, Early Feeding is a mandatory part of the protocol for Jumbo's Nieuwe Standaard Kip (NSK). All NSK chicks then have immediate access to water and feed when they hatch. In cooperation with Seleggt, a number of egg products were introduced for which no male chicks were culled. The eggs can be recognised by the Respeggt logo.
In balance with environmental objectives	<ul style="list-style-type: none"> The Jumbo own-brand dairy range with 1-star Beter Leven quality mark was further expanded in 2020. This concerns litre packs of buttermilk and semi-skimmed yoghurt, and half litre packs of semi-skimmed milk. The proportion of dairy beverages with a quality mark such as Weidemelk, Planetproof and Beter Leven Keurmerk 1* increased to 80% in 2020.

Sustainable chain

At Jumbo, together with our chain partners we focus on a product range with the lowest possible impact on the environment. Cooperation with interest groups and certification bodies also contributes to a more responsible offering in our stores.

How we go about it	Results
Safeguards in the chain	<ul style="list-style-type: none"> On the way to PlanetProof for Dutch fruit and vegetables: 100% in 2020. GLOBAL G.A.P. for fresh European fruit and vegetables: 100% in 2020. SIFAV for tropical fruits and vegetables: 100% sustainable imports from Africa, Asia and South America. All cocoa, coffee and tea used in our products must be Fairtrade or UTZ/Rainforest Alliance certified. In 2020, this was the case for 100% of our product range. 100% of all fish, shellfish and crustaceans come from a traceable chain and are caught or farmed sustainably. The proportion of fish with a quality mark rose in 2020 by 4% compared to 2019. This is due in part to a change in the definition: in addition to fish products with the MSC or ASC quality mark, products with a green score on the VISwijzer now also count, as well as products with a demonstrable Fish Improvement Plan (FIP). We also do not sell any endangered fish species. For all private label products, the processed palm oil and its derivatives are certified sustainable according to the 'Segregated' RoundTable on Sustainable Palm Oil (RSPO) system. At the end of 2020, 95% of this offering satisfied the RSPO requirements. We strive for as high a percentage as possible of RoundTable on Responsible Soy (RTRS)-certified soy. All soya comes preferably from Europe. If the soy comes from Latin America or Asia, we choose RTRS, Regional Credits, Mass Balance or Area Mass Balance Credits, or Pro Terra-certified soy. 85% of our products containing soya comply with this. 100% of the flowers and plants is FSI certified. All rice suppliers are members of Sustainable Rice Platform (SRP). The range of organic own brand products was further expanded in the course of 2020 with different types of pasta and legumes. The total number of organic products carried under Jumbo's own brand increased to more than 430 in 2020 (2019: 350).
Raising the standard higher	<ul style="list-style-type: none"> Introduction of prawn crackers made from prawns from Dutch waters with MSC quality mark and an MSC-certified own-brand line of tinned fish.

How we go about it

Results

International and national cooperation

- A BeeDeal has now been concluded with 34 fruit and vegetable growers. These growers and 14 other growers are taking bee-friendly measures in their orchards and fields, such as the placement of bee hotels, the sowing of flower mixtures in corners and headlands, the planting of flowering trees and shrubs in the windbreaks and bee-friendly use of crop protection products.



Working conditions in the chain

At Jumbo we feel that every employee in the supply chain deserves a healthy working and living environment. We work with various initiatives to improve working conditions.

How we go about it

Results

Safeguards in the chain

- In 2020, training courses on chains for specific product groups were started for Jumbo buyers and product range managers. These trainings will continue in 2021.
- At present, 95% of our suppliers comply with the Jumbo Code of Conduct for Responsible Purchasing.
- If production takes place in a high-risk country according to the Business Social Compliance Initiative (BSCI), the supplier must provide a valid audit report as proof. Jumbo accepts valid audit reports from the relevant bodies, such as BSCI, ETI (SEDEX Members Ethical Trading Audit), SA8000, ICS, SIZA, Fairtrade, Rainforest Alliance, UTZ and IMO.
- At present, 99% of the suppliers comply with this requirement.
- The following high-risk products have an additional product or ingredient certification such as UTZ/Rainforest Alliance or Fairtrade: tea, cocoa and hazelnuts. These certifications are visible to customers. For coffee, this is shown in the text on the packaging.

Raising the standard [For further information, see our human rights policy at Jumborapportage.com]

- Fairfood and Jumbo commissioned The Impact Institute to conduct a social impact scan at two farms during the mango harvesting season in 2020, in line with the OECD Guiding principles on Business and Human Rights. However, due to the coronavirus pandemic, a shortened harvest period and difficulty in getting in touch with the right contacts, it was not possible to conduct the social impact scan at both farms. At one farm, some of the envisioned number of employees were interviewed, which made it possible to draw up a partial report.
- Jumbo buys coffee with a UTZ/Rainforest Alliance or Fairtrade certificate and with the help of an impact assessment, we had it investigated to what extent these standards are able to prove that the premium Jumbo pays actually leads to demonstrable positive impact for farmers in the chains connected to Jumbo coffee.
- Jumbo has signed the Dutch Initiative on Sustainable Cocoa (DISCO) covenant.

How we go about it	Results
	<ul style="list-style-type: none"> • Within the IMVO covenant, we are carrying out a project in which IDH, The Sustainable Trade Initiative, supports us. As part of this, Dutch supermarket chains work together for a living wage for workers in banana farming. The aim is to reduce the gap between a living wage and a normal wage to 75% by 2025 at the latest. • Jumbo commissioned the Impact Institute to conduct two social impact scans at two rose farms in Kenya, in line with the OECD Guiding principles on Business and Human Rights. The results were above expectations in terms of social impact. It is striking that there was no sign or suspicion of sexual harassment at the farms. The Impact Institute said it had never seen such a result before. Jumbo will start working on the recommendations in the report.
Transparency	<ul style="list-style-type: none"> • Transparency is part of our approach to identifying and tackling potential risks in our supply chains. For example, we have made the origin of risk products and ingredients and suppliers clear on an interactive world map.

3. Reducing environmental impact

Food wastage

We organise our chain in such a way that food ends up in the right place as much as possible. As a result, much less food needs to be thrown out.

How we go about it	Results
Optimisation of the chain	<ul style="list-style-type: none"> • With the programme for vegetables and fruit, we optimise the processes surrounding fresh produce in the store through more frequent checks and smarter ordering. This results in fresher products and less food wastage at customers' homes. • In 2020, we conducted several tests that showed that refrigerated walls have the most positive effects on the quality and shelf life of our products. • Our optimised forecasting process enables us to give more accurate order recommendations. • Preventing loss is now a permanent part of our induction programmes. We also pay more attention to the stores that have a relatively high level of waste. They receive guidance on how to improve loss results and how to better apply core processes.
Potential wastage adding value	<ul style="list-style-type: none"> • The Wasting less together shelf was introduced at 637 stores in 2020. Fresh products with a best-before date of the same day are sold at a reduced price of €0.50, €1 or €2.50. More than 15 million products have already been sold this way. • More than 430 Jumbo stores and all the distribution centres donate to nearly 170 food banks in the Netherlands. We donated 1.5 million products in 2020. • Introduction of Bread from Bread, where we use the unsold bread to bake new, fresh daily bread.
Involving customers	<ul style="list-style-type: none"> • During the Waste Free Week, we inspired customers through various Jumbo channels to cook with leftovers and informed them about smart home food storage.

Packaging and waste

At Jumbo we make sure that the environmental impact of packaging is as low as possible and that our waste can be reused as raw materials wherever possible.

In many cases, packaging has an important function, for example to maintain the quality of products and prevent waste. We prefer more sustainable materials, but opinions on sustainable packaging differ. One thing is certain: we must move towards less packaging waste.

How we go about it	Results
Smarter packaging	<ul style="list-style-type: none"> • Less, better and more than packaging. We have taken several steps to use less packaging, make packaging recyclable and use more recycled material. Here are a few examples: • In 2020, the weight of our reusable shoppers was reduced by more than 15%. This saves us 50,000 kg of plastic a year. In addition, more bags now fit in a box, so we also use less cardboard and save 10,000 kg per year. • Packaging for the new Lekker Veggie line has been improved: the trays are 100% recyclable and are made from 100% recycled PET bottles. The cardboard sleeve has also been almost halved and is certified with the FSC label.

How we go about it

Results

	<ul style="list-style-type: none">• The packaging material for the trays for meat products has been reduced thanks to changes to the film thickness. The trays now have rounded corners, which reduces packaging material by 25%. This saves almost 65,000 kg of material per year.• Bottles are now packed in 6-packs instead of 4-packs. This results in a 15.5% saving on the plastic packaging, or over 4,000 kg, per year.• Our flower buckets are now thinner.• The lids for soft fruit and mushrooms have been replaced with top seals. This saves 55,500 kg of plastic.
Increasing knowledge	<ul style="list-style-type: none">• In 2020, we organised a series of workshops on packaging for our employees.• We also introduced tools to promote sustainable packaging, such as the packaging check and impact tables.
Innovating together	<ul style="list-style-type: none">• The Proteus display for promotions in every store is being used more often and creates a reduction of 85% in cardboard.
Reducing waste	<ul style="list-style-type: none">• We started preparations for a deposit on small PET bottles that will take effect on 1 July 2021.• Every store is equipped with a cardboard press, which allows us to more efficiently combine waste into one bale and thus reduce CO₂ emissions during transport. Wherever possible we keep the flow of film transparent and cardboard unprinted, so that it can be more easily recycled.• Worn-out truck tyres are processed into so-called micro rubber powders, which are used to make new tyres.• The cooperation with PeelPioneers allows us to reuse citrus peel waste in the Jumbo stores. We collected almost 7 million kg of orange peels separately from other waste in 2020. These peels are processed into oils that we use in Jumbo's own brand cleaning product Van Schil tot Schoon [From Peel to Clean].• In 2020 we took steps to use all of our flower binding cutting waste as compost. The waste is collected separately and processed into new potting soil.• 80% of our Past-Date product waste is converted to biogas.

Dilemma

We want to use less packaging made using fossil materials. Plastic that ends up in the environment does not decompose and therefore causes damage. Only a small percentage can be recycled. Paper is not necessarily a better alternative. Its production consumes a lot of energy and often comes at the expense of agricultural land for food production. Paper is easy to recycle, however. Plastic is often a better choice for products that are fragile. It also contributes to a longer shelf life and thus helps to reduce wastage. Plastic shopping bags also have a longer lifespan than their paper counterparts, which ultimately results in a lower environmental impact. For so-called on-the-go products, paper packaging is again more favourable. Unlike plastic, this material is readily biodegradable if it ends up in the environment.

Energy and Emissions

At Jumbo we aim to set up the entire chain in a climate-conscious and future-proof manner. We want to reduce energy consumption and emissions in our stores and distribution centres and during transport as much as possible.

How we go about it

Results

Energy consumption for transport and logistics

- Expansion of delivery with electric delivery trucks.
- Since 2020, the refrigeration in the electric truck has also been powered by electricity, which means that the truck is now fully electric.
- At the end of 2020, 15 Euro 5 delivery vans were replaced with cleaner Euro 6 ones. All Euro 5 vans will have been replaced by the end of 2021.
- Increase in the number of long heavy vehicles (LHVs) by 1.
- The CO₂ emissions of our means of transport decreased by 8%, mainly due to shorter distances and a higher load factor.

More sustainable accommodation

- We received the highest possible BREEAM design certificate for sustainability for our automated distribution centre in Nieuwegein. This makes the building the most sustainable of its kind in the world.
- The EFC in Bleijswijk also has the highest possible BREEAM design certificate.
- Energy-saving measures that we use include LED lighting, more economical cooling systems, natural refrigerants and monitoring energy consumption in the stores.

Sustainable energy

- There are now over 55,000 solar panels on the roofs of our stores and distribution centres.
- The energy we buy consists of 20% European wind energy.
- At the end of 2020, 43 Jumbo locations had a heat pump.
- The energy consumption (MJ / M² NSA) in 2020 (2,047) was higher than in 2019 (2,038), which can largely be attributed to an increase in electricity consumption due to longer store opening hours. Gas consumption was 4% lower in 2020 because 2020 was on average a warmer year than 2019.





4. Fun employer

Diversity and inclusion

At Jumbo we believe that we belong to everyone, and are there for everyone. All customers and employees must feel at home with us and be able to identify with our values.

How we go about it	Results
Supervisors embrace and support a culture of equality	<ul style="list-style-type: none"> In 2020, the dialogue on diversity and inclusion was further shaped. This was widely discussed in the organisation to raise awareness of the issue. In the Management Board, the Executive Committee and senior management, the intention of truly being of and for everyone was reaffirmed.
Attractive for all talents	<ul style="list-style-type: none"> We work with asylum permit holders in our distribution centres and stores (Veghel DC and Utrecht store cluster). We work with elderly people (65+) in our stores in the Amsterdam area. Deployment of over 200 participants in our stores and distribution centres. The number of permanent employees rose (+8%), while the number of auxiliary staff fell; many employees at branches became permanent employees. This is partly due to adjustments resulting from the Balanced Labour Market Act (WAB).
Working together on the basis of equality	<ul style="list-style-type: none"> At the end of 2020, 30% of the senior management at Jumbo were women. The Management Board has one female member (25%). The composition of the Supervisory Board changed and it now has one female member (20%).
Customers and employees recognise themselves in our communication	<ul style="list-style-type: none"> In 2020, we reviewed the principles of our communication. Based on the results, we adjusted the policy in such a way that we radiate more diversity.

5. Doing business in society

Local involvement

For us at Jumbo, it goes without saying that all our stores are involved with what is going on locally. We like to contribute to making the neighbourhoods in which we operate more pleasant.

How we go about it	Results
Basics in order	<ul style="list-style-type: none">• Almost 200 stores participated in the World Cleanup Day and cleaned up their surroundings.
Involved every day	<ul style="list-style-type: none">• For city deliveries in Amsterdam, for example, electric delivery vehicles are used so as not to cause noise disturbances or fumes in the neighbourhood.
Support for suitable initiatives	<p>Loneliness</p> <ul style="list-style-type: none">• As a driving force behind the National Coalition Against Loneliness, we are doing our bit to tackle loneliness. During the Week Against Loneliness, we introduced Chat Packages. These can be used to make tasty meals for someone who could use a chat.• In the Week Against Loneliness, we made a handbook available to our stores with tips on how to identify and tackle loneliness. We also explain how stores can get in touch with local coalitions that work to combat loneliness.• In 2019, Jumbo set up the Klets-kassa (Chatty Cash Register), to create an extra moment of contact in our stores. In 2020, we increased the number of Chatty Cash Registers to around 10. We expect this number to increase further once the coronavirus pandemic is under control. <p>Responding to local area needs</p> <ul style="list-style-type: none">• Stores support local sport clubs, charities and events. The initiatives range from bottle deposit campaigns to clothing collection containers at stores.• In 2020, we also set up local savings campaigns, aimed at saving together with customers for schools and sport clubs throughout the Netherlands.• Even during these times of coronavirus, our stores make an extra effort for the neighbourhood. Vouchers were on sale at various Jumbo stores to support local businesses during the forced closures. Customers could buy a voucher for €5.50 giving them €10 in credit to spend at a business of their choice after the reopening. Special shopping packages were put together to support frontline healthcare workers at the Jeroen Bosch Hospital in 's Hertogenbosch. They were able to collect the groceries twice a day from a mobile Pick-Up Point. The packages contained products for three meals a day for two to three days for two people. <p>Food banks</p> <ul style="list-style-type: none">• Due to the cancellation of the annual King's Breakfast, we donated our contribution to this event to the Food Bank. This involved hundreds of thousands of products and a gift for the approximately 12,000 volunteers.• We supported the Food Bank's Stay Safe and Give campaign with a dedicated bottle deposit campaign.

Value creation model

Our value creation model describes how we make a difference; the value creation model (figure on page 48) shows where this happens. The value creation model provides further insight into what forms of social, economic and environmental capital we utilise, how we add value to that and how that benefits society. The model has been put together with reference to our materiality matrix, strategy and sustainability topics and takes into account the Sustainable Development Goals (SDGs) of the United Nations.

Input

We distinguish five types of capital with which we create value, specifically:

- **Produced capital** - With all the business units, from Supply Chain to Formula, we ensure that our customers experience the Jumbo formula optimally.
- **Natural capital** - We invest in a product range that is delicious, healthy and of good quality, and in our business operations we pay attention to the impact our actions have on people, animals and the environment.
- **Human and intellectual capital** - We invest in our employees through education and training and offer a good working environment with employment conditions in line with the market.
- **Social and relational capital** - We work towards efficient and responsible management of the Jumbo organisation and are in open dialogue with our stakeholders.
- **Financial capital** - We ensure the continuity of Jumbo.

Business Model

The customer comes first in everything we do. The starting point is that shopping must be enjoyable for our customers. The 7 Certainties constitute the basis for this. Using our long-term strategy in combination with our sustainability topics, we add value for our stakeholders. The strategy determines how we work and what choices we make. Naturally, managing Jumbo efficiently and responsibly is the priority and we take potential risks into account.

Output and impact

The result achieved in 2020 is linked to the five types of capital on which we create value via 'output and impact'. We realise that the impact our work has on stakeholders goes beyond the numbers. That is why we provide an additional explanation in the chapter on 'Sustainable message'.

Sustainable Development Goals

With our activities, we actively contribute to the Sustainable Development Goals (SDGs) of the United Nations. These are the global goals for sustainable development to which the Netherlands has made a commitment. At Jumbo, we take responsibility for the following development goals:

- **Good health and well-being** (SDG3): ensure healthy lives and promote well-being for all ages.
- **Decent work and economic growth** (SDG 8): promote inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **Sustainable consumption and production** (SDG12): ensure sustainable consumption and production patterns.

VALUE CREATION MODEL

INPUT

NATURAL CAPITAL

- Raw materials and ingredients

SOCIAL AND RELATIONAL CAPITAL

- Stakeholders and partnerships

FINANCIAL CAPITAL

- Equity

HUMAN CAPITAL AND INTELLECTUAL CAPITAL

- Employees

PRODUCED CAPITAL

- Retail
- Distribution centres
- EFCs
- Hubs
- Transport
- Head office
- Jumbo private label

BUSINESS MODEL

MISSION

DE 
leukste
BOODSCHAP

(the most enjoyable shopping experience)

STRATEGY

FROM
FOOD RETAIL
TO FOOD
EXPERIENCE

STRATEGIC SPEARHEADS

STRENGTHENING THE JUMBO FORMULA

Proposition

SERVICE FOR THE FUTURE

Service

THE CUSTOMER COMES 1ST

ALWAYS AND EVERYWHERE

Portfolio

WORKING ON AN ENTERPRISING ORGANISATION

Operational Excellence
Organisation
EDLC

CORPORATE GOVERNANCE

RISK MANAGEMENT



SUSTAINABLE SHOPPING



Healthier diet and lifestyle



Reducing environmental impact



Products that show concern for people, animals and the environment



Doing business in society



Fun employer

OUTPUT AND IMPACT

NATURAL CAPITAL

- **Healthy products:** 45% healthy products in our private label assortment
- **Animal welfare:** 88% private label products with animal welfare label
- **Sustainable chain:** 95% private label products with sustainable quality mark
- **Energy and emissions:** 253.6 CO₂ footprint (tonnes/year)
- **Food wastage:** 1.57 (t) food thrown away per food revenue (million euro)
- **Packaging and waste:** Baseline measurement in 2021 for packaging and 0.102 weight of waste (tonne/m² NSA)

SOCIAL AND RELATIONAL CAPITAL

- **Working conditions in the chain:** 99% of suppliers certified for a social quality mark/certification in high-risk countries
- **Customer satisfaction:** NPS score
- **Local involvement:** 44% customer satisfaction for local involvement
- **Healthy lifestyle:** 50,279 downloads of Jumbo Foodcoach app

HUMAN AND INTELLECTUAL CAPITAL

- **Employment conditions and working environment:** ENPS score 41%
- **Diversity and inclusivity:** 47% men, 53% women

FINANCIAL CAPITAL

- **Value for money:** 69% of the primary and secondary customers think that Jumbo offers good value for money.
- **Consumer revenue:** €9.73 billion
- **Normalised EBITDA:** 751
- **Market share:** 21.5%

PRODUCED CAPITAL

- 679 stores
- 7 distribution centres
- 2 EFCs
- 6 hubs
- 9,000 own brand products

SUSTAINABLE DEVELOPMENT GOALS

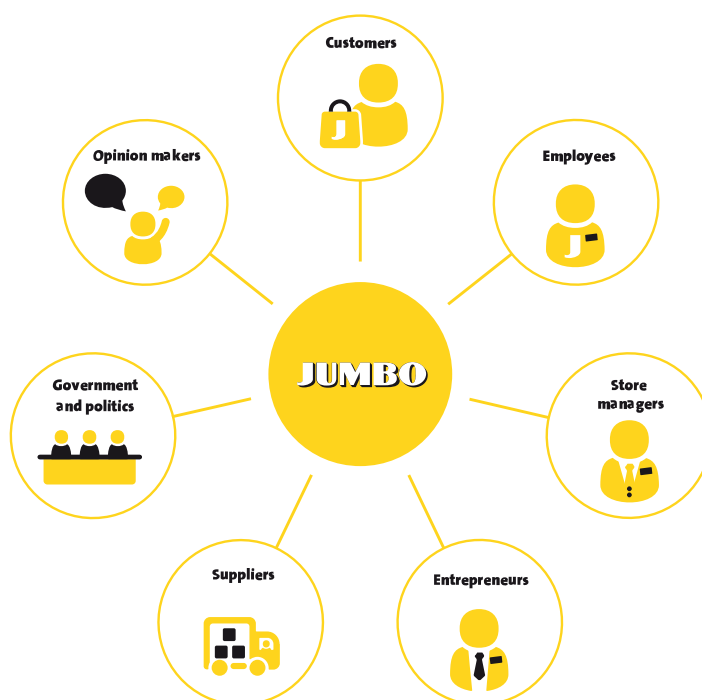


Stakeholders

We attach great value to an open dialogue with all 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
Jumbo customers	Jumbo has been built around the customer. Our customers are a representative reflection of the Dutch population.
Jumbo employees	Our employees are a crucial part of implementing the Jumbo formula with excellence. This group includes employees with a permanent or temporary employment contract with Jumbo (including hired personnel).
Jumbo store managers	Jumbo store managers are responsible for operating Jumbo locations.
Jumbo entrepreneurs	Jumbo is the largest franchise organisation in the Netherlands. Jumbo franchisees are responsible for operating their own Jumbo franchise stores and are affiliated with the Jumbo Entrepreneurs' Association.
Suppliers	Jumbo works intensively with its suppliers and aims for a strategic long-term partnership in this context. 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. This group involves Jumbo suppliers, both producers of our own brand products and brand manufacturers.
Government and politics	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 supervisory officials.
Opinion makers and civil society organisations	Jumbo has regular contact with relevant retail experts, civil society organisations, NGOs, knowledge institutes, sector organisations, etc. These contacts are focused on aligning ambitions for the longer term and in some cases take place on the executive level.



In dialogue with our stakeholders

Contacts with our stakeholders are always based on an open dialogue. We use various opportunities, means and platforms to maintain these contacts. Jumbo is active in a number of collaborations and Public-Private Partnerships (PPPs). An overview has been appended.

Stakeholder group	Topics of discussion	Dialogue
Jumbo customers	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
Jumbo employees	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), trade unions
Jumbo store managers	Food wastage, packaging and waste, energy and emissions, local involvement, healthy lifestyle, employment conditions and working environment in the organisation, diversity and inclusivity	Employees, as well as various management committees, working groups and focus groups
Jumbo entrepreneurs	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, various management committees, working groups and focus groups
Suppliers	Sustainable chain, animal welfare, working conditions in the chain, packaging and waste, food wastage	Visits and supplier visits, one-to-one talks, annual supplier day(s)
Government and politics	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, company visits by members of parliament to Jumbo stores
Opinion makers and civil society organisations	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	Consultation with interest groups and civil society organisations such as CBL, STV, MVO NL, Wakker Dier, the World Wildlife Fund, the Dutch Society for the Protection of Animals, the Netherlands Nutrition Centre and Friends of the Earth Netherlands, Missing Chapter Foundation, Oxfam Novib, Foodwatch, Max Havelaar, UTZ Certified, Rainforest Alliance, Solidaridad, RSPO, RTRS, the Netherlands Institute for Sustainable Packaging, WeCycle, Fairfood International, Greenpeace, World Animal Protection, the Foundation for Nature Conservation and Environmental Protection, HIVOS, MSC, ASC, ZLTO, Eyes on Animals, Urgenda, Fair Food, Hivos, the National Vegetable and Fruit Action Plan, the Consumers' Association, UNICEF, National Coalition Against Loneliness and JOGG Cooperation with educational institutions, such as: HAS Hogeschool, The Hague Hogeschool, Erasmus University Rotterdam, Wageningen University & Research Knowledge exchange with, among others, retail experts and financiers



La PLACE

Originale
MILCH GEBRAND,
KRAFTIG EN
VOL VAN SMAAK

Espresso
DONKER GEBRAND
PIETLIJG EN
VOL VAN SMAAK

Cappuccino
DONKER GEBRAND
KRAFTIG EN
INTENS VAN SMAAK

EXCLUSIEF BIJ JUMBO
VERKRIJGBAAR

JUMBO
food
markt

JUMBO
food
markt

JUMBO

Risk management

Our success is largely based on our mission and vision, the quality of our employees and entrepreneurs and the strength to identify and make the most of opportunities together. We realise that we can encounter risks in our operations. To successfully implement our strategy, risk management is therefore an integrated part of business operations.

Organisation and risk management

Promptly identifying and correctly responding to possible risks is important for achieving our strategic objectives. There can only be effective risk management if there is ample room for active and open dialogue with all our 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 Board and the Executive Committee. Monitoring of existing and emerging risk areas is supported by a cross-functional Risk Management team. This line also includes the responsibility for dealing with risks and designing appropriate measures. These measures have been integrated in the strategy, procedures and checks, including the planning & control cycle and the business comparisons on the store level and between distribution centres.

The control environment encompasses the behaviour, corporate culture and expertise of the employees in relation to (risk) management, administrative organisation and an adequately-functioning Internal Control Framework (ICF). Our employees think about both the opportunities and risks associated with realising our strategic objectives and ambitions. This way of thinking is part of our DNA at Jumbo and, together with Jumbo's 'Code Yellow' code of conduct, forms an important starting point for working together to make the right decisions and weigh the risks. The Management Board and the Executive Committee set high standards for this control environment and for the values that are important to Jumbo as a family business. They render account on this to the Supervisory Board and Audit Committee at set times.

The Internal Audit function (IAF) monitors the process of strategic risk management and, among other things, performs audit and advisory work on the operational processes to check whether the processes are controlled. The ICF has been further optimised through the use of preventive and automated controls. The so-called Three Lines of Defence model is also being rolled out further, with responsibility being given more clearly to departments with operational tasks. Controlling fulfils the role of the second line here and IAF monitors and assesses the system as the third line. IAF reports the outcomes to the responsible members of the Executive Committee, Management Board, Supervisory Board and Audit Committee.

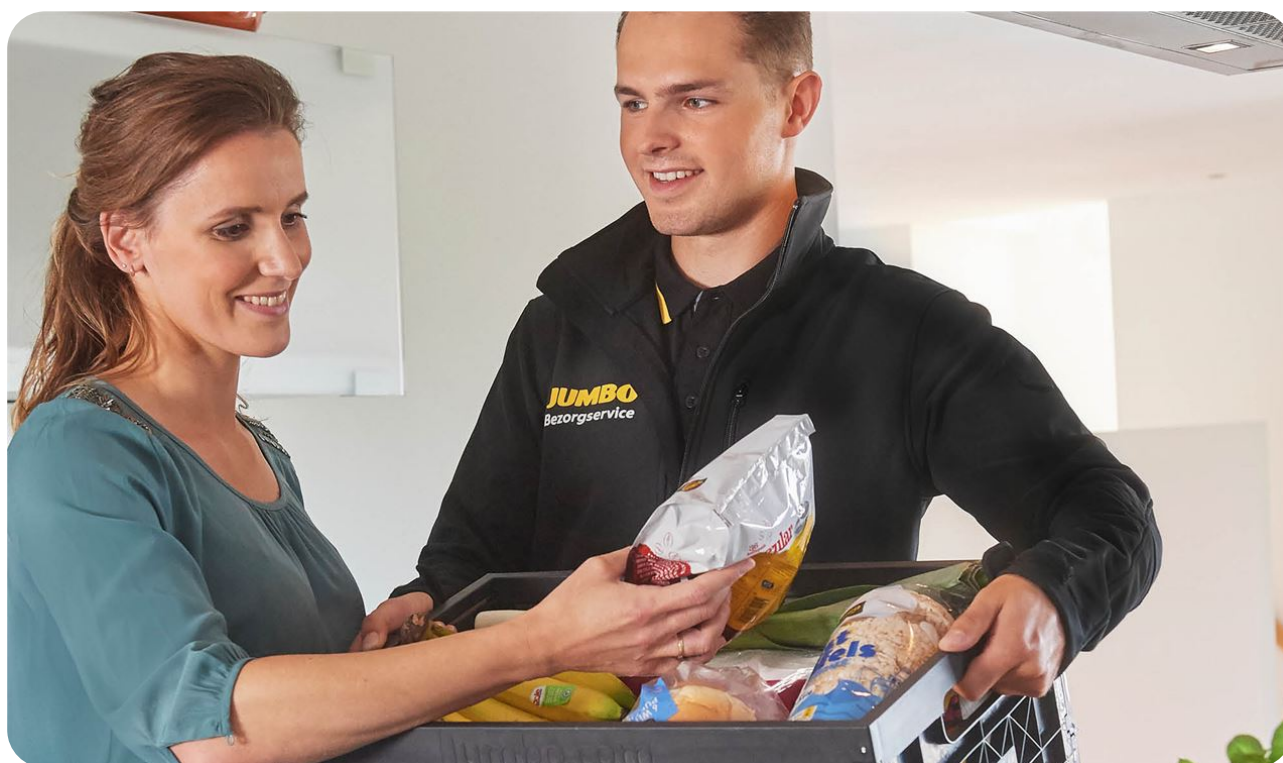
Jumbo is willing to take responsible business risks in order to realise its strategic objectives, whereby the interests of stakeholders are always central. However, Jumbo avoids risks related to legislation and regulations, customer and employee safety, business continuity, product safety and quality and reputation.

Key risk areas

Below is an overview of the key strategic, operational and financial risks and risks in relation to legislation and regulations. 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
Competition	Competition online and in stores from home and abroad and other sectors is increasing and could have an impact on revenue and market share	<ul style="list-style-type: none"> Identifying market opportunities and developments NPS score is part of the targets and is periodically discussed in the meetings of the Management Board and Executive Committee Investing in various distinctive (online) formats
Reputation	Possible incidents or changes in public opinion could have serious consequences for our reputation or market position	<ul style="list-style-type: none"> Culture and conduct: Jumbo DNA Jumbo's 'Code Yellow' Code of Conduct / uniform internal guidelines Reputation survey score
CSR	Jumbo does not meet changing demands of stakeholders in relation to sustainability	<ul style="list-style-type: none"> Reputation survey score, JIM score
Digitalisation and technology	Business models and processes could be overtaken by advanced technological developments	<ul style="list-style-type: none"> Accelerating and investing in digital strategy and technology Focus on improved digital customer experience
Innovation and changing customer needs	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"> Identifying customer needs and trends Focusing on and investing in innovation and trends, especially in relation to the Product range, Technology and Service



Operational risks

Risk	Description and/or possible consequences	Measures
Disruption of supply chain	The likelihood of (natural) disasters, pandemics and man-made risks remains and can have a detrimental effect on the continuity of business processes	<ul style="list-style-type: none"> • Limiting the impact of unforeseen disruptions • Continuity Plan Distribution Centres
Scarcity on the labour market and sustainable employability	This could potentially lead to perceptible shortages, particularly in distribution and transport	<ul style="list-style-type: none"> • Focus and attention for working environment, age structure of the employees and employment conditions • Investing in automated distribution
Product safety and quality	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"> • External testing performed by IFS (International Food Standard) in stores and distribution centres • Quality terms and conditions and checks/audits for hygiene • Training and education, and monitoring of KPIs in the recall process • Supplier management for Jumbo own brand through taste and quality testing and root cause analysis for consumer recalls
Safety of customers and employees	Unsafe 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"> • Investing in prevention (visible and invisible security) • Deploying detective measures in stores, distribution centres, EFCs, restaurants and the head office • Making the perceived safety of customers and employees measurable • Collaboration with agencies such as Detailhandel Nederland, CBL, Retail Security Groep and connection with the FAD (National Warning Register for Combating Fraud in Retail)
Information security	Information flows may be inadequately secured which means data could be lost, which could be damaging for the people involved and, by extension, Jumbo's reputation	<ul style="list-style-type: none"> • Investing in preventive and detective measures (technology, processes and awareness) • Focus and attention on (possible) hacks, data breaches and critical security incidents • Educating and training employees in preventing cyber risks

Financial risks

Risk	Description and/or possible consequences	Measures
Credit risk	Purchasers may not be able to meet the conditions stipulated for the financing and securities provided	<ul style="list-style-type: none"> • Periodic monitoring of the recoverability of outstanding receivables at buyers • Requiring security such as mortgage registrations for real estate, bank guarantees, pledging of assets, etc. when providing financing
Interest rate risk	There is possible exposure to risk in relation to market interest rate developments	<ul style="list-style-type: none"> • Monitoring the interest rate risk • Using derivatives to hedge the interest rate risk
Liquidity risk	There is a possibility that current and future liabilities and potential liabilities cannot be satisfied	<ul style="list-style-type: none"> • Periodic monitoring of whether the credit facility committed has been satisfied
Fraud and loss prevention	Possible fraud and/or theft of money and goods in stores, restaurants, EFCs, distribution centres and head office	<ul style="list-style-type: none"> • Periodic assessment of the cash/goods movement Daily analysis of cash register transactions Collaboration with agencies such as Detailhandel Nederland, CBL, Retail Security Groep and connection with the FAD (National Warning Register for Combating Fraud in Retail) • Investing in product security

Risks in relation to legislation and regulations and compliance

Risk	Description and/or possible consequences	Measures
Compliance with changing and growing legislation and regulation	Non-compliance or late compliance with legislation and regulation can result in negative (material and financial) impact on Jumbo's legal position and reputation	<ul style="list-style-type: none"> • Jumbo's 'Code Yellow' Code of Conduct / uniform internal guidelines • Monitoring and training in relation to legislation and regulation
Compliance with financial reporting legislation	The internal and external (financial) reporting does not comply with legislation	<ul style="list-style-type: none"> • * 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 regulation for financial reporting (Title 9 of Book 2 of the Dutch Civil Code and IFRS).
Dispute and Reporting scheme (in the start-up phase of Speak Up)	A healthy ethics and compliance culture, so that incidents and structural issues that could potentially impact Jumbo's reputation negatively can be identified at an early stage and addressed	<ul style="list-style-type: none"> • Monitoring Speak Up reports and follow-up on these

Compliance

Compliance risks are the risks arising from non-compliance or non-timely compliance with legislation and regulations and internal guidelines and procedures, and which can have an immediate impact on our reputation, legal position and/or business processes.

Code Yellow: Jumbo's code of conduct

In 2017, the Jumbo code of conduct 'Code Yellow' was introduced. 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 reflects the way in which we as a company represent ourselves in society and helps us to strengthen Jumbo's reputation as organisation and employer. Code Yellow not only provides guidelines for complying with the relevant legislation and regulations, but also contains provisions concerning ethical conduct, respectful cooperation and protecting company resources and information. All employees at the head office, in the stores and at the distribution centres are expected to respect and comply with the Code Yellow. Safeguarding compliance in all parts of the organisation is one of the objectives for the Management Board and the Executive Committee. The constant activation of Code Yellow has been included in the ICF, and elsewhere.

Jumbo Speak Up scheme

In 2020, as part of Code Yellow, the Speak Up scheme came into force. Speak Up is an updated reporting system within Jumbo to 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 places great value on integrity and transparency. That requires an open and safe working environment in which everyone should feel free to raise concerns or report abuses. This way, Jumbo can tackle problems on time and in an appropriate manner. Employees can make a report - anonymously if they wish - through various channels:

- Manager or HR Business Partner
- Speak Up contact within the Legal department
- External confidential adviser
- Speak Up service (by telephone or online)

Complaints in relation to labour relations (e.g. about assessments, employment conditions, application of the collective labour agreement, health and safety, absenteeism and rehabilitation or similar matters) fall outside the scope of the Speak Up scheme. Such complaints are subject to the Labour Relations Dispute Settlement Scheme.

Risk management & coronavirus

Because of the coronavirus pandemic, Jumbo's crisis approach - within the context of risk management - played a crucial role in 2020. At the first signs that the coronavirus would indeed have an impact in Europe, Jumbo deployed a multidisciplinary crisis team under the direction of the Management Board. This team initially focused on preventing and mitigating the two greatest risks: the disruption of the logistical flow of goods, resulting in the disruption of the food supply in the Netherlands, and the danger to the safety and health of employees and customers.

During the course of the crisis, the composition and approach of the crisis team was adjusted to remain agile and decisive. When there was no longer an acute crisis situation, the crisis team focused more on deploying and devising an appropriate (commercial) policy, positioning towards employees and customers, and measures to guarantee safety at all times. This includes the reputation and positioning of Jumbo in a broader social context. Central to this is Jumbo's basic principle of promoting the most enjoyable shopping and successfully anticipating the customer's changing needs in the context of the coronavirus crisis.

Besides the constant focus on the supply chain and the safety of employees and customers, direct and clear communication to all stakeholders and creating connection has been the common thread throughout Jumbo's approach to this crisis. There has also been constant and intensive contact with the Dutch Food Retail Association (CBL) and its members to work together to ensure that supermarkets could satisfy all safety measures as well and as quickly as possible in order to continue fulfilling their crucial role in the food supply in the Netherlands.

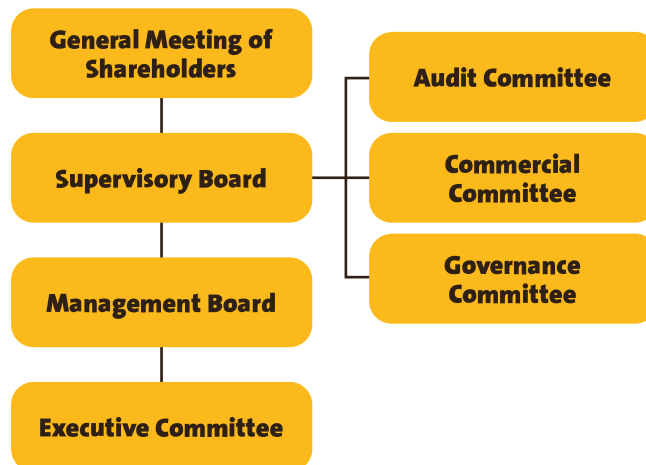
Corporate governance

As a family business, transparent management of the company is very important to Jumbo. We want to and must take into account the interests of many different stakeholders. Sometimes these interests conflict with each other and we have to reach a careful balance. We account for this, and the way in which we manage the business, in extensive reporting to various target groups. We share information about our approach on Jumborapportage.com, Nieuws.Jumbo.com, Jumbo.com and via external publications.

Good governance

As a family business, Jumbo is characterised by the close involvement of the founders and owners of the group, the Van Eerd family. The family members work with the Management Board and the Executive Committee to manage the company based on a long-term perspective. In doing so, we apply the Dutch Corporate Governance Code as much as possible.

Corporate governance structure



	Description	Consultation structure
Shareholders	The Jumbo shares are fully owned by the Van Eerd family and equally divided among Karel van Eerd and his children Colette, Frits and Monique. 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.
Supervisory Board	Karel van Eerd is Supervisory Board Chairman. The other Supervisory Board members are Antony Burgmans, Piet Coelewijn, Wilco Jiskoot (contact person for the Jumbo Entrepreneurs' Association) and Jacqueline Hoogerbrugge. All of the Supervisory Board members 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. These meetings take place in accordance with a pre-agreed meeting schedule or are convened if there is a special reason to do so. 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 Board during the reporting year.
Audit Committee	The Audit Committee is made up of Wilco Jiskoot (chair) and Jacqueline Hoogerbrugge.	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.
Commercial Committee	The Commercial Committee is made up of Karel van Eerd (chair), Antony Burgmans and Piet Coelewijn.	The Commercial Committee met twice during the reporting year. The Commercial Committee supports the Supervisory Board in relation to the commercial strategy and sub-areas relating to that.
Governance Committee	The Governance Committee is made up of Karel van Eerd (chair), Antony Burgmans and Wilco Jiskoot.	The Governance Committee met once during the reporting year. The Governance Committee was formed in the second half of 2020 and 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 Board.
Management Board	The Management Board is made up of Frits van Eerd (CEO), Colette Cloosterman-van Eerd (CCO), and Ton van Veen (CFO). Cees van Vliet joined the Management Board in the position of Chief Operating Officer (COO) as of 6 January 2020.	The Management Board meets at least once a week and takes decisions on both the long-term strategy and the day-to-day implementation of that.
Company secretary	Claire Saes is the company secretary. She is also ultimately responsible for Corporate Affairs.	

Personal details

Supervisory Board

C.J.M. van Eerd (82) Supervisory Board Chairman

Mr C.J.M. van Eerd holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2021.
Former principal position: CEO Jumbo Groep Holding B.V.

A. Burgmans (73)

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 activities until April 2018: Chair of the Supervisory Board AkzoNobel; other ancillary activities until April 2016: Chair of the Supervisory Board at TNT Express, Non-executive Director BP plc.

P. Coelewij (60)

Mr P. Coelewij holds Dutch nationality. The year of first appointment was 2018. The term of the appointment expires in 2022.
Former principal position: CEO Wehkamp B.V.
Relevant ancillary activities: Chairman of the Supervisory Board of PMM Public Mediamarkt, member of the Supervisory Board at Royal FloraHolland and the Supervisory Board at Interparking S.A.

J.C. Hoogerbrugge (57)

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 activities: Member of the Supervisory Boards at the Swedish companies Dometic and Swedish Match, the Dutch company Broadview Holding and the Portuguese company BA Glass.

W.G. Jiskoot (70)

Mr W.G. Jiskoot holds Dutch nationality. The year of first appointment was 2009. The term of the appointment expires in 2021.
Former principal position: Member of the Management Board at ABN AMRO.
Relevant ancillary activities: Chairman of the Board of Directors of Constellation Netherlands Holding B.V. and Chair of the Supervisory Board at HEMA.

Supervisory Board



Karel van Eerd



Antony Burgmans



Piet Coelewij



Jacqueline Hoogerbrugge



Wilco Jiskoot

Management Board

G.F.T. van Eerd (53), CEO

Mr G.F.T. van Eerd holds Dutch nationality. Area of focus: ultimately responsible for Jumbo.

Relevant ancillary activities: board member at CBL, founder of Frits-Starter.

A.L. van Veen (51), CFO

Mr A.L. van Veen holds Dutch nationality. Areas of focus: Finance, Technology & Data, Corporate Affairs, Franchise & Real Estate, Human Resources, Internal Audit.

Relevant ancillary activities: Supervisory Board Chairman for Team Jumbo-Visma, Member of the Supervisory Board at PSV, Member of the Supervisory Board at Rituals Cosmetics, Member of the Advisory Board at Supermarkt Vastgoed.

C.M.P.W. Cloosterman-van Eerd (54), CCO

Ms C.M.P.W. Cloosterman-van Eerd holds Dutch nationality. Areas of focus: Marketing, Formula & Format, La Place.

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

C.H. van Vliet (51), COO

Mr C.H. van Vliet holds Dutch nationality. Areas of focus: Buying & Merchandising, Sales & Operations, Supply Chain, Jumbo Belgium.

Executive Committee

R.M.J. Bertrand, Formula

O.M. de Boer, Buying & Merchandising

H.A.L. Boonstra, Human Resources

P.A. van Erp, Finance

T. Hehenkamp, Technology & Data

P. Isaac, Jumbo Belgium

C.J.A. de Jong, Supply Chain

R. van Keulen, Marketing

C.A.M. Meijers, La Place

mr. C.P.W. Saes, Corporate Affairs

D.H. Snel, Franchise & Real Estate

mr. A.T.J. Willemse, Sales & Operations

Central Works Council (CWC)

R.T. Huitenga, Chair

C.J.J.B. van Overveld, Vice-chair

J. Blaak, Member

C.I.M. Colin, Member

J. Kamphuis, Member

R. Koudijs, Member

R.J.P.B. van de Laar, Member

J.J.H. van Meer, Member

S.F. van der Meer, Member

G.J. Middelbos, Member

M. de Rozario, Member

H. van Vliet, Member

M.C.P. Kortman, Official Secretary

The composition and ages shown are as of 3 January 2021.

Management Board



Frits van Eerd



Ton van Veen



Colette Cloosterman-
van Eerd



Cees van Vliet

Executive Committee



Ralph Bertrand



Olaf de Boer



Alrik Boonstra



Peter van Erp



Tim Hehenkamp



Peter Isaac



Karel de Jong



Roy van Keulen



Chris Meijers a.i.



Claire Saes



Douwe Snel



Theo Willemse

Outlook for 2021

During the memorable year of 2020, we pulled out all the stops to fulfil to the essential function of our family business. We recognise that we have great societal responsibility, which exceeds the importance of extra revenue. This awareness will also prevail in our anniversary year of 2021. In addition, we remain committed to our ambition of always going the extra mile for our customers. We believe that shopping should be enjoyable, and that it should stay that way. In every new initiative we take, we ask ourselves how it will benefit the customer. With this commitment, we want to reinforce our centenary and achieve the revenue target of 10 billion euros.

Gradual normalisation

The coronavirus pandemic has caused a great deal of personal suffering and social disruption. We encounter the effects of this in virtually every aspect of our business operations. We will continue to respond to this as best we can with our organisation. We assume that the additional measures will continue for some time in 2021. Although the further course of the pandemic is difficult to predict, we expect a gradual normalisation of daily life.

Store openings

In 2021, we will continue on the path of large-scale store renovations to respond to changing customer needs. New store openings are planned in particular in desirable city locations and in Belgium. For six locations at NS stations, Jumbo and HEMA are developing a joint retail concept for which Jumbo is responsible for the food offerings. This initiative will be completed in the course of 2021. Almost half of the Jumbo stores now have a well-sorted shelf with household items from HEMA. We will continue to expand this offering to our other stores as well. Jumbo's entry into the Belgian market in 2019 is bearing more and more fruit. Customers are embracing the Jumbo formula, with the effect that results remain above expectations. For 2021, we expect to open about ten new supermarkets in Belgium, bringing the total to about twenty. In addition, we maintain our expectation that there will be room for about a hundred Jumbo stores in Belgium in due time.

Healthy lifestyle

Changes in consumption patterns prompted by the coronavirus pandemic are clearly noticeable in our stores. The demand for healthy and delicious food has increased strongly, as has the interest in an active lifestyle. Customers also increasingly appreciate convenience and service. At Jumbo, we have been preparing for these shifts for some time, with a growing range of tasty, healthy and high-quality products and more emphasis on freshly prepared meals. The innovations from our very own Jumbo Foodcollege ensure a constant flow of product updates. We will continue with this unabated in 2021. We also have high hopes for the performance that Team Jumbo-Visma has in store. The successes of these top athletes help to encourage customers to adopt a healthier lifestyle. As the first users of the Jumbo Foodcoach app, they have experienced the convenience of optimised nutritional advice in relation to exercise and sport. Jumbo will make this innovative digital tool more widely available to amateur athletes and other interested parties in 2021.

Expanding online capacity

As a result of the coronavirus pandemic and the extra rush it caused in our stores, many customers switched to Jumbo.com; this introduced them to the benefits of home delivery. This also brought with it the need to further expand online capacity. At Jumbo we are responding to this strong increase in demand by opening no fewer than ten new delivery hubs in 2021. We opened our third E-fulfilment Centre (EFC) in Bleiswijk at the beginning of 2021. This logistics centre for handling online orders also contributes to the additional capacity required. The building in Bleiswijk has received the highest BREEAM certificate for sustainable building. Jumbo's new mechanised National Distribution Centre (NDC) in Nieuwegein also received this distinction earlier. The complex, which has been fully operational since the end of 2020, will be further expanded in 2021. The opening of a mechanised NDC for some of the fresh produce is planned on the same site for 2023.

La Place

Our La Place food service formula is preparing to emerge stronger from the coronavirus crisis with a series of innovations and improvements. The new restaurant concept 'All Day Good Food Fast' is built on fast service and convenience, and a surprising range of delicious, healthy and fresh food in a presentation that stimulates the sense. La Place will be further developing this concept with its new collaboration partner the Vermaat Group. Hospitality and catering specialist Vermaat is also taking over the operation of 44 regular La Place restaurants. Jumbo will continue to own the La Place brand and will focus in 2021 on the expansion plans for the La Place Express convenience formula and the introduction of new La Place products in the Jumbo stores.

Ready for the future

Jumbo wants to remain as relevant as possible for its customers and wants to keep a close eye on what is changing in the world around us. The adage 'Licence to grow' translates for Jumbo into working on a versatile organisation, investing in new competences and making the most of the available potential. These tasks are the basis of the modified organisational structure in place at Jumbo's head office in Veghel as of 7 September. The changes were also prompted by the need to respond adequately to the rapid growth that Jumbo is experiencing and to cope with the increasing complexity that this growth entails. In 2021, further optimisation will take place with the aim of having the entire organisation fully serve the customers.

Interests in balance

Further increasing the sustainability of the business operations and the product range will continue to determine Jumbo's agenda in 2021. The overarching goal is to balance the interests of people, animals and the environment. Jumbo expects to be able to make progress in a large number of areas. This includes further reducing food wastage, waste and packaging, wider availability of affordable healthy products, encouraging a healthy lifestyle, promoting fair and sustainable food chains, good employment practices and an enjoyable and safe workplace. Every one of these is a topic that is important to both Jumbo and its stakeholders. We remain in close contact with various groups of stakeholders, ranging from customers and social organisations to employees and suppliers. Sharing knowledge and insights is the highest priority in this.

Confident

Jumbo is looking forward to its anniversary year of 2021 with confidence. We are well aware that the coronavirus pandemic will continue to leave its mark this year. Together with all of our employees, entrepreneurs, suppliers and other partners, we continue to work hard to realise our ambition of offering the most enjoyable shopping experience within the current limitations.

Report from the Supervisory Board

The Supervisory Board is pleased to determine that Jumbo achieved its key strategic and financial objectives for the reporting year in 2020. The circumstances in which this was achieved were exceptional. No expense was spared to maintain the food supply and ensure the safety of customers and employees.

Jumbo Groep Holding as a whole managed to successfully stand up to the challenges of the virus outbreak. The revenue increase achieved by the Jumbo stores was substantial. Food service formula La Place, on the other hand, was hard hit by the forced closure of the hospitality industry.

The company stuck to its strategy throughout 2020. Steps were again taken to enable Jumbo to grow into a leading omnichannel player in the Dutch food market. The transition from food retail to food experience went ahead unabated, in close cooperation with La Place. This can be seen in, among other things, the development in the product range, largely driven by innovations from the Jumbo Foodcollege.

Jumbo's growth is partly due to an expanded and strengthened portfolio of stores. In the Dutch market, this involved the renovation of a large number of stores based on the latest principles of the Jumbo formula, as well as the opening of new stores in the Randstad area. Despite unavoidable delays due to the coronavirus pandemic, the expansion to new locations in Belgium was a success.

Sales via Jumbo's online channels have taken off due to the pandemic. The need to expand capacity further can be clearly felt. Additional investments were made in logistics, systems and home delivery options to facilitate the continued growth of online.

Jumbo has continued to focus strongly on its relationship with the customer. Everything is aimed at putting the customer first. Especially in these times of the coronavirus, customers must be able to rely on Jumbo. With the functional expansion and the nationwide roll-out of the Jumbo Extras programme, customer relations have also been strengthened in the digital domain.

La Place took the occasion of the forced closure due to the coronavirus outbreak to emerge stronger from the crisis. The formula has made adjustments to the restaurant concept that are better suited to the times. It also examined how strategic collaborations can strengthen the restaurants operationally.

In 2020 Jumbo took the first, important follow-up steps towards integrated reporting. With this, Jumbo sends a clear signal that it takes sustainable business operations seriously and that it wants to create both commercial and social value for the short, medium and long term. The Supervisory Board applauds this strategy.

Jumbo is firmly committed to smarter forms of organisation, so that the company remains agile and decisive. The optimisation, which is taking place under the project name 'Licence to grow', should also ensure that Jumbo can continue to grow in a healthy way. The renewal of the top structure in 2020 will contribute significantly to this. First and foremost, Jumbo remains an enterprising and customer-oriented business, with a passion for the customer and a keen eye for cost awareness.

Supervisory Board meetings

The Supervisory Board met six times during the reporting year. These meetings take place in accordance with a pre-agreed meeting schedule or are convened if there is a special reason to do so. 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 Board during the reporting year.

The following topics were on the agenda during the 2020 reporting year: the effects of the coronavirus pandemic, development of the food retail market in general, implementation of the corporate strategy as laid down in the Strategic Multi-year Plan and made more concrete in the Year Plan, initiatives for the Jumbo formula and differentiation, marketing campaigns, periodic discussion of the results, financing of the business, risk management and control systems, integrated reporting, Jumbo's governance model and other topics relating to the Supervisory Board's role in monitoring the business.

In this reporting year particular attention was devoted to the commercial collaboration with HEMA, the opening of new Jumbo stores in Belgium, sustainability, further mechanisation of the logistics network, the Jumbo organisation, the starting points of the Jumbo formula and the strategic plans concerning La Place. The 2021 Year Plan was also approved, including the budget for 2021.

The composition of the Supervisory Board changed during the reporting year due to the resignation of Mr Bruijniks on 15 April 2019. Ms J. (Jacqueline) Hoogerbrugge joined as a replacement on 1 May 2020. The new supervisory director brings with her extensive international experience in B2C companies, particularly in the areas of supply chain, procurement and quality systems. As works council-nominated supervisory director, she also maintains relations with the employee representatives.

Audit Committee

In 2020, 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. Discussions were also held with the external auditor without the attendance of the Management Board.

Commercial Committee

The following topics were among those discussed in the Commercial Committee in 2020: brand positioning and marketing policy, the fan score, format differentiation, product range policy, market penetration, development in revenue and price policy.

Governance Committee

The Governance Committee was formed in the second half of 2020 and met once during the reporting year. The topics discussed included the objective and mandate of the Governance Committee, the frequency of meetings, special points for attention in the relationship between shareholders and the company and succession issues of the Management Board and Supervisory Board.

General Meeting, financial statements, profit appropriation and discharge

The 2020 financial statements are accompanied by an audit opinion from PricewaterhouseCoopers Accountants N.V.

The Supervisory Board advises the General Meeting to adopt the 2020 financial statements and add the 2020 result to the other reserves in line with the proposal from the Management Board. The Supervisory Board also advises the General Meeting to grant the Management Board discharge 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 Management Board and all the employees during the reporting year, as well as for the results achieved during this year.

Veghel, 23 February 2021

Supervisory Board
Jumbo Groep Holding B.V.

Karel van Eerd
Antony Burgmans
Piet Coelewij
Jacqueline Hoogerbrugge
Wilco Jiskoot



Annual accounts 2020



Consolidated balance sheet as of 3 January 2021

Before profit appropriation, in €1,000

ASSETS	Note	3 January 2021	29 December 2019
Fixed assets			
Intangible fixed assets	1	1,693,292	1,630,479
Tangible fixed assets	2	489,703	477,943
Right-of-use assets	3	2,567,938	2,514,108
Financial fixed assets	4	63,188	68,034
Deferred tax assets	5	3,050	1,908
		4,817,171	4,692,472
Current assets			
Assets held for sale	6	28,736	17,939
Inventories	7	198,568	179,243
Trade debtors and other receivables	8	313,784	310,618
Corporate income tax	9	-	6,074
Cash and cash equivalents	10	74,357	66,489
		615,445	580,363
TOTAL ASSETS		5,432,616	5,272,835

LIABILITIES	Note	3 January 2021	29 December 2019
Group equity			
Issued capital		8	8
General reserves		551,744	486,451
Unappropriated result		136,872	114,880
Total group equity	11	688,624	601,339
Non-current liabilities			
Lease liabilities	12	2,392,198	2,315,131
Loans and other liabilities	13	352,251	402,021
Pensions and other deferred remuneration	14	21,485	20,197
Deferred tax liabilities	15	186,087	173,671
Provisions	16	1,777	2,966
Derivative financial instruments	17	-	9
		2,953,798	2,913,995
Current liabilities			
Lease liabilities	12	220,316	254,515
Loans and other liabilities	13	1,928	39,299
Provisions	16	6,088	4,484
Corporation tax	9	15,546	-
Trade creditors and other accounts payable	18	1,546,316	1,459,203
		1,790,194	1,757,501
Total liabilities		4,743,992	4,671,496
TOTAL LIABILITIES		5,432,616	5,272,835

Consolidated income statement for 2020

<i>in €1,000</i>	Note	2020	2019
Net revenue	20	7,736,836	6,874,246
Cost of sales	21	(6,347,578)	(5,624,313)
Gross revenue result		1,389,258	1,249,933
Other operating income	23	180,468	119,691
Selling costs	24	(945,008)	(887,704)
Administrative costs	25	(240,951)	(197,848)
Total expenses		(1,185,959)	(1,085,552)
Net revenue result		383,767	284,072
Amortisation of intangible fixed assets	1	(105,719)	(95,062)
Impairments/reversal of impairments	26	(40,634)	(539)
Operating result		237,414	188,471
Financial income	27	7,261	2,551
Financial expenses	27	(40,996)	(42,542)
Result before taxes		203,679	148,480
Taxes	28	(66,807)	(33,600)
Result after taxes accruing to shareholders		136,872	114,880

Consolidated statement of comprehensive income for 2020

<i>in €1,000</i>	Note	2020	2019
Result after taxes		136,872	114,880
Results that will not be reclassified to the income statement			
Actuarial results on defined benefit plans	14	3,875	800
Taxes on changes to defined benefit plans	15	(970)	(162)
Changes in fair value of derivative financial instruments	17	10	151
Taxes on changes in fair value of derivative financial instruments	15	(2)	(31)
		2,913	758
Total result		139,875	115,638
Total result accruing to shareholders		139,785	115,638

Consolidated cash flow statement for 2020

According to the indirect method, in €1,000

	Note	2020	2019
Cash flow from operational activities			
Operating result		237,414	188,471
Adjustments for:			
Depreciation and amortisation of tangible fixed assets, intangible fixed assets and right-of-use assets	1, 2, 3	458,224	414,877
Impairments/reversal of impairments	26	40,634	1,624
Result on divestments of assets		(5,702)	(9,593)
Movement in rights of use assets and lease liabilities		(885)	37,249
Movement in fair value of derivative financial instruments		(39,972)	-
Movement in long-term receivables, non-current liabilities and provisions		(16,473)	(48,826)
		673,240	583,802
Movements in working capital:			
Movement in inventories	7	(19,325)	1,212
Movement in trade debtors and other receivables		(6,166)	(27,189)
Movement in trade creditors and other accounts payable		81,959	90,701
Cash flow from business operations		729,708	648,526
Corporation tax paid		(35,151)	(46,299)
Net cash flow from operational activities		694,557	602,227
Cash flow from investment activities			
Investments in tangible fixed assets/intangible fixed assets		(297,062)	(284,541)
Divestments of tangible fixed assets/intangible fixed assets	2	763	3,894
Investments in right-of-use assets		(2,023)	-
Investments in assets held for sale		(267,154)	(15,904)
Divestments of assets held for sale		319,881	47,901
Acquisition of interests	1, 2	(24,730)	(51,666)
Disposals of interests	2	105	3,847
Long-term receivables provided	4	(18,377)	(30,019)
Repayments on long-term receivables	4	18,140	6,939
Interest received		3,317	2,090
Net cash flow from investment activities		(267,140)	(317,459)
Cash flow from financing activities			
Drawdown long-term loans	13	-	100,000
Repayments on long-term loans	13	(62,500)	(50,000)
Payments under lease liabilities	12	(297,907)	(248,515)
Interest paid		(6,642)	(5,109)
Dividend paid out	11	(52,500)	(52,500)
Jumbo participation scheme		-	(19,728)
Net cash flow from financing activities		(419,549)	(275,852)
Total net cash flow		7,868	8,916
Opening balance cash	10	66,489	57,573
Closing balance cash	10	74,357	66,489

Consolidated movements in group equity 2020

The movements in group equity for 2020 were as follows (see note 11):

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
Balance at start of 2020 financial year	8	486,451	114,880	601,339
Result after taxes	-	-	136,872	136,872
Appropriation of profit previous financial year	-	114,880	-114,880	-
Actuarial results on defined benefit plans	-	2,905	-	2,905
Fair value of derivative financial instruments	-	8	-	8
Total result	-	117,793	21,992	139,785
Payment of dividend to Stichting Jumbo Groep	-	(52,500)	-	(52,500)
Total movements in relationship with shareholders	-	-52,500	-	-52,500
Balance at end of 2020 financial year	8	551,744	136,872	688,624

The movements in group equity for 2019 were as follows:

<i>before profit appropriation, in €1,000</i>	Issued capital	General reserves	Unappropriated result	Total group equity
Balance at start of 2019 financial year before application of IFRS16	8	395,092	160,194	555,294
First application of IFRS16	-	-	-	-
Balance at start of 2019 financial year with application of IFRS16	8	395,092	160,194	555,294
Result after taxes	-	-	114,880	114,880
Appropriation of profit previous financial year	-	160,194	-160,194	-
Actuarial results on defined benefit plans	-	638	-	638
Fair value of derivative financial instruments	-	120	-	120
Total result	-	160,952	-45,314	115,638
Adjustment of stamp obligations	-	(17,093)	-	(17,093)
Total other movements in equity	-	-17,093	-	-17,093
Payment of dividend to Stichting Jumbo Groep	-	(52,500)	-	(52,500)
Total movements in relationship with shareholders	-	-52,500	-	-52,500
Balance at end of 2019 financial year	8	486,451	114,880	601,339

Notes to the consolidated financial statements

General

The company and its activities

The activities of Jumbo Groep Holding B.V. (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 Management Board and signed on 23 February 2021. The 2020 annual report and accounts will be submitted for adoption to the General Meeting on 23 February 2021.

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 consolidated financial statements of Jumbo Groep Holding B.V. have been prepared based on historical cost to the extent IFRS does not prescribe a different valuation policy for specific items. This latter situation applies for: assets held for sale, deferred tax liabilities, derivative financial instruments and defined benefit schemes.

Jumbo Groep Holding 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 2020 financial year consisted of 53 weeks and ended on 3 January 2021. The comparative 2019 financial year consisted of 52 weeks. The 2019 financial year started on 31 December 2018 and ended on 29 December 2019.

The consolidated financial statements have been prepared in euros; this is also the functional currency. The amounts in the financial statements have been rounded off to the nearest €1,000, unless stated otherwise.

Continuity

Since March 2020, the outbreak of the coronavirus in Europe has prompted significant intervention by, among others, the Dutch and Belgian governments. The coronavirus pandemic is still ongoing in 2021 and new measures have been announced. In response to the pandemic, we have taken a number of measures to monitor and prevent the effects of the coronavirus, including safety and health measures for our employees and customers, for example. As a supermarket business, we fulfil a crucial function and have an extra responsibility for society, which is why we were designated by the government as a critical profession. Measures that have been taken by various governments to prevent the spread of the virus have had a negative impact on economic activity. This has naturally had a significant impact on Jumbo as well. Among other things, costs have been driven up by the extra precautions that have been put in place in stores. These extra precautions pertain, for example, to extra cleaning costs, additional security and costs related to extending opening hours. Significant investments were also made in coronavirus prevention equipment, such as splash screens and the purchase of shopping trolley cleaning stations. Conversely, we have seen revenue at supermarket locations increase because of the closure of hospitality establishments. There is currently no risk of the food supply being under threat, nor is this expected in the long term. The revenue in the La Place restaurants decreased by more than 60% compared to 2019 because of the closure of hospitality establishments. At this stage, the negative effects for our consolidated activities, our consolidated results and liquidity are manageable. The financial statements have therefore been prepared under the presumption of continuity. We continue to monitor the policy and advice of the various national and international institutions and at the same time are doing our best to continue our activities as well and safely as possible, without jeopardising the health of our employees.

Consolidation principles

The consolidated financial statements of Jumbo Groep Holding B.V. include the financial data of companies belonging to the Jumbo Groep Holding B.V. and other legal entities in which Jumbo can exercise predominant control over the financial and operational policy.

There is predominant control at the moment Jumbo can exert control over the participation, is exposed to variable revenues from its involvement in the participating interest, and Jumbo is able to manage the relevant activities of the participation. If Jumbo does not have the majority of the voting rights or similar rights in a participation, it takes into account all the relevant facts and circumstances in assessing whether it can exercise control of the participation.

The financial data of the consolidated group companies, with the exception of J&C Acquisition Holding B.V., are fully included in the consolidated financial statements, taking into account the elimination of intercompany relations and transactions. Based on the economic reality, J&C Acquisition Holding B.V. is reported in Jumbo Groep Holding B.V. proportionately for 66.67%, whereby only the shareholders are supplied. The recognition percentage is based on the financial distribution, i.e. 66.67% for Jumbo Groep Holding B.V. and 33.33% for Coop Holding B.V.

The following participations were included in the consolidation with Jumbo Groep Holding B.V. at the end of the financial year (as a percentage of share capital):

Company	Registered office	2020	2019
Jumbo Food Groep B.V.	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%
- Euroselect B.V.	Veghel	100%	100%
- Jumbo Omnichannel B.V.	Veghel	100%	100%
> Jumbo Omnichannel Vastgoed B.V.	Veghel	100%	100%
- Jumbo België BV	Antwerp	100%	100%
La Place Food Groep B.V.	Veghel	100%	100%
- La Place Food B.V.	Veghel	100%	100%
- La Place Food GmbH	Montabaur	100%	100%
J&C Acquisition Holding B.V.	Veghel	50%	50%

Jumbo made the following changes in the corporate structure in 2020:

- EMTÉ Kapelle B.V. acquired Supermarkt Vastgoed IIA B.V. as of 29 December 2020.
- EMTÉ Kapelle B.V. sold Supermarkt Vastgoed IIA B.V. as of 29 December 2020.

The two-tier board structure applies to Jumbo Groep Holding B.V. The company is managed by the Management Board. Supervision is exercised by the Supervisory Board.

Hereafter, Jumbo Groep Holding B.V. together with its participations will be referred to as Jumbo or the Group, unless stated otherwise.

Jumbo Groep Holding B.V. is the parent company of the Group. Stichting Jumbo Groep manages 100% of the issued shares and was incorporated to promote the interests of the ultimate shareholders of Jumbo Groep Holding B.V. Stichting Jumbo Groep is not a parent company since Stichting Jumbo Groep is not entitled or exposed to variable revenues on account of its involvement in Jumbo.

Business combination

A business combination is recognised based on the purchase accounting method as of the acquisition date. This is the date on which predominant control passed to Jumbo Groep Holding B.V.

Jumbo measures the goodwill as of the acquisition date as the positive difference between the compensation transferred less the fair value of the identifiable acquired assets and obligations entered into. If the difference is negative, a gain is recognised in the income statement.

The compensation transferred does not include any amount for settling existing relationships. Such an amount is 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.

Foreign currencies

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

Jumbo has interests in companies that are located in the European Union, primarily the Netherlands, and which use the euro as functional and reporting currency.

Estimates

In putting together Jumbo's consolidated financial statements at the end of the 2020 financial year, the management had to make certain estimates and assumptions. These estimates and assumptions affect the reported assets and liabilities, the statement of off-balance sheet assets and liabilities on the balance sheet date and the income and expenditure in the period being reported on.

The estimates relate to the expected term of lease liabilities with the related discount rate as a result of the recognition of IFRS 16, the recognition of the supplier contributions, the other deferred remuneration, the deferred tax liabilities and assets, the provisions and the determination of the fair value of the assets, provisions and debts from activities acquired via takeovers. The actual results may deviate from these estimates and assumptions.

The assumptions, expectations and forecasts used as the basis for the estimates in the consolidated financial statements are as accurate as possible a reflection of the outlook for Jumbo. The Covid-19 pandemic and the corresponding closure of hospitality in the Netherlands and abroad prompted adjustments to the expectations and forecasts for La Place. These adjustments have been included in the basis for the corresponding estimates. The management believes that there is a reasonable basis for the assumptions, expectations and forecasts. The estimates reflect Jumbo's views on the dates on which they were made. Estimates relate to known and unknown risks, uncertainties and other factors. This means that the actual results could deviate from the expected results.

Effects of introducing new principles for the current financial year

The definition in IFRS 3 relating to a business combination is changing, clarifying that a business combination exists only if both an input and a substantial process are present that results in the possible generation of an output. The definition of 'output' has also been amended. The amendment applies with effect from 1 January 2020 and Jumbo will apply this amendment with effect from the 2020 financial year. The application did not result in changes to the financial statements.

On 28 May 2020, the IASB issued Covid-19-related rent concessions. The changes provide a simplification for lessees for application of IFRS 16 guidelines for the accounting of rent concessions that are a direct result of the Covid-19 pandemic. As a practical aid, a lessee can opt not to assess whether a Covid-19-related rent concession from a lessor is a change to the lease. A lessee that makes this choice reports every change in lease payments arising from the Covid-19-related rent concession in the same way as it would include the change under IFRS 16, if the change were not a change in the lease. The change is applicable to financial years which start on or after 1 June 2020. Earlier application is allowed. Jumbo Groep Holding B.V. availed of this practical aid. This change had no significant impact on the consolidated financial statements of Jumbo Groep Holding B.V.

A clarification of the concept of materiality is included in IAS 1 and IAS 8, which applies from 2020. On the basis of this clarification, the organisation must assess materiality in the context of the financial situation as a whole. The meaning of primary users of the financial statements has also been clarified. The application did not result in changes to the financial accounting.

Various amendments have been implemented in the Conceptual Framework. These amendments have no direct impact on the accounting standards, but form the basis for new standards to be defined. Jumbo monitors the developments and assesses the possible impact when such new standards are announced.

The interbank benchmark rates (including EURIBOR) will be reformed. From 1 January 2020, benchmark rates used must comply with the EU Benchmark Regulation. At present, the banks from which Jumbo has financing do not offer any alternative to the current EURIBOR rate. As soon as the banks make a proposal for adjusted rates, Jumbo can estimate the impact. In relation to derivative financial instruments, this impact is expected to be limited, given the limited size of such instruments held by Jumbo that are based on interbank benchmark rates.

Effects of introducing revised principles for future years

The following standards, changes to standards and interpretations were not yet in force for 2020 and have not been applied to these consolidated financial statements, therefore. Jumbo is not applying these standards and interpretations early. Only amendments that have a potentially significant impact on Jumbo are included below.

In supplement to the accounting policies already in effect in relation to the reform of the interbank benchmark rates, the IASB announced phase 2 of these reforms in 2020. Phase 2 involves changes to IFRS 9 'Financial instruments', IAS 39 'Financial instruments: Recognition and Measurement', IFRS 7 'Financial instruments: Disclosures', IFRS 4 'Insurance contracts' and IFRS 16 'Leases'. Phase 2 changes must be applied for financial years starting on or after 1 January 2021. Given the limited size of financial instruments held by Jumbo that are based on interbank benchmark rates, phase 2 is expected to have limited impact.

Jumbo monitors developments in relation to revised legislation and regulations and determines, where applicable, what the impact is on the financial statements.

Determination of fair value

A number of accounting principles and Jumbo's information provision require that the fair value of both financial and non-financial assets and liabilities be determined. The level in the fair value hierarchy to which such measurements are assigned is mentioned in this context. In accordance with IFRS 13, a number of valuation levels are defined for determination of the fair value of the financial instruments recognised:

- Level 1: listed market prices (not corrected) in active markets for identical assets or liabilities.
- Level 2: input that is not a listed market price falling under level 1 and which is observable for the asset or the liability, either directly (in the form of a price) or indirectly (derived from a price).
- Level 3: input for the asset or liability which is not based on observable market data (non-observable input). In making this determination, Jumbo uses generally accepted valuation models.

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

Intangible assets

The fair value of intangible assets acquired in the context of business combinations 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 the context of business combinations 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 sale price as part of ordinary business operations less the estimated costs for selling and preparing the inventories for sale and less a reasonable profit margin based on the efforts required for 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 and subsequently at amortised cost, whereby the effective interest method is used, with deduction of the provisions deemed necessary for the risk of uncollectability. These provisions are determined on the basis of individual assessment of the receivables. When determining the effective interest rate, mark-ups and discounts at the moment of the acquisition 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 checked 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).

Impairments

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. The most important estimates made in determining the recoverable amount relate to the revenue multiple to be used, the discount rate, the remaining economic 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 Covid-19 pandemic has an impact on current and future cash flows and as such an impact on the estimates for determining the value in use. Cash flows in the supermarket locations have increased and cash flows in the hospitality locations have decreased because of the Covid-19 pandemic. The pandemic is not expected to have a structural impact on the cash flows in the future. That is why the determination of the value in use as of year-end 2020 is based on normalised estimated cash flows.

An impairment is recognised in the income statement. In the reporting periods subsequent to an impairment, the company reviews 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.

Goodwill and brand names

The goodwill and brand names are subjected annually to a so-called impairment test, whereby it is calculated whether an impairment needs to be taken. Regarding capitalised goodwill and brand names, impairment tests are performed based on the future expected cash flows, taking into account a discount rate before tax to determine the present value of these future cash flows. If it emerges that based on the impairment test calculations, an impairment must be taken, this is first allocated to the goodwill and brand names presented for the particular cash flow-generating unit, before the impairment is allocated to the other fixed assets. The cash flow-generating unit for goodwill and brand names has been set at the level of the particular formula; this is determined based on all the locations present that operate under the particular brand name at the moment of the impairment test.

Other intangible fixed assets and tangible fixed assets and right-of-use assets

At least once a year, the company assesses whether there are any indications that an individual fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the relevant asset is determined. If it is impossible to determine the recoverable amount of the individual asset, the recoverable amount of the cash flow-generating unit of which that asset comprises part is determined. For the other intangible fixed assets, tangible fixed assets and right-of-use assets, Jumbo has defined the cash flow-generating unit to be the related location, unless the assets in question are not directly connected to the location. In that event, as is the case for brand names, the cash flow-generating unit is determined based on all the operational locations present at the moment of the impairment test. In determining the size of an impairment, developments in the market area corresponding to a location are also taken into account.

Principles governing the valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets include goodwill, brand names, locations, (self-developed) software and other intangible fixed assets.

Goodwill

Goodwill is calculated as the difference between the acquisition price paid for acquisitions and the fair value of the assets and liabilities acquired (taking into account the valuation of locations). Goodwill is capitalised and, if applicable, subject to the deduction of cumulative impairment losses. Goodwill is not amortised.

Brand names

The valuation of the brand names acquired is based on the so-called discounted cash flow method based on estimated future free cash flows. The brand names are capitalised and, if necessary, subject to deduction of cumulative impairment losses. Brand names are not amortised, since the particular brand names are actively used in the operation of the business currently and in the future.

Locations

Locations are valued at the amount of the costs incurred, less cumulative amortisation and cumulative impairment losses. Purchase prices paid to acquire new locations are capitalised to the extent the future economic benefits associated with these accrue to Jumbo and Jumbo has the power of disposal over the capitalised assets. The valuation of locations acquired is based on the so-called discounted cash flow method. Amortisation takes place on a straight-line basis assuming an expected economic life of 5 to maximum 20 years without residual value. Key money paid for the acquisition of new locations is also included under locations. These down payments are indeed amortised from the moment stores are opened at these locations.

(Self-developed) software

Costs of (self-developed) software are capitalised if the criteria for capitalisation are satisfied. Capitalisation only takes place during the development phase. Capitalised software is amortised on a straight-line basis from the date it is taken into use for the estimated economic life and at the expense of the result, if applicable with deduction of cumulative impairment losses.

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 future economic benefits associated with these accrue 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 valued at the amount of the costs incurred, less cumulative amortisation and cumulative impairment losses. Other intangible fixed assets are amortised on a straight-line basis from the date taken into use for the estimated economic life and at the expense of the result.

The amortisation rates used at the moment the intangible fixed assets are taken into use are:

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

The amortisation of the intangible fixed assets is recognised separately in the income statement.

Tangible fixed assets

The tangible fixed assets include land and buildings, structural facilities, fixtures and fittings and installations and other fixed operating assets.

Land and buildings

Land and buildings are valued at acquisition cost less cumulative straight-line depreciation and cumulative impairments. Depreciation is calculated on a straight-line basis from the date the asset is taken into use, taking into account any residual value. Land is not depreciated.

Other tangible fixed assets

Other tangible fixed assets, including structural facilities, fixtures and fittings and installations and other fixed operating assets, are valued at acquisition value, less cumulative depreciation and cumulative impairments. The depreciation is based on the estimated economic 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 moment it is ready to be taken into use.

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

The depreciation rates used for the tangible fixed assets are:

Land and buildings	0% - 4%
Structural facilities	10%
Fixtures, fittings and installations	10% - 33.3%
Other fixed operating assets	10% - 33.3%
Assets in progress	0%

The depreciation of the tangible fixed assets is recognised under the cost of sales, selling costs and administrative expenses.

Right-of-use assets

Jumbo has right-of-use assets relating to land and buildings, means of transport 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. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. Payments that Jumbo makes in the context of its leases at existing locations are recognized as an investment in right-of-use assets.

Right-of-use assets are reduced by cumulative straight-line depreciation and cumulative impairments and are corrected for any remeasurements or modifications of the lease liability. The asset is depreciated from the moment it is ready to be taken into use. The depreciation period has been set at a maximum of 15 years, which is equal to the expected term of each individual lease.

Jumbo maintains several company buildings and sites that are not fully used for regular business operations. In those cases, Jumbo locations are rented out to third parties. The locations rented out 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 starting point is not to own real estate for store locations. The carrying amount of right-of-use assets relating to these kinds of rental agreements with third parties is included as part of the right-of-use assets. Land and buildings rented out 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 leases 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 what part of the gain was realised and must be reported in the income statement and what part of the gain will be reported over the term of the new lease. Any losses that arise from a sale and leaseback transaction are directly reported in the income statement.

The depreciation costs on account of right-of-use assets are recognised under the cost of sales, selling costs and administrative costs.

Financial fixed assets

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, financial leases (included in financial fixed assets) and trade debtors and other receivables.

The loans provided are recognised initially 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 the revenue.

Finance leases are rental contracts where Jumbo subleases more than 75% of the lease term to third parties and whereby Jumbo passes on the rental conditions on a one-to-one basis in the sublease conditions. This makes Jumbo a lessor. This does not happen frequently in practice.

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.

Assets and liabilities held for sale

Fixed assets or groups of assets are designated as 'held for sale' if it is highly likely that the carrying amount will be realised primarily via sale and not via the continued use of the assets.

The assets held for sale are valued at the lower of carrying amount or fair value, with deduction of the estimated selling costs. Any necessary impairments are recognised at the expense of the result. No depreciation or amortisation is recognised on these assets any longer as soon as they have been classified as assets held for sale. The liabilities associated with the assets held for sale are shown separately under the liabilities held for sale.

Inventories

The inventories consist primarily of trade goods and packaging and are valued at the lower of acquisition price and net realisable value. This lower net realisable value is determined by individual assessment of the inventories. The acquisition price 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 sale 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 price increases. Given the high turnover rate of the inventories, this effect is negligible for the overall valuation. As such, this valuation does not differ significantly from the first-in, first-out method.

Trade debtors and other receivables

The trade debtors and other receivables are measured at fair value upon initial recognition and subsequently at amortised cost, which is equal to the nominal value, with deduction of the downward value adjustments deemed necessary for the risk of uncollectability. These downward value adjustments are determined on the basis of the individual assessment of the receivables. The amortised cost is determined based on the effective interest rate.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank credit balances and time 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.

Group equity

Financial instruments issued are classified as equity or as a financial liability depending on the economic reality of the contractual stipulations 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 the group equity, after deduction of any taxes.

Lease liabilities

Lease liabilities are initially recognised at the unpaid lease payments discounted at interest rate implicit in the lease, with the exception of leases with a term of less than 12 months or a value of less than €5. If this interest rate cannot be reliably determined, the incremental borrowing rate of the lessee must be used. The incremental borrowing rate consists of the following components: the risk-free interest rate based on Dutch government bonds, Jumbo-specific credit mark-up and a mark-up based on the risk category of the underlying assets. Jumbo uses the incremental borrowing rate as the discount rate, taking into account the expected term of the lease, which amounts to a weighted average of 1.1% (2019: 1.1%). The right-of-use assets are determined and measured on the basis of the lease liabilities.

The expected term of a contract includes determining the lease period as the non-cancellable period of a lease contract, including the periods covered by an option to extend the contract if it is reasonably certain that Jumbo will exercise this option and including the periods covered by an option to terminate the contract 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 receivable;
- 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 payable 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 by Jumbo of an option to terminate the lease.

After initial recognition, valuation takes place at (amortised) cost. The lease liability is increased to reflect the interest on the liability, less any lease payments made, and remeasured to reflect any reassessment or modifications in the lease. Interest on the lease liability and variable lease payments not included in the valuation of the liability are recognised in the income statement.

Jumbo mainly uses store locations, i.e. land and buildings, by contracting leases and has limited ownership of land and buildings. The initial term of leases for store locations in the Netherlands is generally 10 years with continuous extension options of 5 years each. Concerning the property leases, Jumbo expects to exercise the extension options for the majority of the portfolio. And to continue the lease on the locations for an average long term. Differentiation is also applied for locations based on attention profile, which can result in adjustments in the expected use of extension options. The exercise of extension options is mainly within Jumbo's control, as a result of legal protection. In Belgium, the initial term of leases is often 3 years with continuous extension options of 3 years each. A maximum term of 15 years applies to Jumbo store locations and a maximum term of 10 years applies to La Place. Any rent discounts that apply, 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. In addition, Jumbo has leases related to means of transport and other operating assets valued under IFRS16, assuming an average lease term of 3 to 7 years. For the lease contracts related to means of transport, the portfolio approach is used, based on the average remaining lease term.

Remeasurement and modifications of the lease liability 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 under residual value guarantees and changes in the discount rate. The amount of the remeasurement or modification of the lease liability 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 zero and there is a further reduction in the lease liability, the remeasurement or modification is recognised in the income statement.

Lease contracts associated with leases with a term of less than 12 months or a value of less than €5, which are not accounted in accordance with IFRS 16, are recognised as a charge in the income statement. The lease liabilities arising from these lease contracts are included in the notes to the financial statements under off-balance sheet commitments. These notes also report the lease contracts already entered into but which have not yet started and become operational as of the balance sheet date.

Loans and other liabilities

Loans and other liabilities, with the exception of lease liabilities, are debts to financial institutions, triple net obligations concerning real estate and other loans and commitments. Interest-bearing loans taken out and liabilities are initially valued at fair value less transaction costs for acquisition. After initial recognition, interest-bearing loans and liabilities are valued at amortised cost, which is the nominal value less the non-amortised costs of acquisition.

The costs of acquisition are amortised at the expense of the income statement over the term of the respective financing agreements such that there is a constant effective interest rate throughout the term.

Pensions and other deferred remuneration

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 liabilities in relation to employee benefits

Other liabilities in relation to employee benefits are benefits that constitute part of the remuneration package. This liability includes the deferred remuneration (jubilee benefits and occupational disability benefits). The liability recognised is the best estimate of the amounts necessary to settle the particular liability as of the balance sheet date. The calculation takes into account the likelihood that employees will not be eligible for a jubilee benefit because of early departure from the company. The liability is calculated taking into account the time value of money by recognising the liability at present value.

Deferred tax assets and liabilities

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, with the inclusion of those deferred tax assets arising from losses carried forward, are recognised if, based on the current information available, it is likely that the asset will be realised in the future. Deferred tax assets and liabilities are stated at nominal value.

Provisions

Provisions are made 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.

Provision for loss-making contracts

The provision for loss-making contracts is formed if the benefits Jumbo expects to achieve from a contract are lower than the unavoidable costs of complying with the obligations under the contract.

Other provisions

The other provisions consist mainly of provisions for legal claims.

Derivative financial instruments

Derivative financial instruments, including the interest-hedging instruments used by Jumbo to manage the interest rate risk on the interest-bearing debts, are recognised at fair value. The fair value of derivative financial instruments is based on the stock exchange quotation or other market listing, excluding transaction costs. If no stock exchange quotation is available, the fair value of the derivative financial instrument is set based on 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. Changes in the fair value of derivative financial instruments are recognised in the result, with the exception of instruments which serve to hedge future cash flows and which qualify as effective (hedge accounting). Changes in the fair value of these derivative financial instruments are recognised in the consolidated statement of comprehensive result. If necessary, the valuation of the derivative financial instruments takes into account the credit risk of the contract parties involved.

Trade creditors and other accounts payable

Obligations to trade creditors are non-interest-bearing debts and are valued upon initial recognition at fair value, i.e. the value at which settlement is expected to take place.

The other current liabilities are likewise recognised at fair value upon initial recognition. The current liabilities include stamp obligations. The fair value of the stamp obligations is equal to the nominal value of the stamps in circulation upon initial recognition. Government levies are also included under the other current liabilities. The government levies are recognised in the period in which the government levy arises.

After initial recognition of obligations to trade creditors and other current liabilities, valuation takes place at (amortised) cost. If the time effect is material, the liability is valued at present value.

Principles used to determine the result

Net revenue

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 the revenue. The net revenue from goods/service provision to consumers is recognised 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. With Jumbo Extras and other saving campaigns in which consumers save points that can be redeemed in future for discounts on products or free products, revenue is deferred, based on a best estimate of how much of the points issued will be redeemed by the consumer, at the time of the initial purchase, until the moment that the consumers use the points for the discount or free products.

Cost of sales

The cost of sales includes the acquisition price of the goods supplied less the supplier contributions realised. The cost of sales also includes the costs associated with operating the distribution centres, including transport to the stores. Also included are the IFRS16 depreciation costs for right-of-use assets, where these relate to distribution centres.

Other operating income

Income from sublease contracts that can be classified as operational leases is recognised under other operating income. Jumbo's starting point 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 functions as the lessor.

The other operating income also includes the compensations 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.

Selling costs

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 IFRS16 depreciation costs for right-of-use assets, where these relate to store locations.

Administrative costs

The administrative costs include the costs incurred in the context of managing the activities of Jumbo Groep Holding B.V. Also included are the IFRS16 depreciation costs for right-of-use assets, where these relate to locations which are neither distribution centres nor store locations.

Financial income and expenses

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 borrowed funds, interest on lease liabilities on account of 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.

Taxes

The taxes on the result of the reporting year consist of the corporation tax owed or to be received on the commercial result, taking into account exempt elements of the result. Profit 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.

The tax payable and deductible for the financial year is the expected tax payable on the taxable income for the financial year, calculated using tax rates determined on the report date, and any corrections to tax payable in respect of previous years.

A deferred tax asset is recognised only to the extent it is probable that in the future taxable profits will be available that can be used for the realisation of the temporary difference. Deferred tax assets are revised and lowered each year on the report date if it is no longer probable that the related tax benefit will be realised.

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. Profit tax receipts and expenditure are included under the cash flow from operational activities. Interest receipts and expenditure 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 the lease instalments under the finance lease is designated an expense from financing activities.

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

Significant transactions

Real estate transaction Supermarkt Vastgoed Fonds

Since 2016 Jumbo Supermarkten B.V. held a purchase option with Supermarkt Vastgoed Fonds, which gave an entitlement to purchase 70 buildings at individual market value, with reference date of 31 December of the previous year. Given the increase in the value of food retail real estate during 2020 and the possibility of purchasing a large real estate portfolio, the purchase option was given a value in 2020. Jumbo exercised this purchase option on 29 December 2020. In this process, Jumbo purchased 70 buildings and immediately resold 67, 62 of which were sold to Annexum Invest B.V.

The financial impact of this real estate transaction is as follows:

	Note	2020
Movement in fair value of derivative financial instruments	23	39,972
Release triple net liabilities	23	20,426
reverseal of impairment of right-of-use contracts	26	4,471
Impairment in assets held for sale	26	-3,353
Revaluation of leases	27	3,253
Total impact on result before taxes		64,769

Acquisition of six Udea B.V. locations

On 11 December 2019, Jumbo Supermarkten B.V. reached agreement with Udea B.V. to take over six stores, including the employees, from 2020 onwards. In 2020, four stores were transferred and opened as Jumbo City. The stores are located in urban areas and the purchase of these stores is consistent with Jumbo's strategy. The supermarket locations provide Jumbo with better urban presence and expansion of its portfolio of stores. The takeover resulted in the acquisition of locations in the amount of €10,486 and goodwill of €3,880 in 2020.

Cooperation Agreement with HEMA B.V.

On 13 December 2019, Jumbo Supermarkten B.V. and HEMA B.V. reached agreement on plans for a commercial partnership in the Netherlands and Belgium. As part of this agreement, Jumbo is taking over the leases for 17 HEMA stores in phases from 2020 onwards. In 2020, seven stores were transferred, two of which were opened as Jumbo Supermarket. The stores are located in urban areas and the purchase of these stores is consistent with Jumbo's strategy. The supermarket locations provide Jumbo with better urban presence in the Netherlands and Belgium and expansion of its portfolio of stores. This investment resulted in the acquisition of locations in the amount of €27,400 in 2020.

The cooperation agreement also pertains to the development of a joint retail concept for 6 locations at NS stations for which Jumbo is responsible for the food offerings. In 2020, this resulted in the recognition of a receivable on HEMA for €3,700.

Furthermore, based on this cooperation agreement, from 2020 onwards Jumbo holds the exclusive right to add HEMA products to its product range in the Jumbo stores. This investment has resulted in other intangible fixed assets of €16,900.

La Place definitive closure of 23 locations and franchise agreement with the Vermaat Group

It was decided in 2020 to definitively close 23 La Place restaurants. Because of the negative impact of the coronavirus crisis, in combination with location, size and expected limited visitor numbers, Jumbo unfortunately did not see enough possibilities for these locations to be able to properly execute the updated concept developed in 2020. Together with the real estate owners, interested parties and other stakeholders, Jumbo is investigating alternative operational possibilities for these locations. Other positions at La Place and Jumbo are available for the employees affected.

On 23 December 2020, La Place reached agreement on a strategic cooperation with hospitality specialist the Vermaat Group. As part of the cooperation, the Vermaat Group will take over the operations, employees and assets of 44 La Place restaurants. Jumbo will remain owner of the La Place brand and will in future receive compensation from the Vermaat Group for the use of the brand and the formula. Jumbo and the Vermaat Group are together focusing on continuing the development of the La Place restaurant concept. The takeover therefore ties in with the strategy of Jumbo and La Place. The cooperation is expected to strengthen the restaurants operationally. The works council of La Place and the Netherlands Authority for Consumers & Markets (ACM) issued positive advice on the plan. The takeover is expected to become effective as of 1 April 2021.

The definitive closure of the 23 locations mentioned above and the expected takeover by the Vermaat Group prompted the recognition of impairments on structural facilities, fixtures and fittings and liabilities of €20,423; the related tangible fixed assets were reported as of year-end 2020 as assets held for sale. This also resulted in impairments relating to right-of-use assets of €18,541 and a write-down on goodwill of €6,072. A conditional operational contribution was also agreed as part of the La Place franchise agreement with the Vermaat Group. The amount of this operational contribution cannot be reliably estimated at this moment.

Notes to the consolidated balance sheet

1. Intangible fixed assets

The movements in the intangible fixed assets for 2020 were as follows:

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

	1	2	3	4	5	Total 2020
Balance at start of financial year						
Acquisition value	756,477	32,059	1,123,131	249,981	62,978	2,224,626
Cumulative amortisation	-	-	(443,246)	(102,246)	(48,655)	(594,147)
Carrying amount at start of financial year	756,477	32,059	679,885	147,735	14,323	1,630,479
Movements during the financial year						
Investments	-	-	39,968	84,799	19,325	144,092
Acquisitions via business combinations	3,880	-	19,826	-	-	23,706
Amortisation	-	-	(53,751)	(45,517)	(6,451)	(105,719)
Impairments	(6,072)	-	-	(320)	-	(6,392)
Reversal of impairments	-	-	7,126	-	-	7,126
	(2,192)	-	13,169	38,962	12,874	62,813
Balance at end of financial year						
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)
Carrying amount at end of financial year	754,285	32,059	693,054	186,697	27,197	1,693,292

The movements in the intangible fixed assets for 2019 were as follows:

	1	2	3	4	5	Total 2019
Balance at start of financial year						
Acquisition value	750,252	32,299	1,094,093	176,114	60,177	2,112,935
Cumulative amortisation	-	-	(398,816)	(67,063)	(41,934)	(507,813)
Carrying amount at start of financial year	750,252	32,299	695,277	109,051	18,243	1,605,122
Movements during the financial year						
Investments	-	-	10,064	73,640	3,037	86,741
Acquisitions via business combinations	6,225	-	20,371	-	-	26,596
Disposals	-	-	(1,222)	-	-	(1,222)
Transfers within intangible fixed assets	-	-	-	227	(227)	-
Transfers from assets held for sale	-	-	111	-	-	111
Amortisation	-	-	(53,149)	(35,183)	(6,730)	(95,062)
Impairments	-	(240)	(3,070)	-	-	(3,310)
Reversal of impairments	-	-	11,503	-	-	11,503
	6,225	(240)	(15,392)	38,684	(3,920)	25,357
Balance at end of financial year						
Acquisition value	756,477	32,059	1,123,131	249,981	62,978	2,224,626
Cumulative amortisation	-	-	(443,246)	(102,246)	(48,655)	(594,147)
Carrying amount at end of financial year	756,477	32,059	679,885	147,735	14,323	1,630,479

For further explanation of the recognition and reversal of impairments, see note 26.

Goodwill

Goodwill was formed as a result of the acquisition of Super de Boer, C1000, EMTÉ, Agrimarkt and a number of Udea locations in 2020 (€3,880). The goodwill consists primarily of advantages on the procurement market as the result of volume advantages and consequently better margins and expected synergy benefits, also in relation to better national coverage and lower per-unit costs as a result.

Brand names

The La Place brand name, acquired in the takeover of La Place in 2016, is recognised under brand names.

Locations

Some of the investments and acquisitions of locations involve stores taken over from Udea (€10,486) and from HEMA (€27,400).

Miscellaneous

The movement in the other intangible fixed assets was largely due to the cooperation agreement signed by Jumbo and HEMA at the end of 2019. Based on this cooperation agreement, Jumbo holds the exclusive right as food retailer to, with effect from 2020, add HEMA products to its product range in stores (€16,900).

2. Tangible fixed assets

The movements in the tangible fixed assets for 2020 were as follows:

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

	1	2	3	4	5	Total 2020
Balance at start of financial year						
Acquisition value	6,089	392,779	476,638	33,903	73,197	982,606
Cumulative depreciation	(1,150)	(187,035)	(290,526)	(25,952)	-	(504,663)
Carrying amount at start of financial year	4,939	205,744	186,112	7,951	73,197	477,943
Movements during the financial year						
Investments	1,803	73,090	72,350	4,331	7,800	159,374
Acquisitions via business combinations	-	780	244	-	-	1,024
Divestments	-	(44)	(718)	(1)	-	(763)
Disposals	-	-	(104)	(1)	-	(105)
Transfers within tangible fixed assets	-	65,084	3,918	-	(69,002)	-
Transfers to assets held for sale	-	(13,393)	(7,171)	(17)	-	(20,581)
Depreciation and amortisation	(162)	(37,681)	(61,657)	(3,470)	-	(102,970)
Impairments	-	(17,795)	(7,740)	-68	-	(25,603)
Reversal of impairments	-	950	434	-	-	1,384
	1,641	70,991	(444)	774	(61,202)	11,760
Balance at end of financial year						
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)
Carrying amount at end of financial year	6,580	276,735	185,668	8,725	11,995	489,703

The movements in the tangible fixed assets for 2019 were as follows:

	1	2	3	4	5	Total 2019
Balance at start of financial year						
Acquisition value	41,287	343,462	508,209	40,998	18,089	952,045
Cumulative depreciation	(33,921)	(177,959)	(333,815)	(31,664)	-	(577,359)
Carrying amount at start of financial year	7,366	165,503	174,394	9,334	18,089	374,686
Movements during the financial year						
Investments	-	70,920	71,810	2,239	55,314	200,283
Acquisitions via business combinations	-	7,354	(981)	801	-	7,174
Divestments	(5)	(92)	(3,795)	(2)	-	(3,894)
Disposals	(294)	(1,967)	(91)	(269)	(4)	(2,625)
Transfers within tangible fixed assets	(1,991)	(1,907)	4,833	(733)	(202)	-
Depreciation and amortisation	(137)	(30,037)	(59,157)	(3,419)	-	(92,750)
Impairments	-	(5,946)	(1,941)	-	-	(7,887)
Reversal of impairments	-	1,916	1,040	-	-	2,956
	(2,427)	40,241	11,718	(1,383)	55,108	103,257
Balance at end of financial year						
Acquisition value	6,089	392,779	476,638	33,903	73,197	982,606
Cumulative depreciation	(1,150)	(187,035)	(290,526)	(25,952)	-	(504,663)
Carrying amount at end of financial year	4,939	205,744	186,112	7,951	73,197	477,943

The total amount of the depreciation of the tangible fixed assets recognised in the income statement is € 102,945 (2019: € 92,750).

The reclassification of assets in progress to structural facilities in 2020 mainly concerned the mechanical distribution centre in Nieuwegein which was opened during 2020 (€ 62,204).

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 2020 is € 8,646 (2019: € 7,392). The rental includes cash registers, scales, scanners, hand terminals and card payment equipment.

For further explanation of the recognition and reversal of impairments, see note 26.

3. Right-of-use assets

The movements in the right-of-use assets for 2020 were as follows:

1. Land and buildings
2. Means of transport
3. Other operating assets

	1	2	3	Total 2020
Balance at start of financial year				
Acquisition value	2,731,525	29,785	3,684	2,764,994
Cumulative depreciation	-242,516	-7,853	-517	-250,886
Carrying amount at start of financial year	2,489,009	21,932	3,167	2,514,108
Movements during the financial year				
Investments	430,188	11,278	5,377	446,843
Acquisitions via business combinations	10,501	-	-	10,501
Terminations	-204,941	-	-	-204,941
Reclassifications from and to finance leases	1,794	-	-	1,794
Depreciation and amortisation	-239,828	-9,089	-618	-249,535
Remeasurements and modifications	68,496	-	-	68,496
Impairments	-21,041	-	-	-21,041
Reversal of impairments	5,047	-	-	5,047
Deferred result from sale and leaseback contracts	-3,334	-	-	-3,334
	46,882	2,189	4,759	53,830
Balance at end of financial year				
Acquisition value	3,034,229	41,063	9,061	3,084,353
Cumulative depreciation	-498,338	-16,942	-1,135	-516,415
Carrying amount at end of financial year	2,535,891	24,121	7,926	2,567,938

The movements in the right-of-use assets for 2019 were as follows:

	1	2	3	Total 2019
Balance at start of financial year				
Acquisition value	2,556,535	21,356	3,015	2,580,906
Cumulative depreciation	-19,135	-	-	-19,135
Carrying amount at start of financial year	2,537,400	21,356	3,015	2,561,771
Movements during the financial year				
Investments	86,220	8,512	669	95,401
Terminations	-3,620	-	-	-3,620
Depreciation and amortisation	-218,695	-7,853	-517	-227,065
Remeasurements and modifications	92,390	-83	-	92,307
Impairments	-7,164	-	-	-7,164
Reversal of impairments	2,478	-	-	2,478
	-48,391	576	152	-47,663
Balance at end of financial year				
Acquisition value	2,731,525	29,785	3,684	2,764,994
Cumulative depreciation	-242,516	-7,853	-517	-250,886
Carrying amount at end of financial year	2,489,009	21,932	3,167	2,514,108

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 movements during the 2020 financial year in relation to investments in lease contracts and lease terminations also include the movements related to the real estate transaction with Supermarkt Vastgoed Fonds, see the note on significant transactions for this. As part of this transaction, Jumbo purchased 70 buildings that it previously leased and subsequently directly sold 67 of these buildings on, most of which were again leased back thereafter.

The right-of-use assets reported 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 €36,067 (2019: €73,580), of which €239 (2019: €769) involves related parties.

Means of transport

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 impairments, see note 26. For an explanation of the related lease liabilities, see note 12; for off-balance-sheet rights and commitments, see note 19.

4. Financial fixed assets

The financial fixed assets consist of:

	2020	2019
Loans provided	7,531	19,769
Prepaid contributions	40,214	33,541
Finance leases	10,177	12,877
Prepaid expenses	1,618	1,847
Fair value of derivative financial instruments	128	-
Other receivables	3,520	-
	63,188	68,034

The movements in the loans provided were as follows:

	2020	2019
Gross balance at start of financial year	22,554	10,064
New advances	-	17,075
Repayments received	(14,650)	(4,565)
Other movements	722	(20)
Gross balance at end of financial year	8,626	22,554
Provision	(1,095)	(2,785)
Net balance at end of financial year	7,531	19,769

The loans provided are loans to entrepreneurs and other loans. An amount of €1,072 is expected to be repaid in 2021 on the loans to entrepreneurs. An amount of €830 is expected to be repaid on the other loans provided in 2021. Most of the loans to entrepreneurs are not interest bearing. In relation to the provision provided, in 2020 a sum of €95 was allocated, a sum of €580 was used and a sum of €1,205 was released.

The movements in present value are included under other movements. The discount rate used is 2.6% and is based on the risk-free interest rate plus risk premium.

The movements in the prepaid contributions were as follows:

	2020	2019
Gross balance at start of financial year	34,466	28,925
New advances	12,356	12,944
Repayments received	(64)	(39)
Depreciation and amortisation	(5,093)	(7,364)
Other movements	(1,000)	-
Gross balance at end of financial year	40,665	34,466
Write-down	(451)	(925)
Net balance at end of financial year	40,214	33,541

The prepaid amounts mainly concern contributions to entrepreneurs which are written off over the course of the term.

The movements in the finance leases in 2020 were as follows:

	2020	2019
Carrying amount at start of financial year	12,877	15,088
Reclassifications from and to right-of-use assets	(1,794)	-
Repayments received	(927)	(2,335)
Calculated interest	21	124
Carrying amount at end of financial year	10,177	12,877

Finance leases are the leases for the renting out of land and buildings to third parties for 75% or more of the lease period and whereby Jumbo passes on the rental conditions on a one-to-one basis in the sublease conditions. In 2020, a sum of €906 was received from third parties (2019: €2,211) consisting of €927 (2019: €2,335) in repayments less €21 (2019: €124) in calculated interest on rent receivable.

The finance leases expire as follows:

	2020	2019
Terms expiring within 1 year	899	2,130
Terms expiring in 1 to 5 years	3,279	5,842
Terms expiring after 5 years	5,999	4,905
	10,177	12,877

5. Deferred tax assets

The deferred tax assets and liabilities are formed for the temporary differences between the commercial and tax principles used for valuing assets and liabilities and determining the result and the offsettable losses. Deferred tax assets are of a long-term nature. Deferred tax assets and liabilities are netted per tax jurisdiction in the balance sheet.

The movements in the deferred tax assets and liabilities were as follows:

	2019		Movements during the financial year	2020	
	Receivable	Liability	Via income statement	Receivable	Liability
Intangible fixed assets	-	-	(459)	-	(459)
Tangible fixed assets	-	-	176	176	-
Right-of-use assets	-	(1,727)	(2,562)	-	(4,289)
Lease liabilities	1,712	-	2,554	4,266	-
Other assets and liabilities	-	(30)	31	-	1
Loss compensation	1,953	-	1,402	3,355	-
Balance of deferred receivables and liabilities	(1,757)	1,757	-	(4,747)	4,747
Net deferred tax assets	1,908	-	1,142	3,050	-

6. Assets held for sale

The assets held for sale consist of:

	2020	2019
Tangible fixed assets	28,736	17,939
	28,736	17,939

The assets held for sale are assets available for divestment whereby the effectuation is expected to be realised within 12 months.

The sales proceeds from assets held for sale are recognised as other operating income. See note 23.

7. 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 € 13,211 (2019: € 7,593), 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.

8. Trade debtors and other receivables

The trade debtors and other receivables consist of:

	2020	2019
Trade debtors	273,725	274,502
Receivables from subsequent payments	2,646	2,138
prefinancing real estate	18,321	19,198
Prepayments and accrued income	19,091	14,780
	313,784	310,618

The item trade debtors includes a provision for uncollectability in the amount of € 2,539 (2019: € 7,531).

At year-end 2020, the trade debtors included receivables from related parties in the amount of € 294 (2019: € 2,875), no provision for uncollectability has been recognised here (in conformity with 2019).

The receivables in back payments are receivables from entrepreneurs in relation to back payments schemes that will be received in the coming 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 in development as of the year-end.

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

9. Corporation tax

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.

10. Cash and cash equivalents

The cash and cash equivalents are fully at the free disposal of Jumbo, with the exception of € 7,111 (2019: €6,696) in connection with bank guarantees issued.

11. Group equity

Issued capital

The issued and paid-up capital at the end of the 2020 financial year consists of 8.008 ordinary shares (2019: 8.008). The nominal value per ordinary share is €1 (1 euro).

The authorised capital amounts to €90, consisting of 90,000 ordinary shares, each with nominal value of €1 (1 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 2 of the notes to the company balance sheet.

In 2020, a dividend of € 52,500 was paid out to the Stichting Jumbo Groep (also a shareholder and investor in Jumbo Onroerend Goed B.V.).

The movements in the general reserve are set out in the consolidated movements in group equity.

Unappropriated result

The unappropriated result is formed by 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 set out in the consolidated movements in group equity.

Earnings and dividend per share

	2020	2019
Weighted average number of shares	8,008	8,008
Ordinary earnings per share (x €1)	€ 17,092	€ 14,346
Diluted earnings per share (x €1)	€ 17,092	€ 14,346
Dividend per share (x €1)	€ 6,556	€ 6,556

12. Lease liabilities

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

	2020	2019
Non-current lease liabilities		
Land and buildings	2,371,104	2,299,408
Means of transport	13,806	13,136
Other operating assets	7,288	2,587
	2,392,198	2,315,131
Current lease liabilities		
Land and buildings	209,386	245,146
Means of transport	10,295	8,785
Other operating assets	635	584
	220,316	254,515
Total lease liabilities	2,612,514	2,569,646

The movements in the lease liabilities in 2020 were as follows:

	2020	2019
Balance at start of financial year	2,569,646	2,595,994
Investments	443,350	95,401
Acquisitions via business combinations	10,501	-
Terminations	(206,889)	-
Remeasurements and modifications	62,531	95,408
Repayments	(297,907)	(248,515)
Present value of movements	31,282	31,358
	42,868	(26,348)
Balance at end of financial year	2,612,514	2,569,646

In 2020, a sum of €297,907 (2019: €248,515) in repayments on the lease liabilities was recognised. In addition, a sum of €31,282 (2019: €31,358) in interest was recognised in the income statement in relation to the lease liabilities in respect of right-of-use assets for land and buildings, means of transport and other operating assets.

For specific explanation of investments in leases and lease terminations, see note 3 on right-of-use assets for land and buildings.

Jumbo uses the marginal interest rate as the discount rate, taking into account the expected remaining term of the lease. In 2020 this results in a weighted average of 1.1% (2019: 1.1%).

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

	2020	2019
Terms expiring within 1 year	252,470	284,156
Terms expiring in 1 to 5 years	1,057,622	958,875
Terms expiring after 5 years	1,973,327	1,509,343
	3,283,419	2,752,374

Lease liabilities with a term of less than one year or an underlying asset with a low value of less than € 5 are not included in the lease liabilities and right-of-use assets. Costs under these contracts are recognised in the income statement for a sum of € 11,741 (2019: € 14,922) for leases with a term of less than one year and for a sum of € 8,004 (2019: € 7,197) for leases with an underlying asset with a low value. 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 € 266 in 2020 (2019: € 431). These 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 liabilities of € 2,612,514 (2019: € 2,569,646) includes a sum of €295,273 (2019: € 213,832) relating to lease liabilities with related parties in respect of the lease of a number of store locations of Jumbo and La Place, a number of distribution centres, the head office of Jumbo and solar panels on company buildings.

For further explanation of right-of-use assets, see note 3.

For related off-balance-sheet rights and commitments, see note 19.

13. Loans and other liabilities

The loans and other liabilities consist of:

	2020	2019
Long-term loans and other liabilities		
Bank loans	348,530	374,397
Liabilities on account of triple-net distribution centres	3,471	4,167
Liabilities on account of triple-net real estate	-	20,426
Other liabilities	250	3,031
	352,251	402,021
Short-term loans and other liabilities		
Bank loans	-	37,500
Liabilities on account of triple-net distribution centres	696	639
Liabilities on account of triple-net real estate	-	288
Other liabilities	1,232	872
	1,928	39,299
Total interest-bearing loans	354,179	441,320

The movements in the bank loans can be presented as follows:

	2020	2019
Gross balance at start of financial year	412,500	362,500
Repayments	(387,500)	(50,000)
Increase / decrease in facility	(25,000)	100,000
Drawdowns	350,000	-
Gross balance at end of financial year	350,000	412,500
Current repayment obligations	-	(37,500)
Deferred bank fees	(1,470)	(603)
Net balance at end of financial year	348,530	374,397

The bank loans contracted are part of the 5-year financing agreement concluded on 15 December 2020. With this refinancing, the old financing from 2016 is repaid in full. The bank loans contracted as of 29 December 2019 are part of the financing agreement concluded on 11 May 2016. Interest equal to the Euribor rate plus a mark-up is owed on the bank loans contracted. The average interest rate in 2020 was 0.91% (2019: 0.97%).

The bank fee netted on the loans is the costs paid to the banks when the credit facility was contracted. These costs are charged to the financial income and expenses item in the income statement proportionately over the term of the financing agreement.

Triple net liabilities

The liabilities include triple net liabilities in the amount of € 696 (2019: € 926), which will be used in operation of the business within 1 year. This amount consists of a release of € 1,071 (2019: € 3,741) and a discounting of € 375 (2019: € 2,815). The triple net liabilities stem from lease contracts entered into on the basis of so-called triple net conditions, whereby Jumbo has committed to pay all owner's charges associated with the rented property during the term of the lease contracts. The liabilities arising from these contracts have been recognised by Jumbo as non-current liabilities and concern the present value of estimated future cash flows. The cash flows are discounted to present value using a discount rate based on an interest rate that applies for similar financing agreements and which is appropriate for the average expected remaining term. At the end of 2020, the liabilities on account of triple-net retail buildings were released in relation to the real estate transaction with the Supermarkt Vastgoed Fonds. The remaining term of the liabilities on account of triple-net distribution centres is 5 years.

14. Pensions and other deferred remuneration

The liabilities on account of pensions and other deferred remuneration consist of:

	2020	2019
Pension obligation based on defined benefit plans	4,691	8,523
Other liabilities in relation to employee benefits	16,794	11,674
	21,485	20,197

Pension obligation based on defined benefit plans

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

2020	1	2	3	4	5
Balance at start of financial year	62,309	(53,786)	8,523		
Movements during the financial year					
Pension entitlements granted to year of service	119	-	119	119	-
Pension costs of elapsed service years	15	-	15	15	-
Interest expense/income	675	-579	96	96	-
Contributions by employer	-	-177	-177	-177	-
Contributions by employees	-	-	-	-	-
Return on fund investments	-	-2,762	-2,762	-	-2,762
Experience adjustments	87	-	87	-	87
Changes to financial assumptions	304	-	304	-	304
Changes to demographic assumptions	-1,504	-	-1,504	-	-1,504
Pension benefits paid	-1,355	1,355	-	-	-
Value transfer pension plan	-62	62	-	-	-
Curtailment of pension scheme	-	-	-	-	-
Other movements	57	-67	-10	-10	-
	-1,664	-2,168	-3,832	43	-3,875
Balance at end of financial year	60,645	-55,954	4,691		

2019	1	2	3	4	5
Balance at start of financial year	53,338	(44,156)	9,182		
Movements during the financial year					
Pension entitlements granted to year of service	-	-	-	-	-
Acquisitions via business combinations	3,916	-3,916	-	-	-
Interest expense/income	968	-800	168	168	-
Contributions by employer	-	-17	-17	-	-
Contributions by employees	-	-	-	-	-
Return on fund investments	-	-6,200	-6,200	-	-6,200
Experience adjustments	-252	-	-252	-	-252
Changes to financial assumptions	5,917	-	5,917	-	5,917
Changes to demographic assumptions	-265	-	-265	-	-265
Pension benefits paid	-1,247	1,247	-	-	-
Value transfers	-56	56	-	-	-
Curtailement of pension scheme	-	-	-	-	-
Other movements	-10	-	-10	-10	-
	8,971	-9,630	-659	158	-800
Balance at end of financial year	62,309	-53,786	8,523		

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 2020, € 177 in premium contributions (2019: € 17) was paid by the employer.

The fund investments are 100% insured contracts. The value of the fund investments is based on the guaranteed values of these contracts. The pension insurer is responsible for the fund investments. The fund investments are not divided up by pension contract. The pension insurers periodically prepare an analysis for aligning the fund investments 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 10 to 30 years.

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

	2020	2019
Discount rate	0.5%-0.8%	0.8%-1.2%
Expected future real pay increases general	1%	N/A
Expected future real pay increases individual	0%	N/A
Expected future inflation	1.9%	1.9%
Expected pension increase for active participants	0%	N/A
Expected pension increase for inactive participants	0%-1.9%	0%-1.8%

The AG Forecast Table 2020 was used for 2020 (2019: AG Forecast Table 2018).

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 benefit 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.

	2020	2019
Decrease in discount rate by 0.5%	6,547	6,896
Increase in discount rate by 0.5%	(5,682)	(5,975)
Decrease in indexation by 0.5%	(1,505)	(3,165)
Increase in indexation by 0.5%	6,895	7,042

Contribution to defined contribution plans

The defined contribution plans consist mostly of schemes at industry-wide pension funds. Jumbo is affiliated with several industry-wide 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 2020, the large majority of the employees were participants in the industry-wide pension funds for the food business (Stichting Bedrijfstakpensioenfondsvoor het Levensmiddelenbedrijf) and the food service business (Stichting Bedrijfstakpensioenfondsvoor Foodservice). The funding ratios of these funds were 87.1% and 104.7%, respectively, as of the balance sheet date 2020 (2019: 94.7% and 104.4%, 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 2021 in the form of premiums totalling € 43,752 (2020: € 38,035) to the defined contribution plans.

Other liabilities in relation to employee benefits

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

The movements in the other liabilities in relation to employee benefits were as follows:

	Long-service awards	Incapacity for work	Total 2020	Total 2019
Balance at start of financial year	10,361	1,313	11,674	10,347
Allocations	5,393	-	5,393	1,097
Acquisitions via business combinations	-	-	-	60
Releases	-	-	-	-
Withdrawals	-386	-222	-608	-693
Movements in present value	324	11	335	863
Movements in carrying amount	5,331	-211	5,120	1,327
Balance at end of financial year	15,692	1,102	16,794	11,674
Long-term	15,168	808	15,976	11,023
Short-term	524	294	818	651
Balance at end of financial year	15,692	1,102	16,794	11,674

15. Deferred tax liabilities

The deferred tax assets and liabilities are formed for the temporary differences between the commercial and tax principles used for valuing assets and liabilities and determining the result. The differences mainly arise from the recognition of (historic) acquisitions. The provision for tax liabilities is predominantly long term in nature. Deferred tax assets and liabilities are netted per tax jurisdiction in the balance sheet.

The movements in the deferred tax assets and liabilities were as follows:

	2019		Movements during the financial year		2020	
	Receivable	Liability	via income	via comprehensive	Receivable	Liability
			statement	income		
Intangible fixed assets	(3,076)	166,962	36,602	-	(1,634)	202,122
Tangible fixed assets	(5,074)	4,995	(1,955)	-	(3,355)	1,321
Right-of-use assets	-	555,020	84,281	-	-	639,301
Financial fixed assets	-	1,385	548	-	-	1,933
Pensions and other deferred remuneration	(1,849)	-	(243)	(970)	(3,062)	-
Provisions	(188)	-	4,754	-	-	4,566
lease liabilities	(561,345)	-	(87,532)	-	(648,877)	-
Non-current liabilities	(875)	-	(4,419)	(2)	(5,296)	-
Other assets and liabilities	-	21	(16,275)	-	(16,350)	96
Reinvestment reserve	-	17,695	(2,373)	-	-	15,322
Balance of deferred receivables and liabilities	572,407	(572,407)	-	-	678,574	(678,574)
Net deferred tax liabilities	-	173,671	13,388	(972)	-	186,087

In the adopted 2021 Tax Plan, earlier announced changes to the corporation tax rate were retracted. To determine the deferred tax, the corporation tax rate based on the 2021 Tax Plan was used: 25% (2019: 21.7%) as of 2021. The deferred tax liabilities as of the end of 2020 are recognised on balance at the adjusted rates.

A sum of €1,050 of the deferred tax liability (2019: €18,646) is short term.

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 -€970 (2019: €162) and the taxes on the unrealised revaluations of the derivative financial instruments of -€2 (2019: €31).

Tax entity

At the end of the 2020 financial year, all the Dutch group companies included in the consolidation were included in Jumbo Groep Holding B.V.'s tax entity for turnover tax from the moment of incorporation or acquisition, with the exception of Euroselect B.V., J&C Acquisition Holding B.V. and Supermarkt Vastgoed IIA B.V.

At the end of the 2020 financial year, all the Dutch group companies included in the consolidation were included in Jumbo Groep Holding B.V.'s tax entity for corporation tax from the moment of incorporation or acquisition, with the exception of J&C Acquisition Holding B.V. and Supermarkt Vastgoed IIA B.V.

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

16. Provisions

The provisions can be specified as follows:

	2020	2019
Restructuring	5,215	4,044
Onerous contracts	-	2,716
Other provisions	2,650	690
	7,865	7,450
Long-term	1,777	2,966
Short-term	6,088	4,484
	7,865	7,450

The provisions are valued at present value. The discount rate is based on the risk-free interest rate of 0.00% (2019: 0.20%).

The restructuring provision was created for the restructuring of the head office. In the context of mechanisation, existing distribution centres will be closed in the long term and some of the employees will become redundant, despite efforts aimed at the sustainable employability of employees.

The movements in the provisions are as follows:

	Restructuring	Loss-making contracts	Miscellaneous	Total 2020	Total 2019
Balance at start of financial year	4,044	2,716	690	7,450	23,318
Allocations	13,985	-	2,000	15,985	6,681
Releases	(546)	-	(11)	(557)	(5,380)
Withdrawals	(12,268)	(2,716)	(29)	(15,013)	(17,205)
Movements in present value	-	-	-	-	36
Movements in carrying amount	1,171	-2,716	1,960	415	-15,868
Balance at end of financial year	5,215	-	2,650	7,865	7,450
Long-term	1,527	-	250	1,777	2,966
Short-term	3,688	-	2,400	6,088	4,484
Balance at end of financial year	5,215	-	2,650	7,865	7,450

17. 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 provided, trade debtors and other receivables, interest-bearing loans and other long-term liabilities, current account credits, trade creditors and other accounts payable 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. Loans provided are exclusively provided by Jumbo 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 normal operations, Jumbo uses various financial instruments that expose Jumbo to liquidity, credit and market risks. Jumbo estimates that these risks have an extremely limited impact on the operation of the business. Compared to the previous year, Jumbo's business operations were not affected to a greater or lesser extent by these risks. Jumbo's policy for managing these risks has not changed since the previous year.

Managing the working capital

Jumbo pursues a financing policy which centres on continuity of the business and which takes into account the management of the working capital (the capital held to perform the operational activities). Jumbo must satisfy the requirements stipulated by the lenders in covenants. As of 3 January 2021 and 29 December 2020, Jumbo satisfied the requirements stipulated.

Liquidity risk

The liquidity risk is the risk that Jumbo will be unable to satisfy 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 latitude in the existing credit facilities.

Credit facilities

A refinancing of the financing agreement from 2016 took place in 2020. The new financing agreement with a principal of €700 million took effect on 15 December 2020 and has a term of 5 years, with the option of a 2-year renewal. The financing agreement was concluded with the bank syndicate made up of ABN AMRO, Rabobank, ING, Deutsche Bank and BNP Paribas. BNP Paribas is a new member of the banking syndicate in relation to the 2016 financing agreement, which likewise had a term of 5 years, with the option of a 2-year renewal, which was exercised in 2019.

The credit facilities at year-end 2020 are as follows:

	Credit facility	Amount used
Revolving Facility	550,000	350,000
Ancillary	150,000	-
Gross balance at end of financial year	700,000	350,000

In relation to the credit facilities mentioned, 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). The banks correct the net debt for the effects of the implementation of IFRS16.

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

Financial instruments

The interest on 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 the interest rate risk is hedged using interest rate derivatives. As of 24 December 2020, the interest rate derivatives consisted of interest rate caps, which cap the Euribor at 0% and which end as of December 2023. As of 29 December 2019, the interest rate derivatives consisted of interest rate swaps with a floor at 0%; these interest rate swaps expired in 2020. The nominal value of the interest rate caps present as of 3 January 2021 is €200,000. On the balance sheet date, €200,000 (2019: €125,000) of the credit facility applied is hedged. The interest rate caps had a market value of €128 at the end of 2020. The interest rate swaps had a market value of -€9 at the end of 2019.

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 0% and a debt reduction in accordance with the multi-year planning.

	Carrying amount	Contractual cash flows	Less than one year	1-5 years	More than 5 years
2020					
Bank loans	348,530	366,988	3,403	363,585	-
Lease liabilities	2,612,514	3,283,419	252,470	1,057,622	1,973,327
Other financing obligations	1,482	1,482	1,232	250	-
Stamp obligations	50,361	50,361	50,361	-	-
Creditors and other accounts payable	1,495,955	1,495,955	1,495,955	-	-
	4,508,842	5,198,205	1,803,421	1,421,457	1,973,327
2019					
Bank loans	411,897	419,457	40,886	378,571	-
Lease liabilities	2,569,646	2,752,374	284,156	958,875	1,509,343
Other financing obligations	3,903	3,925	872	3,053	-
Derivative financial instruments	9	29	29	-	-
Stamp obligations	38,417	38,417	38,417	-	-
Creditors and other accounts payable	1,420,786	1,420,786	1,420,786	-	-
	4,444,658	4,634,988	1,785,146	1,340,499	1,509,343

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 furnished to financial institutions for the financing 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:

	2020	2019
Financial fixed assets	63,188	68,034
Trade debtors	273,725	274,502
Other receivables, prepayments and accrued income	40,059	36,116
Cash and cash equivalents	74,357	66,489
	451,329	445,141

To determine the provision for financial assets, the expected credit losses model is applied in accordance with IFRS9. 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 payment arrears have already arisen. Jumbo availed of the possibility of applying the simplified approach under IFRS9 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:

	2020	2019
Not due	210,169	214,747
Overdue by 0-30 days	22,554	11,703
Overdue by 31-60 days	21,317	14,172
Overdue by 61-90 days	11,575	11,727
Overdue by more than 90 days	10,649	29,684
	276,264	282,033
Provision for bad debts	(2,539)	(7,531)
Carrying amount of receivables	273,725	274,502

The fair value adjustments resulting from the possible uncollectability of the trade debtors take place on 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 uncollectability in relation to trade debtors were as follows:

	2020	2019
Balance at start of financial year	(7,531)	(7,755)
Allocations	(526)	(2,490)
Withdrawals	4,009	625
Provision released	1,509	2,089
	4,992	224
Balance at end of financial year	(2,539)	(7,531)

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 19 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 and provided. The loans Jumbo has entered into have a floating interest rate. Jumbo has taken out interest rate derivatives to limit the interest rate risks.

As of the end of the 2020 financial year, Jumbo has interest rate derivatives with terms to the end of 2023. 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. Jumbo does not apply hedge accounting for the interest rate derivatives newly taken out. At 29 December 2019, Jumbo did apply hedge accounting to the interest rate swaps in place at that time.

Movements in the fair value of the interest rate caps are recognised on the balance sheet under the derivative financial instruments and in the income statement under other operating income. Movements in the fair value of the interest rate swaps for which hedge accounting is applied are recognised under the derivative financial instruments and in the consolidated statement of comprehensive income. At year-end 2020, 57.1% of the interest-bearing debts was hedged using interest rate derivatives (2019: 30.3%). The average interest rate on the interest-bearing debts was 0.91% in 2020 (2019: 0.97%).

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

Interest rate sensitivity analysis

The goal 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 the 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:

	2020	2019
Fixed-interest instruments		
Financial assets	-	1,595
Financial liabilities	250,361	163,417
Floating-interest instruments		
Financial assets	74,547	66,863
Financial liabilities	148,530	286,897

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, translate into higher interest expenses.

In the event of a decrease of 100 basis points in the interest rates (Euribor, -0.546% as of year-end) over 2020 (to the extent this is possible), the group result before taxes would remain the same. After all, the Euribor was negative for the whole of 2020 and the financing has a floor of 0%. In the event of an increase of 100 basis points in the interest rates (Euribor) over 2020, the group result before tax would decrease by €681 as 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.

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, 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:

	2020			2019		
	Carrying amount	Fair value	Hierar-chy	Carrying amount	Fair value	Hierar-chy
Fixed assets						
Financial fixed assets (a)	63,060	63,060	3	68,034	68,034	3
Derivative financial instruments (a)	128	128	2	-	-	2
	63,188	63,188		68,034	68,034	
Current assets						
Trade debtors (a)	273,725	273,725	3	274,502	274,502	3
Cash and cash equivalents (a)	74,357	74,357	1	66,489	66,489	1
	348,082	348,082		340,991	340,991	
Non-current liabilities						
Bank loans (c)	348,530	348,530	2	374,397	374,397	2
Derivative financial instruments (e)	-	-	2	9	9	2
	348,530	348,530		374,406	374,406	
Current liabilities						
Bank loans (c)	-	-	2	37,500	37,500	2
Stamp obligations (c)	50,361	30,047	2	38,417	38,417	2
Trade creditors (c)	1,236,819	1,236,819	3	1,201,192	1,201,192	3
	1,287,180	1,266,866		1,277,109	1,277,109	
Total financial instruments	2,046,980	2,026,666		2,060,540	2,060,540	
Total per category						
(a) Loans, receivables and cash and cash equivalents	411,270	411,270		409,025	409,025	
(b) Investments held to end of maturity	-	-		-	-	
(c) Financial liabilities at amortised cost	1,635,710	1,615,396		1,651,506	1,651,506	
(d) Financial liabilities at fair value	-	-		-	-	
(e) Financial liabilities with changes in value in group equity	-	-		9	9	
Total	2,046,980	2,026,666		2,060,540	2,060,540	

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.

18. Trade creditors and other accounts payable

The trade creditors and other accounts payable consist of:

	2020	2019
Trade creditors	1,236,819	1,201,192
Employee-related liabilities	96,321	83,839
Taxes and social security charges	61,168	49,893
Stamp obligations	50,361	38,417
Contract liability in relation to saving campaigns	8,246	1,053
Accruals and deferred income	93,401	84,809
	1,546,316	1,459,203

The trade creditors includes a receivable in relation to purchase bonuses and promotional contributions still to be received. As of the end of the 2020 financial year, this receivable amounts to €69,283 (2019: €67,569). At year-end 2020, the trade creditors included a debt to related parties in the amount of € 658 (2018: € 4,255). The trade creditors includes a debt concerning excise duties in the amount of € 21,104 (2019: € 14,446).

Jumbo gives its suppliers the possibility of availing of 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 once again decreased in 2020: to 27 days compared to 29 days in 2019. This is a response from Jumbo to society's desire to pay trade creditors more quickly. See the specification of the actual payment periods below.

	2020	2019
Trade creditors (incl. VAT)	1,236,819	1,201,192
VAT amount in trade creditors	-140,997	-136,936
Supply Chain Finance and Dynamic Discounting facilities and other	-532,538	-515,056
Trade creditors (normalised)	563,284	549,200
Cost of sales	6,347,578	5,624,313
Purchases of non-trade goods and services and other	1,236,819	1,210,201
Total purchases (normalised)	7,584,397	6,834,514

Payment term Trade creditors	27 days	29 days
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The payment period has been determined by dividing the normalised trade creditors by the normalised total purchases and multiplying the result of that by the number of days in a year. The total purchasing was also normalised for the 53rd week for the 2020 financial 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 us a normalised balance of trade creditors. In order to determine total purchases, both the cost of sales and the purchase of non-trade goods and services must be included. If necessary, 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 in the amount of €7,614 (2018: €9,695).

In relation to stamp obligations, a total of €75,285 in stamps were issued in 2020 (2019: €62,674), specifically 752,850,000 stamps (2019: 626,740,000 stamps). The movement in the stamp obligations in 2020 amounted to €11,944.

The liability for saving campaigns concerns a liability for deferred revenue, in accordance with IFRS 15, which is realised when consumers use saved points for discounts or free products.

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

19. Off-balance sheet rights and commitments

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 reliably determined. A receivable for the subsequent settlement schemes has been included in the balance sheet exclusively for the portion that can be reliably estimated.

In relation to this, in 2020 and previous reporting years, a sum of € 2,646 was included under other receivables, prepayments and accrued income (2019: € 2,138). Jumbo cannot estimate the size of the receivable for 2021 and beyond with adequate certainty.

Legal proceedings

J&C Acquisition Holding B.V. ('J&C', the consortium of Jumbo and Coop that bought EMTÉ in 2018) started legal proceedings against Sligro Food Group Nederland B.V. ('Sligro') in 2019. According to J&C, there are indications that prior to the sale of EMTÉ, Sligro misrepresented EMTÉ's financial position. In 2020, at J&C's request, witness questioning took place of officers who, prior to the sale of EMTÉ, were closely involved in establishing the gross margin and the allocation of suppliers' contributions in connection with that. The outcomes of the hearing strengthened the consortium's conviction that Sligro had painted a financial picture of EMTÉ that did not match the economic reality. The proceedings on the merits, that has been brought by the consortium, is expected to be heard in mid-2021 by the Amsterdam district court.

Investment commitments for locations

At year-end 2020, Jumbo had not entered into any investment commitments for the acquisition of new locations (2019: €1,700).

Purchase agreements

Agreements have been contracted with third parties for amounts of €1,000 or more.

The liabilities fall due as follows:

	2020	2019
Terms expiring within 1 year	68,247	60,107
Terms expiring in 1 to 5 years	173,099	58,705
Terms expiring after 5 years	7,152	1,382
	248,498	120,194

At the end of the 2020 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. The increase is due in part to the planned expansion of the mechanised national distribution centre (NDC) in Nieuwegein.

Purchase and repurchase commitments and other guarantees

Entrepreneurs have pledged inventory 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 inventory 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 2020, Jumbo had given purchase and repurchase commitments and other guarantees up to a sum of € 19,617 (2019: € 24,488).

Lease commitments and rental obligations

Jumbo has contracted lease agreements for the distribution centres, internal transport, vehicles and other assets. Jumbo also leases real estate and subleases some of this property, 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, see note 12. For the related right-of-use assets, see note 3. Leases and rental contracts with a term of less than one year or an underlying asset with a low value of less than €5 are not included in this. The rental obligations arising from these are included below, along with obligations entered into in 2020, which take effect from 2021 or later.

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

	2020	2019
Rental obligations (real estate)		
Terms expiring within 1 year	9,862	13,703
Terms expiring in 1 to 5 years	54,197	32,196
Terms expiring after 5 years	12,054	17,861
	76,113	63,760

The total off-balance-sheet liability for leases for real estate not valued under IFRS 16 amounts to €76,113 (2019: €63,760). This does not include any liability with related parties (2019: nil).

The minimum receivables from the subleasing of real estate held under operational lease contracts fall due as follows:

	2020	2019
Rent receivables (real estate)		
Terms expiring within 1 year	102,823	92,555
Terms expiring in 1 to 5 years	301,236	276,330
Terms expiring after 5 years	123,963	112,527
	528,022	481,412

The total off-balance-sheet receivable for operational leases for real estate amounts to €528,200 (2019: €481,412). These receivables include a sum of €2,620 (2019: €1,291) from operational leases with related parties.

In 2020, rental income of €102,542 (2019: €97,143) was credited to the income statement for operational leases for real estate.

Other liabilities

Jumbo has agreed on commitments with entrepreneurs in relation to financial compensations and contributions to be provided and has also entered into commitments with third parties. The total of these commitments amounted to €402,439 at year-end 2020 (2019: €224,177). The commitments to entrepreneurs are primarily investment and divestment contributions, transition allowances, opening contributions, closing costs, operating contributions and goodwill guarantees. Pending legal disputes are not included in the balance sheet if the outgoing cash flows could not be reliably estimated.

As part of the La Place franchise agreement with the Vermaat Group, Jumbo agreed on a conditional operational contribution with the Vermaat Group. The height of this operational contribution cannot be reliably estimated at this moment.

In 2020, Jumbo entered into the conditional obligation to provide a loan to Jaguar Bidco B.V. It involves a loan of €50,000 and it was provided at the beginning of February 2021.

Other receivables

The total off-balance sheet receivable from the proposed sale of the fixed assets of 44 La Place restaurants to the Vermaat Group amounts to €20,944.

Notes to the consolidated income statement

20. Net revenue

The net revenue is the revenue (excluding VAT) realised by Jumbo and La Place. This is the revenue realised through sales via the company's own stores and restaurants and via the distribution centres to third parties (mainly franchisees). The net revenue can be broken down as follows:

	2020	2019
Jumbo own stores	3,734,834	3,249,074
Jumbo franchise	3,965,630	3,518,091
La Place restaurants	36,372	107,081
	7,736,836	6,874,246

21. Cost of sales

The cost of sales consists of:

	2020	2019
Cost of inventories	(5,856,516)	(5,223,912)
Other costs	(491,062)	(400,401)
	(6,347,578)	(5,624,313)

22. Employee benefits

The employee benefits are recognised in the income statement under the financial statements items cost of sales, selling costs and administrative costs. A breakdown of the employee benefits is shown below:

	2020	2019
Salaries	(581,580)	(523,872)
Social security contributions	(93,942)	(85,893)
Pension costs based on defined benefit plans	53	9
Pension costs based on defined contribution schemes	(37,550)	(34,659)
Other employee benefits	(10,113)	(7,108)
	(723,132)	(651,523)

Jumbo employed an average of 16,445 fulltime equivalents in 2020 (2019: 16,224), 299 of whom (2019: 135) were outside the Netherlands.

23. Other operating income

The other operating income consists of:

	2020	2019
Rental income from real estate	103,395	95,649
Movement in fair value of derivative financial instruments	40,100	-
Services provided to franchisees	10,505	9,644
Revenue from sale of real estate	188	5,233
Miscellaneous	26,280	9,165
	180,468	119,691

Jumbo's starting point is not to own properties for store locations. Rental income from real estate therefore only relates to income from sublease agreements.

The movement in the fair value of derivative financial instruments is the movement in the fair value of interest rate derivatives held (€128) and the movement in the fair value of the purchase option with Supermarkt Vastgoed Fonds (€39,972). The purchase option with Supermarkt Vastgoed Fonds was exercised in 2020 and gave entitlement to the purchase of 70 buildings at their individual values, with reference date of 31 December 2019. Given the increase in the value of food retail real estate during 2020 and the possibility of purchasing a large real estate portfolio, the purchase option was given a value in 2020. Jumbo exercised this purchase option on 29 December 2020.

In 2020, the income from the sale of real estate included €881 in proceeds from sale and leaseback transactions (2019: €1,231) and €693 in losses on the sale of real estate.

As a result of exercising the purchase option with Supermarkt Vastgoed Fonds, Jumbo purchased 70 buildings and immediately resold 67, 62 of which were sold to Annexum Invest B.V. This purchase resulted in the release of part of the triple-net liability (€20,426). This release was recognised as other operating income.

24. Selling costs

The selling costs consist of:

	2020	2019
Labour costs	-479,940	-452,512
Depreciation/amortisation costs	-281,395	-262,422
Marketing costs	-77,531	-64,664
Other selling costs	-106,142	-108,106
	-945,008	-887,704

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

25. Administrative costs

The general management expenses consist of:

	2020	2019
Labour costs	-108,493	-101,241
Depreciation/amortisation costs	-25,654	-21,911
Maintenance costs	-30,756	-28,229
Property rental costs	-2,804	-7,185
Other general management expenses	-73,244	-39,282
	-240,951	-197,848

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

	2020	2019
Audit of the financial statements	-732	-585
Other audit engagements	-	-23
Tax consultancy services	-	-
Other non-audit services	-42	-123
	-774	-731

There were no costs incurred in relation to the rest of the PwC network in 2020 and 2019.

26. Impairments

The impairments can be specified as follows:

1. **Impairments**
2. **Reversal of impairments**

	2020			2019		
	1	2	Total	1	2	Total
Goodwill and intangible fixed assets with an indefinite life	(6,072)	-	(6,072)	-	-	-
Other intangible fixed assets	(320)	7,126	6,806	(3,310)	11,503	8,193
Tangible fixed assets	(22,671)	1,384	(21,287)	(7,887)	2,956	(4,931)
Right-of-use assets	(21,041)	5,047	(15,994)	(7,164)	2,478	(4,686)
Assets held for sale	(4,087)	-	(4,087)	(200)	-	(200)
	(54,191)	13,557	(40,634)	(18,561)	16,937	(1,624)

The impairments relate to the intangible fixed assets, tangible fixed assets, right-of-use assets and assets held for sale. An asset is subject to impairment if the carrying amount exceeds the recoverable amount. Jumbo assessed whether there are any indications as of the balance sheet date for possible impairments of the intangible or tangible fixed assets or right-of-use assets. An indication relates to changes in market circumstances or sales areas or to developments concerning a location. If there is an indication, an impairment test is performed on the level of the individual asset or on the level of the cash flow-generating unit to which the asset belongs. For goodwill acquired through the acquisitions of Super de Boer, C1000, EMTÉ, Agrimarkt and Udea, the cash flow-generating unit has been defined at the level of Jumbo Supermarkten; for goodwill acquired through the acquisition of AC restaurants and for the brand name related to the acquisition of La Place, Jumbo has defined the cash flow-generating unit at the level of La Place.

Under brand names, the right of exclusivity in relation to the cooperation agreement with HEMA has also been capitalised; the cash flow-generating unit for this has been set at the level of Jumbo Supermarkets. For the 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.

In determining the size of an impairment, 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 4.0% (2019: 4.5%) after taxes, which corresponds to 7.6% (2019: 7.3%) before taxes. The growth rate and allocated operational expenses used in future cash flows are related to Jumbo's strategic plan and the future expectations for the particular 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 20 years, unless it is known that the location will be sold or closed in the near future. In calculating any impairments, 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, with the exception that the impact of Covid-19 was taken into account in 2020, whereby account was taken of determining the value in use with normalised estimated cash flows. Reasonable, possible changes to the starting points of the recoverable value 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 below. It has also been concluded that there is enough latitude in the calculations, which is why no detailed sensitivity analysis is included.

The impairments during the financial year can be explained as follows:

Goodwill and intangible fixed assets with an indefinite life

The impairment relates to the goodwill acquired with the takeover of AC restaurants in 2017 and is the result of the definitive closure of some of these locations in 2020 and the expected outsourcing of operation of the other related locations in 2021.

The recoverable amounts, i.e. the value 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 amounts to €754,285. The carrying amount of the La Place brand name totals €32,059 and is attributed to the La Place cash flow-generating unit. See also note 1.

Other intangible fixed assets

The reversals of impairments related to locations. See also note 1.

Tangible fixed assets

The impairment calculations for the tangible fixed assets resulted in impairments totalling €284 (2019: €7,887) and reversals of impairments totalling -€1,384 (2019: -€2,956), which related to structural facilities, fixtures and fittings and other fixed operating assets.

In addition to this, the definitive closure of 23 La Place restaurants in 2020 and the planned outsourcing of the operation of 44 La Place restaurants by the Vermaat Group resulted in an impairment of €20,423. This impairment related to structural facilities and fixtures and fittings.

The closure of a distribution centre also resulted in an impairment of €1,963.

The foregoing disclosures are part of the movements in tangible fixed assets, see note 2.

Right-of-use assets

The impairments of right-of-use assets related to, among other things, the permanent closure of 23 La Place restaurants in 2020, the planned outsourcing of the operation of 44 La Place restaurants by the Vermaat Group and the closure of a distribution centre. The reversal of an impairment related to the right-of-use assets pertains mainly to the real estate transaction with Supermarkt Vastgoed Fonds (€4,471). See also note 3.

Assets held for sale

The impairments of assets held for sale pertain mainly to the real estate transaction with Supermarkt Vastgoed Fonds (-€3,353).

27. Financial income and expenses

The item financial income and expenses can be specified as follows:

	2020	2019
Financial income		
Interest income on leases	5,185	124
Other interest income and similar revenue	2,076	2,427
	7,261	2,551
Financial expenses		
Interest expenses on lease liabilities	(31,170)	(30,701)
Interest on loans from credit institutions	(2,786)	(4,300)
Movement in value of pensions	(96)	(168)
Write-down participation fee banks	(614)	(436)
Other interest expense and similar costs	(6,330)	(6,937)
	(40,996)	(42,542)
Balance at end of financial year	(33,735)	(39,991)

Interest income on leases includes an amount of €5,164 on account of terminated leases valued under IFRS 16. This amount is related to the discount amount included in the valuation of lease liabilities and which is credited on the income statement upon the termination of rental contracts. The interest income on leases that is caused by the real estate transaction with Supermarkt Vastgoed Fonds amounts to €3,253.

28. Taxes

	2020	2019
Immediate tax expense	(54,561)	(33,280)
Deferred tax expense	(12,246)	(320)
Taxes	(66,807)	(33,600)

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

	2020		2019	
Result before taxes		203,679		148,480
Nominal tax rate	-25.0%	(50,866)	-25.0%	(37,108)
Rate changes	-12.1%	(24,669)	-4.3%	(6,442)
Other corrections	2.5%	5,049	6.0%	8,899
Adjustments to previous years	1.8%	3,679	0.7%	1,051
Effective tax rate / Taxes	-32.8%	(66,807)	-22.6%	(33,600)

The rate changes relate to the adopted 2021 Tax Plan, in which changes to the corporation tax rate from the 2020 Tax Plan were retracted. The corporation tax rate will remain 25% (2019: 21.7%) as of 2021. The deferred tax liabilities as of the end of 2020 are recognised at the adjusted rates, which has an effect of € 24,669 (2019: -€6,442) on the taxes in the income statement.

The other corrections mainly concern the innovation box. The adjustments of previous years are corrections based on the definitive tax returns filed.

29. Related parties

The transactions with related parties take place at arm's length. The main transactions are explained below.

Stichting Jumbo Groep

The directors of Stichting Jumbo Groep are members of or closely related to the Management Board under the articles of association of Jumbo Groep Holding B.V.

F.E.G. Beheer B.V.

The director of F.E.G. Beheer B.V. is a member of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with F.E.G. Beheer B.V. consist of management fees.

C.E.G. Beheer B.V.

The director of C.E.G. Beheer B.V. is a member of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with C.E.G. Beheer B.V. consist of management fees and the sale and lease of real estate.

M.E.G. Beheer B.V.

The director of M.E.G. Beheer B.V. is closely related to the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with M.E.G. Beheer B.V. consist of management fees and the sale and lease of real estate.

Van Eerd Beheer B.V.

The director of Van Eerd Beheer B.V. is closely related to the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with Van Eerd Beheer B.V. consist of the sale and lease of real estate. The transactions relating to the lease of real estate in 2020 involved a total sum of €13,343 (2019: €13,300).

Jumbo Onroerend Goed B.V.

Jumbo Onroerend Goed B.V. has directors who are also members of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with Jumbo Onroerend Goed B.V. involving a total of €6,267 (2019: €4,046) consisted mainly of rent for real estate.

La Place Food Vastgoed B.V.

La Place Food Vastgoed B.V. has directors who are also members of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with La Place Food Vastgoed Goed B.V. involving a total of €3,700 (2019: €3,932) consisted mainly of rent for real estate.

Van Eerd Onroerend Goed B.V.

Van Eerd Onroerend Goed B.V. has directors who are also members of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transactions with Van Eerd Onroerend Goed B.V. involving a total of €4,824 (2019: €1,911) consisted mainly of rent for real estate and the charging on of investments.

Jaguar Bidco B.V.

Jaguar Bidco B.V. has directors who are also members of the Management Board under the articles of association of Jumbo Groep Holding B.V. The transaction with Jaguar Bidco B.V. in 2020 concerns a conditional obligation to provide a loan of € 50,000.

DCJ B.V.

DCJ B.V. has directors who are also directors of Jumbo Groep Holding B.V. The transactions with DCJ B.V. involving a total amount of €4,034 (2019: €3,225) consisted mainly of rent for real estate and the constructional investments for the mechanised National Distribution Centre (NDC) in Nieuwegein.

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 formula.

Remuneration of Management Board and Supervisory Board members

In 2020, the remuneration granted to the Management Board members amounted to a total of €6,087 (2019: €7,032) consists of management fees and employee benefits. The decrease in 2020 largely concerned the loss of one-time payments from 2019 related to exceptional performance.

In 2020, the Supervisory Board members were granted remuneration totalling €474 (2019: €384). No loans, advance payments or guarantees were provided to the Supervisory Board members.

30. 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 5 years after they are made payable revert to the company.

Appropriation of the result for the 2019 financial year

The 2019 financial statements were adopted in the General Meeting held on 18 February 2020. The General Meeting decided that the result for the 2019 financial year would be added to the general reserves in the amount of €114,880.

Dividend payments in the amount of €52,500 were made to shareholders in 2020.

Proposed appropriation of 2020 result

In anticipation of the decision of the General Meeting, the result for 2020 in the amount of €136,872 will be added to the other reserves. The proposal to add the €136,872 to the other reserves has not yet been incorporated in the financial statements.

31. Post balance sheet date events

On 23 December 2020, La Place reached agreement on a strategic cooperation with hospitality specialist the Vermaat Group. As part of the cooperation, the Vermaat Group will take over, the operations, employees and assets of 44 La Place restaurants. Jumbo will remain owner of the La Place brand and will in future receive compensation from the Vermaat Group for the use of the brand and the formula. Jumbo and the Vermaat Group are together focusing on continuing the development of the La Place restaurant concept. The takeover therefore ties in with the strategy of Jumbo and La Place. The cooperation is expected to strengthen the restaurants operationally. This cooperation will also allow Jumbo to focus more on the plans to expand the convenience formula La Place Express and the roll-out of La Place products at Jumbo Supermarkets. The works council of La Place and the Netherlands Authority for Consumers & Markets (ACM) issued positive advice on the plan. The takeover is expected to become effective as of 1 April 2021.

On 1 February 2021, Jumbo provided a loan to Jaguar Bidco B.V. in the amount of €50,000.

The Covid-19 virus and the related interventions were issues in 2021 as well. For more information on the impact these had on Jumbo, see the General notes, in the 'Continuity' section.

Besides the above, no significant events occurred after the balance sheet date of 3 January 2021 which provide further information on the actual situation on the balance sheet date and which require recognition and/or disclosure in the 2020 financial statements.

Company balance sheet as of 3 January 2021

Before profit appropriation, in €1,000

ASSETS	Note	3 January 2021	29 December 2019
Fixed assets			
Financial fixed assets	1	1,143,871	898,441
		1,143,871	898,441
Current assets			
Intercompany current account		146,376	383,283
Corporate income tax		-	2,606
Cash and cash equivalents		8,236	6,249
		154,612	392,138
TOTAL ASSETS		1,298,483	1,290,579
LIABILITIES			
Equity			
Issued capital		8	8
Statutory reserve		188,063	147,735
General reserves		363,681	338,716
Unappropriated result		136,872	114,880
Total equity	2	688,624	601,339
Provisions			
	3	191,096	173,676
Non-current liabilities			
	4	348,530	374,406
Current liabilities			
Short-term loans and other liabilities		-	37,500
Credit institutions		52,984	100,830
Corporation tax		15,551	-
Other accounts payable, accruals and deferred income		1,698	2,828
		70,233	141,158
Total liabilities		609,859	689,240
TOTAL LIABILITIES		1,298,483	1,290,579

Company income statement for 2020

<i>in €1,000</i>	2020	2019
Result from participations after taxes	155,503	118,722
Balance of other income and expenses after taxes	-18,631	-3,842
Net result	136,872	114,880

Notes to the company financial statements

General accounting principles 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 Jumbo Groep Holding B.V. in the consolidated financial statements. See the notes to the consolidated financial statements for the valuation principles and principles used for determination of the result.

The company financial statements have been prepared in euros. The amounts in the financial statements have been rounded off to the nearest €1,000, unless stated otherwise.

The financial data of Jumbo Groep Holding 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.

Participations

Participations in group companies in which significant influence is exerted on the business and financial policy are valued at net asset value, but no lower than zero. This net asset value is calculated on the basis of the valuation principles of Jumbo Groep Holding B.V. as applied in the consolidated financial statements.

Participations with a negative asset value are stated at zero. 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 formed. In determining the size of this provision, provisions for uncollectability already deducted from receivables from the participation are taken into account.

Intercompany current account

The current accounts with group companies are measured at fair value upon first recognition and subsequently measured at amortised cost.

Notes to the company balance sheet

1. Financial fixed assets

The financial fixed assets concern the fair value of derivative financial instruments of €128 and the participating interest (expressed as a percentage of share capital) in Jumbo Food Groep B.V. in Veghel of 100% (2019: 100%), La Place Food Groep B.V. in Veghel of 100% (2019: 100%), Jumbo België B.V. in Antwerp of 0.01% (2019: 0.01%) and J&C Acquisition Holding B.V. in Veghel of 50% (2019: 50%). Based on the economic reality, which involves a joint operation based on the financial distribution and allocation of the stores, i.e. 66.67% for Jumbo Groep Holding B.V. and 33.33% for Coop Holding B.V., J&C Acquisition Holding B.V. is recognised as a 66.67% participation.

The movements in the participating interests are as follows:

	2020	2019
Balance at start of financial year	898,441	757,473
Direct equity movements participations	89,799	22,246
Result from participations	155,503	118,722
Balance at end of financial year	1,143,743	898,441

2. Equity

See note 11 of the notes to the consolidated financial statements as well as the statement of the consolidated movements in group equity 2020.

Statutory reserve

A statutory reserve for participations in relation to (self-developed) software was formed in accordance with Section 2:389 (6) of the Dutch Civil Code.

The movements in the reserve were as follows:

	2020	2019
Balance at start of financial year	147,735	109,051
Movements chargeable to the withheld profits reserve	40,328	38,684
Balance at end of financial year	188,063	147,735

On grounds of Dutch law and regulations, the statutory reserves cannot be paid out as dividend to Jumbo shareholders.

3. Provisions

The provisions consist of a deferred tax liability.

The movements in the deferred tax assets and liabilities were as follows:

	2019		Movements during the financial year		2020	
	Receivable	Liability	via income	via comprehensive	Receivable	Liability
			statement	income		
Intangible fixed assets	(3,076)	166,962	36,602	-	(1,634)	202,122
Tangible fixed assets	(5,074)	4,995	(1,955)	-	(3,355)	1,321
Right-of-use assets	-	555,020	(555,020)	-	-	-
Financial fixed assets	-	1,385	548	-	-	1,933
Pensions and other deferred remuneration	(1,849)	-	(243)	(970)	(3,062)	-
Provisions	(188)	-	188	-	-	-
Lease liabilities	(561,345)	-	561,345	-	-	-
Non-current liabilities	(875)	-	(4,419)	(2)	(5,296)	-
Other assets and liabilities	-	26	(16,281)	-	(16,351)	96
Reinvestment reserve	-	17,695	(2,373)	-	-	15,322
Balance of deferred receivables and liabilities	572,407	(572,407)	-	-	29,699	(29,699)
Net deferred tax liabilities	-	173,676	18,392	(972)	-	191,096

A sum of €8,873 of the deferred tax liability (2019: €18,646) is short term.

4. Non-current liabilities

The non-current liabilities consist of bank loans and derivative financial instruments (see notes 13 and 17 of the consolidated financial statements).

	2020	2019
Bank loans	348,530	374,397
Derivative financial instruments	-	9
	348,530	374,406

5. Off-balance sheet rights and commitments

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 Groep B.V., Jumbo Distributiecentrum B.V., Jumbo Logistiek Vastgoed B.V., Jumbo Supermarkten B.V., Euroselect B.V., Jumbo Omnichannel B.V., Jumbo Omnichannel Vastgoed B.V., Jumbo Supermarkten Vastgoed B.V., La Place Food Groep B.V., La Place Food B.V. and EMTÉ Kapelle B.V.

Notes to the company income statement

6. Balance of other income and expenses after taxes

The item Balance of other income and expenses after taxes can be specified as follows:

	2020	2019
Corporation tax rate adjustment	(25,330)	(6,442)
Other result after taxes	6,699	2,600
	(18,631)	(3,842)

Other explanations and the signatures on the financial statements

Employees

Jumbo Groep Holding B.V. did not have any employees in 2020 (2019: 0).

Profit appropriation and appropriation of the result

Details concerning the profit appropriation and result according to the articles of association are contained in note 30 to the consolidated financial statements.

Post balance sheet date events

The post balance sheet date events are contained in note 31 to the consolidated financial statements.

Signature of the financial statements

Veghel, 23 February 2021

On behalf of the Management Board,

G.F.T. van Eerd

Chief Executive Officer

Drs. A.L. van Veen

Chief Financial Officer

Drs. C.M.P.W. Cloosterman-van Eerd

Chief Customer Officer

C.H. van Vliet

Chief Operating Officer

On behalf of the Supervisory Board,

C.J.M. van Eerd

Supervisory Board Chairman

A. Burgmans

P. Coelewijn

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 Board and the Supervisory Board of Jumbo Groep Holding B.V.

Report on the translated financial statements for the period 30 December 2019 to 3 January 2021

Our opinion

In our opinion, the accompanying translated financial statements for the period 30 December 2019 to 3 January 2021 of Jumbo Groep Holding B.V., are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the general notes of the translated financial statements.

The translated financial statements

The translated financial statements of Jumbo Groep Holding B.V., Veghel ('the company'), derived from the audited financial statements for the period 30 December 2019 to 3 January 2021, comprise:

- Foreword, Key data, 2020 Highlights;
- report from the Management Board;
- report from the Supervisory Board;
- the consolidated and company balance sheet as of 3 January 2021;
- the consolidated and company income statements for the year then ended;
- the consolidated statement of comprehensive result for the year then ended;
- 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 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 23 February 2021.

Responsibilities of the Management Board for the translated financial statements

The Management Board is responsible for the preparation of the translated financial statements in accordance with the basis described in the general notes of 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 translated financial statements'.

Eindhoven, 2 April 2021

PricewaterhouseCoopers Accountants N.V.

Original signed by drs. J. Dekker RA

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 Jumbo Groep Holding B.V., including the Jumbo locations and stores operated by independent entrepreneurs, the head office, the distribution centres and La Place. Jumbo aims to make the content of this report readable and interesting for everyone.

Jumbo Groep Holding 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 2020 financial year consisted of 53 weeks and ended on 3 January 2021. The 2019 financial year consisted of 52 weeks and ended on 29 December 2019. 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 very 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). Present uncertainties and risks 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 statement of off-balance sheet assets and liabilities on 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 dates on which they were made 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 any material differences in that respect.

Reporting of non-financial information

We have published our CSR reporting online since 2012. This ensures our ambitions and results in the field of sustainability are accessible to a wide audience. Here 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. These data have not been externally verified but have been validated.

Jumbo is as complete as possible and bases decisions on the data available now. These are data from our own systems such as SAP, SIM, JIM, PIM, IRI and Youforce. Since 2017, the CSR annual report has been integrated in the corporate annual report.

Transparency

The standards and guidelines in accordance with which Jumbo reports are the GRI Standards, 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 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 an extensive stakeholder survey in 2018, which led to a so-called materiality matrix. In 2019, the material topics from the materiality matrix were tested against the business strategy. We also identified risks and determined governance indicators. 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.

Creation of the materiality matrix

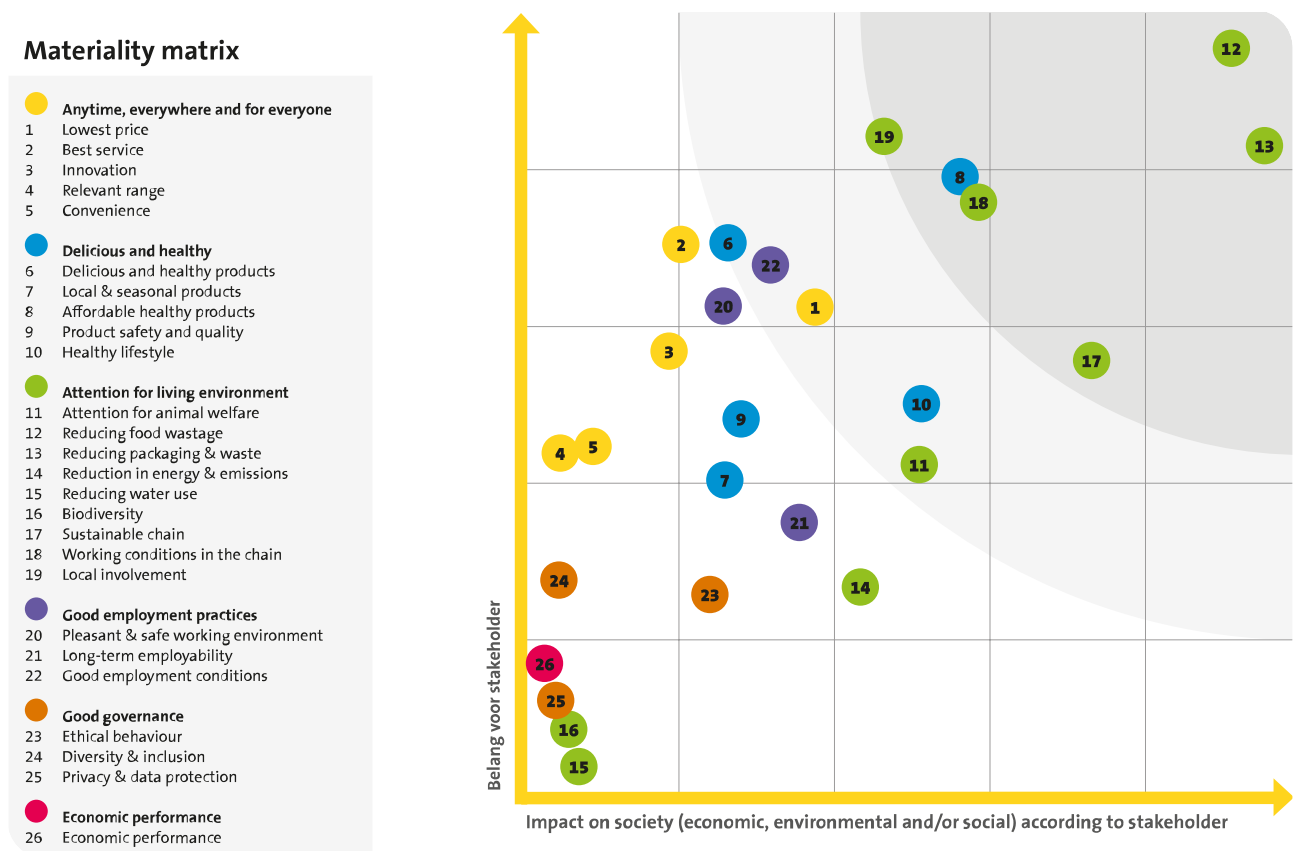
The chapter 'A Sustainable Message' contains information on the material topics for Jumbo. The materiality matrix was created by means of an extensive stakeholder survey that we carried out in 2018. The results of this so-called materiality analysis can help us better determine how we can strengthen 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 Board.

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 to be considered come 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 strategy. This produced a long list which, after internal consultation with the Management Board, 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 in which Jumbo 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 'A Sustainable Message'.



Definition of material topics

- 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.
- 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.
- Healthy products:** ensuring that healthy products are affordable for the general public.
- Working conditions in the chain:** working with manufacturers that 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.
- 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.
- 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, 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 quality mark.

Jumbo itself added the following two topics:

1. **Energy and emissions:** reducing and increasing the sustainability of energy consumption in supermarkets, distribution centres and transport.
2. **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.

Annex

Name	Explanation
Brainport Eindhoven	Under the name 'Brainport Eindhoven Metropolitan Region', Dutch companies Philips, ASML, VDL Groep, Jumbo Supermarkten and High Tech Campus Eindhoven have affiliated themselves as premium partners with PSV with effect from the 2019/2020 season. The companies have the ambition of together putting the Brainport Eindhoven region even more prominently on the map as a world leader in knowledge, high tech and innovation. As Jumbo, we are closely involved in the region, among other ways by focusing on encouraging technology, innovation and vitality.
Centraal Bureau Levensmiddelenhandel [Dutch Food Retail Association] (CBL)	We are a member of the CBL, the sector association of supermarkets. A representative delegation of Jumbo employees is involved in various topics and consultations, on, among other things, the product range, employees, distribution centres and stores. Central to this are the topics of sustainability, health, food safety, compliance with regulation in relation to alcohol and tobacco, training, safety, energy saving, communication and employment conditions.
Data2Move Community	The Data2Move initiative consists of a research community that focuses on utilisation of the Internet of Things and Big Data for applications for logistics and supply chain management. Researchers and students at the Technical University Eindhoven and Tilburg University are working with several leading companies on this, including Jumbo. Data2Move focuses on four projects in which data use forms the central thread, namely logistics solutions for the so-called last mile, stock management, understanding consumer wishes and requirements and collaborative supply networks.
evofenedex	We actively participate in the evofenedex entrepreneurs' association. Jumbo sits in the Board of General Management, is the Chair of the South-East Regional Council, a member of the Council for Private Transport and a member of the Council for Logistics Knowledge. The councils provide evofenedex with solicited and unsolicited advice on logistical issues of a strategic and tactical nature. Focal points for us are: accessibility, sustainability, trade facilitation, job market (training and career) and innovation.
Krajicek Foundation – King's Breakfast	The Krajicek Foundation gives children in disadvantaged neighbourhoods opportunities to exercise and play together close to home. Expert and intensive guidance on the playgrounds ensures that children are given the chance to develop positively in a safe environment. The Foundation also organises the King's Games every year. Prior to this, Jumbo offers the King's Breakfast, which is intended for 1.2 million primary school pupils and is put together in line with the Wheel of Five guidelines of the Netherlands Nutrition Centre. Due to the coronavirus outbreak, the breakfast could not take place in 2020. As an alternative, Jumbo donated the products for this to the Food Banks.
Logistics Community Brabant (LCB)	LCB is a collaboration between Technical University Eindhoven, Tilburg University, Netherlands Defence Academy, Breda University of Applied Sciences, the Municipality of Breda and the Province of Noord-Brabant. LCB is responsible for the sustainable innovation and growth of logistics in North Brabant. As a result, the productivity and quality in the sector is optimised and the economy of Brabant and social welfare in the province improve. Jumbo is a member of the Advisory Council and thus contributes to the direction and activities of LCB.

GRI table

Jumbo adapted the format of its reporting on the basis of GRI standards this year. See the GRI table below.

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
General disclosures			
Organisational profile			
102-1	Organisation name	Profile	
102-2	Main brands, products and/or services	Profile	
102-3	Location of the organisation's head office	Profile	
102-4	The number of countries where the organisation operates and names of countries with either large-scale activities or which have specific relevance for the sustainability issues discussed in the report	Profile	
102-5	Ownership structure and legal form	Profile	
102-6	Sales markets (geographic distribution, sectors served and types of customers/beneficiaries)	Profile	
102-7	Size of the reporting organisation	Key data	
102-8	Workforce composition	Sustainable message	A further breakdown is made by type of contract (permanent or temporary, full-time or part-time) on www.jumborapportage.com .
102-9	Description of the organisation's supply chain	Sustainable message	
102-10	Significant changes during the reporting period in terms of the organisation's size, structure, ownership or supply chain	Foreword; Environment	
102-11	Explanation on the application of the precautionary principle by the reporting organisation	Sustainable message; Risk management	
102-12	Externally developed economic, environmental and social charters, principles or other initiatives endorsed by the organisation	About this report	
102-13	Key memberships in associations (such as sector associations) and national and international interest organisations	Sustainable message; Stakeholders; About this report	
102-14	The statement from the organisation's highest decision-making authority on the relevance of sustainability for the organisation and its strategy for approaching sustainability	Foreword	
Ethics and integrity			
102-16	Description of the values, principles, standards and behavioural norms adhered to by the organisation, such as a code of conduct.	Mission, vision and strategy; Risk management	
Corporate governance			
102-18	The organisation's governance structure	Corporate governance	
Stakeholder involvement			

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
102-40	List of stakeholder groups that the organisation has involved	Stakeholders	
102-41	Percentage of employees who fall under a collective labour agreement	Sustainable message	We will investigate what further breakdown would be relevant next year and can be included in our annual report.
102-42	Basis for assessing and selecting the stakeholders that should be included.	Stakeholders	
102-43	Way in which stakeholders are involved	Stakeholders	
102-44	The key topics and issues which came to the fore from the consultation with the stakeholders and how the organisation responded to these, among other ways via its reporting. Report for each topic/issue which stakeholder group broached the topic/issue.	Stakeholders; Sustainable message	
Reporting			
102-45	a. Overview of all companies included in the consolidated financial statements or similar documents. b. Overview of all companies included in the consolidated financial statements or similar documents but not covered in this report.	a. Notes to the consolidated financial statements (general notes) b. Notes to the consolidated financial statements (general notes)	
102-46	a. Process for determining the content and specific delineation of the report. b. Explanation of the starting points used by the organisation for determining the content of the report.	a. About this report; Stakeholders; Sustainable message b. About this report; Stakeholders; Sustainable message	
102-47	Overview of all material topics ascertained during the process of determining the content of the report.	Stakeholders; Sustainable message	
102-48	Consequences of any reformulation of information provided in an earlier report and the reasons for this reformulation.	About this report	
102-49	Significant changes with respect to previous reporting periods in terms of scope and delineation.	About this report	
102-50	The reporting period to which the information provided pertains	About this report	
102-51	The date of the most recent previous report	18-feb-20	
102-52	Reporting cycle	Annual	
102-53	The 'in accordance with' option selected	About this report	
102-54	The application level selected	Standards 'Core'	
102-55	GRI Content Index	About this report	
102-56	Policy in relation to assurance	About this report	

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
Specific standard disclosures			
Food wastage			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	tonnes of discarded food per million euro of revenue	Sustainable message	
Own indicator	# of stores and DCs working with Food Bank	Sustainable message	
Own indicator	# of stores with Wasting less together shelf	Sustainable message	
Own indicator	# of products donated to food bank	Sustainable message	
Packaging and waste			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	Kg of packaging material for products per € of revenue	Sustainable message	The baseline measurement will be completed in 2021
Own indicator	Quantity of waste (tonnes/m2 NSA) broken down by type	Sustainable message	A target will be determined in 2021. A further breakdown is made by type of waste flow on www.jumborapportage.com .
Healthy products			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	% healthy products in our own brand range	Sustainable message	
Working conditions in the chain			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	Products from suppliers with social quality mark/certification	Sustainable message	A further breakdown is made by product group on www.jumborapportage.com .

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
Own indicator	% coffee with a quality mark in own brand product range	Sustainable message	
Own indicator	% tea with a quality mark in own brand product range	Sustainable message	
Own indicator	% chocolate with a quality mark in own brand product range	Sustainable message	
Own indicator	% hazelnuts with a quality mark in own brand product range	Sustainable message	
Local involvement			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	Customer satisfaction score	Sustainable message	A target will be determined in 2021.
Sustainable chain			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	% products with a sustainable quality mark in own brand product range	Sustainable message	A further breakdown is made by product group on www.jumborapportage.com .
Own indicator	% fish with a quality mark in own brand product range	Sustainable message	
Own indicator	% fruit and vegetables with a quality mark in own brand product range	Sustainable message	
Own indicator	% sustainable palm oil in own brand product range	Sustainable message	
Own indicator	% sustainable soy	Sustainable message	
Own indicator	# of organic products	Sustainable message	
Healthy lifestyle			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	# downloads of Jumbo Foodcoach app	Sustainable message	
Value for money:			

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
103: Management Approach	103-1 Notes and delineation per material topic	Strengthening the Jumbo formula	
103: Management Approach	103-2 The management approach and the elements of this approach	Strengthening the Jumbo formula	
103: Management Approach	103-3 Evaluation of the management approach	Strengthening the Jumbo formula	
Own indicator	Price perception	Strengthening the Jumbo formula	
Diversity and inclusion			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	% age structure	Sustainable message	A further breakdown is made on www.jumborapportage.com .
Own indicator	% man to woman ratio	Sustainable message	A further breakdown is made on www.jumborapportage.com .
Own indicator	% full-time/part-time	Sustainable message	A further breakdown is made on www.jumborapportage.com .
Own indicator	% women in management positions	Sustainable message	
Own indicator	ENPS	Sustainable message	
Employment conditions and working environment in the organisation:			
103: Management Approach	103-1 Notes and delineation per material topic	Enterprising organisation	
103: Management Approach	103-2 The management approach and the elements of this approach	Enterprising organisation	
103: Management Approach	103-3 Evaluation of the management approach	Enterprising organisation	
Own indicator	Result of Employee Satisfaction Survey (ENPS)	Enterprising organisation	
Own indicator	Number of completed training courses	Enterprising organisation	A further breakdown is made on www.jumborapportage.com .
Own indicator	Number of e-learnings completed	Enterprising organisation;	
Own indicator	Number of education courses completed	Enterprising organisation	

GRI Standard #	Disclosure	Chapter / notes	Omission from 2020 annual report
Animal welfare			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	% products with animal welfare quality mark	Sustainable message	A further breakdown is made by product group on www.jumborapportage.com .
Own indicator	% chicken with quality mark	Sustainable message	
Own indicator	% pork with quality mark	Sustainable message	
Own indicator	% eggs with quality mark	Sustainable message	
Own indicator	% turkey with quality mark	Sustainable message	
Own indicator	% dairy beverages with quality mark in own brand product range	Sustainable message	
Energy and emissions			
103: Management Approach	103-1 Notes and delineation per material topic	Sustainable message	
103: Management Approach	103-2 The management approach and the elements of this approach	Sustainable message	
103: Management Approach	103-3 Evaluation of the management approach	Sustainable message	
Own indicator	CO2 footprint	Sustainable message	A further breakdown is made by the contribution to CO2 emissions on www.jumborapportage.com .
Own indicator	Electricity consumption (kWh / M2 NSA)	Sustainable message	A further breakdown is made by business unit on www.jumborapportage.com .
Own indicator	Gas consumption (m3/m2 NSA)	Sustainable message	A further breakdown is made by business unit on www.jumborapportage.com .
Own indicator	Total energy consumption (MJ/m2 NSA)	Sustainable message	A further breakdown is made by business unit on www.jumborapportage.com .
Own indicator	Energy efficiency index	Sustainable message	
Own indicator	CO2 emissions per roller container (kg CO2 equiv / roller container)	Sustainable message	



Credits

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