



# TOGETHER WE ARE JUMBO

## ANNUAL REPORT 2023

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**KONINKLIJKE JUMBO FOOD GROEP BV**

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# Foreword

**The past financial year at Jumbo was largely dominated by transition. The drastic events in 2022 led to significant changes in Jumbo's senior management. We faced challenging market conditions in parallel to that. This was not the first time such a confluence occurred, but thanks to our distinctiveness, we still managed further growth at such times. Last year, we did not fare as well. A deep-dive self-analysis revealed that Jumbo was less distinctive than in the many years before. We felt the need to go back to our roots and reinstate the unique features that made us great and successful as a supermarket formula. In other words: Jumbo as Jumbo was intended. Full of dedication, we threw ourselves into achieving that turnaround from spring 2023.**

## Changes to personnel

Ton van Veen took office as Chief Executive Officer (CEO) of Koninklijke Jumbo Food Groep on 6 March 2023. He had already, since autumn 2022, been leading Jumbo's management team on a temporary basis as delegated commissioner. Also on 6 March 2023, Colette Cloosterman-van Eerd was appointed Chair of the Supervisory Board. In that role, she succeeded her father Karel van Eerd, the founder of the Jumbo group, who passed away in late 2022. It is wonderful that Colette can continue the strong bond between the company and the Van Eerd family, who are also the shareholders. Nevertheless, this is the first time in the company's more than 100-year history that a non-family member is ultimately responsible for day-to-day management. With Ton van Veen at the helm, the family is confident that not only the strategy and day-to-day operations are in good hands, but also that the unique Jumbo DNA will be preserved.

## Consumer confidence

The ongoing turmoil on the world stage also gripped consumers this year. Prices continued to rise, making it increasingly difficult for many households to make ends meet. In food retail, and thus also at Jumbo, this worrisome trend was very perceptible. Consumer confidence dropped as a result. Against that backdrop, we conducted challenging price negotiations with A-brand suppliers. To soften the sharp edges of inflation somewhat, our commitment has always been to push for moderation in purchase prices. That often had an effect, but sometimes not, which had a negative impact on our margin. In any case, extra emphasis on the quality and low prices of our private label products led to a notable further shift in purchasing patterns from A-brands to our Jumbo Private Label. Offers and promotions also increased in intensity, resulting in intensified competition between different supermarket chains.

## Results

The revenue growth we recorded in 2023 was largely driven by unavoidable price increases. As a result, the overall picture is somewhat flattered, which is also noticeable in the resulting pressure on our profitability. Besides price increases that we prefer not to pass on to our customers on a one-to-one basis, we face sharply increased wage costs due to the historically high increase in wages under collective labour agreements, the higher costs of rents and energy, and costs due to necessary investments in making our organisation more sustainable. For the second year in a row, we lost some market share in 2023. We need to change that course of events. We are convinced that our sharpened strategy provides the right foundation for this.

## Jumbo as Jumbo was intended

In this annual report, we explain in detail how and what we are doing to make the necessary turnaround. We base this on the master plans for the Jumbo formula left behind by Karel van Eerd. Strikingly, many elements from these plans are still highly relevant today. However, we do translate them where necessary to the changed situation of the present

time. For instance, we are bringing our 7 Promises more in line with current customer wishes and needs. And we give ample attention to sustainability and corporate social responsibility across the board. Under the heading 'Jumbo as Jumbo was intended', everything we undertake is focused on distinctiveness: pleasant, fully-stocked stores, employees with a smile, a wide, fresh and responsible range, and unmistakably low prices. With those essential and distinctive formula features, we are going to truly surprise our customers again.

## Healthy operations

The adjustments, which we are implementing consistently, take time. As such, we will continue on this path in 2024. We want to be known again as a service supermarket with low prices. We also know that we can only maintain this unique combination with healthy operations. After all, a formula based on Every Day Low Prices (EDLP) can only exist by the grace of Every Day Low Costs (EDLC). Karel van Eerd already named ZZZ (Being Very Economical, in Dutch: Zeer Zuinig Zijn) in many of his master plans. Very consciously, we are again looking at opportunities to simplify operations and save costs. The recent affiliation with Everest and Epic Partners, two leading international procurement organisations, will help us achieve more competitive procurement prices from 2024. The growing popularity of our advertiser platform Jumbo Retail Media is expected to drive an increase in revenues. By acting economically, making smart choices and taking innovative steps, we expect to restore our profitability to a higher level.

## Corporate social responsibility

In the turnaround we are making, the customer is always number 1. What is also not in question is our focus on corporate social responsibility (CSR) - in which we are putting even more effort. For instance, in 2023 we mapped out our total CO<sub>2</sub> emissions and, on that basis, set clear and ambitious climate targets for our operations (scope 1 and 2) and those of our suppliers (scope 3). We also actively pursue policies aimed at accelerating the protein transition. In this annual report, we also detail the other progress we are making on CSR. An

essential part of this is our local involvement and social responsibility. As a family business, we are at the centre of society, and from that position we support many local initiatives and social projects. What is also not in question is our focus on being a good employer. We invest in a pleasant and safe working environment, where everyone can be themselves and develop professionally and personally.

## Work to be done

This annual report 'breathes' transition. It gives us confidence to see that all our employees, franchisees, suppliers and other stakeholders are enthusiastically committed to a successful turnaround. There is plenty of work to be done, a challenge we take up head-on. As a result, Jumbo is better, cheaper and different again. We sowed the seeds for this in 2023. In 2024, we will flourish again so that we can reap the benefits thereafter.

Veghel, 27 February 2024

Management team Koninklijke Jumbo Food Groep B.V.



From left to right: Tim Hehenkamp, Karel de Jong, Claire Saes, Ton van Veen, Anrico Maat, Jorieke de Vries, Peter van Erp and Ralph Bertrand.



# In a nutshell

## Highlights 2023




**MARCH, JUNE AND NOVEMBER**

**Appointments in senior management**

March: Ton van Veen, CEO  
Colette Cloosterman-van Eerd, Chair of the Supervisory Board  
June: Anrico Maat, Retail director  
November: Jorieke de Vries, Marketing director.




**APRIL AND AUGUST**

**10x Jan Linders**


We are strengthening our store portfolio with the acquisition of ten Jan Linders stores, located in Limburg, Noord-Brabant and Gelderland.




**JUNE**

**Self-service platform for advertisers**

We are introducing a platform that allows advertisers to set up and optimise sponsored product campaigns and monitor these in real time, quickly and in a targeted way.



**SEPTEMBER**

**Reduce CO<sub>2</sub>-emissions**

We aim to reduce our own CO<sub>2</sub> emissions by 85% by 2030 and those in our supply chains by at least 50% compared to 2022.




**MARCH**

**Higher professional degree programme in Logistics**

Together with Avans University of Applied Sciences, we are expanding our higher professional education offerings with a two-year Logistics program.



**MAY TO DECEMBER**

**Strengthening of strategic direction**

We strengthened our strategic direction with even more focus on differentiation in price, product range and service.




**SEPTEMBER**

**International procurement collaboration**

We join international procurement organisations Everest and Epic Partners.




**OCTOBER**

**Goal of the protein transition**

We commit to ensuring that by 2030 at the latest, 60% of our proteins sold are plant-based, and that no more than 40% come from animal products.



## 2023 in figures

### Customer

42



#### Local involvement

Customer satisfaction score (NPS) for local involvement

Score 2022: 42

### Employees

43,435



#### Employees

Number of employees Koninklijke Jumbo Food Groep B.V. (excluding franchisees)

Number in 2022: 41,234

### Financial

11.02  
€ BILLION



#### Consumer revenue

Koninklijke Jumbo Food Groep B.V.

Revenue in 2022: 10.28 € billion

21.1%



#### Market share

Source: NielsenIQ

Market share in 2022: 21.4%

725



#### Stores

Jumbo total

Number in 2022: 712

### Sustainability

7,530 KTON



#### Energy and emissions

Kilotonnes of CO<sub>2</sub> equivalents in scope 1, 2 and 3

Result 2022: 7,803  
Target 2030: 3,792

54%



#### Healthy products

Revenue share healthy private label range

Share 2022: 50%  
Target 2025: 59%

84%



#### Sustainable chain

Private label range with sustainability quality mark

Share 2022: 81%  
Target 2025: 100%

95%



#### Fair chain

Share of private label range with social quality mark in high-risk countries

Result 2022: 90%  
Target 2025: 100%

1.79



#### Food waste

Food discarded in tonnes per € 1 million revenue

Result 2022: 2.51  
Target 2030: 1.32



## Key data

in € million

	2023	2022	2021	2020	2019
Consumer revenue Jumbo Netherlands	10,565	9,953	9,735	9,628	8,517
Consumer revenue Jumbo Belgium	325	216	119	57	-
Consumer revenue La Place	134	107	52	50	165
<b>Consumer revenue Koninklijke Jumbo Food Groep B.V. (total)</b>	<b>11,024</b>	<b>10,276</b>	<b>9,906</b>	<b>9,736</b>	<b>8,682</b>
<b>Financial statements net-revenue</b>	<b>8,702</b>	<b>8,168</b>	<b>7,841</b>	<b>7,737</b>	<b>6,874</b>
<b>Result and Equity</b>					
Normalised operating result before depreciation and amortisation (EBITDA)	683	686	725	753	637
Reported operating result before depreciation and amortisation (EBITDA)	666	659	691	736	608
Operating result (EBIT)	98	116	190	237	188
Result after taxes	22	80	114	137	115
Equity	683	704	674	689	601
Net debt*	2,177	2,152	2,082	2,030	2,072
Net debt*/normalised EBITDA (leverage ratio)	3.19	3.14	2.87	2.69	3.25
Investments in intangible assets and property, plant and equipment	305	293	298	328	321
Depreciation, amortisation and (reversal of) impairments	277	273	232	232	185

\*For comparability purposes, net debt has been adjusted for the years 2019 to 2022. The impact of the change in estimate made in 2023 on lease liabilities has been applied in the same proportion to previous years

<i>in € million</i>	2023	2022	2021	2020	2019
<b>Bank covenant (excluding IFRS 16)</b>					
Normalised operating result before depreciation and amortisation (EBITDA)	365	400	455	483	400
Net debt	488	492	371	276	346
Net debt/normalised EBITDA (leverage ratio)	1.34	1.23	0.82	0.57	0.86
<b>Employees</b>					
Number of employees Jumbo	43,236	41,053	42,038	43,507	41,707
Number of employees La Place	199	181	177	1,370	2,804
<b>Number of employees Koninklijke Jumbo Food Groep B.V. (total)</b>	<b>43,435</b>	<b>41,234</b>	<b>42,215</b>	<b>44,877</b>	<b>44,511</b>
<b>Locations</b>					
Number of Jumbo stores	725	712	705	687	672
Number of La Place restaurants	70	69	73	71	105

### Definitions

Consumer revenue is the revenue including VAT realised through sales via the company's own Jumbo stores (including online), its own La Place restaurants and the affiliated franchisees.

The financial statements revenue is the net revenue realised by Koninklijke Jumbo Food Groep B.V. This is the total revenue, excluding VAT, realised from sales via the company's Jumbo own stores (including online), La Place restaurants and via distribution centres to third parties (deliveries to franchisees in particular).

Normalisations relate to incidental and unusual non-operating costs, such as costs associated with acquisitions and related advisory services.

Depreciation, amortisation and (reversal of) impairment losses relate to intangible assets and property, plant and equipment and exclude right-of-use assets.

The number of employees represents the employees who were employed by Koninklijke Jumbo Food Groep B.V. at the end of the financial year. These figures do not include the employees employed by the franchisees.





# Explanation of key data

## A year with two faces: rising revenue and slightly falling market share

Koninklijke Jumbo Food Groep B.V. closed 2023 with total revenue of € 11.024 billion, an increase of 7.3% compared to 2022, the year in which it passed the € 10 billion sales mark for the first time. The consumer revenue of the Jumbo stores rose by 7.1% last year to € 10.890 billion. In 2023, Jumbo's financial statements revenue grew by 6.5% to € 8.702 billion. Despite the record revenues, the year 2023 was one of two faces. The revenue growth was mainly driven by inflation and was lower than the average market growth of 7.6% in the Dutch supermarket industry. As a result, Jumbo Supermarkets' market share in the Netherlands declined somewhat to just over 21% in 2023. This prompted a further tightening of the company strategy. Under the banner 'Jumbo as Jumbo was intended', we are returning to our roots. More emphasis on the distinctiveness of the formula serves as a starting point now more than ever. The past financial year at Jumbo was largely dominated by transition as a result. In 2024, Jumbo will resolutely build on this established course it has taken.

## Growing pressure on earning model because of persistent cost increases

Profitability was under considerable pressure in 2023 as the result of persistent cost increases. Besides increases in the purchase prices charged by suppliers, Jumbo also faced a permanent increase in the rent and energy costs, as well as significantly higher salary costs arising from rising wages under the collective labour agreement. At Jumbo we consciously decided not to pass on these cost increases to customers on a one-to-one basis. We absorbed these increases ourselves as much as possible. As a consequence, profitability decreased and Jumbo realised an operating result (EBIT) of € 98 million in 2023, or 1.1% of the financial statements revenue. In addition, Jumbo's financial expenses have increased compared to last year, as the result of higher market interest rates and substantially higher calculated interest on the lease liabilities according to IFRS 16.

## Jumbo is confident in the future and continues to invest

Jumbo continued to invest heavily in 2023 for sustainable growth for the future. Total investments in intangible assets and property, plant and equipment increased by 4.1% to € 305 million in 2023. This involved, among other things, investments in locations pertaining to the acquisition of new individual store locations, and store modifications, whereby various sustainability measures were also applied. All stores were also equipped with electronic shelf labels. In 2023, hard work was done to build and equip a newly mechanised central distribution centre for fresh products in Nieuwegein, from where distribution to stores will take place from spring 2024. 2023 also saw further investments in Jumbo Online and in the S4 programme, our phased transition to the new generation of SAP.

## Tightened strategy affects depreciation and impairments

Jumbo made significant steps towards sustainability in numerous areas in 2023 and further tightened its sustainability targets. Jumbo therefore continues to invest in sustainability measures and is also very frugal in the use of its own assets. As a result, Jumbo has decided to remodel stores less frequently and replace fixtures and fittings less frequently. In line with this, in 2023, the expected economic life, and hence the useful life of property, plant and equipment, was reassessed.

For several assets, the depreciation period was adjusted in line with the new life cycle of stores. This has resulted in lower depreciation of property, plant and equipment with a total impact for 2023 of € 19 million.

The Jumbo Private Label is a key part of the strategy worked out in 2023 to return Jumbo to 'Jumbo as Jumbo was intended'. We reconsidered the strategic importance of La Place, which resulted in La Place to be more at a distance. The recoverable amount of the La Place brand name consequently decreased by € 14.5 million.



## Jumbo stays well within the bank covenants

Net debt decreased by around € 0.8 billion in 2023 compared to 2022 in the financial statements due to a decrease in lease obligations. The decrease in the balance sheet items right-of-use assets and lease liabilities is due to a reassessment of the lease term and exercise of extension options. The maximum lease term for Dutch store locations was adjusted from 15 to 10 years. This 10-year period is in line with the new life cycle. As a result, the year-end leverage ratio decreased to 3.19.

Credit institutions fully correct for IFRS 16 effects in the covenants, including in relation to net debt and EBITDA. Net debt was € 488 million and decreased slightly compared to 2022. This resulted in a leverage ratio of 1.34 at year-end (2022: 1.23), which may not exceed 3.0.

## Further growth in number of stores

Jumbo's total store portfolio has reached 725 by the end of 2023, an increase of thirteen stores from the 712 stores at the end of 2022. The new stores include ten former Jan Linders supermarkets in Noord-Brabant, Limburg and Gelderland. Belgium welcomed seven new Jumbo stores, creating a total of 33. The total number of Jumbo stores consists of 350 own stores (including twenty Belgian stores) and 375 franchise stores (including thirteen Belgian stores). The number of La Place restaurants increased by one to seventy at the end of the financial year, consisting of eight own restaurants and 62 franchises.



# Our locations

We welcome our customers to the 725 Jumbo Supermarkets and Jumbo Foodmarkets in the Netherlands and Belgium. Thanks to our close-knit logistics network, customers can count on well-stocked stores with an extensive, fresh range.

We supply our supermarkets from our regional distribution centres (RDCs); the stores in Belgium are supplied from the RDCs in Breda and Veghel. We also have national distribution centres (NDCs and CDCs) in Veghel (fresh), Raalte (frozen) and Nieuwegein. This last location houses our mechanised CDC for long-life products. We collect the orders placed on Jumbo.com in our E-Fulfilment Centres (EFCs) in 's-Hertogenbosch, Raalte and Bleiswijk. Via 18 hubs spread throughout the Netherlands, we deliver these orders directly to customers' homes. We also welcome guests to our 70 La Place Restaurants in the Netherlands and abroad.



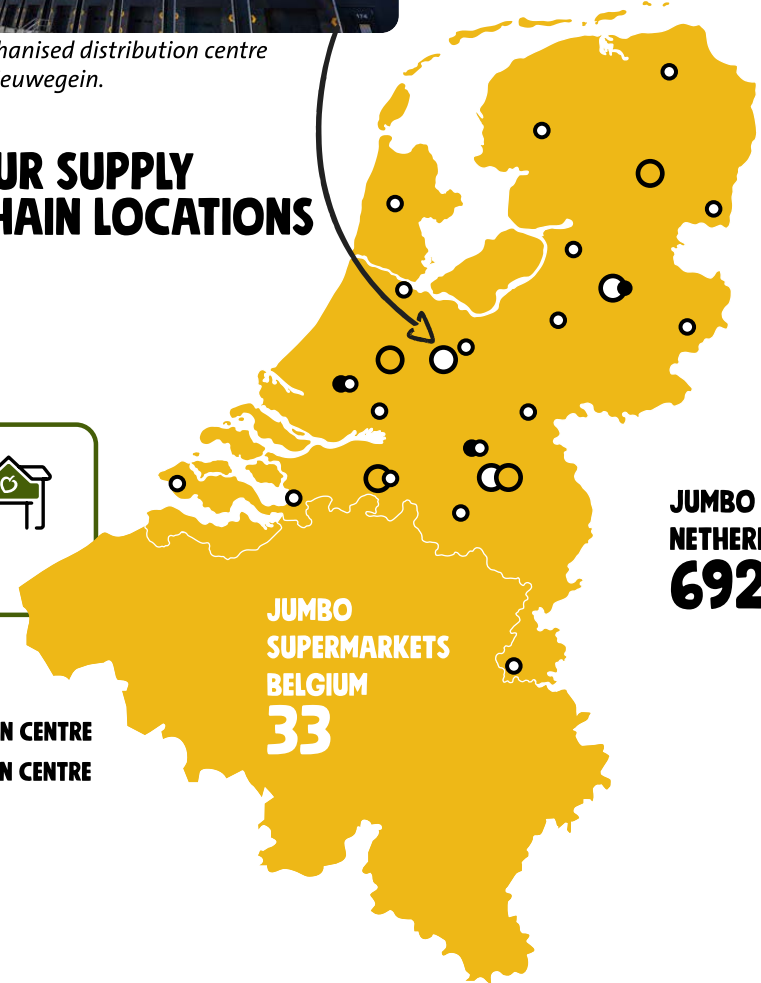
Mechanised distribution centre in Nieuwegein.

## OUR SUPPLY CHAIN LOCATIONS

**715**   
Jumbo Supermarkets

**10**   
Foodmarkets

**70**   
LaPlace restaurants



**JUMBO SUPERMARKETS NETHERLANDS 692**

**JUMBO SUPERMARKETS BELGIUM 33**

-  REGIONAL DISTRIBUTION CENTRE
-  NATIONAL DISTRIBUTION CENTRE
-  E-FULFILMENT CENTRE
-  HUB





# About Jumbo

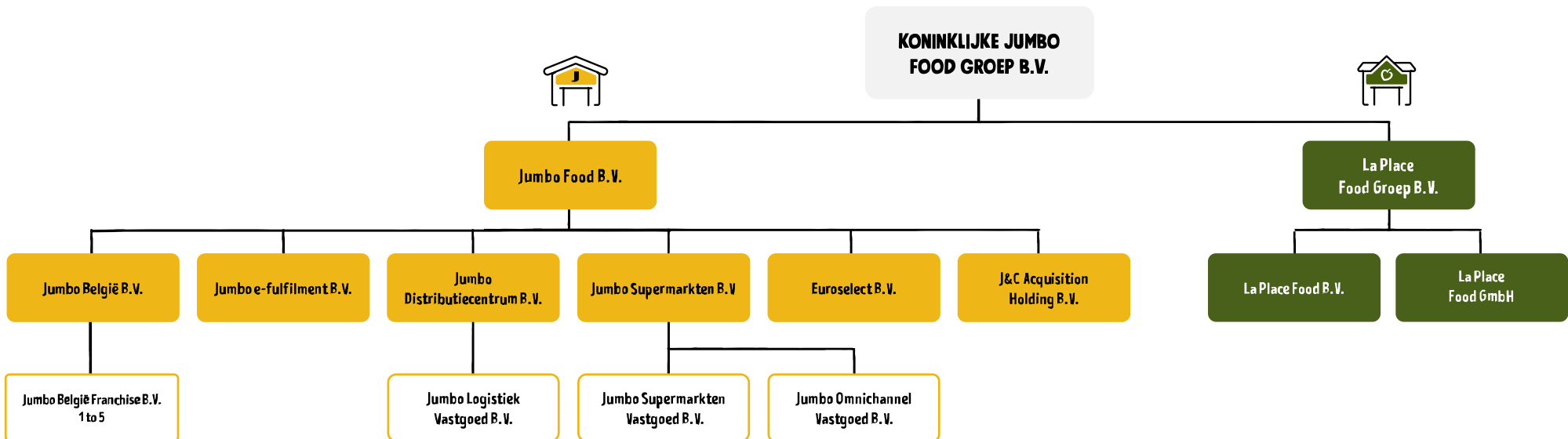
## Profile

As Koninklijke Jumbo Food Groep, we operate in food retail and food service with the Jumbo and La Place brands. With Jumbo Supermarkets, Jumbo Foodmarket, and Jumbo.com, we are very consciously building our omnichannel proposition. We do this mainly in the Netherlands and, since 2019, in Belgium as well. Always with one goal in mind: customers who are 100% satisfied. The same applies to the food service formula La Place, with branches in the Netherlands and in six other countries. We migrated food and recipe platform Smulweb to Jumbo.com this year.

Koninklijke Jumbo Food Groep B.V. is a private company, wholly owned by the Van Eerd family. As Chair of the Supervisory Board, Colette Cloosterman-van Eerd acts as the link between the organisation, the Supervisory Board and the family. The management board is responsible for strategy and day-to-day operations and has been under the direction of Ton van Veen since 6 March 2023.

### Our organisation

Our head office is located in Veghel. The operations in Belgium are managed from the Brasschaat office. At the end of 2023, around 100,000 employees were working at Jumbo, which includes colleagues working at independent Jumbo franchisees.





## Goal, motives and ambition

**In carrying out our work, we have one clear goal in mind: to offer delicious and responsible food with a smile that is affordable for everyone.**

We will not be satisfied until we can positively surprise our customers with a high-quality and wide range, low prices and the best service - in a responsible manner, of course. This is a common endeavour that we work on every day by doing it one step better each time. Not noncommittally, but from an obsession for the customer. At Jumbo, everything revolves around the customer. We want to be the most customer-centric company. We are working hard to achieve this, with all our colleagues and independent entrepreneurs. Doing business together to win over the customer. We want to surprise customers and exceed their expectations so that they enjoy doing their shopping with us. They must really feel that they come first at Jumbo.



**WITH A SMILE, WE OFFER DELICIOUS AND RESPONSIBLE FOOD THAT IS AFFORDABLE FOR ALL**

**DOING BUSINESS TOGETHER TO WIN**

**BE THE MOST CUSTOMER-ORIENTED COMPANY**

# Our organisation

## Jumbo Supermarkets

Our customers can get all their daily groceries at over seven hundred Jumbo stores, spread across the Netherlands and Belgium (Flanders). Our stores can play a role in the region, area, village or for passers-by. The layout of the store and range is always tailored to the needs of the local customer. Jumbo's portfolio of stores consists of both own stores and stores operated by franchisees.

## Jumbo Foodmarkets

With the Jumbo Foodmarket, we bring together healthy, fresh and tasty food at low prices. Every day, chefs and other culinary specialists work here to prepare national and international dishes from the world kitchens of Jumbo and La Place. In the ten Foodmarkets, customers have the choice of purchasing the ingredients they need to prepare a dish at home themselves, buying the meal ready-made, or enjoying it on site in the Food café. We will open our first food market in Belgium (Ghent) in autumn 2024.

## Jumbo.com

Our customers can also opt to shop via Jumbo.com or the Jumbo app. We offer the option of having orders delivered to your home or collecting them from one of our Pick Up Points (PUPs). We put the orders together at our E-Fulfilment Centres (EFCs) in Bleiswijk, Raalte and 's-Hertogenbosch. We deliver the groceries directly to the customer's home via our hubs in Amsterdam, Bemmelen, Bergen op Zoom, Bleiswijk, Breda, Deventer, Dordrecht, Eindhoven, Emmen, Groningen, Heerlen, Heerhugowaard, Hengelo (OV), Maastricht (Beek), Middelburg, 's-Hertogenbosch, Utrecht and Zwolle.

## Distribution centres

We have our own distribution centres throughout the Netherlands, from which we supply our stores in the Netherlands and Belgium. The regional distribution centres for fresh food and long-life products are in Veghel, Woerden, Breda and Beilen. We also have national distribution centres in Veghel (fresh) and Raalte (frozen). Our mechanised national distribution centre for long-life products is in Nieuwegein. We will complete the

construction of our mechanised nationwide fresh food distribution centre in Nieuwegein in early 2024. We are expected to move the first operations from Veghel to Nieuwegein in the second quarter of 2024. As a result, our fresh distribution centre in Veghel is expected to close at the end of 2024.



*Mechanised national distribution centre for long-life products in Nieuwegein.*



## Jumbo Belgium

We see abundant opportunities for Jumbo in the Belgian supermarket landscape. To respond to this effectively, we set up the Belgian Jumbo organisation in 2018 and opened our Belgian office in Brasschaat a year later. The first Jumbo stores in Belgium opened their doors at the end of 2019. By the end of 2023 the counter reached 33 stores.

## La Place

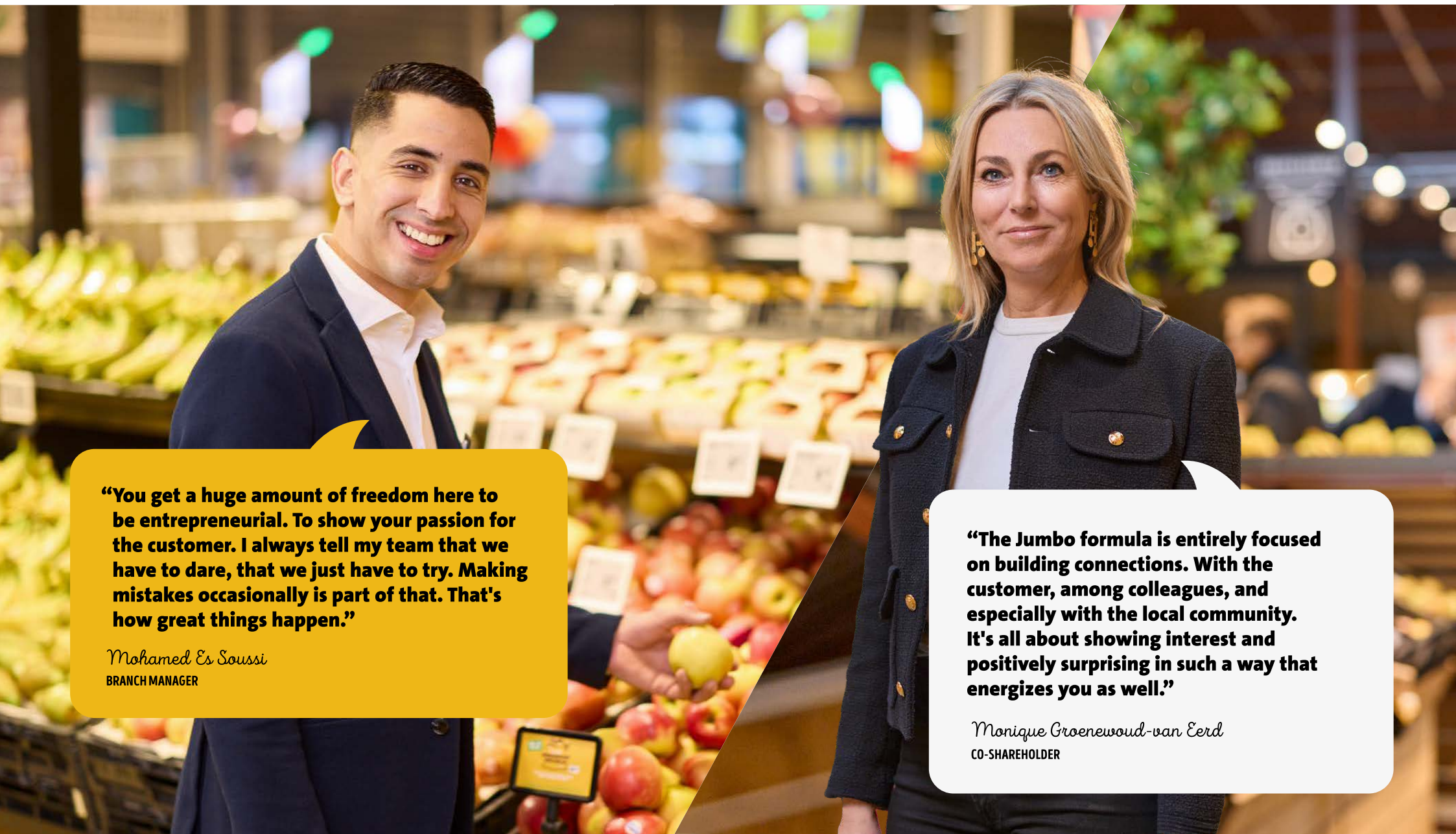
La Place Restaurants are all about delicious, good and fresh food, with an emphasis on flavour, experience, speed and convenience. At any time of day here, restaurant guests will find an extensive range of fresh homemade products, prepared daily: hot meals, sandwiches, smoothies, fresh juices, soups, fresh fruit salads, coffee, desserts and bread. La Place's restaurant portfolio includes its own restaurants and franchise restaurants, both in the Netherlands and abroad (Spain, Denmark, Canada, United States, United Kingdom and Switzerland).

## Smulweb

We have owned Smulweb since 2018. In 2023, we migrated the best-rated content from the popular food and recipe platform to Jumbo.com. Visitors to Smulweb.nl are automatically redirected to Jumbo.com, where, since the migration, they have access to, among other things, a wider range of (food) blogs and almost ten times as many recipes compared to before the migration. Besides inspiring customers even more widely and helping them make (healthy) choices, their search behaviour gives us many valuable insights.



*Opening Jumbo Lier (Belgium).*



**“You get a huge amount of freedom here to be entrepreneurial. To show your passion for the customer. I always tell my team that we have to dare, that we just have to try. Making mistakes occasionally is part of that. That's how great things happen.”**

*Mohamed Es Soussi*  
BRANCH MANAGER

**“The Jumbo formula is entirely focused on building connections. With the customer, among colleagues, and especially with the local community. It's all about showing interest and positively surprising in such a way that energizes you as well.”**

*Monique Groenewoud-van Eerd*  
CO-SHAREHOLDER





## Trends, developments, risks and opportunities

**Various (geo)political, economic and social developments influence the circumstances under which Jumbo operates. In all cases, we must respond to this alertly and adequately. In doing so, we always keep in mind the interests of our customers, our own organisation and the environment around us.**

### Price increases

#### Product prices

During 2023, as in previous years, we suffered from significant price increases by suppliers of A-brands and raw materials in particular. This is a worrying development, leading to, among other things, significant pressure on margins and ultimately to consumer reluctance. We see it as our social responsibility to keep the prices of basic products in particular as affordable as possible. In negotiations with suppliers, we look closely at whether price increases are realistic and insist on moderation and a sense of reality where necessary. In some cases, this results in a temporary stalemate. However, we remain committed to fair purchase prices and responsible price adjustments. Because we have joined international purchasing organisations, we expect to be able to negotiate more favourable terms for our customers in 2024.

#### Shortages

As a result of geopolitical developments, but also because of disappointing harvests due to extreme weather conditions, we face more frequent threatened or actual shortages of products and ingredients. We are alert to this and make every effort to ensure timely substitute ingredients or alternative supplies.

#### Wage costs

The sharp increases in wages under the collective labour agreement during 2023 were a consequence of high inflation. Fortunately, price increases stabilised somewhat during the year, partly due to more stable energy prices. New wage increases at or above the inflation level pose the risk that we end up in a wage-price spiral. This is an undesirable situation that inevitably leads to sustained price increases.

#### Energy

In 2023, sharply rising energy prices were no longer an issue. However, prices remain at a high level, especially compared to the year 2021 and before. This affects consumers' purchasing power and spending patterns. We also continue to face high energy costs in our own operations. Like most households, we look keenly at opportunities to save on energy consumption. We invest heavily in energy-saving measures and alternative energy sources. We aim to use only sustainably generated fossil-free energy in our stores by 2030.

### Consumer behaviour

#### Price consciousness

Due to the uncertain economic climate, consumers are more cautious in their spending. This is also noticeable in daily shopping. Customers are very price conscious and keen on offers. They are also more likely to choose private label products instead of A-brands. At Jumbo, we answer this need by focusing year round on price cuts. In addition, we have low prices every day. We deliberately opt not to run extreme offers that last only a week, while the rest of the year the price is much higher. We prefer to continuously offer a low price so that our customer is cheaper off on the bottom line. Changing consumer behaviour encourages us to emphatically stick to our policy of always low prices and clearly inform our customers of this.



## Responsible nutrition

Customer interest in healthy and sustainable food continues. We applaud this development and facilitate and encourage this shift. We do find that some of our customers are still reluctant in this regard. They are under the assumption that healthy and sustainable food is more expensive and/or less tasty. We need to make more efforts to change that image. In 2023, we made a conscious decision to reduce the prices of all meat substitutes to at or below the level of animal variants. We are also looking at the possibilities of additional price incentives, such as promotions and further price cuts. In addition, we share more inspiration, tips, advice and tasty recipes.

## Laws and measures

Changing laws and regulations from The Hague and Brussels have a direct impact on society and therefore equally on our business operations. That also applies for increasing calls for stricter environmental measures and the promotion of healthier diets. We take it for granted that we comply with legal requirements while also responding to social demand to the best of our ability. We are always looking for opportunities to 'go the extra mile'. This is how we stay sharp and take our social role as a major supermarket chain seriously. To stay connected to society, we are in dialogue with all of our stakeholders. We place great value on transparency in this respect.

## Labour market

There are no signs that shortages on the labour market are easing up. Rather, it seems that this is an ongoing phenomenon. We must therefore continue our efforts to retain employees

and attract new talent. The shortages will have an upward effect on our operating costs. Uncertainty in the political landscape also plays a role here, for example with regard to possible developments around the statutory minimum wage, labour migration and flexibilisation.

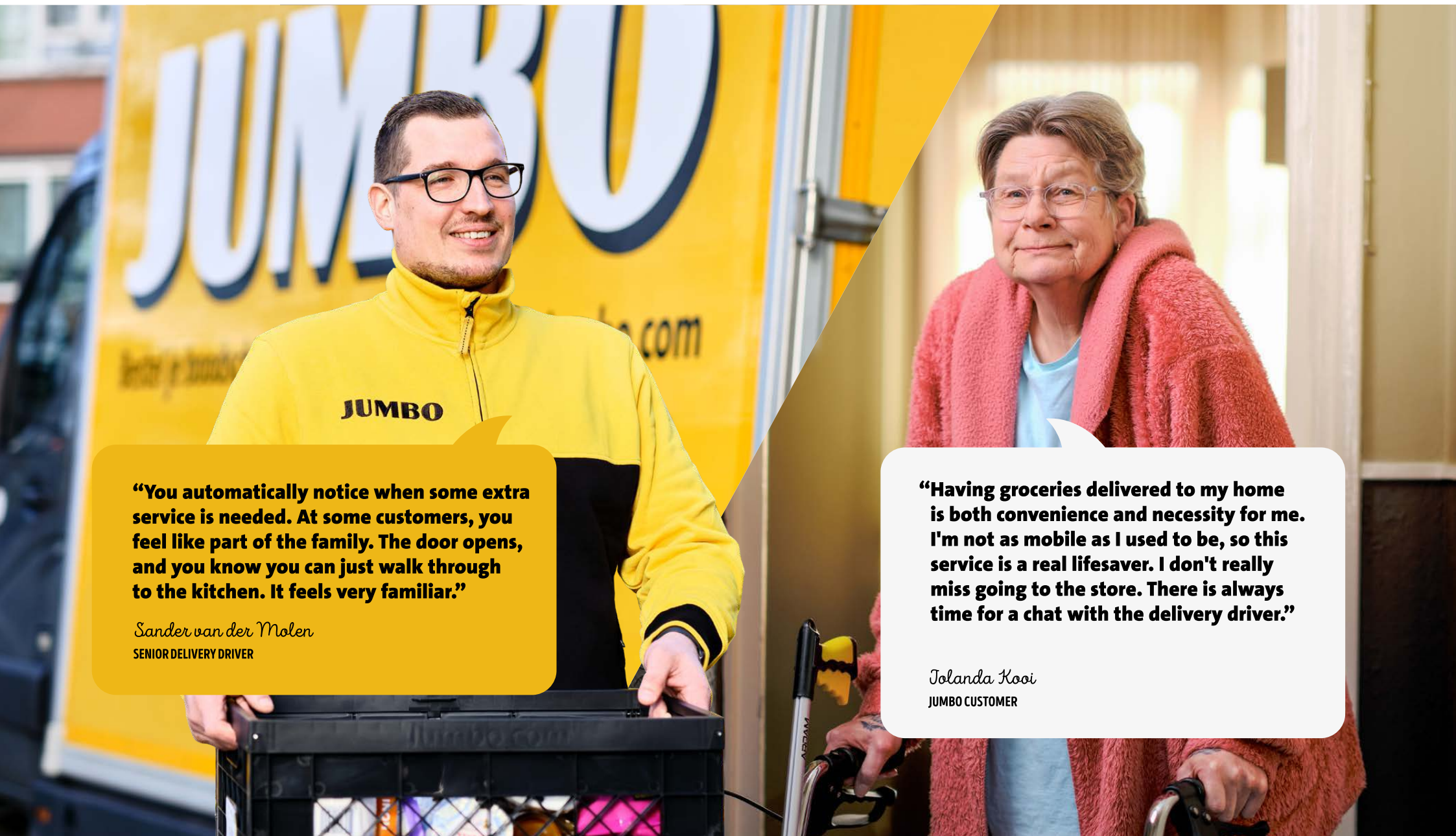
## Technology

### Digitalisation

Rapid technological developments, for example in robotics and artificial intelligence, have our full attention. The areas of application in our business operations are increasing noticeably. An increasing part of our logistics processes is mechanised. Digitalisation plays an important role in further optimising and personalising our e-commerce activities and making shopping in our stores a smooth and pleasant experience. Moreover, these developments often contribute to reducing costs and easing workloads and they enable us to deploy employees where they make a difference.

### Retail media

Digitalisation also offers opportunities for generating new revenue streams. We are seeing more and more success in this, for example, with Jumbo Retail Media, a partly automated platform for suppliers and service providers on which they can make direct contact with (potential) customers through our channels. Through our Jumbo Extras savings programme, for instance, we have access to valuable data that can be used for various purposes. Strict compliance with privacy laws is a key requirement in this regard. In addition, customers are often apprehensive about the use of personal data, even if it is completely anonymised. We obviously handle this very carefully and respectfully.



**“You automatically notice when some extra service is needed. At some customers, you feel like part of the family. The door opens, and you know you can just walk through to the kitchen. It feels very familiar.”**

*Sander van der Molen*  
SENIOR DELIVERY DRIVER

**“Having groceries delivered to my home is both convenience and necessity for me. I'm not as mobile as I used to be, so this service is a real lifesaver. I don't really miss going to the store. There is always time for a chat with the delivery driver.”**

*Tolanda Kooi*  
JUMBO CUSTOMER

# Strategy

Jumbo focuses on food retail and food service. Together with our employees, franchisees and other stakeholders, we again worked hard in 2023 to implement our Multi-year Plan 2022-2025. To give the strategic direction concrete form, we emphasise five priorities.

1. Jumbo as Jumbo was intended
2. Providing the winning omnichannel customer experience
3. Delivering top quality at a Jumbo price
4. Making healthy and sustainable shopping fun and affordable
5. Building a robust, enterprising organisation

## 1. Jumbo as Jumbo was intended

Being the most customer-oriented company. That is our ambition. To turn our customers into true fans again, we are going back to Jumbo as Jumbo was intended. Not just any supermarket, but one that amazes and attracts attention because we are better, cheaper and different. We will therefore focus even more on what has made us great: our distinctiveness through a unique combination of product range, price and service. This is reflected in our 7 Promises. Always with the customer at number 1 and in close connection with the (local) community.

## 2. Providing the winning omnichannel customer experience

As Jumbo, we want to be where the customer is, always and everywhere. We find it very important that customers enter the same Jumbo world everywhere, in the Netherlands, in Belgium, in the physical store and on Jumbo.com. That is why the unique Jumbo formula and our 7 Promises apply everywhere, in all our stores and online. It is not one or the other: physical and online blend seamlessly and reinforce each other. This is reflected in, among other things, our Jumbo Extras loyalty programme in the Netherlands.





### 3. Delivering top quality at a Jumbo price

We find that customers are increasingly looking for tasty, healthy, sustainable and affordable food. Customers see the quality of the fresh produce offer as an important indicator of the quality of the rest of Jumbo's range. We will only be satisfied once the customer recognises us for top quality at an affordable price. That's why Jumbo continuously makes quality improvements and, as an EDLP formula, we offer low prices every day. To keep our prices low, we buy as competitively as possible and look at other revenue sources, such as our advertiser platform Jumbo Retail Media.

### 4. Making healthy and sustainable shopping fun and affordable

We are convinced that we can make a real difference by offering our customers healthier, more sustainable food and wasting less. That is why health and sustainability are a permanent part of everything we do. Together with customers, employees, franchisees and supply chain partners, we dedicate ourselves every day to future generations, including by making our chains more sustainable. This way customers can be confident that we are focusing our choices on them and the future.

### 5. Building a robust, enterprising organisation

We are investing heavily in mechanising our Supply Chain and optimising our systems to make processes run smoothly and minimise the risk of errors. We are keenly looking at opportunities in all business areas to simplify our operations and save costs. We also want to be a good employer; after all, our employees are the foundation of our organisation. We encourage employees to excel in customer focus, including through training via our Jumbo Academy.

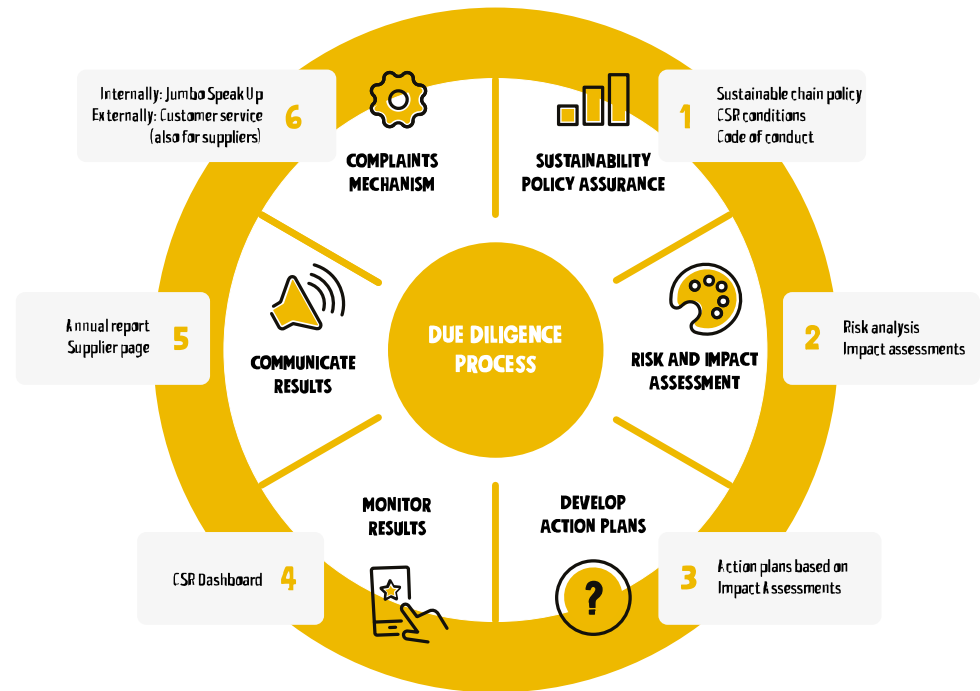
### Anchoring in the organisation

The Multi-year Plan 2022-2025 is set out in concrete objectives per choice. These objectives have been translated into actions, owners, timelines and performance indicators. To ensure progress, investments in strategy execution take place within the Finance department. This department has the responsibility for setting up, recalibrating, driving and monitoring the Multi-year Plan, both in terms of business plans and financial plans. There is also a cross-functional strategy execution team that deals with various strategic issues and oversees the sub-projects. Several times a year, the board meeting considers the progress of all the strategic initiatives and makes adjustments where necessary.

# Value chain

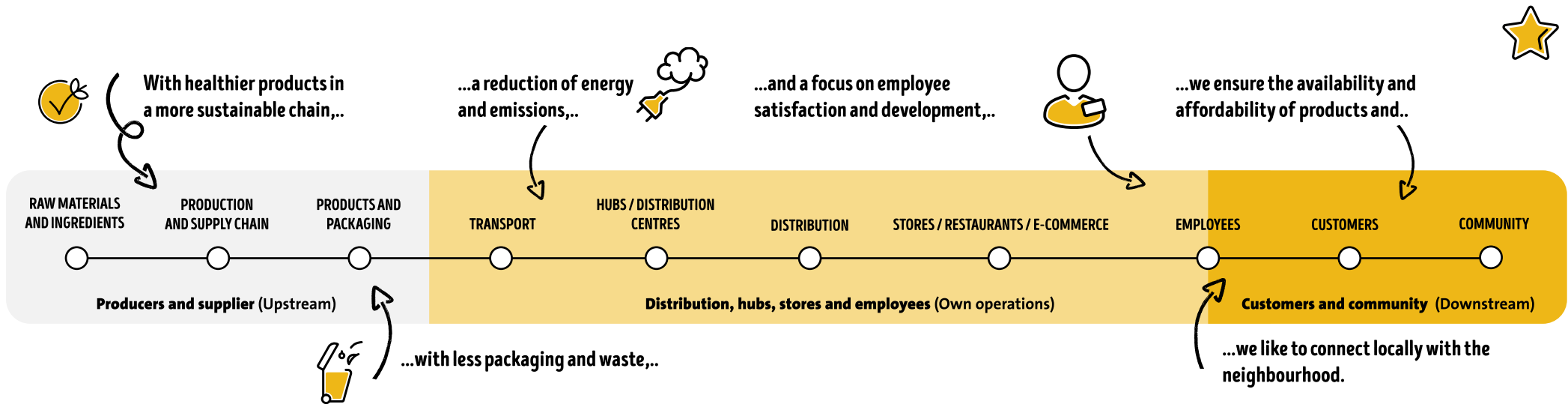
Jumbo's value chain consists of all the activities and processes required to provide its customers with high-quality, tasty, healthy and sustainable products. From sourcing raw materials and ingredients to the production, distribution, sales and service in stores and online. Jumbo works with various suppliers and partners to make the value chain as efficient, transparent and responsible as possible.

An integrated sustainable value chain policy was published in 2023. In this policy, we have detailed how we will work on mitigating risks and increasing our positive impact, specifically for our product range. We realise that Jumbo is part of a highly branched global food chain. In that chain, risks can arise at different places. To identify and best address these risks, we carry out due diligence. The process we use for this is in line with the United Nations' Guiding Principles on Business and Human Rights (UNGP) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.



The six phases in Jumbo's due diligence process to identify and best address risks in the chain.

# Our impact in the value chain



## RAW MATERIALS AND INGREDIENTS

Raw materials and ingredients are needed for the products we sell. These must meet high standards, for example in terms of quality, (food) safety, health and sustainability.

## PRODUCTION AND SUPPLY CHAIN

Jumbo's product range is put together with consideration for people, animals and nature. Together with suppliers and other chain partners, we are working on towards further sustainability of our private label product range.

## PRODUCTS AND PACKAGING

We aim to make delicious and healthy eating enjoyable, easy, and affordable for everyone. We help by sharing information on packaging about product features, composition and preparation methods. Additionally, we strive to reduce packaging materials and, where possible, use recycled materials.

## TRANSPORT AND DISTRIBUTION CENTRES

We want to organise Jumbo in a future-proof, climate-conscious way. We opt for more sustainable materials and renewable resources in the construction of our distribution centers, invest in cleaner transportation, and take responsibility for the indirect emissions in our supply chain.

## STORES AND E-COMMERCE

We have set ambitious goals to reduce CO<sub>2</sub> emissions at Jumbo. Energy-saving measures for our extensive property portfolio make a significant contribution to achieving those goals. We are gradually replacing our home delivery vans with electric vehicles.

## EMPLOYEES

At Jumbo, we value good employment practices based on equality. We offer employees a pleasant workplace where they can be themselves, have the freedom to take initiative and develop their talents. We believe that good work deserves fair compensation.

## CUSTOMERS

Customer focus and commitment are important values for Jumbo. The wishes and needs of our customers are paramount. With this in mind, Jumbo has been built around the customer. Our promises to customers – Jumbo's 7 Promises – evolve along with changing wishes and needs.

## COMMUNITY

At Jumbo, we feel involved in what is happening in and important to the community. With our stores and logistics operations, we are in close contact with the local community. We turn our stores into pleasant meeting places and support social initiatives in the neighbourhood and nationally.



## CSRD

In November 2022, the European Union adopted the Corporate Sustainability Reporting Directive (CSRD). It aims to promote comparability and transparency of sustainability performance. The CSRD has a lot of impact on sustainability reporting. The standards from the CSRD have been further developed in European Sustainability Reporting Standards (ESRS), which are finalised in summer 2023. Although Jumbo is not required to comply with these new regulations until the financial year 2025, we are already anticipating the new requirements in our reporting for the years 2023 and 2024. In addition to the double materiality assessment on the basis of which we determined our material topics, in 2023 we made a start on identifying the differences between the current practices within Jumbo and the requirements as laid down in the ESRS standards and which are applicable from 2025. Follow up to this will take place in 2024, as well as the necessary preparations to comply with the EU Taxonomy, such as the breakdown of sustainable and unsustainable business activities.

To prepare for the CSRD, we commissioned PricewaterhouseCoopers Accountants N.V. (PwC) to perform a limited assurance engagement for FY2023 on the main KPI for each material topic. The indicators in scope of the audit are marked with '✔' and are part of the [assurance report of PwC](#) in which they conclude.

See [chapter Other information](#) for PwC's report which elaborates on the scope, procedures performed and results.

### Scoping of the 2023 sustainability information

The Environmental, Social and Governance (ESG) report has been prepared on a consolidated basis. The scope of consolidation is the same as that of the financial statements, except for La Place Food Groep B.V. (and its subsidiaries) and Euroselect B.V. ([see list of subsidiaries](#)). If there are deviations from this scope, we explain this for each indicator. The reporting period is the same as that of the financial statements. Where necessary, the 2022 comparative figures have been adjusted in line with the adjusted scope or methodology. The impact of the change is explained for each indicator. When comparative figures are not available due to data limitations, this is mentioned in the footnote.



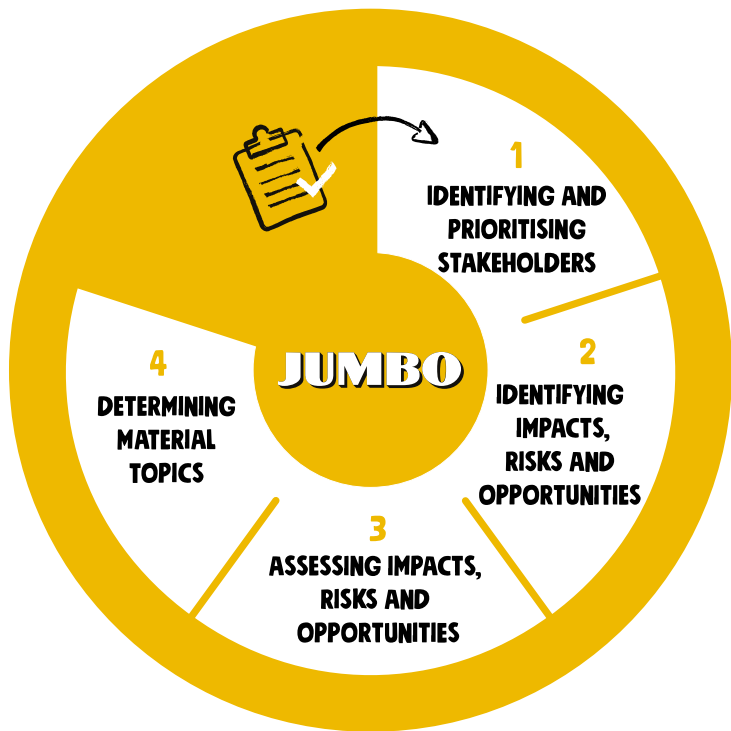




## Double materiality analysis

Part of the CSRD is the double materiality assessment. This analysis aims to identify which sustainability topics have the greatest impact on the company and are most important to stakeholders in the company's value chain. In addition to Jumbo's potential impact on people, animals and nature (impact materiality), the financial impact of sustainability risks was determined (financial materiality).

We started the analysis by identifying and prioritising our stakeholders. These are stakeholders on which Jumbo exercises influence with its business activities, as well as [stakeholders](#) that exercise influence on Jumbo with their activities.























We then compiled a list of sustainability topics that are potentially material. After consultation with the management team and an external party (PwC), these were re-ranked and reduced to a compact thematic overview. For this, impacts, risks and opportunities were then identified, which were assessed by several colleagues with expertise in the relevant topic.

Following this, we organised workshops to validate and prioritise the scores for both impact and financial materiality. Using a threshold we determined, we arrived at a list of 10 material topics. Each step has been validated by the management team. The results of the materiality assessment were reviewed and validated with the Supervisory Board of Koninklijke Jumbo Food Groep. This also ensures integration into Jumbo's risk management process. The [outcomes](#) were ultimately presented to a large number of stakeholders at the stakeholder day in December.

# Material topics

The table below shows the material sustainability topics for each ESG topic as a result of the double materiality assessment. These are linked to where in the value chain these topics play material role for Jumbo and which value pillar the topics affect.

The value pillars arise from the value creation model, which clarifies the value we create for our stakeholders. In the 'Goals and achievements' section, we explain our material themes for each value pillar with the associated KPIs.


ESG		Material theme	Indicator	Chain	Value pillar*	SDGs**
<b>Environmental</b> 	1	 Energy and emissions	Greenhouse gas emissions in CO <sub>2</sub> equivalents (kilotonnes) in own operations and in the chain	Upstream, own operation	<b>MOVING FORWARD WITH SUSTAINABILITY TOGETHER</b>	  
	2	 Packaging	Grams of packaging material per consumer unit sold	Upstream, own operation and downstream		
	3	 Food waste	Food discarded (weight in tonnes) per 1 million euro revenue	Upstream, own operation and downstream		
	4	 Sustainable chain	The percentage of the private label range with sustainability quality mark within the categories fruit and vegetables, cocoa, hazelnuts, coffee, soy, palm oil, tea, fish and dairy	Upstream		
<b>Social</b> 	5	 Local involvement	Customer satisfaction score for local involvement (NPS)	Downstream	<b>CONNECTED TO CUSTOMERS AND COMMUNITY</b>	 
	6	 Healthy products	The percentage revenue share of private label products with Nutri-Score A/B	Downstream		
	7	 Working conditions and work environment	Women in management positions Employee satisfaction score (eNPS)	Own operation	<b>WE WORK TOGETHER IN AN ENTREPRENEURIAL ENVIRONMENT</b>	
	8	 Fair chain (working conditions in the chain)	The percentage revenue share of private label range with social quality mark in medium and high-risk countries	Upstream	<b>MOVING FORWARD WITH SUSTAINABILITY TOGETHER</b>	
<b>Governance</b> 	9	 Animal welfare	The percentage of private label product range with animal welfare quality mark within the categories: eggs, pig, beef, chicken	Upstream	<b>MOVING FORWARD WITH SUSTAINABILITY TOGETHER</b>	
	10	 Product quality and safety, affordability and availability	Customer satisfaction score for Value for money (NPS)	Downstream	<b>CONNECTED TO CUSTOMERS AND COMMUNITY</b>	

\* See the chapter 'Goals and achievements' and the value creation model.  
 \*\* Sustainable Development Goals (United Nations).



**“Zonvarken is an innovative Dutch concept that prioritizes animal welfare while also minimizing environmental impact. Jumbo and supplier Van Loon have really gone the extra mile to make Zonvarken a success. Also with investments. All parties benefit from increased volume, making it an appealing business case.”**

*August Offerberg*  
FOUNDER OF ZONVARKEN (SUPPLIER)



**“Visiting Zonvarken, you immediately notice that the pigs have a lot of space. That the young piglets are rooting with their mothers in the piglet playground. When you see this, you actually wish all the pork products on the shelf were from Zonvarken.”**

*Mark van de Westelaken*  
PORK PRODUCT RANGE MANAGER AT JUMBO

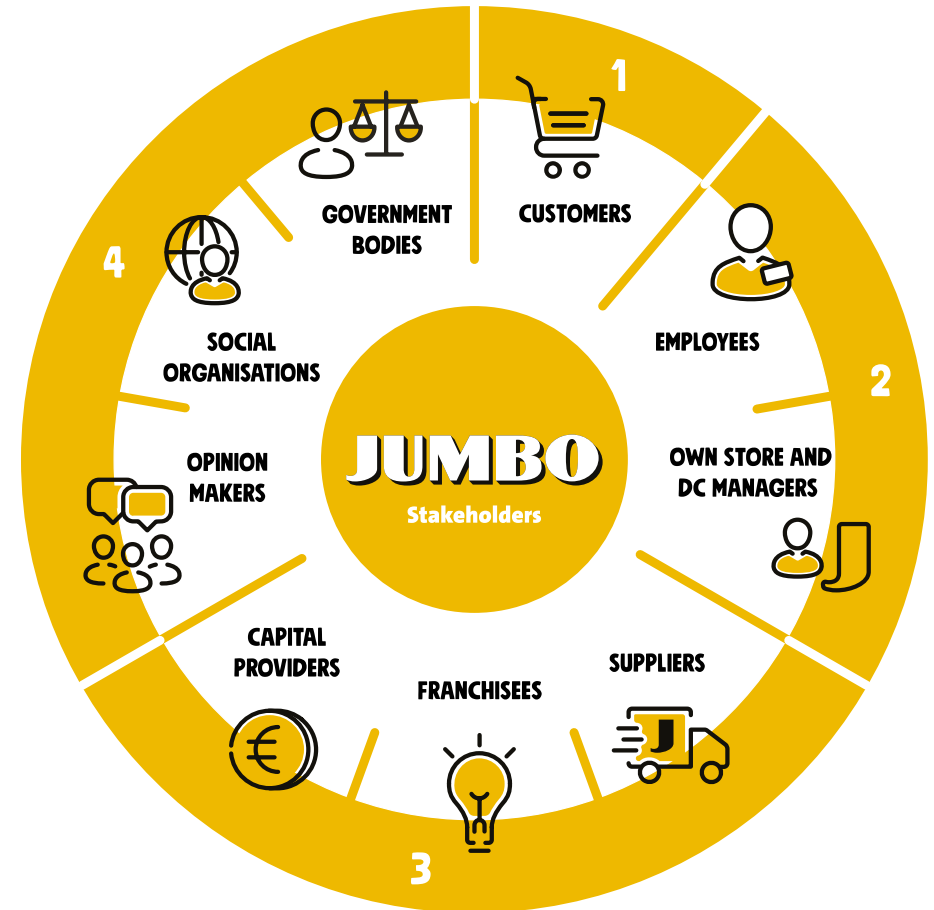
# Stakeholders

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

In the '[Goals and achievements](#)' chapter, we elaborate on the value we create for different stakeholder groups. We have chosen to group these stakeholders as follows:

1. Customers
2. Employees
3. Suppliers, franchisees, investors and shareholders (capital providers)
4. People, animals and nature (represented by government and political and civil society organisations, among others)

In addition to periodic one-on-one meetings with many of the above stakeholders, in December 2023 we brought together our relations from the social domain, government and the food and agri sector in a plenary meeting for the first time. On that occasion, we updated these parties on Jumbo's tightened direction, with our CSR policy playing a central role. We also explained our dual materiality analysis and our experience in reporting non-financial KPIs related to CSR. During breakout sessions, we engaged with our stakeholders on three themes: the route to more plant-based food, making our chains more sustainable and the future role of the store as a good neighbour. This [press release](#) was issued about the stakeholder day and the insights gained.



## In dialogue with our stakeholders

At Jumbo, we are in close contact with the stakeholder groups listed below. The starting point for all contacts with our stakeholders are open dialogue and mutual respect. We utilise various occasions, resources and platforms to maintain these contacts. An explanation of the various partnerships is included on our reporting website. The table below also shows in which value pillar the stakeholder group is represented. The value pillars can be found in the chapter '[Goals and achievements](#)' and the [value creation model](#).

Stakeholder group	Topics of discussion regarding		Description	Represented in value pillar*
	Material themes	Dialogue		
<b>Jumbo customers</b>	All themes (except working conditions and working environment)	Annual customer satisfaction survey, in-store contacts, continuous research via, for instance, customer panels (including CSR), Jumbo Service Centre (customer service), social media.	Jumbo has been built around the customer. Our customers are a representative reflection of the Dutch population. We are also welcoming more and more Belgian customers.	<b>CONNECTED TO CUSTOMERS AND COMMUNITY</b>
<b>Jumbo employees</b>	All themes	Periodic employee satisfaction survey, employee representation (Central Works Council, Head Office Works Council, Stores Works Council, Supply Chain Works Council, La Place Works Council), periodic updates for employees from all business units, such as 'soapbox sessions' at head office, pallet sessions at Supply Chain, and Jumbo on Tour meetings for store colleagues.	Our over 100,000 employees (including the employees at independent franchisees) are a crucial part of implementing the Jumbo formula with excellence. This group includes employees with a permanent or temporary employment contract with Jumbo.	<b>WE WORK TOGETHER IN AN ENTREPRENEURIAL ENVIRONMENT</b>
<b>Jumbo store and DC managers</b>	All themes	Employees and various management committees, working groups and focus groups.	Jumbo store managers are responsible for operating Jumbo locations. DC managers at Jumbo are responsible for running the distribution centres.	<b>WE WORK TOGETHER IN AN ENTREPRENEURIAL ENVIRONMENT</b>
<b>Jumbo franchisees</b>	All themes	Ondernemersvereniging Jumbo and various management committees, working groups and focus groups.	Jumbo is a large franchise organisation in the Netherlands. Jumbo franchisees are responsible for operating their Jumbo franchise stores and are affiliated with the Ondernemersvereniging Jumbo.	<b>AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE</b>

Stakeholder group	Material themes	Dialogue	Description	Represented in value pillar*
<b>Suppliers</b>	Sustainable chain, health, animal welfare, fair chain, packaging and food waste, energy and emissions, product safety/quality, availability/affordability	Visits, one-to-one meetings, annual partner days, day for supplier quality managers.	Jumbo works intensively with its suppliers, striving for a good partnership. This group includes both private label producers and brand manufacturers. Within the chain, we work intensively with our supplier, farmers and growers to further increase the sustainability of our range and are aware of the responsibility we have.	<b>AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE</b>
<b>Government, politics and supervisory bodies</b>	All themes	In dialogue with municipalities, province of Noord-Brabant and other provinces, Ministry of Health, Welfare and Sport (VWS), Ministry of Economic Affairs and Climate (EZK), Ministry of Infrastructure and Water Management (I&W), Ministry of Agriculture, Nature and Food Quality (LNV), Ministry of Social Affairs and Employment (SZW), Rijkswaterstaat, the Tax and Customs Administration, Netherlands Authority for Consumers & Markets (ACM), Dutch Food and Consumer Product Safety Authority (NVWA), Netherlands Enterprise Agency (RVO) and omgevingsdienst.nl, for legislation and approach to energy saving and emission reduction, company visits by MPs.	Jumbo has contact with representatives from the government and politics on a regular basis. This mainly involves relevant stakeholders in the political-administrative arena. These contacts focus on the longer-term material themes, our CSR policy and related objectives. The discussions take place at management and board level, for instance.	<b>MOVING FORWARD WITH SUSTAINABILITY TOGETHER</b>
<b>Civil society organisations, cooperation partners and representative entities</b>	All themes	Cooperation with industry associations, such as CBL in the Netherlands and Comeos in Belgium.  Collaboration with Brabant Family Businesses Association (BFBG), Brainport Eindhoven, Raad van Kinderen [Kids Council], MVO Nederland.  Consultation with Consumers' Association and Questionmark, Foodwatch.	Jumbo regularly interacts with civil society organisations, cooperation partners and representative entities. These contacts focus on longer-term dialogue and cooperation in relation to our material themes, our CSR policy and related objectives. The discussions take place at management and board level, for instance.	<b>MOVING FORWARD WITH SUSTAINABILITY TOGETHER</b>

Stakeholder group	Topics of discussion regarding Material themes	Dialogue	Description	Represented in value pillar*
	Food wastage	Partnerships: Samen Tegen Voedselverspilling [Together Against Food Waste], Wageningen University & Research (WUR), Voedselbanken Nederland [Food Banks Netherlands].		
	Packaging	Partnerships: Plastic Pact, Brancheplan duurzaam verpakken [Sustainable Packaging Industry Plan], Statiegeld Nederland, Wecycle, Nederland Schoon [Clean Netherlands]. In dialogue with Milieu Centraal [Environment Central], Natuur en Milieu [Nature & Environment], Afvalfonds verpakkingen [Packaging Waste Fund], Fost Plus.		
	Healthy products	Partnerships: Krajieck Foundation, King's breakfast, NOC*NSF, PPP Transparent healthy & sustainable, Week without Meat & Dairy, Team Jumbo-Visma Academy, Sven Kramer Academy. In dialogue with Diabetes Fund, Heart Foundation, JOGG, Dutch Digestive Foundation, National Action Plan for Fruit and Vegetables, Unicef, Alliance Healthy Generation 2040, NL 2025.		
	Fair chain	Partnerships: Commitment Living Wage Belgium, Disco, International CSR Food Covenant, SIFAV. Sustainability in collaboration with quality marks/certification: RFA, Fairtrade. In dialogue with Fairfood International, HIVOS, Oxfam Novib.		
	Local involvement	Partnerships: JOGG, Stichting Jarige Job, National Coalition Against Loneliness, Nederland Schoon, NOC*NSF, Sven Kramer Academy, Food Banks Netherlands, Coalition One against Loneliness, Red Cross, Youth Education Fund, Johan Cruyff Foundation.		
	Animal welfare	Dutch Society for the Protection of Animals, GAIA, Wakker Dier [Animals Awake], World Animal Protection. Animal Rights.		
	Sustainable chain	Partnerships: Beedeals, Eiwittransitie, Covenant on Accelerated transition to robust potato varieties, Waardecreatie in Ketens (WiK).		


Stakeholder group	Topics of discussion regarding Material themes	Dialogue	Description	Represented in value pillar*
		<p>Sustainability in collaboration with quality marks/certification: Dutch Society for the Protection of Animals (Beter Leven quality mark), Fairtrade, PlanetProof, Rainforest Alliance, MSC/ASC, RSPO, RTRS, Weidemelk, Good Fish Foundation, FSI, Global GAP, Sustainable Rice Platform, Biologisch, CLM, SIFAV.</p> <p>In dialogue with Feedback EU, LTO Nederland (including sections) Environment Central, Nature &amp; Environment, Transition Coalition Food, World Wildlife Fund, ZLTO, Mighty Earth, Bionext, Transition Coalition, GPA, Proveg Greenpeace, Feedback EU.</p>		
	Employment conditions and working environment	<p>Partnerships: Women Empowerment Principles.</p> <p>In dialogue with FNV, CNV and other trade unions.</p> <p>Cooperation with Detailhandel Nederland en Retail Security Groep and joining the national warning register Fraude Aanpak Detailhandel (FAD).</p>		
	Energy and emissions	<p>Partnerships: BREEAM, Data2Move community, Evofenedex, Lean and Green, DGBC, Logistics Community Brabant (LCB), Steering Group Sustainability and Focus Group Cross Chain Control Centres (4C), Top Sector Logistics, Hydrogen commitment, Race to Zero.</p> <p>In dialogue with Milieudefensie [Environment Defence], Nature &amp; Environment, Wakker Dier [Animals Awake], Mighty Earth, World Wildlife Fund.</p>		
<b>Opinion leaders and food and retail experts</b>	See topics above	Cooperation with educational institutes such as Berkeley, Erasmus University Rotterdam, De Haagse Hogeschool, HAS green academy (formerly HAS Hogeschool), Wageningen University & Research, EFMI, Groningen University.	Jumbo is in regular contact with experts from educational institutions, knowledge institutes and banks, among others. These contacts focus on obtaining and providing insights and seeking advice regarding our material themes, our CSR policy and related objectives. The discussions take place at management and board level, for instance.	

**MOVING FORWARD WITH SUSTAINABILITY TOGETHER**




Stakeholder group	Topics of discussion regarding Material themes	Dialogue	Description	Represented in value pillar*
		Cooperation and knowledge exchange with retail experts and sector economists from banks, among others. In dialogue with information and knowledge organisations, such as Voedingscentrum [Nutrition Centre] and Environment Central, Kennisinstituut Duurzaam Verpakken [Sustainable Packaging Knowledge Institute].		
<b>Capital providers (investors)</b>	Shareholders	All themes	We are in close contact with our shareholders on the progress of the 'Jumbo as Jumbo was intended' strategy, including performance against our targets, both financial and non-financial (such as customer satisfaction, employee satisfaction, CSR, etc.).	<b>AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE</b>
	Banks	All themes	Jumbo maintains business ties with several banks. With a view to the availability of (working) capital and investment resources, their role is of great significance. In addition, we regularly discuss market developments, including the role of sustainability within our company.	<b>AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE</b>
	Schuldschein investors	All themes	Jumbo maintains business ties with several Schuldschein investors. With a view to the availability of capital and investment resources, their role is of great significance.	<b>AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE</b>

\* See the chapter 'Goals and achievements' and the value creation model.



**“I love it when colleagues do their job with a smile. You work hard, but there should also be time for a joke or two. When the mood began to deteriorate, I raised the alarm.”**

*Joyce de Boer*  
ALL-ROUND EMPLOYEE EFC RAALTE



**“It's okay to be busy at work. But there is a world of difference between work pressure and pressure at work. You cannot permanently ask the utmost of people. That needs to be critically examined. It requires organisation, insight and action.”**

*Martin Tigchelaar*  
MANAGER EFC RAALTE



# Goals and achievements

With our activities, we create (long-term) value for various stakeholders, according to our value creation model. These are our value pillars, as listed below. We base this on our objectives and the needs of stakeholders in need of social value, such as our customers,

our employees and communities. We ensure economic value for all our franchisees, suppliers and shareholders. It goes without saying that we try to do the best we can for the world around us by creating value for people, animals and nature.



**CONNECTED  
TO THE CUSTOMER  
AND COMMUNITY**

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**WE WORK  
TOGETHER IN AN  
ENTREPRENEURIAL  
ENVIRONMENT**

See page 46 >



**AS A FAMILY  
BUSINESS, WE  
ALWAYS GO THE  
EXTRA MILE**

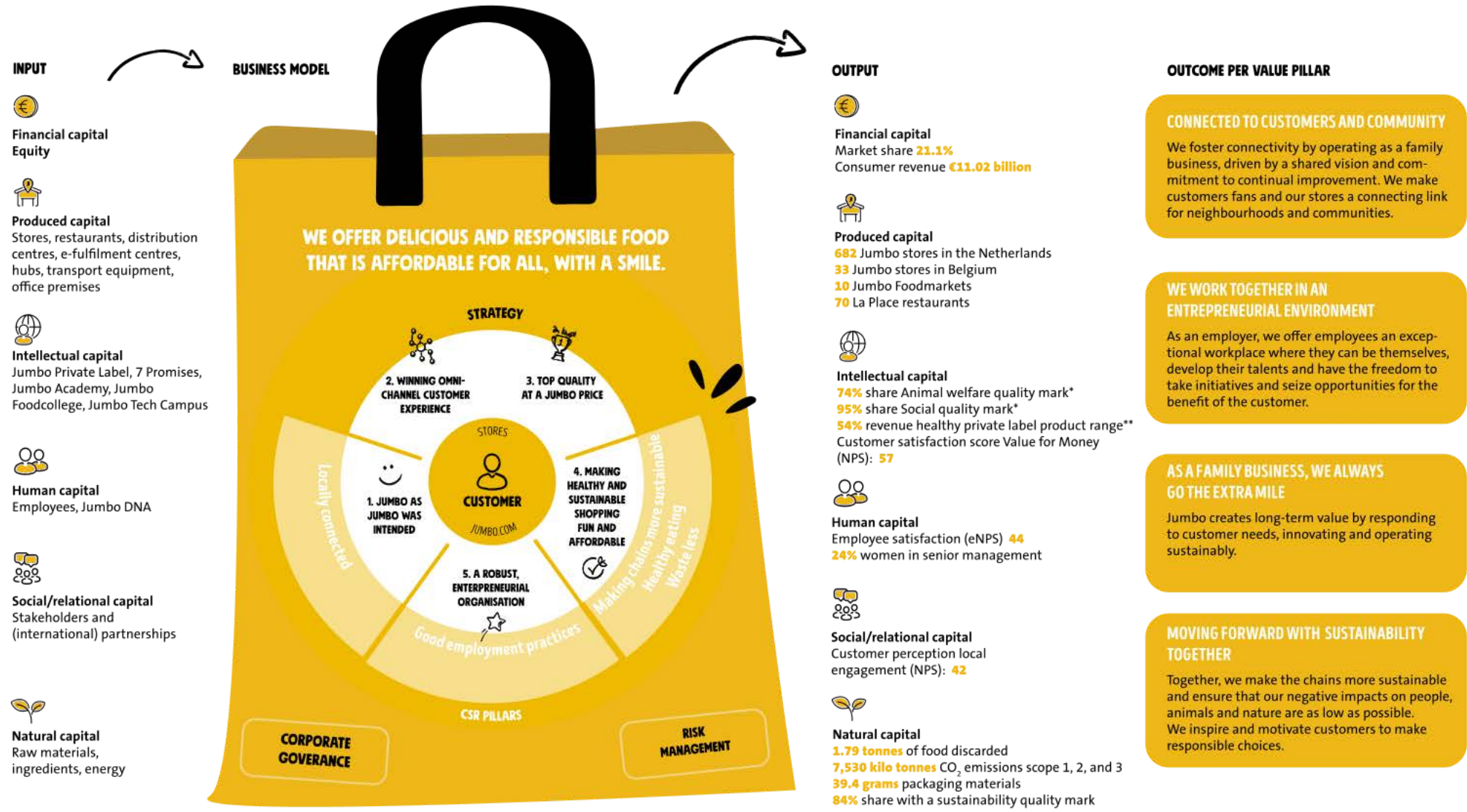
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**MOVING  
FORWARD WITH  
SUSTAINABILITY  
TOGETHER**

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# Value creation for stakeholders



**INPUT**

**Financial capital**  
Equity

**Produced capital**  
Stores, restaurants, distribution centres, e-fulfilment centres, hubs, transport equipment, office premises

**Intellectual capital**  
Jumbo Private Label, 7 Promises, Jumbo Academy, Jumbo Foodcollege, Jumbo Tech Campus

**Human capital**  
Employees, Jumbo DNA

**Social/relational capital**  
Stakeholders and (international) partnerships

**Natural capital**  
Raw materials, ingredients, energy

**OUTPUT**

**Financial capital**  
Market share **21.1%**  
Consumer revenue **€11.02 billion**

**Produced capital**  
**682** Jumbo stores in the Netherlands  
**33** Jumbo stores in Belgium  
**10** Jumbo Foodmarkets  
**70** La Place restaurants

**Intellectual capital**  
**74%** share Animal welfare quality mark\*  
**95%** share Social quality mark\*  
**54%** revenue healthy private label product range\*\*  
Customer satisfaction score Value for Money (NPS): **57**

**Human capital**  
Employee satisfaction (eNPS) **44**  
**24%** women in senior management

**Social/relational capital**  
Customer perception local engagement (NPS): **42**

**Natural capital**  
**1.79 tonnes** of food discarded  
**7,530 kilo tonnes** CO<sub>2</sub> emissions scope 1, 2, and 3  
**39.4 grams** packaging materials  
**84%** share with a sustainability quality mark

**OUTCOME PER VALUE PILLAR**

**CONNECTED TO CUSTOMERS AND COMMUNITY**  
We foster connectivity by operating as a family business, driven by a shared vision and commitment to continual improvement. We make customers fans and our stores a connecting link for neighbourhoods and communities.

**WE WORK TOGETHER IN AN ENTREPRENEURIAL ENVIRONMENT**  
As an employer, we offer employees an exceptional workplace where they can be themselves, develop their talents and have the freedom to take initiatives and seize opportunities for the benefit of the customer.

**AS A FAMILY BUSINESS, WE ALWAYS GO THE EXTRA MILE**  
Jumbo creates long-term value by responding to customer needs, innovating and operating sustainably.

**MOVING FORWARD WITH SUSTAINABILITY TOGETHER**  
Together, we make the chains more sustainable and ensure that our negative impacts on people, animals and nature are as low as possible. We inspire and motivate customers to make responsible choices.

\* Share Jumbo private label range



**“I enjoy chatting with the employees at my Jumbo. They also often organise fun events in the store and for the neighbourhood.”**

*Rita Ramphal*  
JUMBO CUSTOMER

# CONNECTED TO CUSTOMERS AND COMMUNITY

[Read more](#)

## Connected to customers and society

Jumbo is in close contact with its customers and the environment in which it operates. Our product range is attuned to the wishes and needs of customers. Moreover, we feel involved in what is happening in and important to the community. We enjoy contributing to the improvement of neighbourhoods and districts.

# 57



### Price-to-quality ratio

Customer satisfaction score (NPS)  
for price-to-quality ratio

Target 2025: 61

# 54%



### Healthy products

Revenue share healthy private  
label product range

Target 2025: 59%

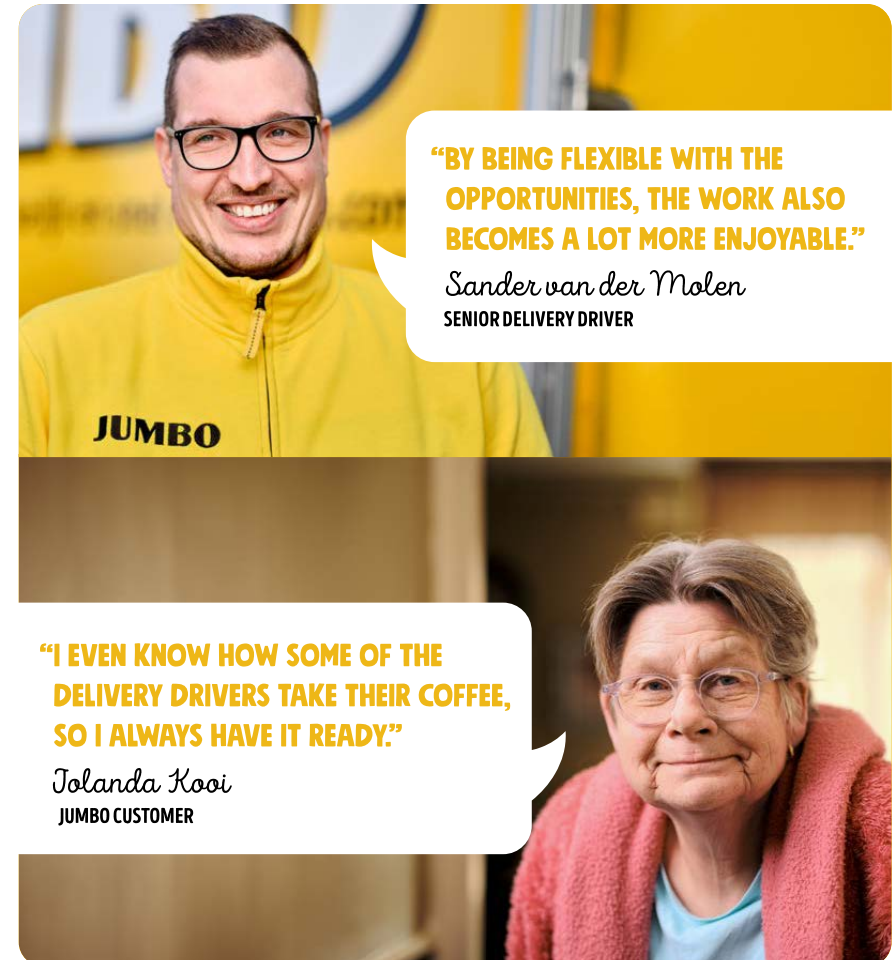
# 42



### Local involvement

Customer satisfaction score (NPS)  
for local involvement

Target 2025: 43



## The customer comes first

Traditionally, Jumbo has been built around the customer. The wishes and needs of customers are paramount to our approach. We paid extra attention to that timeless principle in 2023, so that we stay alert to *what* we do and *for whom*, and turn our customers into real fans again. Under the banner 'Jumbo as Jumbo was intended', we re-emphasise the qualities that have made us so beloved by millions of customers: our range, our prices and our service. We want to show again that we are better, cheaper and different, just like in past decades. That we are not just another supermarket, but one that is high-profile and positively amazing. We do this by re-emphasising the basics of our formula step by step. Our primary focus has been on ensuring clean, well-stocked stores with friendly employees. This is what customers expect from Jumbo. We also ensure the customer notices more emphatically that you really come out euros cheaper at Jumbo, for example through communication, including about pricing, and the presentation during shopping.

### Improving purchasing power

High inflation is to blame for many people having less money left over. That worries us. We see that falling purchasing power is prompting households to pay closer attention to bargains and 'shop around' more. At Jumbo, we want to give our customers a helping hand. For example, we are cautious about price increases for Jumbo's essential private label products, even if it comes at the expense of our margin. We also look closely at whether and by how much we can reduce prices. In 2023, we succeeded in doing so for some 1,800 products; we will continue this in 2024. We also know that customers are focused on getting the best price for A-brands. We also stick to that from our EDLP formula. With targeted measures, we are committed to improving purchasing power.

### Customer satisfaction


We emphatically encourage our stores to measure their customers' satisfaction and put the feedback into practice. Since the introduction in mid-2023 of our sharpened strategy 'Jumbo as Jumbo was intended', customer satisfaction is back on an upward trend. Customer satisfaction is measured on the basis of market research and expressed in the Net Promoter Score (NPS). The NPS is calculated by taking the percentage of customers who would

recommend Jumbo (promoters) and subtracting from that the percentage of customers who would not recommend Jumbo (detractors). The result is a score somewhere between -100 and +100. The NPS score of our stores already increased by 10 points in the third quarter. Every quarter, within different retail categories, we reward the Jumbo supermarket with the highest customer loyalty score. The winning stores are named 'Champion for enjoyable shopping'. For this, they receive a special trophy and have a celebration with all colleagues at the store.

### Affordability and availability

At Jumbo, we set great store by optimum value for money. We aim to offer the highest possible quality within a certain price range and strive for customers to be cheapest off on the bottom line. We measure customer satisfaction based on the NPS. A further explanation on this is included under Customer satisfaction.

#### Value for money

Indicator	2023	2022	Target 2025
Customer satisfaction score for value for money (NPS)	57 	63	61

We make every effort to keep groceries affordable for everyone through always low prices. That also means we continue to invest in the Jumbo Private Label, which, after all, guarantees appealing value for money. We also stick to relevant promotions on A-brands and fresh products. We joined international procurement organisations Everest and Epic Partners in 2023. And in discussions with suppliers, we continue to look critically at purchase prices, keeping in mind that sustainability can carry an additional price. If a discussion on purchasing prices with an A-brand supplier does lead to a temporary supply halt, we will ensure there are plenty of suitable alternatives.

The score for customer satisfaction regarding Jumbo's value for money fell to an NPS of 57 this year. This decline is due, on the one hand, to the effects of inflation. As a result, customer perception of value for money has declined across the entire Dutch supermarket sector. On the other hand, Jumbo's price reputation has fallen more sharply than the market. With our strategic tightening of 'Jumbo as Jumbo was intended', we are committed to



improving the perceived value for money. In the second half of 2023, perceived value for money was fortunately on the rise again.

## Product quality and safety

Customers must be able to trust that products at Jumbo are always reliable, of good quality and meet applicable standards, including food safety.

The basis for every manufacturer producing products under the Jumbo banner is a quality certificate that meets the Global Food Safety Initiative (GFSI) standard and is independently tested.

An important part of this is the approach to food safety. We also track the number and type of customer complaints and comments and take action when necessary. In case of a recall, we initiate an improvement process together with the supplier and identify the cause of the deviation to prevent recurrence. If necessary, we use external consultants to determine the level of quality at our supplier. Products are regularly recalled on the grounds of possible allergen contamination. That is why we are increasingly deploying allergen scanning. With this approach, we ensure safety for the benefit of the customer.



## The 7 Promises updated

The 7 Promises have been the practical translation of our formula for over 25 years, and they remain so. In 2023, we updated the Promises. This is what changed:

- The demand for sustainable and socially responsible business became more prominent.
- We said goodbye to our lowest-price guarantee on A-brand items. With the growing demand for Jumbo own brand items, customers are less focused on this guarantee. We still promise low prices every day across our entire range, so that customers come out euros cheaper on the bottom line.
- The chain from farmer or grower to the Jumbo shelf is getting shorter and shorter and we are preparing more and more products on the shop floor. Fresh has become a given at Jumbo, allowing us to say goodbye to our fresh guarantee.
- Thanks in part to self-scanning capabilities, shopping is a lot faster than before, making the guarantee of short waiting times redundant.
- We give stores more freedom in keeping our promises.
- Should a customer still not be completely satisfied despite all our efforts, our in-store staff have the option of giving a free product or refund money.



## Omnichannel customer experience

It is important to us that customers get the same Jumbo experience in all our retail channels. Therefore, we are continuously working to further improve our omnichannel approach. In March 2023, for instance, we made our Jumbo Extras savings programme also accessible to online customers. Just like customers in our physical stores, they automatically receive Jumbo Extras points. They can use these points for free groceries, discounts on groceries and days out, among other things. They can also use the Jumbo Extras app to save stamps and special promotion stamps. In April, we switched completely to the digital saving of stamps. This promotes smooth shopping and puts an end to having to stick stamps to cards.

Sander van der Molen and Jolanda Kooi **ABOUT HOME DELIVERY**

“At the hub in Heerenveen, I have been appointed an expert in the 7 Promises. Occasionally, an order may be incomplete or there might be some other issue. It’s crucial that the customer notices we take such problems seriously. If we cannot come up with a solution immediately, we try to satisfy our customer in other ways. We have a lot of freedom in that regard. Actually, it has always been this way, but with the tightened 7 Promises, we aim to emphasize it even more. As an expert in the 7 Promises, I instil that customer focus approach in colleagues who have not been with us for so long. Being flexible also makes work more fun.”



Sander van der Molen  
SENIOR DELIVERY DRIVER

“I have built a personal relationship with several delivery drivers. I even know how they take their coffee. I always have it ready for them, with a slice of cake. When it is hot, I give them an ice cream, or a cold drink. I ask them to honk their horn when they are in the street. Then I open the gate of the fire escape and they can walk right up. They always ask nicely where they can put the groceries. Sometimes it’s nice if they deliver them to the kitchen. But usually I say it can just go on the walker aid. That fits two crates and two bags on each handle. No problem at all.”



Jolanda Kooi  
JUMBO CUSTOMER

## Improve private label range


We surprise our customers with new, unique products, such as the introduction of Broodgeluk, our new private label line of bread products. We also insist on a complete and relevant range, but not necessarily the largest in the market. We choose the best items from each category, paying close attention to what customers want: tastier, healthier, more sustainable, easier and affordable. In 2023 we prepared to renew our private label, focusing on improving quality and packaging. We will only add new private label products to our range if they receive a score of 8 or higher from our newly formed customer panel. This is how we are making our range truly distinctive. We are also preparing for the introduction of Jumbo Heroes, dozens of amazingly good quality products at a surprisingly low price.

## Healthier diet and lifestyle

We are making our private label range healthier step by step. We do so while maintaining taste, quality and affordability. At the same time, we want to offer our customers good information and inspiration on healthier eating and a healthy lifestyle.

During 2023, we again introduced several product innovations with Nutri-Score A/B, such as lentil and bean-based vegan pasta sauce, vegan soup balls, organic pea and mushroom soup and salads with 30% less fat. Via our own information channels and in our campaigns, we point customers to this range. We are also continuously making adjustments in our overall range, for instance by increasing the amounts of fruit and vegetables and whole grain (fibre), reducing sugar, salt and (saturated) fat contents, changing portion sizes or offering a plant-based alternative.

## Healthy eating

Indicator	2023	2022	Target 2025
Revenue share healthy private label range Nutri-Score A/B (as %)	54% 	50%	57%

*This covers food products sold via branches and franchisees. Calculation is based on the old Nutri-Score algorithm. From 2024, the Nutri-Score will be determined based on the new algorithm.*

The revenue share of products with Nutri-Score A/B in our private label range increased by four percentage points compared to the previous year. This was caused by a relative increase in the offering of healthy products. We also conducted a baseline measurement in 2023 for the Nutri-Score based on the algorithm revised by the Ministry of Health. This turned out 9 percentage points lower, at 45 percent. This prompted an adjustment of the target for 2025 to 48%.

## Healthy lifestyle

Traditionally, we introduce schoolchildren to healthy eating during the annual King's Breakfast. In 2023, nearly one million primary school pupils enjoyed this festive breakfast provided by Jumbo.

We also have several initiatives - on a smaller scale - in Belgium. In our stores in Balen and Rijkevorsel, for example, we offer children the opportunity to fill a so-called free fresh bag with tasty and healthy products on their birthday.

The Jumbo store in Cuijk (Noord-Brabant) is main sponsor of the local Taste Centre, which provides, among other things, healthy cooking lessons for primary school pupils from groups 7 and 8. The initiative received the Healthy Innovation Award for this. Jumbo Schothorst in Amersfoort also won such an award with its food dispensary, a collaborative initiative aimed at raising the profile of healthy food.



## Nutri-Score

We prepared for the arrival of Nutri-score. Some 48% of our customers say they are familiar with Nutri-Score. We want to increase that percentage significantly in the coming years with targeted information. This food choice logo will be visible on most Jumbo private label products by early 2024. Together with our own Jumbo Foodcollege, we improved the Nutri-Score performance of several private label products, including several meat substitutes, in 2023.

Sander van der Molen and Jolanda Kooi ABOUT HOME DELIVERY

“From the delivery hub in Heerenveen, we deliver all over Friesland and even Urk. I have been doing this work for a while now, and you build a personal connection with customers. This is important, both for us and for the customer. For example, an elderly lady from Sneek expects us to honk our horn when we are in the street. She then comes out with her walking aid to open the fire escape gate. We can then easily walk through and deliver the groceries to her kitchen. There, she welcomes us with a cup of coffee and a slice of cake. Even her children and grandchildren recognise you when you are walking around in the town. A little boy called out the other day: Hey, you're that Jumbo guy who always comes to Grandma's, aren't you?”



Sander van der Molen  
SENIOR DELIVERY DRIVER

“It's fantastic that you can have your groceries delivered to your home. I have been using this service for about four years now. Here in Sneek, you can have your groceries delivered from three supermarkets. I chose Jumbo because of the delivery costs, which are very reasonable. Especially if you choose a weekday. I always have the big shop delivered on a Wednesday. Then I usually have enough for the whole week. In the early days, things would sometimes go wrong, like a wrong order or damaged packaging. But I haven't experienced that in the past year and a half. If something is out of stock, they promptly inform you the day before. They offer a substitute product in that case. But if you don't want it, they just take it back.”




Jolanda Kooi  
JUMBO CUSTOMER

## Local involvement

As a family business, we value the world around us and help build society. With our more than 700 stores in the Netherlands and Belgium, which are part of local communities, we want to be more than just a place to do your shopping. We are involved in what is going on in society and emphasise this by supporting all kinds of local initiatives. We want our stores to be a meeting place where customers can go for a chat at one of our chatty checkouts, for example. We also think health and sustainability are important, which is why we organise the King's Breakfast for almost 1,000,000 primary school children in the Netherlands and clean up the neighbourhood in various municipalities during the National Clean-up Day. We also offer extra food assistance to customers who could use a little extra during our annual national food bank campaign.

In addition, we realise that there can sometimes be a potential negative impact on residents living near stores and distribution centres, for example in the form of noise pollution or traffic congestion. We try to minimise these effects and stay in touch with the neighbourhood about this.

### Local involvement

Indicator	2023	2022 Target 2025	
Customer satisfaction score for local involvement (NPS)	42 	42	43

The national customer satisfaction score for local involvement remained stable in 2023. Customers' perceptions on this are almost the same as the previous year, partly due to local initiatives such as the Chatty Checkout in various Jumbo stores.

## Collections

Jumbo donated through Giro555 in aid of the victims of the devastating earthquakes in Turkey and Syria in February 2023. We also called on customers in stores to donate their bottle deposits to this cause. This was met with massive response. The amount raised was doubled by Jumbo. In total, Jumbo donated € 200,000 to this cause. For the victims of the earthquake in Morocco, we also launched a fundraising campaign which resulted in a total amount of over € 68,000.



## Consideration for the less fortunate

In 2023, 335 stores participated in the initiative to call on customers to donate products to a food bank. As part of this, dozens of crates filled with products were donated to the local food bank per store. We also contributed to several Red Cross social initiatives in 2023 for the first time, such as providing school breakfasts and offering free-spending gift cards to low-income families.



## Social connection

Jumbo stores in The Hague joined with local partners and took the initiative to organise an iftar dining table in 2023. Over 600 city residents from diverse backgrounds were able to sit down for a sumptuous evening meal in the fasting month of Ramadan. The initiative was a prelude to a whole series of social activities in Jumbo stores around Christmas time. The stores in The Hague, Lienden, Zoetermeer, 's-Gravenzande, Oirsbeek and Amsterdam, among others, in cooperation with local community organisations, held sociable, festive gatherings, attended by hundreds of customers and local residents in need of togetherness.



## Youth and exercise

At Jumbo, we like to encourage a healthy lifestyle for young and old. Especially to encourage exercise among young people, we organised, together with the Sven Kramer Academy and Unox, the Dutch Youth Skating Days for more than 10,000 primary school pupils. That project aims to ensure all children in the Netherlands experience the joy of ice skating at least once before the age of 12. The project particularly targets primary schools in neighbourhoods where children might not necessarily have the opportunity to learn to skate on ice.

## Sponsorship

In 2024, Jumbo will largely stop national and international sponsorship. Instead, we will flesh out sponsorship in a different, more local way. We will continue to encourage and improve existing initiatives at local level. Our sponsorship policy is tailored to both one-off and structural donations, whereby our stores help promote community life in the neighbourhood. These include, for example, making a club building more sustainable and providing a responsible offering in the sports canteen.



## DILEMMA

### **Dilemma: fully-stocked stores or inexplicable price increases?**

Due to challenging price negotiations with A-brand suppliers, we sometimes face (the threat of) empty shelves. That's not something we like to see: we much prefer to offer our customers fully-stocked stores with a wide product range.

We consider it at least as important to always offer our customers low prices. But lately, several suppliers have been seizing on cost price increases to further increase their product prices in sometimes excessive and inexplicable ways. We do not accept that, and instead take a temporary supply halt in such cases. We do make sure our customers have plenty of alternatives. The Jumbo Private Label products, which are of good and not infrequently better quality and have a lower, fair price, may be an option for them.



**“Despite the language barrier,  
I got the opportunity to work  
here. I always greet customers  
because it ensures they leave  
with a smile.”**

*Selim Duman*  
JUMBO BAKER


# WE WORK TOGETHER IN AN ENTREPRENEURIAL ENVIRONMENT

[Read more](#)




## We work together in an entrepreneurial environment

At Jumbo, we value being a good employer. We offer employees a diverse and inclusive workplace where they can be themselves, have the freedom to take initiative and develop their talents. We adhere to our unique company culture, where passion for and focus on the customer prevail.

**43,435** 

**Employees**


Number of employees  
Koninklijke Jumbo Food Groep B.V.  
(excluding franchisees)

**24%** 

**Diversity & Inclusion**

Women in leadership roles

**Target 2025: 33%**

**44** 

**Employment terms and  
working environment**

eNPS score of Jumbo employees

**Target 2025: 50**



## Working conditions and work environment

Being a good employer includes creating satisfied colleagues, opportunities for development, a pleasant and safe work environment, involving colleagues in the tightened strategy, diversity and inclusion, good working conditions and inspiring leaders. We want to be an employer where people from different backgrounds feel at home, cultures and perspectives are valued and respected, and equal opportunities for and treatment of all employees are promoted. That is why we think diversity and inclusion are important.

### Working conditions and work environment

Indicator	2023	2022 Target 2025	
Women in management positions*	24% ✓	29%	33%
Employee satisfaction score (eNPS)	44 ✓	37	50

\* Positions from scale 14-15 and Management.

### Satisfied colleagues

In January 2023, we launched a new design of our ongoing employee satisfaction survey. We ask colleagues for feedback on themes such as psychological safety, inclusivity, development opportunities, collaboration, leadership, customer focus and workload. Based on the initial results, departments drew up action plans with areas for improvement. Organisation-wide, these are mainly related to communication, appreciation and workload.

The employee satisfaction score is measured based on the Employee Net Promoter Score (eNPS) and refers to a score between -100 and +100. From the improvement plans, the 2023 eNPS score (measured in January 2024) improved to 44.

### Training and developing

Jumbo Academy, our own training institute, is something we have been immensely proud of for years. Offering certified training is an opportunity for many colleagues to develop further. In 2023, the offering consisted of more than 600 different learning modules. Throughout the year, some 22,000 colleagues participated in it, both from own branches and business units and from franchisees.

In the second half of 2023, Jumbo Academy developed a special programme focused on customer satisfaction, which has already been followed by many colleagues. This training is an outgrowth of the tightened strategy and aims to ensure that the principles of the Jumbo DNA, the formula principles and the associated leadership traits land well with colleagues. In the last weeks of 2023, some 7,000 colleagues from Jumbo stores, hubs and the Jumbo Service Centre followed this training. This group is tasked with training the other 80,000 store colleagues to really put the customer first. This training will be followed up with refresher sessions and on-the-job coaching in 2024.

Martin Tigchelaar and Joyce de Boer **ON IMPROVED WORKING CONDITIONS**

“Last spring, we had a major process change in our e-fulfilment centre. We had switched to new coolers, had different procedures and a modified floor layout. We underestimated the impact of those changes. Scheduling was not running smoothly either. Temporary workers, for example, were assigned for six days and then given a day off when things were less busy. That gave them a kind of availability stress. It was difficult for these colleagues to plan their personal lives. We often noticed this on Mondays, which is a busy day here. Absenteeism was higher than normal, forcing the colleagues who did show up to work extra hard.”



Martin Tigchelaar  
MANAGER EFC RAALTE

“With all the changes, it just didn't run smoothly. There were start-up problems and we were also in a period of very high order intake. As a trainer, I often interact with colleagues, so I noticed that people were running on empty. It was all handled well, though. You have to make it clear that not everything can be improved in a day. And that colleagues should also sound the alarm themselves if something is not going well. Confidence has to grow. I did see the faces of colleagues brighten during the year.”



Joyce de Boer  
ALL-ROUND EMPLOYEE EFC RAALTE



In September 2023, the first group of colleagues from Jumbo Supply Chain started the new two-year Associate Degree part-time Logistics course. This vocational training is completed with a legally recognised diploma.

For several years, Jumbo has been giving employees taking final exams in secondary schools the opportunity to take online exam training free of charge through MyTutor. We also offer this to family members of colleagues. In 2023, Jumbo has opened access to this offer to all students taking final exams.

### Pleasant and safe work environment

We encourage, through our Code of Conduct 'Code geel', a safe, fair and open working environment, where you as an employee can be who you are. 'Code geel' contains the behaviours and forms of conduct we consider important as a company. It is our ethical compass that helps to strengthen Jumbo's reputation as organisation and employer.

We also invest in the vitality and health of our employees. Under the heading 'Feeling good, being happy at work', we offer colleagues, for example, free fruit, lifestyle programmes and online training courses. We also devote extra attention to exercising more, with home work-outs and an employee bicycle scheme, for instance. We offer help and support to employees who need it, for example in psychosocial areas or with money worries. From 2022, attending the workshop aimed at countering undesirable behaviour will be mandatory for all employees.

The increase in aggression towards Jumbo colleagues in the stores due to theft has an impact on the well-being of our people. The indirect consequences of shoplifting are our main concern. Our colleagues can count on us and, as a good employer, we are fully committed to a pleasant and safe working environment.

### Involvement in the tightened strategy

We frequently involve current and new colleagues in our tightened strategy under the heading 'Jumbo as Jumbo was intended' and in our corporate culture. Its starting point is our Jumbo DNA: Together, Doing business, Winning. In practice, we flesh this out in concrete terms with our internal yardstick 'WOOW'. The first W stands for 'warm': we are a warm, people-oriented company. The O is for 'obsession for the customer': we feel an almost

obsessive commitment to the customer. The second O stands (in Dutch) for 'uncomplicated': we do things well and in the simplest way possible. By working and acting this way, we create a 'woow' effect for the customer because we are better, cheaper and different. That is what the last W stands for. Only if the customer says 'woow' is it good. We like to see colleagues fulfilling this in their own entrepreneurial way. That is also typical of Jumbo. The freedom to be 'enterprising' makes working at Jumbo more fun, it makes Jumbo better as a company and - most importantly - it puts a smile on customers' faces. And that is precisely Jumbo as Jumbo was intended.

### Diversity and inclusion

Under the banner 'Everyone's Different, Together we are Jumbo', we are working on diversity and inclusion in the workplace. In October 2023, we highlighted this during our own Diversity Week, which coincided with National Diversity Day. We organised awareness and consciousness-raising activities across the company. Throughout the year, we inform all colleagues via our internal channels about our actions and initiatives in this area.

We strive for diversity, including in senior positions. The percentage of women in senior management (the board and positions in grades 14 and 15) decreased from 29% to 24% this year, however. This percentage is very volatile because it is a small group of about 50 colleagues. Compared to 2022, this group has decreased by 5 colleagues, including 1 man and 4 women. Diversity and inclusion in the broad sense will remain a key focus in the coming years.

In 2023, we made preparations to make inclusive leadership a regular part of our leadership learning programmes. Diversity and inclusion is also included in our new Leadership Compass. In our ongoing employee satisfaction survey, we also specifically ask about individual experiences on this topic.

We have drawn up a checklist for inclusive language, which we use when writing job ads, among other things. We also had an active recruitment policy to attract employees in the 45+ age group in 2023. This has led to increased inflows in all business units. With their knowledge, experience and life wisdom, people from this target group can add a lot of value to our organisation. In the field of meaningful ageing, we collaborate with the National

Think Tank. We also have several partnerships with special education and disability care institutions, aimed at employing people at a distance from the labour market in our stores.

*Martin Tigchelaar and Joyce de Boer* **ON IMPROVED WORKING CONDITIONS**

“Workload is now very specifically on the agenda. I was already in talks with employment agencies about improving scheduling. But the noises we picked up last spring caused us to step up the pace. Scheduling has since changed dramatically. Colleagues now know well in advance which days they work. You notice immediately that this kind of thing results in less dropout. Scheduling of shifts is now done by mutual agreement. The human touch is back. It is quite a boost to find that our new approach is appreciated. We really managed to make a turnaround.”



Martin Tigchelaar  
MANAGER EFC RAALTE

“Colleagues find it a lot more pleasant to schedule their shifts in consultation. They are also encouraged to speak up if something does not go as agreed. That is perhaps most important, that they are listened to, that they are not just a number.”



Joyce de Boer  
ALL-ROUND EMPLOYEE EFC RAALTE

## Employment conditions

In June 2023, the supermarket industry reached an agreement with trade union CNV on a new VGL collective labour agreement with a term from 2 July 2023 to 1 July 2024. Among other things, the collective labour agreement provides for a 10% wage increase for store employees from 14 August 2023 (period 9). In addition, the expiring collective labour agreement had another wage increase of 1% from 1 March 2023 and one of 1.5% from 19 June 2023. Via Jumbo's own employment conditions scheme, this wage increase also works its way fully into the wage increase for logistics employees. For (main) office employees of Jumbo, separate agreements have been made with the Central Works Council. Those stipulate that the salary increase according to the VGL collective labour agreement for employees starting from pay grade 8 is capped at €5,000 gross per year as of period 9 (2023).

At Jumbo, we aim for future-proof remuneration for all employee groups. Together with the Central Works Council, we are therefore examining which adjustments are desirable in the overhead salary policy and branch management salary policy. We communicate extensively and transparently about this, and about the collective labour agreements made, via our internal channels.

In Belgium, wages follow cost-of-living increases. Due to this automatic wage indexation, Jumbo Belgium employees had a 3% salary increase in 2023. Employees at La Place restaurants are covered by the Hospitality Industry collective labour agreement. As of 1 January 2023, two wage increases were applicable in this collective labour agreement: a periodic increase of 2% and a general collective labour agreement increase of also 2%. The wages associated with the statutory minimum wage increased 10.15% as of 1 January 2023 and 3.13% as of 1 July 2023.

## Inspiring leadership

In 2023, we introduced the Leadership Compass. The compass describes how managers can ensure that the Jumbo DNA of colleagues is utilised optimally and further developed. The compass is about both 'What I do' and 'Who I am'. The 'What I do' axis charts out the behaviours appropriate to being customer-oriented, decisive and inspiring. 'Who I am' is about reliability, humanity and authenticity.

We used the Leadership Compass in 2023 mainly to raise awareness. From 2024, introspection, peer review, coaching and buddy-ship become guiding principles. The Leadership Compass will be linked to manager appraisals from 2024.



The Jumbo store in Panningen, Limburg, was named 'Top Learning Company' in 2023. That honour was bestowed on the store for its attentive supervision of young people distanced from the labour market. Education minister Robbert Dijkgraaf, who visited the store, praised the inspiring teamwork and called it quite an achievement to finish as number 1 out of 250,000 learning companies in the Netherlands.



## DILEMMA

### Dilemma: more tasks or less workload?

It is important to us that colleagues be comfortable doing their jobs. But the number of tasks on the work floor is increasing, while there are not more people immediately available for these tasks. Can these coexist?

Employees in the stores are the link between customer and company. Their passion and attention to customers are of great value and make the work pleasant and special. But with rapid changes in the supermarket business and increasing laws and regulations, these colleagues are being given more tasks, increasing the pressure. In short, they have to do more work with the same number of people.

What we did in 2023 was allocate extra hours to the stores. These are needed to ensure well-stocked and clean stores, where customers are welcomed in a friendly manner. We are looking intently at ways to make the work less complex. Our investments in technological innovations - for example, electronic shelf labels and self-scanning - also help.



**“Together, we get the job done, and what you get in return is a customer for life.”**

*Mohamed Es Soussi*  
BRANCH MANAGER

**AS A FAMILY BUSINESS,  
WE ALWAYS GO THE EXTRA MILE**

[Read more](#)

## As a family business, we always go the extra mile

Everything we do at Jumbo is about creating long-term value. We achieve this by responding to customer needs, engaging in smart innovation, and practicing sustainable business. We pay close attention to our costs so that we can keep our promise of 'Euros cheaper'. With technological innovations and further leveraging of our retail infrastructure, we aim to stay ahead. This benefits our partners and suppliers with whom we collaborate, our employees and shareholders, and most importantly, our customers.

**11.02**  
€ BILLION



**Consumer revenue**

Koninklijke Jumbo Food Groep B.V.

**21.1%**



**Market share**

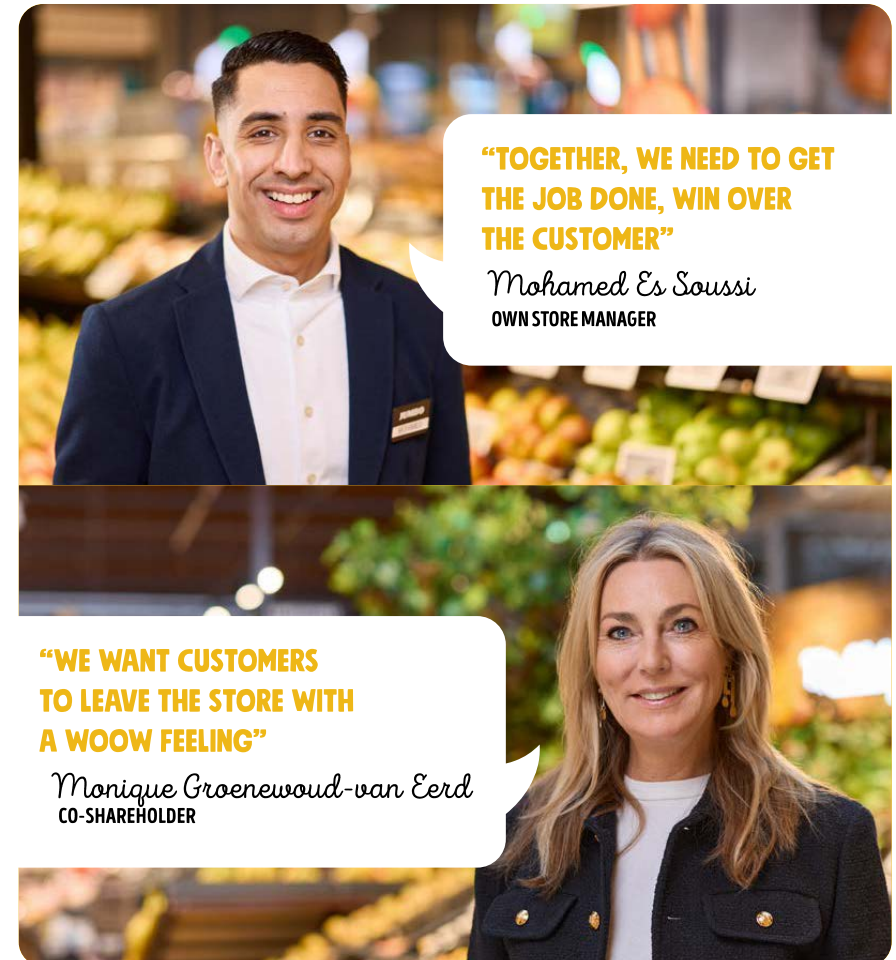
Source: NielsenIQ

**725**



**Stores**

Jumbo total



## Profitability and market share

Since 2022, we have seen that our revenue falls behind the average of the Dutch supermarket sector. This also affects our profitability, which has come under pressure. Moreover, our market share declined a bit. This prompted a further tightening of our strategic direction. Under the banner 'Jumbo as Jumbo was intended', we are putting more emphasis on the unique factors that have helped us achieve so much success since the start of our formula. We are taking new steps to deliver on our 'Euros cheaper' promise. For instance, we are implementing price cuts across the board and deploying bulk presentations for both fresh and long-life products at low prices.

### Controlling costs

We are implementing the tightened direction in conjunction with conscious policies to control costs. We implement this using the motto 'Being Very Economical' (Zeer Zuinig Zijn). Karel van Eerd, the founder of the Jumbo group who died in 2022, embraced this principle since the introduction of the Jumbo formula in 1996. We intently seek out opportunities to simplify our operations and save costs.

### Focus on core business

In 2023, we decided to stop large-scale sports sponsorship. The association of our name with skating and cycling team Team Jumbo-Visma and racing driver Max Verstappen brought us many great things. The teams and athletes we sponsored are now established names on the world stage and our own focus is emphatically on the Netherlands and Belgium. We want to commit more to local initiatives whose results customers see directly.

We also deliberately ended our partnership with Getir, the owner of flash delivery company Gorillas, in 2023. The collaboration taught us a lot. However, given the changes made to our strategy in 2022 with more focus on our core business, a longer collaboration with Getir is not necessary.

We migrated our food and recipe platform Smulweb.nl to Jumbo.com.

Mohamed Es Soussi and Monique Groenewoud-van Eerd **ABOUT CULTURE AND DNA**

“Every morning at the start of my shift, I first walk past all my colleagues in the store. I have a quick chat, ask how they are doing. Having sincere personal attention for each other, that's what I've learnt in the 18 years I've been working at Jumbo. There is a strong sense of family in this company. I sometimes tell my colleagues that there are times we see each other more often than our partners. Together, we need to get the job done, win over the customer. An optimistic attitude will give you positive energy. That is really part of the culture in this company.”



Mohamed Es Soussi  
BRANCH MANAGER

“The world around us is changing rapidly. That is why we have brought our 7 Promises more in line with the current times. We have said goodbye to certain rules and now rely more on colleagues' creativity and inventiveness to ensure that customers leave the store with a feeling of 'woow'. Because that was and still is our main goal. To make customers feel that they really come first at Jumbo. On the busiest days before Christmas and Easter, I always work in the store. That is where you really notice that it are the colleagues with direct customer contact who have to make the difference, who can positively surprise the customer. We have countless examples of how they succeed in their own way. We share the best examples in various app groups. When I read through the messages, a big smile always appears on my face.”



Monique Groenewoud-van Eerd  
CO-SHAREHOLDER

### Efficient working capital management

We carefully considered the amount of working capital we need for healthy operations. We want to reduce our working capital, which will help our debt position with the banks. One way we achieve this is by making adjustments to our inventory management. Any measures we consider must of course be in line with applicable laws and regulations, so this also applies to payment terms.

## Cooperation in procurement

Jumbo announced in September 2023 that it was joining Everest and Epic Partners, two leading international procurement organisations. As a result, we join a network of European supermarket retailers that jointly conduct price negotiations with international A-brand suppliers. The collaboration is aimed at a more equal sourcing position vis-à-vis brand suppliers and endeavours to achieve joint growth. The benefits for Jumbo lie in being better able to pursue an affordable, wide and relevant range for our customers. We expect to achieve significant economies of scale from 2024 onwards. This also provides room for further investment in product range, price, service and sustainability of our operations.

## Commercial developments

### Expansion of portfolio of stores

We continue to invest in renewing and modernising our stores. In the Netherlands, 38 stores were adapted to the latest customer wants and needs in 2023. In the process, we also applied various measures for more sustainable operations.

The Dutch store portfolio stood at 692, up from 685 stores at the end of 2022. The new stores include ten former Jan Linders supermarkets in Noord-Brabant, Limburg and Gelderland.

Seven new stores were opened in Belgium in 2023. We closed our store in Zonhoven due to insufficient future prospects. At the end of 2023, the total number of Jumbo stores in Belgium was 33. In Belgium, Jumbo is managing to attract more and more enthusiastic customers. This translates into revenue growth above the average market growth and increasing interest in the formula among potential franchisees. Our previously set goal of having 100 Jumbo stores in Belgium in 2025 has been abandoned. We are now aiming for around 50 supermarkets by the end of 2025.

## E-commerce

The demand for the home delivery of groceries ordered online from Jumbo continued to grow in 2023. Meanwhile, revenue from e-commerce accounts for around 7% of our total revenue. With our 18 local and regional delivery hubs, we have almost complete coverage in the Netherlands. Investment in e-commerce remains relatively high, which is why the online channel is not yet profitable. We do see more and more customers doing omnichannel shopping. Precisely in this combination there are potential profit growth opportunities, as this type of customer is very loyal and spends more.

Mohamed Es Soussi and Monique Groenewoud-van Eerd **ABOUT CULTURE AND DNA**

“You have the freedom to develop your own initiatives here. As long as they are ultimately focused on the customer. Including local products in the range, for example, or products that customers from different cultural backgrounds request. Around the festive season, it was once again wildly busy. I asked two colleagues to act as hostesses. Just to ask customers if they were able to find everything they were looking for, if they had decided on what to cook for their Christmas dinner. At the checkout, we help with bagging where necessary. This is how we ensure a warm relationship, a smile on the customer's face. There are so many occasions that lend themselves to this. I once changed a tyre for a customer with a full shopping trolley who discovered she had a flat tyre. She was surprised and elated at the same time. For me, it was a small effort, but what you get back is a customer for life.”



Mohamed Es Soussi  
BRANCH MANAGER

“As a co-shareholder, I focus mainly on maintaining the unique Jumbo culture, our special DNA. The sense of family is a real differentiating factor. It is the way we work together, paying attention to each other, building together with everyone from their own role. Sometimes it's about little things, like having a biscuit with our coffee. As long as there is warmth from it, that people feel comfortable and secure, with room for fun and enjoyment. We want to convey that feeling, that culture, to our employees and thus also to our customers. We encourage this with training courses and workshops. But the most important thing is to talk to each other about it all the time. This is how we stay alert to what makes us different.”



Monique Groenewoud-van Eerd  
CO-SHAREHOLDER

Jumbo Bezorgeloos, an attractively priced subscription for home delivery or picking up your groceries at a Pick Up Point, has been further rolled out in 2023, making it now available to all customers in the Netherlands. The number of online customers with a Bezorgeloos subscription grew by more than a quarter. These subscribers spend conspicuously more and do more shopping online than online customers without a Bezorgeloos subscription.

The revenue growth in the online business market continues to grow strongly, by over 40% in 2023. This is directly linked to the continued rise in the number of business customers. This is noticeable in the main sales markets: healthcare institutions, childcare, education and SME offices. The latter segment has seen the strongest growth.

## La Place

Foodservice formula La Place had a good year. Both revenue and profit contribution increased compared to last year. Patrons of the hospitality sector are enthusiastic about the 'good food fast' offering. In 2023, La Place added four new locations: one at Schiphol Airport, one at Google's regional office in Boston, Massachusetts, one in Alkmaar and one in Hilversum. The latter two locations are pilot restaurants in HEMA stores. Unlike in La Place's self-service restaurants, under this new concept, all orders are freshly prepared for consumption on the spot or to take away. In early 2024, La Place, HEMA and Jumbo will evaluate the results of the pilot.

## Innovation

### Smarter systems

Across the organisation, we are moving to the latest generation of SAP in phases. This has largely already taken place in the Finance department. Also in 2023, the Jumbo Tech Campus put a lot of energy into the development and delivery of the SAP software tool Unified Demand Forecast (UDF). This application makes it possible to predict customer demand more accurately using statistical algorithms and historical data, allowing for even better tailoring of the stocking of stores to customer demand. Previously, management took place on the basis of forecasts for an entire week, but with SAP UDF this has been reduced to one day. This not only means better availability in the stores, but also ensures less wastage and leftovers.



A particularly notable innovation is the use of robotics to effectively tackle empty shelves in stores. Based on scanning data from the shelves, the robotised system provides accurate insight into the reasons for missing products. With that analysis, we can get straight to work on reducing empty shelf space. The new system has already reduced the number of empty shelves by 10%. This has a beneficial effect on revenue (loss). Moreover, this already led to an 8-point increase in our NPS score on the component of availability in the third quarter of 2023.



The introduction of electronic shelf labels (ESL), which have now been introduced in all stores, also contributes to greater efficiency, while greatly reducing the risk of incorrect pricing.

Jumbo Tech Campus developed a new delivery app for Jumbo Online in 2023. This app provides delivery drivers a high level of convenience and efficiency. It ensures shorter delivery times and also offers customers more flexible payment options. For both customer and delivery driver, it is easier to make quick adjustments.

### Jumbo Retail Media

In 2023, we introduced a dedicated self-service platform for advertisers. This offers the opportunity to set up sponsored product campaigns quickly and in a targeted manner, monitor them in real time and optimise them if necessary. This service is not only available for Jumbo.com and in the Jumbo app, but also for digital screens in the stores. By offering the combination of wide reach and unpersonalised, relevant customer data, we enable advertisers to highlight relevant products and services close to our customers' purchase moment.

### Expansion of mechanical distribution

During 2023, the processes of our mechanised central distribution centre (CDC) for 'Long life' products in Nieuwegein were further optimised. During the same period, work was carried out to build and equip the mechanised CDC for 'Fresh' products at the same site. This nationwide distribution centre for fresh products with a shelf life of eight days or longer is expected to be fully operational by spring 2024.

Work was delayed by about two months in 2023 due to the bankruptcy of main contractor ASK Romein. Jumbo managed to minimise this delay by forming its own construction team with a number of subcontractors. The building meets the requirements of the design certificate BREEAM-NL-2020 Outstanding.

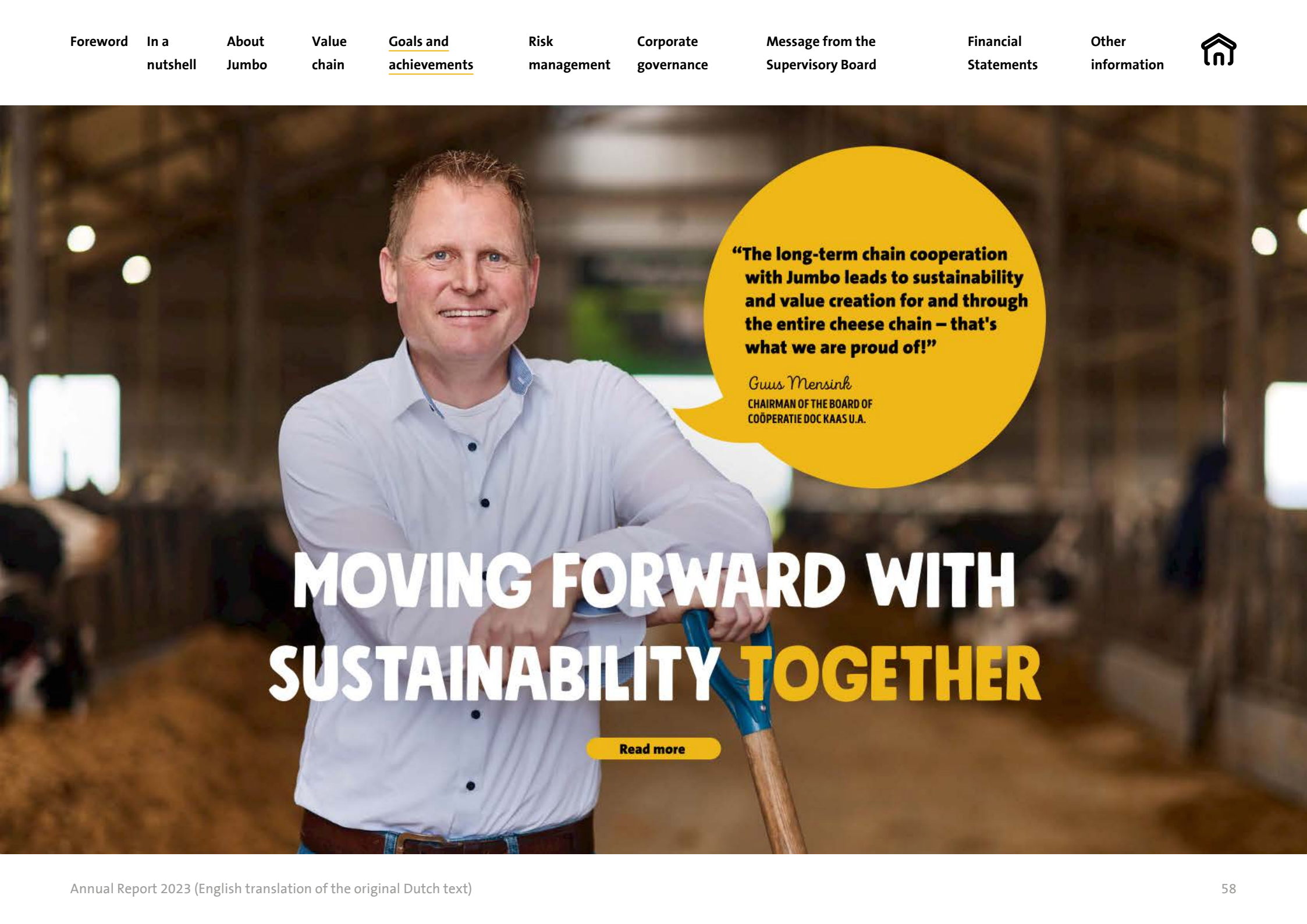


## DILEMMA

### Dilemma: fast or sustainable growth in Belgium?

Jumbo believes in the Belgian market, and the growing group of loyal customers supports us in this. But further expansion in Belgium requires substantial investment. At a time when profitability is under pressure, this is not an easy decision.

In 2023, we carefully reviewed our future plans for Jumbo Belgium. If we want to make our operations there profitable, we need critical mass. But our leeway for investment is limited and our competitors are trying to use objection procedures to prevent or delay the opening of new Jumbo stores. When we launched in Belgium in 2019, we expressed the ambition to grow to 100 stores within five years. That expectation is no longer realistic due to changing market conditions. Our faith in the Belgian market remains strong, however. We abandoned the target of 100 stores. However, we do continue to achieve sustainable growth; we now expect to have 50 stores in total by the end of 2025. We prefer to do this in close cooperation with franchisees.



**“The long-term chain cooperation with Jumbo leads to sustainability and value creation for and through the entire cheese chain – that's what we are proud of!”**

*Guus Mensink*  
CHAIRMAN OF THE BOARD OF  
COÖPERATIE DOC KAAS U.A.

# MOVING FORWARD WITH SUSTAINABILITY **TOGETHER**


[Read more](#)

## Moving forward with sustainability together

**84%** 


**Sustainable chain**

Private label product range with a sustainability certification  
**Target 2025: 100%**

**74%** 


**Animal welfare**

Share of private label product range with animal welfare certification  
**Target 2025: 100%**

**95%** 


**Fair chain**

Share of private label product range with social certification in high-risk countries  
**Target 2025: 100%**

**7,530<sup>KTON</sup>** 

**Energy and Emissions**

Kilotonnes of CO<sub>2</sub> equivalents in scope 1, 2 and 3  
**Target 2030: 3,792**

**39.4<sup>GR</sup>** 

**Packaging materials**

Average grams of packaging material/consumer unit  
**Target 2025: 36.2 g**

**1.79** 

**Food waste**

Food waste in tonnes per € 1 million revenue  
**Target 2030: 1.32 tonnes**

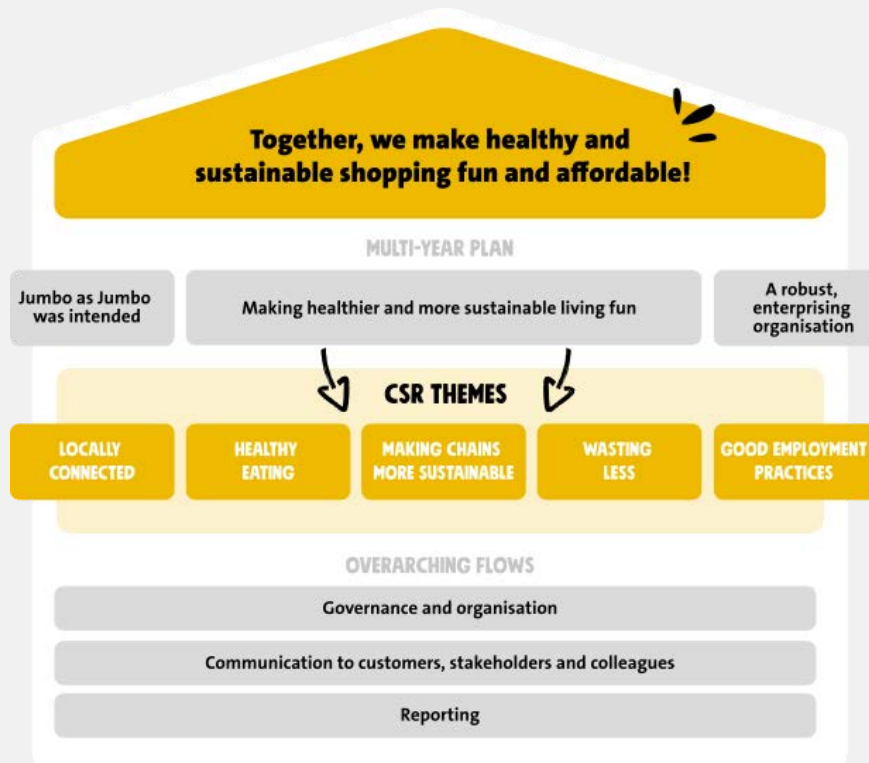
In collaboration with our suppliers and other key stakeholders such as community organisations and government bodies, we are committed to make our operations and product range more sustainable. At the core of this effort lies our CSR strategy, which is embraced throughout the organization.





## Jumbo's CSR strategy

Corporate social responsibility (CSR) is an important part of Jumbo's business operations; sustainability is embedded in our business strategy. Jumbo's CSR strategy consists of five pillars. The material themes we have identified are included in these pillars.



The principles of our CSR policy are embedded in the [CSR terms and conditions for suppliers](#) and the [Code of Conduct](#).

## Governance

Both the Jumbo Management team and Supervisory Board are closely involved in the CSR policy and its progress.

For each CSR pillar, a multidisciplinary working group (Fit for Purpose team) meets every five weeks to monitor progress and discuss relevant developments. The Fit for Purpose team CSR has an overarching role and consists of the CFO, Formula and Retail directors and senior managers for CSR, Procurement and Foodcollege/La Place. They discuss the objectives and progress of the various themes and take decisions. The Formula Director is ultimately responsible for CSR and reports directly to the CEO.

## Sustainable chain

We strive for our products to be produced in harmony with nature. Together with our suppliers, farmers and growers, we work on a range with the lowest possible negative impact on nature. Read more about our sustainable value chain policy in [Appendix 1](#).

### Sustainable chains

	Indicator	2023	Target	
			2022	2025
<b>Sustainable chain</b>	Share private label range with sustainability quality mark (as %)	84% ✓	81%	100%
<b>Cocoa*</b>	% certified according to RFA, Fairtrade, ToC or in combination with Biologisch (Organic)	99%	100%	100%
<b>Coffee*</b>	% certified according to RFA, Fairtrade or in combination with Biologisch (Organic)	98%	100%	100%
<b>Tea</b>	% certified according to RFA, Fairtrade or in combination with Biologisch (Organic)	100%	100%	100%
<b>Fish*</b>	% certified according to MSC, ASC or Global G.A.P.	98%	100%	100%
<b>Palm oil</b>	% certified according to RSPO	95%	94%	100%
<b>Soy</b>	% certified according to relevant quality mark	50%	43%	100%
<b>Fruit and vegetables</b>	% certified according to PlanetProof	100%	100%	100%
<b>Hazelnuts</b>	% certified according to RFA	99%	94%	100%
<b>Dairy*</b>	% certified according to BLK or relevant quality mark in the product groups dairy food and drinks	22%	27%	100%

*This concerns all private label products in which the ingredient makes up >2% of the recipe.  
 \*In 2023, we extended the scope of these categories to include the entire private label range.*

The share of Jumbo's private label products with a sustainability quality mark has increased compared to previous years. This is partly due to the inclusion of an expanded scope of products. Many of these products have a sustainability quality mark. This does not apply to dairy products; we report on all dairy food and drinks with regard to which the share with quality mark has declined.

We systematically identify high-risk chains. In doing so, we look for solutions, many of which boil down to shortening the chain and making it transparent. The products and ingredients must also have relevant quality marks. In addition to quality marks, we sometimes impose additional requirements to achieve further sustainability. As part of our due diligence process, we identified focus products in 2023. By focus products, we mean products where the risks to people, animals and nature are greatest and where we therefore see the greatest opportunities to make a positive impact.

Part of our focus products are our fresh products. We source these from the Netherlands as much as possible and they are mostly on the shelves under the Van Dichtbij label. Together with farmers and growers, we are working to make these products more sustainable. Step by step: feasible for the farmer, affordable for the customer. We took the following steps in 2023:

## More sustainable cheese chain

Together with Uniekaas Holland and dairy cooperative DOC Kaas, Jumbo entered into a multi-year chain cooperation. The cooperation is largely based on a comprehensive sustainability programme around the themes of animal health and welfare, climate, land use and environment and biodiversity. A good earning model for the farmer is also central to this cooperation. Dairy farmers receive a supplement on top of the milk price.

## Tessa apple

Since autumn 2023, we have exclusively been offering the new Dutch apple variety Tessa. We buy this product from some 40 Dutch farmers who grow sustainably. The Tessa apple is certified with the On the way to PlanetProof quality mark.

## Further steps

We also continue to roll out our activities within partnerships such as the Sustainable Initiative Fruits & Vegetables (SIFAV), the Floriculture Sustainability Initiative (FSI), the Living Wage Banana Commitment and the Dutch Initiative Sustainable Cocoa (DISCO). We will ensure compliance by the end of 2024 with the European Deforestation Regulation (EUDR) and are preparing for the Corporate Sustainable Due Diligence Directive (CSDDD). Finally, we are reviewing our interactive world map.

## Organic dairy pilot

We did a pilot this year around organic products with Arla Foods, Coöperatie Eko-Holland and chain organisation Bionext. This aimed to investigate how our online customers are more likely to choose organic and especially organic dairy. The pilot showed that dairy is an excellent 'entry-level' product to attract customers to other organic foods as well. We decided to continue this approach.

Mark van de Westelaken and August Offenberg **ABOUT ZONVARKEN**

“Unlike organic pork, Zonvarken has deliberately chosen circular food. The pigs are fed on residual streams, i.e. food left over in the chain. From 2024, residual streams from the Jumbo chain will also go to Zonvarken. Unsold bread, for example, which we can no longer sell as freshly made, is then incorporated into the food. It is a lot more sustainable than importing, say, organic maize from Ukraine.”



Mark van de Westelaken  
PORK PRODUCT RANGE MANAGER  
AT JUMBO

“There is a lot of overlap between organic pork and Zonvarken. We also comply with the 3-star Beter Leven label. But we go further. The piglets stay with their mothers much longer and keep the same pen all their lives. If you start moving them, they get stressed. Zonvarken is unique because we use circular food. This way we reduce CO<sub>2</sub> emissions by another 50%.”



August Offenberg  
FOUNDER OF ZONVARKEN (SUPPLIER)

## Animal welfare

It is important to us that animals have a good life. Jumbo wants to contribute to increased animal welfare by considering the health, living conditions and treatment of animals when purchasing animal products. One way we do this is via quality marks, such as the Beter Leven quality mark (BLK).

### Animal welfare

	Indicator	Target		
		2023	2022	2025
<b>Animal welfare</b>	Share private label range with animal welfare quality mark (as %)	74% ✓	65%	100%
<b>Chicken</b>	% certified according to BLK or equivalent	99%	97%	100%
<b>Pork</b>	% certified according to BLK or equivalent	89%	95%	100%
<b>Beef</b>	% certified according to BLK or equivalent	56%	15%	100%
<b>Eggs</b>	% certified according to BLK or equivalent	37%	19%	100%

*This concerns all private label products in which the ingredient makes up >2% of the recipe. In 2023, we extended the scope of these categories to include the entire private label range.*

Our guiding principle is that the animals from which our meat products, eggs and dairy products come have a good life. In 2023, the percentage of products in the Jumbo private label range with an animal welfare label increased. This is partly due to an expanded scope of products, whereby within all these categories we report on all our private label products. The strong increase in the beef category is explained by the fact that the vast majority of our frozen products and meals containing beef are BLK certified. We aim to have our private label range of animal products certified according to an animal welfare quality mark in 2025, as indicated in our [CSR terms and conditions](#). But we like to go a step further, as for pig and beef.

## Zonvarken

Since spring 2023, we have had pork products from [Zonvarken](#) on our shelves. This is an innovative Dutch concept that places very high requirements for animal welfare and attention to nature. The Dutch Society for the Protection of Animals has awarded the 3-star Beter Leven quality mark to these products.

## Dutch beef



In 2023, we started replacing Irish beef with Dutch beef. This is the beginning of a chain we are setting up, together with Dutch farmers.

## Fair chain

We do business directly and indirectly with companies in production chains around the world. We want to ensure employment, good working conditions, welfare, health and safety and equal pay for equal work. We combat child labour and forced labour. In many of our chains, we use certification to hedge certain risks.

We work together with producers and suppliers who offer their employees decent wages and good working conditions, with attention to safety, health, working hours, and prevention of child and forced labour and discrimination. This is guaranteed by quality marks such as the Business Social Compliance Initiative (BSCI) and Sedex Members Ethical Trade Audit (SMETA).

### Fair chain

Indicator	2023	2022	Target 2025
% suppliers of private label range with social quality mark in high-risk countries	95% 	90%	100%
% suppliers of private label range with social quality mark in medium-risk countries	28% 	17%	100%
% suppliers who have signed Code of Conduct	96%	81%	100%
% suppliers who have signed CSR conditions	85%	66%	100%

This year, 95% of the suppliers from designated high-risk countries have been certified, an increase of five percentage points. We have also made strides in certifications for medium-risk countries. We maintain our goal of 100% certification in 2025 and have included it as such in our CSR terms and conditions.

We conduct at least three human rights environmental impact assessments (HREIA) based on our risk analysis and methodology for selecting the HREIA, see [sustainable supply chain policy](#) for a description of these. We follow up on our action plans for [impact assessments](#)

conducted in 2023 fruit vegetables from Almeria, coconut milk from Sri Lanka, farmed prawns from Ecuador and Vietnam and mushrooms from the Netherlands. We are also following up on our action plans for [impact assessments conducted previously](#) rice from India, black tea from India, roses from Kenya, bananas from Central and South America and tomatoes from Italy.

We also redesigned the chain for cocoa and cashew nuts in 2023:

### Cocoa

Jumbo joined Tony's Open Chain, a collaborative initiative by manufacturer Tony's Chocolonely that moves parties to commit to 100% slave-free chocolate. A large part of our regular private label chocolate range, in addition to seasonal chocolate products, will be based on cocoa sourced through this initiative from mid-2024.

### Cashews

In 2023 we stopped the Asia-based processing of cashew nuts grown in Africa. The shelling of the nuts is now done locally in Tanzania, after which they are shipped directly to the Netherlands. By doing so, we not only reduce CO<sub>2</sub> emissions by 62%, we also support local communities.



## Reducing emissions, material use and waste

### Initiatives to reduce emissions

#### Energy and emissions

Jumbo's business activities contribute to global warming. We want to reduce our CO<sub>2</sub> emissions. These are greenhouse gas emissions from our buildings and from transport, known as scope 1 and 2 emissions. Energy consumption by our suppliers and greenhouse gas emissions in our supply chain fall under scope 3. Read more about our climate-conscious and future-proof way of organising in our climate plan in [Appendix 2](#).

In 2022, we joined the Science-based Target Initiative (SBTi). In 2023, we set reduction targets for scope 1, 2 and 3, which are well in line with the requirement of 1.5°C. The targets have been submitted to SBTi for validation.

#### Emissions and energy consumption

Indicator	2023	2022 (Baseline)	Target 2030
<b>Scope 1 + 2</b> Greenhouse gas emissions in tonnes of CO <sub>2</sub> e in scope 1 and 2	79 ✓	93	-85%
<b>Scope 3</b> Greenhouse gas emissions in tonnes of CO <sub>2</sub> e in scope 3	7,451 ✓	7,710	-50%

We want to reduce our own direct emissions to zero by 2040. By 2050, we want to be completely climate neutral, including in the food chains we are part of.

## Progress in scope 1 and 2

Emissions in scope 1 and 2 were reduced by 15% in 2023. This reduction is explained in part by:

#### Increasing the sustainability of real estate

Our own stores (excluding franchisees) account for 51% of our total scope 1 and 2. We therefore invest heavily in reducing our emissions by making buildings gas-free and using electricity efficiently. We tackle store renovations at franchisees, which fall in scope 3, just as thoroughly.

As a test, the sustainably remodelled Jumbo store in Bergen op Zoom was reopened in July 2023. Over 80% of the materials used are of circular origin; energy consumption is 62% lower than before refurbishment.

#### Home delivery and returns

For the home delivery of frozen food - which still accounted for 7% of our scope 1 and 2 emissions in 2022 - we now structurally use coolers with a cold element in the lid instead of dry ice which releases CO<sub>2</sub>. The coolers are safer and guarantee better insulation. Jumbo also added longer delivery slots to its planning system this year. This allows us to schedule delivery moments more efficiently, which in turn saves on kilometres travelled.

#### Scope 3 progress

The decrease in scope 3 emissions is mainly caused by a decrease in the volume of products sold. Indeed, the vast majority of our scope 3 CO<sub>2</sub> emissions come from our supply chain. Therefore, we are taking many steps here too, as part of our climate plan.

The emissions in scope 3.1 (purchased goods and services) were calculated using the weights sold (in kg) and an average emission factor per specific product. In doing so, we use external databases with emission factors. The emissions include both FLAG and non-FLAG emissions. The comparative figures have also been restated and adjusted based on this methodology.



## Collaboration with suppliers

During the Jumbo Partner Days, in September 2023, we informed the suppliers in attendance about our target for reducing CO<sub>2</sub> emissions. We also called on them at that point to map their own emissions and endorse SBTi's goals.

To help our suppliers with a common measurement methodology, we set up a Scope 3 Consortium with other retailers in 2023. The aim is to systematically collect reliable data on greenhouse gases caused by suppliers. The participating parties have launched a pilot project, which will ultimately involve around 60 suppliers, some of whom are joint suppliers. Separately from this, we launched a [webpage](#) especially for our suppliers with practical information on this topic.

To reinforce our ambition, we set up the Jumbo Impact Fund in 2023. With the Jumbo Impact Fund, we free up funding for our private label suppliers for projects that have a noticeable positive impact on CO<sub>2</sub> reduction. This helps us accelerate our climate ambitions together, for today's and future generations. From early 2024, our private label suppliers can draw on the fund.

## Stop air transport

We have made preparations to completely stop flying in potatoes, fruit and vegetables by the end of 2023. From the end of 2024, we will also stop flying in fresh and frozen fish. We are also looking at alternatives for transporting flowers from distant regions.

## Making the protein transition measurable and affordable

A diet with less animal and more plant-based food contributes to a smaller negative impact on our climate. That is why we actively support the protein transition to a more plant-based diet.

### Plant-based proteins

Indicator	Target		
	2023	2022	2030
Percentage sale plant-based proteins	39%	32%	60%


We measure progress on this using the Eiweet V2.0 method. In 2023, we sold 39% plant proteins and 59% animal proteins. Because the calculation was improved in 2023, this ratio is not easily comparable with the previous year. In 2030, 60% of the proteins we sell will come from vegetables, meat substitutes, nuts and pulses, and the remaining 40% from more sustainable animal products.

Jumbo has been actively involved in developing this standardised measurement method in collaboration with industry association CBL and organisations such as Questionmark and Natuur en Milieu. The Ministry of Agriculture, Nature and Food Quality supports the Eiweet methodology. We are continuously honing our policy on the protein transition and hold regular consultations on this with external stakeholders.

## Packaging

With the growth of food production and the demand for greater convenience, the amount of packaging and waste streams is increasing. At the same time, there is a call from society to use less packaging. At Jumbo, we are committed to reducing waste and opting for less and environmentally friendlier packaging.

### Packaging

Indicator	Target		
	2023	2022	2025
Grams of packaging material per consumer unit sold	39.4 	39.9	36.2
Easily recyclable or reusable packaging	70%	69%	100%
Recycled PET in bottles and trays	53%	51%	50%
Recycled material in other plastics	7%	7%	25%

*Primary and secondary packaging of private label products sold via branches and franchisees.*

In 2023, we further improved our data quality on packaging, making it easier to achieve future reductions in packaging. The average weight of a consumer unit sold decreased from 39.9 to 39.4 grams. We are making efforts to reduce the environmental impact of packaging and reuse waste as a raw material as much as possible:

- We comply with European rules against disposable plastic, known as the SUP directive. We do not pass these costs on to our customers.
- The packaging of our new breads (Broodgeluk) contains 8% less plastic compared to the previous packaging.
- Our organic meats are no longer packed with a plastic tray. This created a plastic reduction of over 50%.
- We said a final goodbye to free disposable bags for fruit and vegetable items on 31 July.

We prefer more sustainable materials, but opinions on what is sustainable differ. Take plastic: besides the facts, the perception of this material also plays an important role in the social debate. Packaging is also usually functional; it serves to maintain quality or extend shelf life. Yet there is no doubt that we need to move towards less and better packaging.


Therefore, preferably in cooperation with chain partners, we are committed to more recyclable and recycled packaging, reusable packaging and mono-material packaging, which consists of only one type of material and is therefore easier to sort and recycle.

We are in the process of setting new targets for packaging and circularity for the post-2025 period. In that process, we sometimes encounter dilemmas. For instance, we would like to move towards packaging-free potatoes, vegetables and fruit. But for some products, this would lead to poorer quality and more wastage throughout the fresh produce chain. This, in turn, would have a detrimental effect on reducing food wastage.

## Food wastage

Food wastage in our supply chain, distribution centres and stores, during transport and in customers' homes has a detrimental effect on the environment. We want to reduce food wastage, both in stores and during production, storage and transport.

### Food wastage

Indicator			Target
	2023	2022	2030
Food discarded (weight in tonnes) per €1 million revenue	1.79 	2.51	1.32

Food suitable for human consumption but discarded. Both in own stores and in stores of franchisees and in the Supply Chain.

In 2023, the weight of loss on bread was added. The comparative figures have also been adjusted accordingly.

#### Mark van de Westelaken and August Offenberg ABOUT ZONVARKEN

“Meat remains on the menu for many customers. And we also want to leave the world a better place for future generations. With Zonvarken, we combine those two needs. The customer response is very positive. However, capacity is still limited at the moment. We can now supply around 100 to 150 of our stores with seven Zonvarken products. In 2024, we will add BBQ sausage and smoked sausage. We are also looking at sliced meats.”



Mark van de Westelaken  
PORK PRODUCT RANGE MANAGER  
AT JUMBO

“Jumbo and supplier Van Loon really took a risk to make Zonvarken a success. Also with investments. All the parties benefit from more volume, so that we can make this an interesting business case.”



August Offenberg  
FOUNDER OF ZONVARKEN (SUPPLIER)



## Price reductions for meat substitutes

The purchase price of plant-based alternatives should not be an obstacle to reducing meat consumption. With this in mind, Jumbo reduced the prices of all meat substitutes in its private label range to or below the level of prices for animal variants in 2023. In some cases, this resulted in a halving of the selling price. This move helps to encourage a more plant-based diet and is in line with Jumbo's ambition to increase the share of non-animal proteins in its range to at least 60% by 2030. To achieve that goal, we at Jumbo also participate in the National Week Without Meat and Dairy every year. With useful tips and tasty recipes, we then additionally point our customers to plant-based alternatives.



Food wastage is down 29% compared to 2022. We are working to achieve our goals in this area by critically examining our own business processes. We try to minimise wastage in our stores and distribution centres by smart purchasing and efficient transport. In the stores, customers can buy products with today's best by date at a reduced price. For example, we started selling yesterday's bread in 2023. Wastage of bread was reduced by 42% in 2023 compared to 2022. We are also looking at how to give unsold products a new life. Since autumn 2023, we have offered Borrelbrood in Jumbo Foodmarkets, a tasty, freshly prepared snack made from unsold La Place bread. We process unsold croissants into a tasty bread pudding in the Jumbo Foodmarket.

Products that still remain will find their way to one of the food banks we work with.

Wastage also takes place in consumers' homes. We want to help and inspire our customers to throw away less food, by providing recipes and tips on packaging, Jumbo.com and in our magazine, for example. We also work with our supply chain partners to further reduce food wastage in the supply chain.



## DILEMMA

### **Dilemma: plant-based or animal protein?**

The transition to a diet with more plant-based proteins has a beneficial effect on reducing harmful emissions. But are customers willing to change their habits?

Many customers are used to the taste of animal products. The idea prevails that plant-based alternatives are more expensive and less tasty. That is no longer the case, but breaking fixed habits and mindsets is not easy. Some of our customers remain reluctant. But doing nothing is not an option. We have a goal that our customers will gradually get used to and appreciate more plant-based food in the long run. We encourage this by constantly improving and expanding our product range. By including more and more vegetarian and vegan recipes in our magazine and on Jumbo.com. And by inspiring customers with new flavours and nutrition tips during the National Week Without Meat & Dairy.



# Risk management

**Jumbo wants to make a difference in the Dutch supermarket industry by exceeding customer expectations. Our success is largely based on our ambition and motives, the quality of our employees and franchisees and our strength to identify and seize opportunities together. We realise that we also face risks in our operations. It is important to identify and respond to potential risks immediately to achieve our strategic objectives. Therefore, this is an integral part of our daily way of working.**

## Remediation plan

For Jumbo, effective risk management is very important. In 2022, this became clear once again following the investigation by the Public Prosecutor's Office (OM), which also involved our co-shareholder and former managing director Frits van Eerd. The investigation - which is ongoing - does not focus on Jumbo itself, but does reflect on us. In 2023, the Internal Audit & Risk (IA&R) department, which performs the Internal Audit function within Jumbo, prepared a remediation plan. This was conducted following KPMG's 2022 forensic investigation. That forensic investigation did not reveal any criminal offences. However, vulnerabilities were identified in relation to some internal processes and procedures, which led to the remediation plan, which provides for their tightening. IA&R did that in close cooperation with the Management team and the Audit Committee of the Supervisory Board. In response to this plan, some internal processes and procedures were tightened. Follow up is coordinated by IA&R and reported quarterly to the board and Audit Committee. By the end of December 2023, the implementation of this plan was fully completed. Further monitoring takes place via the Internal Control Framework (ICF), which includes some additional measures that are thus now a standard part of our internal control.

## Roles and responsibilities

The degree to which we are prepared to take risks is primarily the responsibility of the management team. We aim to create risk awareness and risk management in all layers of the organisation according to the 'three lines of defence' model. This helps ensure that decisions are taken on the basis of a sound consideration that is in line with our willingness to take risks. There is effective risk management if there is sufficient room for active and open dialogue with all stakeholders.

The management team and operational management - the first line - are responsible for achieving results while identifying and managing risks. As this is a potential area of tension, an ongoing dialogue on risk management is desirable. The Control, Quality, Tax and Legal & Compliance departments form the second line. They 'challenge' the operational management and provide overview and insight into the extent to which we identify, accept and manage risks. The Internal Audit & Risk department is the third line. It is responsible for independently reviewing how risks are managed. IA&R reports its findings to the management team and the Audit Committee.

## Risk management

The corporate culture, behaviour and expertise of employees together form the foundation of risk management. Jumbo uses the ICF to embed risk management in the organisation. Important in this regard is the healthy balance between the monitoring set up for risk management and entrepreneurship at Jumbo as a family business. The ICF also provides for measures aimed at preventing and detecting internal and external fraud. Our employees reflect on the opportunities and risks associated with realising our objectives and ambitions. This way of thinking is part of the DNA at Jumbo and, together with our 'Code geel' code of conduct, forms an important starting point for making the right decisions and weighing the risks together.

The management team sets high standards for this risk management and for the values that are important to Jumbo. It renders account on this to the Audit Committee and the Supervisory Board as a whole.

IA&R monitors the risk management process, supports in risk considerations and helps in conducting an open dialogue. IA&R performs audit and advisory work on the operations and processes. This is necessary to test whether risks are being managed. IA&R is also the driver of the continuous improvement of the ICF. To bring focus to the ICF, the top 20 risks were identified by the management team during 2023. These risks are all directly or indirectly related to the continuity of our operations, safety of employees and customers and our reputation. ICF measures are linked to the risks. These measures were largely effective and partly ineffective during 2023. Managing these 20 risks is a top priority for the management team. Headed by the IA&R department, these risks are periodically on the management agenda and project groups have been formed around the main themes. The improvement process which already has been started, has been initiated and implemented by the operational departments and is monitored periodically by IA&R.

## Key risk areas

Jumbo is willing to take responsible business risks in order to realise its strategic objectives, whereby the interests of the various stakeholders are always central and are weighed. Jumbo avoids risks related to legislation and regulations, and wants to prevent risks in relation to customer and employee safety, business continuity, and product safety and quality wherever possible. This involves a predetermined risk appetite by the management team, which is generally low.

The following is an overview of the main risks. The top 20 risks are part of this overview. In all areas, provisions and measures have been taken that limit the potentially detrimental effects of the risks.

## Strategic risks

Risk	Description and/or possible consequences	Measures
<b>Reputation</b>	Possible incidents or changes in public opinion could have serious consequences for our reputation and/or market position.	<ul style="list-style-type: none"> <li>• Culture and behaviour: Jumbo DNA</li> <li>• Jumbo's 'Code geel' code of conduct</li> <li>• Uniform internal processes and procedures</li> <li>• Managing based on score in reputation survey (Stakeholderwatch)</li> <li>• Active stakeholder management</li> <li>• Tightened internal processes and procedures following the forensic investigation by KPMG in 2022</li> </ul>
<b>Social responsibility</b>	Jumbo may not meet stakeholders' changing needs and requirements in terms of sustainability, health, working conditions, diversity & inclusiveness. Climate change is an urgent issue.	<ul style="list-style-type: none"> <li>• Managing based on score in reputation survey (Stakeholderwatch) and Jumbo Image Monitor (JIM) score</li> <li>• Monitoring the Environmental, Social &amp; Governance (ESG) Impact dashboard quarterly and adjust if necessary</li> <li>• Reporting on ESG KPIs in the annual report</li> </ul>
<b>Current events and social developments</b>	Jumbo may not respond adequately to current events and social developments that affect its operations, such as wars, increases in purchasing and energy prices (inflation), public opinion, climate and (difficult) negotiations with suppliers.	<ul style="list-style-type: none"> <li>• Identifying current events</li> <li>• Constantly considering the impact of these current events on Jumbo's operations and stakeholders and responding appropriately</li> <li>• Timely signalling of product deliverability and maintaining dialogue on this with customers and suppliers</li> <li>• Cost reduction through initiative ZZZ (Being Very Economical, in Dutch: Zeer Zuinig Zijn) and international purchasing collaborations</li> </ul>
<b>Digitalisation and technology</b>	Business models and processes could be overtaken by advanced technological developments.	<ul style="list-style-type: none"> <li>• Accelerating and investing in digital strategy and technology</li> <li>• Data analytics and artificial intelligence</li> <li>• Mechanisation CDC Nieuwegein</li> <li>• Focus on improved digital customer experience e.g. through Jumbo Extras, personal benefits and the Jumbo app</li> </ul>



Risk	Description and/or possible consequences	Measures
<b>Innovation and changing customer needs</b>	Innovation is moving along at a rapid pace and could potentially result in a limited ability to innovate and/or respond on time to the customer's changing needs.	<ul style="list-style-type: none"> <li>Identifying and responding to customer needs and trends</li> <li>Focusing on and investing in innovation and trends, especially in the areas of product range, technology, service and e-commerce</li> <li>Importance of recruiting and training colleagues with the necessary knowledge and skills</li> </ul>
<b>Competition</b>	Competition online and in stores from home and abroad and other sectors is increasing. There is also a risk that competition-sensitive information could be accessed/published without authorisation. This can have an impact on revenue, prices and market share.	<ul style="list-style-type: none"> <li>Implementation of the strategic Multi-year Plan (MYP)</li> <li>Jumbo formula and 7 Promises</li> <li>Identifying market opportunities and developments, including international purchasing</li> <li>Net Promoter Score (NPS) is part of the objectives and is discussed periodically in management team meetings</li> <li>Investing in various distinctive (online) formats</li> <li>Controlling access rights based on the authorisation matrix</li> </ul>

## Operational risks

Risk	Description and/or possible consequences	Measures
<b>Disruption of supply chain</b>	The likelihood of (natural) disasters, pandemics and man-made risks such as wars and emergencies remains. Failure to respond adequately to these risks can result in an adverse effect on the continuity of business processes. Specifically, this could, for example, lead to raw material and material shortages or supply disruptions.	<ul style="list-style-type: none"> <li>Mitigating impact due to unforeseen disruptions</li> <li>Continuity plan distribution centres including review and (partial) testing of this plan</li> <li>Focus on operational excellence to prevent or detect and correct disruptions and learn from them for the future</li> <li>Security of ICT systems</li> </ul>
<b>Labour shortage and sustainable employability</b>	This may lead to palpable shortages throughout the organisation. Recruiting and retaining colleagues with the right knowledge and skills is also a risk.	<ul style="list-style-type: none"> <li>Focus on and attention to working environment, age structure of the workforce and employment terms</li> <li>Investing in automation</li> <li>Employee Net Promoter Score (eNPS) as part of the internal objectives</li> <li>Attention to employee satisfaction and its improvement</li> <li>Active employee engagement</li> </ul>

Risk	Description and/or possible consequences	Measures
<b>Product safety and quality</b>	<p>Product safety and quality (including Jumbo Private Label and local sourcing) are top priorities. Jumbo satisfies high quality standards for product safety and quality and ensures traceability and product integrity. The inability to guarantee product safety or a change in quality perception can have serious consequences for our reputation and market position.</p>	<ul style="list-style-type: none"> <li>• Performance of external testing by IFS (International Food Standard) in stores and distribution centres; distribution centres are IFS certified</li> <li>• CSR and quality conditions, HACCP procedures, pest control and controls/audits</li> <li>• Use of labels and quality marks promotes traceability and product integrity (e.g. BLK, van Dichtbij).</li> <li>• Training and education of employees</li> <li>• Monitoring on KPIs in the recall process</li> <li>• Supplier management Jumbo Private Label through taste and quality tests, compliance with Jumbo quality conditions and minimum product group requirements</li> </ul>
<b>Safety of customers and employees</b>	<p>Because of unsafe distribution centres and/or stores, employees and potential employees may no longer be willing to work for Jumbo and customers could be put off.</p>	<ul style="list-style-type: none"> <li>• Investing in prevention (visible and invisible security)</li> <li>• Committing to detective measures in stores, distribution centres, E-Fulfilment Centres, hubs, restaurants and headquarters</li> <li>• Making the perceived safety of customers and employees measurable</li> <li>• Collaboration with organisations such as Detailhandel Nederland, CBL, Retail Security Group and affiliation to the FAD (national warning register Tackling Fraud in Retail ('Fraude Aanpak Detailhandel'))</li> <li>• Review of the RI&amp;E (Risk Inventory and Evaluation) by the branch manager</li> <li>• Assessment of safety measures in Supply Chain by Health &amp; Safety employees</li> <li>• Certified company emergency response officers employed</li> </ul>
<b>Item master data and pricing</b>	<p>Item master data are incorrect due to data entry not being correct and/or complete. This could affect excise duty payments and margins, among other things. Additionally, in-store price displays may differ from prices paid at checkout, resulting in potential reputational damage.</p>	<ul style="list-style-type: none"> <li>• Based on an overview of item master data, checks for accuracy and completeness are performed</li> <li>• Checks for anomalous item data</li> <li>• Electronic shelf labels reduce the risk of incorrect prices</li> <li>• Uniformisation of store sign</li> <li>• Reviews of store price expressions by external party</li> </ul>
<b>Cybersecurity</b>	<p>Information flows, systems and analysis tools may be insufficiently secured, allowing unauthorised access. This may result in loss of data resulting in damage to our customers and other stakeholders, as well as reputational damage to Jumbo. This could affect the continuity of business operations.</p>	<ul style="list-style-type: none"> <li>• Invest in preventive and detective measures.</li> <li>• Focus and attention on (possible) hacks, data breaches and critical security incidents</li> <li>• Educating and training employees</li> <li>• Process with regard to granting system access</li> </ul>

Risk	Description and/or possible consequences	Measures
<b>ICT systems</b>	Systems may potentially fail or upgrades to IT infrastructure may not have been performed correctly and/or completely. This directly impacts data reliability and availability.	<ul style="list-style-type: none"> <li>• Back-up and recovery procedures</li> <li>• SLA with suppliers</li> <li>• Firewalls and pentesting (testing for vulnerabilities)</li> </ul>

## Financial risks

Risk	Description and/or possible consequences	Measures
<b>Investment risk</b>	There is potential risk of extensive and multi-year investments in branch locations, Supply Chain and IT due to changing market and/or geographical and technological conditions.	<ul style="list-style-type: none"> <li>• Alignment of investment budget</li> <li>• Comprehensive analysis and research prior to investment decision</li> <li>• Internal review and agreement by, for example, Committee on Investments &amp; Franchise (CIF) before investment takes place</li> </ul>
<b>Credit risk</b>	Buyers may not be able to meet the conditions attached to the loans and credits, financing and collateral provided.	<ul style="list-style-type: none"> <li>• Periodic monitoring of the collectability of outstanding receivables from franchisees and online (B2B) customers</li> <li>• Requiring security such as mortgage registrations for immovable property, bank guarantees, pledging of assets, etc. when providing financing</li> </ul>
<b>Interest rate risk</b>	There is possible exposure to risk in relation to market interest rate developments.	<ul style="list-style-type: none"> <li>• Monitoring interest rate risk</li> <li>• Hedging of interest rate risk by derivatives</li> <li>• Updating and monitoring treasury policy</li> </ul>
<b>Liquidity risk</b>	There is a possibility that current and future liabilities and potential liabilities cannot be satisfied. This risk potentially includes currency risk, but this has limited application to Jumbo's operations.	<ul style="list-style-type: none"> <li>• Periodic monitoring of compliance with committed credit facilities</li> <li>• For more information on controlling our working capital: refer to note 25 of the financial statements</li> </ul>
<b>Fraud and loss prevention</b>	Possible fraud and/or theft of money and goods in stores, restaurants, E-Fulfillment Centres, hubs, distribution centres and headquarters.	<ul style="list-style-type: none"> <li>• Periodic assessment of the cash/goods movements</li> <li>• Cash and vault procedures are implemented and monitored, action is taken in case of deviations</li> <li>• Periodic analysis of cash register transactions</li> <li>• Collaboration with organisations such as Detailhandel Nederland, CBL, Retail Security Group, the police and affiliation to the Fraude Aanpak Detailhandel (FAD) foundation</li> </ul>

Risk	Description and/or possible consequences	Measures
<b>Payments</b>	Payments are not made on time or are incorrect, which can result in reputational damage or fines.	<ul style="list-style-type: none"> <li>Investing in securing products</li> <li>Control measures in the ICF for the prevention and detection of fraud such as the four-eyes principle</li> <li>Fraud is on the agenda of the management team and Audit Committee on a quarterly basis</li> <li>Pilot from week 3 2024 to test a range of new methods to prevent and combat shoplifting</li> </ul>
<b>Control information</b>	Financial and operational control information is incorrect and/or incomplete, preventing (timely) adjustments.	<ul style="list-style-type: none"> <li>Periodic reporting including review by CFO and financial management</li> <li>Periodic figure reviews with responsible executives of actual figures against budget, previous period and previous year, including analysis of differences</li> </ul>

## Risks in relation to legislation and regulations and compliance

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

## Additional explanation on compliance

### 'Code geel': Jumbo's code of conduct

The Jumbo code of conduct 'Code geel' was introduced in 2017. 'Code geel' contains the behaviours and forms of conduct we consider important as a company. It is our ethical compass that helps to protect Jumbo's reputation as organisation and employer. 'Code geel' provides guidelines for complying with the relevant legislation and regulations and contains provisions concerning ethical conduct, respectful cooperation and protecting company resources and information. All employees are expected to respect and comply with the 'Code geel'.

This includes timely reporting of ancillary activities and potential conflicts of interest. Compliance in all parts of the organisation is one of the objectives set by the Jumbo management team. Partly for this reason, continuous awareness raising in relation to 'Code geel' has been included in the ICF and various training courses and workshops take place annually.

### Jumbo Speak Up scheme

Via Speak Up, employees who have an employment contract with Jumbo and also other persons who perform work for Jumbo in a subordinate relationship (hereafter collectively: employees) can voice their concerns about actual or potential abuses and violations, including a violation or risk of violation of 'Code geel', applicable laws and regulations or other company regulations. An effective reporting system is essential for a healthy corporate culture. Jumbo attaches great value to honesty, integrity and transparency. That requires an open and safe working environment in which everyone feels free to speak out and report actual or possible abuses. That way, we can address problems in a timely and correct manner. Employees can make an (anonymous) report via:

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

At Jumbo, the Ethics Committee is responsible for receiving, reviewing and assessing reports made via Speak Up and oversees any investigations. Periodic reports are made from the Ethics Committee to the Ethics Board. The Ethics Board is responsible for setting Jumbo's overall Ethics policy and strategy and oversees its implementation by the Ethics Committee.

### Vision on taxation

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

Tax issues and related tax risks must be managed proactively and with sufficient safeguards. Jumbo sees paying tax as part of its day-to-day operations and as a responsibility to society.

Jumbo stands for fiscal transparency and adequate risk management, both inside and outside the Jumbo organisation, resulting in prompt and full payment of tax. This entails that:

1. the Jumbo management team believes paying tax is part of corporate social responsibility. This ensures fiscal strength in the organisation. Compliance with the Jumbo tax strategy is important and risk management in this area is highlighted.
2. Jumbo complies with the letter, purpose and spirit of the tax laws in the countries in which it operates.
3. Koninklijke Jumbo Food Groep's total taxable profit is consistent with economic and commercial business rationale and is reported in the correct legal entity and tax jurisdiction.
4. Jumbo visibly discloses its strategy on tax risk management and tax compliance, as well as the total amount of tax payments, to third parties.
5. relationships with (tax) authorities and other external stakeholders are based on transparency and mutual trust.

The full document on Jumbo's vision on taxation and Jumbo's tax strategy can be found at [jumborapportage.com/downloads](https://jumborapportage.com/downloads).



# Corporate governance

**As a family business, 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 how we manage the business and how we balance the different interests in extensive reporting to various target groups. We disclose this in a number of places, including Jumborapportage.com, Jumbo.com/nieuws, Jumbo.com and via external publications.**

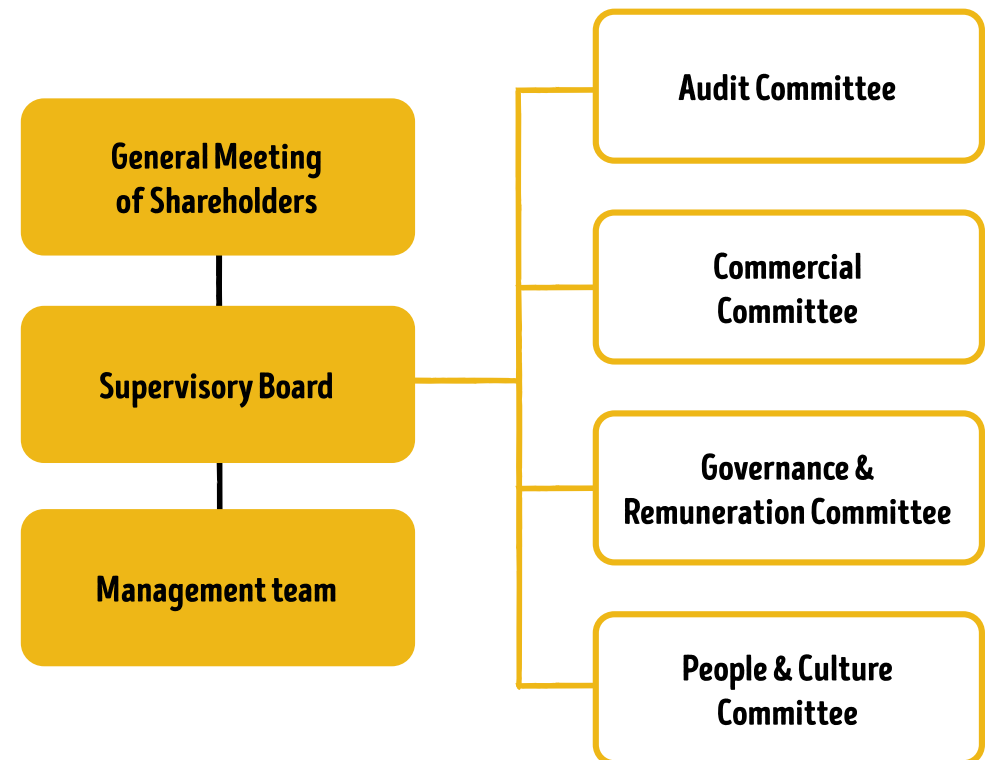
## Appointments in senior management

In March 2023, Ton van Veen was appointed Chief Executive Officer (CEO) and Colette Cloosterman-van Eerd was appointed Chair of the Supervisory Board. Ton van Veen had already led the management team on a temporary basis as delegated commissioner since September 2022. Until that time, as delegated Supervisory director, Colette Cloosterman-van Eerd acted as the link between the organisation, the Supervisory Board and the family. She also temporarily held the role of vice-chair of the Supervisory Board. Since the death of Karel van Eerd in December 2022, she has taken over the role of chairman. Following the departure of Cees van Vliet in May 2023, in June we welcomed Anrico Maat as Sales & Operations director (from 1 November, Retail director). And at the time of the departure of Commercial Director Frances Franken-Mulder in November, we announced that Jorieke de Vries would join the management team as Marketing Director.

## Protocol

During this reporting year, a protocol was established between the Van Eerd family, the Supervisory Board and the Statutory Board. As there are no longer any members of the Van Eerd family on Koninklijke Jumbo Food Groep's the Statutory Board, the protocol gives further substance to the Van Eerd family's involved shareholding in Jumbo.

The protocol includes agreements on, among other things, the allocation of roles, responsibilities and powers between the Van Eerd family, the Supervisory Board and Statutory Board, based on and building on the existing articles of association and regulations. The Supervisory Board and Statutory Board support this engaged shareholding as an essential characteristic of Jumbo as a family business.





## Corporate governance structure

Description	Consultation structure	
<b>Shareholders</b>	The Jumbo shares are fully owned by the Van Eerd family. After the death of Karel van Eerd in December 2022, the shares were divided equally among his three children Colette Cloosterman-van Eerd, Frits van Eerd and Monique Groenewoud-van Eerd. 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 once a year and shareholder meetings every four weeks.
<b>Supervisory Board</b>	Colette Cloosterman-van Eerd is Chair of the Supervisory Board. The other supervisory directors are Antony Burgmans, Piet Coelewijn, Jacqueline Hoogerbrugge and Wilco Jiskoot. All of the supervisory directors have extensive management experience. There is also a great deal of knowledge on the Supervisory Board about food retail, consumer marketing, Supply Chain management, e-commerce, digitalisation, financing, mergers and acquisitions and corporate governance.	The Supervisory Board met seven times during the reporting year. 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 executive committee during the reporting year.
<b>Audit Committee</b>	The Audit Committee is made up of Wilco Jiskoot (chair), Colette Cloosterman-van Eerd 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, sustainability topics and the internal control and risk management system. In this reporting year, special attention was devoted to following up on the recommendations from the remediation plan.
<b>Commercial Committee</b>	The Commercial Committee is made up of Colette Cloosterman-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.
<b>Governance &amp; Remuneration Committee</b>	The Governance & Remuneration Committee is made up of Antony Burgmans (chair), Colette Cloosterman-van Eerd, and Wilco Jiskoot.	The Governance & Remuneration Committee met six times during the reporting year. The Governance & Remuneration Committee supports the Supervisory Board and the shareholders in issues relating to good governance, the relationship between shareholders and the company as well as remuneration and succession issues in the Supervisory Board and the management team. During this reporting year, special attention was paid to the creation of a protocol in which agreements were made around the cooperation between the Van Eerd family, the Supervisory Board and the management team as provided for in the articles of association.



Description	Consultation structure	
<b>People &amp; Culture Committee</b>	The People & Culture Committee is made up of Piet Coelewij (chair), Colette Cloosterman-van Eerd and Jacqueline Hoogerbrugge.	The People & Culture Committee met twice during the reporting year. The People & Culture Committee supports the Supervisory Board on HR policy and culture.
<b>Management team</b>	The management team consists (as of 31 December 2023) of Ton van Veen (CEO), Peter van Erp (CFO), Ralph Bertrand (Formula), Tim Hehenkamp (Digital), Karel de Jong (Supply Chain), Anrico Maat (Retail), Claire Saes (HR) and Jorieke de Vries (Marketing).	The management team meets weekly and takes decisions on both the long-term strategy and the day-to-day implementation thereof.
<b>Company secretary</b>	Wouter Vermaas was company secretary in 2023. Wouter also holds the role of manager Legal & Compliance.	Attends management team and Supervisory Board meetings and reports.

# Personal details

## Supervisory Board

### **C.M.P.W. (Colette) Cloosterman-van Eerd (1966), Chair of the Supervisory Board from 6 March 2023**

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

She is co-owner of Koninklijke Jumbo Food Groep. She also fulfils the role of Chair of the Supervisory Board.

*Relevant ancillary positions:* board member at Topsport Community, Member of the Management team and Supervisory Board at Thuiswinkel.org, driver of NL2025, driver of the National Coalition against Loneliness, co-owner of The Duke Golf and Jumbo Golf & Hockey.

### **A. (Antony) Burgmans (1947)**

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

*Former principal position:* CEO Unilever.

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

### **P.A.J. (Piet) Coelewij (1960)**

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

*Former principal position:* CEO Wehkamp B.V.

*Relevant ancillary positions:* Member of the Supervisory Board of Royal FloraHolland and Supervisory Board of Interparking S.A., chairman of the board of directors of Sonion and non-executive director of Displaydata Ltd.

### **J.C. (Jacqueline) Hoogerbrugge (1963)**

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

*Former principal position:* President Operations Cloetta.

*Relevant ancillary positions:* Member of the Supervisory Boards at the Swedish company Dometic, the Dutch company Broadview Holding and the Portuguese company BA Glass.

### **W.G. (Wilco) Jiskoot (1950)**

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

*Former principal position:* Member of the Management team at ABN AMRO.

*Relevant ancillary positions:* member of the Supervisory Boards of HEMA and De IJsvogel Groep, member of the Advisory Board of Ocon and Quore Capital.

## Jumbo Management Team

### **A.L. (Ton) van Veen (1969)**

Position: Chief Executive Officer

Nationality: Dutch

Responsible for: directing the management team, Jumbo Belgium and La Place

*Relevant ancillary positions:* board member at CBL, board member at VGL and member Supervisory Board at HEMA.

### **P.A. (Peter) van Erp RA (1966)**

Position: Chief Financial Officer

Nationality: Dutch

Responsible for: the Finance department

*Relevant ancillary activities:* -

**R.M.J. (Ralph) Bertrand (1974)**

Position: Formula director

*Nationality:* Dutch*Responsible for:* the Formula and Quality departments**T. (Tim) Hehenkamp (1980)**

Position: Digital director

*Nationality:* Dutch*Responsible for:* E-commerce and Technology & Data department**C.J.A. (Karel) de Jong (1969)**

Position: Supply Chain director

*Nationality:* Dutch*Responsible for:* Supply Chain**A.H. (Anrico) Maat (1973)**

Position: Retail director

*Nationality:* Dutch*Responsible for:* the Sales & Operations and Merchandise departments**Mr C.P.W. (Claire) Saes (1979)**

Position: HR director

*Nationality:* Dutch*Responsible for:* the Human Resources (HR) and Legal & Compliance departments**J.S.F. (Jorieke) de Vries-Goosen (1980)**

Position: Marketing director

*Nationality:* Dutch*Responsible for:* Marketing**Central Works Council (CWC)**

R.T. Huitenga, Chair

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

G.J. Middelbos, Board member

M. de Rozario, Board member

J. Blaak, Member

J. Kamphuis, Member

R. Koudijs, Member

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

J.J.H. van Meer, Member

M.C.P. Kortman-Hopman, Official Secretary

*Composition is shown as of 1 January 2024.*



# Outlook for 2024

**In 2024, Jumbo will build on the strategy honed in the past transition year. We continue to work unabated to increase our distinctiveness in the market. Our goal is to end 2024 with improved revenue performance and profitability. Recovery of our market share in the Netherlands is also high on the agenda. All this will not be an easy task, as the turmoil in the world, our society and in the market is likely to continue.**

## Alertness

The start of our transition last financial year prompted alertness throughout the Jumbo organisation. At the administrative level, there is a certain measure of stability after the adjustments in 2023, which is an important condition to take steps forward. Our objectives with the sharpened strategy 'Jumbo as Jumbo was intended' have landed widely in the company. On many different fronts, we are working on initiatives that have a positive impact on our operations. The effects of these are not always immediately visible. The turnaround takes time and we will need that time even in 2024.

## Customer focus

At the end of 2023, employees at our more than seven hundred Jumbo stores underwent intensive training on the principles of the Jumbo DNA, the formula principles and the associated leadership characteristics. They will transfer this knowledge to all their colleagues in the new year. With refresher sessions and on-the-job coaching, we aim to reinvigorate our vision of customer orientation. All employees are encouraged to put the customer first, using Jumbo's recalibrated 7 Promises as a compass to increase customer satisfaction. We are putting a lot of time and energy into applying these updated promises to customers this year. The certainty 'Save more with us' is key in this respect. It is a requirement that our customers' price perception continues to improve in line with our EDLP strategy.

## Price cuts

The rise in product prices seen in recent years is expected to weaken further in 2024. In 2023, Jumbo already reduced the prices of a large number of products and we will continue this in 2024. In-store and online communication about the reduced price level also has our full attention. We are preparing a large-scale revamp of the Jumbo Private Label, putting even more emphasis on its good value for money. We will also continue to offer A-brands at the best price. We expect all these promotions to contribute to customers' awareness that their shopping is cheaper at Jumbo when it comes to the bottom line.

## Cost control

The focus on price forces us to pay even more critical attention to our costs than before. Offering Every Day Low Prices (EDLP) is only possible with Every Day Low Costs (EDLC). That maxim is more relevant than ever in 2024, as we face sharply higher wage costs and hefty spending on property and energy this year. Moreover, we will stop selling tobacco completely from 1 July, which will have a dampening effect on revenue. We therefore continue - under the motto of ZZZ (Being Very Economical, in Dutch: Zeer Zuinig Zijn) - to look very consciously at opportunities to simplify operations and save costs. We also expect a favourable impact from the economies of scale achieved through our collaboration with international procurement organisations Everest and Epic Partners. The expected further growth of Jumbo Retail Media, our platform for advertisers, will also benefit our results. Improving our profitability is a major priority for Jumbo for 2024. We are alert to this and will not fail to take additional measures if the situation calls for it.

## Investments

Despite the pressure on our margins, we continue to invest in expanding and updating our store portfolio in the Netherlands and Belgium, in efficient logistics and other innovative solutions, in e-commerce and in making our operations more sustainable. To strengthen our position as a leading supermarket chain, we want and need to continue this. We can only do that if our margins return to acceptable levels. In 2024, we will focus emphatically on this, including by taking a critical look at what is part of our core business and what is not. After all, to work towards healthier margins, we need focus.

## Taking responsibility

Also in 2024, our focus will be strongly on sustainability and corporate social responsibility (CSR). In 2024, we want to take further big steps towards making our operations and the food chains in which we operate more sustainable. This also means continuing to invest in local engagement and living up to our role as a socially engaged 'good neighbour'. Furthermore, we continue to take seriously our role as a good, inclusive employer. The management team at Jumbo is instrumental in putting this into practice. That is why inclusive leadership will become an integral part of their learning pathways in 2024.

## Shoplifting

In 2024, we will obviously focus on our customers as before. We will also continue to work on improving the customer experience, both in stores and online. We will address the unpleasant side effects of shopping. In 2024, for instance, tackling shoplifting will be a priority. In the Netherlands, this is a growing problem, which Jumbo is also increasingly facing. Per store, the loss due to this form of 'grey loss' is around 1% of revenue. In addition, customers and store employees face unpleasant situations. That is unacceptable, and we are therefore testing a range of new methods to prevent and fight shoplifting from January 2024. Ultimately, these should lead to reducing this unwanted cost.

## Dialogue

Many challenges await us again in 2024. Achieving the necessary transition will not always come easily. But knowing that all our employees, franchisees, investors and other stakeholders are very committed to this challenge provides a lot of confidence. We consider it important to be in dialogue with all these stakeholders, and of course with our customers. That is why we will continue to communicate openly and transparently about the steps we will take in the coming year. We confidently look forward to 2024 to successfully roll out the transition we have embarked on. With our unique Jumbo DNA *Together, Doing business, Winning*, we push forward together with all our colleagues. By focusing on 'Jumbo as Jumbo was intended', we go back to the core and really put the customer first again.



# Message from the Supervisory Board

**The Supervisory Board was closely involved in the developments around Koninklijke Jumbo Food Groep in 2023. Changes in the company's top structure also affected the composition of the Supervisory Board. Furthermore, turbulent market conditions had our full attention, obviously with an emphasis on Jumbo's performance.**

## Changes to personnel

Since 6 March 2023, the Supervisory Board has met in a changed composition. On that date, Colette Cloosterman-van Eerd took office as Supervisory Board Chair. In this role, she succeeds her father and founder of the Jumbo group Karel van Eerd, who died in late 2022. Ton van Veen had been vice-chair of the Supervisory Board since the end of March 2022 and led Jumbo's management team on a temporary basis as delegated supervisory director from September 2022. Ton van Veen was appointed Chief Executive Officer (CEO) of Jumbo on 6 March 2023. That appointment also ended Ton's work on the Supervisory Board.

The Supervisory Board is grateful to Ton van Veen for his valuable contributions as (delegated) supervisory director. It is great that, with his years of experience in the company, he was able to take over Frits van Eerd's role and now leads the board permanently. Colette's new role within the Supervisory Board is also a logical choice. It is important that the bond between the company and the Van Eerd family, who are also the shareholders, remains strong.

## Challenging market

In the past year, the Supervisory Board spoke frequently about the challenging market conditions and their impact on Jumbo's performance. We recognise that the realised revenue growth is a direct consequence of the inevitable price increases due to persistently high inflation. This situation is worrying, especially also because of declining consumer confidence. To somewhat mitigate the adverse effects of this for customers, Jumbo settled

for lower margins on essential foods and Jumbo Private Label products in particular throughout the year. The Supervisory Board understands this choice.

The situation has not yet normalised. The effects of unprecedented increases in product, rent and energy prices, in addition to the sharp rise in wages under the collective labour agreement, will continue to weigh heavily on results in the period ahead. As a result of all these external factors, Jumbo's profitability remains under pressure for the time being. The Supervisory Board is extra vigilant to this and encourages the various initiatives the management team is taking to turn the tide.

## Back to basics

As Supervisory Board, we support the sharpened strategic direction under the banner 'Jumbo as Jumbo was intended'. We endorse the current Multi-year Plan and welcome the fact that a return to Jumbo's roots - according to the Van Eerd family's philosophy - is high on the agenda. The desire to surprise the market - and especially the customer - with a high-quality and wide range, low prices and the best service remains fundamental for Jumbo and deserves extra attention. We helped think through and advise on sharpening the 7 Promises so that these promises to customers remain relevant and appropriate to the current times. Throughout the years, the Jumbo organisation has become a great deal more complex. With 'Jumbo as Jumbo was intended', the management also wants to return to an uncomplicated organisation. The tackling of organisational bottlenecks can therefore count on our support.

## Cost control

Of great importance to the Supervisory Board is ensuring healthy operations and a good long-term perspective for our stakeholders. As an EDLP formula, Jumbo is permanently forced to be very frugal and stay vigilant to opportunities to simplify operations and save costs in all business units. Jumbo's decision to join international purchasing organisations Everest and Epic Partners will lead to a more equal purchasing position relative to international A-brand suppliers, thus achieving economies of scale. Adjusting the sponsorship policy will also bring about a significant cost reduction.

## Revenue ambition

Strong revenue remains the basis for good financial results. Unfortunately, Jumbo was unable to keep up with market growth in the Netherlands in 2023, resulting in a slight drop in market share. We applaud the Jumbo management team's commitment during the year to retail execution excellence as the path to success. With the core themes of fully-stocked, friendly and clean, the store is restored to its maximum strength. The revenue planned in the 2024 annual plan is ambitious, but also demonstrates the management team's confidence in the underlying plan. Because of the positive results in the last quarter of 2023, we are optimistic about this. We are positive about the activities around Jumbo Retail Media and data monetisation, especially the revenue potential. These relatively new revenue sources should start making an increasing contribution to Jumbo's results in the future. We will continue to monitor the developments in this area with interest.

## Core business

To reduce complexity in the organisation and thereby increase decisiveness, we also scrutinised Jumbo's core business in 2023. This resulted in, among other things, a parting of ways with Getir, the owner of flash delivery company Gorillas. As a result, Jumbo can keep more focus on developing and further growing its own online business.

Jumbo's expansion plans in Belgium and the investments involved were also carefully considered. From this, we concluded that there is definitely potential in Jumbo's presence in this market, especially given the enthusiastic reception of the Jumbo formula by customers. However, the goal of opening 100 Jumbo stores in Belgium within a few years has been

abandoned. As Supervisory Board, we think it is a wise decision to aim for around 50 supermarkets by the end of 2025 and seek further cooperation with franchisees.

We are pleased with the performance of food service formula La Place, which managed to achieve increased revenue and profit contribution for 2023.

## Corporate social responsibility

The Supervisory Board discussed Jumbo's ambitions for sustainability and corporate social responsibility (CSR) many times during the 2023 session. In doing so, we continuously underline Jumbo's role in society and the related responsibility to the world around us. Among other things, we looked at the practicality and affordability of the current plans last year. Jumbo is working on sustainability in a multitude of areas. The effects of this on humans, animals and nature are gradually becoming more visible.

The increased focus on sustainability and CSR was already part of the ongoing Multi-Year Plan, but is gaining more and faster momentum with the sharpening of the strategic direction. Throughout 2023, we saw great examples of, among other things, social initiatives in which Jumbo connects with local communities. These forms of local involvement enjoy wide approval from the Supervisory Board.

## Supervisory Board meetings

During the 2023 reporting year, the focus of attention at Supervisory Board meetings was particularly on the appointments of the new Chief Executive Officer (CEO) and Chair of the Supervisory Board, the remediation plan following the investigation by KPMG in response to the investigation by the Public Prosecutor's Office, the sharpened strategic course (Jumbo as Jumbo was intended), corporate social responsibility and the procurement cooperation with Everest and Epic Partners.

The following topics also determined the Supervisory Board's agenda: the 2023 results, the financing of the business, market conditions, the results of customer and employee satisfaction surveys, risk management and control systems, integrated reporting, Jumbo's control model and other topics related to the Supervisory Board's supervisory function. The Supervisory Board approved the 2024 Year Plan, including the budget for 2024.

## Audit Committee

In 2023, 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, corporate social responsibility (including the value creation impact dashboard), the Year Plan, the audit charter, the management letter and the audit report from the external auditor, and the quarterly reports from Internal Audit & Risk, as well as the quarterly fraud reports. The Audit Committee was also involved in the implementation of the remediation plan and oversaw its completion. This plan serves to tighten up some internal processes and procedures following the KPMG forensic investigation in 2022.

## Commercial Committee

Topics discussed by the Commercial Committee in 2023 included: the sharpened strategic course (Jumbo as Jumbo was intended), brand positioning and marketing policy, the adjustment of the 7 Promises, the NPS and customer surveys, market and price developments, product range policy (including the Jumbo Private Label policy), market penetration, revenue development, price and promotional policy, omnichannel strategy, Jumbo Retail Media and data monetisation.

## Governance & Remuneration Committee

The topics discussed by the Governance & Remuneration Committee in 2023 included: governance of the company, including the relationship between shareholders, Supervisory Board and Statutory Board, appointment of the new Chief Executive Officer (CEO) and Chair of the Supervisory Board, succession planning, staffing of administrative bodies and remuneration. A protocol was also drawn up detailing the arrangements surrounding cooperation between the Supervisory Board, the Van Eerd family and the Statutory Board.

## People & Culture Committee

Topics discussed by the People & Culture Committee in 2023 included: leadership (development), Jumbo culture and DNA, talent development, adjustment of the 7 Promises, employee satisfaction (eNPS), vitality and absenteeism.

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

The 2023 financial statements are accompanied by an audit opinion from PricewaterhouseCoopers Accountants N.V.

The Supervisory Board advises the General Meeting to adopt the 2023 financial statements and add the 2023 result to the other reserves in line with the proposal from the Statutory Board. The Supervisory Board also advises the General Meeting to grant the Statutory Board discharge for the policy pursued and the Supervisory Board for the supervision exercised.

The Supervisory Board wishes to express its appreciation for the great efforts made by all employees and the management team during the year under review.

Veghel, 27 February 2024

Supervisory Board Koninklijke Jumbo Food Groep B.V.



**COLETTE  
CLOOSTERMAN-  
VAN EERD**



**ANTONY  
BURGMANS**



**PIET  
COELEWIJ**



**JACQUELINE  
HOGERBRUGGE**



**WILCO  
JISKOOT**





# Financial Statements

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## Consolidated income statement 2023

<i>in € 1,000</i>	Note	2023	2022
<b>Net revenue</b>	1	<b>8,702,453</b>	<b>8,168,494</b>
Cost of sales	2	-7,275,351	-6,810,395
<b>Gross revenue result</b>		<b>1,427,102</b>	<b>1,358,099</b>
Other operating income	4	155,149	150,135
Selling expenses	5	-1,034,670	-972,647
General and administrative expenses	6	-274,039	-259,578
<b>Total expenses</b>		<b>-1,308,709</b>	<b>-1,232,225</b>
<b>Net revenue result</b>		<b>273,542</b>	<b>276,009</b>
Amortisation of intangible assets	10	-147,485	-135,157
(Reversal of) impairments	7	-28,518	-24,464
<b>Operating result</b>		<b>97,539</b>	<b>116,388</b>
Financial income	8	1,143	11,402
Financial expenses	8	-66,397	-36,687
<b>Result before taxes</b>		<b>32,285</b>	<b>91,103</b>
Income taxes	9	-10,567	-11,423
<b>Result after taxes attributable to shareholders</b>		<b>21,718</b>	<b>79,680</b>



## Consolidated statement of comprehensive income 2023

*in € 1,000*

	Note	2023	2022
Result after taxes attributable to shareholders		21,718	79,680
<b>Results that will not be reclassified to the income statement</b>			
Actuarial results on defined benefit plans	21	-570	2,855
Taxes on changes in defined benefit plans	9	148	-738
		-422	2,117
<b>Total result</b>		<b>21,296</b>	<b>81,797</b>
<b>Total result attributable to shareholders</b>		<b>21,296</b>	<b>81,797</b>



## Consolidated balance sheet as of 31 December 2023

Before profit appropriation, in € 1,000

ASSETS	Note	31 December 2023	1 January 2023
<b>Fixed assets</b>			
Intangible assets	10	1,666,442	1,681,658
Property, plant and equipment	11	595,295	557,176
Right-of-use assets	12	1,643,483	2,429,625
Financial assets	13	130,086	130,250
Deferred tax assets	9	7,619	5,404
		<b>4,042,925</b>	<b>4,804,113</b>
<b>Current assets</b>			
Assets held for sale	14	7,055	8,449
Inventories	15	237,974	234,547
Trade and other receivables	16	409,037	435,188
Current tax assets	9	-	16,905
Cash and cash equivalents	17	36,561	33,372
		<b>690,627</b>	<b>728,461</b>
<b>TOTAL ASSETS</b>		<b>4,733,552</b>	<b>5,532,574</b>

EQUITY AND LIABILITIES	Note	31 December 2023	1 January 2023
<b>Group equity</b>	18		
Share capital		8	8
Other reserves		661,138	623,880
Retained earnings		21,718	79,680
		<b>682,864</b>	<b>703,568</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	1,431,218	2,234,035
Loans and other liabilities	20	526,453	450,459
Employee benefit obligations	21	15,990	18,840
Deferred tax liabilities	9	166,135	171,700
Provisions	22	1,256	1,616
		<b>2,141,052</b>	<b>2,876,650</b>
<b>Current liabilities</b>			
Liabilities held for sale	14	3,478	3,478
Lease liabilities	19	256,846	237,594
Loans and other liabilities	20	902	75,827
Provisions	22	276	235
Current tax liabilities	9	6,574	-
Trade and other payables	23	1,641,560	1,635,222
		<b>1,909,636</b>	<b>1,952,356</b>
<b>Total liabilities</b>		<b>4,050,688</b>	<b>4,829,006</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,733,552</b>	<b>5,532,574</b>



## Consolidated cash flow statement 2023

<i>Indirect method, in €1,000</i>	Note	2023	2022
<b>Cash flow from operating activities</b>			
<b>Operating result</b>		<b>97,539</b>	<b>116,388</b>
Adjustments for:			
Depreciation and amortisation of intangible assets, property, plant and equipment and right-of-use assets	10, 11, 12	540,031	518,418
(Reversal of) impairments	7	28,518	24,463
Result on divestments of assets		-	-1,261
Movement in right-of-use assets and lease liabilities		7,035	2,645
Movement in long-term receivables, non-current liabilities and provisions		7,237	8,234
		<b>680,360</b>	<b>668,887</b>
Movements in working capital:			
Movement in prepayments		-6,057	-
Movement in inventories		-3,427	-47,101
Movement in trade and other receivables		31,361	-48,268
Movement in trade and other accounts payable		-107	-8,836
<b>Cash flow from business operations</b>		<b>702,130</b>	<b>564,682</b>
Corporate income tax paid		5,363	-47,747
<b>Net cash flow from operating activities</b>		<b>707,493</b>	<b>516,935</b>



<i>Indirect method, in €1,000</i>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets and property, plant and equipment	10, 11	-289,528	-272,619
Divestments of intangible assets and property, plant and equipment	10, 11	7,736	3,068
Investments in right-of-use assets	12	-2,789	-2,875
Investments in assets held for sale		-	-3,316
Divestments of assets held for sale		-	29,309
Acquisition of equity interests		-168	-
Aquisition of businesses		-34,680	-16,584
Payments for long-term receivables	13	-16,924	-39,991
Repayments on long-term receivables	13	6,852	18,776
Interest received		772	1,675
<b>Net cash flow from investing activities</b>		<b>-328,729</b>	<b>-282,557</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term loans	20	100,000	175,000
Repayments on long-term loans	20	-100,000	-100,000
Payments under lease liabilities	19	-315,859	-297,414
Interest paid		-17,716	-5,297
Dividends paid for previous financial year	18	-42,000	-52,000
<b>Net cash flow from financing activities</b>		<b>-375,575</b>	<b>-279,711</b>
<b>Total net cash flow</b>		<b>3,189</b>	<b>-45,333</b>
Opening balance cash and cash equivalents		33,372	78,705
<b>Closing balance cash and cash equivalents</b>	17	<b>36,561</b>	<b>33,372</b>



## Consolidated movements in group equity 2023

The movements in group equity in 2023 are as follows (see note 18):

	Share capital	Other reserves	Retained earnings	Total group equity
<i>before profit appropriation, in € 1,000</i>				
<b>Balance at start of financial year 2023</b>	<b>8</b>	<b>623,880</b>	<b>79,680</b>	<b>703,568</b>
Result after taxes	-	-	21,718	21,718
Appropriation of profit prior financial year	-	79,680	-79,680	-
Actuarial results on defined benefit plans	-	-422	-	-422
<b>Total result</b>	<b>-</b>	<b>79,258</b>	<b>-57,962</b>	<b>21,296</b>
Dividends paid based on the result of the previous financial year	-	-42,000	-	-42,000
<b>Total movements in relationship with shareholders</b>	<b>-</b>	<b>-42,000</b>	<b>-</b>	<b>-42,000</b>
<b>Balance at end of financial year 2023</b>	<b>8</b>	<b>661,138</b>	<b>21,718</b>	<b>682,864</b>



The movements in group equity in 2022 are as follows:

	Share capital	Other reserves	Retained earnings	Total group equity
<i>before profit appropriation, in € 1,000</i>				
<b>Balance at start of financial year 2022</b>	<b>8</b>	<b>559,498</b>	<b>114,265</b>	<b>673,771</b>
Result after taxes	-	-	79,680	79,680
Appropriation of profit prior financial year	-	114,265	-114,265	-
Actuarial results on defined benefit plans	-	2,117	-	2,117
<b>Total result</b>	<b>-</b>	<b>116,382</b>	<b>-34,585</b>	<b>81,797</b>
Dividends paid based on the result of the previous financial year	-	-52,000	-	-52,000
<b>Total movements in relationship with shareholders</b>	<b>-</b>	<b>-52,000</b>	<b>-</b>	<b>-52,000</b>
<b>Balance at end of financial year 2022</b>	<b>8</b>	<b>623,880</b>	<b>79,680</b>	<b>703,568</b>





# Notes to the consolidated financial statements

## General

### The company and its activities

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

These consolidated financial statements have been prepared by the Board and signed on 27 February 2024. The 2023 annual report has been submitted to the General Meeting for adoption on 27 February 2024.

### 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 in accordance with Title 9 of Book 2 of the Dutch Civil Code (Dutch financial reporting rules).

### General principles

The recognition and measurement principles and accounting policies are explained in note 1 to 23. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

Jumbo's financial year covers 52 or 53 weeks and ends on the Sunday closest to 31 December of the applicable year. The 2023 financial year consisted of 52 weeks and ended on 31 December 2023. The comparative 2022 financial year consisted of 52 weeks. The 2022 financial year started on 3 January 2022 and ended on 1 January 2023.

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

The financial data of Koninklijke Jumbo Food Groep B.V. are incorporated in the consolidated financial statements so that using Section 2:402 of the Dutch Civil Code, an abbreviated income statement in the company financial statements suffices.

### Estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires that estimates and judgements are being made that affect the application of accounting policies, the reported values of assets and liabilities and income and expenses. The estimates and related assumptions are based on past experiences, as well as future expectations and various other factors which, given the circumstances, are considered reasonable. The results are the basis for the judgement on the carrying amount of assets and liabilities that are not readily available from other sources.

The explanation of the specific items in the financial statements to which estimates or judgements apply is included in the explanatory notes as disclosed in the financial statement items.

### Going concern

In 2023, the market was challenging, and we faced among other things an increase in rental and energy prices, price increases from suppliers, an increase in collective wages and a decrease in consumer trust. These circumstances put pressure on our margin. This is the reason that we further refined our strategy in 2023. Jumbo is working hard to return back to its basics and use 'Jumbo as Jumbo was intended' to realise this turnaround.

We continue to build on a healthy future and increase customer satisfaction, improve market share and reduce costs. As such, in 2023, we entered into a collaboration with two European purchasing organisations which will provide us significant economies of scale. At the moment there is no reason for Jumbo to conclude that its continuity is jeopardised by the social and economic situation. Jumbo continues to invest heavily in the future. The financial statements have therefore been prepared on the presumption of going concern.



## Consolidation principles

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

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

The assets, liabilities and results of subsidiaries are fully consolidated. The results of subsidiaries are included in the consolidated financial statements as of the date control over these entities has been achieved. Deconsolidation takes place when Jumbo loses control over the subsidiaries.

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

The entities in the table below are included in the consolidation in 2023. Subsidiaries are the entities in which Jumbo holds 100% of the issued shares.

Company	Registered office	2023	2022
<b>Jumbo Food B.V.</b>	Veghel	100%	100%
- Jumbo Distributiecentrum B.V.	Veghel	100%	100%
> Jumbo Logistiek Vastgoed B.V.	Veghel	100%	100%
- Jumbo Supermarkten B.V.	Veghel	100%	100%
> Jumbo Supermarkten Vastgoed B.V.	Veghel	100%	100%
> EMTÉ Supermarkten Kapelle B.V.	Veghel	100%	100%
> Jumbo Omnichannel Vastgoed B.V.	Veghel	100%	100%
- Jumbo e-fulfilment B.V.	Veghel	100%	100%
- Euroselect B.V.	Veghel	100%	100%
- Jumbo België B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 1 B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 2 B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 3 B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 4 B.V.	Brasschaat	100%	100%
> Jumbo België Franchise 5 B.V.	Brasschaat	100%	100%
- J&C Acquisition Holding B.V.	Veghel	100%	100%
<b>La Place Food Groep B.V.</b>	Veghel	100%	100%
- La Place Food B.V.	Veghel	100%	100%
- La Place Food GmbH	Montabaur	100%	100%

Koninklijke Jumbo Food Groep B.V. is the parent company of the Group. Stichting Jumbo Groep holds 100% of the issued shares and has been incorporated to represent the interests of the ultimate shareholders of Jumbo.

Jumbo has processed the following changes to the company structure in 2023:

- Koninklijke Jumbo Food Groep B.V. provided the shares of J&C Acquisition Holding B.V. to Jumbo Food B.V. on 26 January 2023.
- As of 2 October 2023, Jumbo Supermarkten B.V. acquired an immaterial interest in Epic Partners SA, located at Rue du Rhône 60, Geneva, 1204, Switzerland. The capital interest of Jumbo Supermarkten B.V. in Epic Partners SA is 5.3%.

## Business combinations

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

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

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

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

## Fair value measurement

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

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

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

### Intangible assets

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

### Property, plant and equipment

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

### Inventories

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

### Financial instruments

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



### Derivative financial instruments

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

### Foreign currencies

#### Functional currency and presentation currency

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

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

#### Conversion of transactions and balance sheet items in foreign currency

Receivables and liabilities 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 converted to 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.

### New and amended standards effective from financial year 2023

The adjustments to IFRS standards accepted by the European Union (EU) that apply to fiscal years beginning on or after 1 January 2023, have no material impact on Jumbo's consolidated financial statements. These standards include:

- IFRS 17 Insurance contracts: standard for accounting for insurance contracts. Jumbo has assessed its impact and determined that it has no material effect on the consolidated financial statements.
- Amendments to IAS 1 Presentation of financial statements: disclosure of accounting policies. This has no impact on Jumbo's consolidated financial statements.
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: definition of estimates to clarify the difference between changes in accounting policies and changes in accounting estimates.
- Amendments to IAS 12 Income taxes: the amendments limit the scope of the recognition exemption for deferred taxes relating to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 – International tax reform – pillar II models: these amendments provide a temporary exemption from the recognition of deferred taxes arising from international tax reform and disclosure requirements. The impact on Jumbo's financial statements is explained in note 9.



## New standards and amendments not yet effective

The following new standards and interpretations have been published, which are not yet applicable for the financial year beginning on or after 1 January 2023:

- Amendments to IFRS 16 Leases: clarification on how to deal with gains and variable lease payments in a sale and lease-back transaction (applicable for financial years starting from 1 January 2024).
- Amendments to IAS 1 Presentation of financial statements: clarification whether liabilities should be classified as current or non-current in the financial statements and further explanation of which accounting policies should be disclosed in the financial statements (applicable for financial years starting from 1 January 2024).
- Amendments to IAS 7 and IFRS 7 Supplier Finance: mandatory disclosure requirements regarding transparency of financing agreements with suppliers and their impact on liabilities, cash flows, and liquidity risks (applicable for financial years starting from 1 January 2024).
- Amendments to IAS 21 Lack of exchangeability: clarification on how an entity should assess whether a currency is convertible and how to determine a spot exchange rate when this is not feasible (applicable for financial years starting on 1 January 2025).

These standards and interpretations are not early adopted by Jumbo. The impact on Jumbo of the amendments to IFRS 16, IFRS 7 and IAS 1 are currently under investigation, but are not expected to have a material effect on the consolidated financial statements or transactions in the near future. The amendments to IAS 21 do not apply to Jumbo.

## Consolidated cash flow statement

The consolidated cash flow statement has been 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 operating activities, investing activities and financing activities.

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

The payment of lease instalments under lease contracts is classified as expenses from financing activities.

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



# 1. Net revenue

Net revenue (excluding VAT) realised by Jumbo and La Place consists of:

	2023	2022
Jumbo own stores (including online) the Netherlands	4,133,304	3,809,315
Jumbo distribution centres to third parties	4,348,702	4,186,475
Jumbo own stores Belgium	206,068	159,923
La Place restaurants	14,379	12,781
	<b>8,702,453</b>	<b>8,168,494</b>

Revenue realised via distribution centres to third parties mainly consists of deliveries to franchisees. Income realised by Jumbo Retail Media is included in the net revenue Jumbo own stores (including online) in the Netherlands.

## Estimates and judgments

Jumbo has several saving campaigns, such as Jumbo Extras. As part of these campaigns, consumers collect credits that can be redeemed for discounted or free products in the future. At the initial sale, the revenue will be deferred until the consumers redeem the credits for discounted or free products. When saving, the total transaction value is allocated to the Jumbo Extras credits and the products sold, based on their relative standalone selling prices. A best estimate is made regarding the percentage of credits issued which will be redeemed by consumers and what the expected redemption mix will be.

## Accounting policies

Net revenue consists of income realised by delivery of goods and services, including hospitality to consumers and retail, less discounts and excluding VAT. Income realised by Jumbo Retail Media is included in net revenue as well. Revenue is recognised based on a five-step model. Revenue realised by delivery of goods and services is recognised at an amount that reflects the consideration to which Jumbo expects to be entitled.

The net revenue related to delivery to consumers is recognised when the performance obligation is satisfied, and control has been transferred to the consumer. Regarding goods that are sold in our stores, revenue is recognised upon settlement by consumers at the cash register. Net revenue regarding delivery to franchisees and third parties is recognised when the goods leave the Jumbo distribution centre or on delivery from suppliers. Revenue from services is recognised proportionally based on the extent to which the services have been performed, taking into account the costs for services incurred up to the balance sheet date related to the estimated costs of the total services to be provided. The costs of these services are allocated to the same period.



## 2. Cost of sales

The cost of sales consists of:

	2023	2022
Cost of inventories	-6,592,835	-6,174,592
Other costs	-682,516	-635,803
	<b>-7,275,351</b>	<b>-6,810,395</b>

The cost of sales compared to net revenue has the same relative trend compared to last year.

### Estimates and judgements

When supplier contributions cannot be specifically identified in the purchase price of the delivered products, this requires the following estimates on the timing of satisfaction of performance obligations:

- sale volumes per period
- inventory per year-end
- the probability of collectability of supplier contributions

Using these estimates, supplier contributions have been allocated to cost of sales or inventory based on sale volumes and ending inventory.

### Accounting policies

The cost of sales includes the acquisition price of goods received less supplier contributions realised. In addition, the cost of sales includes costs related to operation of the distribution centres. This includes transport to the stores and depreciation expenses of property plant and equipment and right-of-use assets related to distribution centres.



### 3. Employee benefits

Employee benefits consist of:

	2023	2022
Wages	-621,871	-561,801
Social security contributions	-109,270	-101,307
Pension costs based on defined benefit plans	-512	-297
Pension costs based on defined contribution plans	-50,213	-45,818
Other employee benefits	-13,485	-14,931
	<b>-795,351</b>	<b>-724,154</b>

The employee benefits are recognised in cost of sales, selling expenses and administrative expenses in the income statement. The breakdown is as follows:

	2023	2022
Cost of sales	-170,495	-158,630
Selling expenses	-522,451	-471,259
General and administrative expenses	-102,405	-94,265
	<b>-795,351</b>	<b>-724,154</b>

Jumbo employed on average 16,017 full-time equivalents in 2023 (2022: 15,756), of whom 696 (2022: 613) were employed outside the Netherlands.

The increase in employee benefits relates to an increase in wages, which is mainly caused by an increase in collective labour agreement wages.





## 4. Other operating income

The other operating income consists of:

	2023	2022
Rental income real estate	132,462	121,998
Services provided to franchisees	15,597	13,752
Other	7,090	14,385
	<b>155,149</b>	<b>150,135</b>

The increase in other operating income is related to rental of real estate, which has increased compared to 2022 as a result of rent increases. Furthermore, the revenue decrease in other is mainly related to a decrease of supplies of store- and hospitality operations to franchisees and a decrease in sales of waste paper.

### Accounting policies

Other operating income includes results not directly related to the supply of goods or services in the normal, non-incidentual business activities. This income is allocated to the reporting period in accordance with the substance of the underlying agreements.

Rental income real estate includes income from sublease contracts that classify as operating leases. Jumbo's point of view is to not own any real estate for sales locations. Rental income real estate therefore only relates to income from sublease contracts with, mainly, franchisees where Jumbo acts as lessor.

Services provided to franchisees include fees charged to franchisees and other customers for services provided.

Other includes amongst others income of retail and hospitality operations sold to franchisees and proceeds related to the sales of assets.



## 5. Selling expenses

Selling expenses consist of:

	2023	2022
Employee benefits and other employee-related expenses	-522,451	-471,259
Depreciation expenses	-294,602	-294,382
Marketing expenses	-78,246	-87,080
Other selling expenses	-139,371	-119,926
	<b>-1,034,670</b>	<b>-972,647</b>

The increase in selling expenses is caused by an increase in employee benefits and other employee-related expenses and by an increase in other selling expenses. The increase in employee benefits is mainly attributable to higher wages due to an increase in collective labour agreement wages. Other selling expenses mainly relate to housing expenses of stores and restaurants, including energy, cleaning and maintenance expenses, that have been increased due to inflation-related costs. The increase in other selling expenses is partly offset by lower marketing expenses.

### Accounting policies

The selling expenses consist of the expenses directly and indirectly related to the sale of goods and services, including hospitality. This includes the expenses relating to the operation of the own stores and the costs incurred by the head office to support the sales activities, including marketing expenses for the own stores and the franchisees. The depreciation expenses of property plant and equipment and right-of-use assets related to store locations are included as well.



## 6. General and administrative expenses

The general and administrative expenses consist of:

	2023	2022
Employee benefits and other employee-related expenses	-102,405	-94,265
Depreciation expenses	-26,531	-27,594
Maintenance expenses	-48,741	-41,926
Lease expense real estate	-4,275	-8,097
Other general and administrative expenses	-92,087	-87,696
	<b>-274,039</b>	<b>-259,578</b>

The general and administrative expenses include mostly expenses attributable to the head office, such as employee benefits, IT expenses and other general expenses.

The increase in general and administrative expenses mainly relates to an increase in employee benefits and corresponding expenses (refer to note 3) and inflation-related increases.

The fees for external auditor PricewaterhouseCoopers Accountants N.V. ('PwC') as included in the income statement, can be summarised as follows:

	2023	2022
Audit of the financial statements	-650	-855
Other audit engagements	-63	-16
Other non-audit services	-65	-
	<b>-778</b>	<b>-871</b>

The auditor's fee will be allocated to the relevant financial year, regardless of when the services are provided. In 2023, the costs incurred for services provided by the other PwC network equal € 195 (2022: € 95). The increase is caused by the expansion in statutory audit entities in Belgium. There are no other fiscal services provided by the other PwC-network.

The fees for the statutory audit of 2022 include a one-off payment for additional audit services provided in relation to the investigation of the Public Prosecutor's Office (refer to Note 24).

### Accounting policies

The general and administrative expenses include costs incurred for managing the activities of Jumbo. Depreciation expenses for property, plant and equipment and right-of-use assets are also included, to the extent these costs do not relate to distribution centres or store locations.



## 7. (Reversal of) Impairments

The impairments including reversals consist of:

	2023	2022
Goodwill and brand names	-14,500	-
Other intangible assets	-13,147	-13,205
Property, plant and equipment	-871	-8,375
Right-of-use assets	-	-2,317
Assets held for sale	-	-567
	<b>-28,518</b>	<b>-24,464</b>

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

### Goodwill and brand names

In 2023, an impairment loss of € 14,500 was recorded with respect to the La Place brand name. Jumbo's own private label is an important part of the newly developed strategy to return to 'Jumbo as Jumbo was intended'. We have reconsidered the strategic importance of La Place, and with that, La Place is becoming more distant. As a result, the recoverable amount of the brand name is less than the current carrying amount and an impairment has been recognised. The remaining current carrying amount of the La Place brand name amounts to € 17,559 at year end 2023 and is allocated to the cash-generating unit La Place.

### Other intangible assets

Impairments mainly relate to branch locations and self-developed software. There were no reversals of impairments in 2023 (2022: €1,364).

### Property, plant and equipment

Impairments of property, plant and equipment mainly relate to building provisions and inventories. In 2023, reversals of impairments equalled €950 (2022: €4).

### Right-of-use assets

In 2023, there were no impairments related to right-of-use leases (2022: €4,307). In addition, no reversals of impairments related to right-of-use leases occurred in 2023 (2022: €1,990).

**Estimates and judgments**

Goodwill upon acquisitions is allocated to (groups of) cash-generating units that benefit from the acquisition. Jumbo has defined cash-generating units at the level of Jumbo Netherlands, Jumbo Belgium and La Place. For the exclusivity right relating to the cooperation agreement with HEMA, which is included in other intangible assets, the cash-generating unit is determined at the level of Jumbo Supermarkets. For other intangible assets, property, plant and equipment and right-of-use assets that cannot be assessed at an individual level, Jumbo has defined the related location as a cash-generating unit. The most important estimates made in determining the recoverable amount of a cash-generating unit relate to the estimated cash flows to be used, revenue multiple, discount rate, remaining useful life and growth rate included in cash flow projections, operating costs and estimates of future margins to be achieved as well as the residual value of the assets (if applicable).

The effects of rising inflation have been included in the determination of the recoverable amount of the cash-generating units. Also included as a starting point is the further growth of Jumbo Belgium with several stores per year and positive cash flows in the near future.

When determining the extent of an impairment, developments in the market area associated with a location are also taken into account.

The estimated future cash flows used in the value in use calculation are discounted using the weighted average cost of capital of 6.0% (2022: 6.0%) after tax, corresponding to 8.9% (2022: 10.1%) before tax for the Netherlands and 6.5% (2022: 6.5%) after tax and 8.6% (2022: 10.0%) before tax for Belgium.

The growth rate and allocated operating costs used in the future cash flows are related to Jumbo's strategic plan and the future expectations of the relevant store locations. The cash flow horizon applied is equal to the amortisation period on the store location, except if the store location will be sold or closed in the near future. Upon the calculation of a possible impairment, when determining cash flows we take into account replacement investments, working capital developments and a possible residual value of property, plant and equipment. To calculate the value in use of the La Place brand name, the estimated future cash flows and margins are based on the expected sales of La Place products in Jumbo stores and in La Place franchise locations. The weighted average cost of capital of the cash-generating unit La Place is 6.0% (2022: 6.0%) after tax, corresponding to 8.0% (2022: 8.0%) before tax.

The valuation models have been applied consistently. Possible adjustments in the assumptions of the calculated recoverable amount at year-end, such as an increase in the discount rate in the end value calculation by 0.5%, a decrease in the growth rate by 0.5% or a decrease in calculated revenue multiple of 1, do not result in material impairments other than those mentioned above. Furthermore, it was concluded that there is sufficient headroom in the calculations, therefore no detailed sensitivity analysis has been included.

**Accounting policies**

Goodwill and brand names are annually subjected to a so-called impairment test. In this test is calculated whether an impairment is applicable or not. An impairment occurs if the recoverable amount of a fixed asset is lower than its current carrying amount. The recoverable amount is the higher of the net realisable value and the value in use, which is the present value of the estimated future cash flows to be derived from the use of the fixed asset.

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

If the impairment test calculations indicate that impairment should occur, it is first allocated to the goodwill and brand names presented for the related cash-generating unit before the impairment is allocated to the other fixed assets.

An impairment is recognised in the income statement. In the reporting periods following an impairment, it is assessed whether there are indications that a recognised impairment of a fixed asset may have to be reversed. If such indications exist, the recoverable amount of that asset is recalculated and the carrying amount is increased to its recoverable amount. The increase in the carrying amount as a result of a reversal of an impairment is limited to the amount of the carrying amount of the asset that would apply if the original impairment had not occurred. Reversals of impairments are recognised in the income statement. For goodwill, no impairments are reversed.



## 8. Financial income and expenses

The financial income and expenses consist of:

	2023	2022
<b>Financial income</b>		
Movement in fair value of derivative financial instruments	-	6,204
Other interest income and similar proceeds	1,143	5,198
	<b>1,143</b>	<b>11,402</b>
<b>Financial expenses</b>		
Interest on lease liabilities	-37,296	-28,350
Interest on loans from credit institutions	-15,588	-4,830
Movement in fair value of derivative financial instruments	-8,422	-
Other interest expense and similar costs	-5,091	-3,507
	<b>-66,397</b>	<b>-36,687</b>
	<b>-65,254</b>	<b>-25,285</b>

The increase in financial expenses compared to prior financial year is caused by increases in market interest rates, an increase in calculated interest on lease liabilities and the movement in fair value of derivative financial instruments. The interest on loans from credit institutions also includes an amount of € 6,171 for interest received from credit institutions related to interest rate derivatives.

The other interest income and similar proceeds include in 2022 an incidental income of € 3,972 caused by an increase in discount rate applied to the other employee benefit obligations (note 21). Per year-end 2023 the applied discount rate is comparable to prior financial year. Hence, the impact on financial income and expenses is nil.

### Accounting policies

The financial income consists, among other things, of interest income on investments, interest income on financial sub-leases and fair value movements of derivative financial instruments as long as these are recognised in the result. The financial expenses consist, among other things, of interest expense on cash withdrawals, interest expenses on rental obligations regarding right-of-use assets and decreases in fair value of derivative financial instruments as long as these are recognised in the result. The result of changes in discounted cash flow regarding financial assets, provisions and other liabilities is reported as part of financial income and expenses as well. Financial income and expenses are recorded in the income statement based on the effective interest method.



## 9. Income taxes

The income taxes consist of:

	2023	2022
Current tax expense	-18,494	-29,791
Deferred tax income/(expense)	7,927	18,368
	<b>-10,567</b>	<b>-11,423</b>

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

	2023		2022	
Result before income taxes		32,285		91,103
Weighted average nominal tax rate	-26.0%	-8,395	-25.8%	-23,518
Rate changes	-8.0%	-2,599	9.4%	8,517
Other corrections	4.3%	1,395	4.0%	3,632
Adjustments of prior years	-3.0%	-968	-0.1%	-54
<b>Effective tax rate / Income taxes</b>	<b>-32.7%</b>	<b>-10,567</b>	<b>-12.5%</b>	<b>-11,423</b>

The rate changes relate to the effect of the innovation box rate benefit (Wet Vennootschapsbelasting). The innovation box tax rate is 9% compared to the 25.8% nominal tax rate in the Netherlands. The deferred tax liabilities as of year-end 2023 are stated at the decreased rate for the innovation box which runs until 2027. Compared to 2022, the tax rate benefit is reduced with one year.

The other corrections mainly concern permanent differences caused by the innovation box. In 2022, the other corrections concerned permanent differences in the innovation box and carryforward of unused tax losses of J&C Acquisition Holding B.V. regarding the expansion of the equity interest. The adjustments of prior year relate to adjustments based on the final filed returns.





## Deferred tax assets and liabilities

The deferred tax assets and liabilities are offset and presented on the balance sheet by tax jurisdiction, predominantly with a long-term nature.

The deferred tax assets at year-end 2023 consist of receivables from the Belgian and German tax jurisdiction (2022: Belgian tax jurisdiction). The movements in the deferred tax assets are as follows:

	2022		Movements during the financial year			2023	
	Receivable	Liability	Through income statement	Through OCI	Through balance of deferred tax liabilities	Receivable	Liability
Intangible assets	-40	-	-61	-	-	-	-101
Property, plant and equipment	-	-	-	-	-	-	-
Right-of-use assets	-	-13,051	-2,055	-	-29	-	-15,135
Employee benefit obligations	201	-	-205	5	-	1	-
Lease liabilities	13,095	-	2,249	-	23	15,367	-
Other assets and liabilities	-	-	-	-	-	-	-
Carryforward of losses	5,199	-	2,288	-	-	7,487	-
Netting of deferred receivables and liabilities	-13,051	13,051	-	-	-	-15,236	15,236
<b>Net deferred tax assets</b>	<b>5,404</b>	<b>-</b>	<b>2,216</b>	<b>5</b>	<b>-6</b>	<b>7,619</b>	<b>-</b>



The deferred tax liabilities at year-end 2023 consist of liabilities to the Dutch tax jurisdictions (2022: Dutch and German tax jurisdiction). The movements in the deferred tax liabilities were as follows:

	2022		Movements during financial year			2023	
	Receivable	Liability	Through income statement	Through OCI	Through balance of deferred tax assets	Receivable	Liability
Intangible assets	-12,797	204,045	-8,441	-	-	-15,161	197,968
Property, plant and equipment	-2,245	1,218	-62	-	-	-2,130	1,041
Right-of-use assets	-	616,228	-204,922	-	-29	-	411,277
Financial assets	-	3,553	368	-	-	-	3,921
Employee benefit obligations	-659	-	-1,095	152	-	-1,602	-
Provisions	-1,231	3,436	-1,104	-	-	-	1,101
Lease liabilities	-633,395	-	204,678	-	23	-428,694	-
Non-current liabilities	-7,135	-	4,218	-	-	-2,917	-
Other assets and liabilities	-2,579	411	2,200	-	-	-645	677
Reinvestment reserve	-	4,345	-1,551	-	-	-	2,794
Carryforward of losses	-1,495	-	-	-	-	-1,495	-
Balance of deferred receivables and liabilities	661,536	-661,536	-	-	-	452,644	-452,644
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>171,700</b>	<b>-5,711</b>	<b>152</b>	<b>-6</b>	<b>-</b>	<b>166,135</b>



The deferred tax liabilities for the Dutch tax jurisdiction as at year-end 2023 are recognised on balance at the nominal tax rate of 25.8% (2022: 25.8%) taking into account the effect of the lower tax rate for the innovation box rate benefit which runs until 2027.

Deferred tax assets of € 526 are short-term (2022: € 2,884) and deferred tax liabilities of € 23,731 are short-term (2022: € 30,613).

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 € 148 (2022: € 738).

## Current tax assets and liabilities

The current tax assets and liabilities relate to the tax positions of the relevant group entities, consisting of tax years not yet settled net of withholding taxes or provisional refunds.

## Fiscal unity

At the end of financial year 2023, all the Dutch group companies included in the consolidation are included in the Koninklijke Jumbo Food Groep B.V. fiscal unity for VAT as from the moment of incorporation or acquisition, with the exception of Euroselect B.V.

At the end of financial year 2023, all the Dutch group companies included in the consolidation are included in the Koninklijke Jumbo Food Groep B.V. fiscal unity for income taxes as from the moment of incorporation or acquisition.

By inclusion in a fiscal unity, the group companies of Koninklijke Jumbo Food Groep B.V. are each jointly and severally liable for the tax liabilities of the relevant fiscal unity.

## Act ‘Wet minimumbelasting 2024 (“Pillar II”)

The act ‘Wet minimumbelasting 2024 (“Pillar II”)' is adopted in the Netherlands on 19 December 2023. Jumbo falls within the scope of this legislation. The act takes effect from 31 December 2023 and is applicable for financial years beginning on or after 31 December 2023. Jumbo has applied the mandatory temporary exemption to recognise and disclose information on deferred tax positions relating to Pillar II, as included in the amendments to IAS12 issued in May 2023.

Based on this legislation, Jumbo is liable to pay an additional tax for the difference between the effective tax rate, per tax jurisdiction as calculated under Pillar II, and the minimum rate of 15%.

Jumbo operates only in the Netherlands, Belgium, Germany and Denmark. These countries have a statutory tax rate higher than 15%, where there is no reliance on (fiscal) arrangements and/or exemptions that would reduce the effective tax rate below 15%. In addition, Jumbo has real presence in all jurisdictions. Therefore, there is no (objective) expectation that Jumbo will be affected by this legislation.

As part of this legislation, there are a number of safe harbour agreements including a temporary Country-by-Country Reporting (“CbCR”) safe harbour agreement. After analysis, it is concluded that Jumbo can rely on this temporary CbCR safe harbour agreement. In 2023, Jumbo has an effective tax rate (per jurisdiction) which is above the applicable transitional rate of 15% for the year.



### **Estimates and judgements**

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

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

### **Accounting policies**

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

Deferred tax assets and liabilities are recognised for temporary differences between the value of the assets and liabilities according to the accounting policies for these financial statements and the value according to tax regulations. The deferred tax assets and liabilities are calculated at the tax rates known at the end of the reporting year, at which future settlement is expected to take place. Deferred tax assets and liabilities are measured at their nominal value.

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



## 10. Intangible assets

The movements in the intangible assets for 2023 are as follows:

1. Goodwill
2. Brand names
3. Locations
4. (Internally developed) software
5. Other intangible assets

	1	2	3	4	5	Total 2023
<b>Balance at start of financial year</b>						
Cost	761,340	32,059	1,230,901	484,360	57,804	2,566,464
Accumulated amortisation and impairments	-	-	-612,795	-230,837	-41,174	-884,806
<b>Carrying amount at start of financial year</b>	<b>761,340</b>	<b>32,059</b>	<b>618,106</b>	<b>253,523</b>	<b>16,630</b>	<b>1,681,658</b>
<b>Movements during the financial year</b>						
Investments	2,479	-	29,407	98,083	877	130,846
Acquisitions through business combinations	18,995	-	12,554	-	-	31,549
Divestments	-2,480	-	-	-	-	-2,480
Amortisation	-	-	-56,110	-86,474	-4,900	-147,484
Impairments	-	-14,500	-12,461	-686	-	-27,647
	<b>18,994</b>	<b>-14,500</b>	<b>-26,610</b>	<b>10,923</b>	<b>-4,023</b>	<b>-15,216</b>
<b>Balance at end of financial year</b>						
Cost	780,335	32,059	1,272,275	578,431	55,795	2,718,895
Accumulated amortisation and impairments	-	-14,500	-680,780	-313,983	-43,189	-1,052,452
<b>Carrying amount at end of financial year</b>	<b>780,335</b>	<b>17,559</b>	<b>591,495</b>	<b>264,447</b>	<b>12,606</b>	<b>1,666,442</b>

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

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



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

The acquisitions of goodwill and locations during 2023 mainly relate to Jan Linders supermarkets. On 24 April 2023, Jumbo Supermarkten B.V. reached agreement with Jan Linders B.V. to purchase six stores. Subsequently, Jumbo Supermarkets B.V. purchased four more locations from Jan Linders B.V. on 31 August 2023. This did not concern share deals, but only the acquisition of the activities and employees of the stores.

The acquisition of these stores is in line with the strategy of Jumbo. The acquisition of the supermarket locations is in line with the growth ambitions of Jumbo and are a nice addition to our current store base. The conversion of the stores has been completed in 2023.

The total purchase price paid for acquiring the Jan Linders stores amounted to € 33,750. The acquisition resulted in an acquisition of locations, goodwill and real estate. The goodwill arising from the acquisition mainly consists of a higher revenue potential after store conversion and expected synergy benefits. The goodwill is not tax deductible.

The carrying amount of goodwill allocated to the cash-generating unit Jumbo Netherlands is € 773,845 and allocated to the cash-generating unit Jumbo Belgium is € 6,490.

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

For further disclosures of (reversal of) impairments, refer to note 7.

### Estimates and judgments

The intangible assets are amortised over the estimated useful life of the assets. In 2023, Jumbo reviewed the amortisation percentages of the intangible assets to determine if they still align with the expected economic lifespan and, consequently, the useful life. For the category of internally developed software, the amortisation rate was adjusted for assets related to the development and implementation of our S4-platform, the new generation of SAP. This resulted in lower amortisation with a total impact of € 5,000 in 2023.

The applied amortisation percentages for intangible assets, after this estimate change, amount to the following:

Goodwill	0%
Brand names	0%
Locations	5% - 20%
(Internally-developed) software	6.67% - 20%
Other intangible assets	10% - 20%

**Accounting policies****Goodwill**

Goodwill is calculated as the difference between the purchase price paid and the fair value of the acquired assets and liabilities (taking into account the valuation of locations). Goodwill is capitalised and, if applicable, reduced by accumulated impairment losses. There is no amortisation of goodwill.

Goodwill is allocated to (groups of) cash-generating units that benefit from the acquisition. Jumbo has defined cash-generating units at the level of Jumbo Netherlands, Jumbo Belgium and La Place.

**Brand names**

The valuation of the acquired brand names is based on the discounted cash flow method, using estimated future free cash flows. The brand names are capitalised and, if necessary, reduced by accumulated impairment losses. Brand names are not amortised, as they are actively used in the operations of the company both now and in the future.

**Locations**

Locations are valued at the amount of costs incurred, reduced by accumulated amortisation and accumulated impairments. Purchase prices paid for acquiring new locations are capitalised to the extent that the associated future economic benefits are expected to flow to Jumbo, and Jumbo has control over the capitalised assets. The valuation of acquired locations is based on the discounted cash flow method.

Locations are amortised on a straight-line basis assuming an expected economic life of five to a maximum of twenty years without residual value. Among the locations, key money paid for the acquisition of new locations is also included. Amortisation on these payments starts from the store opening at these locations.

**(Internally developed) software**

For incurred costs related to internally developed software, a distinction is made between expenses associated with research versus development. Capitalisation occurs only during the development phase, provided that the required criteria are met. Capitalised software is amortised in a straight-line basis over the estimated economic life, starting from the date of implementation, and, if applicable, reduced by accumulated impairment losses.

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

**Other intangible assets**

The other intangible assets consist of software purchased from third parties. Costs related to third-party purchased software are capitalised if the capitalisation criteria are met.

After initial recognition, the capitalised other intangible assets are valued at the amount of incurred costs, reduced by accumulated amortisations and accumulated impairment losses. These other intangible assets are amortised on a straight-line basis over the estimated economic life, starting from the date of implementation and, if applicable, expensed to the income statement.





# 11. Property, plant and equipment

The movements in property, plant and equipment in 2023 are as follows:

1. Land and buildings
2. Leasehold improvement
3. Equipment and installations
4. Other fixed operating assets
5. Assets under construction

	1	2	3	4	5	Total 2023
<b>Balance at start of financial year</b>						
Cost	11,118	562,082	581,884	41,713	6,692	1,203,489
Accumulated depreciation and impairments	-1,789	-241,414	-376,316	-26,794	-	-646,313
<b>Carrying amount at start of financial year</b>	<b>9,329</b>	<b>320,668</b>	<b>205,568</b>	<b>14,919</b>	<b>6,692</b>	<b>557,176</b>
<b>Movements during the financial year</b>						
Investments	-	60,868	38,417	22,513	17,733	139,531
Acquisitions through business combinations	1,863	376	892	-	-	3,131
Divestments	-	-1,456	-2,357	-168	-	-3,981
Transfers within property, plant and equipment	-	3,254	5,695	-	-8,949	-
Transfers from assets held for sale	1,393	-	-	-	-	1,393
Depreciation	-296	-48,702	-46,658	-5,430	-	-101,086
Impairments	-	-1,439	-367	-15	-	-1,821
Reversal of impairments	-	522	428	-	-	950
	<b>2,960</b>	<b>13,423</b>	<b>-3,950</b>	<b>16,900</b>	<b>8,784</b>	<b>38,117</b>
<b>Balance at end of financial year</b>						
Cost	14,374	617,423	604,986	63,995	15,477	1,316,255
Accumulated depreciation and impairments	-2,084	-283,332	-403,369	-32,175	-	-720,960
<b>Carrying amount at end of financial year</b>	<b>12,290</b>	<b>334,091</b>	<b>201,617</b>	<b>31,820</b>	<b>15,477</b>	<b>595,295</b>

The movements in property, plant and equipment in 2022 are as follows:

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

The increase in 2023 compared to 2022 is mainly related to investments in leasehold improvements, transport equipment and IT hardware, such as electronic shelf labels.

For a more detailed explanation of impairments and their reversal, please refer to note 7.

### Estimates and judgments

The property, plant and equipment is depreciated over the estimated useful life of the assets.

In 2023, Jumbo made significant progress in sustainability across various areas and further refined its sustainability objectives. Jumbo continues to invest in sustainability measures and is also prudent in managing its own business assets. As a result, Jumbo has decided to reduce the frequency of store renovations and the replacement of equipment and installations. Furthermore, Jumbo reassessed the depreciation rates of its property, plant and equipment in 2023 to ensure they still align with the expected economic life and useful life. The depreciation rates for various assets were adjusted to align with the new life cycle of stores. This mainly concerns refrigeration units and other equipment and installations that have a full life cycle. This adjustment resulted in lower depreciation expenses, with a total impact of €19,000 in 2023.

The depreciation rates of property, plant and equipment after this change in estimate are:

Land and buildings	0% - 4%
Leasehold improvements	6.67% - 10%
Equipment and installations	10% - 33.3%
Other fixed operating assets	10% - 33.3%
Assets under construction	0%

### Accounting policies

Property, plant and equipment is valued at acquisition price, less the accumulated depreciation and accumulated impairment. Linear depreciation is calculated from the date of commissioning, taking into account any residual value. No depreciation is applied to land.

Expenses for major maintenance are processed in the current carrying amount of the asset using the component approach.

Depreciation related to property, plant and equipment is accounted for within the cost of sales, selling expenses and general administrative expenses.



## 12. Right-of-use assets

The movements in right-of-use assets in 2023 are as follows:

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

	1	2	3	Total 2023
<b>Balance at start of financial year</b>				
Cost	3,404,884	58,267	15,009	3,478,160
Accumulated depreciation and impairments	-1,006,863	-38,099	-3,573	-1,048,535
<b>Carrying amount at start of financial year</b>	<b>2,398,021</b>	<b>20,168</b>	<b>11,436</b>	<b>2,429,625</b>
<b>Movements during the financial year</b>				
Investments	82,348	9,509	3,289	95,146
Acquisitions through business combinations	27,731	-	-	27,731
Terminations	-9,704	-	-	-9,704
Transfers from and to finance leases	-1,238	-	-	-1,238
Depreciation	-278,304	-10,204	-2,953	-291,461
Remeasurements	-623,742	-	17,126	-606,616
	<b>-802,909</b>	<b>-695</b>	<b>17,462</b>	<b>-786,142</b>
<b>Balance at end of financial year</b>				
Cost	2,880,279	67,776	35,424	2,983,479
Accumulated depreciation and impairments	-1,285,167	-48,303	-6,526	-1,339,996
<b>Carrying amount at end of financial year</b>	<b>1,595,112</b>	<b>19,473</b>	<b>28,898</b>	<b>1,643,483</b>



The movements in right-of-use assets in 2022 are as follows:

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



## Land and buildings

Land and buildings include leases for Jumbo, La Place and other locations, including any associated (parking) areas.

The right-of-use assets also include leases pertaining to land and buildings that are not fully used for Jumbo's regular business operations. These are leases to third parties. The carrying amount of right-of-use assets relating to these lease agreements with third parties amounts to € 20,037 (2022: € 32,519), of which € 10,690 (2022: € 16,587) involves related parties.

## Vehicles

Vehicles include lease contracts for cars and home delivery vans.

## Other operating assets

Other operating assets include the lease contracts for paper presses and solar panels.

For a further explanation of the recognition and reversal of impairments, refer to note 7. For an explanation of the related lease liabilities, refer to note 19. For off balance sheet commitments and contingencies, refer to note 24.

### Estimates and judgments

For more information on the estimates made for right-of-use assets and the change in estimate applied, which is recognised as remeasurement in the movement schedule, reference is made to note 19 Lease liabilities.

### Accounting policies

The term lease is used in relation to all forms of leases as referred to under the IFRS 16 standard. Jumbo has right-of-use assets relating to land and buildings, vehicles and other operating assets. Right-of-use assets are valued at cost, comprising the initial amount of the lease liabilities, any lease payments made at or before the commencement date, initial direct attributable costs and an estimate of costs in dismantling or restoring the underlying asset to its original condition in accordance with the terms and conditions of the lease contract. Payments by Jumbo in relation to leases at existing locations are recognised as an investment in right-of-use assets.

Right-of-use assets are reduced by accumulated straight-line depreciation and accumulated impairment losses and adjusted for any remeasurements of the lease liabilities. Depreciation is applied as of the moment the asset is ready for use. The depreciation period is set at a maximum of 10 years, which is equal to the expected term of each individual lease.



Jumbo holds several land and buildings that are not fully used for regular business operations. In these cases, Jumbo locations are subleased to third parties. The locations subleased to third parties generate rental income for Jumbo but are retained because of the strategic importance of these locations for Jumbo's business operations. Jumbo's general principle is not to own real estate for store locations. The carrying amount of right-of-use assets relating to these kinds of sublease agreements with third parties is included as part of the right-of-use assets.

Land and buildings subleased to franchisees are considered part of the normal business operations as they contribute directly to Jumbo's business operations. The right-of-use assets relating to the subleases to third parties follow the valuation method applied to all right-of-use assets for land and buildings.

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

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



## 13. Financial assets

The financial assets consist of:

	2023	2022
Loans provided	52,327	49,992
Prepaid contributions	59,620	53,563
Finance leases	8,523	8,459
Prepaid expenses	866	1,116
Fair value of derivative financial instruments	-	6,634
Other receivables	8,582	10,486
Associates	168	-
	<b>130,086</b>	<b>130,250</b>

Movements in loans provided are as follows:

	2023	2022
<b>Gross balance at start of financial year</b>	<b>50,759</b>	<b>49,899</b>
New advances	7,476	5,001
Repayments received	-5,010	-3,894
Other movements	843	-247
<b>Gross balance at end of financial year</b>	<b>54,068</b>	<b>50,759</b>
Provision	-1,741	-767
<b>Net balance at end of financial year</b>	<b>52,327</b>	<b>49,992</b>

The loans receivable concern loans to franchisees and other loans. An amount of € 1,325 is expected to be repaid in 2024 on the loans to franchisees. An amount of € 4,375 is expected to be repaid in 2024 on the other loans provided. Most of the loans to franchisees are not interest-bearing. The changes in discounted cash flow are included in the other movements. On the loans provided an amount of € 1,071 is added, an amount of € 95 is withdrawn and an amount of € 2 is released.

The movements in the prepaid contributions are as follows:

	2023	2022
<b>Gross balance at start of financial year</b>	<b>54,449</b>	<b>41,963</b>
New advances	15,505	18,663
Repayments received	-528	-635
Amortisation	-9,044	-5,542
Other movements	-	-
<b>Gross balance at end of financial year</b>	<b>60,382</b>	<b>54,449</b>
Write-down	-762	-886
<b>Net balance at end of financial year</b>	<b>59,620</b>	<b>53,563</b>

Prepaid contributions mainly relate to contributions to franchisees for renovations of stores and are amortised over the term. The decrease in newly issued prepaid contributions is temporary and is explained by a decrease in the number of ongoing projects.





Movements in finance leases are as follows:

	2023	2022
<b>Carrying amount at start of financial year</b>	<b>8,459</b>	<b>10,331</b>
Transfers from and to right-of-use use assets	1,238	1,593
Remeasurements	63	141
Terminations	-	-2,212
Repayments received	-1,314	-1,515
Interest charge	77	121
<b>Carrying amount at end of financial year</b>	<b>8,523</b>	<b>8,459</b>

Finance leases expire as follows (undiscounted):

	2023	2022
Within 1 year	1,288	1,332
Between 1 and 5 years	4,369	4,133
Later than 5 years	3,347	3,569
	<b>9,004</b>	<b>9,034</b>

The associate concerns the newly acquired interest of Jumbo in Epic Partners SA, as disclosed in the general principles. Jumbo's share in the result of Epic Partners SA is negligible.

### Estimates and judgments

Changes in discounted cash flows relating to loans provided concern interest accruals. At initial valuation, these were valued at fair value based on a discount rate of 5.2% (2022: 5.2%), being the risk-free interest rate plus a risk mark-up. Subsequent valuation is at amortised cost using the effective interest method.

Finance leases relate to leases of property and land to third parties for 75% or more of the lease period and where Jumbo passes on the lease conditions one-to-one in the sublease conditions. Thus, Jumbo acts as a lessor. In addition, Jumbo has lease contracts for the sublease of property and land to franchisees. Jumbo has assessed and concluded that these subleases are classified as operational lease contracts, as the risks and rewards associated with the lease properties are almost entirely attributed to Jumbo. For further information on the estimates related to finance lease, refer to note 19.

The associates concern the newly acquired interest of Jumbo in Epic Partners SA, as explained in the general principles. This concerns an associate where Jumbo has significant influence, as a director of Jumbo is part of the board of directors of Epic Partners SA and therefore is allowed to co-decide on policy.

**Accounting policies**

Financial assets are classified as debt instruments, derivatives (derivative financial instruments) and equity instruments. Upon initial recognition, the financial 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 recognised 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 generated cash flows 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 concern loans provided, prepaid amounts, finance leases and trade payables and other receivables. The loans provided are initially recognised at fair value and subsequently measured at amortised cost after deduction of any provisions for bad debt that are deemed necessary.

Finance leases are initially recognised at fair value and subsequently measured at amortised cost after deduction of any provisions for bad debt that are deemed necessary.

Lease income during the financial year is deducted from this financial statement item. These cash flows are discounted and the interest income is recognised in the income statement.

The associates are entities over which Jumbo has significant influence but no control. Significant influence is presumed to exist if Jumbo holds 20% or more of the voting rights or is allowed to appoint a director. Associates are recognised from the date Jumbo has significant influence until the date it ends.

The associates are accounted for using the equity-method and are valued at cost upon initial recognition. Jumbo's investments include the goodwill established at acquisition. The consolidated financial statements include Jumbo's share of comprehensive income in accordance with Jumbo's accounting policies. When Jumbo's share of losses exceeds the value of its interest in an associate, the value of the associate is written down to nil. Any further losses will no longer be taken into account, except to the extent that Jumbo has entered into an obligation or intends to recover the losses.



## 14. Assets and liabilities held for sale

Assets and liabilities held for sale consist of:

	2023	2022
<b>Assets held for sale</b>		
Intangible assets	1,081	1,081
Property, plant and equipment	2,583	3,977
Right-of-use assets	3,391	3,391
	<b>7,055</b>	<b>8,449</b>
<b>Liabilities held for sale</b>		
Lease liabilities	3,478	3,478
	<b>3,478</b>	<b>3,478</b>

The assets and liabilities held for sale mainly relate to the assets and liabilities of the locations that will be transferred to Jan Linders Supermarkten as part of the agreement to exchange several stores as agreed upon per 3 November 2021. The actual transfer of these locations will take more than one year, due to delay beyond the control of Jumbo. It is expected that these assets and liabilities will be transferred during 2024.

### Accounting policies

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

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



## 15. Inventories

Inventories consist mainly of trade goods and packaging.

The carrying amount of the inventory of trade goods that is valued at lower net realisable value totals € 19,532 (2022: € 11,898), taking into account selling costs still to be incurred.

The movements in the provision are recognised in the income statement.

### **Accounting policies**

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

The net realisable value is the estimated selling price in the ordinary course of business less the costs yet 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 inventories, this impact is negligible on the overall valuation. As such, this valuation does not differ significantly from the first-in, first-out method.



## 16. Trade and other receivables

The trade and other receivables consist of:

	2023	2022
Trade receivables	335,439	372,724
Receivables from subsequent payments	2,072	3,843
Prefinancing real estate	22,918	32,797
Prepayments and other current assets	48,608	25,824
	<b>409,037</b>	<b>435,188</b>

The trade receivables include a provision for bad debts of € 8,790 (2022: € 7,044). The decrease in trade receivables is mainly due to incidental high positions in 2022.

At year-end 2023, the trade receivables included receivables from related parties of € 97 (2022: € 41), for which no provision for bad debts has been recognised (as per 2022).

The receivables from subsequent payments are receivables from franchisees regarding payment arrangements that will be received in the upcoming year. No reliable estimate can be made of the receipts for the subsequent years and therefore, no receivable has been recognised (refer to note 24).

The prefinancing for real estate relates to real estate that is under development as of the year-end and will be settled upon completion of the project.

The prepayments and other current assets include prepaid expenses, receivables from employees and other receivables and accruals. The increase in balance compared to prior year is mainly due to rent payments made, prior to the period of use of the new distribution centre in Nieuwegein and franchisees share of savings campaigns.

### Accounting policies

The trade and other receivables are initially recognised at fair value. These short-term receivables are subsequently measured at amortised cost using the effective interest method. This is usually equal to the nominal value, less any write-downs deemed necessary for bad debt risk as disclosed in Note 25.



## 17. Cash and cash equivalents

The cash and cash equivalents are not restricted. The cash and cash equivalents consist of bank balances for an amount of € 28,834 (2022: € 27,075) and cash for an amount of € 7,727 (2022: € 6,297).

### **Accounting policies**

Cash and cash equivalents consist of cash, bank balances and term deposits with an initial term of maximum 3 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 approximately equal to the fair value. If assets cannot be freely disposed of, this is mentioned in the notes.



## 18. Group equity

### Share capital

The issued and paid-up capital at the end of the financial year 2023 consists of 8,008 ordinary shares (2022: 8,008). The nominal value per ordinary share is € 1 (one euro).

The authorised capital equals € 90, comprising of 90,000 ordinary shares, each € 1 (one euro).

All shares are entitled to dividend.

### Other reserves

The other reserves are retained by Jumbo based on statutory agreements. The balance is at disposal of the shareholders except for the legal reserves based on Dutch legislation, as mentioned in note 5 of the company-only balance sheet disclosures.

The dividend payment to Stichting Jumbo Groep in 2023 equals € 42,000 and relates to the 2022 net result of € 79,680. In 2022, a dividend of € 52,000 was paid related to the 2021 net result of € 114,265.

The dividend paid in 2023 (based on the 2022 result) was mainly used by shareholders to pay necessary inheritance and other taxes related to the passing of Mr Karel van Eerd at the end of 2022. For the current year, shareholders have decided to refrain from any dividend (based on the 2023 result), given the challenging market conditions and associated pressure on Jumbo's earnings.

The movements in the other reserves have been set out in the consolidated movement of group equity.

### Retained earnings

The retained earnings consist of the total result remaining after the payment of dividend. The balance is at disposal of the shareholders. The movements in retained earnings are set out in the consolidated movements of group equity.

### Profit and dividend per share

	2023	2022
Weighted average number of shares	8,008	8,008
Ordinary earnings per share (x €1)	2,712	9,950
Diluted earnings per share (x €1)	2,712	9,950
Dividend per share (x €1)	5,245	6,494

#### Accounting policies

Issued financial instruments are classified as equity or financial liability based on the economic reality of the contractual conditions of the instrument. Issued ordinary shares are classified as group equity. Costs that are directly attributable to the issuance of ordinary shares are subtracted from group equity, after deduction of any taxes.



## 19. Lease liabilities

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

	2023	2022
<b>Non-current lease liabilities</b>		
Land and buildings	1,393,998	2,214,670
Vehicles	10,756	9,528
Other operating assets	26,464	9,837
	<b>1,431,218</b>	<b>2,234,035</b>
<b>Current lease liabilities</b>		
Land and buildings	244,875	226,199
Vehicles	9,305	10,087
Other operating assets	2,666	1,308
	<b>256,846</b>	<b>237,594</b>
<b>Total lease liabilities</b>	<b>1,688,064</b>	<b>2,471,629</b>

The movements in the lease liabilities are as follows:

	2023	2022
<b>Balance at start of financial year</b>	<b>2,471,629</b>	<b>2,547,111</b>
Investments	93,021	69,164
Acquisitions through business combinations	27,731	8,447
Terminations	-10,898	-13,778
Transfers to liabilities held for sale	-	-1,636
Remeasurements	-605,391	131,385
Repayments	-325,324	-297,414
Changes in discounted cash flow	37,296	28,350
	<b>-783,565</b>	<b>-75,482</b>
<b>Balance at end of financial year</b>	<b>1,688,064</b>	<b>2,471,629</b>



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

	2023	2022
Own use	926,286	955,168
Sublease to franchisees and third parties	647,052	632,292
<b>Lease liabilities for non-cancellable lease terms</b>	<b>1,573,338</b>	<b>1,587,460</b>
Lease liabilities with extension options to be exercised	114,725	884,169
<b>Total lease liabilities</b>	<b>1,688,064</b>	<b>2,471,629</b>

For further explanation of the rental payments to be received from franchisees and third parties in relation to financial leases, refer to note 13 and for an explanation of operational leases, refer to the off-balance-sheet receivables in note 24.

The lease liabilities mature as follows (not discounted):

	2023	2022
Within 1 year	331,966	267,920
Between 1 and 5 years	1,049,531	1,120,676
Later than 5 years	540,451	1,265,489
	<b>1,921,948</b>	<b>2,654,085</b>

This amount is determined based on the amounts still to be paid as of the balance sheet date for the remaining term of the lease liabilities. The amounts disclosed reconcile to the contractual cash flows as of the balance sheet date as disclosed in note 25.

Costs for leases with a term of less than 1 year or a value of less than €5 are recognised in the income statement for an amount of € 14,460 (2022: € 16,843) and € 5,094 (2022: € 3,691) respectively. These costs relate to the lease of land and buildings, vehicles such as cars and trucks, internal transport such as forklift trucks, store automation, copying equipment and other machinery and equipment.

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 an amount of € 2,125 (2022: € 2,134) in 2023. These costs relate to leases for office buildings where part of the lease payable is related to the revenue achieved by Jumbo and/or La Place at such a location.

The total lease commitment includes an amount of € 175,984 (2022: € 284,245) relating to lease liabilities with related parties regarding the lease of a number of Jumbo and La Place store locations, a number of distribution centres, the head office of Jumbo and solar panels on company buildings.

For further explanation of right-of-use assets, refer to note 12 and for related off balance sheet commitments and contingencies, refer to note 24.

**Estimates and judgments**

Jumbo applies the incremental borrowing rate when discounting lease payments, taking into account the remaining term of the lease contract. The incremental borrowing rate consists of the following components: the risk-free interest rate based on Dutch government bonds, a Jumbo-specific credit mark-up and a mark-up based on the risk category of the underlying assets. The weighted average incremental borrowing rate for 2023 is 3.3% (2022: 1.2%).

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

Jumbo mainly uses store locations, being land and buildings, through lease contracts and has limited land and buildings in possession. In the Netherlands, the initial term of leases for store locations is ten years in general, with continuous extension options of five years each. In Belgium, the initial term of leases is three years in general, with continuous extension options of three years. The power to exercise extension options is mainly within Jumbo's control, as a result of legal protection for tenants. No extension options are included for La Place locations.

As mentioned in note 11, Jumbo further refined its sustainability objectives. As a result, Jumbo has decided to reduce the frequency of store renovations and to adjust the life cycle of stores. As a result, Jumbo also has reassessed the lease term and the exercise options of the lease agreements. The maximum lease term for stores in the Netherlands is adjusted from fifteen to ten years. This ten-year period is in line with the new life cycle. This change in estimate resulted in a decrease in the balance of right-to-use assets and lease liabilities with a total impact in 2023 of € 834 million and has been recognised as a remeasurement in the movement schedule.

The following maximum lease terms are applicable: ten years for Jumbo stores in the Netherlands, nine years for Jumbo stores in Belgium and ten years for La Place locations.

In addition, Jumbo has leases related to transport equipment and other operating assets which are recognised under IFRS16, assuming an average lease term of two years for transport equipment and maximum fifteen years for other operating assets. For the lease contracts related to transport equipment a portfolio approach is applied based on the average remaining lease term.



### Accounting policies

The term lease is used in relation to all forms of leases as referred to under the IFRS 16 standard. Lease liabilities are initially measured at the present value of the unpaid lease payments at the start date, discounted at the implicit interest rate. If this interest rate cannot be reliably determined, which generally is the case for lease contracts in which Jumbo acts as lessee, the incremental borrowing rate of the lessee must be used. Jumbo does not recognise lease liabilities for leases with a term of less than 12 months or a value of less than €5. The cost of the right-of-use assets is based on the amount of lease liabilities recognised.

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

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

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

Applicable rent discounts, are included in the valuation of the lease liability. Service costs are not included in the valuation of the lease liability but are recognised directly in the income statement.

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

Remeasurements of the lease liabilities arise from changes in lease payments, changes in the lease term or in the evaluation of an option to purchase the underlying asset, changes in amounts to be paid under residual value guarantees and changes in the discount rate.

The amount of the remeasurement of the lease liabilities is recognised as an adjustment to the right-of-use asset.

If the carrying amount of the right-of-use asset has been written down to zero and there is a further reduction in the lease liability, the remeasurement is recognised in the income statement.

Lease contracts with a lease term of less than 12 months or a value of less than €5, which are not recognised in accordance with IFRS 16, are recognised as expense in the income statement. The lease liabilities arising from these lease contracts are included in note 24 to the financial statements under off balance sheet commitments and contingencies. This note also includes lease contracts which are signed, but which have not yet commenced at the balance sheet date.



## 20. Loans and other liabilities

The loans and other liabilities consist of:

	2023	2022
<b>Non-current loans and other liabilities</b>		
Schuldschein	199,600	199,451
Bank loans	324,083	249,123
Liabilities related to triple-net distribution centres	983	1,885
Fair value of derivative financial instruments	1,787	-
	<b>526,453</b>	<b>450,459</b>
<b>Current loans and other liabilities</b>		
Bank loans	-	75,000
Liabilities on account of triple-net distribution centres	902	827
	<b>902</b>	<b>75,827</b>
<b>Total interest-bearing loans</b>	<b>527,355</b>	<b>526,286</b>

Movements in non-current loans and other liabilities can be represented as follows:

	2023	2022
<b>Gross balance at start of financial year</b>	<b>450,000</b>	<b>350,000</b>
Repayments	-25,000	-75,000
Increase / decrease in facility	100,000	175,000
<b>Gross balance at end of financial year</b>	<b>525,000</b>	<b>450,000</b>
Deferred bank fees	-1,317	-1,426
Other	2,770	1,885
<b>Net balance at end of financial year</b>	<b>526,453</b>	<b>450,459</b>

On 26 April 2021 Jumbo raised a Schuldschein financing with a principal amount of €200 million. This financing arrangement consists of three underlying loans, being two five-year loans and one seven-year loan. A fixed interest rate has been agreed over the entire term for a five-year loan and the seven-year loan. The other five-year loan is a loan with a floating interest rate based on the Euribor percentage plus a mark-up. This financing arrangement has been agreed with foreign banks and insurers. As of 31 December 2023, the amount is fully classified under non-current loans. The average interest rate in 2023 was 2.09% (2022: 1.12%).

The bank loans are part of the five-year financing arrangement agreed on 15 December 2020. In addition, a working capital financing was concluded on 6 December 2021, which amounted to €75 million in 2022. This was repaid in 2023 and converted into a current account facility. An interest rate equal to the Euribor rate plus a mark-up or fixed interest rate has been agreed over the full term of the financing. For the non-current bank loans, the interest rate depends on the use of the facility and the leverage ratio. From 2022 onwards, the achievement of sustainability indicators will also be taken into account when determining the interest rate. The average interest rate on the bank loans in 2023 was 2.13% (2022: 1.18%).

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

### Triple-net-liabilities

An amount of € 902 (2022: € 827) has been recognised under liabilities regarding triple-net liabilities, which will be used in the operation within 1 year. This amount consists of a release of € 1,071 (2022: € 1,071) and an amortisation effect of € 169 (2022: €244). At the end of 2023, the remaining term of the liabilities related to triple-net distribution centres is 2 years.



### **Accounting policies**

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

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

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



## 21. Employee benefit obligations

The employee benefit obligations consist of:

	2023	2022
Pension obligations defined benefit pension plans	4,453	4,054
Other employee benefit obligations	11,537	14,786
	<b>15,990</b>	<b>18,840</b>

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

### Pension obligations based on defined benefit plans

The movements in pension obligations based on defined benefits plans are as follows in 2023:

2023	1	2	3	4	5
<b>Balance at start of financial year</b>	<b>37,796</b>	<b>-33,742</b>	<b>4,054</b>		
<b>Movements during the financial year</b>					
Service cost attributable to years of service	518	-	518	518	-
Interest expense/income	1,371	-1,232	139	139	-
Contributions by employer	-	-821	-821	-	-
Return on plan assets	-	-2,833	-2,833	-	-2,833
Experience adjustments	45	-	45	-	45
Changes in financial assumptions	3,358	-	3,358	-	3,358
Pension benefits paid	-1,347	1,347	-	-	-
Settlements	-173	173	-	-	-
Other movements	-7	-	-7	-7	-
	<b>3,765</b>	<b>-3,366</b>	<b>399</b>	<b>650</b>	<b>570</b>
<b>Balance at end of financial year</b>	<b>41,561</b>	<b>-37,108</b>	<b>4,453</b>		



The movements in pension obligations based on defined benefits plans are as follows in 2022:

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

Jumbo has its defined benefit plan administered at pension insurers. These are primarily career average pay schemes with conditional indexation, 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 obligation for inactive schemes consists of the single premiums for outbound value transfers and any indexations. The financing schemes are set out in insurance contracts between Jumbo and the pension insurers. These schemes are governed by the Pensions Act. If these contracts expire, there is a risk that taking out new contracts could result in higher pension costs.

In 2023, € 877 (2022: € 351) in gross premium contributions is paid by the employer.

The plan assets are 100% insured contracts. The value of the plan assets is based on the guaranteed values of these contracts. The pension insurer is responsible for the plan assets. The plan assets are not broken down in single pension contracts. The pension insurers periodically prepare an analysis for aligning the plan assets and pension obligations in the short and long term. Based on the outcomes of the aforementioned analyses, the pension insurers adjust the nature and composition of the investments, if necessary, in line with the expected terms of the pension obligations. The term of the liabilities relating to the defined contribution plans ranges from 10 to 30 years.



The main actuarial assumptions used in calculating the pension obligations are shown in ranges below:

	2023	2022
Discount rate	3.1%-3.2%	3.6% - 3.8%
Expected future wage increases general	3.2%	3.3%
Expected future wage increases individual	1.0%	1.0%
Expected future inflation	2.2%	2.3%
Expected pension increase for active participants	0.0%	0.0%
Expected pension increase for inactive participants	0.0% - 2.2%	0.0% - 2.3%

For 2023, the AG Forecast Table 2022 was used (2022: AG Forecast Table 2022).

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 other actuarial assumptions remain constant. The effect on the present value of the defined pension plans 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.

	2023	2022
Decrease in discount rate by 0.5%	3,379	3,082
Increase in discount rate by 0.5%	-2,999	-2,677
Decrease in indexation by 0.5%	-1,619	-1,201
Increase in indexation by 0.5%	3,537	3,253

## Contribution to defined contribution plans

The defined contribution plans consist mostly of schemes with industry-wide pension funds. Jumbo is affiliated with several industry-wide pension funds. Multiple companies are legally obliged to join an industry-wide pension fund. All the affiliated companies pay a cost-covering premium to the industry-wide pension fund. At year-end 2023, the vast majority of the employees were participants in the industry-wide pension fund for the food business (Stichting Bedrijfstakpensioenfonds voor het Levensmiddelenbedrijf) and the food service business (Stichting Bedrijfstakpensioenfonds Foodservice). The current coverage ratios of these funds were 104.2% and 117.2%, respectively, as of the balance sheet date 2023 (2022: 99.8% and 117.2% respectively). Both industry pension funds have a recovery plan in which the contribution is a means of control. In the coming years, no additional premiums are expected in addition to the regular cost-covering premiums.

In 2024, Jumbo expects to make a contribution to the defined contribution plans in the form of premiums amounting to € 63,119 (2023: € 49,830).





## Other employee benefit obligations

The movements in other employee benefit obligations are as follows:

1. Provisions for jubilee benefits
2. Provisions for disability
3. Provisions for early retirement

	1	2	3	Total 2023	Total 2022
<b>Balance at start of financial year</b>	<b>13,762</b>	<b>320</b>	<b>704</b>	<b>14,786</b>	<b>16,851</b>
<b>Movements during the financial year</b>					
Additions	-	1,425	786	2,211	3,283
Releases	-2,942	-	-44	-2,986	-
Withdrawals	-675	-1,170	-630	-2,475	-1,376
Changes in discounted cash flow	-	-	-	-	-3,972
<b>Balance at end of financial year</b>	<b>10,145</b>	<b>575</b>	<b>816</b>	<b>11,536</b>	<b>14,786</b>
Long-term	9,321	3	301	9,626	13,338
Short-term	824	572	515	1,911	1,448
<b>Balance at end of financial year</b>	<b>10,145</b>	<b>575</b>	<b>816</b>	<b>11,536</b>	<b>14,786</b>



## Estimates and judgements

### Pensions

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

- returns on corporate bonds and yield curves to determine the discount rates used;
- mortality tables to determine life expectancy; and
- inflation numbers to determine future wage and pension growth assumptions.

### Other employee benefit obligations

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

## Accounting policies

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 a plan in which Jumbo pays fixed contributions to a separate entity and has no legal or actual obligation if the pension fund has insufficient assets to pay all the benefits to employees, which are based on the years of service of employees in current and previous periods. Once 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 that this results in a repayment in cash or is 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 plans 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 at the balance sheet date, reduced by the fair value of the plan assets held for this purpose. Jumbo's obligation under the defined benefit plans is calculated separately for each scheme based on the projected unit credit method on an annual basis. The present value of the defined benefit obligation is determined by the estimated future cash outflow of funds based on the interest rates of high-graded corporate bonds with comparable terms.

If the calculation results in a positive balance for Jumbo, the recognition of the asset is limited to an amount that is not exceeding any unrecognised pension costs of past service time 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 income. If the pension entitlements of a scheme are changed or if a scheme is restricted, the ensuing change in entitlements in relation to past service time or the gain or loss due to a restriction 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 official decision-making has taken place.

### **Other employee benefit obligations**

Other employee benefit obligations relate to benefits that are part of the remuneration package. These liabilities include the deferred remuneration (jubilee benefits, disability benefits and early retirement benefits).



## 22. Provisions

The provisions relate entirely to the restructuring provision.

The movements in provisions are as follows:

	2023	2022
<b>Balance at start of financial year</b>	<b>1,851</b>	<b>2,418</b>
Additions	2,053	1,605
Releases	-469	-136
Withdrawals	-1,903	-2,036
	<b>-319</b>	<b>-567</b>
<b>Balance at end of financial year</b>	<b>1,532</b>	<b>1,851</b>
Long-term	1,256	1,616
Short-term	276	235
<b>Balance at end of financial year</b>	<b>1,532</b>	<b>1,851</b>

### Accounting policies

Provisions are recognised for obligations enforceable by law or constructive obligations arising from events on or before the balance sheet date when it is probable that an outflow of resources will be required and for which the amount can be reliably estimated.

Provisions are measured 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 specific risks relating to the liability. Interest accrual on the provisions is recognised as a financing result.



## 23. Trade and other payables

Trade and other payables consist of:

	2023	2022
Trade payables	1,219,355	1,263,744
Employee-related liabilities	120,196	86,578
Taxes and social securities	120,451	99,833
Stamp obligations	42,890	51,641
Deferred revenue	28,115	20,563
Accrued liabilities	110,553	112,863
	<b>1,641,560</b>	<b>1,635,222</b>

Trade payables include a receivable in relation to purchase bonuses and promotional contributions to be received. This receivable totals to € 113,712 (2022: € 110,986) as per year end. A liability to related parties is also included and totals to € 913 (2022: € 349) as per year end.

Jumbo gives its suppliers the option to opt for Supply Chain Finance. This allows suppliers to be paid earlier by the banks where Jumbo has taken out the facility, with deduction of a market-based interest rate. Jumbo itself continues to pay at the payment time contractually agreed with the supplier. As a result, the facility has a positive effect on the working capital.

The average payment term for trade payables decreased once again in 2023 to 24 days (2022: 25). This is Jumbo's response to society's desire to pay trade payables faster. The actual payment terms realised are as follows:

	2023	2022
Trade payables (incl. VAT)	1,219,355	1,263,744
VAT amount in trade payables	-162,133	-168,539
Supply Chain Finance and Dynamic Discounting facilities and other	-527,486	-573,478
<b>Trade payables (normalised)</b>	<b>529,736</b>	<b>521,727</b>
Cost of inventories	6,592,835	6,174,592
Purchases of non-trade goods and services and other	1,485,733	1,484,239
<b>Total purchases (normalised)</b>	<b>8,078,568</b>	<b>7,658,831</b>
<b>Payment term Trade payables</b>	<b>24 days</b>	<b>25 days</b>

The payment period has been determined by dividing the normalised trade payables by the normalised total purchases and multiplying this number by the number of days in a year. For a correct calculation, trade payables are corrected for VAT. Outstanding amounts relating to the Supply Chain Finance and Dynamic Discounting facilities are excluded, as these amounts are directly available to suppliers. With this, Jumbo has a normalised trade payables balance. In order to determine total purchases, both the purchase value of inventories and purchase value of non-trading goods and services must be included. When applicable, adjustments are also made to purchases in case of acquisitions during the financial year in order to determine the correct total purchase values related to the trade payables concerned.

The increase in employee-related liabilities mainly relates to higher wages due to an increase in Collective labour agreement wages. The reservations for employee-related liabilities also include a debt for pensions of € 14,238 (2022: € 10,171).



In relation to stamp obligations, a total amount of € 68,068 (2022: € 69,070) in stamps, specifically 680,680 (2022: 690,703) stamps, is issued in 2023. The movement in the stamp obligations in 2023 results in a decrease of € 8,751. This year, Jumbo introduced digital stamps. Physical stamps can be redeemed until April 2028.

The liability for deferred revenue consists of obligations involving saving campaigns and delivery subscriptions. The liability is realised when consumers use saved points for discounts or for free products.

The accruals and deferred income consist mainly of interest payable, property-related items, other payables and deferred income. These current liabilities are non-interest-bearing.

#### **Estimates and judgments**

The Supply Chain Finance agreement is a payment service provided to Jumbo's suppliers. From Jumbo's point of view, this agreement does not result in changes to payment dates, payment terms, due dates, payment amounts and other conditions. Jumbo has obligations by virtue of the receipt of goods and/or services to the concerning supplier, for which the payments are processed through the platform of the participating banks. These obligations are therefore classified as trade payables.

#### **Accounting policies**

Trade and other payables are measured at fair value upon initial recognition. These current liabilities are subsequently measured at amortised cost using the effective interest method. This usually equals the nominal value. Government charges are also included in the other current liabilities. The government charges are recognised in the period in which the government charge arises.



## 24. Off balance sheet commitments and contingencies

### Contingent receivables

Jumbo has contingent receivables from former and current franchisees regarding subsequent settlement schemes for, among others, 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 amount of the future economic benefits associated with the aforementioned receivables cannot be determined reliably. A receivable for the subsequent settlement schemes has been included in the balance sheet exclusively for the part that can be estimated reliably.

In 2023 and previous reporting years, an amount of € 2,072 (2022: € 3,843) was included in other receivables, prepayments and accrued income. Jumbo cannot estimate the amount of the receivable for 2024 and beyond with sufficient certainty.

In addition, Jumbo has a contingent receivable on Jan Linders Supermarkten due to the sale of two locations. The transfer of these locations is planned for 2024.

### Purchase agreements

Jumbo has entered into procurement contracts with parties outside of the regular purchasing process for the supply of goods and services.

The liabilities relating to these procurement contracts with a value of € 1,000 or more expire as follows:

	2023	2022
Within 1 year	57,339	90,638
Between 1 and 5 years	30,449	59,531
Later than 5 years	1,239	670
	<b>89,027</b>	<b>150,839</b>

The decrease in purchase commitments compared to 2022 mainly relates to the decrease in investments in electronic shelf labels and a decrease in sponsor commitments. At the end of the 2023 financial year, Jumbo had also entered into various procurement contracts for the supply of goods and services which are in reasonable proportion to the normal business operations.

### Purchase and repurchase commitments and other guarantees

Franchisees have pledged their inventory to third-party investors for the loans provided to franchisees. Jumbo gives these third-party investors repurchase commitments in relation to these inventory items. These commitments are secured with the inventory items which would be received back, so the credit risks are mitigated.

Jumbo has also issued warranties and direct guarantees to the aforementioned third-party investors in connection with the loans provided to franchisees. In the guarantees provided to the third-party investors, the inventory items of the relevant franchisees are pledged directly to Jumbo.

At year-end 2023, Jumbo has given purchase and repurchase commitments and other guarantees up to an amount of € 9,808 (2022: € 11,702).

### Lease obligations

Jumbo has entered into lease agreements for the distribution centres, internal transport, vehicles and other assets. In addition, Jumbo leases and partly subleases real estate, mainly to franchisees. Jumbo suffices charges for full ownership. The conditions under which leases are contracted are based primarily on economic considerations and market conditions at the time the lease is concluded.

Lease obligations are included in note 19. For the related right-of-use assets, refer to note 12. Leases with a term of less than 1 year or a underlying asset with a low value of less than € 5 are exempted. The rental obligations arising from these lease contracts are included below, along with obligations entered into in 2023, which take effect in 2024 or later.



The minimum lease obligations not accounted for under IFRS 16, expire as follows:

	2023	2022
<b>Rental obligations (real estate)</b>		
Within 1 year	32,194	35,771
Between 1 and 5 years	149,435	133,269
Later than 5 years	157,927	171,231
	<b>339,556</b>	<b>340,271</b>

This obligation includes a liability of € 206,819 (2022: € 213,149) to related parties. This is mainly due to commitments entered into for the construction of a mechanized countrywide distribution centre for fresh products in Nieuwegein.

The minimum receivables from subleasing real estate held under operational lease contracts expire as follows:

	2023	2022
<b>Rent receivables (real estate)</b>		
Within 1 year	136,202	122,044
Between 1 and 5 years	415,987	377,880
Later than 5 years	163,975	165,389
	<b>716,164</b>	<b>665,313</b>

This receivable includes € 266 (2022: € 385) for related parties.

In 2023, an amount of € 132,462 (2022: € 121,998) for rental income out of operational leases for real estates was credited to the income statement.

## Investigation Public Prosecutor's Office

The investigation of the Public Prosecutor's Office, which includes co-shareholder and former managing director Frits van Eerd, is not yet finalised. The investigation does not focus on Jumbo itself. In 2022, in response to the suspicions of the Public Prosecutor's Office, the Supervisory Board has instructed A&O and KPMG to conduct an independent investigation. No criminal offenses within Jumbo were found during the independent investigation by the forensic accountant. It is therefore unlikely that Jumbo will still be involved in the investigation by the Public Prosecutor's Office, but the outcome of the investigation by the Public Prosecutor's Office cannot be predicted with certainty.

## Other commitments

Jumbo has made commitments to franchisees about financial compensation and contributions to be provided and has entered into liabilities with third parties in this regard. The total of these liabilities amount to € 444,332 (2022: € 372,736) as per year-end. The commitments to franchisees are primarily (dis)investment contributions, transition allowances, opening contributions, closing costs, operating contributions and goodwill guarantees. The other commitments also consist of a contractual obligation of Jumbo with a third party regarding the provision of a subordinated loan. The total of this obligation amounts to € 3,000 at the end of 2023. This amount can be withdrawn until mid-2026 at the latest. Pending legal disputes are not included in the balance sheet if the outgoing cash flows cannot be estimated reliably.

## Other receivables

In 2023, the other off-balance sheet receivables total to € 600 (2022: € 0). These receivables relate to unsettled receivables related to licenses.





## 25. Financial instruments

### General

Jumbo uses various financial instruments in the normal course of business to hedge financial risks. Jumbo's financial instruments include cash and cash equivalents, loans receivable, trade and other receivables, interest-bearing loans and other non-current liabilities, current account credits, trade payables and other payables and derivative financial instruments. The cash and cash equivalents, interest-bearing loans and current account credits are held or taken out with renowned banks and financial institutions with a high credit rating. Jumbo only provides loans if necessary and justified on the basis of responsible entrepreneurship. Some requirements for loans to franchisees 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. For other financial instruments concerned, Jumbo seeks to enter into financial transactions with financially renowned counterparties. Jumbo enters into transactions in derivative financial instruments in order to hedge the risks related to financial instruments. Derivative financial instruments are not held for trading purposes.

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

The amounts included in this note relate only to the financial instruments of specific accounts in the financial statements.

### Managing of working capital

Jumbo pursues a financing policy in which the continuity of the business is paramount and takes into account its working capital management (the capital held to perform the operational activities). To this end, Jumbo takes the investment level into account, for the short- and long-term, and makes adjustments if necessary to guarantee the continuity of the operational activities.

Since early 2022, the payment period between business is limited to 60 days. Jumbo has also taken this into account when planning its financing needs.

Jumbo uses various forms of financing including non-current bank financing, a Schuldschein and working capital facilities.

In relation to the financing, Jumbo must satisfy the requirements as stipulated by the lenders. The most important covenant, agreed in the non-current bank financing, concerns the leverage ratio excluding IFRS 16 impact, whereby a ratio of 3.00x is maintained. As per 31 December 2023, the leverage ratio is 1.34x (1 January 2023: 1.23x). Jumbo thus meets these requirements.

### Liquidity risk

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



## Credit facilities

The current financing agreement with a principal amount of € 700 million took effect at 15 December 2020 and has a term of five years, with the option of a two-year renewal. This option is exercised in 2023. The financing agreement was concluded with the bank syndicate consisting of ABN AMRO, Rabobank, ING, Deutsche Bank and BNP Paribas.

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

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

Finally, on 6 December 2021, Jumbo entered into an uncommitted working capital facility which amounted to € 75 million in 2022. This facility is repaid in 2023 and turned into a bank overdraft facility. Of the bank overdraft facility an amount of € 8,020 is restricted due to bank guarantees.

The credit facilities at year-end 2023 are as follows:

	Credit facility	Amount used
Revolving Facility	550,000	325,000
Ancillary	150,000	-
Schuldschein	200,000	200,000
Working capital facility	75,000	-
<b>Gross balance at end of financial year</b>	<b>975,000</b>	<b>525,000</b>

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

## Financial instruments

Part of the financing contains a floating interest rate 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.

The interest rate risk is partly hedged using interest derivatives. As per year-end 2023, the interest rate derivatives consist of interest rate swaps, which swap the Euribor to a quarterly-fixed-rate, which ends at December 2026. The nominal value of the interest rate swaps is € 250,000 as per 31 December 2023. On the balance sheet date, this hedges € 250,000 (2022: € 300,000) of the credit facility used. The interest derivatives have a market value of €-1,787 at year-end 2023 (2022: € 6,634).



## Contractual terms of financial liabilities

Below are the contractual terms of the financial liabilities including mandatory repayments and interest payments by Jumbo as per balance sheet date. The interest charges have been estimated, taking into account an average Euribor rate of 2.60% and a debt redemption in accordance with the multi-year planning.

	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years	Later than 5 years
<b>2023</b>					
Bank loans	324,083	362,012	6,849	355,163	-
Schuldschein	199,600	211,723	1,380	210,343	-
Lease liabilities	1,688,064	1,921,948	331,966	1,049,531	540,451
Stamp obligations	42,890	42,890	42,890	-	-
Trade payables and other payables	1,472,271	1,472,271	1,472,271	-	-
	<b>3,726,908</b>	<b>4,010,844</b>	<b>1,855,356</b>	<b>1,615,037</b>	<b>540,451</b>
<b>2022</b>					
Bank loans	324,123	355,954	81,479	274,475	-
Schuldschein	199,451	214,517	4,010	160,315	50,192
Lease liabilities	2,471,629	2,654,085	267,920	1,120,676	1,265,489
Stamp obligations	51,641	51,641	51,641	-	-
Trade payables and other payables	1,467,612	1,467,612	1,467,612	-	-
	<b>4,514,456</b>	<b>4,743,809</b>	<b>1,872,662</b>	<b>1,555,466</b>	<b>1,315,681</b>

## Credit risk

Credit risk is the risk of financial losses for Jumbo if a customer or counterparty of a financial instrument is in default to comply with the contractual obligations.

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

For the financing and securities provided to financial institutions for the purpose of financing arrangements provided to customers, Jumbo requires that the particular customers provide securities in return, including mortgage registrations for real estate, bank guarantees and pledging 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:

	2023	2022
Financial assets	70,466	76,686
Trade receivables	335,439	372,724
Other receivables, prepayments and accrued income	9,996	9,089
Cash and cash equivalents	36,561	33,372
	<b>452,462</b>	<b>598,809</b>

To determine the provision for financial assets, the expected credit losses model is applied. Three stages are distinguished in the model. These stages relate to the assessment of the creditworthiness of the counterparty. The provision for financial assets and trade receivables is largely determined and calculated on the basis of stage 3, whereby actual payment delays have already occurred. Jumbo used the possibility of applying the simplified approach for determining the provision relating to the trade receivables.

The ageing breakdown of these trade receivables as per balance sheet date is as follows:

	2023	2022
Not due	256,711	319,172
Overdue by 0-30 days	32,349	15,017
Overdue by 31-60 days	29,191	14,321
Overdue by 61-90 days	7,431	11,959
Overdue by more than 90 days	18,547	19,299
	<b>344,229</b>	<b>379,768</b>
Provision for bad debt	-8,790	-7,044
<b>Carrying amount of trade receivables</b>	<b>335,439</b>	<b>372,724</b>

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

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

	2023	2022
<b>Balance at start of financial year</b>	<b>-7,044</b>	<b>-3,834</b>
Additions	-3,584	-3,335
Releases	1,838	125
<b>Balance at end of financial year</b>	<b>-8,790</b>	<b>-7,044</b>

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

## Market risk

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

## Interest rate risk

The interest rate risk is limited to any changes in the market value of taken out and issued loans. Some of the loans taken out by Jumbo have floating interest rates. Jumbo has taken out interest rate derivatives to limit the interest rate risks. Jumbo has also taken out loans with a fixed interest rate for the entire term of the loan.

As of the end of the 2023 financial year, Jumbo holds interest rate swaps with maturities up to the end of 2026. The fair value of the interest rate derivatives is the estimated amount that Jumbo would have to pay to terminate the contract as per balance sheet date, taking into account the current interest rate and current creditworthiness of the counterparties with whom the interest rate derivatives have been taken out. In line with prior year, Jumbo does not apply hedge accounting for its interest rate derivatives

Movements in the fair value of the interest rate swaps are recognised under the derivative financial instruments on the balance sheet and under financial income and expense in the income statement. At year-end 2023, 63.8% of the floating interest-bearing debts was hedged using interest rate derivatives (2022: 76.5%). The average interest rate on the floating interest-bearing debts was 2.13% in 2023 (2022: 0.98%)

The counterparty risk is set at extremely low since the interest rate derivatives have been agreed with renowned financial institutions.

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



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

	2023	2022
<b>Fixed-interest instruments</b>		
Financial assets	33,412	29,578
Financial liabilities	175,614	184,270
<b>Floating-interest instruments</b>		
Financial assets	36,561	33,372
Financial liabilities	390,958	390,945

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

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

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

In the event of a decrease of 100 base points in the interest rates (Euribor) over 2023, the group result before taxes would increase with € 1,476. In the event of an increase of 100 base points in the interest rates (Euribor) over 2023, the group result before taxes would decrease by € 1,476. This is the result of rising interest expenses on the financing, largely compensated by the gains from the interest rate derivatives. It is assumed that all other variables remain constant. The impact of (present) value movements in the financial instruments and other balance sheet positions is not part of this sensitivity analysis.

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

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

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

	2023			2022		
	Carrying amount	Fair value	Hierarchy	Carrying amount	Fair value	Hierarchy
Financial assets	70,466	76,686	3	123,615	123,615	3
Trade receivables	335,439	335,439	3	372,274	372,274	3
Cash and cash equivalents	36,561	36,561	1	33,372	33,372	1
Accrued assets	9,996	9,996	3	9,089	9,089	3
<b>Financial assets at amortised cost</b>	<b>452,462</b>	<b>458,682</b>		<b>538,350</b>	<b>538,350</b>	
<b>Financial assets at fair value through profit or loss</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
Non-current bank loans	324,083	324,083	2	249,123	249,123	2
Schuldschein	199,600	211,939	2	199,451	199,451	2
Non-current lease liabilities	1,431,218	*		2,234,035	*	
Current bank loans	-	-	2	75,000	75,000	2
Current lease liabilities	256,846	*		237,594	*	
Trade payables	1,219,355	1,223,876	1	1,263,744	1,263,744	1
Employee-related liabilities	106,374	101,854	3	82,466	82,466	3
Taxes and social securities	120,451	120,451	1	99,833	99,833	1
Stamp obligations	42,890	42,890	2	51,641	51,641	2
Accrued liabilities	26,089	26,089	3	21,569	21,569	3
<b>Financial liabilities at amortised cost</b>	<b>3,726,906</b>	<b>2,051,183</b>		<b>4,514,456</b>	<b>2,042,827</b>	
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
Derivative financial instruments	1,787	1,787	2	6,634	6,634	2
<b>Derivative financial instruments</b>	<b>1,787</b>	<b>1,787</b>		<b>6,634</b>	<b>6,634</b>	
<b>Total financial instruments</b>	<b>4,181,155</b>	<b>2,511,651</b>		<b>5,059,440</b>	<b>2,587,811</b>	

*Fair value disclosure not required.*



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

Schuldschein excluded, the fair value of the interest-bearing non-current liabilities approximates the amortised cost, given the floating interest rate based on the 3-month Euribor rate agreed on during the term. The fair value of the Schuldschein is higher than the carrying amount due to current market circumstances. The carrying amount of the other financial liabilities approximates the fair value. The liabilities are stated at fair value, which is the value at which settlement is expected to take place.



## 26. Related parties

Related party transactions are based on commercial conditions and take place at arm's length. The key transactions are explained below. For transactions exceeding € 100, the amounts are disclosed as well. The related parties overview is listed alphabetically and does not indicate the importance of the respective entity.

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

The ultimate beneficial owners of Administratiekantoor Zuidkade B.V. have not been part of or related to the statutory board of Koninklijke Jumbo Food Groep B.V. during 2023.

Transactions consist of recharges of consulting and management fees related to two of the three ultimate beneficial owners of Koninklijke Jumbo Food Groep B.V. The total amount equalled € 1,068 in 2023. Last year these amounts were disclosed in the paragraphs of the related personal entities of the shareholders. Fees received in 2023 equalled € 605 (2022: € 0) and mainly relate to personnel expenses and management consulting services.

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

The director of C.E.G. Beheer B.V. has been chairman of the supervisory board of Koninklijke Jumbo Food Groep B.V. in 2023. Transactions with C.E.G. Beheer B.V. relating to consulting fees equal € 800 (2022: € 600) and rental of real estate equal € 603 (2022: € 806).

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

Only one director of DCJ B.V. has been supervisory board member of Koninklijke Jumbo Food Groep B.V. in 2023. Transactions relate to rental of real estate and solar panels of the mechanised central distribution centre in Nieuwegein. The amount in 2023 equals € 12,535 (2022: € 8,484).

### **J.G. Vastgoed B.V.**

The director of J.G. Vastgoed B.V. is related to the director of M.E.G. Beheer B.V. Transactions with J.G. Vastgoed B.V. during the year equal € 108 (2022: € 12) and relate to rental of real estate.

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

Greenstone Real Estate B.V. is related to Koninklijke Jumbo Food Groep B.V. as a subsidiary of M.E.G. Beheer B.V. and J.G. Vastgoed B.V. Transactions with Greenstone Real Estate B.V. relate to rental of real estate for a total amount of € 215 (2022: € 213).

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

Transactions with Handelsonderneming Frits van Eerd B.V. (as of 10 January 2024, the name of the entity has changed into VES F1 B.V.) relate to fees received for rental of real estate, hiring of personnel and vehicle maintenance for a total amount of € 179 (2022: € 102). As per year-end these services are not applicable anymore. There have been no reimbursements during 2023 (2022: € 68 for purchase and maintenance of vehicles).

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

Only one director of Jumbo Onroerend Goed B.V. has been supervisory board member of Koninklijke Jumbo Food Groep B.V. in 2023. Transactions with Jumbo Onroerend Goed B.V. mainly relate to rental of real estate and equal € 6,868 (2022: € 6,216). The fees received in 2023 for a total amount of € 134 (2022: € 63) mainly relate to recharge of insurance expenses.

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

Only one director of La Place Food Vastgoed B.V. has been supervisory board member of Koninklijke Jumbo Food Groep B.V. in 2023. Transactions with La Place Food Vastgoed B.V. mainly relate to rental of real estate and equal € 1,640 (2022: € 1,715).

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

The director of Listelba B.V. was supervisory board member of Koninklijke Jumbo Food Groep B.V. until 5 March 2023. As of 6 March 2023, he has been member of the statutory board of Koninklijke Jumbo Food Groep B.V. Transactions with Listelba B.V. are disclosed as part of the remuneration of the statutory board, supervisory board and other key management personnel. There have been no other transactions in 2023 (2022: € 609). The shareholders of Koninklijke Jumbo Food Groep B.V. have the intention to introduce a new share investment



program for the director of Listelba B.V. in his role of CEO. This program is expected to be implemented in 2024.

**M.E.G. Beheer B.V.**

Transactions with M.E.G. B.V. relate to rental of real estate of € 300 (2022: € 248).

**Stichting Beheer Gelden Stimuleringsregeling Jumbo**

The Stichting Beheer Gelden Stimuleringsregeling Jumbo facilitates an arrangement to promote a uniform way of working for all Jumbo supermarkets in order to operate, monitor and successfully launch the Jumbo formula in the market.

**Stichting Jumbo Groep**

Only one director of Stichting Jumbo Groep has been member of the supervisory board of Koninklijke Jumbo Food Groep B.V. in 2023. The shares of the Van Eerd family are included in this foundation. The directors of Stichting Jumbo Groep have not been part of or related to the statutory board of Koninklijke Jumbo Food Groep B.V. during 2023.

**Van Eerd Beheer B.V.**

Only one director of Van Eerd Beheer B.V. has been member of the supervisory board of Koninklijke Jumbo Food Groep B.V. in 2023. Transactions with Van Eerd Beheer B.V. for a total amount of € 1,726 (2022: € 12,253) mainly relate to rental of real estate.

**Van Eerd Golf & Hockey B.V.**

Van Eerd Beheer B.V. has been statutory director of Van Eerd Golf & Hockey B.V. during 2023. Transactions with Van Eerd Golf & Hockey B.V. for a total amount of € 130 (2022: € 481) mainly relate to rental of real estate.

**Van Eerd Onroerend Goed B.V.**

One director of Van Eerd Onroerend Goed B.V. was member of the statutory board or supervisory board of Koninklijke Jumbo Food Groep B.V. in 2023. The other director of Van Eerd Onroerend Goed B.V. has been supervisory board member of Koninklijke Jumbo Food

Groep B.V. in 2023. Transactions with Van Eerd Onroerend Goed B.V. for a total amount of € 5,323 (2022: € 5,063) relate to rental of real estate.

**Other related parties**

In 2023 there are also other related party transactions for an amount less than € 100 per entity. These other related parties are Choc-late Productie B.V., Coco & Sebas B.V., FAM Design B.V., Hotel Uden/Veghel Holding B.V., The Duke Golf B.V., Vereniging van Eigenaars Beekzicht and Rituals Cosmetics Enterprise B.V. These other party transactions are based on commercial conditions and took place at arm's length.

**Remuneration of the statutory board, supervisory board and other key management personnel**

The remuneration that has been provided to the statutory board in 2023 equals € 3,842 (2022: € 4,005) and consists of short-term remunerations of € 3,765 and pension fees of € 77. The decrease in 2023 is caused by the decrease in members of the statutory board.

Key management personnel are those who are authorised to and responsible for planning and directing as well as controlling the activities of the company as a whole. Key management personnel consists of the other board members and other directors of subsidiaries. The remuneration that has been provided to other board members equals € 5,258 (2022: € 1,988) and consists of short-term employee remunerations of € 5,074 and pension fees of € 184. The increase in 2023 is caused by the increase in other members of the board.

Remunerations provided to supervisory board members equal € 1,445 (2022: € 802). These remunerations are exclusively short-term. No loans, prepayments or guarantees have been provided to supervisory board members. The increase in 2023 is caused by an additional reimbursement for the additional work performed for the supervision and governance related to the remediation plan.



## 27. Statutory provisions regarding profit appropriation

In article 30 of the Articles of Association it's stipulated that the profit shall be determined according to generally accepted standards and that the profit, subject to the provisions of this article, is at the free disposal of the General Meeting. However, the company may only make profit distributions to shareholders to the extent that its equity exceeds the legal and statutory reserves (subsection 2).

The distribution of profit occurs after the adoption of the financial statements, confirming it's permissibility. Interim distributions are permitted, subject to the provisions of the preceding subsection.

In accordance with subsection 2, the profit earned in any financial year is at the free disposal of the General Meeting either for addition to the reserves or for distribution to shareholders and, if issued, to holders of profit-sharing certificates.

Distributions against a dividend reserve may, without prejudice to the provisions of paragraph 2, be made at any time pursuant to a resolution of the General Meeting. A dividend shall be made available at the place and time to be determined by the General Meeting. Dividends, which have not been claimed within five years after they became due, shall revert to the company.

### Appropriation of the result for the 2022 financial year

The 2022 financial statements were adopted at the General Meeting held on 28 February 2023. The General Meeting decided that the result for the 2022 financial year would be added to the other reserves in the amount of € 79,680.

During 2023, dividend payments to Stichting Jumbo Groep of the amount of € 42,000 were made from the other reserves based on the results of financial year 2022. The dividend paid in 2023 (based on the 2022 result) was mainly used by shareholders to pay necessary inheritance and other taxes related to the passing of Mr Karel van Eerd at the end of 2022.

### Proposed profit appropriation 2023

In anticipation of the decision of the General Meeting, the result for 2023 in the amount of € 21,718 will be added to the other reserves. The proposal to add the € 21,718 to the other reserves has not yet been incorporated in the financial statements.

For the current year, shareholders have decided to refrain from any dividend (based on the 2023 result), given the challenging market conditions and associated pressure on Jumbo's earnings.



## 28. Subsequent events

No significant events occurred after the balance sheet date of 31 December 2023 which provide further information on the actual situation on the balance sheet date, and which require recognition and/or disclosure in the 2023 financial statements.



## Company-only income statement 2023

<i>in € 1,000</i>	Note	2023	2022
Result from participations after taxes		34,170	71,739
Sum of other income and expenses after taxes	1	-12,452	7,941
<b>Net result</b>		<b>21,718</b>	<b>79,680</b>



## Company-only balance sheet as of 31 December 2023

Before profit appropriation, in €1,000

ASSETS	Note	31 december 2023	1 january 2023
<b>Fixed assets</b>			
Financial assets	2	1,567,158	1,540,046
		<b>1,567,158</b>	<b>1,540,046</b>
<b>Current assets</b>			
Current tax liabilities	3	-	16,922
Cash and cash equivalents	4	14,948	-
		<b>14,948</b>	<b>16,922</b>
<b>TOTAL ASSETS</b>		<b>1,582,106</b>	<b>1,556,968</b>

EQUITY AND LIABILITIES	Note	31 december 2023	1 january 2023
<b>Equity</b>	5		
Share capital		8	8
Legal reserve		264,447	253,523
Other reserves		396,691	370,357
Retained earnings		21,718	79,680
		<b>682,864</b>	<b>703,568</b>
<b>Non-current liabilities</b>	6	<b>525,470</b>	<b>448,574</b>
<b>Current liabilities</b>			
Short-term loans and other liabilities	6	-	75,000
Credit institutions	4	-	273,347
Liabilities to group companies	7	310,903	52,696
Current tax liabilities	3	6,547	-
Other accounts payable, accruals and deferred income		56,322	3,783
		<b>373,772</b>	<b>404,826</b>
<b>Total liabilities</b>		<b>899,242</b>	<b>853,400</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,582,106</b>	<b>1,556,968</b>



# Notes to the company-only financial statements

## General accounting policies

Koninklijke Jumbo Food Groep B.V.'s company-only financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these company-only financial statements are the same as those applied in the consolidated financial statements. Reference is made to the notes of the consolidated financial statements for the accounting policies.

The amounts in the company-only financial statements are presented in thousands of euros, except where stated otherwise.

The financials of Koninklijke Jumbo Food Groep B.V. are incorporated in the consolidated financial statements. Using Section 2:402 of the Dutch Civil Code, an abbreviated income statement in the company-only financial statements suffices.



# 1. Other income and expenses after taxes

The other income and expenses after taxes consist of:

	2023	2022
Other result after taxes	-12,452	7,941
	<b>-12,452</b>	<b>7,941</b>

Other result after taxes particularly relate to financial expenses. The increase in financial expenses compared to the previous financial year is due to changed (financial) market conditions, which caused an increase in market interest rates and a decrease in the fair value of derivative financial instruments.



## 2. Financial assets

The financial assets consist of:

	2023	2022
Participations	1,567,158	1,533,412
Fair value of derivative financial instruments	-	6,634
	<b>1,567,158</b>	<b>1,540,046</b>

An overview of participations is included in the notes of the consolidated financial statements. The fair value of derivative financial instruments is disclosed in note 20 of the consolidated financial statements.

The movements in participations are as follows:

	2023	2022
<b>Balance at start of financial year</b>	<b>1,533,412</b>	<b>1,290,532</b>
Restructuring	-1,507	-
Direct equity movements participations	1,083	171,141
Result from participations	34,170	71,739
<b>Balance at end of financial year</b>	<b>1,567,158</b>	<b>1,533,412</b>

The restructuring and related direct equity movement relate to the processing and the transfer of the shares of J&C Aquisition Holding B.V. Koninklijke Jumbo Food Groep B.V. transferred the shares of J&C Acquisition Holding B.V. to Jumbo Food B.V. on 26 January 2023. In 2022, the direct equity movements of participations relate mainly to additional paid in capital in Jumbo e-fulfilment B.V. and Jumbo Belgium B.V.

### Accounting policies

Participations in group companies in which significant influence is exercised over their business and financial policies are valued at net asset value, but not lower than zero. The net asset value is calculated in accordance with the accounting policies of Koninklijke Jumbo Food Groep B.V. as applied in the consolidated financial statements.

Participations with a negative net asset value are valued at zero. If the company wholly or partially guarantees the debts of the particular participations or has an actual obligation to enable the participations (for its share) to pay its debts, a provision is recognised. In determining the size of this provision, bad debt provisions already deducted from receivables from the participation are taken into account.

The result of participations represents the amount by which the current carrying amount of the participations has changed since the previous financial statements due to the result achieved by the participations, to the extent attributed to Koninklijke Jumbo Food Groep B.V.





## 3. Current tax liabilities

### Fiscal unity

At the end of the 2023 financial year, all the Dutch group companies included in the consolidation, from the moment of incorporation or acquisition, were included in the fiscal unity of Koninklijke Jumbo Food Groep B.V. for value added tax, with the exception of Euroselect B.V.

At the end of the 2023 financial year, all the Dutch group companies included in the consolidation, from the moment of incorporation or acquisition, were included in the fiscal unity of Koninklijke Jumbo Food Groep B.V. for corporate tax.

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



## 4. Cash and cash equivalents

The cash and cash equivalents are not restricted.



## 5. Equity

Refer to note 18 of the notes to the consolidated financial statements as well as the schedule of movements in group equity in 2023.

### Legal reserve

A legal reserve for participations in relation to (internally developed) software is formed in accordance with Section 2:389 (6) of the Dutch Civil Code.

The movements in the legal reserve are as follows:

	2023	2022
<b>Balance at start of financial year</b>	<b>253,523</b>	<b>228,692</b>
Movements from retained earnings	10,924	24,831
<b>Balance at end of financial year</b>	<b>264,447</b>	<b>253,523</b>

Based on Dutch law and regulations, the legal reserves cannot be disbursed as dividend to Jumbo's shareholders.



## 6. Non-current liabilities

The loans and other liabilities consist of:

	2023	2022
<b>Non-current loans and other liabilities</b>		
Bank loans	324,083	249,123
Schuldschein	199,600	199,451
Fair value of derivative financial instruments	1,787	-
	<b>525,470</b>	<b>448,574</b>
<b>Current loans and other liabilities</b>		
Bank loans	-	75,000
	<b>-</b>	<b>75,000</b>

For further information of the characteristics of these financial instruments, please refer to note 20 of the consolidated financial statements.

For further information of the contractual terms, repayments and fair value of these financial instruments, please refer to note 25 of the consolidated financial statements.



## 7. Liabilities to group companies

The increase in liabilities to group companies is mainly due to intragroup balance settlements. These settlements include various intercompany transactions related to efficient management of working capital.

All current liabilities have a remaining term of less than one year. The fair value of the current liabilities equals the carrying value due to their short-term nature.

### **Accounting policies**

Receivables and/or liabilities to group companies are initially recognised at fair value and subsequently measured at amortised cost.



## 8. Off balance sheet commitments and contingencies

In connection with the use of the publication exemptions for group companies included in the consolidation, as referred to in Title 9 of Book 2 of the Dutch Civil Code, Section 403 paragraph 1 letter f, the company has accepted joint and several liability for debts arising from all legal acts of the following subsidiaries: Jumbo Food B.V., Jumbo Distributiecentrum B.V., Jumbo Logistiek Vastgoed B.V., Jumbo Supermarkten B.V., Euroselect B.V., Jumbo Omnichannel Vastgoed B.V., Jumbo Supermarkten Vastgoed B.V., Jumbo e-fulfilment B.V., La Place Food Groep B.V., La Place Food B.V., EMTÉ Kapelle B.V. and J&C Acquisition Holding B.V.



## Other disclosures and signing of the financial statements

### Employees

In 2023, there were no employees employed by Koninklijke Jumbo Food Groep B.V. (2022: 0).

### Remuneration of statutory and supervisory board members

Information about the remuneration of statutory and supervisory board members is listed in note 26 of the consolidated financial statements.

### Profit appropriation and allocation of result

Information about the statutory profit appropriation and the allocation of the result is listed in note 27 of the consolidated financial statements.

### Auditor's fee

The fees for external auditor PricewaterhouseCoopers Accountants N.V. are listed in note 6 of the consolidated financial statements.

### Subsequent events

The subsequent events are covered in note 28 of the consolidated financial statements.

### Signing of the financial statements

Veghel, 27 February 2024

On behalf of the statutory board,

**Drs. A.L. van Veen**  
Chief Executive Officer

**Drs. P.A. van Erp RA**  
Chief Financial Officer

On behalf of the supervisory board,

**Drs. C.M.P.W. Cloosterman - van Eerd**  
Chair of the Supervisory Board

**A. Burgmans**

P.A.J. Coelewij

Ir. J.C. Hoogerbrugge

Drs. W.G. Jiskoot



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## 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 general meeting and the supervisory board of Koninklijke Jumbo Food Groep B.V.

## Report on the audit of the financial statements for the period 2 January 2023 to 31 December 2023

### Our opinion

In our opinion:

- the consolidated financial statements of Koninklijke Jumbo Food Groep B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and cash flows for the period 2 January 2023 to 31 December 2023 in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company-only financial statements of Koninklijke Jumbo Food Groep B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023 and of its result for the period 2 January 2023 to 31 December 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### What we have audited

We have audited the accompanying financial statements for the period 2 January 2023 to 31 December 2023 (hereafter: 2023) of Koninklijke Jumbo Food Groep B.V., Veghel. The financial statements comprise the consolidated financial statements of the Group and the company-only financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as of 31 December 2023;
- the following statements for the period 2 January 2023 to 31 December 2023: the consolidated income statement 2023, the consolidated statement of comprehensive income 2023, consolidated movements in group equity 2023 and consolidated cash flow statement 2023; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company-only financial statements comprise:

- the company-only balance sheet as of 31 December 2023;
- for the period 2 January 2023 to 31 December 2023: the company-only income statement; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company-only financial statements.

### The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of Koninklijke Jumbo Food Groep B.V. in accordance with the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

## Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

## Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Koninklijke Jumbo Food Groep B.V. and its environment and the components of the internal control system, including the management team’s risk assessment process and process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and implementation of the internal control system with respect to the risks of material misstatements due to fraud, including the fraud risk assessment of the management team, as well as the code of conduct of Jumbo (Code Geel), incident registration and investigation protocols and the Jumbo Speak Up scheme and, where considered appropriate, tested the operating effectiveness of these internal controls.

We asked members of the management team, higher management (including Internal Audit & Risk, Legal & Compliance and Human Resources) and the supervisory board whether they are aware of any actual or suspected fraud.

In an investigation by the Public Prosecutor’s Office (OM) into money laundering initiated in 2022, the former managing director of Jumbo has been identified as one of the suspects (‘the investigation by the OM’). As a result, during the 2022 financial statements audit, we identified additional fraud risks. The investigation is still ongoing, and it is not possible to predict with certainty how the investigation by the Public Prosecutor’s Office will develop in the future. The former managing director has resigned since September 2022 and has not been active within Jumbo throughout the entire year 2023.

The management team has developed a remediation plan as a follow-up to the investigation conducted by the Supervisory Board in 2022. As explained in the ‘Remediation plan’ section of the ‘Risk Management’ chapter in the management report, identified vulnerabilities in internal processes and procedures have been evaluated and remediated. We observed the remediation plan, including the quarterly progress reports by Internal Audit & Risk. These reports have been discussed by the management team during meetings with the Audit Committee, in which we were present. We have evaluated the design and implementation of the enhanced internal control measures in the processes as a result of the identified vulnerabilities. We have done this by reviewing the updated policy documents, familiarizing ourselves with the process descriptions, and testing the implementation of these internal control measures. The management team has implemented all actions in 2023.

As a result, we have revised our fraud risk assessment. Some specific fraud risks that were relevant for the financial year 2022 are no longer applicable for the financial year 2023.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption.

We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present. We identified the following fraud risks and performed the following specific procedures:

## Identified fraud risks

### *Risk of management override of controls*

Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

That is why, in all our audits, we pay attention to the risk of management override of controls in:

- journal entries and other adjustments made in the preparation of the financial statements;
- estimates; and
- significant transactions outside the normal course of business

The macroeconomic developments have had a negative impact on margins and results, leading to a lower result after taxes, for example, compared to previous financial years.

Therefore, during the audit of the 2023 financial statements, we have paid special attention to possible management bias in journal entries, other adjustments, and estimates that improve the result.

## Our audit procedures and observations

We have evaluated the design and implementation of internal control measures and tested the effectiveness of these measures in the processes of generating and processing journal entries and making estimates. We have also given specific attention to access controls in the IT system and the possibility to violate segregation of duties within it. We have done this by testing the effectiveness of IT General Controls and conducting data analysis for any breaches in critical segregation of duties.

We have selected journal entries based on risk criteria. An example of this is journal entries generated during the process of preparing the financial statements with a positive impact on the result. We have performed specific audit procedures on these journal entries, including inspection of information from source documents.

We have performed substantive audit procedures on significant transactions outside the normal course of business, such as the acquisition of 10 stores from Jan Linders. We have tested the estimates, assumptions, and judgments in the 'Purchase Price Allocation' of these acquisitions against the reporting requirements.

The management team has included its key estimates in the paragraphs 'Estimates and judgments' as part of the disclosure of the relevant financial statement item. We have performed specific audit procedures on the estimates related to:

- The valuation of intangible and tangible fixed assets;
- The useful life for intangible and tangible fixed assets and the change in estimate as included in the paragraphs 'Estimates and judgments' on pages 119 and 123 of the annual report;
- The recognition of estimated future purchase bonuses and promotional contributions;
- The determination of the fair value of assets and liabilities in the acquisitions of 10 supermarkets from Jan Linders;
- The estimation of the lease terms, including the change in estimate as included in the paragraph 'Estimates and judgments' on page 138 of the annual report, and the discount rate used;
- The valuation of deferred tax liabilities and assets; and
- The valuation of deferred revenue resulting from loyalty programs, including Jumbo Extras.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.



## Identified fraud risks

### *The risk of fraudulent financial reporting due to overstating the revenue*

As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue or assertions give rise to a risk of material misstatement due to fraud.

The management team of Jumbo has set clear and ambitious targets for achieving revenue growth. The management team receives a variable bonus that is partly based on these targets. This could create pressure on the management to recognise a higher revenue. This risk can particularly arise in the revenue from the financial settlement with the franchisees.

Based on our evaluation, the accuracy of the financial settlement with the franchisees poses a significant risk of material misstatement due to fraud. This specifically relates to the manual element and the complexity in the structure of the financial settlement with the franchisees. The complexity is caused, among other things, by the arrangement's design, such as the settlement of received purchase bonuses and promotional contributions with the franchisees.

## Our audit procedures and observations

We have evaluated the design and implementation of internal control measures regarding franchise revenue recognition and the processes for generating and processing journal entries related to franchise revenue. We have also tested the effectiveness of these measures.

Through data analysis, we have identified significant franchise revenue journal entries in the fiscal year based on risk criteria. Examples of these include journal entries generated during the financial statement preparation process and manual franchise revenue journal entries throughout the financial year. We have performed substantive procedures to verify the accuracy of these revenue journal entries by checking them against underlying documentation. We have paid particular attention to the settlement of purchase bonuses and promotional contributions with the franchisees.

In addition, we have conducted specific substantive analytical procedures regarding franchise revenue based on underlying contractual agreements related to franchise revenue.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud regarding the accuracy of revenue reporting from the financial settlement with the franchisees.

We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters and correspondence with regulators and during the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

### Audit approach going concern

The management team prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements.

Our procedures to evaluate the management team's going concern assessment included, amongst others:

- We considered whether the management's going concern assessment included all relevant information that we were aware of as a result of our audit, such as cost manageability, the risk related to the impact of information security, and the implementation of an appropriate financing policy.
- We questioned the management about the key assumptions and principles. This included addressing issues such as rising costs due to inflation and the ability to pass on these costs to consumers, the risk related to the impact of information security, and the implementation of an appropriate financing policy.
- We examined whether the management identified any events or circumstances that could raise reasonable doubt about the company's ability to maintain its continuity (hereinafter referred to as continuity risks).
- We analysed the financial position at the end of the current fiscal year compared to the end of the previous fiscal year to identify indicators that could indicate continuity risks. The management included its financial position in the annual report, such as the development of solvency and leverage ratio on pages 7 and 8 of the Key data, the required covenants and their development on page 154 in note 25 'Financial instruments', and the insight into loans and other obligations on page 141 in note 20 'Loans and other liabilities'. The management included its free cash flow in the consolidated cash flow statement for 2023 on page 93 of the financial statements,

where the operating cash flow is positive, even after deducting the investment requirements from the previous financial year.

- We evaluated the negative working capital according to the consolidated balance sheet as of 31 December 2023, on page 92 of the financial statements, which is inherent in a retail organisation with cash sales.
- We evaluated the budgeted operating results and related cash flows for a period of at least twelve months from the date of preparation of the financial statements, considering industry developments such as future expectations regarding the impact of inflation on consumer behaviour and our knowledge from the audit.
- We analysed whether the current and required financing for the continuation of the entire business operations is secured, including compliance with relevant covenants.
- We obtained information from the management about their knowledge of continuity risks after the period covered by the management's continuity assessment.

Our procedures did not result in outcomes contrary to the management team's assumptions and judgments used in the application of the going concern assumption.

### Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was

substantially less than the scope of those procedures performed in our audit of the financial statements.

The management team is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## Responsibilities for the financial statements and the audit

### Responsibilities of the management team and the supervisory board for the financial statements

The management team is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management team determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management team is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management team should prepare the financial statements using the going-concern basis of accounting unless the management team either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management team should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Eindhoven, 27 February 2024

PricewaterhouseCoopers Accountants N.V.

Original Dutch version signed by J. Dekker RA

## Appendix to our auditor’s report on the financial statements for the period 2 January 2023 to 31 December 2023 of Koninklijke Jumbo Food Groep B.V.

In addition to what is included in our auditor’s report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### The auditor’s responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management team.
- Concluding on the appropriateness of the management team’s use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding

whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





# Assurance report of the independent auditor

To: the supervisory board and the management team of Koninklijke Jumbo Food Groep B.V.

## Assurance report on the non-financial indicators

### Our conclusion

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the non-financial indicators marked with the symbol ‘✔’ in the annual report of Koninklijke Jumbo Food Groep B.V. for the period 2 January 2023 to 31 December 2023 (hereafter: 2023) are not prepared in all material aspects, in accordance with Koninklijke Jumbo Food Groep B.V.’s reporting criteria.

### What we have reviewed

The object of our assurance engagement concerns the selected non-financial indicators marked with symbol ‘✔’ (hereafter: the indicators) included in the annual report of Koninklijke Jumbo Food Groep B.V., Veghel over 2023:

1. Emissions and energy consumption
  - a) Greenhouse gas emissions in tonnes of CO<sub>2</sub>e in scope 1 and 2
  - b) Greenhouse gas emissions in tonnes of CO<sub>2</sub>e in scope 3
2. Packaging: Grams of packaging material per consumer unit sold
3. Food wastage: Food discarded (weight in tonnes) per €1 million revenue
4. Sustainable chains: Share private label range with sustainability quality mark (as %)
5. Local involvement: Customer satisfaction score for local involvement (NPS)
6. Healthy eating: Revenue share healthy private label range Nutri-Score A/B (as %)
7. Working conditions and work environment:
  - a) Women in management positions
  - b) Employee satisfaction score (eNPS)
8. Fair chain:
  - a) % suppliers of private label range with social quality mark in high- risk countries
  - b) % suppliers of private label range with social quality mark in medium-risk countries
9. Animal welfare: Share private label range with animal welfare quality mark (as %)

10. Value for money: Customer satisfaction score for value for money (NPS)

We have reviewed the above indicators in the annual report of Koninklijke Jumbo Food Groep B.V. over financial year 2023. The comparatives and other information included in the annual report 2023 are not in scope of this limited assurance engagement. We were not engaged to report on or conclude on other information presented within the annual report 2023 which is outside our scope.

### The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3000A ‘Assurance engagements other than audits or reviews of historical financial information (attestation-engagements)’. This engagement is aimed to provide limited assurance. Our responsibilities under this standard are further described in the section ‘Our responsibilities for the review of the sustainability information’ of our report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Independence and quality control

We are independent of Koninklijke Jumbo Food Groep B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of ethics for professional accountants, a regulation with respect to independence). Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA - Dutch Code of ethics for professional accountants, a regulation with respect to rules of professional conduct).

PwC applies the ‘Nadere voorschriften kwaliteitssystemen’ (NVKS – Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

### Applicable criteria

The reporting criteria applied for the preparation of the indicators are developed by Koninklijke Jumbo Food Groep B.V. and per indicator disclosed in the annual report 2023 in the chapter ‘Goals and achievements’. The scope of the indicators is disclosed in the paragraph ‘Scoping of the 2023 sustainability information’ in the chapter ‘Value chain’. Per indicator is disclosed when there are deviations from the scope in the chapter ‘Goals and achievements’.

The absence of an established practice on which to draw, to evaluate and measure the sustainability information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time. Consequently, the sustainability information needs to be read and understood together with the reporting criteria applied.

## Responsibilities for the indicators and the review thereof

### Responsibilities of the management team and the supervisory board

The management team of Koninklijke Jumbo Food Groep B.V. is responsible for the preparation of the indicators in accordance with Koninklijke Jumbo Food Groep B.V.’s reporting criteria, including the identification of the intended users and the criteria being applicable for the purpose of these users.

Furthermore, the management team is responsible for such internal control as the management team determines is necessary to enable the preparation of the indicators that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company’s reporting process on the indicators.

### Our responsibilities for the review

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Our conclusion aims to provide limited assurance. The procedures performed in this context consisted primarily of making inquiries with officers of the entity and determining the plausibility of the information included in the indicators. The level of assurance obtained in a

limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

### Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our procedures included, amongst other things of the following:

- Identifying areas of the indicators with a higher risk of material misstatements, whether due to fraud or error. Designing and performing assurance procedures aimed at determining the plausibility of the indicators, responsive to this risk analysis. The procedures consisted amongst others of:
  - interviewing management and/or relevant staff at corporate level responsible for the sustainability strategy, policy and results;
  - interviewing relevant staff and third parties responsible for providing the information for, carrying out internal control procedures on, and consolidating the data of the indicators;
  - obtaining assurance evidence that the indicators reconcile with underlying records of the company;
  - assessing the assurance information obtained from third parties who are responsible for collecting underlying data; reviewing, on a limited test basis, relevant internal and external documentation;
  - performing an analytical review of the data and trends of the indicators submitted for consolidation at corporate level.
- Considering the internal controls that are relevant to the audit in order to select appropriate assurance procedures given the circumstances. This consideration is not intended to form a conclusion on the effectiveness of the internal controls of Koninklijke Jumbo Food Groep B.V.



- Evaluating the overall presentation and content of the indicators in the 2023 annual report and considering whether the non-financial indicators as a whole, including the accompanying disclosures, present a true and fair view in relation to the objectives of the reporting criteria used.

Eindhoven, 27 February 2024

PricewaterhouseCoopers Accountants N.V.

Original Dutch version signed by J. Dekker RA



# Appendices

## Appendix 1: Sustainable chain policy and steps taken

The [Jumbo sustainable chain policy](#) was drawn up according to the principles of due diligence and applies to the themes of animal welfare, sustainable chain and fair chain. It relates to the focal points of people, animals and nature when sourcing our products and ingredients. As part of our annual report, we report annually on progress in the various chains. See also the chapter '[Goals and achievements](#)' in this annual report. To add depth to our chain policy, we have deployed the following routes:

1. Training in due diligence. This year, this included the review of the sustainable chain policy. Our senior managers were included in the legislation on the Corporate Sustainability Due Diligence Directive (CSDDD). In 2024, we will roll this out further in the organisation.
2. Process for selecting Human Rights Environmental Impact Assessments (HREIA). This year, we set up a [process](#) for selecting product groups eligible for a HREIA. In this, it was agreed that a HREIA is always carried out in close cooperation with the Procurement, Category Management and Quality departments. In this way, on-the-job training also takes place with regard to product sustainability and the opportunities and dilemmas involved.
3. Risk analysis. Based on our new methodology, we conducted a comprehensive [risk analysis](#). With the managers from the Procurement, Quality, Category management and CSR departments, we used this analysis to select 20 focus products. This selection is included in our sustainable chain policy.
4. Complaint mechanism. External suppliers and employees in the chain have the option of filing a complaint via our Jumbo Service Centre. This could be a complaint in relation to human rights, but also a complaint related to impact on nature and animal welfare.
5. European Deforestation Regulation (EUDR). We are in close contact with the IUCN Dutch Soy Platform to monitor developments around deforestation and conversion of free soy. In addition, talks are ongoing with Fairtrade and Rainforest Alliance to learn how they can ensure deforestation-free cocoa and coffee. A cross-functional team has been set up internally to monitor developments in this area.
6. Corporate Sustainability Due Diligence Directive (CSDDD). We conducted a so-called GAP analysis on both the CSDDD and Dutch international corporate social responsibility legislation. Some recommendations emerged from this that we will continue to implement in 2024, such as publishing an integrated sustainable chain policy.



## Appendix 2: Climate plan

We want to organise Jumbo in a climate-conscious and future-proof way.

To have insight into whether the various reduction measures add up to our overarching goals, we summarise all the initiatives in our climate plan. For scope 1 and 2, we focus specifically on the transport and buildings of our Supply Chain. For scope 3, we also started a climate plan; in 2024, we will pay a great deal of attention to this.

All Dutch stores will have access to a new energy management system to better monitor consumption and make adjustments if necessary.

Energy-saving measures for our extensive retail property portfolio make a major contribution to achieving our emissions reduction targets. We aim to use only sustainably generated fossil-free energy in our stores by 2030. To achieve this, we work with a detailed roadmap:

- When rebuilding, the refrigeration system is always fitted with a natural refrigerant, such as water and CO<sub>2</sub>.
- During refurbishment, the gas boiler will be replaced with sustainable heat recovery and the gas connection removed.
- Low energy consumption is only possible in a well-insulated building. To have all store buildings 'up to standard' by 2040, 40 buildings will be insulated every year.
- All roofs of Jumbo stores will be fitted with solar panels if possible. We aim to complete 20 installations per year.
- Development of new technologies and adjusted principles of our formula help reduce energy consumption by 10 kWh per m<sup>2</sup> per year.
- Energy management (insight into energy consumption) in all Dutch stores.

We at Jumbo are consciously working to organise our Supply Chain and associated fleet more efficiently and with less environmental impact, by:

- Ensuring that all our home delivery vans are electric by 2030.
- Mapping how we can make our EFCs and DCs gas-free.
- Exploring how we can provide our EFCs and DCs with sufficient charging capacity for electric trucks.

For scope 3, we still have bigger steps to take. For this we are dependent on cooperation with our suppliers. To achieve joint data collection with the other supermarket chains, we are participating in a scope 3 consortium led by external agency Impact Buying. We are conducting pilot projects together that will enable us to take steps in this area. We shared and discussed our plan and ambition with our suppliers during our Partner Days in September. We have also set up a supplier page for them with practical information on this topic.

A number of categories that actually belong to scope 3 are treated according to our scope 1 and 2 plans. For example, when remodelling store buildings, we do not distinguish between our own stores and premises owned by franchisees. In both cases, we make sure they are made sustainable.



# About this report

## Translation

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between this translation and the original text, the latter will prevail.

## Scope and reporting period

The scope of this report encompasses Koninklijke Jumbo Food Groep B.V., including the Jumbo own stores, distribution centres, the head office and La Place. If stores owned by franchisees are included, this is explicitly stated. The reporting period covered the entire 2023 financial year, which consisted of 52 weeks and ran from Monday, 2 January 2023 to Sunday, 31 December 2023.

## Reporting of information

The reliability of the internal and external financial reporting is extremely important to Jumbo. After all, the management of the organisation and internal decision making take place based on this information. The reports to external stakeholders must also satisfy the applicable legislation and regulations for financial reporting (Title 9 of Book 2 of the Dutch Civil Code and IFRS). The uncertainties and risks present in the reporting are mainly related to estimates and the degree of subjectivity in valuation issues. These estimates and assumptions affect the reported assets and liabilities, the disclosure of rights and commitments not yet recognised at the balance sheet date and the income and expenditure in the period being reported on.

The assumptions, expectations and forecasts used as the basis for the estimates are as accurate as possible a reflection of the outlook for Jumbo. The estimates reflect Jumbo's views on the way in which the data were arrived at and relate to known and unknown risks, uncertainties and other factors. This means that the actual results could deviate from the expected results. Jumbo does not expect there will be material differences.

## Standards and guidelines

Jumbo uses various standards and guidelines in this reporting. These are 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 is also preparing for upcoming laws and regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy.