



Jumbo Policy on Human Rights

JUMBO

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Introduction

As a family-owned organization and leading supermarket chain in The Netherlands, we are an integral part of Dutch society and we feel responsible for the world and its people around us for our own and future generations. This is why we consider it important that the products that we sell, are produced with attention and due care to people, animals, natural resources and the wider environment. At the same time, we offer our employees decent working conditions and a pleasant and healthy work place. This document further explains this company commitment.

The route of continuous improvement

People make Jumbo. In its broadest sense. We take people, both within and outside of our company, actively into account. As an employer and buyer of private label and brand products, we are fully aware of our organisational responsibility on how we deal with people and how we do business with other companies as well as on how our sourcing and buying activities can have a direct or indirect impact on people in that supply chain. As a supermarket organization, we do business with numerous parties that operate globally, our supply chains comprise diverse actors and products may originate from countries very far away. We work for being a trustworthy trade partner, to pay a fair price to suppliers, to support local communities, and to safeguard at least decent labour conditions for our own employees as well as for those working for our supply chain partners. We are a learning organisation and continuously learn from our own experiences as well as from constructive external advice or discussions with other retail companies and civil society; for, especially with the increased knowledge and information of supply chain conditions, there is always room for improvement.

Better insight into our supply chains

Together with our suppliers and other chain parties, step-by-step we make our products more sustainable. We reduce adverse impact and focus on having positive impact to people, their communities, animals and the environment along our diverse supply chains. In this respect, protection and prevention of human rights is our particular interest. In order to identify and prevent potential risks, we need to have solid information and comprehend our supply chains and the provenance of our products, including their primary production stages. Jumbo is convinced that the labour and living conditions of people working in international food chains deserve pro-active attention and protection. Jumbo undertakes to improve these conditions in multiple ways.

Protection of human rights

Human rights are the fundamental rights that allow all people to live their lives in dignity and independence without the threat of abuse or violations of them. These include the right to equal treatment, freedom of opinion, privacy, social security, education, but also the right to clean drinking water. The wages for a full-time equivalent should be such that any person can have a dignified and decent life with his/her family.

Unfortunately, there are still many people involved in international supply chains as producer, entrepreneur or worker who their lives in poverty and whose rights are not at all met. Their income from farming, small-scale production or business may be well below what is needed to make a decent livelihood or their wages may be lower than what is required for a decent life. Some people suffer from rights violations in the workplace or end up in a context of modern slavery. Of course, such circumstances have a huge impact on people in general, and on vulnerable groups in particular, such as migrants, children, minorities and people with disability. However, in many countries and societies, also smallholders, women and other disadvantaged groups are considered

vulnerable and are indeed victim of a range of human rights violations. Still today, worldwide many women face additional barriers to make a decent living and fulfil their human rights; more often than not, their wages are lower and they carry out the majority of unpaid labour and activities.

All people have human rights, it is the obligation of governments to protect these human rights and ensure that other actors like companies, respect them. The commitment of governments is laid down in international treaties. Despite these international treaties and national legislation however, proper protection of human rights is far from commonplace and it also appears that governments cannot ensure that other actors respect these rights in full. In some countries, severe human rights violations take place, such as child labour, (modern) slavery or highly unequal pay between men and women for equal work, where vulnerable social groups are being exploited while for example trade unions might be non-existent or banned. At the same time, as a reliable retailer, we would like to assure our customers that they can do their daily shopping at our stores without any reservation nor doubt on human rights. That is why we actively work to have all our products produced with full attention for people, communities, animal welfare and the natural environment.

We act on our organisational responsibility to respect human rights in our supply chains, as established in the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines for Responsible Business Conduct. This is not just important for improving sustainability from a business perspective. We also see this as our moral duty to society.

Our commitment

Jumbo acknowledges the responsibility to respect human rights, which means that, together with our suppliers, local governments, trade unions, and NGOs, we are committed to improve the protection of human rights and to identify risks and actual violations of these rights and deal with them, as well as address governments whenever relevant. This applies to our own activities and to those of our supply chain partners, taking the influence and leverage that Jumbo has over its supply chain partners into account.

International treaties

We recognize and support the UN Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights, and the OECD Guidelines for Responsible Business Conduct.

Our policy on human rights is based on:

- United Nations Guiding Principles for Business and Human Rights
- Declaration on Fundamental Rights at Work of the International Labor Organization (ILO)
- UN Global Compact Principles
- OECD-FAO Guidance for responsible Agricultural Supply Chains
- UN Women's Empowerment Principles
- UN Children's Rights and Business Principles
- Dhaka Principles

Our approach

Organisational responsibility

Jumbo has assigned the implementation of its policy on human rights, to a specialised core team called Cross Functional Team (CFT) Working conditions supply chains with representatives of various departments: Buying, Merchandising, Human Resources (ad hoc), Quality, Communication, CSR and

Legal (ad hoc).

The CFT Working Conditions supply chains is responsible for drawing up and adapting our due diligence policy in the organisation, as well as for its proper implementation, management and monitoring. is formulating additional policies and guidelines building on the policy on human rights and due diligence, defining supervisory procedures, implementing and monitoring the progress and execution of the assessments and defined action plans.

The CFT sustainable chain and CFT animal welfare are responsible for policies and guidelines, implementation of those concerning environment, sustainability and animal welfare.

The CFTs report to the Fit for Purpose team (F4P) CSR, which is ultimately responsible for the CSR policy and its management, including the due diligence policy. The F4P team consists two members of the Executive Board, the Financial Director, the Manager Corporate Communication & Sustainability and members of the CSR team. There is also direct coordination with the Commercial Director and the commercial team with Unit managers and Purchasing Manager. These persons are ultimately responsible for the implementation of the due diligence process and for managing the CSR KPIs related to the assortment.

Jumbo's formulates concrete goals and specific KPIs to different key departments, experts and managers, thus delivering our policy on human rights.

Due diligence approach

To monitor the actual and potential impact on human rights as well as to realize improvements, the current policy is embedded in our due diligence process. In fact, a comprehensive package of risk and impact identification, analysis, responsive actions and measures has been integrated. The due diligence process helps us to identify for which production chains we need to collect further and more in-depth information and on which specific themes and type of risks we need to focus in such supply chains. Recently, we have improved the sensitivity in our due diligence for gender related inequality and the position of women in supply chains. More information about this approach can be found in the paragraph "Our due diligence process".

Transparency and communication

Jumbo believes in full transparency. All information about our sustainability policy, with our human rights policy as part of it, and the progress of our due diligence process is openly available for any interested party at: Jumborapportage.com. Additionally, report on our key challenges and efforts with regard to human rights, in line with the UNGPs and OECD Guidelines, at the same site.

NGOs working on human rights issues, such as Max Havelaar, RainForest Alliance, Fairfood, Oxfam Novib and Hivos are informed and consulted on a regular basis. We consider this the regular stakeholder communication as required under our due diligence process. Naturally, we also consult with other stakeholders such as suppliers, experts, governments, trade unions, and branch organizations.

As a transparent company, one of the most important aspects is the communication with our suppliers. We share our expectations by informing all of them about our policy on human rights and by discussing and mutually agreeing on our purchasing conditions regarding Quality and CSR. These conditions form an integral part of our trade agreements and contracts which are discussed and signed. Based on these conditions, we elaborated and published a code of conduct for responsible buying which we adhere to.

Jumbo has published a world map . On this world map, we provide also transparency about products/ ingredients and their origin used for our private label products wherever or for which human right, environmental or animal welfare issues may be involved. This information is based on the outcome of the risk analysis for the top list of risk products and ingredients. This map also provides further information on suppliers and production locations of all our private label products and fresh

products.

We yearly publish an update on the progress of our efforts with regard to the protection of human rights and the prevention of violations thereof, as well as an annual due diligence report, on jumborapportage.com.

Our current focus

For our store employees, distribution centers, and at our offices

Human rights is one of our key themes within our own organization. This theme is fully aligned with our sustainability theme Good Employment Practices.

Focus: mutual respect, safety, confidential adviser, and grievance mechanism

In 2017, the Jumbo code of conduct was established with the name Code Yellow, and was widely distributed and brought to the attention of all employees. The awareness with respect to this code is to be expanded in 2019 to our franchisees with whom Jumbo collaborates and to the job agencies. Code Yellow reflects the position of Jumbo, as a company, within our society and it helps to strengthen the reputation of Jumbo as an organization and employer. Code Yellow not just offers guidelines to comply with the relevant laws and regulations, but it also includes provisions about integrity, respectful collaboration, complaints procedures, having an internal confidential adviser, and the protection of company resources and information. All employees at the head offices, in the stores, and in the distribution centers are expected to respect and comply with this code. Safeguarding the compliance within all organizational departments is one of the goals of the Executive Board and the Board of Directors. The continuous activation of Code Yellow is included in the Internal Control Framework.

For suppliers and production chain partners of private label products

Jumbo applies its policy on human rights first and foremost on the supply chains of its private label products because that is where we can exert influence most directly. Furthermore, Jumbo requests brand product suppliers to share their efforts when it comes to the protection of human rights and improvement of human rights in their supply chains.

Focus: labour conditions, child labour, and forced labour (ILO)

We maintain a policy on labour conditions for our suppliers in the form of purchasing conditions on Quality and CSR that is discussed and signed as part of the suppliers agreement and trade contract.

These conditions state that, during the production of products and ingredients, the supplier has to observe the ILO guidelines for labour conditions. The purchasing conditions check with compliance to these ILO conventions in particular:

- Child labour and young workers
- Forced labour
- Freedom of association and the right to collective negotiations
- Discrimination, sanctions, intimidation, and abuse
- Contracts, wages, and labour conditions
- Healthy and safe working conditions
- Working hours and moments of rest
- Social management system and involvement of the supply chain
- Ethical conduct
- Effective grievance mechanism

Jumbo will not accept that employees pay a recruitment fee in order to get recruited at whatever position in the supply chain. Jumbo advocates for the right to form trade unions or workers' associations within our supply chains. This is part of the code for responsible buying. As a party to the IMVO Covenant Voedingsmiddelen, we are on good speaking terms with trade unions in (developing) countries about removing barriers to the freedom of association and right to form worker representations and/or trade unions.

Starting from 2019 Jumbo performs at least every three years an impact assessment with specific focus on the position of workers in a high-risk food chain. The resulting action plans provide recommendations for improving labour conditions, strengthen position of workers and opportunities for increasing wages to a living wage for workers in our international supply chains.

Focus: smallholders

The primary production of a large number of tropical products and ingredients is dominated by smallholder farmers. Numerous small farmers live their lives in continued poverty and deprivation while producing tropical commodities, ingredients or food products that end up being sold by retailers in countries like The Netherlands. We cannot bear to see such situations. Smallholder farmers are often disadvantaged as compared to larger farmers or companies. Jumbo is committed to supporting small-scale farmers to effectively engage in Jumbo supply chains by selling required products and ingredients following our specifications, so that they earn a decent income and make a sustainable livelihood to them and their families.

Starting from 2020 Jumbo performs at least every three years an impact assessment with specific focus on the position of smallholder farmers in a high-risk food chain. The resulting action plans provide recommendations for improving business and income opportunities to smallholders as well as for increasing their resilience as small farmers in an international supply chain.

Jumbo works towards the commitment to a living income to primary producers throughout its supply chains, including to smallholders. Jumbo will not commit until it can also deliver. In order to learn how the living income commitment can be effectuated, Jumbo actively participates in the Dutch Initiative on Sustainable Cocoa (DISCO) in which living income is one of the three sector-wide commitments. In addition, Jumbo integrates the living income goal into its impact assessments with specific focus on smallholders.

Focus: gender equality and women's economic empowerment

Jumbo is signatory to the UN Women's Empowerment Principles. Furthermore, in discussions with its trading partners, Jumbo encourages them to do the same and take the principles of women's economic empowerment at heart.

As part of its transparency goal, Jumbo publishes and communicates on challenges, actions and progress on human rights in a gender disaggregated way where possible. It has found that in many supply chains and with many producers, that level of disaggregated data is not yet available. As a result, Jumbo advocates with these suppliers and other partner to provide data on gender equality and on the position of women in particular.

In general, the work of women is undervalued or at least lower valued and paid for than the same production by men. This is a persistent phenomenon that is found in many countries, in the global South and The Netherlands alike. Starting in its "own house", Jumbo has implemented a policy in which we strive to equal recruitment and equal remuneration for equal work. It also encourages women to go for higher level positions and to have more female managers. In the Jumbo supply chains, suppliers and other trade partners are asked for their gender policies and practices during the purchase conditions discussions.

Starting from 2020 Jumbo performs at least every three years an impact assessment with specific focus on the position of women in a high-risk food chain. The resulting action plans provide recommendations for reducing the specific bottleneck experienced by women and for enabling women to strengthen their social and economic position in the supply chain as well as in their daily life. In many supply chains women are held aback of economic opportunities and experience adverse impact disproportionately. Through its impact assessments and due diligence process, Jumbo seeks to know and understand the root causes of this gender imbalance. Subsequently, Jumbo seeks to have such root causes broken or at least reduced, so that women are enabled to escape from such disadvantaged circumstances.

Jumbo is committed to seeing more and more women and young girls that take on increased opportunities and empower themselves. For, where women flourish socially and economically, it does not remain with women alone, but their families and communities flourish with them.

Apart from the discussion with suppliers and trade partners, Jumbo is open to continuously learn on gender relations and gender inequality. NGOs and other civil society organisations in countries of origin of products and/or ingredients are good learning partners in this respect.

Certification as a vehicle and tool

To prove eligibility as a potential supplier to Jumbo supply chains, each supplier submits a valid audit report and/or certificate that includes the above-mentioned aspects if the product is produced in a high-risk country as listed by the Amfori BSCI. Jumbo does no longer accept a certificate only and requires suppliers to share the related audit report, so that non-compliances can be looked into and also the corrective actions can be seen and monitored. Jumbo accepts, amongst others, certificates along with valid audit reports issued by the following institutions: BSCI, ETI/SMETA, SA8000, ICS, SIZA, Fairtrade and Rainforest Alliance.

Jumbo will then study each audit report to see whether there are possible non-conformities with respect to the above-mentioned themes. When we find non-conformities, measures are taken and we monitor the follow-up and effects of this corrective measure. Apart from observing the contractual conditions, we, together with our suppliers, identify and tackle the root causes of risks of human rights and environmental issues. And when necessary, we will support our suppliers in their efforts to implement effective improvement plans.

Jumbo believes that certification and audits are not a goal in themselves but that they are means that provide insight into the circumstances in a production chain. We also understand that, in certain situations, certifications and audits have their limitations which require additional measures. That is why our due diligence process goes beyond certification, for example by conducting human rights impact assessments and by carrying out concluding action plans.

Our network

The Jumbo organisation recognizes the limitations of its influence and leverage, for instance in the case of brand products or in chains for ingredients that are used in small amounts in our end products. Moreover, some human rights issues cannot be solved by a company singlehandedly or a group of supply chain actors; some human rights issues are caused outside the sphere of influence of the companies in a supply chain. The exploitation of migrant labourers, the gender imbalance at the workplace, sexual harassment or living income to small farmers are all complex human rights violations that usually are rooted in more than just a company or supply chain handling.

In order to increase the impact of our policy on human rights and to define an effective approach, we collaborate with various initiatives and covenants such as the Roundtable for Sustainable Palm Oil (RSPO), Roundtable on Responsible Soy (RTRS), Sustainability Initiative Fruit and Vegetables (SIFAV), Dutch Initiative on Sustainable Cocoa (DISCO) and the IMVO Covenant Voedingsmiddelen.

Jumbo is a founding partner of the hazelnut program of Rainforest Alliance Certified and a member of the Steering Committee Hazelnuts. It is our intention to further intensify collaborations, first of all with our suppliers and other chain partners but also with parties such as local government bodies and trade unions. The direction and choices we take, are well aligned with our due diligence process.

Our current efforts

Over the past years, several due diligence initiatives have been initiated to have a good view on the chains and their challenges when it comes to human rights. Examples include mango, roses, citrus, hazelnuts, coffee, cashew, cocos, tilapia and cocoa. We report annually about our efforts in our due diligence report at jumborapportage.com

Our due diligence process

Our due diligence process is aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines. Our current focus and efforts will be included. This will all be published in a separate document before the summer of 2019. The first draft of this document will, among other things, contain a human rights due diligence mapping of the high-risk supply chains of foods. We mentioned this earlier on in this document as the top list with risk products/ingredients. The process includes an impact analysis and improvement plan in which we explain step-by-step how to tackle the identified risks. This is based on a broad vision on risk management that not just includes human rights but also animal welfare, natural resources and the wider environment. The term “risk” is defined as the possible adverse impact that we – directly or indirectly – have on people, communities, animals, and the environment.

For Jumbo, due diligence is a cyclical process in which the monitoring of our production chains continuously fuels and improves our insights into the risks and our possible impacts. Thanks to this and by entering into the right collaborations, we want to generate an increasingly positive impact over time. Based on the OECD Guidelines¹, we defined the following steps for our due diligence process. Stakeholders, especially direct stakeholders (such as laborers and small farmers) or their representatives (trade unions or NGOs) will be involved, consulted, and informed in all relevant phases of the CSR risk management program.

Step 1: Safeguard responsible chain policy in business operation, supply chains, and relationship management

We described our policy on human rights above, how it is embedded in our organization, how this policy is translated into our supply chains, and in which networks we participate. Our due diligence process also includes other aspects such as the environment and animal welfare. Annual due diligence reports on the developments and results will be published on our website jumborapportage.com.

WE described the governance on human rights above. We use existing structure to train our buyers and merchandising managers in such a way that the focus will be on the respect for human rights and the environment on an annual bases.

We also intend to link the remuneration of the relevant employees (e.g. buyers, merchandising managers, and quality managers) to the respect for human rights and sustainability. Our suppliers are included the safeguarding of the policy via our code for responsible buying and, when necessary, training programs and support will be offered.

¹ OECD Due Diligence Guidance for Responsible Business Conduct

Step 2: Identify and assess potential and actual adverse impact on man and the environment

With the chain data that we collect, and which is continuously verified and updated, we can identify where our products are produced and where the resources and raw materials for these products originate from (country of origin). Based on this knowledge, annually do a broad risk and impact analysis in which internal and external sources of information and stakeholders are involved. The production chains and the countries of origin that are identified as high-risk will be investigated and screened. This is the responsibility of multidisciplinary teams and the processes take place in close communication and collaboration with our suppliers. Our due diligence process contains more information about this analysis, and a clear overview of the identified risks in these production chains, which is annually updated on *jumborapportage.com*.

Since 2019, we started several human rights impact assessment. The impact assessments are based on globally recognized methodologies and will always include the following themes: gender, labor conditions, and (living) wages and/or living incomes. The results and progress of the assessments are then published in our annual reports.

In those situations where people are not receiving living wages/living incomes, Jumbo will take every effort, in collaboration with other parties, to take action in order to close the gap between current wages/incomes and living wages/living incomes. This will be done through a collaboration between the Buying, Quality Control, CSR, and Merchandising Management departments. Together, we will come to responsible buying practices.

Step 3: Integrate and take action to stop, avoid, or overcome adverse impact

After the annually the risk- and impact analysis we decide on the required actions. The multidisciplinary teams, which also include staff members from the Buying and Merchandising department, will decide on what Jumbo can do. We could, for example, ask the buyer to initiate a consultation with a supplier, visit a production location together with the CSR manager and/or quality control manager, or we could use new technology such as blockchain to obtain more in-depth transparency. Should we come across serious cases, we always have the option to end our relationship with a certain supplier, however, this option is meticulously embedded in a decision tree whereby various measures are considered or applied before we decide to terminate the supply and the contract.

If the issue is more widespread or more complex than we can handle as an organization, we will consider participating in sector or chain initiatives to take joint actions regarding a certain issue in a specific sector or region by seeking contact with local parties like suppliers, governments, and trade unions and to offer, for instance, capacity building services which may consist of training programs for employees of production locations in certain countries. Wherever this is possible, and possibly combined with collaborations and covenants, we will approach local parties such as workers, farmers, trade unions, NGOs, and governments for advice and collaboration in order to deal with the identified risks. In this respect, it is our intention to become an active member of at least three multi-stakeholder initiatives that play an active role in the protection of labor rights. The results of these collaborations in relation to our own policy on human rights will be reported. To aim for even more improvements, we are also open to working together with large suppliers or importers who discuss these same themes with other clients in relation to the chains they manage. Jumbo is a signatory party to the IMVO Covenant Voedingsmiddelen. We will publish an annual action plan in which we state our priorities for the coming year, based on the risk and impact analysis, and which contain clear goals and ambitions.

Step 4: Monitor implementation and results

When the necessary actions have been determined, the improvement of the situation will be monitored. This requires data collection and validation. The data will always be checked within the context of our risk and impact analysis (step 2), after which it is forwarded to the multidisciplinary teams so that they can monitor their performances against their goals (KPIs). The information from the monitoring will also fuel the risk and impact analysis.

Part of the monitoring process is the requesting and validation of valid social audits and certificates. Apart from that, we will develop additional techniques to collect data on specific elements and possible impacts. This can be realized in the form of, among other things, impact assessments and complaint mechanisms, by questionnaires and other ways of data collection, by visits to suppliers, and by capacity building programs.

Step 5: Communicate results to stakeholders and report on impacts and actions that Jumbo has taken

We will give feedback on the findings of the risk and impact analysis and on the implementation of improvement actions to internal and external stakeholders. For this, we use our website Jumborapportage.com to inform all parties in a more constant manner. The website will also include the due diligence report as part of our annual report. We have a central point of contact and/or information for questions and complaints. This also applies to questions from our own organization about how to handle subjects related to sustainability and human rights.

Step 6: Provide a grievance mechanism, or collaborate in this area with others and remediate when necessary (as established in the UNGPs)

We believe it to be essential that Jumbo maintains a grievance mechanism that informs us about impact and possible violations of human rights. Based on this information, we can determine what we and our suppliers must and can do to remediate damages and prevent recurring problems.

It is our intention to implement an effective grievance mechanism in the food chains preferably in cooperation within the IMVO Covenant, based on the UN Guiding Principles on Business and Human Rights, by the end of 2022.