



# Human Rights

Report 2020

# Letter from the CEO

Dear reader,

I'm happy to share our inaugural report outlining our work on human rights.

For the past four years, we have been building on the rich history of our great local brands and a deep commitment to do what is right. Integrity was a value of both Ahold and Delhaize Group, and it is now one of the core values of Ahold Delhaize.

The Ahold Delhaize Code of Ethics lays out the principles to help us act with integrity with customers, communities and each other. It's how we do business. It's who we are. As we strive to be a better place to shop, a better place to work and better neighbor, our shared values – integrity, courage, teamwork, care and humor – provide the framework for the decisions we make and help us earn the trust of those we serve.

Building on the Code of Ethics, Ahold Delhaize published its Position on Human Rights in 2017, formalizing our commitment to respecting human rights based on our own collective belief that all people should be treated with dignity. Since then, we have taken significant steps forward. Our Leading Together strategy, launched in November 2018, provides a framework for success, leveraging our scale, while giving our great local brands the flexibility to best serve their customers, associates and communities.

As one of the world's largest retailers, people are at the center of everything we do. Today, maybe more than ever, people want to feel engaged in their work and know that it has a purpose. Our Best Talent growth driver focuses on fostering a healthy and diverse working environment where people can develop both professionally and personally. Our brands are dedicated to being good employers, providing enriching career opportunities and treating associates with appreciation and respect.

2020 is an historic year that has been met with unprecedented events. The world around us is rapidly changing and it is currently facing immense challenges arising from the COVID-19 outbreak and the worldwide protests in support of racial justice and equality. These crises once again make us realize that, as a global retailer, we have a significant impact on issues important to people in our local communities and our global supply chains, such as health, racial equality and inclusion, climate change, labor issues, and women's rights. We must do all we can to dismantle structures that systematically disadvantage some and advantage others. Our Best Talent growth driver includes initiatives on becoming an even more inclusive and diverse workplace, one that is free of discrimination, promotes equality, and provides opportunities regardless of race, gender, national origin, age or sexual orientation. Our Healthy and Sustainable growth driver is focused on creating healthier and affordable solutions for our customers, while also becoming more sustainable in the way we source, the way we work, and the way we operate as a company.

In 2018, we embarked on a journey to conduct human rights due diligence with a cross-functional working group overseen by the Chief Human Resources Officer, the Chief Legal Officer and myself. This report is the result of that journey and it is based on the UN Guiding Principles and its Reporting Framework.

The process of due diligence has been inspiring and eye-opening. We continue our work in partnership with other businesses and civil society on, among others, social compliance, health and deforestation. We also continue our commitment to gender equality, demonstrated by the CEO Statement of Support for the Women's Empowerment Principles that I signed in early 2019.

At the same time, we are embarking on a new journey. We now have a clear roadmap with next steps to take on human rights for Ahold Delhaize globally, starting with the strengthening of our governance. In addition, the identification of our most salient issues will help us focus our work – in our own operations, communities and supply chains – and drive a positive impact. We appreciate the engagement of several of our stakeholders in the due diligence process to help us understand the full context of the challenges ahead.

Although this is our first human rights report, it reflects more than a hundred years of our great local brands doing what's right as well as our long-standing commitment to being a healthy and sustainable retailer. We look forward to learning more as we continue on our journey and we welcome your feedback.

**Frans Muller**  
Chief Executive Officer



# Navigating this Report

Welcome to our first Human Rights Report! Two years in the making, this report presents the outcome of our due diligence journey, our progress on human rights so far and a roadmap with future actions.

Our approach to due diligence centered on identifying our areas of focus and assessing our current management policies, processes and governance. Human Rights is now integrated in our Leading Together strategy, as well as our Healthy and Sustainable and Best Talent growth drivers. We will continue to report publicly on a number of human rights commitments across our own operations, our supply chains and our communities. Where possible, we will refer to those commitments in this report, as well as in our Annual Report.

To help you navigate this report, the content is divided into five Chapters.

## 1. Ahold Delhaize’s Position on Human Rights (p. 6)

This includes our commitment to human rights and our businesses’ approach to respecting and supporting human rights for their associates, customers, communities, as well as those in our supply chains. The Position also outlines how we currently govern and monitor human rights.

## 2. Our approach to global due diligence (p. 8)

The due diligence process consisted of three main steps. The first step was to perform a policy review of existing social and environmental processes and policies through research and interviews. The second step consisted of internal engagement with the brands to raise awareness and align on (potential) salient issues. The final step was to consult external stakeholders in the United States, Europe and Indonesia.

## 3. Strengthening our governance (p. 10)

We have identified four key areas that play an important role in achieving effective governance of our commitment to respecting human rights across the businesses:

- Board level engagement and accountability
- Our policy and guidance framework
- Engagement in relevant collaborations and partnerships
- Ensuring access to remedial processes

## 4. Our salient issues (p. 14)

This section provides an overview of the salient issues and explains each salient issue in more depth. It also includes examples of actions, collaborations and next steps on each of the issues.

<b>Health and Safety</b>	(p. 15)	<b>Affordable Healthy Food</b>	(p. 24)
<b>Compensation</b>	(p. 17)	<b>Water &amp; Sanitation</b>	(p. 26)
<b>Freedom of Association</b>	(p. 19)	<b>Working Conditions</b>	(p. 27)
<b>Women’s Rights</b>	(p.20)	<b>Children’s Rights</b>	(p. 28)
<b>Forced Labor</b>	(p. 22)	<b>Child Labor</b>	(p. 29)
<b>Discrimination &amp; Harassment</b>	(p. 23)	<b>Privacy</b>	(p.30)

## 5. Reflection on the due diligence process and outline of our next steps.

(p. 31)

This section briefly reflects on the due diligence process and sets out a summary of our priorities as they are outlined in the Roadmap. We will use this report as a tool to engage internal and external stakeholders on human rights, while we continue to report on our human rights commitments.

The appendix outlines how this report relates to the UN Guiding Principles Reporting Framework.

We welcome your feedback on Ahold Delhaize's Human Rights Report and the commitments outlined in our Human Rights Report and Annual Report. Considering the interconnections between many human rights issues and our Leading Together strategy and Healthy and Sustainable and Best Talent growth drivers, we believe that working in partnership with others is essential. We also recognize the increasing importance of transparency and we continue our commitment to engaging with our stakeholders on complex issues, including human rights.

**Jan Ernst de Groot**  
Chief Legal Officer



**Abbe Luersman**  
Chief Human Resources Officer



# 1. Our Position on Human Rights

*In 2017, Ahold Delhaize published its Position on Human Rights. This Position continues to define the commitment of Ahold Delhaize and its brands to Human Rights.*

As part of our Leading Together Strategy, Ahold Delhaize and each of its brands share a set of values that support an ethical culture and are the foundation of our commitment to conduct our business by doing what's right, every day. We are committed to respecting the human rights of our associates, our customers, our communities and the people who work throughout our supply chains. This commitment is based on our own collective belief that all people should be treated with dignity and respect and is derived from international principles, such as the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

This commitment aligns with the ten globally recognized principles in the areas of human rights, labor, environment and anti-corruption of the UN Global Compact, and has been incorporated in our sustainable retailing strategy. Ahold signed the Global Compact in 2010, and Ahold Delhaize will continue to report on operations and strategies in relation to these principles. In addition, Ahold Delhaize signed the Women's Empowerment Principles and we reference other relevant frameworks to prioritize our sustainable retailing ambitions, including the UN Sustainable Development Goals (SDGs).

Below is our businesses' approach to respecting and supporting human rights for their associates, customers, communities, as well as those in our supply chains.

## Our Own Operations

People are our most valuable assets. Our brands are committed to providing safe, secure and inclusive environments where all associates and customers are respected and appreciated. Our Code of Ethics supports our commitment to conduct business by doing what's right, every day.

### Human and Labor Rights

Our brands embrace clear standards on human rights, such as prevention of forced and child labor and non-discrimination, and we are committed to the principles of freedom of association and respecting legal rights to collective bargaining.

### Equal Employment Opportunities and Respect in the Workplace

All associates deserve a workplace where they are treated with dignity and respect. Our brands comply with applicable laws and Company policies relating to equal opportunity and non-discrimination. We respect the rights of all associates under applicable law, including the right to a workplace free from harassment and discrimination. Our brands do not tolerate conduct by any associate or any other person that creates an intimidating, offensive or hostile work environment. This includes harassment based upon a person's legally protected status.

### Safe and Secure Working Environment

We are committed to providing safe and secure working environments for all associates and customers everywhere Ahold Delhaize companies operate. We comply with safety and health laws and regulations that apply to business activities and we follow applicable health and safety policies and procedures.

## Our Suppliers and Partners

Our brands strive to maintain a professional and ethical relationship with our suppliers and other members of the business community. These relationships contribute to success, and should be based on good business judgment, mutual trust and fair dealing.

### Working Conditions

We strive to ensure that all our suppliers demonstrate a high standard of business ethics and regard for human rights, and that our products are safe, high quality, and produced in clean, safe and efficient facilities with good working conditions. Our expectations are outlined in the Standards of Engagement, which are part of every buying agreement.

We require amfori Business Social Compliance Initiative (BSCI) audit reports – or audit reports or certificates that we consider equivalent to amfori BSCI – from all our suppliers with production locations in high risk countries (as defined by amfori). In recent years, our brands have committed significant resources to selecting suppliers, monitoring their performance and supporting them in improving their processes and working conditions. If we learn about child labor, forced labor or serious violations of occupational health and safety regulations, we will suspend our relationship with that supplier. If a supplier is unable or unwilling to remedy their non-compliance, we will terminate our relationship with that supplier.

### Industry Collaboration

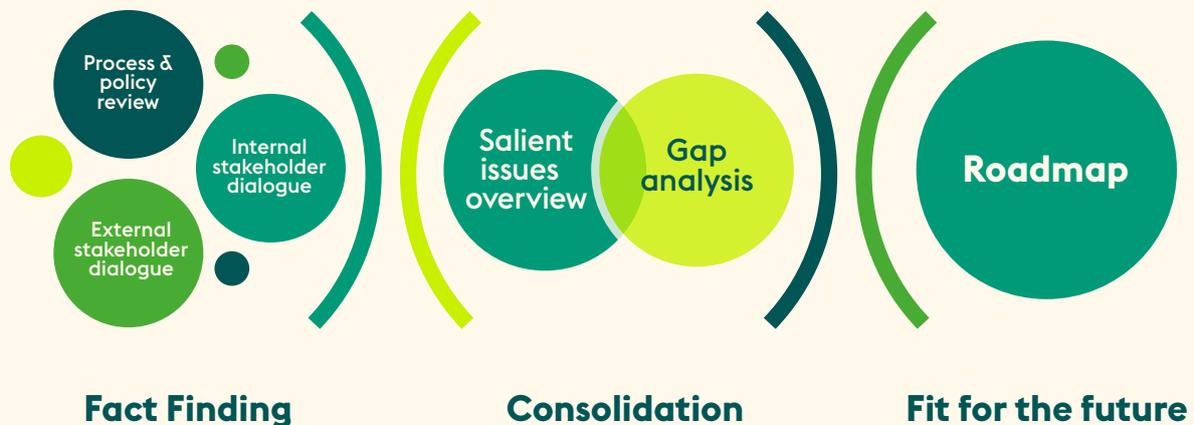
Our brands work together with industry organizations to drive food safety and social and environmental sustainability. In addition, we take an active role in various committees and working groups, including those of the amfori Business Social Compliance Initiative (BSCI) and the Sustainable Supply Chain Initiative (SSCI), to address human rights issues in collaboration with the business community and other relevant stakeholders.

## Governance and Monitoring

Our commitment to human rights is established and supported globally through our Executive Committee and our Supervisory Board, and implemented locally through our brands. The Healthy & Sustainable Steering Committee, consisting of Executive Committee and regional leadership team members, is tasked with overseeing the implementation of our Roadmap and monitoring our salient issues. The Healthy & Sustainable Steering Committee reports into the Executive Committee, and provides input to other relevant Committees, including the Governance Risk & Compliance Committee which is a permanent sub-committee of the Executive Committee comprising the CEO and other members of executive business and corporate management. The Supervisory Board is reviewing the governance risk & compliance reports on a quarterly basis. Additionally, all Supervisory Board members actively participate in the Sustainability & Innovation Committee which is addressing specific topics and progress on a semi-annual basis. Brand Presidents are responsible for implementing the work relevant to their brands. These responsibilities include monitoring compliance with applicable laws and company policies in their own operations, and monitoring working conditions in their supply chains.

Key elements of our Human Rights Position are incorporated into our Code of Ethics. Our established, local “ethics helplines” are free, confidential and secure services that enable our associates, third parties within and connected to our supply chains and the public to raise concerns about improper behavior or possible violations of law or policy. All reports of violations of Our Code will be thoroughly investigated. Where there has been a violation of Our Code or the law, appropriate corrective action will be taken.

## 2. Our Approach to Due Diligence



As a global retailer, we have a significant impact on issues important to people in our global and local communities. It is important to us to be closely connected to our communities – after all, they are home not only to our customers, but also to our associates. Each of our great local brands has a set of values that reflects these strengths, how they want to work and who they want to be.

Values are important for success: they guide decision-making and drive behavior. Ahold Delhaize's values – Courage, Integrity, Teamwork, Care and Humor – support an ethical culture and are the foundation of our commitment to conduct our business by doing the right thing, every day. Our shared values provide the framework for the decisions we make, and our Code of Ethics is our roadmap. It defines how we apply each of the values to earn the trust of those we serve. Doing what's right is about creating a culture of integrity that empowers a shared commitment to our values and ethical principles.

In 2017, we published our Position on Human Rights, in which we outlined our commitment to respect the human rights of our brands' associates, customers, communities and the people who work throughout our supply chains. That commitment is based on our own collective belief that all people should be treated with dignity and respect.

Following the publication of our Position, we set out to assess our impacts through a formalized global due diligence process in 2018. Ahold Delhaize engaged Enact and Human Rights@Work to support an internal working group with representation from relevant global functions, including Legal, Human Resources, Risk & Controls, Health & Safety, Communications and Sustainable Retailing, overseen by the Chief Executive Officer, Chief Human Resources Officer and Chief Legal Officer. This global due diligence process had three main objectives: i) achieve internal engagement on human rights, ii) consult external stakeholders, and iii) create an overview of salient issues for Ahold Delhaize globally and a roadmap to manage those salient issues.

The first step in the due diligence process was a review of policies and processes to gather insight in how Ahold Delhaize manages human rights across its businesses. The review made a particular effort to shine light on how to concretely and practically prioritize the work going forward.

The next step was to involve internal stakeholders in the review of policies and processes, as well as in the identification and assessment of human rights impacts. This approach created an opportunity to increase the broader organization's awareness on human rights in a pro-active and real

way. In practice, we conducted webinars, shared a questionnaire with relevant associates across our support offices and our brands, and a series of in-depth interviews with select associates across relevant functions.

The third step was to engage external stakeholders – an essential part of human rights due diligence. We conducted two workshops – one in the United States and one in Belgium – with our American and European stakeholders and we engaged Indonesian stakeholders through a survey. The workshops were facilitated by external experts, and helped us gather important insight into the expectations of our stakeholders in terms of identifying salient issues, our potential roadmap and their perspectives on the future.

We then consolidated the input of all three steps through a series of externally facilitated workshops with the working group, resulting – ultimately – in the overview of salient issues and this report in front of you. However, we recognize that defining and identifying salient human rights issues is an ongoing process, and that is reflected in our Roadmap.

## 3. Strengthening Our Governance

We have identified four key areas that play an important role in achieving effective governance of our commitment to respecting human rights across the business:

- Board level engagement and accountability
- Alignment of our policy and guidance framework
- Engagement in relevant collaborations and partnerships
- Ensuring access to remedial processes

Each of these key areas will be discussed in more detail below.

### Board Level Engagement

Our commitment to human rights is established through our Supervisory Board and Executive Committee and implemented locally by our brands. Brand Presidents are responsible for implementing the work relevant to their respective brands. These responsibilities include monitoring compliance with applicable laws and company policies in our own operations and monitoring working conditions in our supply chains.

One of the outcomes of our due diligence process is that we see an opportunity to improve our governance of human rights by formalizing it accordingly. In 2020, a newly-created Healthy & Sustainable Steering Committee, consisting of Executive Committee members and regional leadership team members, takes on the specific mandate of overseeing the implementation of our Roadmap and monitoring our salient issues.

### Policy and Guidance Framework

Ahold Delhaize's commitment to respecting human rights is based on our own collective belief that all people should be treated with dignity and respect and is derived from international principles, such as the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

This commitment aligns with the ten globally recognized principles of the UN Global Compact, and has been incorporated in our Leading Together strategy. Ahold signed the Global Compact in 2010, and Ahold Delhaize continues to report on operations and strategies in relation to these principles. In addition, Ahold Delhaize signed the Women's Empowerment Principles and we reference other relevant frameworks, including the UN Sustainable Development Goals (SDGs).

In 2017, we published our Position on Human Rights to communicate our commitment to respecting human rights in our own operations and in our supply chains, and to explain the interconnection between our Code of Ethics and the Standards of Engagement in terms of human rights (see also page 12). The Position on Human Rights was published after consultations with key internal stakeholders at the group and in the brands across the legal, human resources, communications, product integrity and other relevant teams, and approved by the Executive Committee.

At Ahold Delhaize, our shared Values support an ethical culture and are the foundation of our commitment to conduct our business by doing what's right, every day. Our Code of Ethics defines the way we live Ahold Delhaize's values and ethical principles and has been adopted by all brands. The Code is intended to provide guidance in acting ethically in all situations related to our business activities.

In addition, we strive to ensure that all of our suppliers demonstrate a high standard of business ethics and regard for human rights, and that our products are safe, high quality, and produced in clean, safe and efficient facilities with good working conditions. Our expectations are outlined in the Standards of Engagement, which are part of every buying agreement.

To successfully incorporate the UN Guiding Principles on Business and Human Rights (UNGP) across Ahold Delhaize, we consider a strong policy and guidance framework to be essential. It helps us set clear and consistent expectations and allows us to do what is right. Our positions on key social and environmental topics, as well as our Anti-Corruption and Bribery Policy, can be found on our website.

The following page highlights our Code of Ethics and the Standards of Engagement.

Code of Ethics	Standards of Engagement
<p>At Ahold Delhaize, our shared values support an ethical culture and are the foundation of our commitment to conduct our business by doing what’s right, every day. Our Code of Ethics supports this commitment by outlining <b>four ethical principles</b> that can be applied in our everyday work.</p>	<p>Ahold Delhaize and each of its local brands are committed to:</p> <ol style="list-style-type: none"><li>i. complying with all applicable laws and regulations in each of the countries in which they operate,</li><li>ii. ensuring that the parties that supply Ahold Delhaize with goods and services do the same,</li><li>iii. validating the origin of goods offered for sale by Ahold Delhaize, and</li><li>iv. maintaining a high standard of business ethics and regard for human rights throughout their supply chain.</li></ol>
<p> <b>We respect each other</b> People are our most valuable assets. We are committed to provide a safe, secure and inclusive environment where all associates and customers are respected and appreciated.</p>	<p>The Standards of Engagement set minimum standards for Suppliers that are designed to ensure that Ahold Delhaize has visibility into all aspects of its supply chain and meets these objectives. The Standards of Engagements cover the following subjects:</p> <ul style="list-style-type: none"><li>• Legal right to collective bargaining</li><li>• Prohibition of discrimination</li><li>• Compensation</li><li>• Working hours</li><li>• Workplace health and safety</li><li>• No child labor</li><li>• Protect the rights of young workers</li><li>• Precarious employment</li><li>• No bonded labor</li><li>• Environment and safety issues</li><li>• Ethical business behavior</li></ul>
<p> <b>We follow the law</b> We comply with applicable laws and regulations everywhere we do business and do not tolerate violations of the law.</p>	
<p> <b>We act ethically in all our relationships</b> We act ethically in all our relationships and avoid conflicts of interest.</p>	
<p> <b>We have the courage to speak up</b> We have the courage to speak up when misconduct or ethical violations are observed, or when there are questions regarding the interpretation or application of the Code of Ethics or other external laws and regulations and internal policies and standards.</p>	

## Collaborations and Partnerships

Ahold Delhaize and its brands actively partner with and support Diversity & Inclusion organizations at the global and local levels. We are represented on the boards of Catalyst Europe, the LEAD Network, and the Network of Executive Women. Ahold Delhaize has signed the CEO Statement of Support for the UN Women's Empowerment Principles and was the creator and lead signatory of the LEAD Network CEO Pledge to accelerate gender parity and inclusion in our industry. In addition, our brands partner with the following organizations: the Executive Leadership Council, the National Hispanic Corporate Council, the National Black MBA, Diversity Best Practices, and the Human Rights Commission.

To drive global food safety and social and environmental sustainability, Ahold Delhaize engages in various standards committees and working groups. We have taken an active role in the CGF's Social Steering Committee to drive impactful change in the fight against forced labor as a signatory of the CGF resolution to fight forced labor. As a board member of amfori we focus on the holistic approach of protecting human rights in the supply chain with a specific focus on remediation processes and grievance mechanisms.

In addition, Ahold Delhaize helps to drive and communicate environmental sustainability improvements – and their impacts on local communities served by our brands. We are represented on the Board of Governors and working group of the Roundtable on Sustainable Palm Oil (RSPO) and are on the Board of the Global Sustainable Seafood Initiative (GSSI). In addition, we are part of the Retailers Palm Oil Group (RPOG) and Retailers Soy Group (RSG); a group of European retailers working together pre-competitively on the topics of palm oil and soy. In terms of commitments, we have signed the New York Declaration on Forests, to halve the loss of natural forests by 2020 and strive to end it by 2030, and we one of the original signatories of the Statement of Support of the Cerrado Manifesto. In addition, we partner with the Global Roundtable for Sustainable Beef, as well as with GlobalG.A.P. and the Sustainable Agriculture Initiative (SAI) Platform.

## Access to Remedial Processes

### The Ahold Delhaize whistleblower line

While our brands strive to keep an open dialogue with all associates and other stakeholders such as suppliers and customers, we realize it may not be possible to be aware of every incident that may conflict with our Code of Ethics and Standards of Engagement. Therefore, our brands provide whistleblower lines. To ensure confidentiality, our whistleblower lines are administered by a third-party and are available via an online portal or by telephone 24 hours a day, 7 days a week, 365 days per year. All reports are forwarded to the appropriate internal resource for review and prompt response or investigation. All reports are treated confidentially, so callers can feel comfortable providing useful information without fear of retaliation.

### 2019 Overview

In 2019, the whistleblower lines of Ahold Delhaize companies received 6,653 reports, over 86% of which were related to routine HR issues. The remaining reports relate primarily to misconduct or inappropriate behavior; unfair treatment; and bullying or threats of violence. Approximately 40.5% of the reports were made anonymously. On average, reports were investigated and resolved within 19 days. In 2019, there were no substantiated reports of significant financial reporting, accounting, fraud or ethical violations.

**No Retaliation**

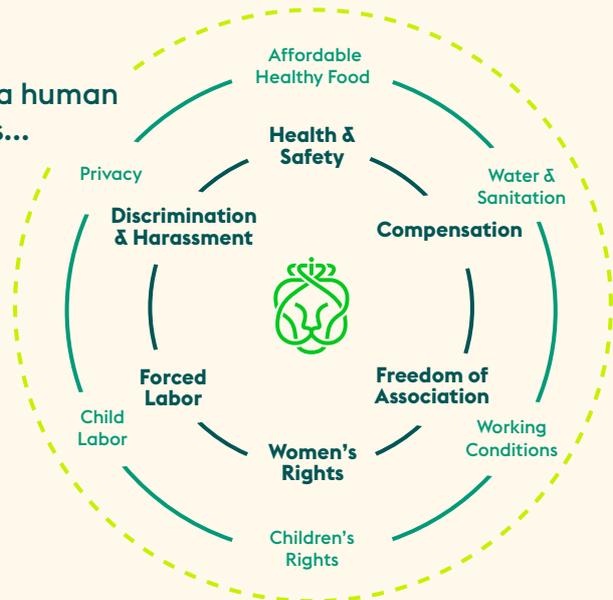
Associates of Ahold Delhaize companies are encouraged to raise concerns about inappropriate behavior or possible violations of law or policy. Ahold Delhaize companies will not retaliate or allow retaliation against anyone who, in good faith, reports a potential violation of the law, our Code of Ethics or any other Company policy. Any form of retaliation is a serious violation of our Code of Ethics and may result in disciplinary action, up to and including termination of employment.

In addition, we have recently expanded the availability of our whistleblower lines to third parties within or connected to our Supply Chain. We are in the process of actively promoting this availability on our external website and communications as well as within our supply chain.

## 4. Our Salient Issues

The UN Guiding Principles focus on saliency rather than on the materiality of a business's issues, which – in practice – means to identify the risks for people, and not for the company. The starting point is to consider all human rights, which includes labor and employment rights, civil & political rights, economic, social and cultural rights, and the rights of groups of individuals or vulnerable groups.

Applying a human rights lens...



We then looked at the potential human rights impacts resulting from the types of activities we are involved in as a global retailer. Our salient human rights issues are those human rights that stand out because they are inherently at risk, based on the likelihood and the potential severity of their negative impact on people, through our activities or business relationships.

To ensure that the prioritization was done in a credible way, we focused on identifying and prioritizing salient issues – with input from internal and external stakeholders – and on identifying knowledge gaps. For example, one key outcome is that we recognize the need to continually monitor international standards as well as compliance with labor and employment legislation in the countries in which our brands operate.

Prioritizing for a global retailer with such a variety of products, made by suppliers all over the world, working with numerous brands in several countries, is a challenge. We used both internal data from our existing Human Resources and Product Integrity programs and external data (known country and industry risks) to identify potential risks. Finally, internal and external stakeholders provided valuable input through their participation in the webinars, surveys and workshops.

Based on the steps described above, the working group then undertook a final validation step with the support from Enact and Human Rights@Work to validate the salient issues and place them onto two heat maps based on their severity and likelihood: one map for our own operations and one map for our supply chains. That final validation step led us to the six most salient issues at the center of the visual in bold as our initial priorities, followed by the other six salient issues. On the following pages, we will focus on each of the salient issues, our focus and potential next steps:

**Health and Safety**  
**Compensation**  
**Freedom of Association**  
**Women's Rights**  
**Forced Labor**  
**Discrimination & Harassment**

**Affordable Healthy Food**  
**Water & Sanitation**  
**Working Conditions**  
**Children's Rights**  
**Child Labor**  
**Privacy**

## Health & Safety

**Definition:** right of every associate to carry out work in a healthy and safe workplace or public environment.

Our brands aim to help associates make healthier lifestyle choices, by providing health awareness initiatives and programs for healthy living, for example preventative medical screenings, exercise, smoking cessation or weight management programs.

To make healthier eating accessible and more commonplace we acknowledge the important role of associates. Healthy and aware brand associates can support customers in making healthier shopping decisions, so the benefits stretch far beyond our own company. Our local brands therefore offer educational healthy eating programs for associates, free fruit and healthy lunch offerings at a number of sites.

To help associates be the best they can be, our businesses have started taking a more holistic approach to their well-being, defining the scope in a broader way than physical health only. Creating balance in work and private life by providing flexibility in leave and working opportunities, as well as giving associates opportunities to participate in local community initiatives are other examples of the offering by our brands to contribute to the wellbeing of associates.

Our commitment to work safety is non-negotiable: all associates should feel safe and comfortable at work, both physically and mentally. By providing a workplace that meets that need, our brands enhance goodwill and brand value. More importantly, we remain true to our values of integrity and care.

Our brands' safety programs address regulations and initiatives that contribute to physical safety and mental health at work. In stores, offices and distribution centers, safe working practices are integrated right into designs, equipment purchases and operational practices. Safety is improved not only through visible leadership, but by engaging associates to play their own role, keeping an eye out for potentially dangerous or inappropriate situations.

Our initiatives are aligned with Sustainable Development Goal (SDG) 8, protecting labor rights and promoting safe and secure working environments for all.

### **Our focus**

With our work safety strategy and roadmap, we aim to create a safety mindset throughout the brands. Cross-functional safety committees in all brands will drive visibility, awareness and trainings, and promote safe methods of working. Our ambition for 2020 is to reduce our Workplace Injury Absenteeism Rate across all brands (work injuries resulting in lost days per 200,000 labor hours). In 2019, it stood at 2.1, and we will continue our critical ongoing efforts to reduce this further.

## Learning and sharing to help keep associates safe

We have found that sharing learnings on serious injury and fatal risks across our local brands helps accelerate risk mitigation in our businesses. Each local brand has a safety team, and our Group Support Office helps facilitate their work by tapping into the group's experience to support educated decision making. In 2018, we initiated a global focus on serious injury and fatal risks, to identify the risk factors across the brands and create risk mitigation solutions that can be scaled across multiple countries.

For example, all Ahold Delhaize brands have processes around loading trucks and trailers and pulling trucks from warehouse docks – an area that comes with particular safety risks. Our U.S. safety teams engaged an expert to evaluate their processes and shared their learnings with the global team. Each of the other local brands reviewed their own “trailer pull” procedures and shared their best practices and many updated their own procedures as a result. For the future we are planning a work session to refresh our procedures.

The global working group also took action to share key learnings around working from heights. We held an in-person working session for the brands with a consultant on fall protection in warehouse and retail settings. Each brand developed a process to identify fall risks within their own operations. Our next steps will be to hold a global session to share examples of active projects related to fall prevention and we are also reviewing options for virtual reality training that could be shared among the brands.



## Compensation

**Definition:** right of every associate to receive equitable compensation for their work.

Ahold Delhaize and its brands offer a Better Place to Work with good conditions, reflected by the high engagement scores in the annual survey of associates across our brands. We see that the broader offer we make as employers, such as health benefits, working conditions and the diversity and inclusiveness of the workforce, are of critical importance to the associates' appreciation of their overall working experience.

Our brands offer flexible working hours, where appropriate, and consider associates' desire for work-life balance. Several of our great local brands have recently enhanced their associate leave policies. For example, all Ahold Delhaize USA brands are now offering parental leave benefits for various full-time associate populations, providing between 4 to 6 six weeks of fully paid leave during the first 12 months after the birth, adoption or legal placement of a child. Such benefits demonstrate our brands commitments to flexibility, diversity and inclusion, and the value Care.

Ahold Delhaize and each of its brands have adopted the following six overarching principles to guide fair compensation:

### **A solid base for comparing roles;**

- Each brand uses independent job evaluation methodologies that lead to consistency in job levels and titles within the brand;

### **Our compensation is market-based;**

- Brand compensation practices are determined based on industry practices, dynamics and economic conditions in the markets in which it competes.
- In brands with workforces that are represented by independent trade unions or that are covered by collective bargaining agreements, associates' compensation and benefits are negotiated by the brand in good faith through the collective bargaining process.

### **Compensation in compliance with law;**

- Each brand provides compensation and benefits that are at or above applicable legal requirements.

### **Equal pay for equal work;**

- Brands are committed to providing equal pay for equal work, regardless of gender or race and are committed to non-discrimination in pay practices based on any other legally protected categories.

### **Compensation is aligned with individual performance and brand business strategy;**

- Brands encourage and reward our associates for great performance within the sphere of their influence;
- Brands recognize the value of work done at every job level with a base pay component;
- As career levels progress, associates are recognized with variable compensation linked to their expanding responsibilities, which motivates them to improve both their own and their brand's performance, through their participation in appropriate incentive plans;
- To ensure associates are rewarded for doing what's best, brand incentive plans are linked to key business performance measures that underpin business strategy

**Compensation is transparent, consistent, and explainable;**

- Brands provide associates with sufficient information regarding all elements of their compensation package, what amounts they can expect, and how they will receive these amounts; The amount of base compensation, allowances, and any earned additional hours' pay is paid in full, on time, and in the manner established;
- Questions regarding an associate's compensation are answered by the brand within a reasonable amount of time.

Suppliers are expected to provide wages and benefits in full compliance with all applicable laws and supply agreements. In high risk countries, based on the amfori list of high risk countries, social audits will be implemented at all production locations by the end of 2020.

**An example from one of our brands...****Dutch supermarkets commit to a fair wage in the banana sector**

In 2019, Dutch supermarkets joined forces to ensure a fair wage for banana workers in the international production chain. The partnering retailers aim is to reduce the gap between the currently paid wages and the fair wage for their entire banana assortment by at least 75% within five years.

The commitment was signed with support of IDH, The Sustainable Trade Initiative, by Albert Heijn, Superunie, Boni, Boon, Coop, Deen, Hoogvliet, Jan Linders, Jumbo, Plus, Poiesz, Sligro, Spar, Vomar, and the Dutch Food Retail Association (CBL). The commitment is part of the Dutch Agreement for the Food Products Sector on International Responsible Business Conduct (IRBC).

The goal of supermarkets is, by 2025, to predominantly sell bananas that are sourced from plantations that pay a fair wage to their workers. The retailers can use the Salary Matrix, made available by IDH, to calculate the difference between the current wages and the fair wage. By using the tool, they can analyze current wages in the supplying locations of their total banana assortment. This will serve as the baseline from which future wages will be compared. From 2021 onwards, they will gradually bridge the fair wage gap by at least 10% each year.

## Freedom of Association

**Definition:** right of every associate to form or join trade unions if they choose, and have their legal rights to collective bargaining respected.

All Ahold Delhaize companies are committed to the principles of equal employment opportunities, freedom of association and respecting legal rights to collective bargaining. In 2019, the global percentage of associates across our brands who were covered by collective bargaining agreements was 55%.

In addition, our Standards of Engagement specify that the legal rights of personnel to form and join trade unions of their choice and to bargain collectively shall be respected by our suppliers-

## Women's Rights

**Definition:** right of every woman to be treated fairly and equally to men.

In March 2019, Ahold Delhaize CEO Frans Muller joined thousands of business leaders worldwide to sign a United Nations statement supporting gender equality. Called the “CEO Statement of Support for the Women’s Empowerment Principles,” the document urges the advancement of equality between men and women.

“Women empowerment and gender parity are of crucial importance to Ahold Delhaize. It’s simply the right thing to do and it’s also good for business” Frans said, adding that gender equality is especially important for grocery retailers given that 75% of shopping decision-makers are women. Ahold Delhaize and its local brands employ 380,000 associates. In 2019, women made up 54% of Ahold Delhaize companies’ total workforce, 33% of the director level and up population is female. Having diverse, balanced teams is a key focus for us. We strive to be a better place to work where associates reflect the markets our brands serve, where their voices are heard and valued, they find purpose in their work, and can grow and contribute to the fullest. Our brands are committed to 50/50 balanced slates of candidates for open roles.

Our businesses are committed to principles of equal employment, and select and develop associates from all backgrounds, building diverse succession pools and upholding an inclusive environment. Leaders are held accountable for inclusion and inclusive behaviors are embedded throughout our Leadership Journey framework and are a critical expectation of all associates. In 2019, an Inclusive Workplace dimension on the associate survey scored a 78, four (4) points higher than the retail benchmark. We are proud of the inclusive culture our brands are building with and for associates and we strive for 100% inclusivity to fully leverage the diverse perspectives and experiences associates bring to our brands.

Some of our key initiatives include Inclusive Leadership training and award-winning Business Resource Groups that actively engage associates, including women, in networking opportunities, providing support, and influencing policies within our brands.

### **Our focus**

Our internal Diversity & Inclusion efforts will focus on increasing Inclusive Leadership capability and supporting our brands in implementing policies that support inclusion. Brands are continuing to expand business resource groups to engage and empower associates from all backgrounds. Our US brands currently utilize the Women’s Business Enterprise National Council (WBENC). Brands also support the NMSDC (National Minority Supplier Development Council) in the same manner as WBENC through regional and local agencies within their geographic footprints.



## #BalanceforBetter



International Women's Day

In 2019, Ahold Delhaize launched a week-long campaign to celebrate International Women's Day on March 8, a global celebration to raise awareness of the need for gender equality. The theme was Balance for Better, grounded in the idea of an exciting future where we expect balance, where we all play a part, and where we can create gender parity.

To kick off the campaign, we created a special Ahold Delhaize logo, temporarily replacing our traditional lion's head, to recognize the importance of gender equality.

The theme fits well with our diversity and inclusion ambition at Ahold Delhaize", said Chief Human Resources Officer Abbe Luersman, "Focusing on this topic in the right way will ready us for the future and is a key element of Best Talent, one of the growth drivers of our Leading Together strategy."

## Forced Labor

**Definition:** right of every person not to be made to do forced labor or to be held in slavery or servitude.

Forced labor is a widespread problem in supply chains globally. With 21 million individuals suffering as victims of forced labor today, a problem of this magnitude cannot be solved without cross-sectoral collaboration between businesses, government, civil society and workers' organizations.

Ahold Delhaize embraces clear standards on human rights, including the prevention of forced labor.

Our Standards of Engagement specify that our suppliers shall not engage in any form of forced, bonded, or trafficked labor. Suppliers will risk allegations of complicity if they benefit from the use of such forms of labor by their business partners and we expect them to act with special diligence when engaging and recruiting migrant workers both directly and indirectly. And finally, suppliers shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. Ahold Delhaize is a signatory of the CGF resolution to fight forced labor.



## Discrimination & Harassment

**Definition:** right of every associate to a workplace free from harassment and discrimination.

We respect the rights of all Associates under applicable law, including the right to a workplace free from harassment and discrimination. We do not tolerate conduct by any associate or any other person that creates an intimidating, offensive or hostile work environment. This includes harassment based upon a person's legally protected status. We safeguard a culture of mutual trust and value differences of opinion as well as cultural diversity.

Each of our U.S. brands has Equal Employment Opportunity and Anti-Harassment policies that provide for prompt investigation of complaints, imposition of appropriate remedial action if a policy violation is found, and protection against any form of retaliation for raising a complaint or cooperating with an internal investigation.

Our Diversity and Inclusion Framework, mentioned earlier under Women's Rights and also found on [www.aholddelhaize.com](http://www.aholddelhaize.com), plays an important role in safeguarding that culture of trust and value differences.

In addition, suppliers are expected to respect our anti-discrimination and no harassment statement in the Standards of Engagement. In high risk countries, based on the amfori BSCI list of high risk countries, this is checked at the production locations through social audits.

## Affordable Healthy Food

**Definition:** right of every individual to feed oneself appropriately with food that is available and accessible, in sufficient quantities and of nutritional quality.

One of our key focus areas as part of the Healthy and Sustainable growth driver is to make healthier eating commonplace. Eating well contributes to good mental and physical health. Therefore, we want to inspire customers to make healthier choices by making fresh, nutritious and delicious meals available and affordable for everyone.



Our strong local brands and broad range of products offer fresh inspiration every day. With an assortment that includes affordable nutritious choices, and with recipes, we are making healthier eating easier. Constantly reformulating products to offer the best options and engaging in education activities, we are also making healthier food appealing and fun.

Customers are looking at our brands to be their partner in life, and for that reason brands raise customers' awareness of what they eat through clear and transparent labeling. Nutritional navigation systems, such as NutriScore and Guiding Stars show the most nutritious options in stores and online. Brands will also further develop personalized diet advice for customers to show them how to adapt their personal shopping habits and diets in order to eat healthier. Until 2020, our own-brand range of healthier products played a vital role in our overall ambition to make healthier eating an everyday reality. We aspire for our brands to have 50% of our own-brand sales coming from nutritious products by 2020. In 2019, we achieved 48%. Our ambitious, global goal for 2022 is to have 51% of our own brand products meet our healthy criteria.

An example from one of our brands...

**Produce Rx Boosts Access to Healthy Food**

Since March 2019, customers with a diet-related chronic illness receive a prescription for fruits and vegetables from their healthcare provider. At Giant Pharmacy, the customer gets a \$20 coupon to buy produce, which can then be used in the store during their weekly shopping.

Additionally, customers are also connected with Giant's in-store nutritionist to participate in individual consultations, store tours or in-store nutrition classes.

The partnership to run the Produce Rx program was developed by Giant, non-profit organization DC Greens, the DC Department of Health and AmeriHealth Caritas.

By the end of 2019, 300 participants were enrolled in the program, with a goal of expanding that to 500 for the pilot.

**Our focus**

Since the merger of Ahold and Delhaize, our brands are even better placed to find new and innovative ways to promote healthier eating to their customers. All along their supply chains, our brands touch many lives – customers, associates, our communities and suppliers' communities - and at each point, there are opportunities for improvement. In 2018 and beyond, we shared best practices across our brands, explored opportunities in our supply chains, and used our collective creativity to find fresh approaches to how to best serve customers.

## Water & Sanitation

**Definition:** right of every individual to an adequate standard of living, including access to safe, sufficient, acceptable and affordable water for personal and domestic uses, including in the workplace.

The environmental commitments in our Sustainable Retailing strategy support the United Nations Sustainable Development Goals (SDGs). We are committed to fully complying with all relevant environmental legislation and regulation across our value chain to meet and exceed good environmental practices.

Our Standards of Engagement specify that our suppliers must provide access to clean toilets, potable water and, if appropriate, sanitary facilities for food storage.

# Working Conditions

**Definition:** right of every worker to just and favorable conditions of work, including the right to rest, and to have legal limits on working hours and excessive overtime respected.

In our **Standards of Engagement**, we require our suppliers to comply with all applicable laws on working hours, including maximum allowable working hours and days, and payment for overtime hours at a premium rate.



## Children's Rights

**Definition:** right of every child to special protection and care.

We strive to make healthier eating available and accessible to children. That is why our brands partner locally with community organizations and collaborations to deliver on our strategy and improve outcomes for our communities, including children. The objective of these many collaborations is to raise awareness about healthier eating within school communities, but also to demonstrate the benefits of cooking and offering children nutritious products adapted to their needs.

An example from one of our brands...

### **AB Vassilopoulos serves more than one million healthy meals to school children**

In 2020, AB Vassilopoulos will reach their target of one million healthy meals for schoolchildren. This is the sixth year that AB is supporting the Diatrofi program by the Prolepsis Institute and AB has already provided 910,000 meals to more than 6,000 students around Greece. The program helps to promote healthier eating and tackle food insecurity. The healthy meals cover daily nutritional needs including 50-60% of protein, 45-50% of calcium.

According to a study by the Prolepsis Institute, 59% of families who took place in the program reported food insecurity. But by the end of the school year 38% of the families no longer experienced food insecurity. One third of the students gained a normal weight and 91% increased their knowledge of healthy eating.

### **Our focus**

Our brands' impact on children's diets is obvious, and that is also why so many of our brands are actively engaging children in their efforts to promote healthier eating. However, we recognize that more work is needed to define our exact impact on children's rights. We therefore plan to engage an external party to perform a children's rights impact assessment.

## Child Labor

**Definition:** right of every child not to be made to do work that deprives them of their childhood, their potential and their dignity, or that is harmful to their physical and/or mental development.

Our Standards of Engagement are explicit and clear: we do not accept the employment – directly or indirectly – of children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognized by the ILO apply. Any forms of exploitation of children and young workers are forbidden, and so are working conditions resembling slavery or harmful to children’s health. We expect our suppliers to establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

### An example from one of our brands...

#### **Albert Heijn’s Delicata label highlights ‘open chain’ chocolate**

Albert Heijn’s own-brand Delicata chocolate bars will feature a yellow “open chain” button on the packaging indicating that the chocolate is fully traceable and made with cocoa from farms adhering to ethical labor practices. The bars are produced in partnership with Netherlands-based Tony’s Chocolonely and Swiss chocolate maker Barry Callebaut.

With Delicata chocolate, Albert Heijn is the first to join Tony’s Chocolonely’s open source online platform. From now on, the company will only purchase cocoa for Delicata according to Tony’s sourcing principles. The new platform offers participating businesses knowledge and tools to source responsibly and help make ethical labor practices the norm – including guaranteeing a fair wage for cocoa farmers and eliminating child labor.

Under the partnership, Delicata is made from fully traceable cocoa that is bought at a higher price from the Tony’s Chocolonely cooperatives in Ghana and the Ivory Coast. Barry Callebaut, meanwhile, which has been making chocolate for both Albert Heijn and Tony’s Chocolonely for years, is using a separate production chain to produce the cocoa for the Delicata bars.

“This is an important moment,” said Henk van Harn, Vice President of Non-Perishables and Non-Food at Albert Heijn. “With these new Delicata bars, we have joined forces with Tony’s Chocolonely and Barry Callebaut to take a concrete next step towards a transparent and sustainable cocoa chain.”

### **Our focus**

All the programs and standards that we work with – from amfori to Rainforest Alliance – apply the same requirements when it comes to child labor and young workers, and we continue to work in partnership with them and others to eradicate child labor. For that reason, we continue to strive to have 100% of our own brand coffee, tea, cocoa, seafood, palm oil, soy and wood fibers certified against an acceptable standard, which includes stringent requirements on child labor in line with international standards.

## Privacy

**Definition:** right of every individual to be protected against arbitrary, unreasonable or unlawful interference with their privacy, family, home or correspondence.

The protection of personal data is paramount. Customers, associates and business partners entrust our businesses with their personal data and we are committed to safeguarding this information. At Ahold Delhaize and its brands we strive to use customer data to benefit customers, whether it is checking their home address for grocery deliveries, accessing their shopping history to receive personalized benefits or confirming account details for online orders.

### Our key principles

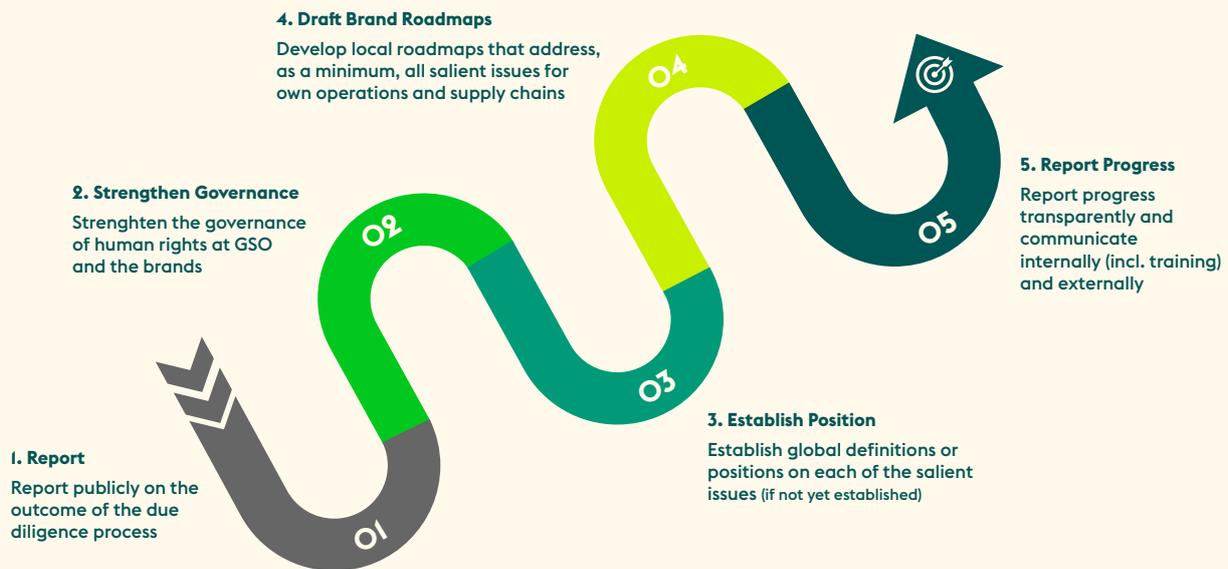
We have established five principles that guide how Ahold Delhaize and its brands manage personal data:

1. We believe that any use of data and technology should be consistent with our values, our promises and ethical principles. We believe that integrity and care along with our commitment to be a better neighbor, a better place to shop and a better place to work should guide our actions.
2. We are transparent about how we use data and leverage technology, including in how we collect, store, retain, and process. Our privacy notices are clear and accessible to the average consumer or associate.
3. We strive to create and use algorithms and data analysis tools that are free from prejudice.
4. We will hold our vendor partners and business associates to the same level of care and ethical responsibility when conducting our business, to which we are committed.
5. We will apply modern safeguards to protect, anonymize and timely erase data, to minimize the risk that data will be used inappropriately.

Ahold Delhaize and each of its brands has a privacy notice for their customers and associates, in line with local legal obligations. Each brand's privacy notice for customers is available on its website.



## 5. Roadmap



In 2017, we formalized our commitment to respecting human rights based on our own collective belief that all people should be treated with dignity. This report represents a reflection of our journey since then and a documentation of the many steps we have taken to ensure human rights are respected and we do what is right, every day.

### Our priorities

As a first step, we will use this report to drive engagement on human rights across Ahold Delhaize, its leadership teams and the brands. Although associates in our brands are familiar with many – if not most – of the initiatives outlined in this report, we believe there is value in bringing this content together and creating a common language.

We will continue to collaborate with – and engage – other companies, NGOs, associations, investors and other stakeholders to drive change and address our human rights impacts through the many existing (and new) collaborations and partnerships we are currently engaged in.

#### Strengthen our Governance

The first step – timed to coincide with the publication of this report – is to strengthen our governance by formalizing the responsibility for human rights at the level of our Executive Committee, through the Healthy & Sustainable Steering Committee. The Chief Legal Officer, and more specifically the Compliance and Ethics department within his function, will take on the role of coordinating global progress toward the Human Rights Roadmap.

#### Address Salient Issues and Establish Positions

Although we have positions and policies in place on some of the salient issues, we do not have them for others. One of our first priorities is to review each salient issue and determine our global positions on that issue (if not already available and based on additional research, assessments or collaborations where needed).

### **Draft Brand Roadmaps**

We plan to develop a system, tools and processes to help our brands perform an assessment against the outcomes of the due diligence process and the global positions. This will result in the translation of our global roadmap into local roadmaps.

### **Report Progress**

Finally, we plan to continue reporting publicly and transparently on our human rights commitments in our Annual Report, towards external stakeholders and relevant benchmarks, and eventually in a follow-up to this report to demonstrate progress on our roadmap.

## **‘Thank you and we welcome your feedback’**

The journey has been a learning process and, as our CEO expressed in his letter, both inspiring and eye-opening. And it is not over. Our commitment to respect human rights and address the many challenges related to that commitment require collaboration and partnership across organizations.

For that reason, we would like to extend a heartfelt thank you to Enact and Human Rights@Work for their support and to the many stakeholders who attended our stakeholder workshops, participated in the surveys and engaged us on the topic of human rights elsewhere. We appreciate your willingness to engage and to help us learn more, and we look forward to continuing this important dialogue.

Our roadmap is clear. There are many challenges ahead, but with the right tools and collaborations, we believe that it can be done. We hope that this report contributes to that dialogue and sets our roadmap up for creating positive impact. The next phase of our journey starts here, and we invite you to join us.

We welcome your feedback and input on this report and our roadmap. Please send them to [sustainableretailing@aholddelhaize.com](mailto:sustainableretailing@aholddelhaize.com).

