

SUSTAINABILITY PROGRESS REPORT 2015

Organic & Natural





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Greece
Serbia
Romania
Indonesia

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- Super Indo

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- Delhaize Belgium & Luxembourg

Healthy Lifestyles

- Delhaize Serbia: Maxi & Tempo

Associate Diversity & Development

- Delhaize America: Food Lion & Hannaford

Supporting our Communities

- Alfa Beta

OUR APPROACH

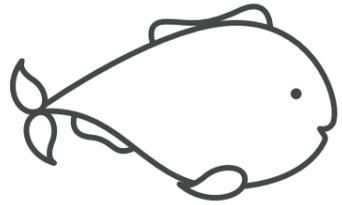
Our Sustainability Approach
Sustainability Strategy
About Delhaize Group

OTHER DOCUMENTS

2015 Data Table and Methodology
GRI Cross-Reference Table
About Our Report
EY Assurance Statement

RESPONSIBLE PRODUCTS

87%



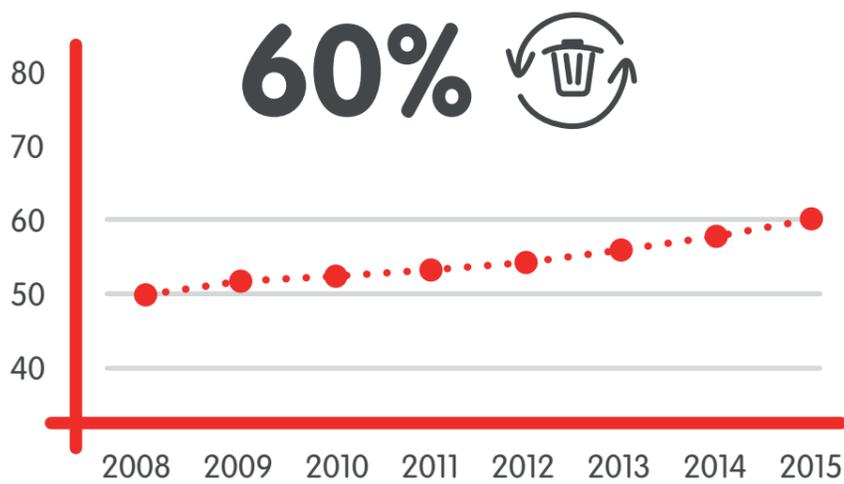
private brand seafood sales from **sustainable sources**

40% increase in **organic** product sales from 2014

100% palm oil in private brand products covered by an

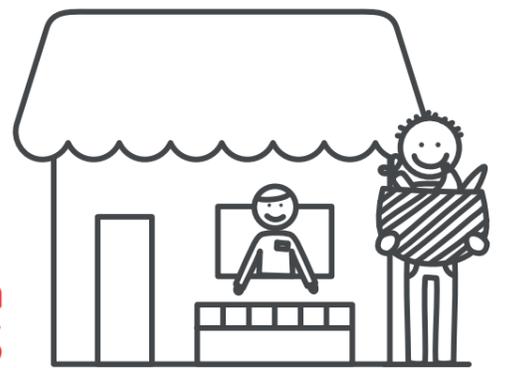
*Roundtable on Sustainable Palm Oil **RSPO*** scheme

RECYCLING



HUNGER RELIEF

51% of stores and warehouses with **food donation programs**



HEALTH & WELLBEING



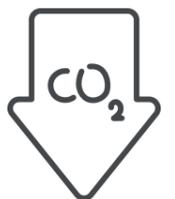
Guiding Stars®
Nutritious choices made simple®

37%

of Delhaize America private brand food sales earn at least one **Guiding Star**

141 wellbeing events for associates across Delhaize Group

CLIMATE ACTION



-13% **CO₂ emissions** per sales area (since 2008)

74 stores with **low carbon** refrigeration systems

DIVERSITY & INCLUSION



Delhaize America 100% on the Human Rights Campaign's **Corporate Equality Index**, for 5th year

Delhaize Group recognized as sustainability leader by **DJSI**

MEMBER OF **Dow Jones Sustainability Indices**
In Collaboration with RobecoSAM

2015 IN FIGURES

PROGRESS AGAINST GOALS

Sustainable Private Brands

2015 Performance		2020 Goals																					
Nutritional Labeling	80%	Products with front-of-pack nutrition labels	100%																				
<p>Our front-of-pack nutritional information labels follow Reference Intake (RI) or Facts Up Front guidelines. At a minimum, labels show the number of calories per serving, and will be on all eligible private brand products by 2020. Eligibility is determined locally, but typically is based on package size and excludes products with no nutritional content, such as water. This figure excludes Delhaize Belgium, as only products that were redesigned in the third and fourth quarters of 2015 were tracked.</p>																							
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Food Safety	98%	Suppliers audited for food safety	100%																				
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Sustainable Palm Oil

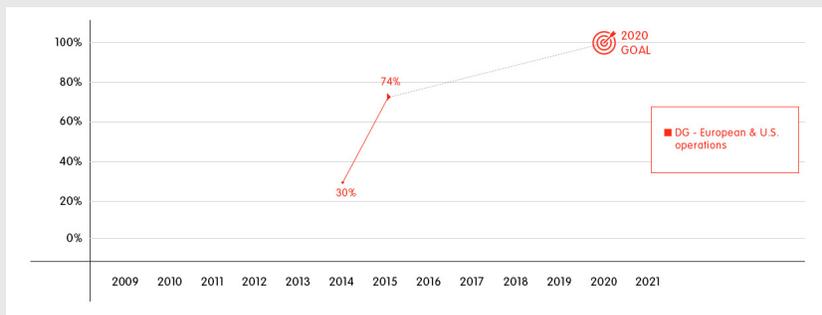
- 100%**
- 39% RSPO Mass Balance or Segregated
 - 61% covered by GreenPalm certificates

Palm oil covered by an RSPO scheme

100%

In our European and U.S. operations traceable palm oil is defined as traceable to the 1st importer level (the companies importing the palm oil from palm growing countries into Europe or the U.S.). Traceability is the first step toward meeting our Responsible Palm Oil Sourcing Policy for private brand products, which includes four criteria:

1. Complies with the principles and criteria of RSPO
2. Preserves High Carbon Stock forests and High Conservation Value areas
3. Does not expand on peatlands, regardless of depth
4. Respects the rights of indigenous and local communities

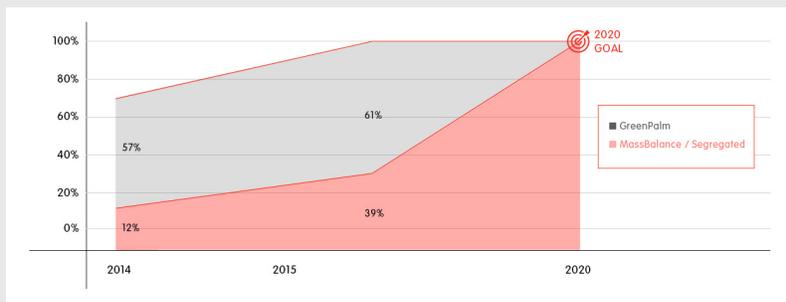


At Super Indo, the primary private brand product containing palm oil is cooking oil. In 2015, Super Indo has achieved traceability for that cooking oil to the refinery. Next, Super Indo will work on gaining traceability to the mill. Traceability is the first step toward meeting our Responsible Palm Oil Sourcing Policy for private brand products, which includes four criteria:

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Palm oil in our private brand products is covered by a Roundtable on Sustainable Palm Oil (RSPO) scheme, such as RSPO Mass Balance, RSPO Segregated or RSPO GreenPalm. RSPO scheme coverage is one of the steps toward meeting our Responsible Palm Oil Sourcing Policy, which includes four criteria:

1. Complies with the principles and criteria of RSPO
2. Preserves High Carbon Stock forests and High Conservation Value areas
3. Does not expand on peatlands, regardless of depth
4. Respects the rights of indigenous and local communities



Sustainable Wood Fibers

1st
round of baselines
completed

Sustainable wood fibers

100%

Sustainable wood fibers are either recycled, carry an acceptable certification (such as Forest Stewardship Council-FSC), or are otherwise assessed as low risk by our partner, The Forest Trust (TFT). This goal applies to private brand products and packaging made from wood fibers, as well as products used in our operations.

Sustainable

87%

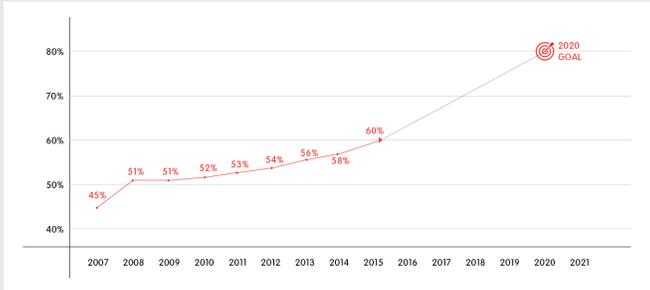
Products with source fishery or farm identified

100%

Seafood	87%	Sales from products with sustainable sources	90%
Refers to private brand seafood products, whether they are frozen, fresh or canned. Identifying the fishery or farm of origin is part of the process of ensuring that our private brand seafood is from sustainable sources.			
Refers to private brand seafood products, whether they are frozen, fresh or canned. Sustainable products are certified by the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC), or assessed as a sustainably sourced seafood product by an expert third party using science-based criteria.			
Fair Working Conditions	Identified production sites & reviewed audits	Suppliers in our private brand supply chain who provide fair and decent working conditions	100%
Identified private brand production sites in risk countries. Risk countries are determined by the Business Social Compliance Initiative (BSCI). Delhaize Group accepts BSCI or equivalent audits. Approximately one third of Delhaize Group's sales from private brand products are from private brand products produced in risk countries.			

For a detailed look at each operating company's progress toward our Sustainable Private Brands goals, [read our local performance reports](#).

Zero Waste

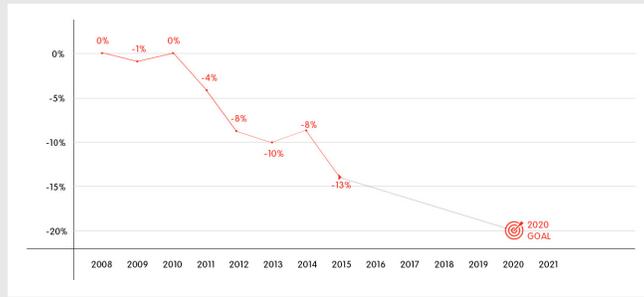
 2015 Performance		 2020 Goals																							
Recycling	60%	Waste recycled	80%																						
Percent of total waste that is recycled (diverted from landfills or incinerators). The figure includes cardboard, paper, plastic, food or other types of waste recycled from our stores, warehouses and offices.																									
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2014	58%																								
2015	60%																								
2020 Goal	80%																								
Food Donations	25%	Unsold food donated																							
	51%	Stores with food donation programs	100%																						
Unsold food from our stores and our warehouses is donated to hunger relief charities.																									
Food donation programs in our stores and warehouses donate unsold food to hunger relief charities. The 2015 data includes all stores (supermarkets, hypermarkets and convenience formats).																									
	-13%	Tonnes CO ₂ e/m ²	-20%																						

565

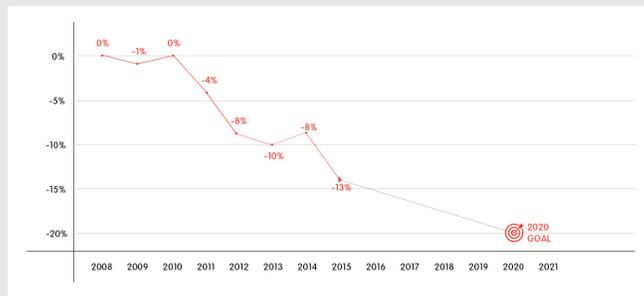
Kilograms CO₂e/m²

518

Change in CO₂ equivalent emissions per m² of sales area since 2008. Includes emissions from energy consumption, refrigeration leaks and transportation (scopes 1, 2 and limited scope 3).



Kilograms of CO₂ equivalent emissions per m² of sales area. Includes indirect and direct energy, refrigeration and transportation related emissions.



Refrigerants

59%

Ozone-friendly refrigerants

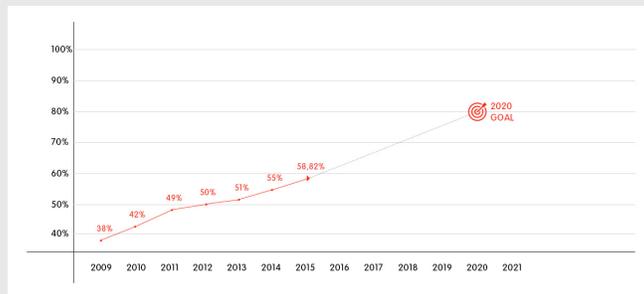
80%

2 359

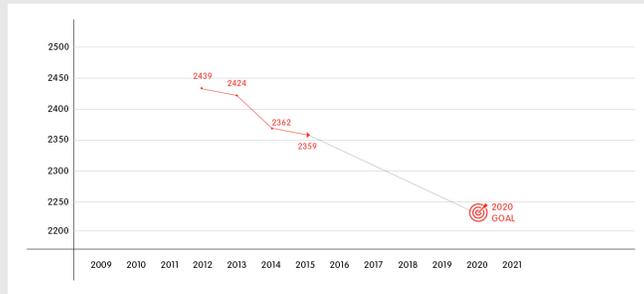
Average GWP

2 230

Refrigerants that do not deplete the ozone layer.



Average Global Warming Potential (GWP) measures the impact a refrigerant has on climate change. The measurement is based on the total refrigerants in use in our stores and warehouses.



For a detailed look at each operating company’s progress toward our Zero Waste goals, [read our local performance reports.](#)

Healthy Lifestyles

2015 Performance		2020 Goals
141	Wellbeing events hosted for associates	↑
69%	Associates feel that Delhaize Group’s wellbeing programs meet their needs	↑

Each of our operating companies runs programs to promote healthy lifestyles for our associates. The programs follow five pillars: Nutrition, Physical Activity, Health, Mental Health and Safety at Work.

Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that Delhaize Group’s wellbeing programs meet their needs.

For a detailed look at each operating company’s progress toward our Healthy Lifestyles goals, [read our local performance reports.](#)

Associate Diversity & Development

2015 Performance		2020 Goals
193	Diversity and Inclusion training events held for associates	↑
87%	Associates feel that “My direct manager recognizes and respects the value of diverse associates”	↑

The five pillars of our Associate Diversity and Inclusion programs are: Gender, Generations, Race/Ethnicity, Disabilities, and Cultivating a Diverse and Inclusive workplace.

Sustainability Progress Report 2015 - 2015 in figures - Key figures

Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that their manager recognizes and respects the value of diverse associates.

	99.5%	Associates with annual performance dialogues	100%
Associate Development	79%	Associates feel they have opportunities for personal development in the company	

Figure represents percentage of eligible associates from our stores, warehouses and offices who received a documented, annual performance and development dialogue. Eligibility for a performance dialogue is determined by our operating companies, based on local regulations and new hire/absence policies. At Delhaize America, performance dialogues are only tracked for Food Lion retail associates. Other Delhaize America associates receive dialogues without formal tracking.

Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that they felt supported in their professional development.

For a detailed look at each operating company's progress toward our Associate Diversity & Development goals, [read our local performance reports](#).

MESSAGE FROM OUR MANAGEMENT



What were Delhaize Group's biggest sustainability achievements in 2015?

Frans Muller We had a very good year, and we've made significant progress toward our 2020 Sustainability Ambition. We have clearer definitions for our 2020 goals than ever before and we've communicated those across the company. For example, last year was the first time that all officers of the company had their annual incentive bonuses tied to sustainability goals.

These ambitious commitments—and the hard work of all our associates—helped us reclaim a spot on the Dow Jones Sustainability Index (DJSI) this year.

I'm particularly proud of our work around sustainable seafood. Our partnerships with WWF, the Gulf of Maine Research Institute, and the Sustainable Fisheries Partnership are helping us deepen our understanding of our seafood sourcing—and improve it. As of the end of 2015, we know the fishery or farm of origin for over 85% of our private brand seafood products—fresh, frozen, and canned. The next step is ensuring that all seafood we sell meets our sustainability requirements, something our two largest operating companies, Delhaize Belgium and Delhaize America, have already achieved.

Marc Croonen We also emphasized associate wellbeing and professional development in 2015. Each company established a clear health and wellbeing program for their associates. We implemented new customer service training programs at our banners in the U.S. and Serbia last year, which enhanced the skills and professional development opportunities for tens of thousands of our associates.



Delhaize Group had a strong financial year. How have sustainability initiatives helped support financial performance?

Frans Muller Our financial performance goes hand-in-hand with our sustainability targets. Whether it's traveling fewer kilometers with our trucks, donating unsold food or reducing refrigerant leaks and energy consumption, those efforts contribute directly to a more efficient company and a more resilient balance sheet. Other programs, such as those that invest in our people or improve the sustainability of our supply chain, create a stable platform for future financial success.

Last year we increased sales and stabilized or gained market share in all of our markets, which I think is also related to our sustainability work. Many of our customers are also passionate about these issues, so our efforts resonate with them. For example, our strong results in the U.S. were in part due to our introduction of Food Lion's "Easy, Fresh & Affordable" strategy, which included wider selection of organic products and efforts to reduce food waste.



We had a very good year, and we've made significant progress toward our 2020 Sustainability Ambition. We have clearer definitions for our 2020 goals than ever before and we've communicated those across the company.

Frans Muller,
President & CEO, Delhaize Group



What sustainability trends are you noticing globally, and how has the company responded?

Frans Muller The UN adopted a broad set of Sustainable Development Goals for 2030 that addressed issues including hunger relief, gender inequality, and responsible production and consumption. These are global priorities, and as a global corporation we want to do our part to help achieve them. For example, the UN called for a 50% reduction in food waste over the next 15 years. In response, we've emphasized food waste reduction programs in all of our companies and joined with our peers in the Consumer Goods Forum to make our own public commitment.

In addition, the COP21 negotiations held in Paris last year highlighted the role corporations play in tackling climate change. We are focused both on reducing emissions in our own operations and on working closely with our private brand suppliers to reduce climate impact in our supply chain, through efforts such as our commitments to source deforestation-free palm oil and wood fibers.

Marc Croonen Supply chain transparency also is an issue of growing concern, following high-profile cases such as the use of forced labor on fishing boats off the coast of Thailand. In response, we're taking concrete steps to enforce specific requirements for human rights protections with our suppliers. For example, we hosted a workshop with sustainability leaders from our operating companies to discuss human rights in our supply chain and determine what we can do beyond an audit to ensure workers are respected. We also are partnering with other retailers to develop the most ethical supply chains possible across the industry.



What are some of the biggest challenges Delhaize Group faces in achieving its 2020 Sustainability Ambition?

Frans Muller Obtaining the transparency that Marc highlights is one. This can be more difficult when working with our small and mid-sized suppliers that might not have the resources to meet multiple certifications and standards. In these cases, we provide guidance and additional support to help them meet our sustainability

requirements. Our work with sustainable seafood is a great example: Many of our smaller seafood suppliers are unable to maintain expensive certifications. So we're moving toward examining their practices directly and pairing them with experts who can advise them.



How do you plan to maintain your sustainability focus after the planned merger with Ahold?

Marc Croonen The merger gives us the opportunity to combine our initiatives with Ahold's strong sustainability efforts to make an even bigger impact. The 2 companies share many of the same core values. For example, Ahold has long prioritized healthy living, community wellbeing, people and the environment. Those priorities closely mirror the 4 focus areas of our 2020 Sustainability Ambition. Working together allows us take advantage of our combined skills, scale and values to drive innovation and change.



We hosted a workshop with sustainability leaders from our operating companies to discuss human rights in our supply chain and determine what we can do beyond an audit to ensure workers are respected.

Marc Croonen,
Chief Human Resources Officer - EVP HR, Int. Comms & Sustainability, Delhaize Group

GROUP PERFORMANCE

2015 PERFORMANCE SUMMARY

In 2015, world leaders called for stronger action at all levels of society to secure a prosperous future for people and the planet. The United Nations announced in September an ambitious sustainable development agenda for 2030, including goals to improve health and wellbeing, eliminate poverty and hunger, reduce food waste, protect human rights, and drive sustainable production and consumption. Then in December, the annual Conference of Parties forum (COP 21) resulted in a landmark global climate change agreement.

Delhaize Group watched these developments with excitement, as the proposed goals paralleled much of our 2020 Sustainability Ambition. They also inspired us to continue improving our efforts.

We made significant gains toward our 2020 goals in the past year. We encouraged further cross-company collaboration and sharing of best practices through our 4 steering committees focused on the nutritional quality of private brands; product safety and quality assurance; associate diversity; and associate wellbeing. We also continued providing financial support for innovative projects at our operating companies through the Delhaize Group Sustainability Innovation Fund, which funded development of healthy kids lunchboxes at Delhaize Serbia and a waste reduction effort for Super Indo's warehouses in 2015.



The Delhaize Group Sustainability Innovation Fund

Projects funded since inception

2014 Projects

1. Super Indo's project to process fruit and vegetable waste into organic liquid fertilizer.
2. Delhaize Serbia's "Support to Sustain" project to help local farmers produce sustainable fruits and vegetables.
3. Mega Image's "Fresh Corner" project to transform fruit and vegetables approaching their sell-by dates into juices and fruit salads.
4. Mega Image's collaboration with Romanian farmers to sustainably produce healthier and tastier fruits and vegetables.
5. Alfa Beta's Fisheries Improvement Project, in partnership with WWF Greece, to increase the sustainability of Mediterranean anchovy and sardine fisheries.
6. Delhaize America's Nature's Place brand repositioning project to analyze potential sustainability benefits.

2015 Projects

1. Delhaize Serbia's healthy lunchboxes for kids.
2. Super Indo's project to reduce warehouse waste by replacing duct tape with re-usable tire tubes to wrap pallets.

Click on the above icons to find highlights of our group-wide achievements from the past year. These efforts helped us regain a place on the Dow Jones Sustainability Index in 2015—an endorsement of our progress. Looking ahead, we expect to further strengthen our work through the proposed merger between Delhaize Group and Royal Ahold. The merger is expected to be completed in mid-2016. Because we share similar goals, we believe the combined company can make an even larger impact on the critical sustainability issues facing our world, while strengthening our business for the future.

2015 IN FIGURES

➔ [view progress against 2020 goals](#)

GROUP PERFORMANCE

SUSTAINABLE PRIVATE BRANDS

Because our private brand products carry our brand name, we feel a deep responsibility for them. We also can control the formulation and production of these products. For these reasons, we have made private brand products the top priority among the 4 focus areas of our **sustainability strategy**. We start by ensuring these products are safe and tasty, through food safety audits as well as product testing and reformulation. From that foundation, we are pursuing specific goals to make our private brand products healthier and more sustainable.

Each operating company follows its own path toward these objectives, based on local conditions and needs. But all contributed to the progress shown in the goals table below, as well as to these key achievements in 2015:

Nutritional quality and labeling

- Developed recommendations for a global approach to evaluating and improving the nutritional quality of our private brand products through our Nutritious Private Brands Steering Committee. These recommendations will be implemented in 2016.
- Continued improving our products' nutritional profile and increasing sales of healthier products. For example, products at Delhaize America that earn Guiding Stars, which recognizes items with good nutritional value, now make up 37% of private brand food sales.



Sustainable sourcing

- Continued reducing the impact of our brands on global deforestation. In 2015, we developed guidelines and began measuring responsibly sourced paper-based products and packaging, and we began to measure against those guidelines. We expanded our use of sustainable palm oil, and by the end of the year, 100% of the palm oil used in our private brand products was covered by a Roundtable on Sustainable Palm Oil (RSPO) certification scheme.
- Estimated the amount of soy consumed by meat and dairy animals to produce our major meat and dairy products in Belgium, Greece and Romania. Soy grown for animal feed is an additional driver of deforestation in South America. To offset our impact, we purchased 10 000 Roundtable for Responsible Soy credits. Going forward, we plan to address

issues regarding the accessibility of data, the accessibility of certified sustainable commodities in Greece, Serbia, Romania and Indonesia, and the complexity of our supply chains.

- Expanded our sustainable seafood offerings so that sustainably sourced products from sustainable sources represented 87% of our private brand seafood sales by the end of 2015.

Fair working conditions

- Reviewed protection of human rights in our operations and supply chains with our operating company Sustainability Sponsors. Led by an expert in human rights and social compliance, the group discussed current worldwide conditions and how we can best address human rights concerns.
- Identified production sites for products coming from countries at greatest risk of poor working conditions, and increased our monitoring of third-party audits aimed at ensuring fair working conditions throughout our supply chain. We recognize that audits are only one tool to achieve this goal, so we also worked with our peers in the Consumer Goods Forum (CGF) to push for greater transparency and protections for workers across the globe.

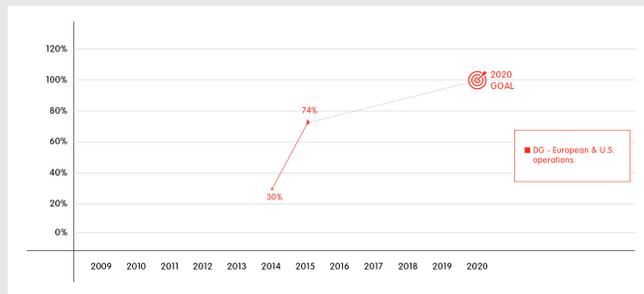
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Sustainable Palm Oil	74%	Palm oil traceable to 1 st importers	100%
	96%	Palm oil traceable to the refinery at Super Indo	100%
	100%	<ul style="list-style-type: none"> • 39% RSPO Mass Balance or Segregated • 61% covered by GreenPalm certificates 	Palm oil covered by an RSPO scheme 100%

In our European and U.S. operations traceable palm oil is defined as traceable to the 1st importer level (the companies importing the palm oil from palm growing countries into Europe or the U.S.). Traceability is the first step toward meeting our Responsible Palm Oil Sourcing Policy for private brand products, which includes four criteria:

1. Complies with the principles and criteria of RSPO
2. Preserves High Carbon Stock forests and High Conservation Value areas
3. Does not expand on peatlands, regardless of depth
4. Respects the rights of indigenous and local communities

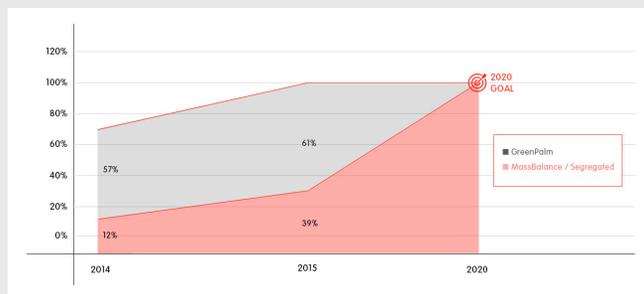


At Super Indo, the primary private brand product containing palm oil is cooking oil. In 2015, Super Indo has achieved traceability for that cooking oil to the refinery. Next, Super Indo will work on gaining traceability to the mill. Traceability is the first step toward meeting our Responsible Palm Oil Sourcing Policy for private brand products, which includes four criteria:

1. Complies with the principles and criteria of RSPO
2. Preserves High Carbon Stock forests and High Conservation Value areas
3. Does not expand on peatlands, regardless of depth
4. Respects the rights of indigenous and local communities

Palm oil in our private brand products is covered by a Roundtable on Sustainable Palm Oil (RSPO) scheme, such as RSPO Mass Balance, RSPO Segregated or RSPO GreenPalm. RSPO scheme coverage is one of the steps toward meeting our Responsible Palm Oil Sourcing Policy, which includes four criteria:

1. Complies with the principles and criteria of RSPO
2. Preserves High Carbon Stock forests and High Conservation Value areas
3. Does not expand on peatlands, regardless of depth
4. Respects the rights of indigenous and local communities



Sustainable Wood Fibers	1st round of baselines completed	Sustainable wood fibers	100%
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Sustainable wood fibers are either recycled, carry an acceptable certification (such as Forest Stewardship Council-FSC), or are otherwise assessed as low risk by our partner, The Forest Trust (TFT). This goal applies to private brand products and packaging made from wood fibers, as well as products used in our operations.

Sustainable Seafood	87%	Products with source fishery or farm identified	100%
	87%	Sales from products with sustainable sources	90%
Refers to private brand seafood products, whether they are frozen, fresh or canned. Identifying the fishery or farm of origin is part of the process of ensuring that our private brand seafood is from sustainable sources.			
Refers to private brand seafood products, whether they are frozen, fresh or canned. Sustainable products are certified by the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC), or assessed as a sustainably sourced seafood product by an expert third party using science-based criteria.			
Fair Working Conditions	Identified production sites & reviewed audits	Suppliers in our private brand supply chain who provide fair and decent working conditions	100%
Identified private brand production sites in risk countries. Risk countries are determined by the Business Social Compliance Initiative (BSCI). Delhaize Group accepts BSCI or equivalent audits. Approximately one third of Delhaize Group's sales from private brand products are from private brand products produced in risk countries.			

For a detailed look at each operating company's progress toward our Sustainable Private Brands goals, [read our local performance reports](#).

GROUP PERFORMANCE

ZERO WASTE

As part of our ambitious goal to eliminate waste from our business, we intensified efforts to minimize food waste in our operations, while also reducing greenhouse gas emissions and promoting increased recycling. Progress toward our zero waste goals is shown in the table below, and was driven by these key 2015 achievements.

Reducing food waste

- 25% of unsold, edible food was donated from individual operating company stores. Our work to clarify laws and regulations around food donations in some markets, as well as the creation of new donation programs and relationships with food rescue charities, helped drive these donations.
- Co-chaired the Consumer Goods Forum's (CGF) Food Waste Working Group, which helped pass a new resolution for CGF companies to support the UN Sustainable Development Goal to cut food waste in half by 2030.
- Pilot tested the **Food Loss & Waste Protocol**, a multi-stakeholder approach to the global accounting and reporting standard for quantifying food loss and waste along the food supply chain.
- Increased recycling of food waste through local partnerships such as Super Indo's produce waste composting program, and a partnership between Delhaize America's Hannaford stores and a dairy farm that converts packaged food waste into compost and biogas.



Reducing greenhouse gas emissions

- Accelerated adoption of lower-emission refrigerants and invested €3.1 million in new refrigeration installations. 74 stores used low-carbon refrigeration systems by the end of 2015.
- 13% reduction (since 2008) of CO₂ emissions per square meter across our operating companies.
- Continued our work to **remove commodity-driven deforestation from all of our private brand supply chains by 2020 (CDP)**.

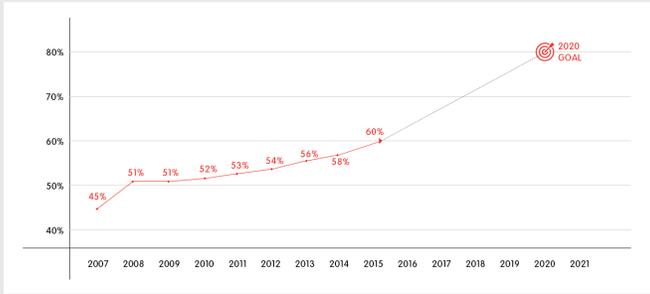


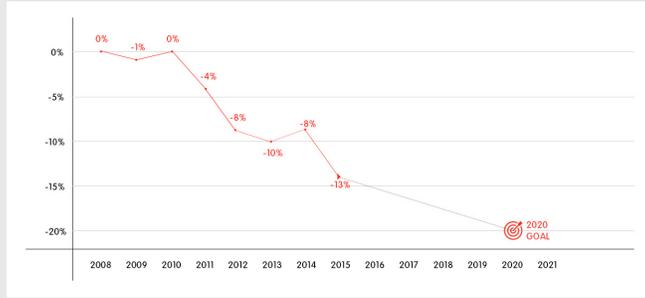
Promoting recycling

5% increase in recycling rates across the Group from 2014 to 2015, achieved through improved associate training and programs to recover more recyclable materials at individual operating companies.

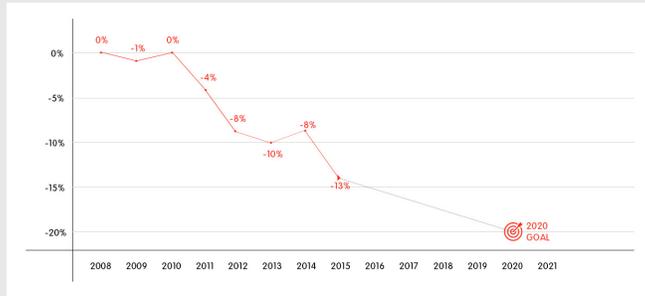


2020 Zero Waste Goals

 2015 Performance		 2020 Goals	
Recycling	60%	Waste recycled	80%
Percent of total waste that is recycled (diverted from landfills or incinerators). The figure includes cardboard, paper, plastic, food or other types of waste recycled from our stores, warehouses and offices.			
			
Food Donations	25%	Unsold food donated	
	51%	Stores with food donation programs	100%
Unsold food from our stores and our warehouses is donated to hunger relief charities.			
Food donation programs in our stores and warehouses donate unsold food to hunger relief charities. The 2015 data includes all stores (supermarkets, hypermarkets and convenience formats).			
Greenhouse Gas Emissions	-13%	Tonnes CO ₂ e/m ²	-20%
	565	Kilograms CO ₂ e/m ²	518
Change in CO ₂ equivalent emissions per m ² of sales area since 2008. Includes emissions from energy consumption, refrigeration leaks and transportation (scopes 1, 2 and limited scope 3).			



Kilograms of CO₂ equivalent emissions per m² of sales area. Includes indirect and direct energy, refrigeration and transportation related emissions.



Refrigerants

59%

Ozone-friendly refrigerants

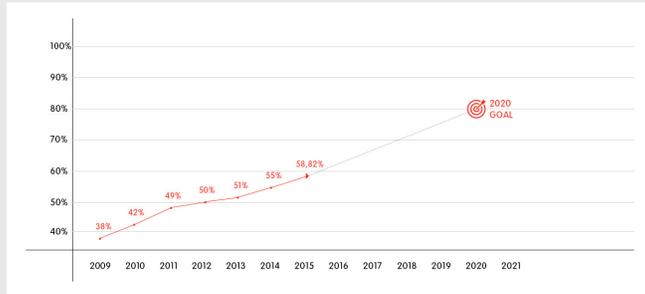
80%

2 359

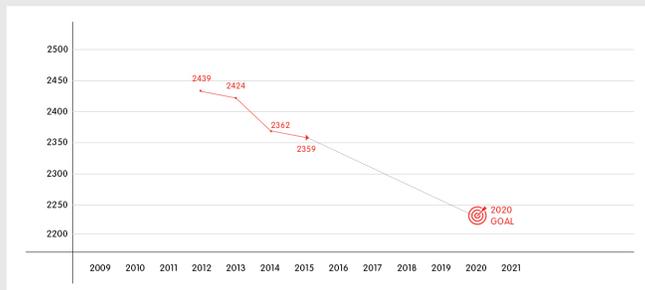
Average GWP

2 230

Refrigerants that do not deplete the ozone layer.



Average Global Warming Potential (GWP) measures the impact a refrigerant has on climate change. The measurement is based on the total refrigerants in use in our stores and warehouses.



For a detailed look at each operating company's progress toward our Zero Waste goals, [read our local performance reports](#).

GROUP PERFORMANCE

HEALTHY LIFESTYLES

We are committed to helping our associates and customers lead healthier, more sustainable lives. Progress toward our healthy lifestyles goals is shown in the table below, and was driven by these key 2015 achievements.

Supporting the health and wellbeing of associates

- Developed targets and defined metrics to improve wellbeing support across our countries through our Associate Wellbeing Steering Committee.
- 69% of associates felt that Delhaize Group’s wellbeing programs meet their needs, according to our 2015 Associate Engagement Survey.

Encouraging healthy lifestyles among customers

- Expanded health clinics and preventative screenings, education programs about health and nutrition, and continued sponsoring local sporting events.
- Continued customer outreach and education programs that support healthy eating choices. Labeling programs, such as Delhaize Belgium’s “Extra” logo and Delhaize America’s Guiding Stars program, make it easier for customers to quickly locate nutritious products.



2020 Healthy Lifestyles Goals

 2015 Performance	 2020 Goals
141	Wellbeing events hosted for associates 

Associate Wellbeing

69%

Associates feel that Delhaize Group's wellbeing programs meet their needs



Each of our operating companies runs programs to promote healthy lifestyles for our associates. The programs follow five pillars: Nutrition, Physical Activity, Health, Mental Health and Safety at Work.

Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that Delhaize Group's wellbeing programs meet their needs.

For a detailed look at each operating company's progress toward our Healthy Lifestyles goals, [read our local performance reports](#).

GROUP PERFORMANCE

ASSOCIATE DIVERSITY & DEVELOPMENT

Our associates are the foundation of our company; we are committed to creating an inclusive workplace that welcomes people from all backgrounds, supports their wellbeing and encourages their professional and personal development. Progress toward our goals is detailed in the table below, and was driven by these key 2015 achievements.

Diversity & Inclusion

- Developed baselines for key diversity-related issues in each of our regions through our Associate Diversity Steering Committee. Each operating company tailors its programs to address local needs, as diversity issues vary greatly across countries and are dependent on local culture.
- Delhaize America provided sensitivity training to managers focusing specifically on Lesbian, Gay, Bisexual, and Transgender (LGBT) inclusion and earned a 100% rating from the Human Rights Campaign's Corporate Equality Index for the 5th year in a row.
- Delhaize Serbia offered trainings for managers and associates to raise awareness about disabilities, and to provide techniques for incorporating associates with disabilities into the workforce.



Associate Development

- Expanded training and development programs focused on customer service, such as Food Lion and Delhaize Serbia's "Count on Me" programs, Hannaford's "Power of You" program, "Grocer 2.0" at Delhaize Belgium.
- Provided a documented performance review to 99.5% of eligible associates.
- Our annual Associate Engagement Survey showed that our associates' overall level of engagement was 89%, indicating a high level of satisfaction. We also achieved an 80% survey response rate, a figure well above industry standards.

2020 Associate Diversity & Development Goals

2015 Performance		2020 Goals	
Associate Diversity & Inclusion	193	Diversity and Inclusion training events held for associates	↑
	87%	Associates feel that "My direct manager recognizes and respects the value of diverse associates"	↑
The five pillars of our Associate Diversity and Inclusion programs are: Gender, Generations, Race/Ethnicity, Disabilities, and Cultivating a Diverse and Inclusive workplace.			
Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that their manager recognizes and respects the value of diverse associates.			
Associate Development	99.5%	Associates with annual performance dialogues	100%
	79%	Associates feel they have opportunities for personal development in the company	↑
Figure represents percentage of eligible associates from our stores, warehouses and offices who received a documented, annual performance and development dialogue. Eligibility for a performance dialogue is determined by our operating companies, based on local regulations and new hire/absence policies. At Delhaize America, performance dialogues are only tracked for Food Lion retail associates. Other Delhaize America associates receive dialogues without formal tracking.			
Through the Associate Engagement Survey, we measure the percent of associates who agree or tend to agree that they felt supported in their professional development.			

For a detailed look at each operating company's progress toward our Associate Diversity & Development goals, [read our local performance reports.](#)

GROUP PERFORMANCE



COMMUNITIES, AWARDS & PARTNERSHIPS

Supporting Local Communities

We provide financial, material or volunteer support to local communities across our geographies. Individual programs are driven by local needs and local issues, and we pay particular attention to addressing hunger, health and wellbeing. For a detailed look at each operating company's support of their local communities, read our [local performance reports](#).

2015 Awards

Dow Jones Sustainability Index (DJSI) inclusion & Bronze Class Sustainability Award
CDP Climate Disclosure Leadership Index (CDLI), Benelux

- CDP Climate (score: 96 B)
- CDP Forest

Key Sustainability Partners

- Business Social Compliance Initiative
- The Consumer Goods Forum
 - Global Food Safety Initiative
 - Global Social Compliance Programme
 - Food Waste Working Group (co-chair)
 - Health and Wellness Steering Committee
 - Environmental & Social Sustainability Steering Groups
- The Forest Trust
- Forum for the Future
- Global Sustainable Seafood Initiative
- Roundtable on Sustainable Palm Oil
- Roundtable for Responsible Soy
- Sustainable Fisheries Partnership

CASE STUDY – SUSTAINABLE PRIVATE BRANDS



A NEW HOME FOR LOCAL FLAVORS: MEGA IMAGE OPENS GUSTURI ROMANEȘTI STORES

Since 2009, Mega Image has been selling private brand products made using traditional Romanian methods and locally grown ingredients under the Gusturi Românești (“Romanian Taste”) name. We originally featured these products, such as jams and **free-range eggs**, in small displays throughout Mega Image stores. But they proved so popular with customers that we continued expanding the line until we had enough products to fill a small, stand-alone store.

So in 2015, we opened our first 2 stores that sell exclusively Gusturi Românești products. These stores showcase our commitment to honoring Romanian techniques, traditions and recipes, while also showing how these practices can align with modern sustainability goals.



Gusturi Românești has become a brand that people turn to when they’re seeking out products that feel and taste authentically Romanian,” says Raluca Alexandrescu, Mega Image’s Manager of Brand and Communication Marketing. “Investing in stand-alone stores with a truly Romanian atmosphere - from the design and decoration to the associates’ traditional clothing - helps us better address that need.

Raluca Alexandrescu,
Manager of Brand and Communication Marketing, Mega Image



Creating local connections

We opened our first Gusturi Românești store in a popular shopping area of downtown Bucharest just before Easter – a holiday when many Romanians seek out traditionally-made products. Inside, customers found a variety of private-brand products made in a traditional manner or representing regional traditions, including meat specialties, baked goods and Romanian wine.

During the growing season, the store also sold fresh fruits and vegetables from local farmers, alongside year-round products made by local producers. Mega Image has forged partnerships with these growers as a way to promote sustainable practices and help support the local economy. “Long-term contracts with local growers help ensure the continuity of their businesses,” says Alexandrescu.

To strengthen connections between customers and suppliers, we invited a jam maker, a dairy farmer and a cold pressed oil producer to speak to customers at the store’s opening event. These Gusturi Românești producers described their production techniques and explained why using traditional or original methods is important to them.



A model for future stores

Our goal of blending tradition with modern elements also extended to store design. The interior featured hand-carved wooden beams that harken back to traditional Romanian building techniques; at the same time, we installed energy efficient LED lighting systems to reduce energy consumption.

Customers enthusiastically embraced the first Gusturi Românești store, and by September we had opened our second location in a popular open market in Bucharest. Thanks to this positive response, we plan to add two more Gusturi Românești stores in Bucharest in 2016.

“The popularity of these stores shows us that there is a strong appetite for the Gusturi Românești line,” says Alexandrescu. “Knowing that, we can build on our success and continue offering more products with the tastes and flavors that many Romanians remember from their childhoods.”

CASE STUDY – SUSTAINABLE PRIVATE BRANDS



BRINGING SUSTAINABLE SEAFOOD TO INDONESIAN CUSTOMERS: SUPER INDO IMPROVES ITS AQUACULTURE SUPPLY CHAIN

Sustainability is a relatively new concept in Indonesia. As a result, many government and private initiatives here involve educating producers and consumers about the importance of sustainable practices. At this nascent stage, we wanted to focus Super Indo's own sustainability efforts in areas where we could encourage significant changes in both public and industry behavior.

Given that seafood is a staple of the local diet and a critical part of the economy, improving the sustainability of the country's aquaculture industry offered that opportunity. Aquaculture practices – from the use of ecologically sensitive coastal land to the production and disposal of waste – can pose environmental and public health risks when done in an unsustainable manner.



Many of our customers and seafood suppliers aren't aware of the importance of sustainability, and we feel it's our responsibility to educate them.

Junaedi,
Division Head of Buying Perishable, Super Indo



Although we are still at the beginning of this journey, by the end of 2015 we had made significant progress, including implementing sustainable aquaculture guidelines for Super Indo's sourcing, assessing our suppliers' practices and supporting the national government's efforts to create an aquaculture sustainability certification program.

Critical first steps

In 2014, we finalized our sustainable seafood policy – created in partnership with our aquaculture suppliers and sustainability experts – to provide guidelines regarding appropriate feed sources, land usage, and the use of antibiotics and chemicals. We put this policy into action in 2015 by evaluating our suppliers against these guidelines.

Our goal was to identify ways to make a significant and immediate impact. For example, we took an important step by requesting confirmation that our salmon suppliers receive a Global GAP certification. If suppliers could not confirm that they had received the certification, we stopped sourcing from them. This move covered more than 40% of the seafood sales in our stores.

At the same time, we began encouraging Indonesian suppliers to improve their aquaculture operations. This is important, but challenging work, because Indonesian customers are not yet demanding sustainable seafood. “We must convince suppliers to change their practices and renovate their farms to become more sustainable because it is better for business in the long run, even though there may not be large demand for it now,” Junaedi says.



A long-term vision

While working with suppliers, we also have been collaborating with the Indonesian government and our farmers to help develop an aquaculture version of a sustainability certification program, IndoGAP (CBIB), which is used by Indonesian agricultural producers.

Our initial efforts are focused on aquaculture because we have better visibility into the farmed seafood supply chain, which can help us affect significant change more quickly.

“We’re on the right track,” says Junaedi. “We have a lot of work ahead of us, but we believe the goal of creating a more sustainable seafood supply chain that benefits suppliers, customers and the planet is well worth it.”

CASE STUDY – ZERO WASTE



TARGETING FOOD WASTE ACROSS THE VALUE CHAIN: DELHAIZE BELGIUM AND LUXEMBOURG'S COMPREHENSIVE STRATEGY

Working for years to reduce food waste has taught us that the conditions that contribute to food being discarded are found at nearly every stage of the food value chain. Only about 10% of food waste happens at the retail level – which means we can't solve the problem alone.

To minimize food waste, we have engaged a long list of partners – from producers and packagers to our retail associates and customers – in complementary programs that address this complex problem. In 2015, this approach involved several new initiatives alongside expansions of successful existing programs.



Starting with suppliers

Some produce becomes waste before it even makes it to stores, simply because suppliers discard it for being misshapen, discolored or blemished. So in 2015, we partnered with suppliers in Belgium to offer customers some of this produce that looked imperfect, but still met our standards for nutrition and taste.

We marketed mixed assortments of “ugly vegetables,” including cucumbers, tomatoes and peppers, in 2.5 kg.-boxes that sold for a fixed price. We also created juice from “ugly apples” ([watch the video](#)).

At the end of the 3-month pilot program, we had sold more than 41 000 3-liter containers of juice and more than 6 000 boxes of produce. The latter amounted to 15 tonnes of “ugly” vegetables that in the past wouldn't have made it to consumers. The program was so popular that we will expand it to 50 stores in 2016.



Promoting better packaging

Vacuum packaging preserves freshness and extends foods' shelf life, but this packaging method isn't widely used in Belgium and Luxembourg. To promote its advantages, we began selling premium meat – including our **European Beef range** – in vacuum packages that extended the meat's shelf life from 3 to a minimum of 9 days.

We used in-store messages and articles in the Delhaize magazine to familiarize customers with this new packaging style and explain its many advantages. This project was recognized with the **Greener Packaging Award** from the Belgian packaging recycling organizations Fost Plus and VAL-I-PAC ([watch the video](#)).

Implementing distribution and retail store improvements

Our modern distribution centers are automated or partially automated, allowing us to shorten the time between field and store to reduce food waste. Our automated stock management also decreases overstock in stores.

We also offer discounts to promote sales of products that have almost reached their "use by date." This is an efficient way to reduce food waste and give our customers an opportunity to save.

Expanding food donations

Our successful program that donates unsold fresh and packaged food from stores to local charities and food banks had hit a roadblock in 2014: The lack of clarity around the legal status of donating fresh produce in Belgium. In 2015, we worked with the Belgian government to clarify those regulations and to prove our food donations process was safe. This allowed us to expand the program from 26 to 81 participating stores and warehouses, and to more than double the percentage of unsold food we donated. We also made investments to improve the food donation process, such as distributing free coolers to organizations to help them transport food safely ([watch the video](#)).

Educating consumers

We continued our **Food Respect campaign** that encouraged customers to reduce food waste at home. Through in-store demonstrations and web and print articles, we offered tips on preventing food spoilage, as well as creative recipes for using food that might otherwise get thrown away ([watch the video](#)).



Promoting the circular economy

In addition to donating unsold to nonprofits and charities, we look for other innovative solutions to reduce food waste. One of our most unusual is a 2015 partnership with the Brussels Beer Project to use our unsold bread to produce local beer, which is then sold exclusively in our Brussels stores.

We launched the project after more than a year of research, in collaboration with Atelier Groot Eiland, an NGO that combats unemployment. The NGO trained their collaborators to collect unsold bread donated by our stores and deliver it to the Brussels brewery. In 2015, we sold 8 445 liters of the resulting BabyLone Beer, made from more than 1 000 kg of donated bread.

Even the food we were not able to sell, donate or repurpose did not go to waste in 2015. Instead, it was converted into biomass energy.



As a company, we want to do everything in our power to limit food waste in every possible way. We also continuously look for ways to create new products from what was once discarded, contributing to the circular economy. Our goals are ambitious, but we believe we can reach them if we continue to work together with our suppliers, customers and associates.

Linde Raport,
Waste Management Project Coordinator, Delhaize Belgium

CASE STUDY – HEALTHY LIFESTYLES



FIGHTING CHILDHOOD OBESITY: DELHAIZE SERBIA INTRODUCES “SUPER” LUNCHES

As in other countries around the world, childhood obesity is on the rise in Serbia. We wanted to strengthen our efforts to help families and children make healthier food choices, but first we needed to understand the factors contributing to childhood obesity.

Research at Belgrade schools and informal focus groups with associates’ children revealed a troubling trend: Many schools don’t have cafeterias, and as result students often purchase unhealthy foods – such as potato chips, candy and soda – from vending machines or nearby stores for their lunch or snack.



We saw these problems and decided to do something really ambitious. We wanted to change kids' bad eating habits and put them on a healthier track.

Katarina Bošković,
Quality & Safety Director, Delhaize Serbia



With a 2014 grant from the Delhaize Group Sustainability Innovation Fund, we developed a range of nutritionally balanced, tasty packaged meals that kids could take to school. We launched our SuperRučak (“Super Lunch”) boxes in 2015, and partnered with the Serbian Olympic team to promote healthy meals and active lifestyles to children.

Balancing taste and nutrition

Delhaize Serbia's food specialists worked with outside experts, including nutritionists and food scientists, to develop healthy, nutritionally balanced recipes. But we knew that those foods had to be tasty and fun to eat, too. So we organized a taste test for children aged 7 to 11, which provided crucial input on several recipes. "Kids are very clear on what they do (and don't) want to eat," says Bošković.

After a year of development and testing, we had created 5 lunch boxes that include 3 items, such as a chicken sandwich on wheat bread, an apple muffin and a milk carton. To ensure that SupeRučak was an affordable choice, we priced the boxes at 199 dinars – less than €2.



Providing education and inspiration

To launch SupeRučak, we visited 5 Belgrade-area schools with a group of special guests: members of the Serbian Olympic Team. These athletes – who many Serbian children consider heroes – described how good eating habits can contribute to physical fitness, and then joined the students in games and exercises. We also brought a nutritionist to explain how eating healthier can help improve learning. "In order to change habits, you have to show the kids examples of healthy lifestyles," says Bošković.

In all, 133 students participated in our inspirational, educational presentations. Following these events, we invited 24 students, parents and teachers on a field trip to visit a SupeRučak supplier in the Serbian countryside. The families helped harvest carrots and learned about the origins of some of the healthy, fresh food that made it into their lunch boxes ([watch the video](#)).



Refining and expanding

During the program's first year we sold SupeRučak lunch boxes at 44 Belgrade-area stores. The lunch boxes were so popular that we plan to offer them in 19 more stores in 2016.

Thanks to feedback collected from children, parents and teachers throughout the process, we learned that the SupeRučak portions were too large for many children to eat all at once. We reduced portion size, which allowed us to lower the price of SupeRučak to 149 dinars going forward. We also are expanding the product line with 5 new SupeRučak combinations, which will help us make an even greater difference in children's eating habits. "We want to make sure kids continue to be excited about SupeRučak," says Bošković.

CASE STUDY – ASSOCIATE DIVERSITY & DEVELOPMENT

FOOD LION


CELEBRATING DIVERSITY: DELHAIZE AMERICA'S LGBT INCLUSION EFFORTS EARN A PERFECT SCORE

In 2015, Delhaize America received its fifth consecutive 100% rating in the Human Rights Campaign's (HRC) Corporate Equality Index for its support of the company's Lesbian, Gay, Bisexual and Transgender (LGBT) associates. This year's achievement was especially significant, as we were the only U.S. grocery chain to receive a perfect score.

The HRC Foundation is a leading LGBT advocacy organization that evaluates businesses annually on criteria such as anti-discrimination policies, partner benefits for associates, diversity training programs and community engagement. The Corporate Equality Index's criteria get stricter every year, and Delhaize America has stepped up to the challenge. Our 2015 achievement reflects our continued commitment to these supportive policies and procedures, including recent efforts to strengthen transgender inclusion in the workplace.

While we received this recognition for our work in support of LGBT associates, we also believe it's a strong endorsement of our broader diversity and inclusion efforts – and a model for creating a supportive environment for other diverse groups. "That perfect score validates what we're doing, so it's a tremendous honor," says Millette Granville, Delhaize America's Director of Diversity and Inclusion.



A comprehensive approach

Our diversity and inclusion efforts, both internal and external, have long supported LGBT associates and customers. Our Friends LGBTQA (Lesbian, Gay, Bisexual, Transgender, Questioning & Straight-Ally) Business Resource Group (BRG) at Delhaize America has been active for 12 years, and in 2015 we started a satellite chapter in the northeast. We also sponsor and participate in Pride parades throughout our operating area, as well as events with the Human Rights Campaign, PFLAG (Parents, Families and Friends of Lesbians and Gays), Equality North Carolina and Equality Virginia.

In 2015, growing national awareness of gender identity and transgender inclusion – as well as individual associates announcing their own transitions – inspired us to improve our efforts for the transgender community. We updated our Gender Transition Guidelines, which outline how associates and managers should support associates during their transition. We also adjusted our restroom and dress code guidelines to better accommodate transgender associates.

To further strengthen our approach, we hosted training sessions in our corporate offices that educated 135 associates on transgender awareness and inclusion. One session featured a video of a transgender associate who spoke of the support he received from his colleagues and the company.

These efforts helped us achieve a perfect Corporate Equality Index score, which not only validates our work but also shows potential associates and consumers our commitment to providing an inclusive workplace. "It's extremely important in terms of our ability to recruit top talent, and to attract customers in the LGBT community," Granville says.



Maintaining a broad scope

Along with our LGBT-focused initiatives in 2015, we continued efforts to providing a diverse and inclusive workplace to people of all ages, abilities, races and ethnicities. For example, to date, nearly 1,000 associates have participated in our Unconscious Bias learning session, which is now offered on an ongoing basis through Delhaize America University. The session focuses on recognizing and dealing with behaviors and assumptions that may inadvertently lead to biased actions. We continue to offer Business Resource Groups with a focus on veterans, disabilities, generations, gender and racial/ethnic groups.

We are also developing a mandatory online training for all new employees, Valuing Diversity, to be launched in 2017. This training will strengthen diversity awareness at all levels of the company.



We want associates to see the range of ways we're supporting diversity, and for them to get a sense of the kind of organization they're joining. Diversity and inclusion has to be a part of everything you do.

Millette Granville,
Director of Diversity & Inclusion, Delhaize America

CASE STUDY – SUPPORTING OUR COMMUNITIES



REACHING OUT ACROSS THE NATION: ALFA BETA STORES DONATE SURPLUS FOOD DIRECTLY TO LOCAL ORGANIZATIONS

For more than 20 years, Alfa Beta has been a leader in fighting hunger in Greece. Company founder Gerasimos Vassilopoulos established the Greek Food Bank in 1995, and our warehouses have been collecting unsold, non-perishable foods to donate to the organization since that time.

Yet until recently, logistical challenges prevented us from donating the perishable items approaching their sell-by date that we collected each day from our stores' shelves. So we collaborated with Boroume, a hunger-relief organization, to find a solution: Bring local food relief agencies to the stores to collect surplus perishable food and distribute it directly to the people who need it.

The result was a new program aptly named Trofima Agapsis (LoveFood), which is the first and only program of its kind in Greece. It comes at a time not only of continued economic crisis, but also as the country is dealing with an influx of refugees.



Given the situation in Greece right now, this is the program we're most proud of - it fulfills the greatest need.

Alexia Macheras,
Communication & Sustainability Manager, Alfa Beta



Small changes make a big difference

Our donation system to the Greek Food Bank is implemented through our 3 warehouses. But individual stores didn't have the vehicles, or procedures, to efficiently transport perishable surplus food back to our warehouses in Athens and Thessaloniki, or to the NGOs in those cities. With no way to get this food to those in need, the only option was to throw it away.

In response, we created a local donation network for our stores. In partnership with Boroume, we reached out to 128 NGOs that serve communities around some of our store locations. Each day, store associates collected food nearing its sell-by date – including packaged produce, dairy items, and frozen and packaged meat products – and set it aside in boxes for individual food relief agencies. The organizations then picked up those boxes when stores closed each day and distributed the food to the people they served.

We piloted the program at 3 stores in 2013, grew by a few dozen in 2014, and by 2015 had 166 stores on board – more than half of our locations. The program has been “nothing short of a revolution in Greece,” says Boroume spokesman Alexander Theodoridis.

Expanding our impact

Through this program, we donated more than €828 800 worth of food in 2015 (much of our surplus, such as unpackaged produce or seafood, is ineligible for donation). These donations made a real difference: For example, donations from just one of our stores provide 80% of the food needed at an Athens orphanage and provided more than 300 000 meals to more than 70 000 people.

Our program has won several awards, including a Responsible Business Award and a Self Service Excellence Award for Corporate Social Responsibility. We’re excited to expand it to all 231 Alfa Beta supermarkets in 2016.

“There are still too many people in need of food in Greece, and this is an essential way of helping,” Macheras says.



The program has paved the way for others and set a wonderful example for how a large company has the ability to cooperate with an NGO like Boroume to help thousands of people with the greatest need, at a local level.

Alexander Theodoridis,
Boroume spokesman

COMPANY INFORMATION

Registered Office:

Delhaize Group SA
rue Osseghestraat 53
1080 Brussels
Belgium
Tel: +32 2 412 21 11 - Fax: +32 2 412 21 94

Group Support Office:

Delhaize Group
Square Marie Curie 40
1070 Brussels
Belgium
Tel: +32 2 412 22 11 - Fax: +32 2 412 22 22

<http://www.delhaizegroup.com>
Company number: 0402 206 045

Delhaize Brothers and Co. "The Lion"
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CONTACT

If you have any feedback or questions on this
Sustainability Progress Report, please contact us
at: sustainability@delhaizegroup.com

PUBLISHER

Megan Hellstedt

Vice President Sustainability – Delhaize Group

Fátima Martins

Communications Manager – Delhaize Group

Square Marie Curie 40
1070 Brussels
Belgium

About the people included in the pictures in this report

Most of the people portrayed in the pictures in this Sustainability Progress Report are our associates or our associates' family members.

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