



Responsible retailing

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Watch the CEO online:
<http://crreport2010.ahold.com>

Dick Boer
Chief Executive Officer

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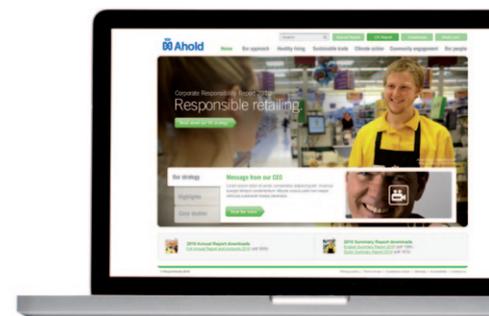
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Our approach to CR



**Acting responsibly is central to our business.
We play a day-to-day role in the lives of millions
of people.**

Our corporate responsibility strategy focuses on issues that are closely related to our business and where we can make a difference. That means playing a responsible role when it comes to our customers' wellbeing, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ.

In 2010, we set a series of clear, measurable targets for each of our priority areas between now and 2015: healthy living, sustainable trade, climate action, community engagement and our people. We take our commitments seriously, and are ambitious in our targets.

We want to be the responsible retailer.

Group at a glance

Ahold is an international retailing group based in the Netherlands, with powerful consumer brands in Europe and the United States. At the end of 2010, we had:¹

2,970 stores

213,000 employees

€29.5 billion sales

The foundation of our company is selling great food – this is what we are known for and is our core business. We provide customers with great value and a convenient and innovative shopping experience with a wide range of products and healthy choices. Our vision is to offer all of our stakeholders – our customers, employees, suppliers, shareholders, and the communities we serve – better choice, better value, better life, every day. We are committed to acting responsibly in all that we do.

We have simplified and streamlined our businesses and are looking at growth opportunities. We are focused on innovation to ensure we continue to offer great products, services, and store formats and stay at the forefront of consumer trends and customer needs.

Our employees are the key to our success. Their commitment to the customer and to providing a great shopping experience sets us apart and is essential to the profitable growth of our company.

¹ All figures in Group at a glance are taken from the Annual Report. Due to differences in scope, these figures exclude ICA and include Etos, Gall & Gall, albert.nl, Ahold Coffee Company and Peapod.

In 2010, we made solid progress with our strategy for sustainable profitable growth. Highlights include:

Ahold Group

Net sales

€29.5 billion

+4.4% at constant exchange rates and adjusted for the impact of week 53 in 2009

Operating income

€1.3 billion

Up €39 million or 3.0% from 2009

Underlying retail operating margin

4.9%

Proposed dividend

€0.29

per common share

+26% compared to last year's dividend

Performance by segment

Net sales (€ million)

	2010	Growth ¹
Ahold USA	17,783	5.1%
The Netherlands	10,087	4.7%
Other Europe	1,660	(3.5)%
Total	29,530	4.4%

Contribution by segment

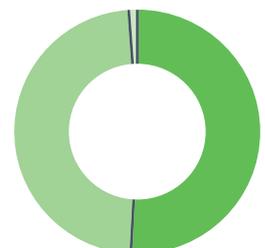


¹ At constant exchange rates and adjusted for the impact of week 53 in 2009.

Underlying retail operating income (€ million)

	2010	Underlying margin
Ahold USA	742	4.2%
The Netherlands	691	6.9%
Other Europe	16	1.0%
Total	1,449	4.9%

Contribution by segment



CR in action

In 2010, we achieved a great deal across the Group in all our priority areas. These are a selection of our highlights from the year.



Healthy ideas on U.S. shelves

Across all stores in the United States, the "Healthy Ideas" logo has been applied to approximately 4,000 products (both own brands and national brands). The logo denotes products which meet the U.S. government's criteria for healthy food.

Over

350,000

children educated globally in healthy living



Membership of

The Sustainability Consortium

Ahold joined The Sustainability Consortium in early 2010 as the first Europe-headquartered retailer. The Sustainability Consortium was founded in 2009 as an independent organization of global participants who work together to improve consumer product sustainability through all stages of a product's lifecycle.

100%

of our estimated own-brand palm oil consumption offset by GreenPalm certificates¹



Onsite clean energy generation

Stop & Shop in Torrington, Connecticut, opened in May 2010 with its own onsite fuel cell. Integrated into the store's existing electrical and mechanical systems, the 400-kW fuel cell generates over 90 percent of the store's annual electricity requirements and 70 percent of its heating requirements.

10 km

of doors fitted on refrigerators and freezers at Albert Heijn stores

¹ For 2010, Ahold purchased GreenPalm certificates to offset its estimated palm oil consumption (6,000 metric tons) for own-brand products. Our process for estimating palm oil consumption is detailed in the section *Process and CO₂ conversion factors*.

CR in action continued



Community
engagement

Supporting Czech children in need

The Bertici project is a charity supporting children in need – those living in orphanages or homes for mothers and children. For the past five years, Albert has focused on projects aiming at their education and integration into society, as well as sponsoring specific vocational and sports courses for individuals.

€1 million

donated to the Haiti earthquake disaster



Our
people

Employees get fit in the Netherlands

Employees from Albert Heijn, Etos, Gall & Gall, Ahold Corporate Center and Ahold Coffee Company all have the opportunity to take part in the Netherlands' healthy lifestyle program: Fit & Fun. It focuses on three priorities: eating healthily, physical fitness, and wellbeing.

2,600

employees in the Netherlands participated in "Fit & Fun" sports clinics

Message from our CEO



Dick Boer
Chief Executive Officer



Watch the CEO online:
<http://crrreport2010.ahold.com>

Corporate responsibility is an essential part of the way we work at Ahold. In 2010, we made significant progress in integrating CR initiatives into our Group-wide strategy.

Dear stakeholder,

It is a pleasure to write this introduction to our 2010 Corporate Responsibility Report.

Over the past year, we have made significant progress on our CR strategy. The strategy focuses on the issues most closely related to our business and where we can make a real difference. This involves playing a responsible role when it comes to our customers' wellbeing, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ. We have defined five priority areas to achieve this: healthy living, sustainable trade, climate action, community engagement, and our people.

In 2010, we set ambitions, targets and action plans relating to each of these priority areas. We have established a clear set of measurable targets for each, which we plan to achieve between now and 2015. Many of these targets are new, and are being measured for the first time, so we have not been able to report on all of them in this year's report. We will do so over the next five years, and will continue to set new targets as the current ones are reached.

Tackling important issues

Health and wellbeing are areas that are attracting increasing attention in the media. Michelle Obama's program to tackle childhood obesity in the United States is just one high-profile example. Around the world, more and more people are beginning to understand the problems of obesity, including its social and economic costs. We have a critical role to play in helping our customers, employees and communities make healthy choices. In 2010, we educated more than 350,000 children in how to eat and live more healthily, and we continued to improve our labeling and promotional activities to make it easier for customers to make healthy choices.

The drive for sustainable practices is also becoming ever more important. Customers are demanding goods that are produced with respect for the environment, the rights of the people producing them, and the welfare of animals. We endorse these goals. During the year, we announced that all Ahold Europe own-brand products will be more sustainable in 2015. This means we will look at our supply chain in more detail and make sure that each product has been made at least one step more sustainable. Group-wide, we have also committed to source six so-called "critical commodities" found in own-brand products in accordance with industry standards for sustainable production by 2015. As definitions change over time, we will continue to raise the bar to ensure we meet the needs of current and future customers, and safeguard the sustainable future of our business.

Climate change is a major issue facing our planet. We are committed to playing a role in reducing our environmental impact, and in encouraging our suppliers and customers to do the same. In 2010, our CO₂ per square meter of sales area fell 3.0 percent against our 2008 baseline. This is partly due to the significant improvements we have made to our store designs over the past five years, which are helping reduce energy consumption. We are still facing challenges in reducing our environmental impact, including the way we manage refrigerant leakage and how we reduce its impact. In November, we signed a Consumer Goods Forum resolution to begin phasing out harmful refrigerants in new stores by 2015. This year, we will increase our focus on waste management so that we can reduce the quantity of waste we produce and increase the amount we recycle.

The boundaries between our CR priorities are increasingly overlapping. In 2010, for example, we introduced new trucks that are more environmentally friendly, efficient, safer, and quieter. This means they are not only better for the environment, but are also better for our employees and for the communities in which they are delivering.

Message from our CEO continued

Working with stakeholders

By ourselves, we can certainly achieve results. But by working together with others, our impact can be far stronger and further reaching. We can make a greater difference through joining forces with other retailers, food manufacturers, packaging companies, agricultural specialists, NGOs, and many other partners. We share our expertise and set new, better standards within the industry through roundtables, consortia and other forums that you can read about in this report.

In 2010, our former CEO, John Rishton, signed the Global Compact to show our commitment to its principles. I am happy to support this commitment, and to provide you with the first update of our progress against these principles in this report.

Continuous improvement

I believe the challenges we face today will be even more important to businesses and customers in five years' time. Acting responsibly is something we must all do – and do better – every day. Today, for example, we do not approve any capital investment unless it is sound from a CR perspective as well as from a financial one. I am proud to be part of the changes we are seeing today in the way businesses work – both in food retail and across all industries.

A word of thanks

I would like to finish this letter by thanking John Rishton, our former CEO, for his efforts in driving corporate responsibility at Ahold over the past five years. His commitment to Ahold acting responsibly has had a major impact on what we have achieved so far. I would also like to thank Lodewijk Hijmans van den Bergh, our Chief Corporate Governance Counsel and head of Corporate Responsibility, for developing the new strategy and targets we now have in place. Finally, I would like to thank all of our employees, who continue to put our CR strategy into practice every day. Their dedication and commitment to CR at Ahold, and to encouraging customers, suppliers, and other stakeholders to make responsible decisions and choices, are what make us a responsible retailer.

Dick Boer

Chief Executive Officer

March 2, 2011

Our CR strategy



Corporate responsibility is an integral part of our business. In 2010, we defined our revised CR strategy to 2015.

This strategy is the next stage in our journey: it is an evolution of the activities we have been carrying out for several years now. Our strategy includes a series of clear ambitions and measurable targets for each of our five priority areas: healthy living, sustainable trade, climate action, community engagement, and our people.

Our ambitions represent our overall philosophy on each of our priority areas. We have set initial targets, but we will add new ones over time as the current ones are realized. We have defined global targets, but our operating companies may go further than these and set additional goals locally. Our targets are supported by action plans that are designed and executed by each of our operating companies at a local level. These actions are measurable, and will act as benchmarks for how we are doing over time. As our targets and the action plans we have defined to achieve them are new this year, we will report against each of our targets annually from 2011 onwards.

In this report, we set out our ambitions and targets for the period 2011–2015 as an introduction to each of our priority areas. We then go on to report on the actions that we have taken during 2010 and provide examples of our achievements, followed by the data that supports them. You can read highlighted case studies of our activities throughout the report.

We want to make a positive contribution to all our stakeholders – including customers, employees, suppliers, shareholders, and local communities. We report on our interactions with stakeholders in the section *How we manage CR*.

Our CR strategy continued

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact. This overview of our corporate responsibility strategy shows our ambitions and global targets in relation to each of these priority areas.

	Ambitions	Global targets
<p>Healthy living</p> 	<p>Make healthy-living choices easy</p>	<ul style="list-style-type: none"> • Increase the sale of healthy products (as defined by criteria from leading health authorities) to at least 25% of total food sales by 2015 across the Group • Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer
<p>Sustainable trade</p> 	<p>Source safe and responsible products</p>	<ul style="list-style-type: none"> • Ensure that 80% of own-brand food suppliers are Global Food Safety Initiative certified by 2012 • Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015 • Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012
	<p>Reduce the footprint of our supply chain</p>	<ul style="list-style-type: none"> • Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015
<p>Climate action</p> 	<p>Reduce our environmental footprint</p>	<ul style="list-style-type: none"> • Reduce CO₂ per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline of 433 kg • Ensure that each operating company has a comprehensive waste-management program in place by the end of 2011
<p>Community engagement</p> 	<p>Contribute to the wellbeing of our communities</p>	<ul style="list-style-type: none"> • Ensure that each operating company has a community engagement program in place by 2012
<p>Our people</p> 	<p>Encourage our employees to live and work healthily and sustainably</p>	<ul style="list-style-type: none"> • Ensure that each operating company has a CR employee program in place by 2012

Our brands

European operations



	1. The Netherlands
	1. The Netherlands
	1. The Netherlands
	1. The Netherlands
	2. Czech Republic 3. Slovakia
	3. Slovakia
	4. Estonia 5. Latvia 6. Lithuania 7. Norway 8. Sweden
	9. Portugal

U.S. operations



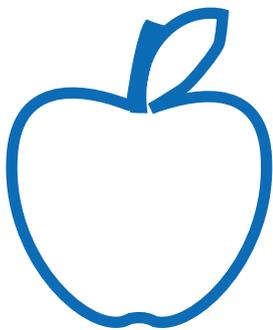
	10. Connecticut 11. Massachusetts 12. New Hampshire 13. Rhode Island 14. New York 15. New Jersey
	16. Virginia 17. Maryland 18. Delaware 19. District of Columbia
	16. Virginia 17. Maryland 20. Pennsylvania 21. West Virginia
	10. Connecticut 11. Massachusetts 12. New Hampshire 13. Rhode Island 14. New York 15. New Jersey 16. Virginia 17. Maryland 19. District of Columbia 22. Illinois 23. Indiana 24. Wisconsin

¹ Etos, Gall & Gall, Pingo Doce and Peapod are not included in the scope of this report.

Healthy living



Enabling healthy choices



Our ambition is to make healthy-living choices easy.

Our ambitions

Helping our customers to live healthily is important to Ahold. A healthy diet – including more fruit, vegetables and fiber, fewer calories, and less saturated fat, sugar and salt – forms an important part of healthy living.

In all our markets, we have programs in place to make it easy for people to make healthy-living choices and to identify healthy products. Our programs offer customers a choice of healthy products and promote those foods that contribute to a healthy lifestyle.

One of our goals is to be recognized as a leading healthy retailer. Our challenge is to make our product offering healthier, while continuing to deliver on price, flavor, choice, and convenience.

Targets

We have set two targets in our strategy to 2015 for healthy living:

1. Increase the sale of healthy products (as defined by criteria from leading health authorities) to at least 25 percent of total food sales by 2015 across the Group

In 2010, 18 percent of our total food sales were identified as meeting health criteria.

2. Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer

Key elements of our healthy-living programs include:

- Offering a wide range of healthy products in all price ranges, with clear labeling to make it easy for customers to choose healthy products
- Active promotions to increase sales of healthy products
- Customer education and information initiatives, including recipe cards and suggestions, in-store and online free food magazines, and children's education programs

We launched a healthy-choice labeling system in the Czech Republic and Slovakia in 2010, meaning that all our operating companies now have such systems in place. In 2011, we will expand our efforts to comprehensive healthy-living programs across all companies.

Healthy living continued

Actions and achievements in 2010

During the reporting year, we focused our efforts on making it easy for customers to choose healthy products. We now have a labeling system for healthy products at all our operating companies: we focus on promoting those products, and continuing to improve our healthy-living programs. In 2010, we continued our work to offer a wide range of healthy-choice products in all price ranges.

Labeling systems for healthy-product recognition

In all our operating companies, we have clear labeling systems to help customers identify products that meet specific criteria, and positively contribute to a healthy lifestyle. The criteria for so-called “healthy” products are defined by leading national health authorities, such as the Dutch Nutrition Center, the Nordic Nutrition Board, and the U.S. Department of Agriculture. We adapt our own healthy-product criteria in line with any changes that are made by these health authorities to the national criteria over time.

Our labeling systems are as follows:

Number of healthy-choice products

■ National brand
■ Own brand

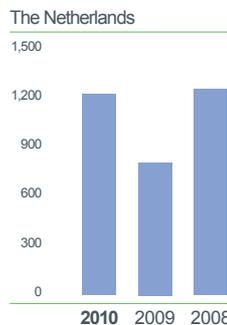


The “Healthy Ideas” labeling system at all stores in the United States informs customers about which products – both own brand and national brand – meet healthy criteria. For more information, see the *case study*.

For further information, please refer to the data table:
Healthy-choice products at year end

Number of healthy-choice products

■ National brand
■ Own brand



The “Green Clover” and “Orange Clover” symbols at Albert Heijn in the Netherlands identify healthy-choice products. The green clover is applied to inherently healthy produce such as fruit and vegetables; the orange clover denotes a conscious choice – food that is healthy in moderation, such as oily fish. In 2010, the range included 933 products with the green clover label and 281 with the orange clover. In 2011, the so-called “food choice logo” will replace Albert Heijn’s clover logos and the industry healthy food logo, “Ik Kies Bewust”, which will make it even easier for customers to make healthy choices.

For further information, please refer to the data table: Healthy-choice products at year end

Healthy living continued



4,000
Healthy Ideas products

Healthy Ideas on U.S. shelves

Across all stores in the United States, the “Healthy Ideas” logo has been applied to approximately 4,000 products (both own brands and national brands). The logo denotes products which meet the U.S. government’s criteria for healthy food. The logo is added to labels on own-brand products, on signage in perishable departments, and on shelf tags for own- and national-brand products.

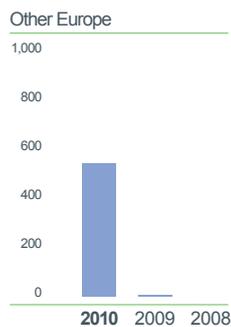
Healthy Ideas products meet strict criteria, in terms of less fat, cholesterol, sodium and sugar, and more fiber, vitamins and minerals. This makes it easier for customers to identify healthy-choice products.

“As a working mom with two young boys, I don’t always have time to inspect every nutrition label I put in my grocery cart. Like many of our shoppers, I’m concerned about providing my family with nutritious, affordable meals, so now I only have to look for one symbol to be able to make healthier choices through the aisles.”

Andrea Astrachan
Consumer Advisor Stop & Shop and Giant Food

Number of healthy-choice products

■ National brand
■ Own brand



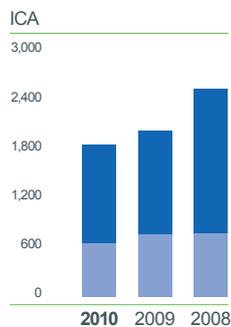
For further information, please refer to the data table: Healthy-choice products at year end



The “Good for You” label at Albert in the Czech Republic is based on the clover symbol developed in the Netherlands. There is currently no national health authority in the Czech Republic or Slovakia; therefore, the Netherlands’ criteria are used, and a nutrition expert from the Institute of Chemical Technology Prague reviews whether products meet these criteria or not. In 2010, 535 products met the criteria, and another nine are in the process of being launched.

Number of healthy-choice products

■ National brand
■ Own brand



For further information, please refer to the data table: Healthy-choice products at year end



The “ICA Gott Liv” (Good Life) range applies to own-brand products in Sweden and Norway. Modernized and re-launched in 2010, the packaging was re-designed and new own-brand products were launched. All ICA Gott Liv products meet Green Keyhole criteria (see below); in addition, ICA works to reduce the number of artificial additives in these products.



The Swedish “Green Keyhole” healthy symbol has been used by ICA since 1989. It is applied to all products (including both own and national brands) meeting relevant health criteria. In Norway, ICA successfully introduced the symbol on shelves in stores. It has now officially been adopted by Norwegian as well as Danish authorities. The number of Green Keyhole products decreased at ICA during 2010 due to the removal of some national brand products from the national program.

Healthy living continued



For more on "Ik eet het beter" program:
<http://ikeethetbeter.nl>

Children eat better in the Netherlands

Targeted at children aged 9–12, the "Ik eet het beter" program in the Netherlands encourages the youngest generation to improve their eating habits. The program, which is made up of several different initiatives, aims to raise awareness of a healthy diet, while promoting the idea that healthy food can be delicious and fun, too.

In 2010, 128,568 children in the most senior class in primary school (aged 11–12) enjoyed a free healthy lunch provided by their local Albert Heijn store, and received educational materials that are in line with the Dutch Ministry of Education's targets for primary education. These materials included a movie in which top soccer players encourage children to eat more healthily. In September 2010, a new

magazine about healthy living and a package containing a healthy snack were distributed to classes.

For younger children, new programs were also launched in the reporting year: taste lessons and practical experiments were developed, and over 100,000 children took part. Albert Heijn also piloted the "Supershopper" healthy supermarket tour in Utrecht and Rotterdam, developed in cooperation with the Netherlands Nutrition Center.

Feedback from both children and teachers has been positive, with quantitative results showing both a high level of engagement and a productive learning experience. Among year-six classrooms (aged 9–11), 92 percent of teachers and 84 percent of children said they felt that they had learned something about healthy food.

Allergies and intolerances

Labeling is also important for products that contain known allergens, such as nuts, gluten and lactose. In addition, we sell products that are suitable for diabetics. Here, we are trying to find a balance between using real sugar – which is not healthy for diabetics – and using sugar substitutes, which may be seen as less healthy as they contain more additives.

The number of people suffering from food allergies and intolerances is increasing. We try to help customers who need to avoid certain foods:

- Albert Heijn has developed a labeling system for allergens, so that customers can make informed choices. In 2009, they also piloted a system whereby customers' allergies are programmed into their bonus cards (store loyalty cards); they are then able to scan the barcodes of products in order to find out whether those products meet their dietary requirements. In 2010, Albert Heijn began working with food producers to optimize the information that this allergy-checking technology provides to customers
- U.S. stores feature signage informing customers about products that may contain or may have come in contact with peanuts, tree nuts, soybeans, milk, eggs, wheat, fish, or shellfish. There are designated gluten-free sections in the Nature's Promise Marketplace in many of our stores
- ICA declares all allergens in its food products to help customers make informed choices. They also offer a wide range of gluten- and lactose-free options, and provide recipes and news that make everyday life easier for people with food intolerances. All recipes provided by ICA include suggestions on how to make them more suitable for people with allergies

Organic offering

We offer a wide range of organic products in our stores:

- Albert Heijn's organic range, which forms part of the "AH puur&eerlijk" own brand
- Albert's "Albert bio" organic product range
- In the United States, the "Nature's Promise" natural and organic range of products
- ICA's "I love eco" range of organic products

Making products healthier

We aim to make our products healthier by improving the recipes and by reducing portion size.

Examples of improving the health properties of our products include:

- Albert Heijn continuously adapts the recipes of own-brand products to make them healthier. Examples include reducing salt levels in the full assortment of bread, various meats and (canned) vegetables; yoghurts with no added sugar have also been introduced
- Ahold USA participated in the U.S. Food and Drug Administration's Centers for Disease Control planning committee for reducing sodium in foods. Our U.S. supermarkets reduced sodium in 44 of their own-brand soups and broths
- ICA has been working to reduce salt levels in processed food in line with the Green Keyhole criteria, while still satisfying consumer tastes

Healthy living continued

Educational and promotional initiatives

As well as making healthy products available, we help customers, employees, suppliers, and members of the wider community by offering them information about how to follow a healthy diet and lifestyle. We also aim to increase the sale of healthy-choice products by implementing programs to promote those products. We do this through publishing in-store and online magazines that promote healthy living, playing an advisory role in our stores through health and wellness programs, and creating children's educational programs.

Our initiatives include:

- *Allerhande* magazine at Albert Heijn contains recipes for healthy meals with affordable ingredients. As a trusted publication, its influence can shift people's attitude towards food. *Allerhande* has the widest circulation of any free magazine in the Netherlands
- Albert Heijn also has various initiatives to educate children about health via the "Ik eet het beter" program. For more information, see the *case study*
- Albert educated 3,000 children in healthy living in 2010, and a further 5,000 children were educated via the Albert Charity Foundation
- In the United States, all brands have areas of their websites dedicated to healthy living. The stores offer healthy recipes, along with the free Healthy Ideas magazine and brochures. For children, age-appropriate Healthy Ideas Kids store tours are a fun and interactive way to build healthy eating habits among young people. There is also an in-store nutritionist at a number of stores, and stores participate in local community events and health fairs. For more information, see the *case study*
- In 2010, Ahold USA was honored by the Produce for Better Health Foundation (PBH) for its support in encouraging people to eat more fruit and vegetables. Ahold USA featured the Foundation's "Fruits & Veggies – More Matters" logo and healthy diet information on packaging, bags and promotional materials, and reiterated the message during community events
- Passport to Nutrition – a web-based program on nutrition for young children – was developed by the Ahold USA Health and Wellness team to educate children on ways to eat healthily and live a healthier lifestyle. The four online lessons are taught by a nutritionist, include interactive games and materials to download, and can be used at home or in the classroom. Ahold USA's stores are among the first in the country to offer an interactive, fun, and educational program for children's nutrition in an online format
- Ahold USA participates on federal and state advisory panels for the Nutrition Program for Women, Infants and Children (WIC), which serves to safeguard the health of low-income individuals who are at nutritional risk. Working collaboratively with public and industry partners on the delivery system for this important program has greatly improved WIC benefits to the recipients

**Interactive platform for healthy eating**

Albert Heijn is piloting a healthy-living platform for stores, consisting of a meeting point where customers and employees can interact in the heart of the larger stores. The social contact that people make in this meeting space improves both the shopping and working experience. It also helps contribute to a better neighborhood, by actively encouraging local residents and employees to share ideas.

Demonstrations and tasting events are organized to give customers inspiration for new (healthy) recipes. Employees are engaging with customers on the spot – for instance, educating children through storytelling.

So far, it has proven to have had a positive impact on the way people perceive food and its link to its origins in nature and social culture.

In 2010, this meeting point was piloted in three Albert Heijn stores in the Netherlands.

Healthy living continued

- ICA's joint project with the Swedish Cancer Society, "Buddy with your body – 5 a day," has attracted international interest. For 10 consecutive years, Swedish schoolchildren aged 8 and 11 were invited to a fruit and vegetables lesson in their local stores. ICA's training materials and posters from "Buddy with your body" were also translated into English and offered to 10 European neighboring countries, as part of the "ProGreens" study conducted by the European Union in 2010. The project looks at how schoolchildren should be encouraged to eat more fruit and vegetables. The aim is to find long-term strategies to increase schoolchildren's intake of fruits and vegetables

Customer insights

Since one of our targets is to implement programs with the aim of becoming a leading healthy retailer, it is important to know how our customers perceive us. Our brands are monitored by internal and external systems to measure to what extent we are perceived to be a healthy retailer. These systems include:

- Market research group GfK Panel Services Benelux / *Foodmagazine* in the Netherlands: Albert Heijn continues to score highly in comparison with its competitors on the level of information about healthy food it provides in both its XL stores and regular supermarkets. In December 2010, the GfK report showed that Albert Heijn stores came first on providing information on healthy living to customers, with a score of 7.07 compared to the average score of 6.39 by competitors
- Consumer research in the United States: this indicates that customers rate all four retail divisions in line with, or better than, most competitors in the marketplace in terms of their healthy-choice offerings. Specifically, in research conducted at Giant Carlisle in the early part of 2010, shoppers gave Giant credit for addressing their health and wellness needs by offering a large variety of high-quality fresh foods, providing Healthy Ideas shelf labels, and additional health information through the website and Healthy Ideas magazine
- The Swedish Quality Index survey to measure customer satisfaction among all major Swedish food retailers: the 2010 survey showed a continued strong position for all four ICA store formats in Sweden. Approximately 6,200 customers were surveyed by phone. In 2010, ICA Sweden was ranked in second place for their healthy-living product offering

Roundtable participation

Ahold participates in several roundtable initiatives, which have been set up to discuss issues relating to the sustainability and health properties of products. We work with others, both within food retail and in other industries, to lead the way forward on these issues.

In the reporting year, we participated in a number of events relating to healthy living. As a member of the Consumer Goods Forum, we are co-sponsor and co-chair of the Health and Wellness group.

The roundtable "Encouraging and Sustaining Healthy Food Choices" was initiated by Ahold in cooperation with major Dutch food-science university, Wageningen UR (University & Research centre), and involved multiple stakeholders. Seventeen thought leaders representing top universities, major institutions and food companies discussed strategies to encourage people to make healthy food choices. Issues covered included product labeling, the definition of (un)healthy products, consumer demand vs. consumer income, and what manufacturers, suppliers, and retailers can do to improve. The points raised in the discussions have become publically available in an online format, in order to help turn strategy into action. Possible solutions proposed included government actions, marketing new approaches towards food to consumers, and increasing collaboration between businesses, scientists, and governments.

Healthy living continued

Total sales of healthy-choice products
€ million

2010	6,048
2009	5,269

The data

Healthy-choice products at year end	2010		2009		2008	
	Own brand	National brand	Own brand	National brand	Own brand	National brand
Stop & Shop / Giant Landover ^{1,2}	1,428	2,898	1,349	3,020	679	3,664
Giant Carlisle ^{1,2}	1,131	2,926	60	0	44	0
The Netherlands ³	1,214	0	800	0	1,243	0
Other Europe ³	535	0	6	0	0	0
ICA ²	648	1,180	752	1,241	769	1,741

- 2009 data for Stop & Shop / Giant Landover and Giant Carlisle has been revised due to removing duplicates.
- Stop & Shop / Giant Landover, Giant Carlisle and ICA data includes both product labels and shelf tags for both national and own brands.
- The Netherlands and Other Europe data does not include national brands, as there was no uniform national labeling system. The Netherlands 2008 and 2009 data have been revised due to the inclusion of fruit and vegetables.

The total number of healthy-choice products increased, reflecting the healthy-living strategy of the Ahold Group. Ahold USA increased the number of products due to its rollout of the Healthy Ideas program from Stop & Shop / Giant Landover to Giant Carlisle. The Netherlands increased the number of products due to several product improvements that meet the stricter criteria applied in 2009, and identifying new products that qualify for the program. Other Europe increased the number of products due to the inclusion of unpackaged fruit and vegetables and the expansion of the healthy living program in 2010. ICA decreased the number of national brand products due to these brands removing products from the national program.

Number of children educated in healthy living ¹	2010	2009	2008
Ahold USA	31,871	30,157	23,184
The Netherlands	297,306	200,000	137,895
Other Europe	8,000	3,353	2,691
ICA	29,525	40,080	94,575
Total	366,702	273,590	258,345

- All operating companies have web-based programs that include estimates of the number of children educated based on the number of downloads of the program.

Fifty percent more children in the Netherlands were reached due to a new program, close cooperation with the Ministry of Internal Affairs on the "Ik eet het beter" program, and improvements in communication with schools. The Ahold USA figure increased due to improved materials (information booklets that are distributed) and increased marketing of the program. The Other Europe figure increased due to a new Albert Charity Foundation program tailored to food education for children.

Number of certified organic products at year end	2010	2009	2008
Stop & Shop / Giant Landover ¹	1,468	1,518	NR
Giant Carlisle ¹	2,156	2,294	NR
The Netherlands	407	304	290
Other Europe	570	721	529
ICA ²	2,335	2,060	1,392

- 2009 data for Stop & Shop / Giant Landover and Giant Carlisle has been revised due to removing duplicates. 2008 data is not reported.
- ICA data may include duplicates. For specific data on each country in which ICA operates, see ICA's CR report.

The number of organic products in the Netherlands increased as more organic products were introduced, both under the AH puur&eerlijk brand and national brands. Due to a stricter definition than in 2009, fewer products qualified in Other Europe, while Stop & Shop / Giant Landover and Giant Carlisle remained largely unchanged. ICA increased the number of products due to the introduction of categories like fresh herbs and dried fruit.

Sustainable trade



Sourcing sustainable products



Our ambitions are to source safe and responsible products, and to reduce the environmental footprint of our supply chain.

Our ambitions

We want to make sure that our suppliers meet our sustainability requirements. Increasing the sustainability of our products means that we aim for them to be grown or produced with consideration for – and responsibility towards – the people, animals and environment involved in their production.

Product safety (the safety of both food and non-food products) is essential; we therefore require our suppliers to meet specific safety criteria. We also recognize the importance of our suppliers' compliance to international labor conventions and environmental standards. We ask all our suppliers to sign our Standards of Engagement.

Our sustainability efforts focus on the last stage of production of our own-brand products. For "critical commodities" – tea, coffee, cocoa, palm oil, soy and seafood – that are used in many of the products we sell, we take into account all stages of the supply chain. In 2011, we plan to continue the process of mapping our suppliers at the last stage of production. In some cases, such as fruit and vegetables, this may mean going back to farm level. In others, such as processed food, we look at the final manufacturer.

Targets

We have set four targets in our strategy to 2015 for sustainable trade:

1. Ensure that 80 percent of own-brand food suppliers are Global Food Safety Initiative (GFSI) certified by 2012¹
2. Source 100 percent of the six critical commodities for own-brand products in accordance with accepted industry certification standards for sustainable production by 2015
3. Ensure that 100 percent of own-brand suppliers in high-risk countries are audited on social compliance by 2012
4. Map the environmental footprint of 50 percent of own-brand suppliers and their supply chains by 2015

We will report on our performance against these targets in our 2011 and subsequent reports. In order to meet our targets over the next five years, we have:

- Put a program in place to manage certification and auditing programs for product safety and social compliance
- Committed to further develop and implement sourcing strategies for critical commodities
- Started to co-develop a tool with The Sustainability Consortium to map the footprint of our products' supply chain

¹ See Glossary for definition of GFSI certification. The remaining suppliers that are not GFSI certified will still meet acceptable food safety standards.

Actions and achievements in 2010

During the reporting year, our key achievements have been in making progress with our suppliers on both the Global Food Safety Initiative (GFSI) certification process for food safety and the Business Social Compliance Initiative (BSCI) audits on social compliance. We have also worked on sourcing our own-brand products more responsibly, and on encouraging the sustainable production of six critical commodities.

Product safety

We require our suppliers to follow strict product safety procedures and policies, which meet international standards. For our own-brand products, we use third-party auditing and certification for our suppliers.

Food safety

Ahold, together with a number of other retailers, founded the Global Food Safety Initiative (GFSI) in 2000 to establish a food-safety certification framework. Ahold was one of the first food retailers globally to demand adherence to GFSI-recognized standards from suppliers of own-brand food products in addition to our own food safety requirements.

Since then, we have certified our suppliers for the Netherlands and are currently in the process of certifying our suppliers for the Czech Republic, Slovakia and the United States to GFSI-recognized standards. Our target is to have 80 percent of our food suppliers certified to GFSI-recognized standards by the end of 2012.

Other examples of food safety initiatives during the reporting year include:

- Albert in the Czech Republic succeeded in obtaining certification of both its distribution centers against the British Retail Consortium (BRC) Storage and Distribution food safety standard
- In 2010, Albert also widened the scope of suppliers required to comply with GFSI standards. Previously, only suppliers of own-brand products were asked to gain certification, but this was widened to all delicatessen-counter suppliers. In 2009, 32 percent of suppliers were GFSI certified; by the end of 2010, 68 percent were certified and 9.5 percent are awaiting certification
- The “I care” project at ICA reinforces and coordinates ICA’s food safety requirements (as well as social compliance and other sustainability issues) between companies. This ensures better overall control, higher levels of transparency, and more consistent standards in the supply chain. ICA Sweden reached the 80 percent target for GFSI certification of own-brand suppliers in 2010

Non-food safety

Our assortment now contains more non-food products than ever before – especially since Albert Heijn broadened its non-food range during the reporting year. We aim to manage the safety of our non-food products in a similar way to food safety.

In Europe, we require our own-brand non-food suppliers to have the British Retail Consortium (BRC) Consumer Products certification or equivalent for high-risk products. In the United States, we have a third-party verification program for high-risk products.¹

Sustainably sourced products

Sustainable sourcing covers a wide range of issues: we want our own products to be produced, grown or sourced with consideration for – and responsibility towards – the people, animals and environment involved in their production. Currently, sustainability issues include climate change, biodiversity, exploitation of land and water, social conditions, animal welfare, product safety, waste, and packaging reduction. However, these criteria are expected to grow and change over time – and we will update our strategy to reflect this as needed.

In 2010, Dick Boer, then-Chief Operating Officer of Ahold Europe, announced that all of Ahold Europe’s own-brand products should be more sustainable in 2015. This means that they must meet the needs of the customer in terms of price and quality, while minimizing their impact on the environment and – where possible – improving social conditions and animal welfare. The intention is to meet the needs of current and future customers, while securing the future of our business.

¹ See Glossary for definition of high-risk products.

Sustainable trade continued



Membership of The Sustainability Consortium

Ahold joined The Sustainability Consortium in early 2010 as the first Europe-headquartered retailer. The Sustainability Consortium was founded in 2009 as an independent organization of global participants who work together to improve consumer product sustainability through all stages of a product's life cycle. Participants include businesses, scientists, academics, and NGOs.

The Consortium is currently focusing on developing Sustainability Measurements & Reporting Standards that aggregate environmental, social and economic impact into meaningful metrics. This scientifically based, transparent tool

will enable Ahold and the other members to measure and communicate the impacts of products using Life Cycle Assessment (LCA). The tool will help us to monitor our suppliers and, together with those suppliers, to reduce our environmental footprint throughout the supply chain and across the entire product life cycle.

Ahold is an active member of two of the three working groups in The Sustainability Consortium: Food, Beverage and Agriculture, and Home and Personal Care. The aim is to align our efforts across and within sectors, and with other industry initiatives in the field of the environmental footprint of consumer products.

We inform our customers in a variety of ways about the sustainability credentials of the products we sell, so that they can make responsible choices. Our own-brand products carry the following sustainable-sourcing brands and labels:

- The "AH puur&eerlijk" (pure and honest) brand in Albert Heijn comprises five different categories: organic, fair trade, sustainable catch (seafood), free-range meat, and ecological non-food products. At the end of 2010, the total number of AH puur&eerlijk products was 382; the aim for 2011 is 500 products. In May 2010, Albert Heijn launched a three-week campaign on AH puur&eerlijk products, during which customers benefited from a discount of at least 25 percent over the entire range. The aim was to encourage more customers to make sustainable choices
- Albert offers the "Albert bio" range of organic products, and all coffee sold under the own brands "Albert Quality" and "Albert Excellent" is UTZ CERTIFIED
- The Nature's Promise Marketplace in more than 90 Ahold stores in the United States is a dedicated section of the store offering organic and natural products, including coffees and teas
- The "ICA I love eco" range at ICA comprises organic products, a number of which are also Fairtrade certified. ICA sells around 200 ICA I love eco products; they were successfully introduced in the Baltic countries during 2010, and continue to sell well in Sweden and Norway
- ICA in Sweden also uses the KRAV organic label and EU organic certification. KRAV ensures a protected natural environment, proper care for animals, good health, and social responsibility. In some cases, KRAV standards (such as care for animals) are stricter than EU organic standards

Animal welfare

In food that contains animal products, we work to ensure the wellbeing of the animals, often implementing stricter controls than regulations require. Ahold is actively working with other stakeholders in the European Animal Welfare Platform to build a future roadmap for the main welfare issues identified in six selected supply chains: pork, beef, dairy, poultry meat, poultry eggs, and farmed salmon. This will assist the industry, governments, and NGOs in addressing welfare issues of common concern. Ahold does not commission any animal testing.

Examples of our animal welfare activities include:

- Starting in 2010, pork sold in Albert Heijn holds a minimum of one out of three stars for the quality of treatment of the animals. By June 2011, this will apply to all pork sold. This means, for instance, that the pigs have more living space of a higher quality, and the male pigs are no longer castrated. Some of Albert Heijn's own-brand pork holds two or three stars as well. The star system was initiated and is maintained by the Dutch "Dierenbescherming" (animal protection agency)
- During the reporting year, ICA launched its "Farm pork" selection, with new, stricter requirements for the treatment of pigs. The pigs are raised on four selected farms in Sweden and, for instance, are fed only on Swedish-grown, GM-free feed

Sustainable trade continued

Critical commodities

We have set a specific target relating to six basic ingredients to which we pay special attention at all stages in the supply chain; these are known as critical commodities, and include tea, coffee, cocoa, palm oil, soy, and seafood. They potentially have an adverse impact on several sustainability issues (climate change, biodiversity, exploitation of land, excessive depletion of water, and social labor standards). We aim to reduce this impact by making use of approved standards and certifications.

Palm oil

Palm oil is used in approximately 40 percent of our own-brand products, including cookies, shampoo and oil for deep-fat frying. The production of palm oil potentially causes deforestation in several countries, including Indonesia and Malaysia.

Ahold is a member of the Roundtable for Sustainable Palm Oil (RSPO), which coordinates the certification of palm oil plantations to ensure that the oil is produced in a sustainable way. One of the RSPO's commitments is to make sure that palm oil is never taken from recently planted plantations, to prevent further deforestation.

However, because certified sustainable palm oil is often mixed with other palm oil before it reaches the suppliers who make our own-brand products, it can be difficult to ensure the palm oil we are using comes from a certified plantation. We therefore buy GreenPalm certificates to offset our palm oil consumption¹. The money that we pay for GreenPalm certificates goes to growers of sustainable oil palms.

Coffee, tea and cocoa

UTZ CERTIFIED is a worldwide certification program for responsible coffee, cocoa and tea production and sourcing. Producers who are UTZ CERTIFIED comply with the UTZ CERTIFIED Code of Conduct. This is a set of economic, social, and environmental criteria for responsible production.

Fairtrade certification means that certified products have been produced according to specific social and environmental requirements. In addition, Fairtrade-certified producers receive a set premium paid by the customer for their certified products, which they must use to support their employees and the local community. UTZ CERTIFIED, on the other hand, does not require the customer to pay a set premium on the products, but instead focuses on working with producers to increase their efficiency and quality.

Certification initiatives across the Group include:

- Ahold's own-brand coffee in Europe is UTZ CERTIFIED (except Albert Euroshopper) or Fairtrade certified. We are working towards UTZ CERTIFIED compliance for own-brand tea
- All own-brand Fairtrade products in the Netherlands are sold under the AH puur&eerlijk brand. In 2010, Albert Heijn's own-brand chocolate bars and "chocolate letter" assortment, sold annually in preparation for the Dutch Sinterklaas holiday in December, was produced using only sustainable, UTZ CERTIFIED and Fairtrade cocoa
- Our U.S. operating companies sell Fairtrade coffee
- All ICA own-brand coffee products are UTZ CERTIFIED, and ICA has a growing number of Fairtrade products (both national and own brands). The own-brand products that are certified according to Fairtrade, UTZ CERTIFIED, and Rainforest Alliance include coffee and chocolate; their packaging has been re-designed to draw attention to these labels

¹ For 2010, Ahold purchased GreenPalm certificates to offset its estimated palm oil consumption (6,000 metric tons) for own-brand products. Our process for estimating palm oil consumption is detailed in the section *Process and CO₂ conversion factors*.

**Towards sustainably sourced eel**

Eel is a popular fish in the Netherlands, but European eel is an endangered species. Albert Heijn, therefore, took the decision to replace it with an alternative species of eel known as the "Zuiderling", which comes from Madagascar.

The supplier has a quota in place to ensure that the catch of Zuiderling is sustainable into the future. The fishery is also working towards MSC certification, which denotes sustainable fishing. Albert Heijn is working with the fishery to help them obtain this certification, which is forecast for 2014. They are also donating part of the proceeds from the sale of Zuiderling towards research into restoring the fish stocks of European eel.

"We are satisfied with Albert Heijn's decision to stop selling European eel. Unfortunately, at this moment, there is no sustainable alternative that meets the criteria of both parties. But WWF Netherlands welcomes Albert Heijn's investment in the MSC certification of the fishery in Madagascar as a first step towards introducing a sustainable alternative for European eel."

Carel Drijver
Head of Oceans and Coasts, WWF Netherlands

Sustainable trade continued**Soy**

Ahold is a member of the Round Table on Responsible Soy (RTRS), which works on the same principle as the RSPO. The RTRS supports the responsible production and trade of soy.

Through its membership of the Initiative for Sustainable Soy, Albert Heijn supports third-party certification and the responsible use of soy in cattle feed in the Netherlands. ICA participated in a stakeholder dialogue during 2010 on sustainable soy for cattle feed and various products. Soy is not considered to be a critical commodity in the United States as it is a soy-producing country.

Seafood

Our overall aim is to maintain seafood stocks and to minimize the potential adverse impacts of fish farms. We endeavor to buy as much seafood as possible from sustainable sources, such as those certified to the standards of the Marine Stewardship Council (MSC), and those meeting the standards of the Aquaculture Stewardship Council (ASC). We continue to work with our current sources, as well, in order to work collaboratively on further improvements. We also take advice from the World Wildlife Fund (WWF), New England Aquarium in Boston, and John G. Shedd Aquarium in Chicago, when sourcing seafood. Ahold is an active member of the MSC as well as the Aquaculture Dialogues, which is a multi-stakeholder roundtable facilitated by the WWF that prioritizes sustainable aquaculture.

Examples of initiatives taken to source seafood more sustainably include:

- In 2010, Albert Heijn introduced an alternative species of eel from Madagascar, and stopped selling the traditional European eel, in order to help preserve the species. Read more in the *case study*
- All of Ahold's U.S. companies support the Conservation Alliance for Seafood Solutions' Common Vision for Environmentally Sustainable Seafood. The Common Vision identifies six critical areas that can make a significant difference in long-term seafood sustainability by establishing guidelines and strengthening collaboration among the retail industry, seafood suppliers, and partner aquariums
- In 2010, Ahold USA participated in, and sponsored, the New England Aquarium's World Oceans Day celebration. The celebrations featured free family-friendly activities including scavenger hunts, sustainable seafood cooking demonstrations, and giveaways. This event also marked the 10-year anniversary of Ahold USA's partnership with the New England Aquarium, and all companies (Stop & Shop, Giant Carlisle and Giant Landover) collaborated on a press release to mark this milestone and highlight World Oceans Day
- ICA continued to improve its seafood assortment in close collaboration with WWF. They increased the number of MSC-certified products and de-listed products listed as "red" in the WWF consumer fish guide

Social compliance

In 2010, we published our Standards of Engagement on our website. Our Standards of Engagement set minimum compliance standards for our suppliers. They require all our suppliers, as well as those who supply them, to treat all employees fairly, with dignity and respect, and in accordance with all applicable laws and regulations.

In high-risk countries¹ in terms of labor conditions, we have started a program (included in our CR report 2009) to ensure that all our suppliers undergo an independent social audit within the next two years. The auditing is being carried out according to the Business Social Compliance Initiative (BSCI) or equivalent program. The BSCI's standards are based on international conventions protecting workers' rights, including the ILO Conventions, United Nations Universal Declaration of Human Rights and other relevant UN conventions, Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the UN Global Compact. The BSCI standards include requirements relating to child labor, forced labor, discrimination, compensation, working hours, and working conditions.

¹ The definition of high-risk countries is based on definitions in the United Nations Human Development Index, and the ILO Economic Security Index. More details on high-risk countries are included in our Standards of Engagement.

Sustainable trade continued

Following the audit, suppliers that do not meet the criteria required must implement a Corrective Action Plan and demonstrate improvements over a specified period of time. If the suppliers do not show any improvement, or have so-called “unacceptable non-compliances” we stop working with them. However, the intention of our improvement-based social compliance program is to ensure that our suppliers are committed to, and engaged in, improving working conditions in their facilities. So far, we have collected at least 350 BSCI reports from suppliers across the Ahold Group.

In countries that are not identified as high risk, we react promptly and appropriately to specific and credible evidence of wrongdoing. In April 2010, Ahold USA suspended purchases of tomatoes from the Immokalee region in Florida in response to allegations about wages and working conditions of certain tomato growers. Ahold USA entered into a dialogue with the Coalition of Immokalee Workers and others to learn more about the issue, and sent an internal team of experts to the region to talk with growers, suppliers, authorities, and other relevant groups. The team completed a review of growers’ compliance with Ahold’s Standards of Engagement. During its review, Ahold USA did not find evidence to support the allegations, and found that the growers in general demonstrated a strong commitment to comply with our Standards of Engagement, including all applicable laws and regulations. In December 2010, Ahold USA resumed purchasing tomatoes from the Immokalee region in Florida from suppliers who are in compliance with our Standards of Engagement. Further details of Ahold’s response are included on our website.

In 2011, we will continue to map our supply chain to ensure that we have a clear insight into where and how our products are being produced. That will, in turn, allow us to engage with all suppliers in high-risk countries to ensure that they are audited on social compliance and share our commitment to good working conditions.

Environmental impact

In order to source our products in a sustainable way and reduce their environmental footprint, we are paying increasing attention to the impact of our supply chain on the environment. Environmental impact refers to a range of issues, including carbon emissions, energy usage, water depletion, waste production, and biodiversity.

Looking at the environmental impact of our suppliers is a new area in the food retail industry, and one which we are tackling as part of The Sustainability Consortium (see *case study*). We have set an ambitious target to map 50 percent of our own-brand products’ supply chains by 2015.

More information about our policies relating to the environmental impact of our own operations, our suppliers and our customers can be found in the *Climate action* section.

Local sourcing

Buying local has advantages for many stakeholders: customers benefit from a wider assortment; local (often smaller) suppliers are able to grow; and our relationships with local communities are further strengthened.



Local farm produce in Rimi hypermarkets, Lithuania

In summer 2010, Rimi opened its first Lithuanian farm shop, or “Vikis”, where customers can buy high-quality produce grown or produced by small- and medium-scale Lithuanian farmers. The shop-within-a-shop concept supports the idea of local sourcing and production – meeting the demands of customers and suppliers alike.

Four farm shops have now opened in Rimi hypermarkets in Lithuania. They are selling various locally sourced dairy produce, meat, bread, vegetables, fruit, jams, dried berries, honey and oil, as well as homemade products made in accordance with local recipes. Rimi has plans to transfer this concept to other Baltic countries, due to the shops’ success in Lithuania.

“When opening the ‘shop within a shop’, our first priority was to promote goods produced by local small- and medium-sized farmers and manufacturers. On the other hand, we also wanted to give the customers what they wanted: fresh Lithuanian produce grown or produced by local farmers.”

Christian Wijkstrom

General Director Rimi Lietuva, the first hypermarket to roll out the Vikis concept

Sustainable trade continued

In the United States, a product is considered local if it is sourced from the respective state or municipality in which we operate – this applies whether the product is own brand or not. Many of our stores operate in rich agricultural areas, so they are able to source many products locally. There are certain government regulations that restrict the use of the term “local” (especially when applied to dairy produce) and this can vary by state, region or municipality.

Some examples of local sourcing include:

- Albert uses regional suppliers for certain bakery products, because customers are used to a particular region's recipe and appearance
- In the United States, there is an established local produce program that is executed during the local growing season. During 2010, Giant Food Stores and Martin's Food Markets encouraged customers to follow “Local Route” signs in stores that pointed the way to fresh products grown locally by farmers within their own communities
- ICA makes several efforts to meet the increased demand for locally produced food. The “ICA Square” is a marketplace on ICA's intranet where local producers and ICA retailers can interact. ICA makes it easier for producers to connect with retailers and stores: for example, by highlighting locally produced products at the retailers' network meetings and allowing local producers to market their products at the annual ICA retailers event. Joint marketing and merchandising materials are also designed to help local producers market their products in stores to customers
- Rimi in Estonia supported the Association of Estonian Food Industry's initiative to raise consumer awareness about Estonian products, by adding an Estonian flag label to products of Estonian origin
- At some Rimi stores in Lithuania, local farm shops known as “Vikis” have opened within the stores – see *case study*

The data

Number of Fairtrade-certified products at year end	2010	2009	2008
Stop & Shop / Giant Landover ¹	79	66	65
Giant Carlisle ¹	93	60	90
The Netherlands	96	67	68
Other Europe	1	19	19
ICA ²	194	175	87

1 2009 data for Stop & Shop / Giant Landover and Giant Carlisle has been revised due to removing duplicates.

2 ICA data may include duplicates. For specific data on each country in which ICA operates, see ICA's CR report.

Stop & Shop / Giant Landover, Giant Carlisle and the Netherlands increased the number of Fairtrade products due to the introduction of new product lines, including clothing, nuts, and wine. The number of products in Other Europe decreased due to the discontinuation of the 2009 product range.

Climate action



Our ambition is to reduce our environmental footprint.

Our ambitions

We are working to reduce the environmental impact of our own operations. Reducing our energy consumption and refrigerant leakage enables us to lower our carbon footprint and reduce our operating costs. We are also looking at ways to reduce waste and improve our waste management processes, which together reduce our environmental footprint. This can also save costs and – through recycling – generate revenue.

Since food retail itself forms only a small part of the contribution that the food and agriculture industry makes to global carbon dioxide (CO₂) emissions and other environmental issues, we also want to encourage our suppliers and customers to reduce their environmental impact.

Targets

We have set two targets in our strategy to 2015 for the impact of our own operations on the environment:

1. Reduce CO₂ per square meter of sales area by 20 percent in our operations by 2015 against our 2008 baseline of 433 kg
In 2010, our CO₂ per square meter was 420, down 3.0 percent against our 2008 baseline.
2. Ensure that each operating company has a comprehensive waste-management program in place by the end of 2011

Our waste-management programs include measures to:

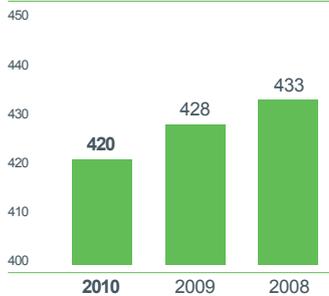
- Reduce the overall waste of our operations
- Improve waste disposal methods, including by increasing our re-use and recycling activities

Our operating companies have been reviewing their waste-management strategies. The results of this will be integrated into their comprehensive waste-management programs.

The targets relating to the environmental footprint of our supply chain are included in the *Sustainable trade* section.

Climate action continued

Total CO₂ emissions
kg per sq.m. of sales area



For further information, please refer to the data table: CO₂ emissions

Actions and achievements in 2010

During the reporting year, we continued our efforts to reduce our energy consumption and manage our refrigerant leakage, and continued working to find ways to reduce the environmental impact of our supply chain and customers. In 2010, we successfully reduced electricity consumption in Albert Heijn, Albert / Hypernova, and Ahold USA's operating companies, and expect to see further reductions in 2011. Electricity consumption increased at ICA due to weather conditions and expansions of their distribution centers. In 2010, leakage of refrigerant substances remained a challenge. Refrigerant leakages fell in Albert Heijn and Albert / Hypernova, but rose in the United States due to equipment breakdowns, some of which are related to store remodelings. Managing refrigerant leakage will be a focus in 2011, and we will continue to pilot alternative refrigerants.

Our operations

To reduce our own environmental footprint, we are focusing on two main priorities: CO₂ reduction and waste management.

CO₂ reduction initiatives

In order to reduce our carbon footprint further, we are continuing to work on the efficiency of our operating processes and the environmental sustainability of our store designs, as well as to increase our use of renewable energy including the purchase of green energy certificates.

Sustainable store design

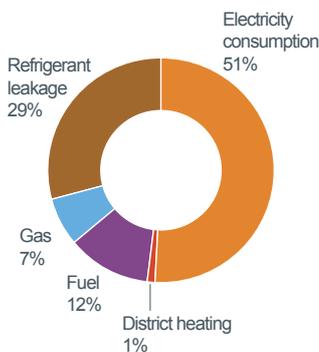
In all our stores in Europe and the United States, we have taken steps to improve energy efficiency in our store design. Since electricity is the main contributor to our total carbon footprint, we have focused on reducing our electricity consumption in heating, cooling, and lighting. In both the United States and Europe, freezers and refrigerators in many stores have been fitted with doors. This saves energy required to keep our products cool, while reducing the amount of gas required to heat the stores.

At the start of 2010, Albert Heijn was the first supermarket in the Netherlands to sign the "Energy saving in supermarkets" covenant, together with local government representatives. The purpose of the covenant is to stimulate energy-saving measures in Dutch supermarkets; it includes a commitment to fit all refrigerators with doors by 2015.

Heating and cooling:

- Albert Heijn developed an integrated heating and cooling system that uses "waste" heat produced by cooling, combined with a heat pump, to heat the stores. This means that the use of gas for heating the stores will no longer be necessary. This heating system has been implemented at 50 stores that have been remodeled during 2010
- Solar panels have been added to the roofs of eight stores in the United States to generate some of the electricity for those stores. The systems use the sun to generate approximately 7 percent of the stores' annual electrical consumption. In 134 locations, freezers have been fitted with more efficient fan motors to reduce their electricity consumption
- Albert covered freezers and chilled cabinets in 76 stores to save energy. Albert is currently collecting energy-consumption data to calculate the effectiveness of these measures
- Stop & Shop opened a store in Connecticut with a 400-kW fuel cell that generates its own electricity – see *case study* for more information

Total CO₂ emissions by source



Natural refrigerants in ICA stores

The number of ICA stores using 100 percent natural refrigerants has grown from 20 in 2009 to 25 in 2010. This is in line with ICA's environmental policy that set this target for natural refrigerants in 2002, and with Swedish legislation, which sets a maximum total refrigeration charge per store.

Since the early 1990s, ICA has been working to reduce HFC usage. HFCs are powerful greenhouse gases. The most-used natural cooling agent for refrigeration is carbon dioxide, which is far less harmful than HFCs. Other indirect solutions include using a secondary coolant, such as glycol, which has reduced the amount of cooling agents required by around

90 percent compared to direct solutions. In one hypermarket in Östersund, for example, as well as using 100 percent natural refrigerants, we have also reduced energy consumption of the refrigeration system by more than 50 percent and reduced total equivalent warming impact (TEWI) by 60 percent.

ICA stores have been evaluated by various national research projects, such as Klimat21 and EffSys; our evaluation scores have been high compared to our competitors. Today, ICA's CO₂ systems perform better than the best equivalent systems on the market – this is due to steps in component development, as well as better controls and regulation.

Climate action continued

- Since 2009, ICA has been offering all Swedish retailers the opportunity to purchase renewable electricity for their stores. Overall, ICA reached its target to reduce the total energy used in its stores by 10 percent at the end of 2010 compared to 2007
- A new ICA store opening in Gothenburg, Sweden, is expected to show energy savings of around 35 percent compared to a regular new store of same size, through its use of energy-saving technologies. The measures implemented include doors and lids on refrigerators and freezers, lighting that is controlled according to the needs of the store, and more efficient temperature control

Lighting:

- In the Netherlands and the United States, fluorescent lighting in some freezers was replaced with energy-efficient LED lighting technology. LED lighting uses less energy, has a longer lifespan and produces less heat, which makes it particularly suitable for use in freezers and chilled cabinets
- At new Albert Heijn stores, lighting-efficiency improvements include efficient outdoor lighting, motion-censored office lighting, and automatic light switches linked to opening hours
- In the United States, many stores have removed unnecessary lighting, and replaced and retrofitted existing fixtures with more efficient technologies. Innovative lighting technologies, such as the use of daylight harvesting for light conservation, have been introduced
- Sixty-eight skylights were installed in Giant Carlisle's newest superstore in Harrisburg, Pennsylvania. Each features a mirror and self-powered GPS system to track the sun as it moves through the sky to maximize daylight. During peak hours, overhead store lights dim or cycle off, reducing energy consumption inside the store while maintaining consistent interior lighting

As a result of these initiatives, 50 existing stores in the United States have been certified according to the "Leadership in Energy and Environmental Design" (LEED) rating standards since 2008; we are seeking LEED certification for two new stores in 2011. LEED certification means that stores are designed and built so as to improve energy and water consumption, reduce our carbon footprint, and improve indoor environmental quality, according to strict and universally accepted standards.

At Albert Heijn in the Netherlands, design improvements to store formats at the 50 stores that have been remodeled are forecasted to result in a substantial reduction in carbon emissions. This is based on a combination of electricity reduction, low global warming potential (GWP) refrigerants, and zero use of natural gas.

Efficiency of electricity consumption
kWh per sq.m. of sales area



For further information, please refer to the data table: Electricity consumption

Climate action continued



600

Metric tons less CO₂

Onsite clean energy generation

Stop & Shop in Torrington, Connecticut, opened in May 2010 with its own onsite fuel cell. Integrated into the store's existing electrical and mechanical systems, the 400-kW fuel cell generates over 90 percent of the store's annual electricity requirements and 70 percent of its heating requirements. It also reduces the electricity requirements for space cooling and medium-temperature refrigeration by 20 percent.

The store has reduced its CO₂ emissions – and therefore its carbon footprint – by 600 metric tons, and estimates the cost savings generated at €150,000 per year. The fuel cell produces electricity via an electro-chemical process using hydrogen derived from natural gas as its clean energy source. Since no combustion takes place in the process, there are fewer greenhouse gas emissions. Additionally, the thermal energy produced by the fuel cell is used year-round for space and water heating, dehumidification, and in the production of chilled water used for product refrigeration.

At ICA, stores are certified according to the Nordic Swan eco label, which denotes that stores – and the products they sell – take the environment into account, and that employees have received relevant training in efforts to reduce the store's environmental impact.

Efficient distributions

As well as our stores, we strive to make operations at our distribution centers and warehouses as efficient as possible. How goods are transported from distribution centers to stores is an important part of our business. We focus on transport and equipment technologies, and in training drivers in more efficient driving techniques. Examples include:

- Albert Heijn's new, longer and heavier trucks (operated on our behalf by a third party) save 30 percent of the fuel that would be required to transport the same number of goods using the old, smaller trucks. In 2010, improvements were made to Albert Heijn's truck fleet: the aerodynamics of some trucks were improved, while part of the truck fleet switched from diesel to liquefied petroleum gas (LPG) for fuel. The company met its 2010 goals for 100 percent of its delivery fleet to be converted to the cleaner and more efficient Euro 5 or EEV engines. Albert Heijn also met its goal for 100 percent of the fleet to be converted to almost-silent whisper trucks, that enable late-night and early-morning deliveries, avoiding peak traffic and reducing the time and energy spent on the road
- In the last quarter of 2010, Stop & Shop's Freetown distribution center reduced the miles driven by its truck fleet by an estimated 34,000 miles per week, through supplying some stores from different distribution centers. In addition, the volume of the loads delivered to the stores was increased, reducing the number of trips that needed to be made. This initiative resulted in an estimated reduction in miles driven by an average of 7,550 miles per week
- ICA is testing four trucks with ED95 ethanol fuel, reducing CO₂ emissions by approximately 100 tons per year in comparison with diesel fuel. ICA has also implemented a new route planning system for logistics in Sweden that is more environmentally friendly

Action on refrigerants

In order to keep food fresh and safe, we must make use of refrigeration technologies. However, refrigerants can leak, causing damage to the atmosphere. CFCs and HCFCs have an ozone-depleting effect. These and HFCs are powerful greenhouse gases that are thousands of times more potent than CO₂. Refrigerant leakage, and its environmental impact, is one of the biggest challenges faced by food retailers. We therefore strive to reduce refrigerant leakage, as well as to lower the environmental impact of those refrigerants so that possible leakages are less harmful. For example: in stores, we are increasingly using CO₂ as a refrigerant; in distribution centers, we are using ammonia. In Europe, we are making progress on reducing leakage and its environmental impact. In the United States, leakages have increased due to a number of equipment breakdowns, some of which occur when stores are remodeled. In 2011, we will continue to work on addressing these leakages.

In 2010, John Rishton signed a resolution to begin phasing out harmful refrigerants (in particular HFCs) by 2015, together with 50 other CEOs on the board of directors of the Consumer Goods Forum, including ICA's CEO. Our goal is to use natural refrigerants in all new stores from 2015.

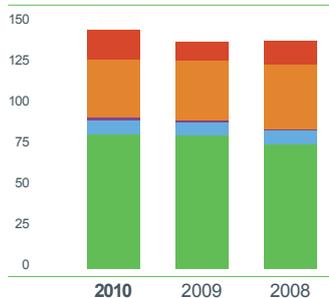
Climate action continued

In stores across the Group, we are working to reduce refrigerant leakage:

- Albert Heijn has set up a carbon-leakage reduction program that decreases the chance of leakage (through improved systems and preventative maintenance), reduces the amount of eventual leakages (through early detection and splitting the refrigerant system into sections), and reduces the impact of leakage (by using low GWP refrigerants). Albert Heijn is currently in the testing phase for new refrigerants; in 50 of the newest stores, CO₂ is used as a refrigerant for freezers
- In 2010, Stop & Shop opened its first store using CO₂ as the refrigerant, in a low-temperature refrigeration system. This is one of the first stores in the United States to employ this technology. By using CO₂ as the refrigerant, Stop & Shop is reducing the carbon footprint of the store by over 170 metric tons of CO₂ per year. Stop & Shop also opened its first two stores in 2010 using propylene glycol as a secondary fluid for medium-temperature refrigeration. This technology limits the circulation of the primary HFC refrigerant to the central compressor system and the roof-mounted condenser. This allows for a total refrigerant charge that is 40 percent less than a typical store, and reduces the refrigerant leakage potential by about 95 percent
- In 2010, Giant Carlisle built its first store with a state-of-the-art refrigeration system that uses glycol to maintain the temperature. The system minimizes potential refrigerant leaks and reduces the refrigerant charge by one-third
- In 2010, 25 ICA stores were using 100 percent natural refrigerants – see *case study* for more information

Total waste by disposal method
kg per sq.m. of sales area

- Landfill waste
- Incinerated waste
- Compost waste
- Fermented waste
- Re-used, recycled or recovered waste



For further information, please refer to the data table: Total waste by disposal method

Waste management

The food and agriculture industry is paying increasing attention towards waste reduction. In order to manage our waste and the waste in our supply chain, we have set a target to ensure that all operating companies have a comprehensive waste-management program in place by the end of 2011. We are therefore working to reduce and recycle waste as much as possible.

Reduce

Our first goal is to reduce waste – both in food and in packaging. To cut down food waste on the supply side, a team of waste specialists monitors the sales of (mostly fresh) products daily. These specialists help to reduce the amount of waste of low-sale products. We endeavor to make our logistics chain smarter by ensuring that products not selling in large numbers are supplied in smaller quantities. However, as a retailer, we always need to have enough stock to fulfill customer demand. If demand suddenly drops, waste rises. Wherever possible, we donate unsold products to local food banks. You can read more about our contributions to food banks in the *Community engagement* section.

On the customer side, all operating companies aim to improve the clarity and consistency of date labeling and storage guidance, and to mark down products which are close to their sell-by date.

Recycle

We strive to recycle waste that cannot be used. The methods used to do this vary, depending on the type of waste:

Packaging waste:

We optimize packaging to create as little waste as possible. We also have recycling programs in place for packaging and plastic bags:

- Albert Heijn encourages customers to re-use bags through messaging on the bags themselves; these bags are made of recycled plastic
- Albert has introduced a small charge of €0.04 per plastic bag at the checkout, to encourage customers to recycle their old bags. As a result, customers' plastic bag consumption at Albert stores has decreased by approximately 60 percent. The money customers spend on plastic bags is donated to the Albert Charity Foundation

Climate action continued

- During one week in 2010, Stop & Shop and Giant Landover gave customers 5 cents for each plastic bag they re-used during a store visit, as an incentive to lessen the use of paper and plastic. When the Washington DC authorities introduced a 5-cent fee for every paper and plastic bag that stores distributed, Giant Landover packed every customer's groceries in re-usable bags for the first two weeks of the program. This provided customers with a supply of bags for future use. The team developed other methods for increasing the use of re-usable bags, such as prominent signage in the parking lots. Stores also have receptacles for used plastic bags in order to facilitate recycling
- On Worldwide Green Works Day on October 10, 2010, Rimi Baltic in Latvia gave customers the opportunity to exchange four plastic bags for one cloth bag. For purchases above LVL 10 (approx. €14), customers received a cotton bag free of charge. In 2010, a total of 30,000 cotton bags were handed out
- In 2010, Rimi Baltic in Estonia participated in a campaign to raise awareness about plastic bag usage and possible alternatives

Organic waste:

In the Netherlands, in cases where it is no longer possible to donate or make use of leftover products, they are returned to the distribution centers. At a specialized recycling facility, packaging is sorted from food waste, and the packaging is recycled where possible. The food waste is processed via fermentation to create two by-products: methane gas (+/- 20 percent of the input), which is turned into green energy, and residue (7 percent), which is composted and then used to grow new produce. The total reduction in CO₂ achieved by these fermentation initiatives is 8,314 metric tons per year. You can read more about Albert Heijn's waste reduction and recycling initiatives in the case study below.

Our supply chain

As a retailer, we rely on our supply chain to produce and supply the products we sell. We want to reduce the environmental footprint of our products, so we need to understand the environmental impact of the various links in our supply chain, and identify any areas for improvement. We can then work with suppliers to reduce their environmental impact, and guide consumers towards more environmentally friendly products.

Ahold joined The Sustainability Consortium (TSC), which is made up of representatives from manufacturers, retailers, scientists, and major companies. One of the priorities of TSC is to standardize the ways in which we measure and report on our environmental impact, make our results transparent, and identify any issues in the supply chain, so that we can help our suppliers to work on reducing their footprint. For more information on The Sustainability Consortium, see the *case study*.



Albert Heijn's waste-management program

Albert Heijn set up its waste-reduction program in 2008, but it is an ongoing process that improves every year. The program aims to optimize the way the company operates by re-using or recycling unsold products, thereby reducing its environmental footprint and saving costs.

Food waste on the production side is reduced through efficient logistics and monitoring. On the consumption side, Albert Heijn educates customers in reducing their food waste through, for example, clear and consistent "best before" date labeling and by helping customers understand how much food they need to buy. Partnerships with local food banks

enable further waste reduction: Albert Heijn supports them regularly with funds, food products, volunteers, and expertise. And lastly, any leftover organic waste is recycled by fermenting it (to produce compost) or by processing it into methane gas to be converted into green energy that goes back into the national grid.

Monitoring performance relative to food waste reduction targets shows positive results. Organic waste decreased from 33,000 metric tons in 2009 to 32,000 metric tons in 2010, despite an increase in food sales.

Climate action continued

We have conducted Life Cycle Assessments (LCA) on a number of products to identify areas for improvement. We have shared these findings with our suppliers (specifically in the Netherlands and Sweden) so as to involve them in reducing their footprint, too:

- Albert Heijn is further defining how to enter into dialogue with our suppliers on this subject, so that they can reduce the carbon footprint of all own-brand products by 2015. Currently, in some cases, they combine their own logistics with those of their suppliers – for instance, Albert Heijn trucks pick up products from suppliers on their way back to the distribution centers
- In 2010, ICA's project to determine the environmental impact of "ICA I love eco" products from five selected suppliers was completed, having carried out LCA of 100 own-brand products in 2007. The aim was to reduce the carbon footprint of products and to help suppliers to become more energy efficient and reduce waste

Water consumption

Water scarcity and usage are a global challenge, and are therefore issues for some of the products we sell. We encourage our suppliers, particularly those in countries where water is scarce, to be transparent about production processes, and to find ways to reduce their water usage. We also report on our own water consumption.

Our customers

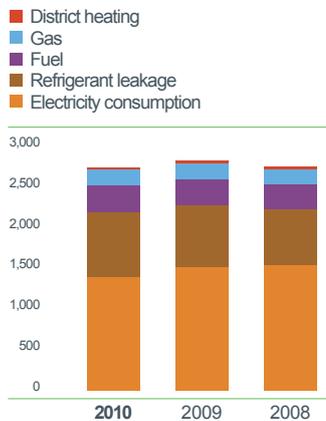
We aim to help our customers to reduce their environmental impact, too. For instance, ICA introduced facilities for customers to be able to recharge their electric cars. In 2010, three ICA stores were equipped with this facility, and the target is for 20 stores to offer this service by 2015. Albert Heijn introduced the "i-shop": a shopping trolley which can be attached to a bicycle, to allow customers to leave their cars at home.

We communicate with our customers in order to raise awareness of climate change issues, and to keep them involved with, and informed about, our activities:

- Albert Heijn no longer automatically prints receipts for customers in its newer stores; instead, cashiers ask customers whether they would like one. This initiative is communicated to customers via signs at the checkout. It reduces paper consumption by approximately 35,000 km of receipts per year. Those receipts that are printed are done so on FSC-certified paper
- In 2010, all operating companies in the United States organized "green" activities to coincide with Earth Day on April 22, an annual global commemoration that aims to raise awareness of climate change and ways of sustaining the earth for future generations. Promotions included re-usable bags, Earth Day T-shirts, product deals on environmentally friendly products, and events hosted by stores, such as tree planting and in-store competitions
- For the fourth year in a row, in 2010 ICA held a campaign in Sweden to offer regular customers attractive prices on low-energy light bulbs. Using these light bulbs resulted in estimated total electricity savings of 436,600 MWh in 2010
- In 2010, ICA joined the "One Tonne Life" project, in which a family lives a climate-friendly lifestyle. For the duration of the project, the family will try to achieve a low target for CO₂ emissions – for instance, through living in a climate-smart house featuring solar cells on the roof that are used to recharge the electric car parked in the driveway. ICA sees potential in reducing CO₂ emissions through active choices about food; their role in the project is to help and inspire the One Tonne Life family to buy and cook food that is good, healthy, and climate-friendly

Climate action continued

Total CO₂ emissions by source
thousands of metric tons



The data

CO ₂ emissions ^{1,2,3}	Volume (thousands of metric tons)			Efficiency (kg per sq.m. of sales area)		
	2010	2009	2008	2010	2009 ⁴	2008
Ahold USA ⁵	1,857	1,860	1,832	664	686	701
The Netherlands	332	416	377	326	410	406
Other Europe ⁶	253	272	262	555	535	492
ICA ⁷	248	218	225	117	99	105
Total	2,690	2,766	2,696	420	428	433

- CO₂ emissions comprise electricity, leakage of refrigerant substances, gas, fuel and district heating.
- Since the consumption of all elements is not measured in CO₂ kilograms, conversion factors are used. Historical data are corrected for the 2010 electricity conversion factor. See *Process and CO₂ conversion factors* for more details on the methodology applied.
- 375 GWh of the electricity consumed have a zero conversion factor, as green energy certificates were purchased in 2010.
- The 2009 efficiency measures are adjusted to a 52-week period in order to be consistent with 2008 and 2010. This applies to all tables with an efficiency per square meter of sales area.
- The Ahold USA data contains minimal data provided by third parties that include estimates.
- The Other Europe data exclude the district heating consumption and waste for Slovakia in 2008.
- The ICA scope includes central DCs and wholly owned stores, but excludes independent stores except for electricity, which is included. The scope remains unchanged compared to 2009. The ICA data vary from ICA's CR report, due to differences in scope, definitions, and conversion factors applied.

Volume

Total CO₂ emissions decreased by 2.7 percent. This consists of two components: the purchase of green energy certificates (5.9 percent decrease) and total consumption of the operations (3.2 percent increase). The main drivers of consumption are an increase in both the number of stores and the sales area per store, and the increased sales volumes leading to more deliveries and the resultant impact on the transportation network, despite reductions in electricity and gas consumption.

Efficiency

Total CO₂ emissions per square meter of sales area improved by 1.9 percent. The impact of the green energy certificates is a 4.7 percent improvement, while the efficiency deteriorated by 2.8 percent due to operations. The efficiency of the operations was impacted by leakage of refrigerants substances and fuel, both of which exceeded the improvements generated by the reduction initiatives on electricity and gas. CO₂ emissions per square meter of sales area at Ahold USA and the Netherlands improved due to the purchase of green energy certificates, progress on electricity reduction initiatives, and temperature differences compared to 2009. CO₂ emissions per square meter of sales area deteriorated in Other Europe due to store remodeling and downsizing, meaning that although the sales area has decreased in size, the entire store still needed to be heated, which is less efficient. Efficiency at ICA deteriorated due to an increase in the number of DCs and more extreme weather conditions. Compared to the 2008 baseline, the CO₂ efficiency per square meter improved by 3.0 percent against the 20 percent reduction target set for 2015.

Electricity consumption	Volume (millions of kWh)			Efficiency (kWh per sq.m. of sales area)		
	2010	2009	2008	2010	2009	2008
Ahold USA	2,198	2,148	2,197	786	792	840
The Netherlands	544	552	500	535	544	539
Other Europe	266	304	302	585	598	567
ICA	1,531	1,517	1,666	719	691	775
Total	4,539	4,521	4,665	709	703	750

Volume

Total electricity consumption increased by 0.4 percent. Electricity consumption in the Netherlands decreased due to reduction initiatives; Other Europe decreased due to store closures. Electricity consumption at Ahold USA increased due to an increase in the number of stores, and expansion of the DCs. Electricity consumption at ICA increased due to weather conditions and DC expansion.

Climate action continued

Efficiency

Total efficiency per sales area deteriorated by 0.9 percent. Ahold USA improved its efficiency by 0.8 percent, driven by the energy-reduction program focused on lighting, and increased generation of renewable energy. The Netherlands improved its efficiency by 1.7 percent and Other Europe by 2.2 percent, due to electricity-reduction programs that focused on lighting and on covering the cooling and freezing equipment in 2010. ICA's efficiency deteriorated by 4.1 percent due to weather conditions and DC expansion.

Leakage of refrigerant substances ¹	Volume (metric tons)			Efficiency (as % of total refrigerants)		
	2010	2009	2008	2010	2009	2008
Ahold USA ²	194	179	171	15.3	14.7	14.3
The Netherlands ³	26	27	22	7.7	9.0	7.7
Other Europe	15	16	14	13.6	14.0	11.4
ICA	13	10	9	22.0	18.5	NR
Total	248	232	216	14.0	13.8	13.1

1 Refrigerants measured include CFCs, HCFCs and HFCs.

2 Data for Ahold USA's outsourced distribution centers has been excluded.

3 The Netherlands data has been revised for 2008 and 2009 due to actual data instead of extrapolations.

Volume

Total leakage of refrigerant substances increased by 6.9 percent. Refrigerant leakage in the Netherlands decreased due to store improvement programs and, in Other Europe, due to store closures and downsizing. Refrigerant leakage at Ahold USA rose as a result of an increase in the number of stores, higher temperatures in summer, and equipment breakdowns, some of which are related to store remodeling.

Efficiency

Total efficiency (measuring the leakage as a percentage of total refrigerant substances) deteriorated by 1.4 percent. The Netherlands and Other Europe improved in efficiency, driven by store improvement programs, better equipment in remodeled stores, and a cooler summer requiring less cooling. Efficiency at Ahold USA deteriorated due to equipment breakdowns, some of which are related to store remodeling. It has a maintenance improvement plan in place to reduce leakages. ICA's efficiency deteriorated due to more equipment breakdowns and higher temperatures in summer.

Fuel consumption	Volume (metric tons)			Efficiency (liters per 1,000 products sold)		
	2010	2009	2008	2010	2009	2008
Ahold USA	49,588	46,368	45,242	6.5	6.2	6.5
The Netherlands	27,266	25,799	24,186	4.1	4.0	4.1
Other Europe	7,029	6,806	6,789	3.0	2.8	3.0
ICA ¹	36,227	35,774	32,599	NR	NR	NR
Total	120,110	114,746	108,816	5.1	4.8	5.0

1 ICA efficiency is not reported, as ICA's sales volumes are not a reported measure. Total Group efficiency also excludes ICA.

Volume

Total fuel consumption increased by 4.7 percent due to an increase in sales volumes and numbers of stores.

Efficiency

Total fuel efficiency (measured as total fuel per 1,000 products sold) deteriorated by 6.3 percent, due to stores opening further from DCs, and changes in the DC structure requiring more kilometers per delivery.

Climate action continued

	Volume (metric tons)			Efficiency (cubic meters per sq.m of sales area)		
	2010	2009	2008	2010	2009	2008
Natural gas consumption						
Ahold USA	71,074	73,080	66,559	25.4	26.9	25.5
The Netherlands	25,441	25,045	25,764	25.0	24.6	27.8
Other Europe	7,162	7,975	7,705	15.7	15.7	14.4
Total¹	103,677	106,100	100,028	24.3	25.0	24.6

¹ ICA is not in scope.

Volume

Total natural gas consumption decreased by 2.3 percent. Ahold USA and Other Europe's gas consumption decreased due to more days with a higher-than-normal temperature, requiring less heating; the Netherlands' gas consumption increased due to lower-than-normal temperatures, requiring more heating.

Efficiency

Total efficiency per sales area improved by 2.8 percent, driven by the 5.6 percent improvement in Ahold USA.

	Volume (metric tons)			Efficiency (kg per sq.m. of sales area)		
	2010	2009	2008	2010	2009	2008
Water consumption¹						
Ahold USA	3,382	3,487	3,333	1,209	1,285	1,275
The Netherlands	456	483	NR	449	476	NR

¹ Other Europe is excluded due to the limited data reliability on water consumption; for ICA water consumption is not in scope.

Climate action continued

Waste production	Volume (millions of kg)			Efficiency (kg per sq.m. of sales area)		
	2010	2009	2008	2010	2009	2008
Ahold USA	457	422	405	163	156	155
The Netherlands	118	117	107	117	115	115
Other Europe ¹	39	40	35	85	79	78
ICA ²	76	73	85	NR	NR	NR
Total	690	652	632	144	137	137

1 Other Europe excludes Slovakia for 2008.

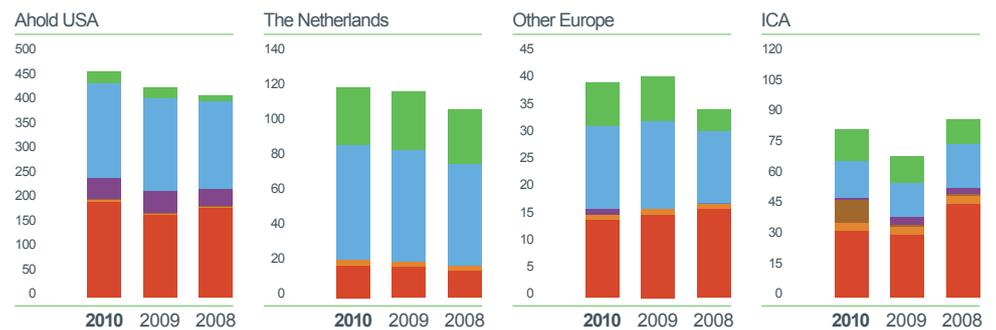
2 ICA includes DCs and wholly-owned stores. Since waste is mainly produced in stores, the ICA efficiency data would not be comparable to the other reported entities. Total Group efficiency also excludes ICA.

Total waste increased by 6.0 percent, and efficiency per sales area deteriorated by 5.1 percent, due to increases in the number of stores and sales volumes.

Waste by type

thousands of metric tons

■ Organic ■ Cardboard ■ Wood ■ Metal ■ Plastic ■ Other



For further information, please refer to the data table: Waste by type

Climate action continued

Waste by type (thousands of metric tons)	Ahold USA			The Netherlands			Other Europe			ICA ¹			Total		
	2010	2009	2008	2010	2009	2008	2010	2009	2008 ²	2010	2009	2008	2010	2009	2008
Organic	26	21	11 ³	32	33	31	8	8	4	15	11	12	81	73	58
Cardboard	189	186	176	65	63	57	15	16	13	18	21	21	287	285	267
Wood	43	45	35	0	0	0	1	0	0	1	4	3	45	50	39
Metal	1	1	1	0	0	0	0	0	0	6	1	1	8	2	2
Plastic	5	4	3	3	3	3	1	1	1	4	4	4	14	12	11
Other	193	165	180	18	17	15	14	15	16	32	32	45	256	230	256
Total waste	457	422	406	118	117	107	39	40	35	76	73	85	690	652	632

1 Waste data for ICA Sweden excludes store data.

2 Slovakia data was not available in 2008.

3 Meat rendering was not available in 2008.

The 6.0 percent increase in waste is driven by increases in all reported waste types. Waste-reduction strategies and programs are a focus area for 2011.

Percentage of waste by disposal method	Ahold USA			The Netherlands			Other Europe			ICA ¹			Total		
	2010	2009	2008	2010	2009	2008	2010	2009	2008 ²	2010	2009	2008	2010	2009	2008
Re-used, recycled or recovered waste	57	60	55 ³	58	57	57	44	43	41	41	42	35	55	56	52
Fermented waste	0	0	0	27	28	29	3	0	0	0	0	0	5	5	5
Compost waste	1	1	0	0	0	0	7	9	4	19	15	14	3	3	2
Incinerated waste	28	31	34	15	15	14	11	11	16	14	13	10	23	25	26
Landfill waste	14	8	11	0	0	0	35	37	39	26	30	41	14	11	15
Total waste	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

1 Waste data for ICA Sweden excludes store data.

2 Slovakia data was not available in 2008.

3 Meat rendering was not available in 2008.

The disposal methods remain largely unchanged in 2010. There is an increase in the landfill waste in the United States. Waste-reduction strategies and programs are a focus area for 2011.

Total waste by disposal method^{1,2}

(kg per sq.m. of sales area)	2010	2009	2008
Re-used, recycled or recovered waste	81	80	75
Fermented waste	8	8	8
Compost waste	2	1	1
Incinerated waste	35	36	39
Landfill waste	18	12	14
Total waste	144	137	137

1 Waste data for ICA excludes stores.

2 Other Europe excludes Slovakia for 2008.

Community engagement



Contributing to the community



Our ambition is to make an active, positive contribution to the wellbeing of the communities we serve.

Our ambitions

Our stores are at the heart of many communities, and we are committed to being good neighbors. We do this by building relationships with our customers and local groups, and working with them to develop initiatives that improve the quality of life at the local level.

We make sure our stores and the environments around them are safe, clean, and integrated into the community they serve. We promote community-based programs that support our other CR priorities – from healthy-eating initiatives to recycling incentives. We also support a wide range of causes that are important to our stakeholders – especially our customers and employees – and often combine financial contributions with volunteering our time and expertise.

Targets

Since community engagement is inherently local, we have set one global target:

1. Ensure that each operating company has a community engagement program in place by 2012

Key elements of our community engagement programs include:

- Creating safe, clean and community-friendly stores and store environments
- Using our central position in the community to improve people's wellbeing
- Being active through community programs, services and charities

Our existing community engagement programs at all operating companies will be reviewed to ensure that they include all the relevant components. Our programs will have a common approach, but will be translated locally to focus on local issues. Each store will assess local needs to identify the issues that are most relevant to target in their community.

Actions and achievements in 2010

In 2010, our efforts in community engagement centered around in-store activities that promote local wellbeing, further involving our stores in the local environment, and supporting causes that are important to our stakeholders – especially to customers and employees.

Our community engagement activities differ across our organization to reflect the differences in culture between Europe and the United States. In Europe, most countries have a comprehensive social welfare system to support those in need in society. In the United States, the private sector plays a much greater role in this. These differing social models mean that our operating companies in the United States generally play a greater role in supporting local charitable efforts, whereas those in Europe focus more on being a good neighbor in terms of our store environments. In all cases, our companies are committed to acting responsibly within the communities they serve.

The store environment

We aim to be a good neighbor and play a visible role in the community – we see our responsibilities as being broader than our stores alone.

To ensure the environments around our stores are safe and clean, we make sure they are well lit, properly maintained and have sufficient waste facilities. We are proactive about the safety and cleanliness of the areas surrounding our stores by making sure we inform the relevant authorities if we notice that something needs to be fixed or cleaned up. We also make efforts to bring people together, to promote a sense of community among inhabitants.

Following a survey in the Netherlands in which we asked members of the community what they found important about their immediate environment, they cited four important factors: safety, cleanliness, maintenance of facilities, and interaction with others. We then looked at the role a supermarket could play in meeting these priorities.

Examples of our focus on the communities surrounding our stores in 2010 include:

- Albert Heijn organized afternoons in which children could swap the promotional toys they had received at the checkout. This brought families together to interact socially. Albert Heijn also sponsored the “Dag van de Dialoog” (day of dialogue) in the Netherlands, during which they set up discussion tables in stores and invited people to attend to talk about the issues relevant to their communities
- Also in the Netherlands, the government is focusing on 40 “attention neighborhoods” where Albert Heijn has 43 stores in 21 neighborhoods. Local store managers have teamed up with government officials in those communities to make the neighborhoods better places to live. The participation of schools in these neighborhoods in the “Ik eet het beter” program was below average, while the need for education on health topics is especially high in these communities. Albert Heijn cooperated with the Dutch Ministry of Internal Affairs, by sending a letter to schools in these neighborhoods. The result was a 30 percent increase in participation in the program (from 237 schools to 291 schools)
- In the United States, some of the new stores have community rooms that can either be used by non-profit organizations, or by local groups as community gathering places. Store teams often get involved in local community engagement efforts and store events involving customers and employees
- Rimi supermarkets in Lithuania held a children’s needlework fair called “For you from me”. Organized for children from children’s homes, the fair develops their creativity, responsibility and entrepreneurialism, in order to encourage these children to be independent and proactive, rather than passive receivers of charity

Community engagement continued



The U.S. fight against hunger

The fight against hunger is a natural fit for a food retailer. Programs and food drives, many of which aim to improve quality of life for children, at all operating companies in the United States have raised millions of dollars for hunger relief over the years.

U.S. stores have significant food donation programs in place, including regular donations of fresh and non-perishable products to local pantries and soup kitchens. At Thanksgiving, they provide tens of thousands of turkeys to families who otherwise would not be able to afford a

holiday meal. They periodically invite customers to get involved by asking them to donate a dollar at the checkout. They also work with suppliers in the food industry to serve even more people in need.

In October 2010, Giant Carlisle won a national award from the U.S. Department of Agriculture for leadership efforts to fight hunger. Giant Landover was recently awarded Food for All "Retailer of the Year" for its support in providing food for those in need. Stop & Shop has helped to establish Kids' Cafes and Back-Pack programs, which make sure at-risk children receive a healthy meal.

Local wellbeing

The health and wellbeing of our customers, as well as of the populations living in store neighborhoods, is very important to us. In the United States, we have defined two key themes to improve wellbeing: fighting hunger, and improving children's health and welfare. These themes are common across all brands, but each company sets its own objectives and projects to meet those targets.

We have organized a number of initiatives to promote wellbeing during the reporting year:

- Albert Heijn is one of seven founding members of the Jongeren op Gezond Gewicht (JOGG) organization as well as local governments, to encourage young people to eat more healthily. The program involves several major players within the community – including schools, shops and restaurants – and Albert Heijn is one of seven companies involved
- Albert Heijn sponsored children's sport weeks during the summer holidays, by paying for and providing lunches for the participants
- Ahold Europe sponsored the "Dam tot Dam loop" (a famous, 16-km run in the Netherlands), with 2,650 employees taking part
- Ahold USA organized activities to improve quality of life for children, including store tours, educational programs about nutrition, food drives, donations to food banks, and fundraising initiatives (such as Hunger Action Month in September) across all the brands (see case study above)
- Ahold USA looked for ways to support U.S. First Lady Michelle Obama's "Let's Move" campaign to end childhood obesity in one generation. The components of the campaign are to offer parents the tools and information to enable them to make better decisions about their children's nutrition; address the accessibility and affordability of healthy food; and encourage children to be more physically active. The team is focusing on stores in areas with high obesity rates and health-related diseases, by helping customers make use of government-assistance programs to improve their health, and providing information and incentives to improve the diet of their families
- Ahold USA is also addressing the issue of food deserts – areas where there is limited or no access to nutritious, affordable food – and how to get such food to underserved communities. A Giant Landover store in Camp Simms (Southeast, Washington DC) and a Stop & Shop store in Arverne (Far Rockaway, New York) were opened, both of which are examples of supermarkets in food deserts. Investing in these communities via our stores has subsequently raised the profile of the areas they are in, and they are beginning to attract further investment from other businesses. The stores themselves provide employment in areas that tend to have high unemployment rates
- At ICA Sweden, many stores sponsored local sports initiatives, often in cooperation with organizations committed to encouraging children and young people to do more sport
- ICA is the main sponsor for the annual "Blood run" race, which has two purposes: to encourage people to take exercise (through running) and to donate blood. Around 76,000 runners participated in 14 races all over Sweden

Community engagement continued



63

Projects to support children

Supporting Czech children in need

The Bertici project is a charity supporting children in need – those living in orphanages or homes for mothers and children. For the past five years, Albert has focused on projects aiming at their education and integration into society, as well as sponsoring specific vocational and sports courses for individuals.

During autumn 2010, the Bertici charity campaign took place in Albert stores for the 11th year running, inviting shoppers to donate their yellow Bertik tokens (which they earn via their shopping) to the charity. For every token collected, Albert donated €0.02 to charity. In 2010, for the first time, the funds generated by the campaign were distributed by the Albert Charity Foundation, which selected 63 projects to support children. Every Albert store participated, and supported both local and nationwide projects.

These included training for restaurant work, part-time jobs in an orphanage, and furnishing apartments for children leaving orphanages. Over the past 10 years, the Bertici campaign has supported hundreds of institutions, social care homes and orphanages, donating more than €2.6 million in total.

“Thanks to your continued support, we manage to make the environment where our children grow up better still. We are an institution that strives to give our children the best care, and to return them – in the shortest time possible – to where they belong: back to families. While they are with us, we try to make them feel like they are not in an institution. Thanks to companies and employees like you, we are successful.”

Dr. Miroslav Rakos

Director of Regional Children's Home in Aš

Contributions, sponsorships and donations

Charitable programs and services form an important part of our community engagement activities. Many of the donations we make are far more than financial – we donate our expertise, knowledge and time. Financial support alone does not reflect the full extent of our community engagement activities. During the reporting year, we made the following contributions to the community:

- We supported food banks in both Europe and the United States through donating food and money, and by encouraging employees to volunteer their time. Giant Carlisle shared its expertise in food distribution with managers of local food banks, and gave them access to spare space in its freezers and distribution trucks
- In 2010, Albert Heijn donated more than €400,000 through the Albert Heijn Foundation to support activities, such as technology centers, safe drinking water, healthcare, education, AIDS and TB awareness, and housing projects. Since the end of 2007, together with ICCO and FairMatch, the Foundation developed 12 projects in South Africa, Kenya, Ghana, and Zimbabwe – African countries where a lot of Albert Heijn's fruit and vegetables are sourced
- The Albert Charity Foundation in the Czech Republic was founded in 2009 to support families, promote health, and help individuals in need. It is financed by profit from the sale of plastic bags, the annual Bertici project (see case study above) and contributions from employees. In 2010, the Foundation donated over €0.4 million to needy causes
- Albert in Slovakia made various charitable donations during the reporting year, including contributions to sports days and people with disabilities. Through partnerships with Pampers and Unicef, Albert and Procter & Gamble donated €10,000 to a hospital in Prague for premature babies. The hospital used the money to invest in new incubators
- In support of children's cancer research, Stop & Shop raised €1.9 million in 2010 for the Jimmy Fund to benefit the Stop & Shop Family Pediatric Brain Tumor Clinic at the internationally renowned Dana-Farber Cancer Institute. Stop & Shop was presented with the Sidney Farber Medical Research Award, the highest honor bestowed by Dana-Farber Cancer Institute, for contributions to finance cancer research, prevention and care
- All U.S. divisions run the A+ School Rewards program to raise millions of dollars each year for local schools. In 2010, Stop & Shop donated €0.8 million to local schools via the A+ program, while Giant Carlisle donated €1.4 million and Giant Landover a further €1.5 million to help fund field trips, books, playgrounds, musical instruments and other school-related needs and activities
- In the two-week period following the devastating Haiti earthquake, Stop & Shop, Giant Carlisle and Giant Landover customers and employees raised €0.9 million to help Haitians. In addition, Ahold Europe donated €100,000. All funds were donated to the Red Cross International Response Fund for Haiti earthquake relief efforts

Community engagement continued



€900,000
donated

Christmas donations at ICA

The World Childhood Foundation is a not-for-profit organization, founded in 1999 by H.M. Queen Silvia of Sweden. ICA has worked with the Foundation since 2003, and ICA's CEO is a member of the Board. The Foundation protects children's rights to safety, with a focus on street children and children who have been sexually abused.

In 2010, 1 percent of revenues from ICA own-brand products sold during a two-week period in late November / early December were donated to the Foundation. ICA also launched its annual exclusive Christmas CD (this year

"Christmas with friends" by Måns Zelmerlöv); €1 of each CD sold during the last six weeks of the year was donated to the Foundation. Other activities included an art auction in autumn 2010, which raised €4,000, and "Next Star Maxi" – a talent contest for young people, in which ICA customers could vote for the winner and the money was donated for each vote. This raised approximately €42,000 for the Foundation.

In 2010, ICA donated a total of €0.9 million to the World Childhood Foundation's projects.

- ICA Sweden's Christmas campaign focused on collecting money for the World Childhood Foundation – for more information, see the case study above
- Through the sale of "Pink Ribbon" products in stores and direct donations via the customer magazine, ICA Sweden's customers donated €0.7 million to cancer research. ICA has worked with the Swedish Cancer Society for 25 years, and has been involved in the Pink Ribbon Campaign since it started seven years ago

The data

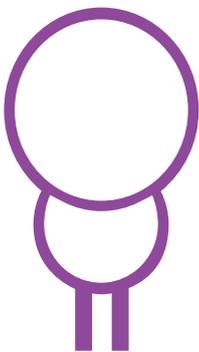
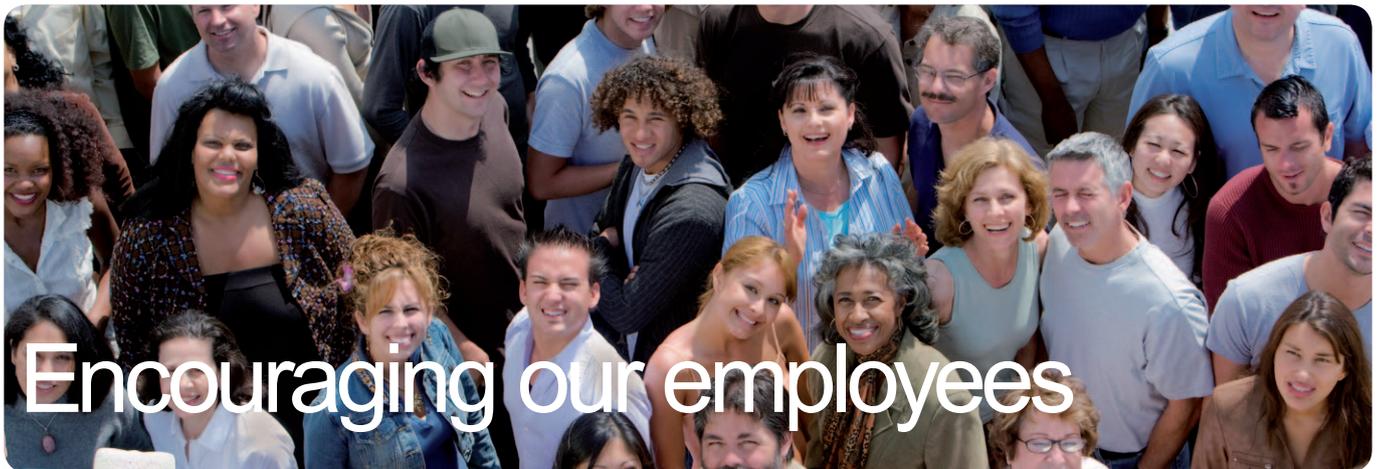
Contributions and donations

(€ thousand)	2010	2009	2008
Ahold USA	36,283	30,961	27,469
The Netherlands	2,610	2,358	1,952
Other Europe	974	469	474
ICA ¹	3,720	3,020	2,747
Total	43,587	36,808	32,642

1 ICA data include Swedish programs only.

The figures include money raised by our companies, customers, suppliers, and employees. The total increased by 18.4 percent, with increases in all operating companies. Ahold USA increased its donations to food banks and to the Haiti post-earthquake support program. Giant Carlisle launched a store donation program to local food pantries in the southern region. The Netherlands' donations increased due to expansion of the "Ik eet het beter" (healthy-eating program for schools) and charity donations.

Our people



Our ambition is to encourage our employees to live and work healthily and sustainably.

Our ambitions

Our people are essential to our business, and to putting our CR strategy into practice every day.

Since food is our core business, we aim to facilitate ways for our employees to eat and live healthily and sustainably. We also encourage our people to go about their daily lives with respect for their environment. This, in turn, has a positive impact on the people our employees come into contact with – be it customers, their families and friends, or other members of the community.

To ensure employees feel motivated to put our CR policies into practice, we target and retain a diverse range of the best people. We strive to provide a great place to work for our employees.

Targets

Our employees are individuals, so there are many different ways in which they interpret and live out our CR strategy. We have therefore set one global target, which is implemented within each of our operating companies locally:

1. Ensure that each operating company has a CR employee program in place by 2012

Key elements of our employee CR programs include:

- Encouraging employees to support the healthy living, sustainable trade, climate action, and community engagement efforts of Ahold
- Encouraging employees to take action on healthy living, sustainable trade, climate action, and community engagement in their own lives
- Implementing diversity and inclusion policies at a continental level

We already have employee CR programs in place at our operating companies, focusing on healthy living. These programs will be expanded to cover other CR priority areas.

Our people continued

Actions and achievements in 2010

During the reporting year, our employees carried out CR activities to support our goals, and to encourage customers and communities to live healthily and sustainably. We also encouraged our employees to eat and live better, and saw them actively participate in community engagement across our organization.

CR in the field

Putting CR into practice is an integral part of our business. Our CR activities are carried out by employees themselves, and you can read about these in the relevant sections on each of our CR priority areas. Across all our operating companies, we communicate about CR activities to employees. On a Group level, our intranet provides timely news to all employees. On a local level, operating companies' intranets and employee magazines include CR-related articles.

We engage our employees in improving Ahold's sustainability as part of their day-to-day work:

- The responsibilities of Albert Heijn employees have been broadened to include duties relating to keeping the environment surrounding stores clean and safe
- Albert Heijn has been sharing sustainability best practices with Etos and Gall & Gall employees
- In the United States, members of several store teams and the head office serve on charitable boards, and encourage employee engagement in community activities
- Stop & Shop and Giant Landover has created a "green captains" program to help strengthen the environmental initiatives in stores around waste and energy reduction. A full-time CR position has also been created in Ahold USA Retail Operations Support to communicate to, and support the CR efforts of, the stores

Employee health and wellness activities

Activities are also organized by and for our employees, to encourage them to live more healthily. Over time, we aim for our employee programs to include ways in which employees can contribute to sustainable trade, climate action and community engagement in their own lives, too.

Various programs and activities towards a healthier lifestyle have already been put in place:

- Ahold employees in the Netherlands benefited from the "Fit & Fun" program (see case study below)
- Albert hosted a variety of health and wellness activities for employees (see *case study*)
- Giant Carlisle operated a weight-loss program for employees called "Giant Loser" in selected stores and offices for 12 weeks. Employees were offered health fairs, wellness classes, and gym membership discounts. Giant Carlisle's "Revive Committee" guides employees towards better health and wellness
- Stop & Shop offered programs to employees to help them lose weight and stop smoking, as well as providing gym membership incentives. Stop & Shop and Giant Landover also organized health fairs and free annual health screenings. The Giant Landover nutritionist offered a lunchtime series on vegetables to educate employees, to allow them to taste a wider range, and to encourage them to eat more vegetables as part of their daily diet



2,600

Employees participated in sports clinics

Employees get fit in the Netherlands

Employees from Albert Heijn, Etos, Gall & Gall, Ahold Corporate Center and Ahold Coffee Company all have the opportunity to take part in the Netherlands' healthy lifestyle program: Fit & Fun. It focuses on three priorities: eating healthily, physical fitness, and wellbeing.

The program comprises sports clinics (of which around 200 took place in 2010, with over 2,600 employees participating), "eat yourself fit!" training, help in quitting smoking, group sessions on weight control, a company bicycle policy, and various other health-related information. In 2010, Albert Heijn organized the annual Fit & Fun employee soccer

championships in which some 1,200 employees participated (double the number of 2009). During the 2010 Fit & Fun week, healthy sandwiches and salads at reduced prices (as well as free fruit) were available in the corporate canteen; various sports activities were organized, including a Pilates session. The week was concluded with a lecture by Olympic Open-Water Swimming Champion Maarten van der Weijden.

**"Thanks for organizing the great power-kiting event!
We had a great day and loved the activity!"**

Agnes van Corstanje
Senior Salesperson at Albert Heijn in Tilburg

Our people continued



Health and wellness at Albert

During 2010, Albert hosted a variety of health-related activities for its employees, and it gave its corporate employees free access to a wellness center.

Albert offered so-called "Run for Hope" running competitions in support of breast cancer research; Albert donated a total of €4,000.

Employees also participated in cross-country skiing. More skiing and running events will be offered to employees in 2011.

- ICA offered various health and wellness benefits and activities, including healthy food options in its corporate canteen, employee sports organizations and gym access, reduced fees for sports activities, a company health service, and massage therapy
- A team of employees from Rimi Lithuania participated in the first bicycle marathon in capital city Vilnius

Our workplace

The quality of our people is essential to the success of our business. We therefore strive to provide a great place to work, so that we can attract and retain the best employees. We offer competitive remuneration and benefits packages, career and development opportunities, and an open and honest company culture.

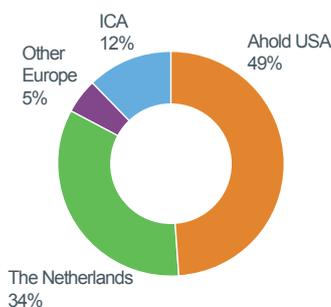
Diversity and inclusion

To make a successful team, the employees within it need to have different skills and capabilities. We therefore aim to hire a diverse range of people to make up our teams. It is important that our employees reflect the diversity of our customers and the communities where we operate, as well. Diversity includes gender, ethnicity, age, background, education, and experience. We value diversity at every level of the organization, and want people from all backgrounds to feel included and valued by the company. Across all operating companies, we employ people who live locally to our stores. The result is that a store's employees represent a cross-section of the society living in that area.

To encourage diversity and inclusion, we mentor employees and organize support groups that promote diversity. Examples of our diversity activities include:

- Albert Heijn is working with local governments to involve people with a limited level of education in "learning & working" programs. Albert Heijn also aims to employ at least one disabled person per store
- Albert offers work experience to young people from children's homes so that they can learn about the value of money and gain valuable experience that they can use in future employment
- Giant Carlisle has a Female Leadership Advisory Council and an ALANA Resource Group, which ensures that employees of African-American, Latino / Hispanic, Asian / Pacific Islander, and Native American / Alaskan origins reach their fullest potential as leaders, decision makers, and valued contributors. In 2010, the group participated in several events and fundraisers focused on diversity and inclusion, including Martin Luther King, National Association for the Advancement of Colored People (NAACP), United Negro College Fund, and Race Against Racism
- Giant Landover and Stop & Shop New York Metro divisions run the Women Adding Value (WAV) group (see *case study*)
- Since 2002, Rimi Baltic in Lithuania has been working to provide a suitable working environment for disabled employees. In 2010, the company received an award during the Swedish Business Awards 2010 for their work in cooperation with the Lithuanian Association for the Disabled. Currently, Rimi Baltic employs 26 disabled people in Estonia, 70 in Latvia and 94 in Lithuania. Its plans are to further support the integration of the disabled into working life by employing a total of 260 people in these three countries. In Sweden, as part of the "We can do more" program, ICA retailers will hire at least 500 disabled people within the next three years

Total workforce



For further information, please refer to the data table: Number of employees

Our people continued



A WAV of support for Giant Landover

In June 2010, Giant Landover held its first Women Adding Value (WAV) conference. The conference was directed towards female managers in sales and operations, supply chain and corporate departments. The goal of the conference was to empower the approximately 150 attendees by providing them with leadership and career development strategies, as well as to enhance their business understanding and personal development through interactive breakout sessions. The topics covered in the sessions included decision making, accountability, understanding of profit and loss, work-life balance, and interview skills.

The conference represented a unique opportunity for women to grow both personally and professionally, while better

understanding their value to the company's overall success. This event and others are part of Ahold USA's strategy to develop opportunities for women to grow as leaders.

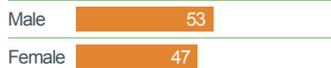
“Our female leaders are critical to the success of our business. We believe in providing many opportunities for women in our organization to learn, grow and contribute at all levels. Events like these encourage women to discuss their experiences, learn from one another, and mentor the next generation of leaders.”

Sarah Chartrand

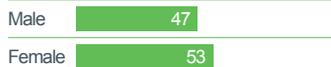
SVP, Talent Management, Diversity & Organizational Development

Percentage of workforce by gender

Ahold USA



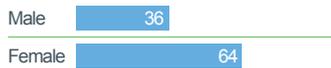
The Netherlands



Other Europe



ICA



For further information, please refer to the data table: Percentage of workforce by gender

- Part of ICA's "Arena for Diversity" program launched in 2010, ICA's "store school" aims to train young unemployed people between the ages of 18 and 24 in the Bergsjön/Kortedala area in retail. ICA worked with the City of Göteborg to develop a trainee program combining theory and practice in subjects such as store economy, customer service, food handling and store operations. Most people on the course go on to secure a job in retail, either at one of the ICA stores in the area or through recruitment agency Svenska Storesupport. Bergsjön is an area of Göteborg with a large immigrant population, and the store school has contributed successfully to improving integration. This has in turn created profitability for the ICA stores in the area. The employees working at ICA Supermarket Bergsjön now reflect the diversity of the population in the area, making it easier to meet customers' requirements. ICA is now running a similar project in Stockholm called merit.nu

Employee satisfaction

We regularly carry out surveys among employees to canvas their opinion on Ahold as an employer. The 2010 employee survey at Albert Heijn showed that employee satisfaction is high, particularly in the areas of teamwork, working with colleagues and customer orientation. The annual survey is carried out among Albert Heijn employees in the stores, head office and distribution centers. In total, over 38,000 employees (46 percent of the total workforce) responded to the questionnaire, with an average satisfaction score of 7.5 out of 10 (2009: 7.5).

In 2010, an employee satisfaction survey was not carried out at Ahold USA due to the reorganization of our U.S. operations into one operating company.

Our people continued

The data

Number of employees

(thousands)	2010	2009	2008
Ahold USA ¹	117	113	112
The Netherlands ²	84	80	76
Other Europe	12	13	14
ICA	29	29	30
Total	242³	235	232

1 Includes Peapod.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

3 Total includes ICA. Total number of employees shown in Group at a glance section (213,000) does not include ICA.

Percentage of workforce
by contract type¹

	Full-time 2010	Part-time 2010	Full-time 2009	Part-time 2009	Full-time 2008	Part-time 2008
Ahold USA ²	30	70	30	70	30	70
The Netherlands ³	14	86	16	84	18	82
Other Europe	74	26	73	27	86	14
ICA ⁴	80	20	NR	NR	NR	NR

1. Contract type based on local definition.

2 Includes Peapod.

3 Includes Etos, Gall & Gall, Ahold Coffee Company.

4 ICA data not reported for 2009 and 2008.

Percentage of workforce by gender

	Female 2010	Male 2010	Female 2009	Male 2009
Ahold USA ¹	47	53	47	53
The Netherlands ²	53	47	53	47
Other Europe	80	20	80	20
ICA	64	36	65	35

1 Includes Peapod.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

Percentage of workforce
by age

	2010 <19	2010 20>29	2010 30>39	2010 40>49	2010 50+	2009 <19	2009 20>29	2009 30>39	2009 40>49	2009 50+
Ahold USA ¹	16	26	13	18	27	17	25	14	18	26
The Netherlands ²	58	20	8	8	6	58	19	8	9	6
Other Europe	1	23	30	24	22	1	23	29	24	23
ICA	10	33	25	19	13	18	31	24	17	10

1 Includes Peapod.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

Composition of the
Ahold Boards

	Female 2010	Male 2010	Female 2009	Male 2009	Female 2008	Male 2008
Corporate Executive Board	1	4	1	4	1	4
Supervisory Board	3	5	3	5	3	4
Total	4	9	4	9	4	8

How we manage CR



The CR department at Ahold reports to the Corporate Executive Board (CEB) through its member and Chief Corporate Governance Counsel.

Within the organization, CR is overseen by the CR Steering Committee, chaired by the Chief Corporate Governance Counsel Lodewijk Hijmans van den Bergh, and made up of senior representatives from each of our companies. Day-to-day coordination of our CR activities is managed through the CR Management Committee, chaired by the Vice President Corporate Responsibility; its members include the person responsible for CR at each of our operating companies in Europe, as well as Ahold USA's Vice President Corporate Responsibility and Sustainability. At each operating company, CR responsibilities have been designated to specific employees: one for each priority area and the targets within it, and one for CR reporting.

Action plans will be developed to meet the 2015 targets, which will be reviewed by both the business and the CR Management Committee. Data on progress against the 2015 targets will be gathered quarterly and reviewed by the person responsible for the relevant priority area. This data will also be provided to the CR Management Committee, the CR Steering Committee and the CEB.

Engaging with stakeholders

As a global retailer we have a wide range of stakeholders, including our customers, employees, suppliers, the communities where we operate, government bodies, industry groups, NGOs, education and research institutes, and our shareholders.

We engage with our stakeholders in order to understand and learn from their perspectives, and to share our progress and ideas with them. This enables us to develop our products and services further to meet their needs – in short, to become the responsible retailer. Ahold operates in a complex industry in an even more complex world, and our stakeholders have important – and sometimes different – priorities. We are therefore working hard to balance everyone's needs.

As an organization, we have identified the key stakeholders that are relevant to our business and to our CR activities. These are our customers, employees, suppliers, communities, NGOs and shareholders. Many of our stakeholder engagement activities currently occur at operating-company level; in 2011, we aim to increase our activities at Group level. In 2011, Ahold will carry out a structured stakeholder dialogue where we will discuss our progress to date and our future strategy. We will use the input received to further develop our strategy and action plans, and as input on the scope of our reporting.

We engage with our stakeholders in a variety of ways, for example:

Customers – We carry out regular customer satisfaction surveys and review feedback from a range of third-party surveys. We also give customers the opportunity to provide feedback directly in our stores and via our customer service help lines. Examples of customer feedback on our goal to be recognized as a leading healthy retailer are included in the *Healthy living* section of this report.

Employees – We have an open and honest corporate culture, and carry out regular employee satisfaction surveys. More details about recent satisfaction surveys are included in the *Our people* section of this report.

Suppliers – Ahold has regular communication with its suppliers. In line with our increased focus on product sustainability, in 2011 Ahold USA will hold a sustainability summit with its main suppliers.

Communities and NGOs – We engage with a wide range of local, national and international associations, organizations and NGOs, and local and national governments, including the municipalities of the communities we serve. More details on our stakeholder engagement in these areas are provided in our *Corporate Affairs* section of this report. In 2010, Ahold entered into dialogue with a range of NGOs and organizations on our plans to increase the sustainability of our own-brand products in Europe. Details of the plans were discussed directly with a number of organizations and presented to a group of 17 NGOs to gather their input and feedback on the plans.

Shareholders – We participate in various road shows for socially responsible investment (SRI), at which multinational investors are present. Ahold USA has hosted a briefing session with key SRI analysts for the past two years.

Corporate Affairs

Corporate Affairs at Ahold covers the company's activities in government relations, regulatory public affairs, and participation in industry bodies and related organizations. It is an important part of our dialogue with stakeholders regarding CR matters, and – conversely – our CR priorities are important drivers of our corporate affairs activities.

Ahold's Corporate Affairs Council ensures a consistent approach to corporate affairs activities across the group by developing global policies, and aligning activities and decision making. The council reports to the CEO through its chair, the Senior Vice President of Group Communications, and includes representatives from Ahold Europe and Ahold USA, and the Vice President Corporate Responsibility. The council is also responsible for overseeing Ahold's representation on industry bodies and trade associations.

Many of Ahold's management team members sit on the boards of these industry bodies and associations. Ahold's CEO, Dick Boer, is president of the European Retail Round Table (ERRT), which focuses on issues that are material to the retail industry and society as a whole. Ahold is a member of the Consumer Goods Forum, a global retail and consumer goods industry body. Ahold's former CEO (until March 1, 2011), John Rishton, was a member of the Board of Directors. Dick Boer has taken his place since that date. Ahold is also a member of The Sustainability Consortium; see the *Sustainable trade* section for more information.

Europe

Ahold Europe's Corporate Affairs function represents the company in dealings with legislative and regulatory bodies at the European and EU member state level, largely through membership of, and active participation in, national and European trade associations.

In 2010, our focus in Europe was to promote the retail sector's leadership role in sustainability by our participation in the Retailers' Environmental Action Programme (REAP) and its Retail Forum sessions on marketing environmental products, reducing the carbon footprint of stores, Life Cycle Assessment methodologies and environmental labeling. For all of the issues addressed, the discussions of the Retail Forum result in publicly available Issue Papers with concrete recommendations for improving stakeholders' environmental performance and addressing possible barriers for climate action.

In a project with the ERRT and its members, Ahold published the progress we have made in increasing energy efficiency in our stores. ERRT members have committed to reduce energy consumption per square meter by 20 percent and to work towards sourcing more than 20 percent renewable energy by 2020.

We are involved in two committees at EuroCommerce: the Food Policy Committee and the Environment Committee. Through these committees, Ahold actively participates in policy discussions on issues such as product labeling, nutritional and health claims, food safety, seafood, animal health and welfare, animal by-products, and sustainable consumption and production.

Ahold is a founding member of the European Alcohol and Health Forum, which aims to develop an EU strategy to support member states in reducing alcohol-related problems.

United States

At Ahold USA, our corporate affairs activities are conducted through the Government Affairs function, which represents the interests of the business to legislative and regulatory bodies at the federal, state and local level. Working with management, operators, and subject-matter experts within the company, and reporting to Ahold USA's General Counsel with oversight from the Corporate Affairs Council, Government Affairs facilitates the development and execution of Ahold USA's legislative and regulatory strategy. Corporate employees and store managers serve on the boards or committees of many food trade and other organizations to advance our legislative and regulatory goals.

In 2010, the company supported legislation at the national level for food safety and nutrition through working with others in our industry, as well as with regulators. The Food and Drug Administration (FDA) Food Safety Modernization Act was signed into law by President Obama in January 2011. This law provides tighter controls and grants the FDA more enforcement powers to protect the food distribution supply chain.

Engaging with stakeholders continued

In addition, Ahold USA works with groups such as the Food Marketing Institute (FMI) on initiatives that are tied to our corporate responsibility priorities. Ahold USA was actively engaged with the FMI, the Grocery Manufacturers' Association (GMA), and the Obama Administration to create a voluntary packaging labeling system. Ahold USA is also represented on the FMI Sustainability Executive Committee. Among other activities, Ahold USA has implemented sustainable sourcing training, and continues to use the carbon calculator it piloted with FMI.

Partnerships and memberships of associations

We work together with many global and continental partners to achieve our shared CR goals.

Global:

- African Cashew Alliance (ACA)
- Aquaculture Stewardship Council (ASC)
- British Retail Consortium (BRC)
- Business Social Compliance Initiative (BSCI)
- Carbon Disclosure Project (CDP)
- Consumer Goods Forum (CGF)
- Dow Jones Sustainability Index (DJSI)
- Global Compact
- Global Food Safety Initiative (GFSI)
- Global Social Compliance Program (GSCP)
- GlobalG.A.P.
- GS1
- Marine Stewardship Council (MSC)
- Roundtable on Sustainable Palm Oil (RSPO)
- Round Table on Responsible Soy (RTRS)
- The Sustainability Consortium (TSC)
- UTZ CERTIFIED
- World Wildlife Fund (WWF)

European:

- Efficient Consumer Response (ECR)
- EuroCommerce
- European Retail Round Table (ERRT)
- Initiatief Duurzame Handel (IDH)
- Wageningen UR (University & Research centre)

United States:

- John G. Shedd Aquarium (Chicago)
- Food Marketing Institute (FMI)
- National Association of Chain Drug Stores (NACDS)
- National Retail Federation (NRF)
- New England Aquarium (Boston)
- Produce Marketing Association (PMA)

Awards during 2010

Ahold's operating companies received a number of nominations and awards during the reporting year.

Among them were the following:

- Albert Heijn won the "Jaarprijs Voedingscentrum" 2010 (Annual Food Center Award) for its extra-lean beef concept, as a contribution to healthier eating habits in the Netherlands
- During Fairtrade week in October, Albert Heijn received the Fairtrade@Work Award for its achievements in raising awareness among customers and employees, and the use of Fairtrade products at its head office
- Albert Heijn was awarded "De Gouden Kwispel" (The Golden Brush) by the Animal Protection Society for its wide range of animal-friendly products, including its one-star pork
- Stop & Shop was awarded the Association for a Better Long Island's "Green Leader" Citation for the company's introduction of energy conservation efforts in retail development
- Giant Carlisle received the Five Figure Club and the Mission Possible Award (for cycling and walking) and the Top Corporate Team Award (for cycling). All three were given by the National MS Society
- Stop & Shop was presented with the Sidney Farber Medical Research Award by the Dana-Farber Cancer Institute, for its financial contributions to cancer research, prevention and care
- Giant Carlisle received a national award from the U.S. Department of Agriculture for its leadership efforts to fight hunger
- ICA's 2009 sustainability report was nominated for the Globe Awards in the category of Sustainability Reporting and finished in the top three
- ICA's new store concept, ICA To Go, was named "Health Restaurant of the Year" by trade magazine *Restaurants & Catering*, which recognizes innovators in the Swedish restaurant industry
- The new design for the "ICA Gott Liv" label was awarded a silver medal at the European advertising competition, Eurobest
- The "Swedish Business Awards 2010" awarded Rimi Baltic in Lithuania for its social responsibility, and its program to integrate disabled employees into the workplace
- Rimi Baltic was one of 19 Latvian companies reaching silver level, when the Free Trade Unions Confederation and Employers' Confederation of Latvia measured the Sustainability Index for the first time in 2010. No companies reached the higher gold or platinum levels

CR policies

We have a number of CR policies that apply to all our operating companies and Corporate Center.

In some cases, our policies vary depending on differences in legislation between the countries where we operate. The examples in this report give an indication of how our policies are put into practice in our daily business.

Our CR policies are:

Healthy living

- Alcohol
- Genetically Modified Organisms (GMO) / Biotechnology
- Organic food
- Tobacco
- Pornography
- Nanotechnology

Sustainable trade

- Supply chain standards: child labor, human rights
- Animal welfare: animal testing, seafood
- Standards of Engagement

Climate action

- Environment
- Waste management
- Plastic bags
- Biodiversity

Community engagement

- Community involvement

Our people

- Code of conduct
- Equal opportunities
- Health and safety

You can find our CR policies at www.ahold.com/en/responsible/our-cr-policy

Our approach to reporting



Our 2010 CR Report covers Ahold's corporate responsibility strategy, practices and performance during the period from January 4, 2010 to January 2, 2011.

The period covered comprised 52 weeks in 2010 compared to 53 weeks in 2009. As a result, we have added relative indicators to some tables (natural gas consumption, electricity consumption, carbon emissions, waste and water consumption) in order to compare the two years accurately.

Ahold has been publishing CR reports since 1998, and has been doing so annually since 2007. This is our ninth report.

Scope of reporting

The scope of the 2010 report has been determined based on the Ahold CR priority areas and the principles of materiality, stakeholder inclusiveness and completeness. Our priority areas are selected on the basis that they are related to our business, relevant to our stakeholders and include areas where we can make a meaningful difference.

We have included stakeholder- and business-relevant information in this report that is material from an economic, environmental and social perspective. The sustainability issues we cover are based on our ongoing interaction with our business, our stakeholders, and our involvement in international associations and roundtables. The report features information that is material in relation to our total revenue, our environmental footprint, and in terms of social impact and sustainability issues. From a completeness perspective, the report includes information on the majority of our operations and, where applicable, our customers and our supply chain.

In 2010, we included the majority of our business: Ahold USA (including our four U.S. divisions), Albert Heijn (reported in the data as the Netherlands), Albert / Hypernova in the Czech Republic and Slovakia (reported in the data as Other Europe).

We do not provide information on our investment in JMR. Where possible, we include information on ICA with whom we share best practices on corporate responsibility. Ahold owns a 60 percent stake in ICA AB, which in turn owns the ICA group. The other 40 percent stake in ICA is held by Hakon Invest AB, a Swedish company listed on the Stockholm Stock Exchange. Under the shareholders' agreement with Hakon Invest AB, Ahold's 60 percent shareholding stake in ICA does not entitle it to unilateral decision-making authority over ICA, because the agreement provides that strategic, financial and operational decisions will be made only on the basis of mutual consent. ICA does not provide data on water, fuel efficiency or waste as this information is not currently measured.

We do not report on Ahold Coffee Company, Etos, Gall & Gall, albert.nl, and Peapod unless otherwise indicated, as these are smaller entities and were considered not to be material until now from an economic or environmental perspective.

In 2011, we will review our scope, taking into account our planned stakeholder engagement process.

In particular, we are reviewing the possibility of including Etos and Gall & Gall, specifically in relation to our increased focus on sustainable sourcing.

In the *Climate action* section, we report on the following data that we consider material from an environmental perspective, as they represent the majority of our operations:

- Stores (owned and franchised – for ICA, independent stores are excluded in all data except in the case of electricity)
- Distribution centers (owned and outsourced; except for some of Albert Heijn's outsourced distribution centers)
- Transportation (owned and outsourced) from distribution centers to stores

Direct store deliveries, business travel, and offices do not fall within the scope of this report as they were not considered material in 2010 from an environmental perspective.

Significant changes since previous report

In 2010, we reorganized our U.S. operations into one operating company with centralized functions, including sourcing and real estate. In line with our organizational structure, we therefore report the majority of our U.S. data consolidated at Ahold USA level.

Process and CO₂ conversion factors

Process

In 2010, we continued to improve the way we measure and manage our corporate responsibility data and, as a result, the consistency and reliability of the data was improved. We have a uniform, company-wide reporting system to collect information and track and evaluate our performance. On a quarterly basis, the data is submitted and the performance is compared to the targets.

The CR Management Committee and the CR reporting leads are jointly responsible to ensure that the data is in line with the formal Ahold reporting procedures.

The data in this report were subject to Ahold's internal risk and compliance processes, and subject to internal review. Deloitte Sweden has reviewed ICA's CR reports for the years 2008, 2009 and 2010. Ahold's CR reports have been reviewed by Deloitte Accountants B.V. for the years 2009 and 2010 (see External assurance). No external review was performed of Ahold's 2008 CR report.

All product counts, for example the number of healthy-choice products, are year-end figures, while the majority of the climate action metrics reflect actual consumption. Where possible, this is an automated process, but in some cases, such as gas consumption, they are a combination of actual consumption and extrapolation based on sample stores. In other cases, where actuals and extrapolations could not be applied, best estimates were used. With respect to the data on our outsourced distribution centers in the United States, third-party data was included that was not subject to the internal process. For the product numbers and contributions and donations, 100 percent completeness cannot be guaranteed due to the manual data gathering process. In some tables, the ICA data is not reported as it is neither measured nor included in ICA's scope where independent stores are excluded.

To offset its global palm oil consumption in 2010 for own-brand products, Ahold has purchased GreenPalm certificates. Palm oil consumption has been estimated on the basis of product specifications at ICA, and extrapolated Ahold-wide. Product specifications include the product weight and palm oil percentage per product unit. Extrapolations are based on actual sales data, own-brand penetration, and an estimated 50 percent lower palm oil consumption in the United States than in Europe.

CO₂ conversion factors

The total CO₂ emission calculation is the sum of the CO₂ emissions of fuel, electricity, district heating, gas and leakage of refrigerant substances. Since the consumption of those elements is not in CO₂ kilograms, conversion factors are used.

For electricity, each country has its own conversion factor, which is updated each year. The sources of the electricity conversion factors are the International Energy Agency for Europe and the Environmental Protection Agency for the United States. Each year, the 2008 baseline year will be re-calculated using the latest electricity CO₂ conversion factors.

Sources for converting fuel and gas: GHG protocol – Mobile guide (03/21/05) v1.3 and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Source for converting electricity per country: International Energy Agency (IEA) Data Services, 2008 and Environmental Protection Agency (EPA) eGRID2007 version 1.1.

Source for converting refrigerant substances: Climate Change 2007 – The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel Climate Change (IPCC), table 2.14, time horizon – 100 years.

Data revisions

In our 2009 CR Report, we stated our 2008 baseline for CO₂ emissions per square meter of sales area as 413 kg. In this 2010 report, we revised our baseline to 433 kg.

This baseline has been adjusted due to the 2010 update of the electricity conversion factors and additional district heating data. The electricity conversion factors have added 94 metric tons of CO₂ emissions to the 2008 baseline, representing 15.1 kg per square meter of sales area. District heating data has been added to the 2008 figures for Other Europe. This was not included in previous reports. This added 27 metric tons of CO₂ emissions to the 2008 baseline, representing 4.4 kg per square meter of sales area.

The 2009 data for CO₂ per square meter of sales area has been revised from 415 kg in the 2009 report to 428 kg in this 2010 report.

This data has been adjusted due to the 2010 update of the electricity conversion factors and actual district heating data. The electricity conversion factors have added 14 kg per square meter of sales area. Estimated district heating data was updated with actual figures for Other Europe, which resulted in a reduction of 1 kg per square meter of sales area.

GRI and Global Compact

We report against the Global Reporting Initiative (GRI) and Global Compact as internationally recognized standards, in order to improve our transparency and comparability against our peers.

Global Reporting Initiative

The GRI is a global, multi-stakeholder network of business professionals, representatives from labor organizations, investors, accountants and others, who work together to develop an internationally accepted standard for CR reporting. Ahold has been reporting according to GRI guidelines since 2006 because they are well known, and because our shareholders request it.

The guidelines recognize issues relating to environmental and social priorities, the running of the business and the products sold. We first reported using the GRI guidelines in 2008. We select which indicators to report on based on those that are material to our priority areas, and therefore to our business and our stakeholders. We have also benchmarked these indicators against our peers and competitors. Every year, we review the indicators selected and we are continually working to improve our data collection processes.

The GRI framework outlines several levels of reporting compliance, depending on a company's capabilities and ambitions. A summary of our compliance is included in the GRI cross-reference table. In 2010, we reported according to the GRI G3 Guidelines, complying with level B. Our CR report 2010 has been reviewed by Ahold's external auditor, Deloitte Accountants B.V., which has provided *limited assurance*. This has enabled us to achieve application level B+ again this year.

GRI and Global Compact continued

GRI cross-reference table

Strategy and analysis

GRI indicator	Where to look	Included
1.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	<i>CR at Ahold:</i> Message from our CEO	Yes
1.2 Description of key impacts, risks, and opportunities.	<i>CR at Ahold:</i> Message from our CEO Our CR strategy AR: Our strategy, How we manage risks	Yes

Organizational profile

GRI indicator	Where to look	Included
2.1 Name of the organization.	Title page <i>Other information:</i> Contact us	Yes
2.2 Primary brands, products, and / or services.	<i>CR at Ahold:</i> Our brands	Yes
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<i>CR at Ahold:</i> Our brands AR: Our strategy – organizational structure	Yes
2.4 Location of organization's headquarters.	<i>Other information:</i> Contact us AR: Our strategy – organizational structure	Yes
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	<i>CR at Ahold:</i> Our brands AR: Our brands, Our strategy – Organizational structure	Yes
2.6 Nature of ownership and legal form.	AR: Share capital, Shares and shareholders' rights	Yes
2.7 Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries).	AR: Group at a glance, Our brands, Group highlights	Yes
2.8 Scale of the reporting organization.	<i>Our people:</i> The data AR: Group at a glance, Group performance, Performance by segment, Consolidated balance sheet, Notes to the consolidated financial statements	Yes
2.9 Significant changes during the reporting period regarding size, structure, or ownership.	AR: Share capital, Notes to the consolidated financial statements	Yes
2.10 Awards received in the reporting period.	<i>Community engagement:</i> Actions and achievements in 2010 – The U.S. fight against hunger, Contributions, sponsorships and donations <i>How we manage CR:</i> Engaging with stakeholders – Awards during 2010	Yes

GRI and Global Compact continued

Report parameters

GRI indicator	Where to look	Included
Report profile		
3.1 Reporting period.	<i>Our approach to reporting:</i> Reporting on our performance	Yes
3.2 Date of most recent previous report.	<i>Our approach to reporting:</i> Reporting on our performance	Yes
3.3 Reporting cycle.	<i>Our approach to reporting:</i> Reporting on our performance	Yes
3.4 Contact point for questions regarding the report or its contents.	<i>Other information:</i> Contact us	Yes
Report scope and boundary		
3.5 Process for defining report content.	<i>CR at Ahold:</i> Responsible retailing Message from our CEO Defining our strategy <i>How we manage CR:</i> Engaging with stakeholders <i>Our approach to reporting:</i> Reporting on our performance Scope of reporting	Yes
3.6 Boundary of the report.	<i>Our approach to reporting:</i> Reporting on our performance Scope of reporting	Yes
3.7 State any specific limitations on the scope or boundary of the report.	<i>Our approach to reporting:</i> Reporting on our performance Scope of reporting	Yes
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and / or between organizations.	<i>Our approach to reporting:</i> Reporting on our performance Scope of reporting	Yes
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	<i>Our approach to reporting:</i> Process and CO ₂ conversion factors	Yes
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	<i>Our approach to reporting:</i> Process and CO ₂ conversion factors Data revisions	Yes
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	<i>Our approach to reporting:</i> Scope of reporting Process and CO ₂ conversion factors Data revisions	Yes
GRI content index		
3.12 Table identifying the location of the Standard Disclosures in the report.	<i>Our approach to reporting:</i> GRI cross-reference table	Yes
Assurance		
3.13 Policy and current practice with regard to seeking external assurance for the report.	<i>Our approach to reporting:</i> Process and CO ₂ conversion factors GRI and Global Compact External assurance	Yes

GRI and Global Compact continued

Governance, commitments and engagement

GRI indicator		Where to look	Included
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<i>Other information:</i> Our leadership AR: Our leadership, Corporate governance, Supervisory Board report	Yes
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	AR: Our leadership, Corporate governance, Supervisory Board report	Yes
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and / or non-executive members.	Ahold does not have a unitary board. It is governed based on a two-tier model.	Yes
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<i>Other information:</i> Contact us AR: Corporate governance – Shares and shareholders' rights Contact information http://www.ahold.com/en/about/corporate-governance/code-conduct http://www.ahold.com/en/investors	Yes
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	AR: Corporate governance, Remuneration	Yes
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	AR: Corporate governance	Yes
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	AR: Our leadership, Corporate governance	Yes
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	AR: How we manage risk http://www.ahold.com/en/about/corporate-governance	Yes
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<i>How we manage CR:</i> Making CR happen AR: Corporate governance, Risk management and internal control, Supervisory Board report	Yes
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	AR: Remuneration	Yes
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	AR: How we manage risk	Yes
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<i>How we manage CR:</i> Engaging with stakeholders – Corporate Affairs	Yes
4.13	Memberships in associations (such as industry associations) and / or national / international advocacy organizations.	<i>How we manage CR:</i> Engaging with stakeholders – Corporate Affairs <i>Sustainable trade:</i> Actions and achievements in 2010	Yes

GRI and Global Compact continued

GRI indicator	Where to look	Included
Stakeholder engagement		
4.14	List of stakeholder groups engaged by the organization.	Yes
	<i>How we manage CR:</i> Engaging with stakeholders	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Yes
	<i>How we manage CR:</i> Engaging with stakeholders	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Yes
	<i>How we manage CR:</i> Engaging with stakeholders	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Yes
	<i>CR at Ahold:</i> Message from our CEO Our CR strategy <i>How we manage CR:</i> Engaging with stakeholders – Corporate Affairs	

Economic performance indicators

GRI indicator	Where to look	Included
Management approach to economic responsibility		
	<i>Community engagement:</i> Our ambitions Targets <i>How we manage CR:</i> CR policies AR: Group highlights, Our strategy, How we manage risks, Financial statements, Notes to the consolidated financial statements	Yes
Aspect: Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Yes
	<i>Community engagement:</i> The data – Contributions and donations (table) AR: Financial statements ICA Group GRI Report 2010: Engagement and investments – creating value in society	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Yes
	<i>Climate action:</i> Actions and achievements in 2010 AR: How we manage risk ICA Group GRI Report 2010: Engagement and investments – creating value in society	
EC3	Coverage of the organization's defined benefit plan obligations.	Yes
	AR: Note 23 Pensions and other post-employment benefits	
EC4	Significant financial assistance received from government.	Yes
	No significant financial assistance received from government	
Aspect: Market presence		
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Partially
	<i>Sustainable trade:</i> Actions and achievements in 2010 – Local sourcing ICA Group GRI Report 2010: Engagement and investments – creating value in society	
Aspect: Indirect economic impacts		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Yes
	<i>Community engagement:</i> Actions and achievements in 2010 – Local wellbeing <i>Sustainable trade:</i> Actions and achievements in 2010 – Membership of The Sustainability Consortium ICA Group GRI Report 2010: Engagement and investments – creating value in society	

GRI and Global Compact continued

Environmental performance indicators

GRI indicator	Where to look	Included
Management approach on environmental responsibility	<i>CR at Ahold:</i> Our approach to CR <i>Climate action:</i> Our ambitions Targets Actions and achievements in 2010 – Water consumption, Sustainable store design, Efficient distributions <i>Our people:</i> Our ambitions Targets <i>How we manage CR:</i> Making CR happen <i>Our approach to reporting:</i> External assurance http://www.ahold.com/en/responsible/climate-action	Yes
Aspect: Energy		
EN3 Direct energy consumption by primary energy source.	<i>Climate action:</i> The data – Fuel consumption (table), Natural gas consumption (table)	Yes
EN4 Indirect energy consumption by primary source.	<i>Climate action:</i> The data – Electricity consumption (table)	Yes
EN5 Energy saved due to conservation and efficiency improvements.	<i>Climate action:</i> Actions and achievements in 2010 The data – Electricity consumption (table), Fuel consumption (table), Natural gas consumption (table) ICA Group GRI Report 2010: Environment and climate change – critical to our future	Yes
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	<i>Climate action:</i> Actions and achievements in 2010 ICA Group GRI Report 2010: Environment and climate change – critical to our future	Yes
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	<i>Climate action:</i> Actions and achievements in 2010 ICA Group GRI Report 2010: Environment and climate change – critical to our future	Partially
Aspect: Water		
EN8 Total water withdrawal by source.	<i>Climate action:</i> The data – Water consumption (table)	Yes

GRI and Global Compact continued

GRI indicator	Where to look	Included
Aspect: Emissions, effluents, and waste		
EN16 Total direct and indirect greenhouse gas emissions by weight.	<i>Climate action:</i> The data – CO ₂ emissions (table)	Yes
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	<i>Climate action:</i> Actions and achievements in 2010 ICA Group GRI Report 2010: Environment and climate change – critical to our future	Yes
EN19 Emissions of ozone-depleting substances by weight.	<i>Climate action:</i> The data – Leakage of refrigerant substances (table)	Partially
EN22 Total weight of waste by type and disposal method.	<i>Climate action:</i> The data – Waste production (table), Waste by type (table), Percentage of waste by disposal method (table), Total waste by disposal method (table) ICA Group GRI Report 2010: Environment and climate change – critical to our future	Yes
Aspect: Products and services		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<i>Climate action:</i> Actions and achievements in 2010	Partially
Aspect: Transport		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	<i>Climate action:</i> Actions and achievements in 2010 ICA Group GRI Report 2010: Environment and climate change – critical to our future	Partially

Social performance indicators: Labor practices and decent work

GRI indicator	Where to look	Included
Management approach on labor and work responsibility		
	<i>Our people:</i> Actions and achievements in 2010 – Our workplace <i>How we manage CR:</i> CR policies AR: How we manage risk http://www.ahold.com/en/responsible/suppliers/standards-engagement	Yes
Aspect: Employment		
LA1 Total workforce by employment type, employment contract, and region.	<i>Our people:</i> The data – Number of employees (table), Percentage of workforce by contract type (table) ICA Group GRI Report 2010: We develop with our employees	Yes
Aspect: Diversity and equal opportunity		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<i>Our people:</i> The data – Percentage of workforce by gender (table), Percentage of workforce by age (table), Composition of the Ahold Boards (table) AR: Our leadership ICA Group GRI Report 2010: We develop with our employees	Yes

GRI and Global Compact continued

Social performance indicators: Human rights

GRI indicator		Where to look	Included
Management approach on human rights responsibility			
		<i>Sustainable trade:</i> Our ambitions Targets Actions and achievements in 2010 – Social compliance <i>How we manage CR:</i> Making CR happen CR policies http://www.ahold.com/responsible/sustainable-trade http://www.ahold.com/en/responsible/suppliers/standards-engagement	Yes
Aspect: Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	<i>Sustainable trade:</i> Our ambitions Actions and achievements 2010 – Social compliance	Partially
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	<i>Sustainable trade:</i> Actions and achievements in 2010 – Social compliance ICA Group GRI Report 2010: Human rights – it's only right	Partially
Aspect: Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	<i>Sustainable trade:</i> Actions and achievements in 2010 – Social compliance AR: How we manage risk http://www.ahold.com/en/about/corporate-governance/code-conduct ICA Group GRI Report 2010: Human rights – it's only right	Yes
Aspect: Child labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	<i>Sustainable trade:</i> Actions and achievements in 2010 – Social compliance AR: How we manage risk http://www.ahold.com/en/about/corporate-governance/code-conduct ICA Group GRI Report 2010: Human rights – it's only right	Yes
Aspect: Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	<i>Sustainable trade:</i> Actions and achievements in 2010 – Social compliance AR: How we manage risk http://www.ahold.com/en/about/corporate-governance/code-conduct ICA Group GRI Report 2010: Human rights – it's only right	Yes

GRI and Global Compact continued

Social performance indicators: Society

GRI indicator	Where to look	Included
Management approach on societal responsibility	<i>Healthy living:</i> Our ambitions Targets <i>Community engagement:</i> Our ambitions <i>How we manage CR:</i> Making CR happen CR policies AR: How we manage risk, Notes to the consolidated financial statements http://www.ahold.com/about/corporate-governance/code-conduct	Yes
Aspect: Community		
FP4 Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	<i>Healthy living:</i> Targets Actions and achievements in 2010 – Labeling systems for healthy product recognition, Making products healthier The data – Healthy-choice products at year end (table), Number of children educated in healthy living (table) <i>Community engagement:</i> Actions and achievements in 2010	Yes
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	<i>How we manage CR:</i> CR policies http://www.ahold.com/en/about/corporate-governance/code-conduct ICA Group GRI Report 2010: ICA – part of the community	Partially
SO5 Public policy positions and participation in public policy development and lobbying.	<i>Healthy living:</i> Actions and achievements in 2010 – Roundtable participation <i>Sustainable trade:</i> Actions and achievements in 2010 – Sustainably sourced products <i>How we manage CR:</i> Engaging with stakeholders – Corporate Affairs CR policies ICA Group GRI Report 2010: ICA – part of the community	Yes

GRI and Global Compact continued

Social performance indicators: Product responsibility

GRI indicator	Where to look	Included
Management approach on product responsibility	<i>How we manage CR:</i> Making CR happen http://www.ahold.com/responsible/sustainable-trade http://www.ahold.com/about/corporate-governance/code-conduct http://www.ahold.com/privacy-policy	Yes
Aspect: Customer health and safety		
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<i>Sustainable trade:</i> Actions and achievements in 2010 – Product safety, Membership of The Sustainability Consortium <i>Climate action:</i> Actions and achievements in 2010 – Our supply chain ICA Group GRI Report 2010: Taking responsibility for a sustainable product range	Yes
FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	<i>Sustainable trade:</i> Targets Actions and achievements in 2010 – Product safety	Yes
FP6 Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugar.	<i>Healthy living:</i> Actions and achievements in 2010 – Making products healthier The data – Healthy-choice products at year end (table)	Partially
FP7 Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives.	<i>Healthy living:</i> Actions and achievements in 2010 – Labeling systems for healthy product recognition The data – Healthy-choice products at year end (table)	Partially
Aspect: Product and service labeling		
PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	<i>Healthy living:</i> The data – Number of certified organic products at year end (table) <i>Sustainable trade:</i> Actions and achievements in 2010 – Sustainably sourced products The data – Number of Fairtrade-certified products at year end (table) <i>Climate action:</i> Actions and achievements in 2010 – Reduce, Albert Heijn's waste-management system <i>How we manage CR:</i> Engaging with stakeholders – Corporate Affairs ICA Group GRI Report 2010: Taking responsibility for a sustainable product range	Partially

GRI and Global Compact continued

FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	<i>Healthy living:</i> Actions and achievements in 2010 – Labeling systems for healthy product recognition, Educational and promotional initiatives <i>How we manage CR:</i> CR policies	Partially
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<i>Healthy living:</i> Actions and achievements in 2010 – Educational and promotional activities ICA Group GRI Report 2010: Taking responsibility for a sustainable product range	Yes
Aspect: Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<i>Healthy living:</i> Our ambitions Targets Actions and achievements in 2010 <i>How we manage CR</i> Engaging with stakeholders – Corporate Affairs CR policies http://www.ahold.com/about/corporate-governance/code-conduct ICA Group GRI Report 2010: Taking responsibility for a sustainable product range	Partially

Sourcing performance indicators

GRI indicator	Where to look	Included	
Management approach on sourcing	<i>Sustainable trade:</i> Our ambitions Targets Actions and achievements in 2010 http://www.ahold.com/en/responsible/sustainable-trade	Yes	
Aspect: Across all aspects of sourcing			
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	<i>Sustainable trade:</i> Targets Actions and achievements in 2010 – Sustainably sourced products, Critical commodities, Social compliance http://www.ahold.com/en/responsible/sustainable-trade	Partially
FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.	<i>Sustainable trade:</i> Targets Actions and achievements in 2010 – Sustainably sourced products, Critical commodities The data – Number of Fairtrade-certified products at year end (table)	Partially

GRI and Global Compact continued

Global Compact

The United Nations Global Compact is an initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption.

Because our business strives for high labor standards and environmental responsibility, we have been taking actions relating to the Global Compact's principles for some time. Our priorities align naturally with theirs. We signed the Global Compact in 2010 as a formal recognition of our commitment to report on our operations and strategies in relation to these principles.

Global Compact principles

Issue areas	Global Compact principles	References
Human rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	<i>Sustainable trade:</i>
		Our ambitions
		Actions and achievements in 2010 – Social compliance
		<i>CR policies:</i>
		http://www.ahold.com/about/corporate-governance/code-conduct
		http://www.ahold.com/en/responsible/suppliers/standards-engagement
	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	<i>Sustainable trade:</i>
		Our ambitions
		Actions and achievements in 2010 – Social compliance
		<i>CR policies:</i>
		http://www.ahold.com/about/corporate-governance/code-conduct
		http://www.ahold.com/en/responsible/suppliers/standards-engagement
Labor	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<i>Sustainable trade:</i>
		Our ambitions
		Actions and achievements in 2010 – Social compliance
		<i>CR policies:</i>
		http://www.ahold.com/about/corporate-governance/code-conduct
		http://www.ahold.com/en/responsible/suppliers/standards-engagement
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	<i>Sustainable trade</i>
		Our ambitions
		Actions and achievements in 2010 – Social compliance
		<i>CR policies:</i>
		http://www.ahold.com/about/corporate-governance/code-conduct
		http://www.ahold.com/en/responsible/suppliers/standards-engagement

GRI and Global Compact continued

Issue areas	Global Compact principles	References
	Principle 5 – Businesses should uphold the effective abolition of child labor.	<p><i>Sustainable trade:</i> Our ambitions Actions and achievements in 2010 – Social compliance <i>CR policies:</i> http://www.ahold.com/about/corporate-governance/code-conduct http://www.ahold.com/en/responsible/suppliers/standards-engagement</p>
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<p><i>Our people:</i> Our ambitions Actions and achievements in 2010 – Our workplace <i>CR policies:</i> http://www.ahold.com/about/corporate-governance/code-conduct http://www.ahold.com/en/responsible/suppliers/standards-engagement</p>
Environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	<i>Climate action</i>
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	<p><i>Sustainable trade:</i> Our ambitions Actions and achievements in 2010 – Environmental impact <i>Climate action</i></p>
	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	<i>Climate action</i>
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	<p><i>CR policies:</i> http://www.ahold.com/about/corporate-governance/code-conduct</p>

External assurance

Independent limited assurance report on Ahold's Corporate Responsibility Report

To: Shareholders, Supervisory Board and Corporate Executive Board and other stakeholders of Koninklijke Ahold N.V.

We have performed a limited assurance engagement on the Corporate Responsibility Report for the year 2010 of Koninklijke Ahold N.V. ("Ahold") in Amsterdam.

Management's responsibility

Management is responsible for the preparation of the Corporate Responsibility Report in conformity with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the Corporate Responsibility Report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. The scope of the Corporate Responsibility Report is subject to management's selection of goals, key performance indicators and reporting principles applied, which are set out under *Scope of reporting, Process and CO₂ conversion factors, Data revisions, and GRI and Global Compact* in this report.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the Corporate Responsibility Report based on our engagement. We conducted our engagement in accordance with Dutch law, including Standard 3410N "Assurance engagement relating to Corporate Responsibility Reports". This requires that we comply with ethical requirements and plan and perform the engagement to obtain limited assurance about whether the Corporate Responsibility Report is free of material misstatement.

A limited assurance engagement with respect to a Corporate Responsibility Report involves performing procedures to obtain evidence about the information disclosed in the Corporate Responsibility Report. The procedures performed depend on the auditor's judgment, but their nature is different from, and their extent is substantially less than, a reasonable assurance engagement, and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our procedures on this engagement included:

- Conducting interviews with senior management responsible for Corporate Responsibility at Ahold;
- Assessing the company's stated application level according to GRI's guidelines;
- Performing analytical review procedures;
- Inspecting internal and external documentation and verifying to what extent these documents and data support the information included in the Corporate Responsibility Report;
- Evaluating whether the information presented in the Corporate Responsibility Report is in line with our overall knowledge of Corporate Responsibility at Ahold.

This engagement was conducted by a multidisciplinary team including assurance and sustainability expertise.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

On the basis of the procedures we have performed nothing has come to our attention that causes us to believe the Corporate Responsibility Report for the year 2010 is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative.

Comparative information

We did not perform any limited assurance procedures on the Corporate Responsibility Report for the year 2008. Consequently, we express no conclusion on the 2008 comparative information.

Amsterdam, March 2, 2011

Deloitte Accountants B.V.

P.J.M.A. van de Goor

Our leadership

Corporate Executive Board



Dick Boer
Chief Executive Officer



Kimberly Ross
Executive Vice President and
Chief Financial Officer



Lodewijk Hijmans van den Bergh
Executive Vice President and
Chief Corporate Governance Counsel

Supervisory Board



René Dahan
Chairman
Chairman of the Selection and
Appointment Committee



Tom de Swaan
Vice Chairman
Chairman of the
Audit Committee



Karen de Segundo



Derk C. Doijer
Chairman of the
Remuneration Committee



Stephanie M. Shern



Judith Sprieser



Mark McGrath



Ben Noteboom

Glossary

Allergen

An allergen is any substance that can cause an allergy. Within the food industry, the most common are nuts, lactose and gluten.

ASC

Aquaculture Stewardship Council.

An international multi-stakeholder initiative offering the first credible aquaculture consumer label that assures companies with sustainable standards. The ASC is expected to be fully operational by 2011.

Audit program

Following the audit, suppliers that do not meet the criteria required must implement a Corrective Action Plan and demonstrate improvements over a specified period of time.

Biodiversity

The diversity of plant and animal life in a particular habitat, or in the world in general.

BRC

British Retail Consortium. The trade association for the UK retail industry.

BSCI

Business Social Compliance Initiative. A non-profit organization, supporting more than 250 international companies in the process of monitoring and improving working conditions in the global value chain.

Carbon footprint

The total set of greenhouse gas emissions caused directly and indirectly by an individual, organization, event or product. A carbon footprint is measured by undertaking a greenhouse gas emissions assessment. Once the size of a carbon footprint is known, a strategy can be devised to reduce it.

CFC

Chlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants.

CO₂

Carbon dioxide.

Composting

A process in which organic waste, which includes food waste, decomposes naturally, resulting in a product rich in minerals that can be used for gardening and farming as a soil conditioner.

Consumer Goods Forum

An independent, global, party-based platform focused on improving non-competitive collaboration. It brings together the CEOs and senior management of around 650 retailers, manufacturers, service providers and other stakeholders from the consumer goods sector across 70 countries.

Corrective Action Plan

If a supplier does not show any improvement after a non-successful audit, or has so-called "unacceptable non-compliances," Corrective Action Plans are set up to ensure that suppliers are committed to, and engaged in, improving working conditions in their facilities.

CR

Corporate Responsibility.

DC

Distribution center.

District heating

Centrally generated heat distributed for residential and commercial heating requirements such as water heating and space heating.

EPA

Environmental Protection Agency.

The agency that coordinates U.S. programs aimed at reducing pollution and protecting the environment.

ERRT

European Retail Round Table. A network of business leaders established to express the views of large European retailers on a range of issues of common interest.

EuroCommerce

The European commercial trade association that represents the retail, wholesale and international trade sectors. Its membership includes European and national associations representing specific commerce sectors as well as individual companies.

Fairtrade

Fairtrade contributes to sustainable development by offering optimal trade conditions to disadvantaged producers (often in countries in the southern hemisphere), and by protecting their rights.

FDA

U.S. Food and Drug Administration.

Fermentation

A process in which organic waste is converted into bio-gas. Leftovers can be recovered as fertilizer.

FMI

Food Marketing Institute. A retail organization that conducts programs in public affairs, food safety, research, education, and industry relations on behalf of its member companies.

Food Policy Committee of EuroCommerce

Represents the retail, wholesale and international trade sectors in Europe.

GFSI

Global Food Safety Initiative. A collaboration between leading food safety experts from across the food industry that sets requirements for food safety schemes through a benchmarking process in order to improve cost efficiency throughout the food supply chain.

GMA

Grocery Manufacturers Association. The association promotes and represents the world's food, beverage and consumer goods companies.

GM-free

Free from genetic modification.

Green technology

The provision of energy that meets the needs of the present without compromising the ability of future generations to meet their needs.

GRI

Global Reporting Initiative. An international, multi-stakeholder initiative that provides an international standard for environmental and social reporting, and defines guidelines and key performance indicators.

Group

All brands that are in scope of this report: Ahold USA (Stop & Shop / Giant Landover and Giant Carlisle), the Netherlands (Albert Heijn), Other Europe (Albert / Hypernova) and ICA.

GSCP

Global Social Compliance Program. A Consumer Goods Forum-driven program for companies that want to harmonize their existing efforts in order to deliver a shared, consistent and global approach for the continuous improvement of working conditions in global supply chains.

Glossary continued**Greenhouse gas**

Gases such as carbon dioxide or methane, which potentially contribute to climate change.

GreenPalm certificates

Certificates purchased by manufacturers and retailers to support RSPO-certified palm oil producers.

GWP

Global warming potential. A measure of how much a given mass of greenhouse gas is estimated to contribute to global warming. It is a relative scale which compares the gas in question to that of the same mass of carbon dioxide (whose GWP is by convention equal to 1).

HCFC

Hydrochlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants.

HFC

Hydrofluorocarbon. A greenhouse gas that may be used as a cooling element in refrigerants.

Incineration

The burning of trash and garbage.

IEA

The International Energy Agency. An intergovernmental organization that acts as energy policy advisor to 28 member countries in their effort to ensure reliable, affordable, and clean energy.

ILO

International Labour Organization. A United Nations specialized agency that seeks the promotion of social justice and internationally recognized human and labor rights.

kWh

Kilowatt hour. This is a unit of energy. Energy delivered by electric utilities is expressed and charged for in kWh. Kilowatt hour is the product of power in kilowatts multiplied by time in hours.

Landfill

Final placement of waste in or on the land in a controlled way according to sanitary, environmental protection and other safety requirements.

LED

Light Emitting Diode. LEDs produce more light per watt than incandescent bulbs.

MSC

Marine Stewardship Council. An independent, non-profit, global organization created to look for a solution to the problem of overfishing. MSC has developed an international standard for sustainable, well managed fishing.

LCA

Life Cycle Assessment. A technique to assess each and every impact associated with all stages of the life cycle of a product.

National brand

The brand name of a product that is distributed nationally under a brand name owned by the producer or distributor.

NGO

Non-Governmental Organization.

NR

Not reported.

OECD

Organisation for Economic Co-operation and Development. International organization helping governments tackle the economic, social and governance challenges of a globalized economy.

Operating company

For a list of Ahold's operating companies, see *Our brands* section of this report.

Organic product

Agricultural product produced by organic farming methods and certified as such by an independent organization.

Own brand

Own brands are defined as private label, corporate brands, exclusive brands, store brands and non-branded products (in short, every product that is not a national brand).

Risk products

High-risk products: Products that have product-specific safety legislation and are required to be manufactured under hygienic conditions either by law or to prevent microbiological or other contamination that has the potential to cause serious injury or death during normal or foreseeable use of the product.

Medium-risk products: products that have product-specific safety legislation or mandatory / harmonized product standards, and / or products that have the potential to cause serious injury or death if they fail during normal or foreseeable use.

REAP

Retailers' Environmental Action Programme. REAP is part of EuroCommerce and provides a basis for the retail sector to stimulate innovation and environmental action across the European Union.

RSPO

Roundtable on Sustainable Palm Oil. A global, multi-stakeholder initiative concerned with the production of sustainable palm oil.

RTRS

Round Table on Responsible Soy. A global, multi-stakeholder initiative concerned with the production of responsible soy.

Stakeholders

All the groups that participate in the economic life of the company (employees, customers, suppliers, and shareholders), who monitor the company (unions and NGOs) or who are more or less directly influenced by it (society, local government, and others).

Stichting Initiatief Duurzame Soja

Dutch supply chain organization to promote the use of responsible soy in cattle feed.

Sustainable development

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Brundtland Commission, "Our Common Future," 1987.

UTZ CERTIFIED

A certification scheme for responsible coffee, tea and cocoa production and sourcing.

WIC

The Special Supplemental Nutrition Program for Women, Infants, and Children. A program that serves to safeguard the health of low-income women, infants, and children up to age five who are at nutrition risk, by providing nutritious foods to supplement diets, information on healthy eating, and referrals to healthcare.

WWF

World Wildlife Fund, also known as World Wide Fund for Nature. An independent conservation organization, whose mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature.

Contact us

We welcome your feedback on this CR report. Please contact:

Corporate Responsibility team

Ahold

Piet Heinkade 167-173

1019 GM Amsterdam

The Netherlands

Email: corporate.responsibility@ahold.com

Phone: +31 (0)20 509 5100

www.ahold.com

Cautionary notice

This CR Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements.

Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, including but not limited to: Ahold's ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Ahold's plans and strategies being less than anticipated; the effect of general economic or political conditions; the actions of competitors and other third parties; increases or changes in competition; Ahold's ability to retain and attract employees who are integral to the success of the business; acquisition and integration; expansion; collective bargaining; information security; business and IT continuity; food and non-food safety; corporate responsibility; business transformation; large strategic projects; insurance programs; Ahold's liquidity needs exceeding expected levels (including but not limited to healthcare and pension funding requirements), and legislative and regulatory environment and litigation risks; and other factors discussed in Ahold's Annual Report 2010 paragraphs risk management and internal control, risk factors, and in Ahold's other public filings and other disclosures.

Accordingly, this CR Report is subject to this notice and the How we manage CR and Process sections in this CR Report, and qualified by the assumptions, qualifications and risk factors detailed in Ahold's public filings and other disclosures.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this CR Report. Ahold does not assume any obligation to update any public information or forward-looking statement in this CR Report to reflect events or circumstances after the date of this CR Report, except as may be required by applicable laws. Outside the Netherlands, Ahold presents itself under the name of "Royal Ahold" or simply "Ahold". For the reader's convenience, "Ahold" or "the company" is also used throughout this CR Report. The company's registered name is "Koninklijke Ahold N.V."

The main corporate responsibility principles and commitments as discussed in this CR Report imply obligations to perform to the best of one's ability, and do not imply obligations to guarantee a certain result.

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