

Our response to stakeholder needs

continued

The following table presents a description of our most material topics – those with a high influence on stakeholder decisions and on which Ahold Delhaize has a significant impact – and how we manage them. Also included is a reference to the primary SDGs supported by our efforts.

Our Ahold Delhaize brands report on sustainability performance indicators, achievements, and challenges on a quarterly basis. Local teams monitor progress and discuss it with the Executive Committee, highlighting areas for best practice sharing among our brands. For more information on our performance indicators and progress against 2020 targets, see the *Sustainability performance* section of this report.

Topic	Description	Management approach	SDG ref
Product safety and quality	<p>The safety and quality of products we sell (GRI Aspect: 416 Customer Health and Safety)</p>	<p>Selling safe, high-quality products is critical to maintaining customer trust. Our product integrity policies and procedures set high standards for both safety and quality with our own-brand suppliers. Our operations policies ensure strong safety and quality management within our distribution centers and through to our stores, including regular facility audits by third parties to confirm compliance.</p> <p>We require all our suppliers to go beyond what is legally required for food safety practices. Achieving stringent certifications is challenging, particularly for Small and Medium-Sized Enterprises. We work with those suppliers to help them achieve an acceptable level of assurance and to identify areas for improvement.</p> <p>2020 target:</p> <ul style="list-style-type: none"> • 100% of own-brand food production sites certified against GFSI (Global Food Safety Initiative), or in compliance with an acceptable level of assurance standard. 	 
Affordable and healthy products	<p>The affordability and accessibility of products we sell that meet the dietary needs and preferences of customers and help them lead active and healthier lives (GRI Aspect: 416 Customer Health and Safety)</p>	<p>Offering affordable, healthy products is a key component of our Better Together strategy. For tracking purposes, we designate healthy own-brand products as those that meet nutritional criteria (using the Guiding Stars system in the U.S. and the Choices criteria in Europe and Indonesia). We drive our target through product innovation, assortment changes, promotions and pricing. Supporting customers in shifting to a healthier diet is not an easy task. To help them make healthier choices, our brands research customer health needs in their markets and assess the effectiveness of their initiatives to help customers shift to a healthier diet. In response to consumer demand, we are also increasing our organic range and offering more products that do not contain artificial ingredients.</p> <p>2020 targets:</p> <ul style="list-style-type: none"> • 50% of own-brand food sales from healthy products • 100% of own-brand products with front-of-pack nutritional labeling 	 
Price of products	<p>Product pricing compared to the competition and consumer perception on price levels</p>	<p>Being “Affordable for all” is a key component of our Better Together strategy. Consumer price perception is based on many factors – not only on actual prices – therefore it is important to measure it regularly in all our markets. Local price strategies are influenced by various local market specifics, our competitors and our perceived and desired brand position in these markets. Our brands monitor and analyze pricing to perform competitively in their local markets, drive economic performance and market share, and ensure healthy food remains affordable.</p>	

Our response to stakeholder needs

continued

Topic	Description	Management approach	SDG ref
Carbon emissions	<p>Impact on the climate emissions of our supply chain and own operations (stores, distribution centers and logistics) (GRI Aspects: 302 Energy, 305 Emissions, 306 Effluents and Waste)</p>	<p>Our brands are actively improving energy-efficiency, reducing refrigerant leakages, increasing the use of natural refrigerants, and improving transport efficiencies. We also recognize food waste and global deforestation as significant contributors to climate emissions, so have set targets to cut food waste and to source sustainably for commodities linked to deforestation (palm oil, soy, and wood fibers).</p> <p>Our brands are also taking steps to reduce supply chain emissions, including through projects with suppliers to develop and transport products to us with fewer emissions. Measuring emissions along our value chain has been a challenge, and one that we are working to solve so that we can further reduce climate impact.</p> <p>2020 targets:</p> <ul style="list-style-type: none"> • 30% reduction in CO₂ equivalent emissions (compared to 2008) from our own operations • 100% certified sustainable sourcing of palm oil, soy, and wood fibers in own-brand products • 20% food waste reduction compared to 2016 (tonnes / € million food sales) 	 
Local sourcing and production	<p>Buying products from local suppliers to increase the availability of fresh food and support local economies (GRI Aspect: 204 Procurement Practices)</p>	<p>Our local brands have a long history of sourcing local products, in response to customer demands for fresh, seasonal food and traditional products from their regions.</p> <p>We manage local sourcing in a variety of ways ranging from operating programs like “Close to Home” at Hannaford that facilitates sourcing from local producers to offering own-brand product lines focused on local items, such as “Close to Greek Nature” at Alfa Beta and “Gusturi Romanesti” at Mega Image. This is not an area that we measure and monitor globally, as it is fully managed by our brands in their local markets.</p>	  
Deforestation and biodiversity	<p>The impact of our products on global deforestation and biodiversity (GRI Aspect: 304 Biodiversity)</p>	<p>Driving sustainability in the supply chain is a difficult challenge for a single retailer to solve, but we take our responsibility seriously and play an active role in the Consumer Goods Forum together with other partners in the industry. In addition, we take an active role in global roundtables (such as the Roundtable on Sustainable Palm Oil) to help the global market shift more quickly to sustainable practices.</p> <p>We continue our long-standing commitment to source sustainable seafood in order to protect biodiversity in oceans and rivers. Our brands work directly with suppliers, particularly for fruits and vegetables, to encourage the use of practices that protect biodiversity (such as Integrated Pest Management).</p> <p>2020 targets:</p> <ul style="list-style-type: none"> • 100% certified sustainable sourcing of palm oil, soy, wood fibers, tea, coffee and cocoa in own-brand products • 100% of own-brand seafood product sales certified as sustainable 	 

Our response to stakeholder needs

continued

Topic	Description	Management approach	SDG ref
<p>Healthy and sustainable diets</p>	<p>The impact of our products, services, and the information that we provide on facilitating healthier and more sustainable diets for our customers and associates (GRI Aspect: 416 Customer Health and Safety)</p>	<p>Our brands are committed to promoting healthier eating among customers and associates. To meet these commitments, the brands are driving innovation towards healthier products (such as by reducing sugar, salt, and fat in own-brand products), introducing new product lines (such as new vegetarian and vegan offerings), and improving product sustainability (through sustainable sourcing requirements for suppliers). In addition, the brands offer services to help customers shift their diets, such as employing dietitians in the stores to give advice on developing healthier eating habits.</p> <p>The brands also provide information to customers and associates on healthier diets through websites, local magazines, social media, and in-store guidance. Addressing the move to more sustainable diets is newer for our brands. In 2017, Giant Landover successfully rolled out the “How Good” product rating system, which scores products on their sustainability impacts and makes it easy to find more sustainable options. While the products, services, and information aimed at customers also helps inform our associates, we have committed to increasing our focus on supporting associates in moving toward healthier habits, with each brand developing annual plans to improve their work in this area.</p> <p>2020 targets:</p> <ul style="list-style-type: none"> • 50% of own-brand food sales from healthy products • 100% sustainable sourcing for seven commodities in our own-brand products (tea, coffee, cocoa, seafood, palm oil, soy, wood fibers) • 80% of own-brand production units meeting social compliance standards <p>Additional KPIs:</p> <ul style="list-style-type: none"> • Percentage of total food sales from certified-organic products • Sales from free-from or organic own-brand product lines 	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p style="font-size: 8px;">2 ZERO HUNGER</p> </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p style="font-size: 8px;">3 GOOD HEALTH AND WELL-BEING</p> </div> </div>
<p>Economic performance</p>	<p>The financial performance of the company and our economic impact on communities (GRI Aspect: 201 Economic Performance)</p>	<p>The financial performance of the company is essential for operating a sustainable business and is closely managed by executive management at group and brand level. We have a clear financial framework to support our strategy and aim to maintain a high return on capital. Our brands are active supporters of the economies they operate in, through providing jobs, purchasing from local suppliers and supporting valuable community programs. See <i>Group financial review</i> for more information and specific financial performance indicators.</p> <p>As part of our promise to be a better neighbor, we seek to make a positive impact in the communities in which our brands operate. One way Ahold Delhaize does this is through the taxes we pay. In this respect we take into consideration social and corporate responsibility and the interest of all our stakeholders. Our overall tax approach is in line with Ahold Delhaize’s overall business principles and code of ethics. Our tax policy is published on our website.</p>	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p style="font-size: 8px;">8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p style="font-size: 8px;">10 REDUCED INEQUALITIES</p> </div> </div>

Our response to stakeholder needs

continued

Topic	Description	Management approach	SDG ref
Associate wages	The adequacy and equality of wages we pay, and the impact this has on the communities we operate in	<p>Ahold Delhaize employs 369,000 associates in nine countries. In determining the employment conditions of associates, we set compensation and benefits levels in line with associates' job levels and local market practices. The remuneration practices in each of our local markets are regularly reviewed to take into account the market dynamics and economic conditions. We are committed to the key principle of fair and equitable treatment of all associates as we determine remuneration policies. We believe associates are the core of our business and we assess their well-being and opinions on various topics each year through our associate engagement survey.</p> <p>KPIs:</p> <ul style="list-style-type: none"> • Associate engagement survey score • Percentage of associates who work part-time and full-time 	 
Associate safety, health and well-being	Safety of our associates at work, and the impact of our actions on associate health and well-being (GRI Aspect: 403 Occupational Health and Safety)	<p>We measure and monitor accidents, occupational illness and related absenteeism and set annual targets to further increase safety measures for our associates. We integrate safe working conditions into our workplace designs, equipment purchases and operational procedures. We build visibility and awareness with our leaders and associates on the impact of life-altering injuries and fatalities.</p> <p>We support associates' health and well-being through brand-level programs, such as the associate social support program "Alfa Beta Social Services" at our Greek brand and "Healthy Albert Wednesday" through which associates in the Czech Republic are offered fresh fruit and the opportunity to taste healthy own-brand products. An example of a program that embeds safety into work practice is the "Safety Lead Certification" program at Stop & Shop in the U.S. Emerging leaders participate in a multi-faceted program to support their understanding of injury prevention and their role in keeping people safe.</p> <p>2020 target:</p> <ul style="list-style-type: none"> • Score of 75 on index of healthy workplace questions in associate engagement survey <p>Additional KPIs:</p> <ul style="list-style-type: none"> • Rate of lost days due to accidents • Rate of occupational illnesses per million hours worked • Associate engagement survey index on "healthy workplace" 	 

Our response to stakeholder needs

continued

Topic	Description	Management approach	SDG ref
<p>Human rights in the supply chain</p>	<p>How human rights are respected along our supply chain (GRI Aspects: 407 Freedom of Association and Collective Bargaining, 408 Child Labor, 409 Forced or Compulsory Labor, 414 Supplier Social Assessment)</p>	<p>We require our suppliers in high-risk countries to be audited against the amfori BSCI Standard to ensure good working conditions within our supply chain. Ahold Delhaize and each of our local brands are committed to maintaining a high standard of business ethics and regard for human rights throughout the supply chain. In 2017, we adopted a position on Human Rights that outlines our commitment to respecting human rights. Supplier requirements are defined in our Standards of Engagement, which are mandatory for all own-brand suppliers.</p> <p>Even with multiple measures and controls in place, we realize that challenges remain for our industry, due to lengthy supply chains that often span the world and are not always fully transparent. For this reason, we joined the work of the Consumer Goods Forum on forced labor as well as the Seafood Task Force on human trafficking and forced labor in off-shore fishing. With respect to wages in our supply chain, we are analyzing, in close collaboration with UTZ, the effects of introducing a living wage for coffee production workers in Kenya. These results will help us realistically and constructively deal with the wage gap in developing countries, which we can then apply to other products and regions.</p> <p>Both our Position on Human Rights and the Standards of Engagement can be found on our website.</p> <p>2020 target:</p> <ul style="list-style-type: none"> 80% of own-brand production units meeting social compliance standards (ambition of 100% after 2020) 	
<p>Impact on local communities</p>	<p>Impact of our business on the communities where our brands operate (GRI Aspect: 413 Local Communities)</p>	<p>We promise to be a better neighbor to the communities in which we operate. Our brands deliver on this promise, for example, by creating great places to work, reducing waste, buying from local suppliers, and building green facilities that support more sustainable communities. In our charitable contributions and community investments, we focus on promoting healthier eating, fighting hunger and strengthening communities. Our brands engage with local communities through a diverse set of programs, including partnerships with local food banks, sponsorship of educational programs on healthier eating for children, direct involvement with local charitable organizations and through associate volunteering events.</p> <p>For more information on our Framework for Community Connections and examples of our actions, see our website.</p> <p>2020 target:</p> <ul style="list-style-type: none"> 20% food waste reduction (tonnes / € million food sales) 80% total waste recycled <p>Additional KPIs:</p> <ul style="list-style-type: none"> Cash donations by the company to charities Cash equivalent donations by the company to charities Cash and cash equivalent donations by customer to charities, facilitated by Ahold Delhaize brands Tonnes of food donated 	   

Our response to stakeholder needs

continued

Topic	Description	Management approach	SDG ref
<p>Diversity of our workforce</p>	<p>The diversity of our associates (including age, gender, ethnicity and sexual orientation) and how it reflects the diversity of the communities where we operate (GRI Aspect: 405 Diversity and Equal Opportunity)</p>	<p>We measure associate perception on diversity through an annual associate engagement survey and set annual targets to drive progress. We are committed to creating an inclusive workplace by hiring and retaining a diverse population of associates that reflects the communities that our brands serve every day. We integrate diversity and inclusion into our associates' value proposition through hiring practices and leadership development programs and we regularly provide innovative training to drive a more inclusive workplace culture. In 2017, our U.S. businesses were recognized for their commitment by earning a perfect score on the Human Rights Campaign's Corporate Equality Index – the only retail grocery company to do so.</p> <p>2020 target:</p> <ul style="list-style-type: none"> Score of 79 on the index of inclusive workplace questions in the associate engagement survey <p>Additional KPIs:</p> <ul style="list-style-type: none"> Percentage of female and male associates Percentage of females on the Executive Committee and Supervisory Board Percentage of associates by generation 	  
<p>Food waste</p>	<p>Food that goes to waste (is not eaten by people) along the value chain: in the supply chain, distribution, stores and in customers' homes (GRI Aspect: 306 Effluents and Waste)</p>	<p>We minimize food waste in our own operations through prevention and re-directing unsold food to feed people (through donations or new business models such as the "InStock" food rescue restaurants in the Netherlands). For the food waste that we cannot eliminate, we continue to expand recycling. To prevent food waste, we focus on optimizing store replenishment and on-shelf management. Our brands identify new ways to partner with food banks in all our markets to redistribute more unsold food to people in need. For example, Delhaize Belgium brought together more than 200 members from their local communities to mark the fifth anniversary of their fresh food donation program, which redistributes unsold fresh food from all of their stores to people in need.</p> <p>2020 target:</p> <ul style="list-style-type: none"> 20% food waste reduction (tonnes / € million food sales) 90% food waste recycled <p>Additional KPIs:</p> <ul style="list-style-type: none"> Tonnes of food waste sent to disposal per food sales Percentage of unsold food donated to feed people 	 

For more information on specific KPIs related to the material topics see the *Sustainability performance* section. Also, for additional information, see *Our value chain*, *Our stakeholders*, and the case studies included in *Our promises* or visit our website for more information on the UN SDGs.



Our response to stakeholder needs

continued

We closely monitor the following topics identified through the materiality assessment, particularly when they have a high influence on stakeholders' decisions or they are areas on which Ahold Delhaize has a significant impact. In addition, we are evaluating the efficacy of our current management approaches, as some may provide opportunities or threats for our business in the near future.

Topic	Description
Transparency	The degree to which we are transparent to customers about products, their supply chains and their health and sustainability impacts
Sustainable agriculture	Sustainable farming practices that safeguard natural resources (soil, water, ecosystems) and reduce impact on climate change
Personal data / privacy	The protection of personal data from consumers and associates
Plastics	The life-cycle impact of our use of plastics in products and packaging (including shopping bags)
Animal-based protein	The impact on the environment and human health from animal-based protein products
Automation and socio-economic impact	The impact of automation and new technologies on our workforce
Responsible tax	Paying a sufficient, responsible level of tax in proportion to our profit
Animal husbandry	The treatment of animals along our product supply chain
Climate change impacts on sourcing	The changing availability of our products (such as fruits and vegetables, commodity crops) due to climate change