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Introduction

Our businesses flourish when our communities are healthy and resilient. When we reduce food waste, we operate more efficiently and minimize our impact on the planet. When we make it easy and fun for associates and customers to eat healthier, we grow sales, while at the same time potentially helping to bring down disease rates and enable future generations to thrive.

To drive innovation and changes across our business and increase the value we create for customers, associates, communities, shareholders and the environment, we developed a Sustainable Retailing strategy that supports the achievement of our Leading Together strategy. Our 2020 Sustainable Retailing strategy was developed at the time of our merger in 2016, based on our most material topics and leveraging our global scale, market expertise and great local brands. The following sections show how we are progressing on that strategy, as well as our performance on sustainability in general.



Introduction

Our 2020 ambition

We are committed to making it easier for our customers to eat more nutritious food, which helps to reduce the prevalence of diseases and increase overall vitality.

We will reduce food waste, as part of our aim to responsibly manage the earth's resources, and work with food banks to feed the undernourished in our communities.

We are committed to celebrating a diverse and inclusive workforce and seeing associates reach their potential so they can thrive in life and business.

Our Sustainable Retailing 2020 strategy was shaped by our most material topics, the UN Sustainable Development Goals (SDGs) and market knowledge from our great local brands. We also considered trends in our markets and around the world, integrated stakeholder feedback, and referenced other global frameworks (such as the OECD Guidelines for Multinational Enterprises).

We will enable our brands' customers and associates to eat healthier food every day by:

- Innovating to make healthier eating more affordable and more fun
- Inspiring customers and associates with programs and services that make healthier eating easy, every day
- Rewarding customers and associates for nutritious choices
- Improving our assortment to increase our sales of nutritious own-brand products to 50% of total own-brand food sales by 2020

We will contribute to the global goals to reduce food waste by:

- Decreasing food waste in our own operations by 20% (2016-2020)
- Maximizing the recovery of unsold food to reduce hunger in our communities
- Innovating with our suppliers to reduce food waste
- Helping customers reduce food waste at home

We will provide a healthy and inclusive workplace for associates by:

- Enabling associates to become healthy food ambassadors by supporting them in eating nutritious foods
- Creating a work environment in which everyone is valued and can reach their full potential

In addition, we will continue our journey to improve performance in the following five areas:

1. **Associate development:** We take care of people by encouraging associate development.
2. **Climate impact:** We take our responsibility for using the planet's resources sustainably by reducing carbon emissions and waste.
3. **Product safety and sustainability:** The products we sell are safe and meet sustainable sourcing standards, while maintaining quality and affordability.
4. **Safety at work:** We integrate safe working practices for all associates into workplace designs, equipment purchases and operational procedures.
5. **Local community connection:** We partner at the local level to create healthier, more sustainable communities for future generations.

We are currently developing a new Sustainable Retailing strategy for 2025 integrated with and supportive of Leading Together. We aim to lead our industry in accelerating toward food systems that are healthier for people and the planet.



Introduction

Our 2020 ambition

continued

Global governance

We manage our sustainability strategy at multiple levels in the organization. Ultimately, the Executive Committee, supervised and advised by the Supervisory Board (and its Sustainability and Innovation Committee) has accountability for setting strategy and driving performance.

The Sustainable Retailing function reports directly to the President and CEO at the global level. The Vice President Sustainable Retailing and the Group Support Office Sustainable Retailing team are responsible for advising on Ahold Delhaize's Sustainable Retailing strategy, reporting global performance internally and externally, engaging external stakeholders, supporting the brands in implementation, monitoring trends and tracking related issues and risks.

A global Sustainable Retailing Steering Committee, made up of Executive Sponsors from the local brands and relevant global functional leaders, reviews and recommends the strategic direction and public targets, and tracks overall performance.

The leaders of the local brands are responsible for sustainable retailing within their brands. Each brand sets specific annual targets on all the Ahold Delhaize Sustainable Retailing performance indicators. On a quarterly basis, each brand leader performs an assessment on the brand's year-to-date data and discusses progress and potential data quality improvements with the Ahold Delhaize President and CEO and the VP Sustainable Retailing.

Functional leaders across the brands, in areas such as Merchandising, Human Resources, Facility Management, Retail Operations, Occupational Health and Safety, and Product Integrity, are responsible for integrating sustainable retailing into their work and managing the relevant action plans.

Local action

While we have identified the areas we want to impact as a company, we empower the brands to create programs that also address these areas in market-specific ways.

We build on the past achievements of all the brands while collaborating and sharing best practices to achieve our Sustainable Retailing goals. Each great local brand has set targets to ensure we grow our businesses and create value consistently. Our local management's remuneration is directly tied to these targets.

Progress towards 2020

Following is a summary of the targets we set for 2020, and our progress towards them in 2017 and 2018.

SDG	Strategic area	Performance indicator description	2018	2017	2020 target
	Promote healthier eating	% of healthy own-brand food sales as a proportion of total own-brand food sales	47%	46%	50%
		% of own-brand products with front-of-pack nutritional labeling ¹	88%	87%	100%
	Reduce food waste	Tonnes of food waste per food sales (t/€ million)	5.2	5.3	4.25 (-20%)
		% of total food waste recycled	77%	68%	90%
	Create healthy and inclusive workplaces	Index of healthy workplace questions	74%	73%	75%
		Index of inclusive workplace questions	78%	77%	79%
	Associate development	Index of associate development questions	72%	71%	73%
	Climate impact	% change in CO ₂ equivalent emissions per m ² of sales area (from 2008 baseline) ²	(28)%	(26)%	(30)%
		Total CO ₂ equivalent emissions per m ² sales area – location-based approach (kg CO ₂ -eq/m ²) ²	456	471	445
		% ozone-friendly refrigerants ²	77%	74%	85%
		Average GWP of total refrigerants ²	2,320	2,370	2,230
		% waste recycled	76%	73%	80%

1 2017 figure excludes Mega Image and Delhaize Belgium.

2 We have restated 2017 figures to include more accurate: GWP for our refrigerants, sales area and actual fuel usage. The 2017 figure excludes Gall & Gall and Etos.

Progress towards 2020 continued

SDG	Strategic area	Performance indicator description	2018	2017	2020 target
	Product safety & sustainability	% of production units of own-brand food products that are Global Food Safety Initiative (GFSI)-certified or comply with an acceptable level of assurance standard	93%	91%	100%
		% of production units for own-brand food products that are certified according to a GFSI-recognized standard	89%	88%	93%
		% of production units for own-brand food products that comply with an acceptable level of assurance standard (other than GFSI)	4%	4%	7%
		% of production units of own-brand products in high-risk countries audited against an acceptable standard for social compliance, with a valid audit report or certificate and no non-compliances on deal-breakers ¹	66%	59%	80%
		% of own-brand products containing tea certified against an acceptable standard	84%	72%	100%
		% of own-brand coffee products certified against an acceptable standard	87%	82%	100%
		% of own-brand products containing cocoa certified against an acceptable standard	49%	53%	100%
		% of own-brand products containing over 25% cocoa certified against an acceptable standard	69%		100%
		% of own-brand products containing under 25% cocoa certified against an acceptable standard	34%		75%
		% of palm oil volume in own-brand products certified to an acceptable standard or to RSPO Book & Claim	100%	100%	100%
		% of palm oil volume in own-brand products certified against an acceptable standard (Mass Balance or Segregated supply chain option)	86%	80%	75%
		% of palm oil volume in own-brand products offset by purchase of RSPO Book & Claim	14%	20%	25%
		% of own-brand wood fiber products certified sustainable against an acceptable standard, low risk, or recycled	52%	48%	100%
		% of high priority (South American) direct and embedded soy volumes in the supply chain of own-brand products certified against an acceptable standard ²	91%	80%	100%
		% of own-brand seafood product sales certified against an acceptable standard, from sustainable sources assessed by a credible third party, or from credible FIPs/AIPs	94%	92%	100%
% of own-brand seafood product sales with an identified farm/fishery of origin	100%	99%	100%		

1 2017 Hannaford and Food Lion figures refer to private label products. 2017 data for all other brands refers to own-brand products.

2 2017 Delhaize Belgium figure is reported as Q4 2016 – Q3 2017.



Sustainable Retailing data

Scope

This year's annual report on fiscal year 2018 contains sustainable retailing data from all Ahold Delhaize brands except bol.com, Etos, Gall & Gall and Peapod, unless otherwise noted.

From an operational scope perspective, the data includes the following parts of the business, unless specifically noted otherwise:

- All stores (company-owned and franchise / affiliated stores)
- Offices
- Company-owned distribution centers, including all transportation from distribution centers to stores, regardless of whether the transportation companies are owned by Ahold Delhaize

In this Annual Report, as well as Annual Report 2017, some of the brands were not yet able to report on all indicators, as they were in the process of adjusting their internal measurement systems to Ahold Delhaize definitions or were creating new data collection processes. When full alignment in reporting for an indicator was not achieved for 2017, we have explained it in the footnotes.

Global Reporting Initiative

Our sustainability reporting has been prepared in accordance with the GRI Standards: Core option. The indicators we have chosen to report on are derived from an analysis of their relevance and materiality to the key impacts of our businesses, and are the ones we believe best measure progress against our strategic focus areas. This document has been reviewed by the Company's external independent auditor, PricewaterhouseCoopers Accountants N.V.

A summary of our application of the GRI Standards is included in the GRI Index which can be found at www.aholddelhaize.com.



Sustainable Retailing data

People

Associate diversity

Performance indicator description	2018	2017
Number of associates (thousands) ²	372	369
% of female associates ²	53%	53%
% of female Executive Committee members	14%	11%
% of female Supervisory Board members	22%	17%
% of male associates ²	47%	47%
% of full-time associates ²	33%	32%
% of female, full-time associates ¹	47%	
% of male, full-time associates ¹	53%	
% of part-time associates ²	67%	68%
% of female, part-time associates ¹	56%	
% of male, part-time associates ¹	44%	
% Greatest Generation (1900-1945) ²	1%	1%
% Baby Boomers (1946-1964) ²	16%	17%
% Generation X (1965-1979) ²	22%	22%
% Generation Y (1980-1995) ²	27%	29%
% Generation Z (1996+) ²	34%	32%
% associates covered by collective bargaining ²	56%	58%

1 In 2017, we did not report % of female / male full-time associates, or % of female / male part-time associates.

2 2018 and 2017 data includes Peapod, Gall & Gall, Etos and bol.com

Associate engagement¹

Performance indicator description	2018	2017
Associate engagement score	79%	78%
Healthy workplace score	74%	73%
Inclusive workplace score	78%	77%
Associate development score	72%	71%

1 2018 and 2017 figures include Peapod, Gall & Gall and Etos.

Safety at work

Performance indicator description	2018	2017
Rate of lost days due to accidents ¹	2.4	2.5
Occupational illness frequency rate ²	0.11	0.14

1 Safety at work data excludes offices. 2018 data includes bol.com, Etos and Gall & Gall. 2018 and 2017 data for Delhaize Belgium is reported for Q4 2017-Q3 2018. 2017 Albert Heijn data may include an overestimation of the number of incidents, due to reporting limitations.

2 Safety at work data excludes offices. 2018 data excludes Delhaize Belgium, Alfa Beta, Delhaize Serbia, Mega Image, Albert and Peapod. 2018 data includes Etos and Gall & Gall. 2017 data includes Ahold Delhaize USA only.

Local community connection

Performance indicator description	2018	2017
Total monetary value of our company's corporate citizenship / philanthropic contributions (€ millions)	140.1	176.9
Cash contributions (€ millions)	14.1	15.4
In kind and volunteer hours cash-equivalent contributions (€ millions)	126.0	161.5
% total Ahold Delhaize contributions as charitable donations	88%	
% total Ahold Delhaize contributions as community investments	3%	
% total Ahold Delhaize contributions as commercial initiatives	8%	
Total monetary value of donations by customers, suppliers and associates to charities, facilitated by Ahold Delhaize brands (€ millions)	8	7
% of cash and cash-equivalent donations to charities by the company on pre-tax profit	7%	9%
Tonnes of food donated	57,599	52,731



Sustainable Retailing data

Planet

Food waste

Performance indicator description	2018	2017
Tonnes of food waste per food sales (t/€ million)	5.2	5.3
Tonnes of food waste sent to disposal per food sales (t/€ million)	1.2	1.7
% of total food waste recycled	77%	68%
% food waste recycled for animal feed ¹	24%	24%
% food waste recycled for biogas generation	33%	33%
% food waste recycled for compost	9%	10%
% food waste recycled by rendering ¹	34%	33%
% of unsold food donated to feed people ²	19%	18%

1 2017 data is restated to correct recycling classifications at Albert Heijn.

2 2017 data is restated to include the Giant Food, Giant/Martin's, and Stop & Shop brands.

Waste

Performance indicator description	2018	2017
Total waste generated (thousand tonnes)	1,024	1,029
% of waste sent to landfill	15%	18%
% of waste incinerated and transformed into energy	9%	9%
% of waste recycled	76%	73%
Number of non-reusable carrier bags distributed (million bags) ¹	3,915	4,366

1 2018 figure includes Peapod.

Climate impact¹

Performance indicator description	2018	2017
% change in CO ₂ equivalent emissions per m ² of sales area (from 2008 baseline) ²	(28)%	(26)%
Total CO ₂ -equivalent emissions per m ² sales area – location-based approach (kg CO ₂ -eq/m ²) ²	456	471
Total CO ₂ -equivalent emissions (thousand tonnes) – location-based approach ²	4,215	4,274
Scope 1 (thousand tonnes) ²	1,816	1,632
Scope 2 (thousand tonnes)	1,950	2,195
Scope 3 (thousand tonnes) ²	449	447
Total CO ₂ -equivalent emissions per m ² sales area – market-based approach (kg CO ₂ -eq/m ²) ²	430	432
Total CO ₂ -equivalent emissions (thousand tonnes) – market-based approach ²	3,973	3,920
Scope 2 (thousand tonnes)	1,707	1,840

1 2018 figures include Gall & Gall and Etos.

2 We have restated 2017 figures to include more accurate: GWP for our refrigerants, sales area and actual fuel usage.

Refrigerants¹

Performance indicator description	2018	2017
Refrigerants equivalent emissions (thousand tonnes) ²	1,343	1,196
Refrigerants equivalent emissions per m ² of sales area (kg CO ₂ -eq/m ²) ²	145	132
% ozone-friendly refrigerants	77%	74%
Average refrigerant Global Warming Potential (GWP) ²	2,320	2,370
Refrigerant leakage rate	14%	12%

1 2018 figures include Gall & Gall and Etos.

2 We have restated 2017 figures to include more accurate: GWP for our refrigerants and sales area.

Sustainable Retailing data

Planet

continued

Energy consumption¹

Performance indicator description	2018	2017
Facilities energy consumption CO ₂ -equivalent emissions (Scopes 1 & 2) (thousand tonnes)	2,427	2,668
Facilities energy consumption equivalent emissions per m ² sales area (kg CO ₂ -eq/m ²)	263	294
Facilities energy consumption (million kWh)	6,833	6,667
Facilities energy consumption per m ² sales area (kWh/m ²)	826	812
Total renewable electricity produced on site (million kWh)	20	20
% renewable electricity on total electricity consumed	12.7%	15.5%
Avoided grid electricity CO ₂ emissions (thousand tonnes)	248	362

¹ 2018 figures include Gall & Gall and Etos.

Transport¹

Performance indicator description	2018	2017
Transport equivalent emissions (thousand tonnes) ²	445	411
Transport equivalent emissions per m ² of sales area (kg CO ₂ -eq/m ²) ²	48	45
Fuel consumption by trucks (million liters) ²	155	143

¹ 2018 figures include Gall & Gall and Etos.

² Transport emissions and fuel includes distribution networks owned and operated by Ahold Delhaize, as well as third-party contractors that serve our stores. We have readjusted our 2017 figures to better reflect actual fuel usage. This has a 6% impact on our figures.

Water¹

Performance indicator description	2018	2017
Total water consumption (thousand m ³)	8,016	7,546
Total water consumption (m ³) per m ² of sales area	1.03	0.96

¹ 2018 and 2017 data excludes Albert Heijn. 2017 data includes estimates for Delhaize Belgium affiliated stores.

Sustainable Retailing data

Product

Promote healthier eating

Performance indicator description	2018	2017
% of healthy own-brand food sales of total own-brand food sales	47%	46%
% of own-brand products with front-of-pack nutritional labeling ¹	88%	87%

¹ 2017 data excludes Mega Image and Delhaize Belgium.

Product safety

Performance indicator description	2018	2017
% of production units of own-brand food products that are Global Food Safety Initiative (GFSI)-certified or comply with an acceptable level of assurance standard	93.2%	91.2%
% of production units for own-brand food products that are certified according to a GFSI-recognized standard	88.9%	87.6%
% of production units for own-brand food products that comply with an acceptable level of assurance standard (other than GFSI)	4.3%	3.6%
% of production units of high-risk non-food own-brand products audited by an independent third-party against acceptable standards for the relevant product category ¹	64%	53%

¹ 2017 data excludes Albert Heijn, Albert, Hannaford and Food Lion.

Social compliance

Performance indicator description	2018	2017
% of production units of own-brand products in high-risk countries audited against an acceptable standard with a valid audit report or certificate and no non-compliances on deal-breakers ¹	66%	59%

¹ 2017 Hannaford and Food Lion figures refer to private label products. 2017 data for all other brands refers to own-brand products.

Commodities

Performance indicator description	2018	2017
% of own-brand products containing tea certified against an acceptable standard	84%	72%
% of own-brand coffee products certified against an acceptable standard	87%	82%
% of own-brand products containing cocoa certified against an acceptable standard	49%	53%
% of own-brand products containing over 25% cocoa certified against an acceptable standard	69%	
% of own-brand products containing under 25% cocoa certified against an acceptable standard	34%	
% of palm oil volume in own-brand products certified to an acceptable standard or to RSPO Book & Claim	100%	100%
% of palm oil volume in own-brand products certified against an acceptable standard (Mass Balance or Segregated supply chain option)	86%	80%
% of palm oil volume in own-brand products offset by purchase of RSPO Book & Claim	14%	20%
% of own-brand wood fiber products certified sustainable against an acceptable standard, low-risk, or recycled	52%	48%
% of own-brand paper and wood packaging (as defined, and per SKU) certified sustainable against an acceptable standard, low risk, or recycled ¹	37%	
% of high priority (South American) direct and embedded soy volumes in the supply chain of own-brand products certified against an acceptable standard ²	91%	80%
% of own-brand seafood product sales certified against an acceptable standard, from sustainable sources assessed by a credible third party, or from credible FIPs / AIPs	94%	92%
% of own-brand seafood product sales with an identified farm / fishery of origin	100%	99%
% total seafood sales from products certified to MSC or ASC ³	38%	14%
% total seafood sales from products certified to MSC	25%	9%
% total seafood sales from products certified to ASC	12%	5%

¹ 2018 data excludes Albert Heijn.

² Soy credits are purchased through the Roundtable on Responsible Soy. 2017 Delhaize Belgium figure is reported as Q4 2016-Q3 2017.

³ 2018 data excludes Albert Heijn, Albert and Ahold Delhaize USA brands. 2017 data excludes Albert Heijn and Albert.



Sustainable Retailing data

Product

continued

Organics

Performance indicator description	2018	2017
% total food sales from certified organic products	3%	4%
Total sales from free-from or organic own-brand lines (€ millions)	1,554	1,451

Definitions

The specific definitions outlined below add context to our Sustainable Retailing data, as well as detail to some of the specific calculations.

Acceptable standards and certifications for commodities

Ahold Delhaize defines acceptable standards as multi-stakeholder initiatives, or standards supported by multiple stakeholders. They include third-party verification and focus on mitigating the main environmental and social issues associated with a commodity's production. Acceptable standards are science-based, globally consistent and focus on continuously improving production and supply chain practices. Acceptable standards for tea, coffee, and cocoa include UTZ Certification, Rainforest Alliance, Fairtrade USA / Fairtrade International or equivalent standards. Acceptable standards for palm oil include Roundtable on Sustainable Palm Oil (RSPO) Principles & Criteria, Rainforest Alliance SAN Standard or equivalent standards. Acceptable standards for wood fiber are the Forest Stewardship Council (FSC) Chain of Custody, Program for Endorsement of Forest Certification (PEFC) Grade A standards, Sustainable Forestry Initiative (SFI) or equivalent standards. Acceptable standards for soy are Roundtable on Responsible Soy (RTRS) standard for Responsible Soy Production, ProTerra, or equivalent. We purchase area-based RTRS credits from the Cerrado Region. Acceptable standards for seafood products include certification against a program that is recognized by the Global Sustainable Seafood Initiative (GSSI) or Aquaculture Stewardship Council (ASC) farm standards.

Palm oil RSPO-certified

The Roundtable for Sustainable Palm Oil (RSPO) initiated a certification program to promote the use of sustainable palm oil, with different supply chain options: RSPO Segregated, RSPO Mass Balance and RSPO Book & Claim. RSPO Segregated certifies that palm oil only comes from RSPO-certified palm plantations.

RSPO Mass Balance certifies that palm oil comes from a mix of RSPO-certified and -uncertified palm plantations. RSPO Book & Claim enables companies to buy credits from RSPO-certified growers, crushers and independent smallholders. To comply with RSPO Certification requirements, any supplier that uses palm-based ingredients must be RSPO Chain of Custody-Certified, and purchase RSPO-Certified (Mass Balance or Segregated) palm oil.

Animal welfare

The treatment of animals along our product supply chain.

Automation and socio-economic impact

The impact of automation and new technologies on our workforce.

amfori BSCI

amfori BSCI (Business Social Compliance Initiative): a non-profit organization that supports more than 1,000 international companies in the process of monitoring and improving working conditions in the global supply chain through its own auditing program. We consider the following standards to be "BSCI Equivalent":

- Ethical Trading Initiative (ETI) / SMETA
- Fair for Life / For Life
- Fair Labor Association (FLA)[†]
- Fair Trade USA^{††}
- Fairtrade Hired Labor
- Fairtrade Textile
- Florverde^{††}
- Initiative Clause Sociale (ICS)
- Intertek Workplace Conditions Assessment (WCA)
- Kenya Flower Council (KFC) certification
- MPS – Socially Qualified (SQ)

- Rainforest Alliance (RA) / Sustainable Agriculture Network (SAN)
- Sustainable Agriculture in South Africa (SIZA)
- Sustainably Grown; Social Accountability (SA) 8000
- UTZ Certified^{††}
- Wine and Agricultural Ethical Trade Association (WIETA)

[†] Only audit reports conducted by external, independent auditors are considered equivalent.

^{††} Only applicable if the production unit is a farm.

Associate engagement survey

Associate engagement is measured through an annual associate engagement survey of all associates employed by Ahold Delhaize brands. A number of items in the survey are used to derive and calculate an associate engagement score.

- Healthy workplace: Through the associate engagement survey, associates are asked about the support they receive to have healthier lives.
- Inclusive workplace: Through the associate engagement survey, associates are asked about the support they receive to have a more inclusive workplace.
- Associate development: Through the associate engagement survey, associates are asked about the support they receive to develop their careers with Ahold Delhaize.

Associate engagement benchmarks

Global retail benchmark: This is a reflection of companies in the retail sector that have a bricks and mortar and online presence globally. Ahold Delhaize defines this more broadly than just grocery retailers and the countries we have a presence in because we compete for talent with all retailers globally and we want to understand our strengths and opportunities against the global talent competition.

Definitions

continued

Regional retail benchmark: This is a combination of direct competitors for business and talent defined by the Ahold Delhaize brands and with locations in the countries and regions where we have a presence. It allows Ahold Delhaize to have a clearer understanding of our strengths and opportunities against our direct competitors for retail and distribution talent in the countries where we have a presence.

Biodiversity

The variety of species present on earth, or in a specific habitat or ecosystem.

Carbon footprint methodology and data scope

The carbon footprint methodology follows the guidelines of the World Business Council for Sustainable Development (WBCSD) / World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol regarding corporate greenhouse gas accounting and reporting. Our Ahold Delhaize carbon footprint reporting takes into account Scope 1, Scope 2 and limited Scope 3 emissions.

Scope 1 (direct GHG emissions): emissions from sources that are owned or controlled by Ahold Delhaize. Scope 1 emissions include emissions from refrigerant leakages, owned trucking and on-site fuel usage (natural gas, propane, light fuel).

Scope 2 (indirect GHG emissions): emissions from the generation of purchased electricity, heat or steam consumed by the company. They are not “direct” emissions in that they arise from third-party installations but are attributed to the company’s operations as the end user of the electricity, heat or steam.

Limited Scope 3 (other indirect emissions): emissions from franchise stores (including estimates) and affiliated stores; trucking emissions from subcontracted trucks that deliver Ahold Delhaize products from operated distribution centers to stores.

The Group’s total CO₂-equivalent emissions and energy figures include all energy and related emissions data as defined by the scopes above, including data from facilities that closed or opened during 2018.

We use the latest available emission factors in our reporting. We source electricity emission factors from the International Energy Agency (IEA, 2018 edition; 2016 data) for European countries and from GHG Protocol 2014 (based on eGrid 2016 values, issued in February 2018 by the U.S. Environmental Protection Agency – EPA) for the United States. We source fuel emission factors from GHG Protocol 2014 wherever available and otherwise from other appropriate sources. For refrigerant leakages, we apply the Global Warming Potentials (GWP) for refrigerant blends used in Ahold Delhaize facilities based on Intergovernmental Panel for Climate Change Assessment Report data IPCC, AR5 (2014).

We do not extend our reporting to include all Scope 3 emissions, but we work with our peer companies and suppliers to better understand the climate change impact we have throughout our entire value chain. Scope 3 defined by the GHG Protocol accounts for all the remaining emissions that result from our activities, ranging from products transportation to affiliated stores to emissions from our supply chain, including emissions from growing and packaging the food we sell.

CO₂ emissions / CO₂ equivalent (CO₂e)

The CO₂ (carbon dioxide) emissions data we report consists of a calculated CO₂ equivalent: actual CO₂ emitted plus equivalent emissions from other greenhouse gases (such as CH₄, N₂O and F-gases).

Location-based approach

The GHG Protocol Scope 2 Guidance defines the location-based approach as “a method that reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).”

Market-based approach

The GHG Protocol Scope 2 Guidance defines the market-based approach as “a method that reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Markets differ as to what contractual instruments are commonly available or used by companies to purchase energy or claim specific attributes about it, but they can include energy attribute certificates (RECs, GOs, etc.), direct contracts (for both low-carbon, renewable, or fossil fuel generation), supplier-specific emission rates, and other default emission factors representing the untracked or unclaimed energy and emissions (termed the ‘residual mix’) if a company does not have other contractual information that meets the Scope 2 Quality Criteria.”

Deforestation

The removal of a forest or stand of trees from land which is then converted to a non-forest use. Deforestation can involve conversion of forest land to farms, ranches, or urban use. The most concentrated deforestation occurs in tropical rainforests.

Food waste

As defined by the Food and Agriculture Organization of the United Nations (FAO), food waste is any removal of food from the food supply chain which is or was at some point fit for human consumption, but has been disposed of, or has spoiled or expired, mainly as a result of economic behavior, poor stock management or neglect. In our calculations, in contrast to shrink, food waste excludes donations from hunger relief organizations, theft, and cash shortages.

Definitions

continued

Food Loss and Waste Protocol

A multi-stakeholder effort to develop the global accounting and reporting standard (known as the FLW Standard) for quantifying food and associated inedible parts removed from the food supply chain (referred to for simplicity's sake as "food loss and waste"). For more information, see www.flwprotocol.org.

Free from products

"Free from" products exclude certain ingredients, such as allergens, synthetic colors or artificial flavors. The excluded ingredients are normally referenced on the packaging or product marketing materials.

Front-of-pack nutritional labeling

Nutritional labeling (showing the amount of certain nutrients) that is on the front of a product package. At a minimum, it comprises the calories per serving.

GFSI

Global Food Safety Initiative: a Consumer Goods Forum activity that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs.

Greenhouse gases

Gases such as carbon dioxide or methane that contribute to climate change.

Global Reporting Initiative (GRI)

An independent international not-for-profit organization that developed the GRI Sustainability Reporting Standards and works to support their implementation.

Global Sustainable Seafood Initiative (GSSI)

A global platform and partnership of seafood companies, NGOs, experts and governmental and intergovernmental organizations working towards more sustainable seafood. GSSI's Global Benchmark Tool includes GSSI Essential Components that are based on the Code of Conduct for Responsible Fisheries (CCRF) and the FAO Guidelines and that seafood certification schemes must meet to be recognized by GSSI.

Global Warming Potential (GWP)

Defined by the GHG Protocol as "a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO₂." By using GWP, GHG emissions can be standardized to a carbon dioxide equivalent (CO₂e) that allows expressing the emissions of different greenhouse gases using carbon dioxide as a reference. For example, for a 100-year time horizon, the impact of one unit of methane is 25 times greater than one unit of CO₂ (according to IPCC's 4th assessment report). Hence, methane's global warming potential (GWP) is 25.

Average GWP

The GWP of all refrigerants we use in our systems (including stores and distribution centers) weighted in relation to their total charge.

Healthy products

Products that meet nutritional criteria as determined by Guiding Stars (in the U.S.) and Choices nutrition criteria (in Europe). See guidingstars.com or www.choicesprogramme.org.

Healthy and sustainable diets

Products that meet nutritional criteria and services and the information that we provide on facilitating healthier and more sustainable diets for our customers and associates.

Last-stage of production unit

The entity that performs the last stage of production or processing in the supply chain where food and non-food safety and / or working conditions are impacted. The last stage of production (LSOP) is:

- For food safety: the location where the final consumer product (including packing) is handled.
- For non-food safety: the location where the final consumer product (excluding packing) is assembled.
- For social compliance: the location where labor is involved in producing or processing the final product – (re-)packing in a non-high-risk country is excluded.

Materiality matrix

In a materiality matrix, social, environmental and economic issues are plotted along two dimensions: their influence on stakeholder assessments and decisions and the significance of Ahold Delhaize's social, environmental and economic impact on these topics.

National brands

Products that are distributed nationally under a brand name owned by the producer or distributor.

Occupational illness frequency rate

Work-related illnesses or diseases occurring in the course or scope of employment. Occupational illnesses or diseases are only measured if a patient requires a medical professional to administer direct care or evaluate the illness or disease. In the U.S., information from our local claims management or insurance providers is used to monitor performance in this area. Since local claims management or insurance providers need to comply with local legislation, the acceptance of illnesses or diseases as work-related can deviate across brands. Occupational illnesses are calculated per one million hours worked.



Definitions

continued

Own brands

Own-brand products, at Ahold Delhaize company-operated and affiliated stores, include: private labels, fancy brands (proprietary private labels that are a fantasy name owned by Ahold Delhaize), exclusive brands (brands that are not international, national or regional brands), store-prepared products (in-store food preparation, even if derived from branded stock), non-branded products (such as bulk fruit and vegetables or no name non-food products) and promotional items relating to the former. In short, every product that is not an international, national or regional brand is considered to be an own-brand product.

Ozone-friendly refrigerant

A refrigerant that has no ozone depletion potential (ODP=0), meaning there is no degradation to the ozone layer. The data are based on the 2015 Report from United Nations Environment Programme (UNEP), "TOC Refrigeration, A/C and Heat Pumps Assessment Report 2015."

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).

Private label products

Private label products are a sub-set of Ahold Delhaize own brands, consisting of products with a visible proprietary label from an Ahold Delhaize brand.

Rate of lost days due to accidents

Number of days lost that are directly related to work-related accidents per 200,000 hours worked. The number of days lost are days scheduled to be worked according to each associate's schedule. An accident is a non-fatal or fatal injury arising in the course of work.

Responsible tax

Paying a sufficient, responsible level of tax in proportion to our profit.

Sales area

The sum of the store areas (in square meters) where products are sold and services provided, taken at the end of the year.

Sustainable agriculture

Sustainable farming practices that safeguard natural resources (soil, water, ecosystems) and reduce impact on climate change.

Sustainable Development Goals (SDGs)

The United Nations SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 goals replace the Millennium Development Goals and are set on a 2016-2030 timeframe.

Product transparency

The degree to which we are transparent to customers about products, their supply chains and their health and sustainability impacts.

United Nations Global Compact

An initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environmental and anti-corruption.

Waste

"Total Waste Generated" includes all waste, regardless of the waste management (recycling, incineration or landfill). It is broken down by percentage sent to landfill, recycled, and sent to incinerators that produce energy. Waste data covers all types of facilities (stores, distribution centers, and offices). Information about all waste disposal methods has been determined through information provided by the waste disposal contractors.

Waste recycling

All methods that do not include sending waste to landfill or incineration. For food waste, this includes four methods: recycling through animal feed, recycling through biogas generation for energy, composting and rendering. For other waste streams, such as cardboard, paper, plastic and other waste, recycling refers to applied methods for each specific waste type.

Assurance report of the independent auditor

To: the Management Board and the Supervisory Board of Koninklijke Ahold Delhaize N.V.

Assurance report on the sustainability information 2018

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the sustainability information included in the Annual Report 2018 of Koninklijke Ahold Delhaize N.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to sustainability; and
- the thereto related events and achievements for the year ended December 30, 2018

in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internally applied reporting criteria as included in the section “reporting criteria”.

What we have reviewed

We have reviewed the sustainability information included in the annual report for the year ended December 30, 2018, as included in the following sections in the annual report (hereafter: “the sustainability information”):

- Message from our CEO (page 3 to 5);
- Group highlights (page 6);
- Who we are (page 7 to 29);
- Group sustainability performance review (page 47 to 49);
- Performance: Sustainability, sections Introduction, Progress towards 2020 and Sustainable Retailing data (page 214 to 229).

This review is aimed at obtaining a limited level of assurance.

The links to external sources or websites in the sustainability information are not part of the sustainability information reviewed by us. We do not provide assurance over information outside of the annual report.

The sustainability information comprises a representation of the policy and business operations of Koninklijke Ahold Delhaize N.V., Zaandam, the Netherlands (hereafter: “Ahold Delhaize”) with regard to sustainability and the thereto related business operations, events and achievements for the year ended December 30, 2018.

The basis for our conclusion

We have performed our review in accordance with Dutch law, which includes the Dutch Standard 3810N “Assuranceopdrachten inzake maatschappelijke verslagen” (“Assurance engagements on corporate social responsibility reports”), which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. Our responsibilities under this standard are further described in the section “Our responsibilities for the review of the sustainability information” of this assurance report.

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

Independence and quality control

We are independent of Ahold Delhaize in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten” (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other for the engagement relevant independence requirements in the Netherlands. Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA – “Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct”).

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS – “Regulations for quality systems”) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.



Assurance report of the independent auditor

continued

Reporting criteria

The sustainability information needs to be read and understood in conjunction with the reporting criteria. The Management Board of Ahold Delhaize is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internally applied reporting criteria, as disclosed in sections Scope (page 220) and Definitions (page 226 to 229) of the Annual Report. The absence of a significant body of established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Limitations to the scope of our review

The sustainability information includes prospective information such as expectations on ambitions, strategy, plans and estimates and risk assessments. Inherently, the actual results are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and the achievability of prospective information in the sustainability information.

Responsibilities for the sustainability information and the review

Responsibilities of the Management Board and the Supervisory Board

The Management Board of Ahold Delhaize is responsible for the preparation of the sustainability information in accordance with the reporting criteria as included in section “reporting criteria”, including the identification of stakeholders and the definition of material matters. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarized in sections Scope (page 220) and Definitions (page 226 to 229) of the Annual Report. The Management Board is responsible for determining that the applicable reporting criteria are acceptable in the circumstances.

The Management Board is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or errors.

The Supervisory Board is responsible for overseeing the company’s reporting process on the sustainability information.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate assurance information to provide a basis for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review engagements is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the sustainability information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.



Assurance report of the independent auditor

continued

Procedures performed

We communicate with the Supervisory Board on our planned scope, procedures performed, timing of the engagement and on the significant findings that result from our procedures.

These procedures included amongst others:

- Performing an analysis of the external environment and obtaining insight into relevant social themes and issues and the characteristics of the company.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Management Board.
- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review.
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatement, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
 - Interviewing management (and / or relevant staff) at corporate and local level responsible for the sustainability strategy, policy and results;
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
 - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and / or risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to entities in Belgium and the United States of America are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
 - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level.
- Reconciling the financial information as included in the sections we reviewed, with the financial statements.
- Evaluating the consistency of the sustainability information with the information in the Annual Report, which is not included in the scope of our review.
- Evaluating the presentation, structure and content of the sustainability information.
- To consider whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used and has been prepared "in accordance" with the Sustainability Reporting Standards of the Global Reporting Initiative.

We have exercised professional judgment and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Amsterdam, February 26, 2019

PricewaterhouseCoopers Accountants N.V.

Original has been signed by D. van Ameijden RA