



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Social

As we work to build a healthier planet, we also focus on healthier people – in particular, customers and associates.

Our social impact extends beyond the boundaries of our offices, and our brands' stores and DCs. Our work impacts not only associates but also the customers our brands serve and, more broadly, the communities they operate in. Our great local brands aim to drive positive impact by helping customers and associates make healthy, sustainable choices and working to ensure customers have access to affordable, high-quality nutritious products. Our brands strive to ensure every associate can thrive, and that both associates and customers feel a sense of belonging and community. We also strive to reduce negative impacts, by safeguarding human rights in our brands' own operations and across our supply chains, and working to prevent store-based violence and other workplace safety-related incidents.

For our performance on these social topics, see [ESG statements](#).



IMPACTS ON CUSTOMERS

CUSTOMERS' HEALTH AND NUTRITION

Definition

Expanding the brands' product ranges with healthy and nutritious goods. Providing clear and complete information on products' health impacts. Increasing customers' awareness about health and nutrition.

Boundary: Own operations and value chain (up- and downstream)

General developments in 2023

Global hunger, measured by the prevalence of undernourishment (SDG Indicator 2.1.1), remained far above pre-pandemic levels. Some studies indicate that the proportion of the world population facing chronic hunger in 2022 was about 9%, compared with approximately 8% in 2019.

Growing urbanization is a megatrend that, combined with shifts in income, employment and lifestyles, is driving changes in food production, processing, distribution and procurement and consumer behavior.

These changes represent both challenges and opportunities to ensure everyone has access to affordable healthy diets.

Urbanization is often associated with a diversification of diets, including the consumption of foods that can contribute to a healthy diet, not only in urban areas but also in rural areas.

However, the availability of vegetables and fruits is insufficient to meet the daily requirements of a healthy diet in almost every region of the world, and urbanization contributes to the spread of convenience, pre-prepared and fast foods, often energy dense and high in fats, sugars and/or salt, which are increasingly abundant and also cheaper.

The prevalence of childhood obesity is at risk of increasing with the emerging problem of high consumption of highly processed foods and food away from home.

Our impact

Healthy food leads to healthy communities by reducing the risk of chronic diseases and contributing to a community's overall resilience and vitality. Customers look to our brands for fresh, healthy inspiration to help them put delicious, nutritious family meals on the table every day.

Our brands work to help make customers (and associates) more aware of what they eat and how it impacts their health and the planet. They aim to offer affordable, nutritious product choices and other information and support to make healthier eating easier and more appealing.



IMPACTS ON CUSTOMERS

CUSTOMERS' HEALTH AND NUTRITION CONTINUED

Our approach and progress

We aim to make healthier eating commonplace by making fresh, nutritious and delicious food available and affordable for everyone. Our local brands make healthier eating easier through their broad ranges of products that include affordable, nutritious choices, and with recipes, support services and transparent labeling. They use engaging activities to make healthier food appealing and fun.

Working with customers

Our brands inspire customers and provide healthier food in stores and online. They continue to add healthier and more sustainable products to their assortments and keep reformulating own-brand products to reduce salt, sugar and fat and increase vitamins, whole grains and fiber. For example, during 2023, Albert launched 20 new healthy products, and, in cooperation with their suppliers, reformulated 30 products, increasing fiber content in local bakery products and reducing salt and fat in others.

Through Nutri-Score in Europe and Guiding Stars in the U.S., our brands continue to drive transparency about nutritional value.

All of the Ahold Delhaize brands aim to have a nutritional navigation system implemented by 2025. The U.S. brands, Delhaize in Belgium, Albert Heijn in the Netherlands and Maxi in Serbia have met this target ahead of time.

However, our brands in the CSE countries are in a difficult position to meet this target. Local authorities showed resistance to the adoption of Nutri-Score (used by Delhaize and Albert Heijn) and decided to forbid it as a consumer-facing system. They will wait for the European Commission to propose EU-wide legislation for front-of-package labeling. In light of this sensitive situation, our CSE brands (Albert, Alfa Beta, Mega Image and Delhaize Serbia) have removed the Nutri-Score logo on own-brand products.

Nonetheless, the CSE brands are committed to proactively elevating their marketing messaging towards healthy products to keep encouraging healthier diets.

Our brands strive to provide healthier choices and guidance to customers while, at the same time, offering the wide range of products consumers demand.

For example, our Delhaize brand in Belgium integrates healthier choices into its customer loyalty program. The SuperPlus program enables customers to earn points that can then be spent on discounted products or gift cards. Another benefit to SuperPlus is the Nutri-Boost program, which gives every customer spending a minimum amount per month, a 10% discount on fresh products, such as vegetables, fruit, bread and refrigerated products with Nutri-Scores A or B. This discount is not capped at a certain amount, and a comparison between the regular price and the Nutri-Boost price is displayed on the shelves and in the app, making it easy and visible for customers. Approximately 2.5 million customers have signed up for the program.

Hannaford continued in 2023 with its registered dietitian program, which helps customers make healthy choices by providing free nutrition education. The program has grown significantly since its launch more than 20 years ago, when it was one of the first programs of its kind to be offered by a large-scale supermarket retailer in the northeastern United States. Hannaford shoppers now have access to free nutrition education from more than 30 dietitians in over 50 stores across the New England region and New York state. Dietitians lead more than 1,000 in-store classes, tours and online seminars each year on topics such as heart-healthy eating, meal planning and nutrition for kids. The brand also provides education at schools, libraries and healthcare facilities.

In September 2023, Stop & Shop's nutrition partners hosted a week-long wellness event for the community at the brand's Grove Hall store in Boston, Massachusetts. This Wellness Week was a great way to connect and provide ongoing health and wellness support for the community. All year long, a dedicated in-store dietitian at the Grove Hall location offers free nutrition programming through one-on-one consultations, healthy grocery shopping assistance, cooking demonstrations, in-person community classes and webinars.

The GIANT Company has a program by which it offers virtual classes focused on a healthy lifestyle and healthy eating and linked to incentives. The brand's dietitian team hosts a series of virtual classes that provide inspiration, knowledge, and engagement for customers.

Currently, the classes have an average attendance of 285 people. Content varies, and touches upon different health-related areas. For example, "Produce Spotlight" classes highlight and discuss a seasonal produce item, and incorporate it into a recipe. "Meal Solutions Monday" classes highlight quick and nutritious meal solutions, while "Wellbeing Workshops" offer the opportunity to collaborate with The GIANT Company's pharmacists.

Albert Heijn offers a motivational app called "AH My lifestyle coach," developed for everyday effective lifestyle coaching – targeting diet, exercise and sleep. The coaching, developed in close collaboration with behavior scientists, is focused on sustained behavioral change and linked to all kinds of different life stages and journeys. For instance, the app provides coaching on customers' personal shopping basket, along with over 75 challenges that include tasks, recipes, workouts and articles.

Our Greek brand, Alfa Beta, has a website that offers helpful information and enables customers to create their own personalized nutrition plans. The online platform includes health tips and numerous healthy recipes – supported by appealing photos and marketing. Its focus is not only on healthy food, but also sustainable products and cooking with leftovers to fight food waste.



IMPACTS ON CUSTOMERS

CUSTOMERS' HEALTH AND NUTRITION CONTINUED

Giant Food's Healthy Living team expanded the brand's offerings in 2023 to make services and solutions even more accessible. Customers and associates can now access education on a wide range of topics, with supporting resources such as podcasts, shopping lists, meal plans and recipe collections available in the Giant Food YouTube video library. Customers who prefer shorter content can engage on the team's new Healthy Living by Giant TikTok account. In March 2023, the Healthy Living by Giant podcast celebrated its 100th episode, marking seven years of bi-weekly storytelling connecting customers to their farmers, makers, and community.

In addition, to improve the health of communities in need, the brand launched its Giant Food Pantry Project. It connected local partners with professional organizers who helped stock their pantries with Guiding Star-rated ingredients to make approximately 5,400 culturally relevant, balanced meals.

Collaboration with others

As part of our ongoing commitment to promoting health, we engage in the Consumer Goods Forum (CGF), including its coalition Collaboration for Healthier Lives, bringing together manufacturers, retailers and other partners dedicated to empowering individuals to lead healthier lives. During coalition meetings, Ahold Delhaize shares insights from our local markets, in line with the coalition's strategy of "Better Options, Better Choices, and Better Communities."

Key themes such as behavior change, healthier diets, employee well-being, and preventive health are at the forefront of discussions, emphasizing our holistic approach. In 2023, the coalition released a playbook, Winning Behavior Change: A Toolkit for Building Impactful Initiatives, which showcases the data and key learnings from the coalition global initiatives and provides a view on how businesses can establish and execute impactful projects and strategies.

We take those learnings and integrate them into our internal knowledge sharing, to help us create impactful initiatives that move the needle on health.

How we measure performance

- Percentage of healthy own-brand food sales as a proportion of total own-brand food sales.

Our targets

TIMELINE	TARGET
Short-term	52.3% healthy own-brand food sales as a proportion of total own-brand food sales by 2025 ¹ .

¹ The 2025 target has been decreased to 52.3% from 55.6% last year to account for the expected impact of the amended Nutri-Score algorithm which is implemented in 2024.

PRODUCT AFFORDABILITY

Definition

Ensuring that customers and communities have access to high-quality nutritious products at prices they can afford.

Boundary: Own operations and downstream value chain

General developments in 2023

While inflation seems to have peaked in 2022 in most markets where we operate, prices remain higher than pre-pandemic levels. Supply chain shortages have moderated compared to a tumultuous 2022. Yet the lingering effects of these trends and consistent pressure on margins is also impacting Ahold Delhaize's business.

Information in the public domain indicates that nearly 60% of respondents said grocery spending represented a significantly higher share of their income. Consumers have also adapted their buying habits by trading down to save money.

Reducing spending remains a top priority for shoppers in all income groups. In fact, nearly 60% of U.S. consumers are looking for ways to save money, an increase of 13 percentage points over 2022.

This search for savings means own-brand offerings became more important. Even if market conditions improve, consumers might continue buying own brands: 83% of U.S. consumers believe the quality of own-brand goods is equal or superior to that of branded products.

Our impact

Our local brands' longstanding commitment to building strong, long-term relationships with suppliers helps them to keep shelves stocked so that customers can get the products they need, even in challenging times.

As a large food retail company, Ahold Delhaize also has a role to play in ensuring communities in its brands' markets have access to affordable products.

For example, The GIANT Company launched a pilot program with a local health system, through which low-income households receive a digital voucher for fresh produce every two weeks. They can log in to the GIANT app or website, click on offers and shop with the voucher either online or in-store.

Our approach and progress

Our approach to ensuring product affordability focuses on the following areas:

Saving for our customers

Our Save for Our Customers initiative enables our brands to operate efficiently, keeping costs down and prices competitive, for example, by introducing more entry-priced products, expanding their high-quality own-brand assortments and delivering personalized value through digital omnichannel loyalty programs. Their own-brand ranges are an important tool in helping offer customers unique and high-quality products at a good value.

See also [Performance review](#) for information on our Save for Our Customers initiative.

During 2023, in addition to our existing AMS and Coopernic buying alliances, Ahold Delhaize joined the European retail alliance joint venture EURELEC, to help address persistent price differences between European markets.



For more information on how we ensure affordable products, see also **Strengthen operational excellence**.



IMPACTS ON CUSTOMERS

PRODUCT AFFORDABILITY CONTINUED

Expanding our reach

Our approach to increasing access to high-quality, affordable food and other items centers on our brands' convenient neighborhood locations and seamless digital shopping platforms. Our brands continuously look for opportunities to expand the brick-and-mortar store network and extend online shopping delivery.

For example, Food Lion announced the expansion of its Food Lion To Go grocery pick-up service to 45 more stores in Delaware, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia in December. With this development, the brand now offers Food Lion to Go pickup or home delivery in approximately 90% of its 10-state operating area.

Product assortment

Our great local brands have been agile in expanding their assortments with high-quality own-brand products at affordable prices and swift to pass on price reductions where possible.

For example, Delhaize Belgium is working to provide a wide offering of affordable products to its customers through its Little Lions program, launched in 2022, that puts 500 basic own-brand products in the spotlight at competitive prices. By Q3 2023, the Little Lions campaign expanded to 1,000 products – double the original offering.

To keep daily grocery shopping affordable, Albert Heijn has also expanded its range of Price Favorites from 1,700 to more than 2,000 top-quality products always offered at good value for money. Price Favorites are available for all daily groceries – including vegetables, fruit, breakfast cereals, cleaning products and toilet paper – and for every occasion.

Customer loyalty programs

Our brands continue to invest in and leverage the power of our digital capabilities to provide customers with meaningful, highly personalized discounts tailored to their needs and wallets.

How we measure performance

- Delivery on our Save for Our Customers program.

Our targets

TIMELINE	TARGET
Short-term	Save for Our Customers program to deliver ≥ €1 billion in 2024.

FAIR AND SAFE WORKPLACE

WORKPLACE CONDITIONS (OWN OPERATIONS)

Definition

Ensuring responsible labor practices in our own operations, which include workplace health and safety, compensation and benefits, talent and development, employee well-being and health promotion, and freedom of association topics.

Boundary: Own operations

General developments in 2023

Across all our markets, price inflation reduced consumer spending power and forced some customers to make different choices while shopping for their groceries, including downtrading. In addition, our brands and those of our competitors experienced an increase in shoplifting cases and, subsequently, in workplace violence related to prevention and response activities. Although physical injuries were relatively limited, we experienced two tragic fatalities this year. Store associates were also more exposed to verbal aggression, intimidation and threats, as well as additional pressure on their mental health and well-being.

Our impact

At Ahold Delhaize, over 402,000 associates look to our brands and businesses to provide a safe place to work and contribute to their health and well-being. As a company of great local brands that are close to the communities they serve, we have a keen understanding of the specific needs of people in all our brands' markets and act to keep associates safe and provide them with the support they need.

Our approach and progress

Workplace health and safety

This increased level of crime and violence prompted our brands to extend and strengthen their programs to ensure a safe working and shopping environment for associates and to ensure continuity of services to communities in sometimes challenging neighborhoods. In many communities, our brands' presence represents continued access to affordable and nutritious food. Brands in the U.S. and Europe not only revamped and strengthened their workplace violence prevention programs with in-person training for store management and associates to increase their skills in managing conflicts in the workplace, but also made significant and focused investments in prevention to support our store management and associates and to manage crime levels and product loss.

Stop & Shop continued to roll out advanced video technology to assist customer scanning behavior and reduce the abuse of self-checkouts to commit theft. Giant Food, Hannaford, Food Lion, The GIANT Company, Albert Heijn and Albert are in the process of piloting and selecting similar video technology to address the theft opportunity that self-checkouts offer. Mega Image is improving its Security Operating Center to assist store management in detecting and responding to crime incidents, combined with rapid security response teams for intervening in crime incidents. A few brands in the U.S. and Europe (including Hannaford, Albert Heijn and Albert) are piloting body-worn cameras to measure the added value for deescalating conflicts.



FAIR AND SAFE WORKPLACE

WORKPLACE CONDITIONS (OWN OPERATIONS) CONTINUED

Our U.S. brands are rolling out technology to prevent losses successfully by blocking the wheels of shopping carts with unpaid products in them so they cannot be pushed out of the store. All our brands have advanced capabilities and have put plans in place to ensure timely and adequate incident response and aftercare, often supported by third-party professionals, such as trauma response and mental support services.

As an often vital part of the communities we serve, our brands are also collaborating with relevant stakeholders, such as national and local governments, law enforcement, retail organizations and the media to contribute to a safer living environment and raise awareness in the communities we serve.

We believe that building a comprehensive safety culture, processes and tools across the organization is the foundation of building awareness and engaging associates. Visible leadership commitment and associate participation in safety provide a strong foundation for a positive culture in an organization. The Ahold Delhaize brands and businesses strive to maintain workplaces that are accident and injury free, recognizing that healthy and safe work environments reduce absences and improve business results.

In 2023, we created a comprehensive global safety policy to be implemented in 2024. The care for the health, safety and well-being of our colleagues, customers, suppliers and vendors is one of our core company values. Brand leadership is responsible for establishing and resourcing implementation plans and monitoring performance around locally relevant health and safety topics. We work through a Global Safety network, which comprises the Safety leads from each brand and other relevant experts. The team collaborates on strategic priorities, mitigation of common risks, shared best practices, subject matter expertise and common guidelines and expectations. The Global Safety network also provides support and resources for developing and maintaining global or common safety management systems that manage organizational exposures to loss, including mitigating injury and regulatory risks.

In 2023, we focused on building leadership on safety among brand management teams. We know that leaders are highly influential in creating a safe workplace. We invested time with brand executives to learn how they were approaching safety engagement and to gather success stories that could be shared more broadly across the company. Several brands – including bol, Albert Heijn, RBS and Mega Image – hosted workshops focused on how to be better safety leaders and advocates.

The teams put a lot of work into aligning key performance indicators, with a particular focus on reducing serious injuries and fatalities. We were encouraged by the improvement in workplace absenteeism rate, from 2.00 in 2022 to 1.89 for 2023. Although serious injury rate increased from 0.42 for 2022 to 0.47 for 2023, overall we had fewer serious injuries in 2023 and the rate is elevated as a result of working hours.

In addition to our work to improve associate safety, our brands also have a strong strategic focus on the health and well-being of associates, their families and communities. They show this by providing benefits that promote healthy living, work-life balance and financial security, in the spirit of our value, care. Our brands also have programs in place to inspire associates to focus on their mental health and well-being.



See also the **Cultivate best talent** section for more information on how we support associate health, well-being and talent and development. See also **Diversity, equity and inclusion** section for more information on pay equity.

How we measure performance

- Workplace injury absenteeism rate (number of injuries that result in lost days per 200,000 hours worked)
- Serious injuries and fatalities rate (per one million hours worked).

Our ambitions

TIMELINE	AMBITION
Short-term	Reduce absenteeism rate year-on-year
Aspiration	Through risk mitigation, education and awareness, reduce all serious injury and fatality occurrences



FAIR AND SAFE WORKPLACE

HUMAN RIGHTS IN THE SUPPLY CHAIN

Definition

Making sure human rights are respected in our supply chains, covering topics like child labor, forced labor, working conditions, discrimination and harassment, women's rights, freedom of association and compensation.

Boundary: Upstream value chain

General developments in 2023

December 10, 2023, marked the 75th anniversary of the Universal Declaration of Human Rights (UDHR), the international community's foundational statement affirming the inherent dignity and equal rights of all people.

Today, on the one hand, we find ourselves in a period of uncertainty amidst multiple global crises, including geopolitical conflict in many parts of the world, the climate crisis and persistent inequalities. On the other hand, we also see progress. There is increased alignment from stakeholders on their expectations of businesses relating to human rights. On December 14, 2023, the Council of the European Union and the European Parliament agreed on the text for the CSDDD, which will require many companies in the EU and beyond to conduct environmental and human rights due diligence on their global operations and value chain, and oblige them to adopt a transition plan for climate change mitigation. While the exact implementation date is not yet known, Ahold Delhaize has several years of experience with human rights due diligence and is now in the process of expanding that approach to social and environmental due diligence.

Our impact

As a global retailer, our commitment to respect human rights extends to the supply chains that our brands depend upon. The strong, long-term relationships our brands build with suppliers help us to gain visibility into the supply chain and aim to use our influence to ensure that the companies we deal with operate in a fair and ethical way that respects human rights.

Our approach and progress

Our commitment to human rights

Our commitment to human rights is an extension of our longstanding dedication to conducting business ethically, and anchored in the first principle of our Code of Ethics: we respect each other.



See also the **Business ethics and compliance** section for more information on our Code of Ethics.

In 2022, Ahold Delhaize updated its *Position on Human Rights*, which outlines our broad commitment to this important issue.

The Position on Human Rights is structured around the key affected stakeholders in our own operations and in the supply chain. It identifies specific vulnerable groups, including, but not limited to: women, members of the LGBTQ+ community, children, persons with disabilities, minorities, refugees, migrant workers and indigenous peoples. The document more clearly expresses our commitment by including our approach to due diligence and providing more information about how Ahold Delhaize and its brands provide access to remedy.

Our Position on Human Rights applies to the own operations and supply chains of all Ahold Delhaize brands and businesses and is owned and formally approved by the Executive Committee. The latest version is available on our website.

Ahold Delhaize also published its second *Human Rights Report* in June 2022, and we are planning to publish our third Human Rights Report during the course of 2024, focusing on the progress on our Roadmap on Human Rights. As with the Position on Human Rights, the 2022 Human Rights Report and its content were reviewed with – and approved by – functional and regional leadership, as well as the Executive Committee.

In the Human Rights Report, we describe in more detail how we embed our commitment to respect human rights throughout our own operations and in the supply chain. We focus on three important aspects: governance, implementation and access to remedy. In the report, we explain how we strengthened our governance of human rights, including the roles and responsibilities to implement our commitment across the organization, and how we engage on human rights and ethics through newsletters, campaigns, webinars and trainings. Ahold Delhaize's Executive Committee directly oversees the implementation of our Roadmap on Human Rights through a quarterly progress report and one or more annual in-person reviews.

In the Report, we also explain our overall approach to human rights due diligence and the operational processes we use to mitigate our impacts and manage the salient issues in our own operations and supply chain, including the existence of our Speak Up lines, which enable each of our brand's associates, third parties within and connected to our supply chains and the public to raise concerns.

Remediation and access to remedy are important aspects of an effective human rights due diligence process, and we commit to addressing allegations that human rights are not being properly respected. In the Human Rights Report 2022, we also explain how grievance mechanisms are carried out in the supply chain in collaboration with the standards and programs we implement.



FAIR AND SAFE WORKPLACE

HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

Social compliance

Our operational processes include our [Standards of Engagement](#), as well as our social compliance and critical commodity programs and targets to monitor working conditions and mitigate social impacts in our supply chain.

We are making steady progress towards auditing and certifying production units in high-risk countries against acceptable standards, defined as any standard considered equivalent to amfori BSCI. As we explain in our [ESG statements](#), we also accept stepping-stone standards in specific countries or as a first, temporary step for suppliers towards an acceptable standard. If we include stepping-stone standards, we are approaching 96% of production locations audited or certified on social compliance.

We focus our social compliance program on production locations in high-risk countries (as defined by amfori BSCI), and our critical commodity programs are specifically developed to address major social (and environmental) issues such as child labor and forced labor. In addition, we conduct an annual sustainability risk assessment that reviews social and environmental risks, based on our salient human rights issues, associated with product categories and raw materials and the geographies from which we source them. You can read more about our approach and the specific actions to address child labor and forced labor in our Human Rights Report 2022.

See also our performance on social compliance as reported in our [ESG statements](#).



See also our second **Human Rights Report issued in June 2022** and our [Position on Human Rights](#).

Standards of Engagement

The Standards of Engagement define our expectations and require that our suppliers maintain the same high level of business ethics, regard for human rights and the environment as Ahold Delhaize and its brands. The Standards of Engagement are included in agreements with suppliers and they contain the principles that we believe are necessary to support human rights and protect the environment.

To address changing demands and expectations, we revised our Standards of Engagement in 2023, after extensive consultation with colleagues across Ahold Delhaize and the brands, and the revised version took effect on January 1, 2024.

While there are no major changes in terms of requirements, the Standards of Engagement are now fully aligned with the updates made to the Position on Human Rights in 2022, as well as key objectives of our approach on health and sustainability. The Standards now more explicitly address some of the salient human rights impacts, including the need for age-verification mechanisms and the international principles on responsible recruitment in line with the outcomes of our human rights due diligence process and the expectations of stakeholders.

In addition, this version of the Standards of Engagement allows for closer cooperation with – and investigation of – suppliers, if and when reports or allegations arise of serious compliance issues. That aligns with the work we are doing, and external expectations on sustainability due diligence. Version 4.0 will replace version 3.0 over a three-year period, with each new contract or contract renewal.

You can find our updated [Standards of Engagement](#) on our website.

Industry committees and working groups

Our brands work together with industry organizations to drive food safety and social and environmental sustainability. In addition, we take an active role in various industry committees and working groups, including those of the amfori Business Social Compliance Initiative (BSCI) and the CGF's Sustainable Supply Chain Initiative, to address human rights issues in collaboration with the business community and other relevant stakeholders. In addition, the brands also partner locally and regionally to address human rights impacts in their supply chains, for example with IDH, the Sustainable Trade Initiative. You can read more about those partnerships in the [Human Rights Report 2022](#).



FAIR AND SAFE WORKPLACE

HUMAN RIGHTS IN THE SUPPLY CHAIN CONTINUED

Sustainability due diligence

At Ahold Delhaize, we are of the opinion that sustainability due diligence (SDD) is the starting point of our CSRD journey, and, therefore, kicked off our first SDD process in the third quarter of 2023. This is not the first time Ahold Delhaize has conducted due diligence. This SDD process builds on our previous work on human rights due diligence, but this time, we expanded the scope to also include environmental topics.

Sustainability due diligence can be best described as an approach by which companies identify, address and mitigate the social and environmental impacts in their own organizations and throughout their value chains. In addition, companies are expected to track and communicate about their progress.

See also the Sustainability due diligence diagram for an overview of the different steps of a sustainability due diligence.

The steps and requirements for sustainability due diligence are originally based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, and these now form the basis for upcoming European legislation: the CSDDD. By already performing sustainability due diligence, we are proactively taking steps to prepare Ahold Delhaize and the brands for the upcoming CSDDD requirements.

By the end of Q4 2023, we completed the initial overview of salient social and environmental impacts. Once formally approved, this list will be one of the key inputs into our double materiality assessment, which will be kicked off in Q1 2024. During Q1 2024, we will work – with internal and external stakeholders – to draft a due diligence roadmap and further prepare for the CSDDD.

In addition, and as part of our approach to due diligence, we are planning to perform at least two human rights impact assessments in 2024, focusing on understanding our most salient human rights impacts in the supply chain, so we can determine how to mitigate or reduce them.

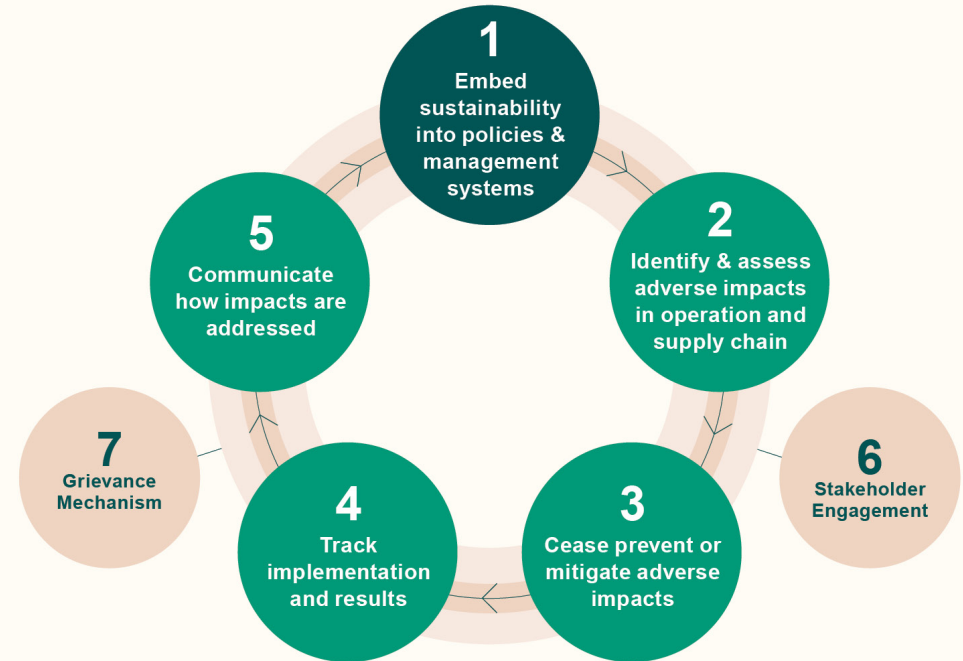
How we measure performance

Percentage of production sites of own-brand products in high-risk countries audited against an acceptable standard with a valid audit report or certificate and no non-compliance on deal-breakers.

Our ambitions

TIMELINE	AMBITION
Short-term	100% of production sites 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 by 2025

Sustainability due diligence



DUE DILIGENCE	DESCRIPTION
1 Embed sustainability into policies and management systems	Embedding social and environmental due diligence in a company's governance and organization
2 Identify and assess adverse impacts in operation and supply chain	Taking proactive steps to understand how existing and proposed activities may affect social and environmental impacts
3 Cease, prevent or mitigate adverse impacts	Reflecting the results of the impact assessment on business processes
4 Track implementation and results	Monitoring the company's performance on human rights and the environment, tracking implementation and results
5 Communicate how impacts are addressed	Communicating and reporting on how impacts are addressed
6 Stakeholder engagement	Engaging with (affected) stakeholders and their legitimate representatives along the way
7 Grievance mechanism	Responding to allegations and providing for, or cooperating in, remediation, where appropriate



DIVERSITY, EQUITY AND INCLUSION

DIVERSITY, EQUITY AND INCLUSION

Definition

Building a diverse and inclusive environment, fostering non-discriminatory workplace practices.

Boundary: Own operations

General developments in 2023:

Why DE&I matters

In 2023, as we dove deeper into what it would take to create a sense of belonging and community for our brands' customers, we took clear steps towards engaging our leadership teams on what it takes to be sustainable leaders, including acknowledging the role health equity plays in addressing systemic inequities in our brands' communities. DE&I creates a fabric of trust and reliability only when we show actionable steps towards corporate responsibility and continuous positive change in communities both within and outside our walls.

At Ahold Delhaize, we pride ourselves on being open for everyone. We want every associate to thrive, and every customer to feel a sense of belonging and community in our brands. In addition, we want to role model how the innovation that comes from DE&I can pivot business practices and ultimately change the trajectory of our brands' communities and the planet.

Our DE&I approach

As an international company, our agile DE&I framework ensures our approach is relevant to our local brands. Globally, we have a common focus on holistic inclusion, using the strength of different perspectives to grow our brands; locally, our brands design, implement and drive DE&I strategies tailored to the communities where they live, work and serve. Our Global DE&I framework includes three pillars critical to this work: people, community and culture.

Our people

We define and celebrate diversity as anything and everything that makes us unique and anything and everything that makes us similar – inclusive of, but not limited to: generations, LGBTQ+, gender, race and ethnicity, disabilities, neurodiversity, religion, nationalities and more.

Our culture

Our shared values of courage, care, teamwork, integrity and humor are at the core of our work. They ensure that every voice matters, and that everyone feels respected as part of the Ahold Delhaize family.

Our communities

We believe in working together to improve the world we live in through community engagement and collaboration with external partners and organizations that share our values.

People Promise

We create a caring place to work inspiring growth and collaboration, where everyone is heard, valued and finds purpose in serving our communities.





DIVERSITY, EQUITY AND INCLUSION

DIVERSITY, EQUITY AND INCLUSION CONTINUED

Performance toward our aspiration

We are committed to transparency in how we report our progress on DE&I.

100% gender balanced

Globally, our aspiration is to have a workforce that is 100% gender balanced at all levels. This year, we evolved our interpretation of what it means to be gender balanced. Because we are open for everyone, we want to ensure our gender representation includes all employees, including those who do not identify in binary terms. Therefore, our aspiration is not limited to a 50/50 split between men and women, but more representative of all people. We are working on ways to offer associates avenues toward self-identification across our geographies in 2024 so we can update our metrics in this space.

Compared to 2022, our overall proportion of women in management increased from 40% to 41%, while our director-level representation increased from 35% in 2022 to 36% in 2023. We saw the biggest increase at executive level (VP+), where we moved from 33% to 37% this year. See table [Our DE&I metrics](#).

100% reflective of our communities

Our aspiration is to have a workforce that is reflective of the communities we serve. Each brand tracks and measures additional dimensions of diversity that are relevant to its local context and labor market. Across the U.S. brands, the focus is on racial and ethnic diversity, and for our European brands, the focus is on the number of roles offered to associates with disabilities. See table [Our DE&I metrics](#).

100% inclusive

Globally, our aspiration is to be 100% inclusive every day. We measure the cultural aspects of inclusion through an inclusive workplace index that is part of our annual AES. In 2023, we enhanced our DE&I indices to capture a greater breadth of information.

We now have foundational data we can use to measure DE&I progress in coming years.

We received a score of 81% on this index in 2023, which measures the following: if diversity is valued at Ahold Delhaize; if associates, regardless of their differences, are treated fairly; if associates can be their authentic selves; whether managers treat all associates with respect; and if associates are encouraged to share their ideas about improving our work environment. We are proud of this result, as 81% is significantly ahead of the global retail benchmark of 77%. See table [Our DE&I metrics](#).

How we support DE&I

We trust, empower and hold accountable our internal and external partners, who are committed to advancing DE&I within our businesses, our brands' communities and society as a whole.

Balanced slates

Our commitment to balanced slates continues to be an important part of company and brand diversity, equity and inclusion strategies. Balanced slates are one tangible way we can source the very best talent and bring our DE&I aspirations to the forefront – through minimizing unconscious bias in hiring, promotions and job assignments by ensuring equitable access to opportunities. Studies have shown that ensuring underrepresented groups have fair representation in candidate pools provides the best opportunity for hiring managers to diversify teams and select the best-qualified candidates. At Ahold Delhaize, we review and audit our senior-most leadership balanced slate outcomes, and brands determine locally through what job level they apply balanced slates.

Psychological safety

Building on a great foundational launch of psychological safety in 2022, our CSE brands implemented psychological safety workshops in all their brands. Using what we learned from CSE, we partnered with an external nonprofit, The Contentment Foundation, to create programmatic custom rollouts to take place across the Company in 2024. By the end

of 2023, more than 1,000 senior leaders were engaged in leadership workshops on how to create psychologically safe work environment.

Women in Leadership forum

This year, we aligned around our purpose for having a Women in Leadership forum: to inspire and empower people to discuss important topics and challenge and support each other in creating more inclusive and equitable workplaces. We meet on a quarterly basis, introducing a new theme each time that is relevant and actionable for the group. In 2023, through stories and collaboration with our Supervisory Board, we focused deeply on enhancing our mindset of abundance, thinking positively to create positive change. We introduced our own definition of allyship, acknowledging our responsibility as leaders to commit to taking action to ask, listen, speak up for, show up for and support those who are marginalized.

Supplier diversity

Through the dedication and efforts of the PDL team in the U.S., we are developing mutually beneficial and successful partnerships with a talented group of diverse-owned suppliers that offer quality products and services, excellent customer service and competitive costs. We develop these relationships by incorporating the national and local businesses into the everyday process of category reviews and product or service bids.

Each quarter in 2023, PDL ran Supplier Diversity Matchmaking events and gave selected suppliers free pitch coaching classes to prepare them for the meetings. The GIANT Company spotlighted vendors during their 100th-year anniversary and included them in digital communications to customers. We are working hard to share best practices in this space and continue to create forums for decision makers that foster and encourage sharing and learning.



Top image: Associates from Hannaford



Bottom image: Gall & Gall associates



DIVERSITY, EQUITY AND INCLUSION

DIVERSITY, EQUITY AND INCLUSION CONTINUED

Pay equity

As a people business, at Ahold Delhaize, we pride ourselves on being open for everyone and we want every associate to thrive. We also believe it is important to compensate every associate equitably. To us, equity means that everyone has equal access to opportunities, regardless of background, and recognizes that we all have unique needs and experiences. We each have a role to play in this, as colleagues or as people leaders.

We believe that associates' total value proposition is more than the wages and benefits they receive. It includes other factors, such as working conditions, opportunities to learn and refine skills, safety, and the diversity and inclusiveness of the workforce. All these aspects are important to associates' well-being and appreciation of their overall working experience and are measured through Ahold Delhaize's AES.

Ahold Delhaize and all the brands recognize and support the right of every individual to receive equitable compensation for their work. Ensuring pay equity is an important mission for each brand and supports our DE&I aspirations.

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

1. A solid base for comparing roles
2. Market-based compensation
3. Compensation in compliance with the law
4. Equal pay for equal work
5. Compensation aligned with individual performance and brand business strategy
6. Compensation that is transparent, consistent and explainable for the individual associate

More information about these principles can be found on our website, in our 2022 Human Rights Report under the heading *Compensation*. In addition, our brands and businesses consider these principles in establishing their compensation practices and in resolving disputes. The majority of associates in our brands are covered by collective labor agreements (CLAs). For associates outside of the CLAs, each brand has adopted an independent job evaluation methodology (Korn Ferry Hay) and has created policies and frameworks for determining job levels and titles, pay grades and bands, performance evaluation and wage increases.

Focusing on pay equity

We realize that creating and maintaining policies and frameworks is a critically important step, and that it is equally important to measure the outcome of these practices to ensure pay equity within each of the brands and businesses. The two areas Ahold Delhaize and each of its brands focus on when assessing the performance on pay equity are equal pay for equal work and analyzing any difference in (average/median) earnings between men and women. While both deal with pay differences at work, there are important distinctions between the two.

Equal pay for equal work

We are committed to ensuring all associates at Ahold Delhaize brands and businesses are paid equally for doing the same or equivalent jobs, or work of equal value. Prior to 2023, several brands had already conducted pay difference analyses internally and others conducted equal pay for equal work studies through an independent third-party expert in this field, taking into account local legal requirements. The purpose of these analyses is to close any unexplainable pay differences. In 2023, all brands finalized an equal pay for equal work analysis using the same methodology and by the same independent third party.

Based on these pay equity analyses, each brand identified opportunities to improve pay differences and developed plans to meet its goals. When the brands find unexplainable pay differences, they will adjust these differences to improve equal pay for equal work.

Ahold Delhaize and its brands are committed to continuing to perform pay equity analyses, refreshing them every three years and using the results to close any identified differences.

The gender pay difference

Gender pay difference is a measure of the average or mean difference in earnings between men and women across an organization or the labor market as a whole, regardless of role or seniority. The average gender pay difference shows the difference between the average hourly rate for all males compared with all females across all brands, expressed as a percentage of the average hourly rate for all males. If we were to rank all male and female associates separately, from the lowest to the highest paid, the associate whose pay falls precisely in the middle represents the median. The median gender pay difference shows the difference between the median hourly base rate for all males compared with all females, expressed as a percentage of the median hourly base rate of all males.

Ahold Delhaize is continuously committed to sharing gender pay difference figures, and we continue to conduct internal gender pay difference studies. In order to accurately track and report on our progress in this field, we have chosen to share the analysis covering the same population as in our 2022 Annual Report; the gender pay difference analysis covers 1,966 associates (male and female) in management positions in the Netherlands.

The study showed a provisional average gender pay difference of 2.93% (2022: 4.46%) and a median gender pay difference of 2.59% (2022: 2.99%) in favor of men in 2023. We are proud of the progress we have made on both aspects in comparison to our 2022 gender pay difference figures and will continue our efforts in 2024.

To support our fair compensation principle and our ambition for equal opportunities, we continue to review the gender distribution at all levels. In 2023, we were proud to see female representation at our most senior level (VP+) increase further, from 33% to 37%. We have also applied balanced slates to external hiring and internal succession planning at this most senior level to ensure we consider a more diverse pool of candidates.

Gender pay

Shows the difference in pay between women and men

"Median pay difference"

Population: Manager+, the Netherlands

2.59%

(2022: 2.99%)



"Mean pay difference"

Population: Manager+, the Netherlands

2.93%

(2022: 4.46%)





DIVERSITY, EQUITY AND INCLUSION



Top image: Associates in an Etos store

Bottom image: Associates at our support office in the Netherlands

DIVERSITY, EQUITY AND INCLUSION CONTINUED

Our continuous commitment

We remain committed to our DE&I aspiration to achieve 100% gender balance at all levels, to be 100% reflective of the communities our brands serve (as defined by each local brand), and to strive for 100% inclusion, every day. We will continue to perform pay equity studies for equal work, refreshing them every three years and using the results to close any unexplainable identified differences. And we will keep pushing ourselves further in reviewing our practices, integrating equity into our people decisions and building internal capabilities with a focus on all aspects of DE&I, such as representation and pay equity.

We are committed to delivering pay equity to all associates and providing a work environment where people -- regardless of gender, race/ethnicity, or any other status -- have equitable access to career opportunities and can reach their full potential. As part of this commitment, Ahold Delhaize and its brands will regularly review their policies and each brand will shape its focus in line with legislation, including new EU legislation, and local needs.

Note: Ahold Delhaize recognizes there are multiple personal pronouns used for different groups and identities, including gendered, gender neutral and gender inclusive.

DE&I accolades this year

Ahold Delhaize brands are honored to have been recognized across dozens of DE&I certified awards in 2023; here is a sampling of some of the top awards we have received:

Alfa Beta

- Gold Award at Diversity & Inclusion Awards 2023, through BOUSSIAS and the Diversity Charter Greece, recognizing collaboration with more than six NGOs and design of employability programs for refugees and immigrants

Stop & Shop

- Equality 100 Award as a Leader in LGBTQ+ Workplace Inclusion by Human Rights Campaign.

Giant Food

- Gold Loyalty360 Award in Corporate Social Responsibility by Loyalty360

Delhaize Serbia

- Most Inclusive Employer Award 2023, by the Responsible Business Forum, Smart Collective and USAID
- Third place, most gender-sensitive company, recognized by the Association of Business Women in Serbia

Mega Image

- A Top Employer bringing certified excellence in employee conditions by the Top Employers Institute.

The GIANT Company

- 100% on HRC Foundation's Corporate Equality Index for 2023/2024
- Best Places to Work for LGBTQ+ Equality by Human Rights Campaign

Food Lion

- Equality 100 Award as a Leader in LGBTQ+ Workplace Inclusion by Human Rights Campaign.
- One of America's Greatest Workplaces 2023 for Diversity by Newsweek.

How we measure performance

- Gender balance by level
- Reflective of our brands' communities
- Associate inclusive score

Our aspirations

At Ahold Delhaize, we are committed to ensuring we are an inclusive company.

TIMELINE	ASPIRATION
Long-term	A workforce that is 100% gender balanced at all levels
	A workforce that is 100% reflective of the communities we serve
	A workplace that is 100% inclusive – where all voices are heard and valued



DIVERSITY, EQUITY AND INCLUSION

DIVERSITY, EQUITY AND INCLUSION CONTINUED

Our DE&I metrics

We measure progress based on data from each of the applicable brands; they manage their workforces and are responsible for outcomes. The following table outlines aggregated data for the purposes of reporting on performance toward our DE&I aspirations.

	2023	2022	2021	2020
100% Gender balanced				
Female at VP+ level	37%	33%	27%	27%
Female at director level	36%	35%	34%	34%
Female at manager level	41%	40%	40%	39%
Female below manager level	53%	54%	54%	54%
Female: Total Ahold Delhaize	52%	53%	53%	54%
100% Inclusive				
Inclusive workplace index ¹	81%	80%	79%	79%

¹ Annual associate engagement survey results, see *Definitions and abbreviations* for definitions.

	2023 ²	2022	2021	2020
100% Reflective of communities				
Racially/ethnically underrepresented at VP+ level (U.S.) ¹	15%	18%	17%	10%
Racially/ethnically underrepresented at director level (U.S.) ¹	18%	18%	19%	12%
Racially/ethnically underrepresented at manager level (U.S.) ¹	22%	22%	22%	15%
Racially/ethnically underrepresented below manager level (U.S.) ¹	37%	38%	37%	34%

¹ Figures are for associates in the U.S. only, and exclude associates in Europe due to legal restrictions in Europe. The term "racially/ethnically underrepresented" refers to racial/ethnic groups that are underrepresented in the U.S. workforce generally (Black or African American, Asian, Native American or Alaska Native, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races). Reported associate racial/ethnic categories in the U.S. are based on voluntary self-identification; associates with a missing racial/ethnic category are not included in the figures above. Each U.S. brand has adopted its own DE&I strategy to reflect our DE&I ambitions, and these figures represent an aggregation of the data of each brand.

² Figures for 2023 exclude FreshDirect. The brand added significantly to our racial and ethnical diversity, which is why we see a decrease on some measures from 2022. However, if you compare against the numbers from before FreshDirect's acquisition in 2021, we have still shown improvement across all metrics.

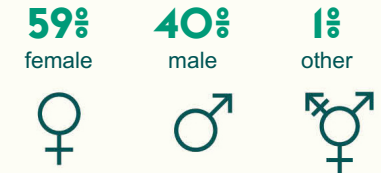
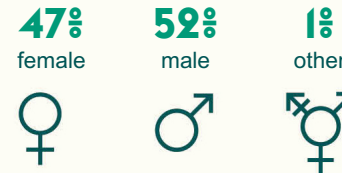
³ Survey results exclude bol, FreshDirect, Pingo Doce and Delhaize Belgium.

⁴ Aggregation of data from each U.S. brand. Racial/ethnic diversity is based on self-identification; data where identification is missing is not included in the analysis.

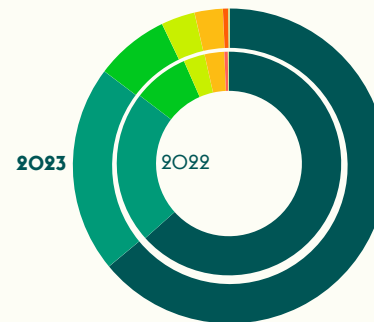
Associate population diversity



Gender diversity by region



US associates: Racial and ethnic diversity⁴



	2023	2022
White	63.1%	62.8%
Black or African American	21.0%	21.8%
Hispanic or Latino	7.5%	8.0%
Two or more races	3.4%	3.1%
Asian	2.9%	2.8%
American Indian/Alaskan Native	0.5%	0.5%
Native Hawaiian/ Other Pacific Islander	0.2%	0.2%