Ahold Delhaize

growing together

annual report 2024



We are Ahold Delhaize, a big family of great local brands.

And yet, we put all our efforts into being small. Because by being small, we can be part of local communities. We can see the needs of neighborhood customers and the people we work with, while understanding the responsibility of our scale. That's how we can make a difference.

Having evolved from beautiful family businesses to a family of great local brands, we know what customers expect from our brands – and we know how important healthy and affordable food options are to them. In 2024, we took the next step by introducing our refreshed Growing Together strategy. It will ensure we're here for at least another 155 years – just like customers expect us to be.



read more about our Growing Together strategy on page 17

watch our brand video here: www.aholddelhaize.com/strategy

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compliance statement

This document is the PDF/printed version of Ahold Delhaize's Annual Report 2024 and has been prepared for ease of use. The Annual Report 2024 was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package). The ESEF package is available on the company's website at *www.aholddelhaize.com* and includes a human-readable XHMTL version of the Annual Report 2024. In the case of any discrepancies between this PDF version and the ESEF package, the latter prevails.

strategic report

our business

our growing together strategy

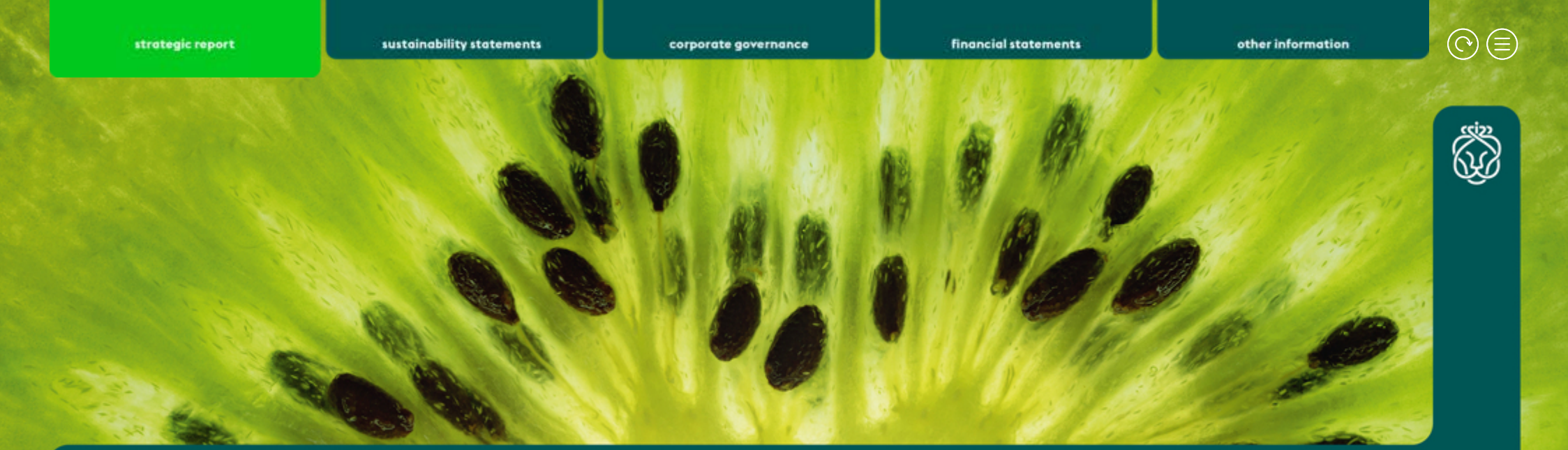
performance review

risks and opportunities



growing together

Giant Food
The United States



our business

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Group highlights

Net sales

€89.4bn ▲ 0.7% (+0.9% at constant rates)

2023	88.7
2024	89.4

Free cash flow[1]

€2.5bn ▲ €0.1bn

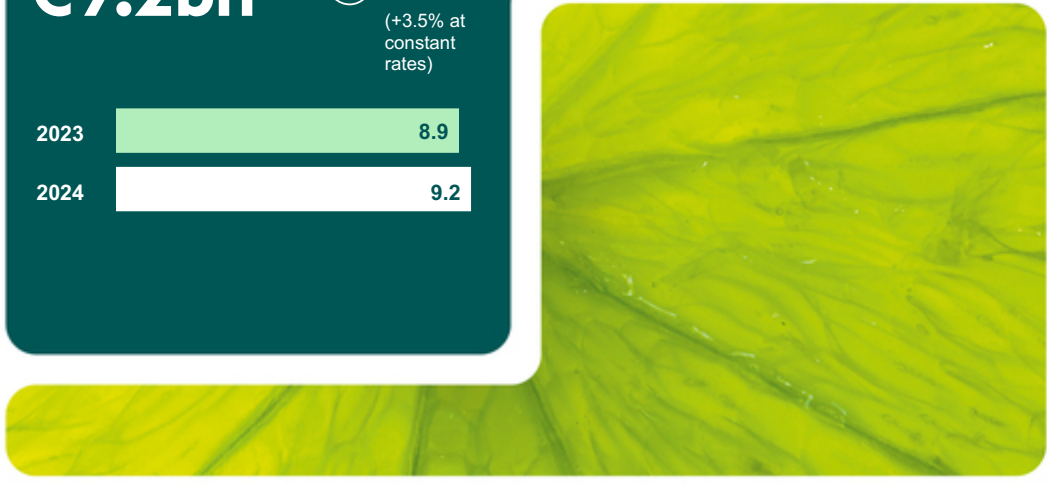
2023	2.4
2024	2.5



Online sales

€9.2bn ▲ 3.4% (+3.5% at constant rates)

2023	8.9
2024	9.2



Dividend per common share

€1.17 ▲ €0.07 (46% of net profit)

2023	1.10
2024	1.17

Net income

€1.8bn ▼ (5.9)%
2023: €1.9bn

Underlying operating income

€3.6bn ▲ 0.1%
2023: €3.6bn

Underlying operating income margin

4.0% ▼ 0.0pp
2023: 4.1%

Diluted income per share from continuing operations

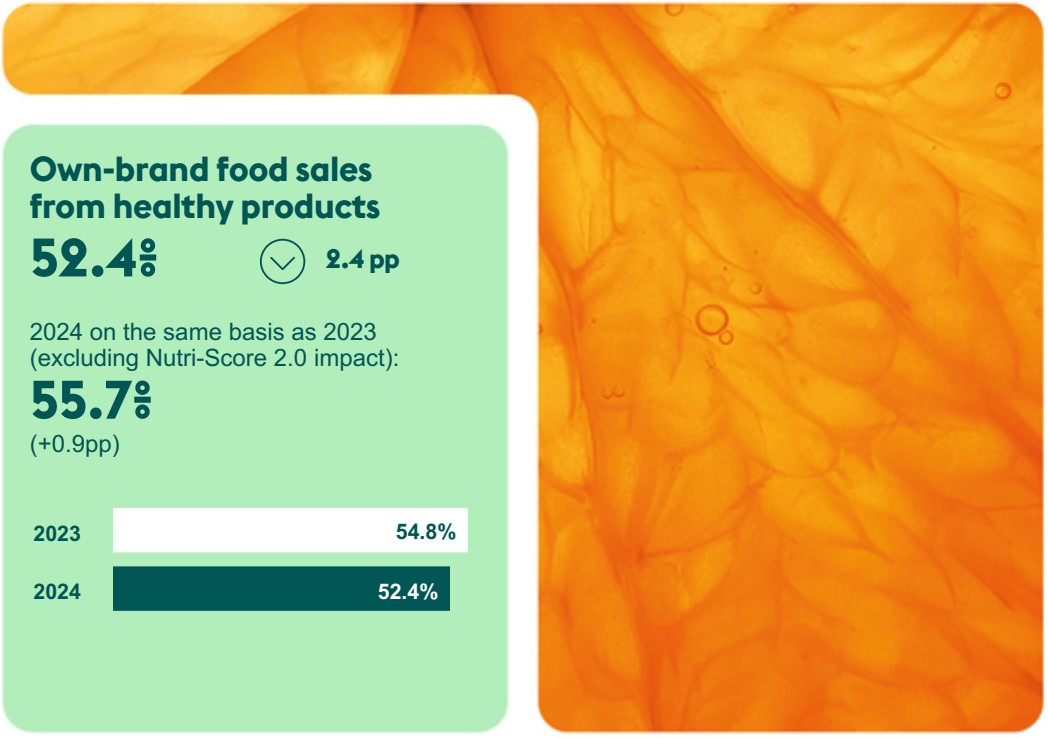
€1.89 ▼ (2.6)%
2023: €1.94

Diluted underlying income per share from continuing operations

€2.54 ▲ 0.1%
2023: €2.54

1. In 2024, after €2.3 billion cash capital expenditure (2023: after €2.4 billion cash capital expenditure)

Group highlights continued



Own-brand food sales from healthy products

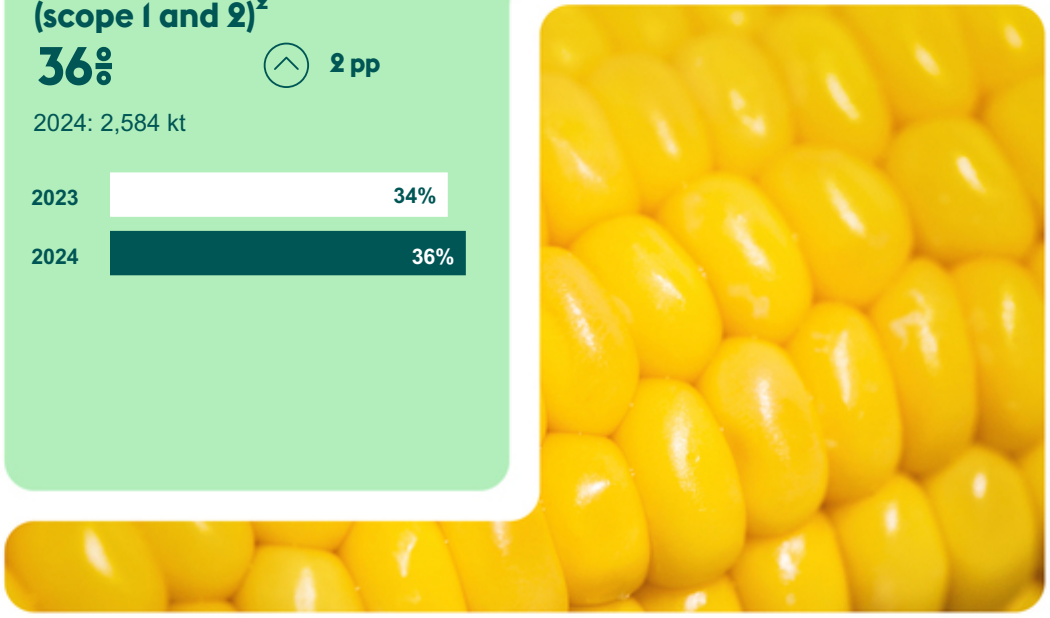
52.4% ↓ 2.4 pp

2024 on the same basis as 2023 (excluding Nutri-Score 2.0 impact):
55.7%
(+0.9pp)

Reduction in absolute CO_2-equivalent emissions (scope 1 and 2)[2]

36% ↑ 2 pp

2024: 2,584 kt



Reduction in food waste (T/€ million)[1]

35% — — pp

2023: 35%

Associate engagement

78% — —pp

2023: 78%
Industry benchmark: 78%

MSCI index

AA ↓ 1 rating

2023: AAA

1. The reduction is measured against the restated 2016 baseline: 4.89 t/€ million. See *Sustainability statements* for more information. See *Food waste performance review* for more information on our 2024 performance.
2. The reduction is measured against the restated 2018 baseline: 4,010 $ktCO_2e$ emissions. See *Sustainability statements* for more information.

Message from our CEO

“Our new Growing Together strategy will accelerate our work in all the areas that help us make a difference for customers and communities.”

Frans Muller
President and CEO of Ahold Delhaize

Read more about our Growing Together strategy on page 17.

Dear readers,

Over the past year, I have experienced many proud moments, seeing firsthand how the teams at our brands bring to life everything that makes our company unique.

They have deep local expertise and understanding and pair that with scale and best practices shared across the Ahold Delhaize family. This is what “being big, starts small” means, and it really is the foundation of our company. It has made it possible for our teams to deliver value to our customers and communities consistently over the years.

In 2024, this included managing the difficult inflationary environment for our brands’ customers, pursuing transformational projects to simplify our go-to-market model, and launching our new company strategy, which will help us grow faster than the market in coming years.

During the past year, as people continued to feel the pinch of higher costs and deal with devastating natural disasters and other challenges, the teams at all our brands were relentlessly focused on adjusting their price positioning and assortments and expanding their own-brand ranges to meet customer needs. In the U.S., brands like Giant Food and Stop & Shop lowered prices on hundreds of own-brand products.

Our European brands expanded their affordable own-brand product ranges – they now offer customers 7,700 of these own-brand products at entry-level prices.

One of the most exciting milestones we achieved in 2024 was our strategy update. Our new Growing Together strategy will accelerate our work in all the areas that help us make a difference for customers and communities – I’ll return to this topic.

Omnichannel remains key

It has become increasingly clear that our omnichannel ecosystems are a major competitive advantage and are helping us build market share.

To accommodate how U.S. customers want to shop, we are orienting our online fulfillment capabilities to be more agile and asset light – such as by expanding click and collect and launching a new partnership with DoorDash. We are transitioning from fulfillment centers built for next-day delivery to a “store-first” network strategy that can facilitate the rising demand for same-day delivery.

In Europe, our online growth is benefiting from increasing demand, which we are servicing through expanded capacity and external partnerships. Albert Heijn opened its second fully automated Home Shop Center (HSC) in Zwolle, the Netherlands, to help meet this demand. Alfa Beta partnered with efood, the largest food delivery service in Greece, enabling customers to receive orders within 60 minutes.

We also acquired Romanian omnichannel brand Profi, which joined our family of brands on January 3, 2025. Together with Mega Image, they serve both rural and urban areas of this steadily growing market.



Message from our CEO continued

Healthy communities & planet

As a large retailer, we understand the opportunities, but also the responsibilities, of our scale. Our brands' stores and distribution centers (DCs) operate at the heart of communities, and customers rely on our brands for their everyday essentials. Every small change we implement makes a difference on a larger scale. This understanding helps drive our approach to supporting a healthy planet and healthy communities, which is key for our long-term business resilience and competitive advantage and aligns very closely with our values. Our clear ambitions are presented in this Annual Report.

We made tangible steps last year to drive healthy sales, advancing our ambition to make healthier and sustainable products affordable and accessible to all. Our brands inspired customers and communities to embrace healthy habits and supported colleagues in being ambassadors in this pursuit.

In addition, we worked toward our climate goals, with our brands accelerating decarbonization in their own operations while also working with suppliers to identify and implement initiatives that are helping us decarbonize scope 3 together. Our European brands, for example, launched eight climate hubs to support suppliers in reducing their carbon emissions.

As we operate at the heart of communities, supporting them is part of our brands' daily work. This also means stepping up when disasters hit. Food Lion donated nearly $4 million and over 1.1 million pounds of food and water to help those affected by Hurricanes Debby and Helene in the U.S., and Albert sent several truckloads of humanitarian aid to support communities impacted by flooding in the Czech Republic. Our hearts are with those communities as they rebuild and recover.

Lowering costs to innovate

To make it possible for us to invest in the customer experience and drive innovation, we continued to simplify our organization in 2024. We've begun to see results from transformational projects, such as the Belgium Future Plan, and are executing on a plan to ensure a stable and thriving future for Stop & Shop. We're moving forward confidently at Stop & Shop by delighting customers with a stronger customer value proposition, improving the cost structure and optimizing the store portfolio. In addition, our U.S. brands are streamlining their support brands into one Ahold Delhaize USA support organization. We also stayed laser-focused on leveraging and lowering our cost base, driving operational efficiency and cost discipline in order to compensate for ongoing cost inflation – resulting in over €1.35 billion of savings as part of our Save for Our Customers cost-reduction program.

At the same time, we invested in innovation. We partnered with four other retailers to establish a pioneering innovation fund, W23 Global, through which we will invest in start-ups and scale-ups that deploy technology to improve customer experiences, transform the grocery value chain and help address the sector's sustainability challenges. We also launched a new tech studio in Bucharest, called AD/01, that will strengthen our digital, data and tech capabilities and help our brands enhance the customer experience.

Meeting our financial goals

We're thankful that, due to all of the initiatives I've mentioned so far, we could count on the loyalty of our brands' customers, and we met all of our key financial goals for the year. We delivered on our promises with a 4.0% underlying operating margin and a stable underlying EPS and overperformed on free cash flow at €2.5 billion.

Our new Growing Together strategy

Since the 2016 merger of two strong companies with family-owned roots into Ahold Delhaize, we have built a solid foundation through our Better Together and subsequent Leading Together strategies. They have positioned us well and enabled our brands to deliver an industry-leading performance. But consumer expectations and behaviors, in our brands' communities and in society as a whole, are continuously evolving – with ever stronger trends toward affordable, healthy meals that are convenient to shop for and prepare. The technology we use is changing at lightning speed, and with it, customer expectations for a seamless in-store and digital experience. All of this prompted us to refresh our strategy.

In 2024, across Ahold Delhaize, we committed to a sharpened purpose, vision and strategic priorities. You can read more about these in the strategy section of our report, but I'll touch briefly on our priorities, which outline the areas we will focus on. There are six of these: trusted product, driving customer innovation, vibrant customer experience, portfolio & operational excellence, healthy communities & planet and thriving people. I'm pleased with the progress we made in all these areas in 2024. For example, our brands ramped up the use of artificial intelligence (AI) and generative AI, both to enhance the customer experience and to streamline automation. They also extended their loyalty programs, providing more – and more personalized – offerings and promotions for customers. The U.S. brands alone delivered over 12 billion personalized offers during the year – an increase of one billion over 2023.

These six strategic priorities fuel our growth model, which outlines the mechanism we apply to drive growth: invest in our winning customer value proposition, densify and grow markets, innovate for growth and efficiency, and leverage and lower our cost base. If the strategic priorities describe the "how," the growth model describes the "what" – we need both to achieve our ambitions. We are excited to move forward with our strategy and believe it will enable us to be even more competitive and successful in the future.

Looking toward 2025

2025 is going to be an important year for Ahold Delhaize, as it marks the first year of our new Growing Together strategy. We have identified business targets for the six priorities within our strategy, to fuel the growth model. Focusing on our financial expectations, Ahold Delhaize aims to deliver both organic and inorganic sales growth. We also expect to deliver a margin of around 4%, Save for Our Customers cost savings of at least €1.25 billion and gross capital expenditures of around €2.7 billion. This will lead to sustained free cash flow generation of at least €2.2 billion. And, most importantly, Ahold Delhaize will continue to advance toward our purpose of inspiring everyone to eat and live better, for a healthier future for people and planet.

I would like to close by offering a heartfelt thank you to our colleagues, customers, partners and shareholders, who made all our achievements in 2024 possible.

Frans Muller
President and CEO

Year in review

First quarter







Streamlined support ①

Ahold Delhaize USA created one support organization, streamlining activities while supporting all our five great local brands.

Quarter century of success ②

Our Dutch e-commerce retailer, bol, celebrated its silver jubilee! The brand sold its first product digitally in 1999 – today it has over 13.6 million customers, 47,000 sales partners and a 42 million-item range.

25
years

Speedy delivery ③

The U.S. brands partnered with DoorDash to provide another fast delivery option. It helped attract new customers during the year – we saw triple the number of orders in Q3 compared to Q1.

Shedding light on menopause

Ahold Delhaize added menopause support to its Life Events Framework for our Dutch brands and Netherlands-based Ahold Delhaize associates, providing materials to help them navigate this life phase.

Climate hubs

Our European brands launched a total of eight climate hubs to support suppliers in reducing their carbon emissions.

8
climate hubs

Green funding

Ahold Delhaize successfully priced a multi-tranche EUR transaction, including Sustainability-Linked and Green tranches, reinforcing the alignment of our funding strategy with our sustainability ambitions.

Second quarter

Growing Together launch ④

Ahold Delhaize set out our refreshed strategy and new financial ambitions for the period 2025 to 2028.

Partnering for progress

Ahold Delhaize announced two new partnerships. We joined four other leading grocery retailers in W23 Global, a venture fund investing in innovative start-ups and scale-ups that could transform grocery retail and sustainability. As part of The Global FoodBanking Network, we support community-led food banks in the nine countries where our brands operate.

W23

The Global FoodBanking Network

Affordable own brands ⑤

Our European brands expanded their assortment of Price Favorite everyday low-priced products to 7,700.

7,700
Price Favorite products

Premium loyalty

Over one million Albert Heijn loyalty card subscribers signed up for its Premium loyalty program, which offers a 10% discount on organic and plant-based own-brand AH Terra products.





Year in review continued

Third quarter

Positioning for growth ⑥

Stop & Shop revealed the next steps in its revitalization plan to position the brand for growth. In addition to investing in price and the customer experience, Stop & Shop announced it would close 32 underperforming stores by year end.

Committed to respecting human rights ⑦

Ahold Delhaize published its 2024 Human Rights Report, which includes an update on progress made on our due diligence roadmap.

See our *website* for more stories and news.

Working together for better customer apps ⑧

Delhaize Belgium launched a new customer app as part of an ambitious six-country plan to roll out unified, modular apps to enhance the shopping experience in Europe. The first market to go live was Albert in the Czech Republic in February 2024. It was followed by Maxi in Serbia and Delhaize in Belgium in July, Delhaize Luxembourg in September, Mega Image in Romania in November and Alfa Beta in Greece completing the rollout in December.

6

unified apps launched







Fourth quarter







Neighborly support ⑨

Food Lion and its customers united to contribute nearly $4 million, along with food and supplies, to support communities impacted by the devastation and destruction of Hurricanes Helene and Debby.

$4 million

disaster relief

Green power ⑩

Ahold Delhaize signed a virtual power purchase agreement to support the financing and construction of five solar power plants. This corresponds to approximately 30% of the total electricity usage in our European brands.

Wallet-friendly prices ⑪

Stop & Shop lowered prices on 3,500 products in its Rhode Island market, to help make shopping more affordable.

Fit for the future

Delhaize opened its 128th and final remodeled affiliate store as part of its Belgium Future Plan. The converted stores are performing better than expected.

From a to B Corp

Albert Heijn the Netherlands received the prestigious B Corp certification, joining a global network of companies that prioritize positive impact.

Our great local brands

388,000
associates[1]

63 million
customers served every week, both in stores and online

16
great local consumer-facing brands[2]

7,765
stores serving local communities in Europe and the United States[3]

1. Excluding our joint venture brands' associates
2. Excluding joint venture brand with minority stake and Profi (acquisition closed January 2025)
3. Excluding our joint venture brands' stores



net sales
€89.4bn



online sales
€9.2bn



FOOD LION · STOP&SHOP · Hannaford · The GIANT Company · Giant · Albert Heijn · DELHAIZE · Etos

albert · bol. · MAXI · MEGA IMAGE · Βασιλόπουλος ...και του πουλιού το γάλα! · SUPER INDO · ENA FOOD CASH & CARRY · Gall&Gall SINCE 1884

Our great local brands continued

The United States

read more on page 14

The United States is our biggest market. Our brands operate some of the country's most established, innovative and well-known omnichannel retailers, all along the East Coast.

2,017 -31
stores
2023: 2,048

1,635 +71
pick-up points
2023: 1,564

FOOD LION

Food Lion is an omnichannel grocery retailer committed to nourishing its neighbors with fresh food at affordable prices. Through its "Count on me" culture, Food Lion creates a great place to work and shop. Its 82,000 associates are passionate about caring for the towns and cities they serve.

Market area: Delaware, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia

1,109 +1
stores

760 +96
pick-up points

STOP&SHOP

Stop & Shop offers a wide assortment focused on fresh, healthy options at a great value. Customers can shop in-store or online for delivery and same-day pickup. The brand prides itself on fighting hunger in its communities and other incredible acts of care.

Market area: Connecticut, Massachusetts, New Jersey, New York and Rhode Island

362 -33
stores

354 -24
pick-up points

The GIANT Company

The GIANT Company is a modern grocer, serving customers through stores, pharmacies, fuel stations, online pick-up hubs and grocery delivery service. The brand is changing the customer experience, creating healthier communities and connecting families for a better future.

Market area: Maryland, Pennsylvania, Virginia and West Virginia

193 —
stores

187 -2
pick-up points

Hannaford

Hannaford makes it easy and convenient to shop for great fresh and healthy food, both online and in its stores. Deeply rooted in its communities, Hannaford is connected to local farmers and producers, and a part of its customers' everyday lives.

Market area: Maine, Massachusetts, New Hampshire, New York and Vermont

189 +2
stores

172 +1
pick-up points

Giant

Giant Food fits all the ways today's busy consumers want to shop – whether in-store, via Giant Pickup or through home delivery from Giant Delivers, with same-day speed. At Giant, local is a commitment, not just a label.

Market area: Delaware, District of Columbia, Maryland and Virginia

164 -1
stores

162 —
pick-up points

Our great local brands continued

Europe

Our leading brands in Europe serve customers through store formats tailored to their needs, including innovative online businesses. While some have been household names for more than a century, they remain ground-breaking and forward-thinking retailers today.

5,748 +80
stores
2023: 5,668

276 +7
pick-up points
2023: 269

read more on page 14

Albert Heijn

Albert Heijn has evolved from a single family-owned grocery store more than 135 years ago to a leading food tech business today. Filling more than six million plates daily comes with a responsibility. That's why Albert Heijn works every day to deliver on its mission: "Together, we make eating better the easy choice. For everyone."

Market area:
The Netherlands and Belgium

1,276 +8
stores

59 —
pick-up points

bol.

Our Dutch and Belgian e-commerce platform, bol, celebrated its 25th anniversary. Since selling its first item online in 1999, the brand has grown significantly, now boasting over 13.7 million customers and 47,000 sales partners, with a diverse range of 41 million items available.

Market area:
The Netherlands and Belgium

47,000
approximate number of partners

Etos

Etos, the largest health and wellness platform in the Netherlands, has been customers' trusted drugstore for over a hundred years. With stores throughout the Netherlands, there is always an Etos nearby where qualified druggists can offer expert advice. Etos helps its customers to feel good – both in-store and online.

Market area:
The Netherlands

510 -13
stores

Gall & Gall

Gall & Gall has been selling liquor since 1884 and is the largest specialist in the Netherlands. Founder Maria Gall had a motto: "No order too large, no order too small, no order too far." Although times have changed, Gall & Gall's passion to help and inspire customers has remained.

Market area: The Netherlands

629 +1
stores

Delhaize

Delhaize's store formats – Delhaize, AD Delhaize, Proxy Delhaize and Shop & Go – offer a wide range, unique experience and quality service, including online shopping via pick-up points and home delivery. Delhaize's commercial proposition focuses on health and quality with respect for the environment.

Market area: Belgium and Luxembourg

818 —
stores

120 —
pick-up points

albert

Albert offers a great omnichannel shopping experience, with a new Fresh urban format, supermarkets and hypers, and the recent launch of grocery delivery in selected cities. Customers enjoy the My Albert loyalty program and healthy inspiration through popular own brands. And Albert provides community support through the Albert Foundation.

Market area:
Czech Republic

347 +7
stores

Our great local brands continued

Europe continued

Βασιλόπουλος ...και του πουλιού το γάλα!

With a network of almost 600 stores, Alfa Beta gives its best to make a difference in people's lives. That is the reason it has rightfully earned a place at the table of every Greek household. Every day, more than 13,600 associates provide curated and inspiring choices of great-quality products to all customers who care about food.

Market area: Greece

613 +42
stores

97 +7
pick-up points

ENA FOOD CASH & CARRY

ENA Food Cash & Carry has been operating since 1991, serving customers in the wholesale market. ENA is owned by Alfa Beta Vassilopoulos S.A., using its purchasing power and quality assurance. With more than 300 associates, ENA serves wholesale customers looking for quick, easy and affordable purchases.

Market area: Greece

14 –
stores

0 –
pick-up points

MEGA IMAGE

Mega Image serves customers under the Mega Image, Shop & Go and Gusturi Românești brands, offering fresh food, quality, healthy products and advice and a unique assortment of own brands. The team is passionate about a healthy lifestyle, social causes and the environment.

Market area: Romania

985 +8
stores

0 –
pick-up points

MAXI

Delhaize Serbia is the largest store chain in Serbia. With four formats – Maxi, Mega Maxi, Shop&Go and Maxi online – it operates supermarkets known for their wide range, high-quality fresh products and great prices and promotions; modern neighborhood stores for everyday and on-the-go shopping; and hypermarkets for family shopping.

Market area: Serbia

556 +27
stores

0 –
pick-up points

joint ventures

SUPER INDO

Super Indo is Indonesia's leading supermarket chain. It goes the extra mile to maintain the freshness and quality of its products, making healthy food accessible and affordable anywhere and anytime. Super Indo is the right choice for shopping that is always fresher, affordable and closer.

Market area: Indonesia

1997
established

51%
ownership

pingo doce

Pingo Doce brings quality and innovation, and a unique shopping experience, because the best families deserve the best supermarket. Its products guarantee excellent value for money, which strengthens the brand's commitment to customers.

Market area: Portugal

1992
established

49%
ownership

Our great local brands continued

Service brands

Ahold Delhaize USA

Ahold Delhaize USA is part of the U.S. family of brands, which also includes five leading omnichannel grocery brands – Food Lion, Giant Food, The GIANT Company, Hannaford and Stop & Shop. Ahold Delhaize USA associates support the brands with a wide range of services, including finance, legal, sustainability, commercial, digital and e-commerce, retail media and digital merchandising and technology.

Considered together, the Ahold Delhaize USA businesses comprise the largest grocery retail group on the East Coast and the fourth largest in the nation, serving millions of customers each week.

Ahold Delhaize EU&I

Ahold Delhaize Europe and Indonesia (EU&I) is one of Ahold Delhaize's two regional organizations. Ahold Delhaize EU&I supports our European and Indonesian brands (Albert, Albert Heijn, Alfa Beta, bol, Delhaize, ENA, Etos, Gall & Gall, Maxi, Mega Image and Super Indo) with services that help them achieve their strategic goals. These include financial, digital, human resources and sourcing services.

In addition, Ahold Delhaize EU&I drives and coordinates programs that ensure our great local brands are always working toward achieving our Ahold Delhaize strategic priorities and financial goals.

Supporting brand and retail media networks

AD/OI

Launched in early 2024, AD/01 is Ahold Delhaize's newest operational brand, developed to drive innovation and enhance the customer experience across Europe. With a focus on cutting-edge technologies, this tech studio plays a pivotal role in strengthening our capabilities as part of Ahold Delhaize's digital, data and tech ecosystem. During 2024, AD/01 hired around 100 FTEs, in line with its ambition to attract around 250 top tech talents in the coming few years. AD/01 operates from a new, state-of-the-art office in Bucharest, Romania, designed to empower its teams and create a dynamic environment for driving value for customers, communities and stakeholders. As part of our portfolio, AD/01 is poised to play a key role in shaping the future of retail.

Ad Retail Media (EU)

Ad Retail Media (AdRM) supports the in-house retail media networks of Ahold Delhaize in Europe. While our local brands, such as Albert Heijn and bol, are already servicing their partners with a broad range of retail media, AdRM will help unlock retail media opportunities for products that are not sold at our local brands and help build offsite retail media, extending the reach of our brands.

AD Retail Media (U.S.)

AD Retail Media, a division of Ahold Delhaize USA, is the end-to-end, in-house retail media business supporting the local brands of Ahold Delhaize USA: Food Lion, Giant Food, The GIANT Company, Hannaford and Stop & Shop. AD Retail Media supports the Ahold Delhaize USA brands by leveraging their market presence and close customer connections to help consumer packaged goods (CPG) partners meaningfully engage a significant East Coast omnichannel customer base.

Acquired in 2025

Profi

Founded in 2000, Profi Rom Food SRL (Profi) has grown to be a key player in Romania's retail sector. Profi supports almost 28,700 associates, working in around 1,700 stores across the country, including more than 1,500 partner-operated locations. Profi's mission is rooted in accessibility and convenience, with a focus on serving both urban and rural communities through a diverse portfolio of store formats, including Super, City, Go and Loco, which cater to the varied shopping needs of customers.

our growing together strategy

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Introducing our Growing Together strategy

In 2024, we refreshed our purpose, vision and strategy to ensure that they can continue to lead us successfully into the future. Our plan for growth and investment underpins Ahold Delhaize's vision to be a family of great local brands that place vibrant customer experiences and trusted products at the heart of their customer value propositions.

In this section, we describe the most relevant trends and the rationale behind our Growing Together strategy.

External structural shifts are expected to impact our core business

Against a backdrop of economic and geopolitical uncertainty, we see several external macro shifts impacting our core business. For example, the highest inflation in recent years in the U.S. and Europe has caused increased household costs and price sensitivity over the past year.

Changing talent markets, due to population and workforce aging combined with higher demand for specialized skills, have created significant labor shortages. The mounting climate crisis is also increasing its impact on the global food system and making the need for rapid change across the value chain more urgent. Climate change has impacted crop yields and driven prices higher for several key commodities, including olives and coffee. Cocoa prices reached an all-time high in 2024.

We expect these and other macro factors to continue affecting the food retail industry and its consumers over the coming decade.

Omnichannel is essential

At the same time, customer expectations are rising. Shoppers want new omnichannel experiences that are easy, personal, on-demand and engaging.

We know that omnichannel customers spend one-and-a-half to three times more with our brands than single-channel customers.

To stay relevant for customers, we need to invest in our brands' online capabilities along with their physical stores, which remain a key part of the value proposition in the eyes of customers. For this reason, our omnichannel transformation includes technology modernization and new tech investments across both consumer-facing and back-office solutions.

Evolving consumer preferences

Long-term consumer preferences, demographics and trends continue to evolve. We are seeing a need for deeper personalization, both in-store and online, and an increased consciousness around health, sustainability and the community. Thanks to increased life expectancy, the global population aged 60+ is growing, and demanding more health-conscious product offerings and convenience-based services.

Despite these changing trends, the fundamentals of the retail customer value proposition – such as price, location, freshness and quality – will continue to heavily influence consumer expectations.

Technological shifts

In addition to consumer trends, the rate of technological change is not slowing down: from the spread of automation, particularly in the areas of retail operations, Internet of Things (IoT) advances, the application of generative AI and the use of data to make better-informed decisions, to the many ways companies are using augmented reality (AR) to unlock immersive customer experiences and workforce training.

This means that we must constantly reassess our tech readiness to best meet the needs of our brands and their customers and associates.

Meanwhile, the ability to capture new data and customer insights creates opportunities for complementary income streams we can pursue while continuing to focus on our core.

Sustainability transformation

While the environment in which we operate continues to evolve, our commitment to healthy communities & planet remains unchanged. It is central to building long-term business resilience – and a strategic necessity to ensure future growth, customer trust and sustained value creation across our operations and supply chain.

Our refreshed strategy strengthens our commitment to leading the transition towards a healthy and sustainable food system as a driver of competitive advantage. We do this by building resilience in our value chain, providing customers with healthy and affordable food, and partnering with others to drive sustainable business practices, such as reducing food waste and lowering our energy consumption.

Accelerating decarbonization, protecting nature and scaling circular solutions so packaging and food waste become a resource can only be achieved through innovation, sustained investments and a new way of working – one built on collaboration and collective transformation. Long-term resilience depends on it.

Introducing our Growing Together strategy continued

our growing together strategy



our purpose

inspiring everyone to eat and live better, for a healthier future for people and planet

our vision

together, we are your trusted local food retailer



Ahold Delhaize

our values

teamwork

Together, we take ownership, collaborate and win.

integrity

We do the right thing and earn customers' trust.

care

We care for our customers, our colleagues, and our communities.

courage

We drive change, are open minded, bold and innovative.

humor

We are humble, down-to-earth, and don't take ourselves too seriously.



strategic priorities

thriving people

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

healthy communities & planet

We lead the transition to a **healthy and sustainable food system** and create a brighter future for our communities.

vibrant customer experiences

We serve our **customers' life needs** through our core, and an **expanding ecosystem** of integrated products, services, channels and data.

trusted product

We translate our passion for food into **healthy, fresh and affordable products that are accessible** for our customers.

driving customer innovation

We drive further growth by building profitable **complementary businesses** and through **innovation** to support our customers of tomorrow.

portfolio & operational excellence

We use **technology and data**, we **save for our customers** every day and we leverage **scale** to become the most operationally efficient in our industry.

Introducing our Growing Together strategy continued

We have identified four areas of focus that will deliver long-term growth.



our growth model

Our six strategic priorities will collectively feed into and drive our growth model.

our strategic priorities

- trusted **product**
- vibrant **customer experiences**
- healthy **communities & planet**
- driving **customer innovation**
- portfolio & operational **excellence**
- thriving **people**

Introducing our Growing Together strategy continued

Our Growing Together strategy is more holistic, people centric and future-focused than ever before

All the trends we're experiencing present our brands with significant opportunities to drive operational efficiency and boost growth, which is essential for future investments in customer experience, sustainability and innovation. That's where our refreshed strategy comes in. Our Growing Together plan is anchored in the core attributes of what it takes to be great local retailers. It has at its heart our new growth model, focused on delivering a compelling customer value proposition, now and in the future.

Our new purpose, "inspiring everyone to eat and live better, for a healthier future for people and planet," reflects our important role in communities and society.

Our new vision, "together, we are your trusted local food retailer," highlights our unique strength: staying close to customers and communities through our great local brands while being able to leverage our scale as a group.

Our growth model explains how we achieve above-market growth through the following four levers:

- Investing in our winning customer value proposition, which is all about delivering trusted products at affordable prices and creating vibrant omnichannel customer experiences to strengthen loyalty and engagement
- Densifying and growing markets. This means prioritizing, optimizing and sharpening our portfolio to grow customer reach and extend our brands' leading positions across their markets while also expanding our horizon into new growth territories.
- Innovating for growth and efficiency, whether this is about accelerating our innovation capabilities, consolidating existing business models or developing new ways to serve business-to-consumer (B2C) and business-to-business (B2B) customers
- Leveraging and lowering our cost base, which is all about capitalizing on our size and scale to deliver consistent operational and financial performance.

Our growth model works in tandem with our six strategic priorities: while the growth model describes the "what," the strategic priorities describe the "how."

Our strategic priorities outline the areas and priorities we chose to realize our vision and stay true to our purpose.

Together, vibrant customer experiences and trusted product address crucial elements of our customer value proposition. Our aspiration for healthy communities & planet is central to building long-term business resilience – it's a strategic necessity to ensure future growth, customer trust and sustained value creation across our operations and supply chain. And we have a much stronger focus on driving customer innovation and maximizing future complementary income streams. Our portfolio & operational excellence priority stresses our relentless focus on operational efficiency to continue saving for our customers. Last, but not least, our success as an organization is only possible when our people thrive, and we honor this by cultivating a culture of collaboration, growth and belonging.

Our Growing Together strategy will help us respond to external developments and positions us well to win in all our markets. We have a great starting point: a strong business of great local brands, with lots of opportunities for future growth.

Our strategic priorities

thriving people

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

aspirations

#1 or 2
employer
of choice

drive progress to
100/100/100
gender balanced, reflective of
our communities and inclusive



Our strategic priorities continued
Thriving people continued

Why is this a strategic priority?

We operate at the heart of society, and each of our great local brands represents the unique character and needs of the communities it serves. We want to be the most local, future-proof and inclusive grocery retailer, but we can only do this if we provide associates with the resources, conditions and support they need to serve customers well every day.

What are we doing about it?

Local

For us, fostering great local brands begins with building strong talent pipelines – attracting, developing and retaining the best people, who also reflect their communities. Each of our brands has the aspiration to be the leading employer of choice in its market. See *Own workforce* for details on our people promise and how we bring it to life.

We also support our brands' communities through outreach initiatives. Mega Image has an internal volunteer program called 12 Acts of Kindness through which associates can recommend initiatives and volunteer time or money. At Stop & Shop, associates work directly with local schools to establish and support in-school pantries, ensuring kids have access to food at night and over the weekends. They operate in five states and 256 schools and serve over 40,000 students in need and their families.

Future-proof

We believe that to enable the best customer experience, we need to enable the best associate experience. The jobs we have in our brands' stores and DCs, and even our offices, are constantly changing, because of changing customer expectations and quickly evolving technology.

Our brands invest in upskilling and reskilling associates to ensure they continuously learn, challenge themselves and keep growing. In our annual Associate Engagement Survey (AES), growth was scored at 75%.

This way, we ensure we are prepared for the future of work. We are continuously investing in and leveraging technology to help us do this, for example, with our SuccessFactors platform, which enables seamless, paperless HR processes for almost all 388,000 associates and managers. We will continue using technology to help our people be more productive and efficient and make their jobs easier.

Inclusive

At Ahold Delhaize, our simple commitment is to be open for everyone – associates, customers, partners, suppliers and every member of the community.

Our brands do this through a commitment to diversity, equity and inclusion, brought to life through our 100/100/100 aspiration. We strive for a workforce that is 100% gender balanced at all levels and 100% reflective of the communities we serve and a culture that is 100% inclusive. In 2024, we had 52% women in the workforce. We work toward this aspiration through a collection of brand-specific initiatives. See *Equal treatment and opportunities for all* for more information on these local initiatives.

Our brands' great local people, with deep experience and passion for customers, are our key differentiator. They power our aspiration to be the most local, future-proof and inclusive company so our brands can be the leading employers in their markets, improve productivity, serve customers better and foster more innovation for the future.

Giving associates a voice in the boardroom

Our brands and businesses employ 388,000 associates from different countries, backgrounds and generations. To ensure broad representation in the boardroom, Ahold Delhaize has created an advisory board to the Executive Committee, called the "NextCo." It comprises associates from different brands and businesses, working in functions that span from Marketing to Store Operations to Distribution. They come together to provide strategic insights and practical feedback to the decision-making progress by better reflecting the needs and aspirations of all associates. All eight NextCo associates, the last two assigned in 2024, are linked to an Executive Committee member in a two-way mentorship. During an 18 to 24-month tenure, the NextCo focuses on topics they select together with the Executive Committee, such as people development, well-being, the future of work, and health and sustainability. They aim for balanced representation of all offices and great local brands.



Our strategic priorities continued

healthy communities & planet

We lead the transition to a healthy and sustainable food system and create a brighter future for our communities.[1]

ambitions 2025-2028

net zero
across our value chain by 2050

grow
healthy sales



1. For us, this means providing affordable, healthy food while partnering to drive decarbonization, protect nature and reduce waste.

Our strategic priorities continued
Healthy communities & planet continued

How local partnerships contribute to system change

At Ahold Delhaize, we aim to use our scale to benefit associates, communities and customers. We understand our responsibility as a multinational, especially because our brands' stores operate at the heart of society. Our size also brings benefits: with every small change, we can make a difference on a larger scale. Each local or regional initiative can contribute to our group-level health and sustainability goals.

We partner across the value chain to take steps toward a more sustainable food system. For example, Albert Heijn partnered with WWF to develop a plan with objectives and tools to help Dutch supermarkets halve their ecological impact by 2030 – and was the first to commit to the plan. Ahold Delhaize USA and General Mills have collaborated to support farmers in adopting regenerative agriculture in key sourcing regions to foster soil health and reduce greenhouse gas (GHG) emissions.



Why is this a strategic priority?

We believe there is a clear connection between the well-being of people in our brands and their communities and the well-being of the planet. The health crisis and the climate crisis are interconnected challenges. What we put on our plates has a direct impact on the world beyond our kitchen tables. In line with our purpose and vision, we focus on building healthy communities and a healthy planet.

What are we doing about it?

Healthy communities

We strive to guide customers and communities toward positive habits that help them live healthier and more sustainable lives. Our brands offer the right assortments to make healthier and sustainable products affordable and accessible for all. They continue to increase their healthy own-brand food sales as a percentage of total own-brand food sales, by following scientific guidance systems, reformulating products and increasing the number of healthier products in their assortments.

Our brands support their communities through food bank donations and by organizing local events to bring people together. They also contribute through financial donations.

For our brands, interacting with customers includes inspiring them to engage in positive habits to build healthier and more sustainable lifestyles. That is why they strive to offer information, inspiration and incentives, such as through healthy and nutritious recipes, loyalty programs that support healthy eating, coaching services and transparent labeling.

Healthy planet

We have defined three key areas where we can have a high impact:

- Climate: Accelerate value chain decarbonization by shifting to non-fossil-derived fuels, lowering energy consumption, increasing renewable energy and driving more efficient transport in our brands' operations, while working with suppliers to identify and implement initiatives relative to their businesses.
- Nature: Protect nature and biodiversity by promoting sustainable and regenerative agriculture and water stewardship and working to stop ecosystem conversion and pollution, while respecting people, animals and habitats.
- Circularity: Scale circular models for packaging and unsold food waste by reducing the use of fossil fuel-derived plastics, designing for recyclability and driving higher valorization of unsold food.

We have made important strides in our work toward a healthy planet. For more details, see *Environmental information*.

We have also strengthened our focus by creating a dedicated Chief Sustainability Officer role on our Executive Committee. We include health and sustainability components in the short- and long-term incentives that are part of our remuneration policy, and issued debt products, such as sustainability-linked and green bonds.

Our strategic priorities continued

vibrant customer experiences

We serve our customers' life needs through our core business, and an expanding ecosystem of integrated products, services, channels and data.

ambitions 2025-2028

~30m
monthly active app users

80%
omnichannel loyalty sales



Our strategic priorities continued
Vibrant customer experiences continued

Why is this a strategic priority?

Customers are increasingly looking for personalized offerings adapted to their needs and expectations. And this is true no matter how or when they choose to engage with us. They use a variety of channels to interact with our brands: from click and collect to mobile apps to shopping at our brands' stores. This provides our brands with the opportunity to create deeper connections with customers and ensure they are met with products, services and offerings tailored to them.

We want customers to have vibrant experiences every time they interact with our brands, whether through community connections, in-store experiences or integrated and digital interactions. Today's customer journey is about deeper personalization and integrated solutions.

What are we doing about it?

Driving omnichannel engagement

When we talk about our brands, we are referring to a combination of in-store and online businesses. Being a true omnichannel retailer is part of our winning combination of local insights and international scale. Through the capabilities we have built, each brand now has a seamless, integrated shopping experience through which they build trust and loyalty across all shopping channels.

Our omnichannel growth has also been fueled by the bold moves we're making to evolve our business. For example, in the U.S., we have built our proprietary e-commerce platform called PRISM, which now enables pickup or delivery for most of our brands' customers across 19 states.

Our omnichannel offering is at the heart of our customer journey and an important priority for our brands. Omnichannel customers spend one-and-a-half to three times more with our brands than single-channel customers in our most mature markets.

By continuously improving the customer experience, in locally vibrant stores, through a leading digital user experience and strong customer service, we aim to drive omnichannel loyalty sales penetration up to 80% by 2028.

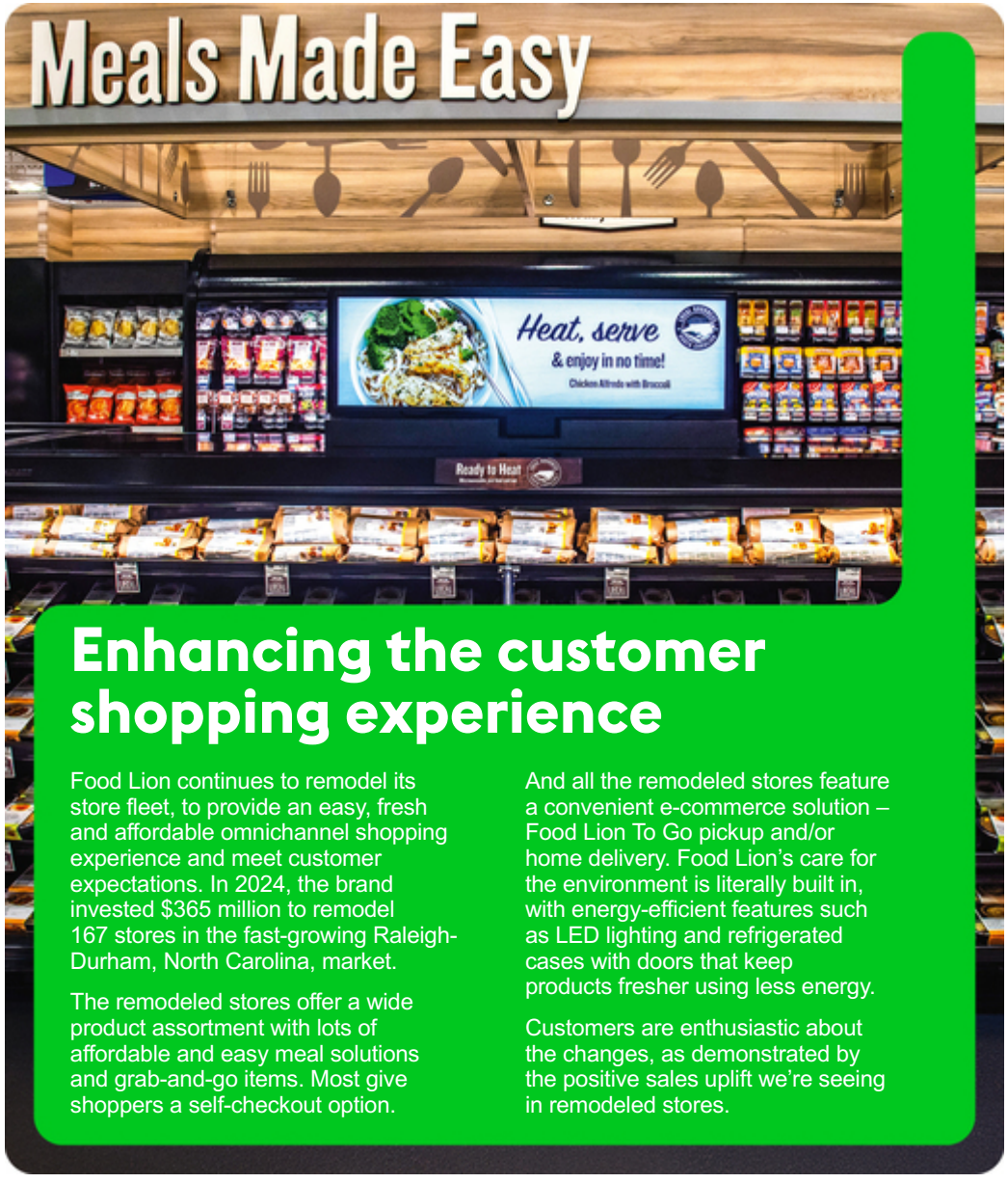
And our brands' stores are more than places to shop. They are at the center of their communities – some for more than 150 years. During both good times and bad, our brands' stores are "go-to" places for people to connect, celebrate and support each other.

Growing personalization and loyalty

Personalized value is a critical driver for loyalty and repeat customers. Our brands are already active in this area, providing billions of personalized offers each year, and will now create unique shoppable content across channels and leverage innovative technologies for a truly connected shopping experience. Customers will receive inspirational, hyper-personalized content that makes shopping fun. This complements the significant value propositions our brands have created, both in the U.S. and Europe, as demonstrated by awards received, such as the 2024 America's Best Loyalty Program award at Food Lion, Giant Food and Stop & Shop, and milestones, like Albert Heijn's Premium program reaching one million subscribers this year.

By building best-in-class data insights capabilities that improve personalization and offer tailored product recommendations, infusing more life and content into our loyalty programs, and enhancing the digital experience, we expect to increase active app users, targeting around 30 million per month by 2028.

By keeping the customer at the center of all we do, our brands will continue to build trust and drive loyalty.



Enhancing the customer shopping experience

Food Lion continues to remodel its store fleet, to provide an easy, fresh and affordable omnichannel shopping experience and meet customer expectations. In 2024, the brand invested $365 million to remodel 167 stores in the fast-growing Raleigh-Durham, North Carolina, market.

The remodeled stores offer a wide product assortment with lots of affordable and easy meal solutions and grab-and-go items. Most give shoppers a self-checkout option.

And all the remodeled stores feature a convenient e-commerce solution – Food Lion To Go pickup and/or home delivery. Food Lion's care for the environment is literally built in, with energy-efficient features such as LED lighting and refrigerated cases with doors that keep products fresher using less energy.

Customers are enthusiastic about the changes, as demonstrated by the positive sales uplift we're seeing in remodeled stores.

Our strategic priorities continued

trusted product

We translate our passion for food into healthy, fresh and affordable products that are accessible to our brands' customers.

ambitions 2025-2028

enhance
price position

~45%
own-brand food share



Our strategic priorities continued
Trusted product continued



Thinking big and using scale to improve value locally

Own brands are one way our brands differentiate themselves and offer customers great value for money. That's why Albert in the Czech Republic, Mega Image in Romania, Alfa Beta in Greece, and Maxi in Serbia are teaming up to offer a unified, high-quality, own-brand range across our CSE region. The brands are continuously expanding their assortments with new products – including more plant-based and organic choices – redesigned packaging and food innovations through this extensive collaboration project.

Working together across the region is helping reduce costs and streamline production and distribution. But the project has local customers at its heart: the team is in constant communication to ensure products meet the specific tastes and preferences of each country and any cultural differences are taken into account.

So far, the team has placed 800 harmonized products on the shelves, and customers are fully on board: comparable sales are up by over 20%!

Why is this a strategic priority?

Consumers increasingly expect products that are healthy, local, fresh and sustainable. At the same time, "best value for money" remains one of the most important purchasing criteria, both in the U.S. and Europe. Customers look for a relevant, healthy and locally sourced assortment at the right value.

For our brands, this means being laser-focused when it comes to the basics: delivering trusted products at excellent prices.

What are we doing about it?

Driving price, value and assortment

Supporting customer choice by providing easy access to affordable and healthy food options is at the center of the customer value proposition at all our great local brands. Customers are facing intense pressure on their household budgets; in the face of this, our brands are doing their utmost to keep shopping affordable.

We have a strong set of levers in place to drive market share and volume growth, including taking the right actions on assortment and promotions to enhance our brands' price position, for example by making €1 billion in price investments in the U.S. over the next four years and expanding the Price Favorites – low-priced, top-quality own-brand products – across our European brands. They have a local name and flavor in each market, such as "Price Favorites" at Albert Heijn and "Little Lions" at Delhaize.

Our brands already strive to offer customers fresh, local, healthy and sustainable assortments. They aim to maintain a high level of product safety for our own-brand products, while also seeking to address human rights and environmental protections in the supply chain. We know this builds trust and deepens our brands' connection with customers.

Own brands

Own brands play a critical role in driving customer loyalty and business performance for our brands. Tailored to each market, own brands are a vehicle for localization, quality and innovation, all key to our customer value proposition. Most baskets at our brands contain an own-brand product.

These ranges include value options and choices that are better for our brands' customers and the planet. For example, in the Netherlands, Albert Heijn offers almost 2,000 own-brand organic products.

In the U.S., our brands have lowered prices on many own-brand items. For example, Giant Food lowered the prices of hundreds of own-brand items and expanded its Flexible Rewards loyalty program to include double points on Giant brand items purchased.

Our brands are continuously working to deliver high-quality own brands. Their efforts were recognized by many external awards this year, such as Albert Heijn and Etos having numerous own-brand products named as "Chosen Private Label Product of the Year" and Alfa Beta securing several World Quality Awards for its Close to the Greek land range. We are raising the bar significantly on our ambitions and intend to reach own-brand penetration of around 45% across the company by 2028. We will do this by moving faster with cross-brand best practice sharing and consolidating activities – for instance, leveraging the Nature's Promise brand across the U.S. and Europe and bringing our strong European own-brand wine business to our U.S. brands.

Our strategic priorities continued

driving customer innovation

We drive further growth by building profitable complementary businesses and innovating to support the customers of tomorrow.

ambitions 2025-2028

€3bn
complementary income streams

accelerate
innovation



Our strategic priorities continued
Driving customer innovation continued

Why is this a strategic priority?

Just as we continuously invest in our brands' stores, we maintain and invest in innovation and technology, to enable our brands to serve customers better every day. These investments boost our omnichannel offerings and drive our sustainability transformation, making a structural and long-term impact that also helps us to remain competitive.

Innovation can also unlock new opportunities to drive revenue and improve efficiency. Complementary businesses provide a much-welcomed opportunity to develop additional revenue streams at higher margins than the traditional grocery business.

What are we doing about it?

We are using innovation to better leverage our large customer base and existing infrastructure. For example, Albert Heijn and Delhaize have begun to offer vehicle charging stations in their store parking lots.

We continue to invest in our tech foundations and data and AI capabilities and work to enable rapid integration of new technologies alongside data that is reliable, available and secure. In the Netherlands, we partner with the Kickstart AI foundation to boost adoption of AI. This year, Kickstart AI completed a pilot to automate and fine-tune bol subsidiary Ampère's parcel volume predictions, improving efficiency and making logistics more sustainable by reducing unnecessary trips and optimizing vehicle use.

In addition, we are joining the industry in exploring the food retail applications of generative AI, a technology that could impact every domain of our business – from our brands' people and operations to customers and the planet. For example, the U.S. e-commerce business has launched a semantic search solution that understands the context of a customer's online search request and returns improved results.

In all areas of innovation, we will continue to reinforce our unique model that allows us to experiment locally and scale winning solutions across our brands' markets.

Ahold Delhaize also has a unique opportunity to capitalize on the momentum of a growing retail media market. At the same time, we will relentlessly explore new business models and drive innovation.

We will accelerate complementary income streams across:

- Retail media, data and insights
- Digital services
- B2B commercialization, such as bol's third-party sellers
- Pursuit of new opportunities, such as investing in innovative start-ups and scale-ups through W23 Global, a retail venture capital fund

In the U.S., we have taken bold moves to accelerate the growth of our retail media business, including bringing our retail media platform in-house last year. As a result, we have increased U.S. retail media income by approximately 34% versus last year.

Our retail media model leverages our omnichannel approach to capture traffic from both our brands' online and physical stores. This results in more personalized offers for customers, higher conversion rates for advertisers and potential new revenue streams. To put this into action, we are partnering, building and acquiring technology and capabilities. Our investment in advertising technology company Adhese and our existing network of 10,000 in-store digital screens across Europe demonstrate our commitment to this strategy.

Less food waste with more AI

Albert Heijn is committed to reducing food waste by 50% by 2030 against a 2016 baseline, partly by using AI solutions to make small changes that add up massively over millions of transactions and customers served.

The brand uses AI to improve customer demand forecasting, ensuring shelves are stocked while food isn't wasted. With machine learning, they generate a demand forecast for every product in every store for the next 50 days – more than one billion predictions every day!

The team at Albert Heijn also expanded its innovative dynamic markdown program in 2024 from perishables to include groceries with a longer expiration date, such as peanut butter and soft drinks. It offers discounts of 25% to 70% on products approaching their expiration dates, helping customers balance their food budgets while reducing food waste. The discounts are dynamically delivered through electronic shelf labels, using AI technology. In 2024, these two programs saved over 1.5 million kilograms of food waste.



Our strategic priorities continued

portfolio & operational excellence

We use technology and data, we save for our customers every day and we leverage scale to become the most operationally efficient in our industry.

ambitions 2025-2028

differentially
invest & grow

€5bn
Save for
Our Customers



Our strategic priorities continued
Portfolio & operational excellence continued



Strengthening local connections to grow market share

Delhaize completed its Belgium Future Plan in 2024, transitioning all stores to its affiliate model – and is seeing positive initial results!

Prior to the transition, the brand had operated a mix of company-owned and affiliated stores in the competitive Belgian market. Affiliated stores were growing more steadily and profitably, thanks to their strong local presence and ability to quickly adapt to the market and changing consumer needs. So, 18 months ago, Delhaize decided to move the rest of its company-owned stores to a 100% affiliated model.

Now that all 128 stores are transitioned, initial results are validating this strategy. Stores converted early in the process are showing double-digit growth, and many converted stores are reaching a higher-than-forecasted performance. Delhaize's market share is also rising – it surpassed 22% in 2024. And net promoter score for the converted stores is up by 11 points, showing customers' enthusiasm for the changes.

Why is this a strategic priority?

With our size and scale, we are known for our ability to deliver consistent operational and financial performance. Our brands' relentless focus on driving operational efficiency unlocks the funds to reinvest in our customer value proposition, tech solutions and sustainability ambitions.

Our success is about continuously looking for simplification and cost-saving opportunities to fuel our plans for growth.

What are we doing about it?

Portfolio excellence

We are developing our portfolio with the right mix of organic and inorganic growth and businesses that deliver strong returns. Densifying and expanding our strongest brands is our top priority.

In the U.S., we are returning to a strong focus on organic store growth, accelerating growth at, for example, Food Lion and Hannaford. In Europe, we are leveraging our Benelux stronghold through Albert Heijn and capturing new growth opportunities in Central and Southeastern Europe (CSE), with store openings and with acquisitions like Profi bringing scale and synergies.

When necessary, our brands take action to strengthen future performance, as they successfully did through the recent Belgium Future Plan and are working on through Stop & Shop's revitalization.

Operational excellence

We continuously work to deliver savings and unlock operational efficiencies. Our brands lower the cost of goods sold by building meaningful purchasing alliances in Europe with international peers, by growing scale in own brands and by leveraging the power of data and analytics to build assortments and enhance procurement negotiations.

AI and automation helps us to unlock efficiencies across logistics, distribution, store operations and back offices. We seek to simplify and refine our operating model, to make associates' jobs easier and more efficient, and to lower general and administrative costs over time. For example, in 2024, we streamlined the support services for our U.S. brands into a single organization and simplified our European and Group structures.

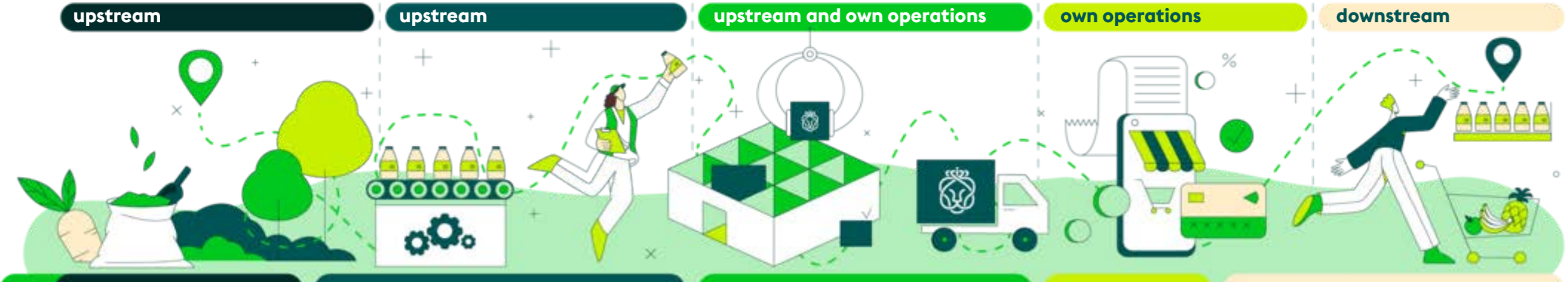
We invest in the tech that powers our supply chain – such as developing the infrastructure the U.S. DCs operate on. We deliver better customer experiences through tech-powered investments in our brands' stores, such as electronic shelf labels in Europe and handheld technology that frees associates to better serve customers.

And we leverage our scale to deploy winning solutions across our brands. Our forecasting tool, which we implemented across Albert Heijn, Delhaize and the U.S. brands, is a great example. We have also rapidly deployed an online product recommendation engine across Belgium, Romania, Serbia and Greece and launched a joint e-commerce platform in the U.S.

Save for Our Customers

Over the past four years, we have made great strides with our Save for Our Customers program. We raised our target again to €5 billion in total between 2025 and 2028. The savings from this program will be reinvested in our winning customer value proposition, technology and our sustainability agenda, to continue to drive growth.

Our value chain



value chain

raw materials

Our brands source products from producers near and far, who grow and cultivate raw materials or raise livestock for commodity production.

production and transport

Suppliers harvest, assemble, prepare and package the ingredients before products are transported to our brands' warehouses.

warehouse and distribution

Vendors deliver products to our brands' DCs.

Our brands prepare products for transport to stores, e-commerce fulfillment centers, HSCs, pick-up points and customers' homes.

retail

Our well-known local brands serve the needs of 63 million customers each week, providing a leading local food shopping experience in stores and online.

customer experience

Our brands serve customers' life needs through our core food retail business, and an expanding ecosystem of integrated products, services, channels and data.

stakeholders*

- our associates
- our customers
- our communities
- our shareholders

* The stakeholders on this page refer to the value creation stakeholders, and are not the same stakeholders we discuss in *Interests and views of stakeholders* in the Sustainability statements.

Our value creation model

Inputs

(In)tangible capital

Our strong brands with their vibrant customer experiences deliver a relevant, healthy and locally sourced assortment at the right value.

16 great local brands

Our brands operate **7,765** stores

Human capital

Our brands' motivated and talented associates are the key to their success.

Our brands employ **388 thousand** associates worldwide

81% inclusion (2023: 81%)

Natural capital

The operation of our businesses relies on natural resources. How ingredients are grown and packaged impacts the health of our communities and planet.

Fresh food **45%** of total sales

96% certified palm oil in own-brand products

Financial capital

We maintain a sustainable mix of debt and equity investments and a sound financial position.

€500 million green bond issued

Free cash flow **€2.5bn**

Outputs

Our customers

52.4% healthy own-brand sales (% of total own-brand food sales)

3.5% online sales growth in 2024 (at constant rates) (2023: 5.1%)

Our associates

78% associate engagement (2023: 78%)

17.9 workplace injury rate[1] (2023: 19.0)

Our communities

2.6 Mt CO_2-equivalent scope 1 and 2 emissions

74.8 thousand tonnes of food donated (2023: 76.3 thousand tonnes)

Our shareholders

€1.17 per share dividends for 2024 (2023: €1.10)

€1.0bn returned to shareholders via share buyback program in 2024

Outcomes

- Enabled customers to make healthier choices
- Funded growth across all channels by reinvesting in the business

- Fostered an engaged and skilled workforce
- Maintained a safe place to work

- Contributed by reducing food waste
- Reduced environmental footprint and waste (CO_2e reduction of 2.5%)

- Ensured sustainable returns to shareholders
- Maintained a strong financial position

1. Per one million hours worked; for more information on how we engage with our stakeholders, see *Sustainability notes – Social indicators*.

performance review

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Targets and results

Key financial targets[1]	Target 2024	Results in 2024
Group underlying operating margin	≥ 4.0%	4.0%
Diluted underlying EPS growth[2]	Around 2023 levels	0.1% growth vs. 2023
Net capital expenditures	Around €2.2 billion	€2.0 billion
Free cash flow[3]	Around €2.3 billion	€2.5 billion
Dividend payout ratio[4]	Absolute increase in dividend per share 40-50% payout ratio	€0.07 increase in dividend per share 46% payout ratio
Share buyback[5]	€1 billion	€1 billion

1. Targets 2024 based on original guidance as per Annual Report 2023; for definitions on key performance indicators (KPIs), see *Definitions and abbreviations*.
2. At current rates
3. Target excludes M&A.
4. The dividend payout ratio for results in 2024 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.
5. Management remains committed to the company's share buyback and dividend programs while continuously assessing macroeconomic, geopolitical and legislative factors as part of its decision-making process. Additionally, the programs may be adjusted in response to corporate activities, including significant mergers and acquisitions.

Note: Targets are based on the previous year's full year results unless stated otherwise.

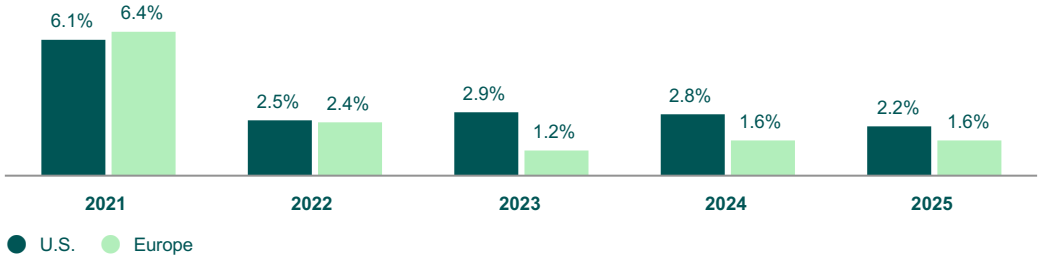
Financial group review
Macroeconomic trends

Increasing global tension, declining top-line inflation and stable GDP growth defined the economic conditions for Ahold Delhaize

GDP growth remained stable in both U.S. and Europe

In 2024, the growth of the global economy remained resilient. Real Gross Domestic Product (GDP) reached 3.2% globally in 2024. The U.S. continued to outperform the growth of other advanced economies, in particular, the largest European countries: the U.S. showed growth of 2.8% and Europe showed growth of 1.6%[1]. In 2025, GDP growth is expected to slow down in the U.S. and remain flat in Europe. However, uncertainty around GDP growth comes from potential trade conflicts following the implementation of more protectionist policies[2].

Real GDP growth[3] (%)



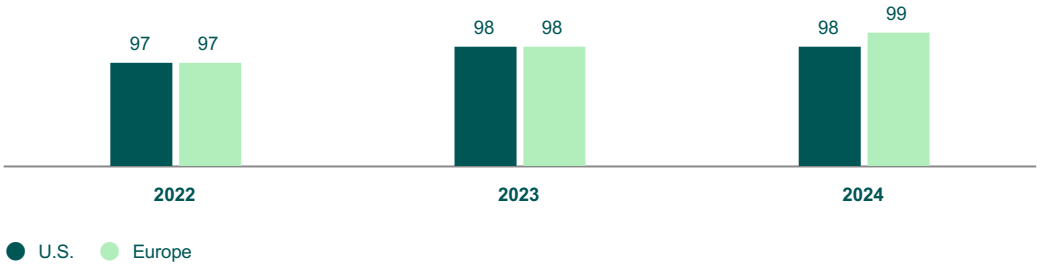
1. Source: "Data mapper," International Monetary Fund (IMF)
2. Source: "Economic Outlook," Organization for Economic Co-operation Development (OECD)
3. Real GDP represents the total value at constant prices of final goods and services produced in a country within a specific time period. 2025 reflects forecasted GDP. Source: IMF (GDP reports: Annual percentage change, 2024).

Consumer confidence improved marginally

Consumer confidence improved marginally in 2024, but it remains muted compared to long-term averages in most major advanced economies; the U.S. consumer confidence index is in line with 2023 at 98%, while Europe improved slightly from 98% in 2023 to 99% in 2024. Despite the recovery in real income, the recent gaps between wage growth and price growth of items that are important to households resulted in lower perceived purchasing power and might hamper further improvements in consumer confidence. Households seemed hesitant to spend their additional income. With high inflation still a recent memory, purchasing power below its mid-2022 peak and the potential for higher financial returns from elevated interest rates, households continued to save a larger portion of their income.

Source: "Main Economic Indicators," OECD and 2024 Economic Forecast EU commission

Consumer Confidence Index
(Long-term average = 100, yearly average)



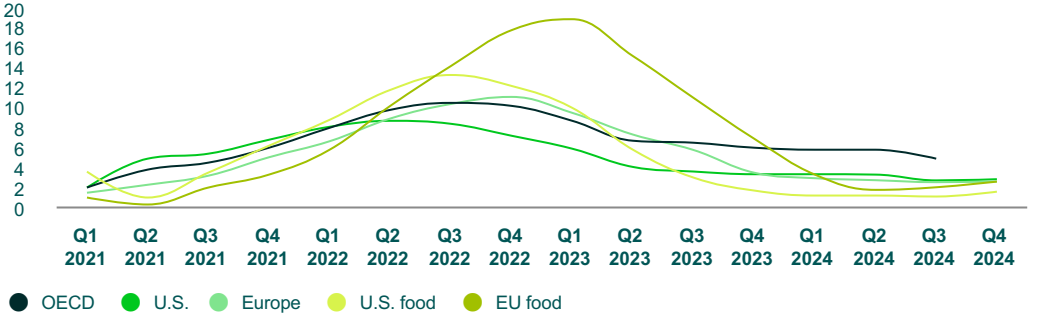
Source: OECD: Main Economic Indicators; Calculation method: CCI, Amplitude adjusted, Long-term average = 100, yearly average change

Declining inflation continued in 2024

In both the U.S. and Europe, declining inflation started at the end of 2022 and continued in 2024. The OECD Consumer Price Index (CPI) moderated gradually during 2024 from 5.7% in the beginning of the year toward 4.8% in Q3 2024. Much of the decrease in inflation was driven by the resolution of initial disruptions (the pandemic, followed by commodity price increases caused by the war in Ukraine) and a better labor supply. Monetary policy also played a key role without significantly slowing down economic activity. In most major economies, inflation is projected to be on target by the end of 2025. The CPI for food and beverages only followed similar trends as the total CPI.

Source: International Monetary Fund (IMF), various reports in 2024 and OECD Economic Outlook May

Consumer Price Index (CPI) and CPI for food and beverages



Source: OECD (Consumer Price Indices – Complete Database, 2024); the data for OECD Is not available yet for Q4 2024.

Financial group review continued
Macroeconomic trends continued

Grocery spending divergence per region

Growth in global grocery spending in 2024 was in line with 2023, at around 2.0%. However, trends in the U.S. and Europe diverged considerably; U.S. grocery spending growth was 0.6% lower than 2023, while, in Europe, it rose by 1.4%. Grocery share as a percentage of consumer spending grew by 0.3% in the U.S., and by 0.1% in Europe in 2024.

Source: Flywheel Retail Insights

Consumer spending split 2022-2024	2024	2023	2022
World			
Growth in grocery spending	**2.0%**	2.0%	(0.7)%
Grocery as a % of total consumer spending	**49.0%**	49.1%	49.3%
United States			
Growth in grocery spending	**4.6%**	5.2%	6.4%
Grocery as a % of total consumer spending	**41.0%**	40.7%	40.6%
Europe			
Growth in grocery spending	**2.9%**	1.5%	10.6%
Grocery as a % of total consumer spending	**43.2%**	43.1%	43.4%

Source: Flywheel Retail Insights (various reports in 2024; the data for 2022-2023 has been restated by Flywheel, including the expansion of retail sales coverage and an update on product category mapping for grocery).

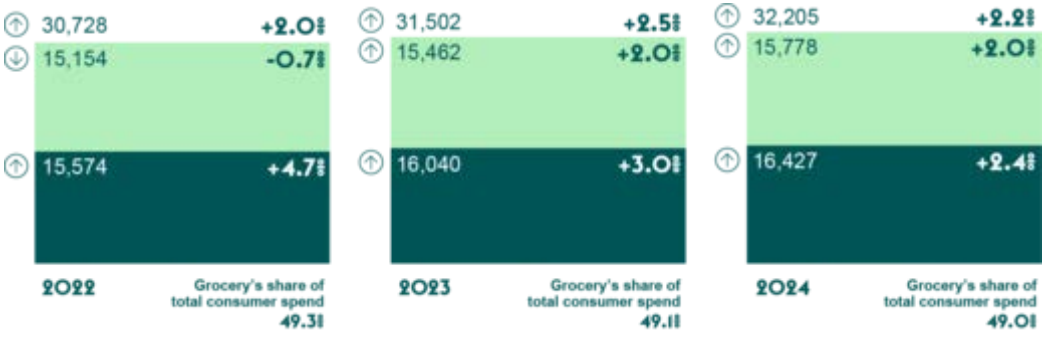
2024 was another year of macroeconomic uncertainty, although some recovery of consumer behavior can be identified. The main trends included a weakening of brand loyalty, more frequent purchasing of private-label products, prioritization of price, and focus on wellness and fitness, including an increased interest in vitamins and supplements[1]. In the grocery sector, consumers focused on the basic necessities and essential goods versus nice-to-haves. In addition, consumers shifted to value-seeking behavior, which manifested itself in promotion-driven decisions and buying higher quantities at a lower price. Online sales in the food category also grew rapidly[2].

In the U.S., consumers continued switching to lower-priced products, with purchase delays gaining popularity. Consumers reported higher optimism and the intention to spend more on food and dining in the future. In Europe, consumer spending remained stable, with fewer consumers trading down compared to last year. Consumer optimism grew slightly in 2024; consumers indicated a desire to spend more on home, groceries and electronics[3].

In addition, Deloitte's Financial Well-being Index, published monthly to track consumers' financial well-being and how they feel about their future financial security, demonstrated an even more positive trend for retailers, compared to last year. The index increased to 103.5 in October 2024, compared to 99.1 in 2023[4].

1. Source: McKinsey
2. Source: NielsenIQ
3. Source: McKinsey
4. Source: Deloitte

Global consumer spending development
(grocery and non-grocery)



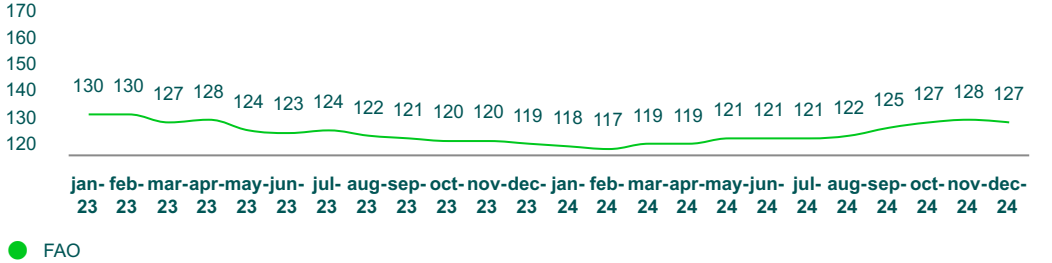
Source: Flywheel Retail Insights (Market – Global Consumer Trends in USD at 2024 exchange rate; the values for 2022-2023 have been restated by Flywheel; new methodology excludes services and B2B).

Food commodity prices increased

Food commodity prices grew throughout 2024, pushing the Global Food and Agriculture Organization of the United Nations (FAO) Food Price Index to 127.0% by December 2024. The FAO Food Price Index measures the average price change for five main commodity groups (sugar, meat, dairy, vegetable oils and cereals). FAO growth of 6.7% versus December last year was caused by the increase of price quotations for meat, dairy and vegetable oil.

Source: FAO

FAO food price index
(2014-2016 = 100)



Source: FAO (2023-2024); FAO food price index consists of the average of five commodity group price indices: meat, dairy, cereals, vegetable oils and sugar.

Financial group review continued
Macroeconomic trends continued

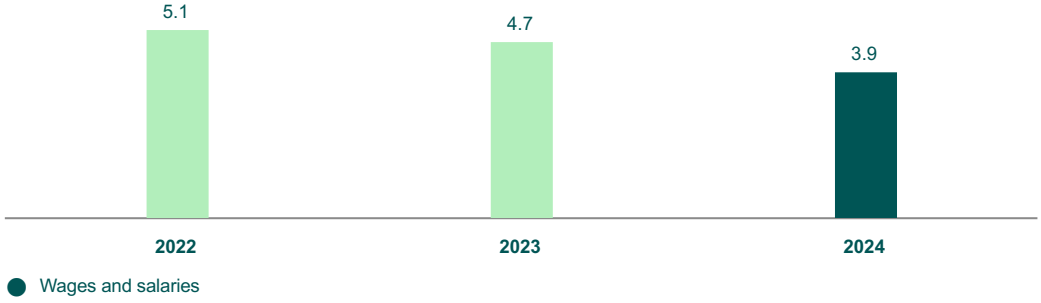
Nominal wages continued to increase in 2024

After years of significant wage and salary growth in the U.S., rates started to stabilize slowly. Wages and salaries increased by 3.9% in 2024, 0.8 percentage points lower than in 2023[1]. Adjusted for seasonality, there was a 1.4% increase in real average hourly earnings from December 2023 to December 2024[2].

Wage and salary growth remained robust and increased slightly in Europe, reaching 5.5% growth in 2024[3]. As a result of lower inflation, real wage growth increased[4].

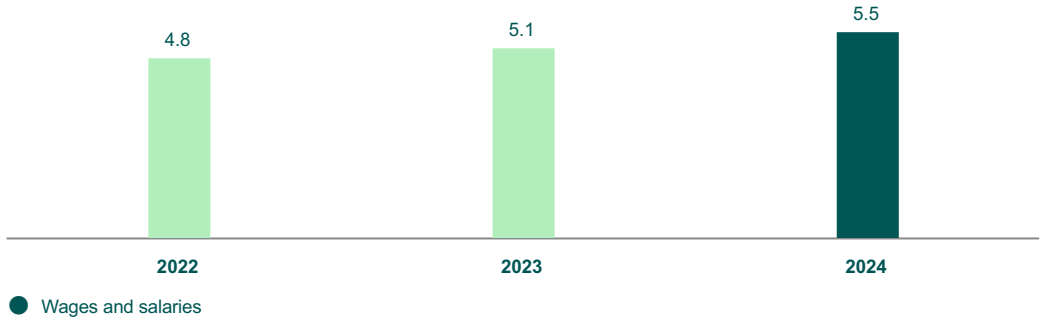
1. Source: U.S. Bureau of Labor Statistics, news release on Employment Cost Index, October 2024
2. Source: U.S. Bureau of Labor Statistics
3. Source: "Euro indicators," Eurostat
4. Source: "Labour market and wage developments in Europe 2024," Eurostat – EU commission

Nominal wages and salaries for U.S. civilian workers
(12-month % change)



Source: U.S. Bureau of Labor Statistics (charts related to the latest "Employment Cost Index" news release)

Nominal wages and salaries for European workers
(12-month % change)

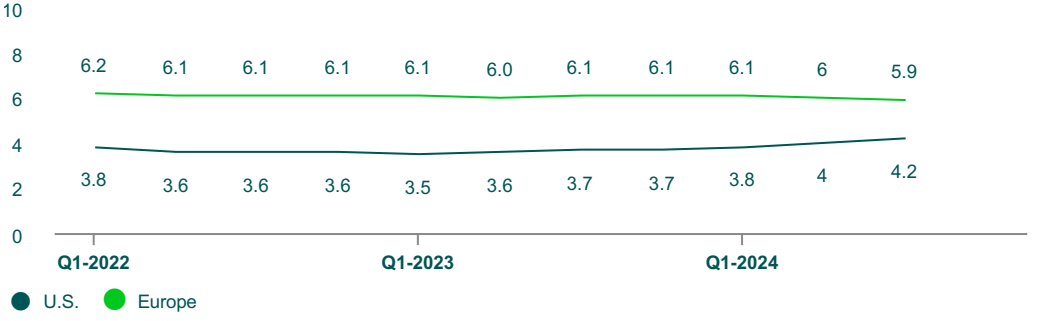


Source: Eurostat (Labor cost index); data for prior years has been restated by the Eurostat; 2024 is average Q1-Q3.

The labor market behaved consistently, with no major changes in labor market conditions from quarter to quarter. In the U.S., unemployment slightly increased from 3.7% in Q4 2023 to 4.2% in Q4 2024, resulting in a total of around 7.2 million unemployed people throughout the year[1]. In Europe, the unemployment rate moderated very slowly throughout 2024, from, on average, 6.1% in Q4 2024 to 5.9% in December 2024[2].

1. Source: "The Employment Situation – December 2024," U.S. Bureau of Labor Statistics
2. Source: "Euroindicators November 2024," Eurostat

Monthly unemployment rates
(%)



Source: OECD (Labor market statistics 2022-2024); Europe data is still not available for Q4 2024.

Financial group review continued
Macroeconomic trends continued

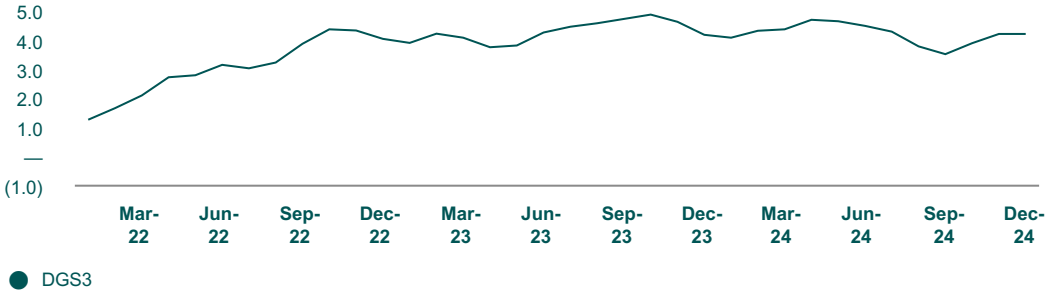
Interest rates

In 2024, the Federal Reserve decided to lower interest rates as inflation rates declined and economic growth prolonged. Our business was impacted by these interest rate fluctuations.

The three-year constant maturity market yield on U.S. Treasury securities slightly increased from 4.19% in December 2023 to 4.22% in December 2024, which had a mildly favorable impact on the present value of our insurance liabilities.

Source: Federal Reserve Bank of St. Louis

Market yield on U.S. Treasury securities at three-year constant maturity



Source: Board of Governors of the Federal Reserve System (U.S.) market yield on U.S. Treasury securities at three-year constant maturity, quoted on an investment basis [DGS3], retrieved from the Federal Reserve Bank of St. Louis (FRED)

Foreign exchange rate volatility

The majority of the Ahold Delhaize brands' operations are located in the United States and denominated in U.S. dollars, which is translated into euros for consolidated results. The U.S. dollar was in decline throughout the first three quarters of 2024. In the third quarter, the dollar index fell by 5% against a basket of currencies, marking its weakest quarterly performance for the past two years. It was also destabilized by the Federal Reserve cutting interest rates by 0.50% in September[1] and 0.25% in November 2024[2]. However, the result of the U.S. elections in the fourth quarter had a strengthening effect on the currency, in anticipation of a second Trump administration[3]. Over the course of 2024, the U.S. dollar had depreciated by (0.07%) year-on-year against the euro[4]. A weakening dollar impacted our consolidated financial results unfavorably. For more information, see *Note 2* to the consolidated financial statements.

1. Source: Reuters
2. Source: CBS
3. Source: Morgan Stanley
4. Source: Bloomberg

Currency		2024	2023	Change in the average annual value of the currency
U.S. dollar	USD/EUR	0.9242	0.9248	(0.07%)
Czech crown	CZK/EUR	0.0398	0.0417	(4.5)%
Romanian leu	RON/EUR	0.2010	0.2022	(0.6)%
Serbian dinar	RSD/EUR	0.0085	0.0085	0.1 %

Source: Average exchange rates 2023-2024, Bloomberg

Financial group review continued
Group key financial indicators

Net sales
€89.4bn ▲ 0.9%*
0.7% vs. 2023

Comparable sales growth (excluding gasoline sales)
1.2%

Operating income
€2.8bn ▼ (1.9)%*
(2.2)% vs. 2023

Underlying operating income
€3.6bn ▲ 0.2%*
0.1% vs. 2023

Underlying operating margin
4.0% — —pp*
0.0 pp vs. 2023

Free cash flow
€2.5bn ▲ €0.1bn

*At constant rates.

Group performance

€ million	2024	2023 restated[1]	Change	% change	% change at constant rates
Net sales	**89,356**	88,734	622	0.7%	0.9%
Of which: online sales	**9,235**	8,931	304	3.4%	3.5%
Cost of sales	**(65,551)**	(64,880)	(671)	1.0%	
Gross profit	**23,805**	23,854	(49)	(0.2)%	
Other income	**431**	414	17	4.2%	
Operating expenses	**(21,453)**	(21,422)	(31)	0.1%	
Operating income	**2,784**	2,846	(62)	(2.2)%	(1.9)%
Net financial expense	**(562)**	(546)	(16)	2.9%	
Income before income taxes	**2,222**	2,300	(79)	(3.4)%	
Income taxes	**(481)**	(456)	(25)	5.5%	
Share in income of joint ventures and associates	**23**	30	(7)	(23.5)%	
Income from continuing operations	**1,764**	1,874	(111)	(5.9)%	
Income (loss) from discontinued operations	**—**	—	—	(26.5)%	
Net income	**1,764**	1,874	(111)	(5.9)%	(5.5)%
Operating income	**2,784**	2,846	(62)	(2.2)%	(1.9)%
Adjusted for:					
Impairment losses and reversals – net	**229**	375	(147)		
(Gains) losses on leases and the sale of assets – net	**181**	180	1		
Restructuring and related charges and other items	**414**	202	212		
Underlying operating income	**3,608**	3,604	4	0.1%	0.2%
Depreciation and amortization[2]	**3,476**	3,462	14		
Underlying EBITDA	**7,083**	7,066	17	0.2%	0.4%
Underlying operating income margin	**4.0%**	4.1%	0.0pp		
Underlying EBITDA margin	**7.9%**	8.0%	0.0pp		

1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).
2. The difference between the total amount of depreciation and amortization for 2024 of €3,477 million (2023: €3,469 million) in *Note 8* and the €3,476 million (2023: €3,462 million) mentioned in the table relates to items that were excluded from underlying operating income.

Financial group review continued
Group performance

Shareholders

€ unless otherwise indicated	2024	2023	% change
Net income per share attributable to common shareholders (basic)	**1.90**	1.95	(2.6) %
Underlying income per share from continuing operations	**2.55**	2.55	0.1%
Dividend payout ratio	**46%**	43%	2.7pp
Dividend per common share	**1.17**	1.10	6.4%

Other information

€ million	2024	2023	% change
Net debt[1]	**14,129**	14,267	(1.0)%
Free cash flow[2]	**2,545**	2,425	4.9%
Capital expenditures included in cash flow statement (excluding acquisitions)	**2,299**	2,434	(5.5)%
Number of employees (in thousands)	388	402	(3.6)%
Credit rating/outlook Standard & Poor's	**BBB+ / stable**	BBB+ / stable	—
Credit rating/outlook Moody's	**Baa1 / stable**	Baa1 / stable	—

Certain KPIs contain alternative performance measures. The definitions of these measures are described in the *Definitions and abbreviations* section of this Annual Report.

1. For reconciliation of net debt, see *Financial position* in this report.
2. For reconciliation of free cash flow, see *Cash flows* in this report.

Positive growth driven by robust comparable sales and portfolio updates; solid underlying profitability as a result of strong cost control

In 2024, Ahold Delhaize achieved strong underlying results, showing positive net sales growth (0.9% at constant rates) while sustaining a solid underlying operating margin. Our brands remained focused on helping customers cope with challenging economic circumstances, through increased price investments, new own-brand assortments and strong operational execution.

Overall net sales increased to €89,356 million, driven by store openings and comparable sales growth partially offset by the closure of Stop & Shop stores, the divestment of FreshDirect and lower gasoline sales. In the U.S., comparable sales benefited from continued growth in pharmacy and double-digit growth in online grocery excluding FreshDirect. Food Lion and Hannaford continue to lead the U.S. brands' performance, with 49 and 14 consecutive quarters of positive sales growth, respectively. The elevated European comparable sales were negatively impacted by the cessation of tobacco sales at supermarkets in the Netherlands.

On a Group level, net online sales grew by double digits, excluding FreshDirect. The divestment of FreshDirect had a negative impact of 6.9 percentage points. All the U.S. brands showed positive growth rates, with the strongest growth at Food Lion and Hannaford. In Europe, online food retail sales increased at double-digit rates for all the brands, while non-food retail grew at single-digit rates.

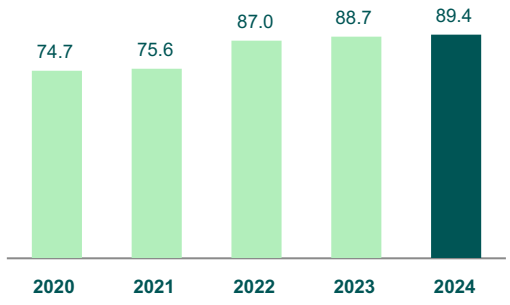
Although cost of sales increased slightly, other expenses remained in line with 2023, driven by tight cost management and our Save for Our Customers cost-savings program. This, in addition to the strong sales performance and performance recovery in Belgium as a result of the Belgium Future Plan, resulted in an underlying operating margin of 4.0%, which remained steady compared to last year.

2024 full year IFRS operating income was €2,784 million and our margin based on (IFRS) reporting operating income amounts to 3.1% of net sales, a decrease of 0.1 percentage points compared to last year. Operating margins were affected by one-time costs, primarily related to expenses from the closure of underperforming Stop & Shop stores, the transition of stores to affiliates under the Delhaize Belgium Future Plan and an amendment to, and additional funding for, the Dutch pension plan, in line with regulations and derisking of the balance sheet.

Year over year, free cash flow remained elevated at €2,545 million, which was €124 million higher than last year at constant rates despite the lower working capital due to an incidental receivable related to a tax refund in Belgium last year. Free cash flow increased mainly because of the improvement in operating cash flow and lower capital investments.

Financial group review continued
Group performance continued

Net sales over time
(€ billion)



Net sales contribution by segment



The United States	60.7%
Europe	39.3%

Increase in net sales in the face of portfolio updates

Net sales for the financial year ending on December 29, 2024, were €89,356 million, an increase of €622 million, or 0.7%, compared to net sales of €88,734 million for the financial year ending on December 31, 2023. At constant exchange rates, net sales were up by €789 million or 0.9%.

Gasoline sales decreased by 10.2% in 2024 to €960 million. At constant exchange rates, gasoline sales decreased by 10.0%, as a result of further moderating gasoline prices in 2024 compared to 2023.

Net sales excluding gasoline increased in 2024 by €730 million, or 0.8%, compared to 2023. At constant exchanges rates, net sales excluding gasoline increased in 2024 by €896 million, or 1.0%, compared to 2023. Our net sales were driven by store openings and comparable sales growth excluding gasoline sales of 1.2% in 2024 compared to 2023. Volume trends in both the U.S. and Europe improved compared to last year. Sales growth in the U.S. was substantially affected by the divestment of FreshDirect in Q4 2023, a recall of Boar's Head deli products in Q3 2024, and the closure of 32 Stop & Shop stores in Q4 2024. In Europe, net store openings, including the conversion of Jan Linders stores at the end of 2023, boosted sales in 2024. The ban on tobacco sales in supermarkets in the Netherlands and the impact from the conversion of stores in Belgium to affiliates as part of the Belgium Future Plan had a negative impact on sales growth. Nevertheless, once converted, sales in these stores were, in general, higher than they were before the conversion.

The European brands' net sales consist of sales to consumers and to franchise stores. Franchise stores operate under the same format as Ahold Delhaize-operated stores. Franchisees purchase merchandise primarily from Ahold Delhaize, pay a franchise fee and receive support services.

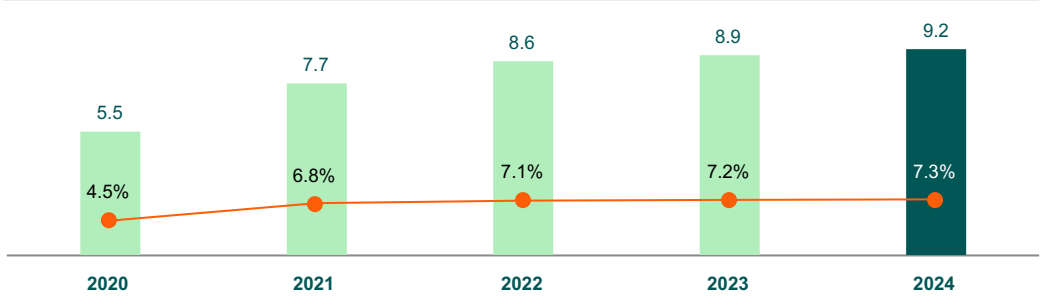
Net sales split by category

€ milion	2024	2023 restated[1]	Change versus prior year	% change	Change versus prior year at constant exchange rates	% change at constant exchange rates
Net sales	**89,356**	88,734	622	0.7%	789	0.9%
Of which gasoline sales	**960**	1,068	(109)	(10.2)%	(107)	(10.0)%
Net sales excluding gasoline	**88,396**	87,666	730	0.8%	896	1.0%
Of which online sales	**9,235**	8,931	304	3.4%	309	3.5%

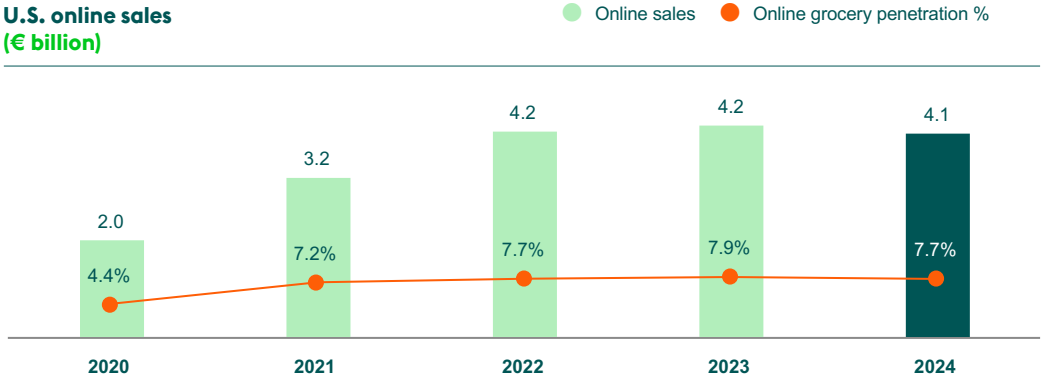
1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

Financial group review continued
Group performance continued

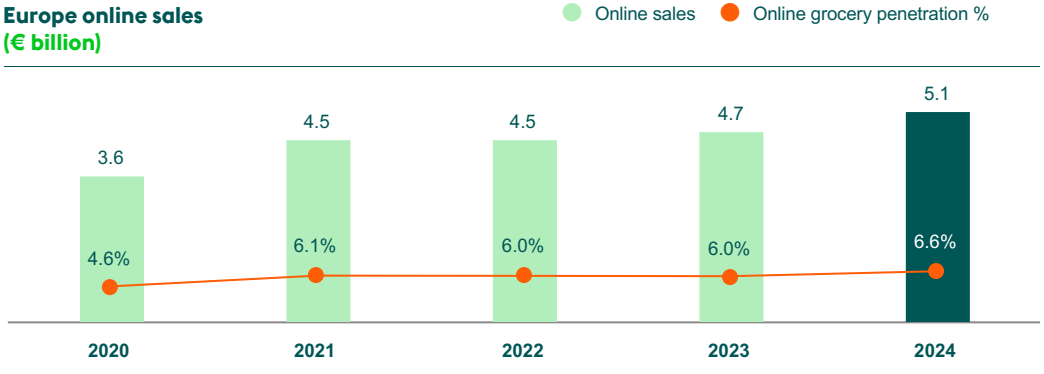
Online sales (Group)
(€ billion)



U.S. online sales
(€ billion)



Europe online sales
(€ billion)



Strong online sales growth

In 2024, we continued to deliver strong online sales, which amounted to €9,235 million, an increase of 3.5% at constant exchange rates. The divestment of FreshDirect had a negative impact of 6.9 percentage points. In the U.S., Food Lion and Hannaford made the largest contribution to this growth, driven by their strong value position, pick-from-store and delivery network expansion, and new marketplace partnerships. In Europe, Albert Heijn, Delhaize and all of the CSE brands showed double-digit growth. In absolute terms, Albert Heijn and bol grew the most over last year.

U.S. net online sales decreased by 3.6% in constant currency. The divestment of FreshDirect had a negative impact of 14.7 percentage points. The total number of click-and-collect points grew to 1,630, compared with 1,558 in 2023. Following our store-first fulfillment strategy, we grew pick-from-store sales by double digits. We saw even higher growth in third-party platform sales, driven by our new DoorDash partnership. Without FreshDirect, online penetration in the U.S. grew from 7.0% to 7.7%, with Food Lion and Hannaford increasing by nearly 1 percentage point.

The U.S. brands invested in innovations that delivered growth and efficiency. The brands' propriety e-commerce platform, PRISM, delivered on our "customer first" vision, attracting more loyalty program users as well as achieving a top rating as an iOS mobile app. This resulted in an increased number of loyalty card holders (15.5 million), with 79.5% loyalty sales penetration. Food Lion continues its migration onto our PRISM platform, which it aims to complete in 2025. The brands expanded their retail media capabilities, adding new opportunities for advertising partners to connect with our customer base.

To support our store network fulfilment, we enhanced item location capabilities and substitution algorithms, and deployed next-generation technology, all of which improve speed and accuracy. These investments help our brands enrich the shopping experience for customers, improve operations – while decreasing costs – and grow complementary revenue streams.

Financial group review continued
Group performance continued

Our European online business was on a steady upward trajectory this year. The brands grew online sales by 9.9% at constant rates to €5,145 million, and increased the number of loyalty card holders to 13.3 million, with 59.2% loyalty sales penetration. This was driven by the continued focus on innovation in their commercial offerings, implementing smart efficiencies, and scaling and sharing digital solutions and technology.

In the Netherlands, Albert Heijn launched the “AH Lifestyle Check” on its app, providing access to products, recipes, advice and inspiration that help customers follow a healthy lifestyle. In addition, bol expanded its range with refurbished smartphones, tablets, laptops and smartwatches, making it easier for consumers to choose more sustainable alternatives.

Delhaize, Albert, Mega Image, Maxi and Alfa Beta in CSE finalized the rollout of a unified modular app to streamline and enhance the shopping experience for customers, integrating online shopping, (personalized) promotions, loyalty programs, monetization and in-store shopping into a seamless experience.

We also launched new e-commerce value propositions in CSE, such as B2B sales and fast delivery, including expanding our pick-from-store capabilities and third-party platform partnerships.

In addition to boosting our tech talent and gaining further efficiencies at scale, we were also proud to launch our new Tech Studio, “AD/01,” in Romania to service all our European brands.

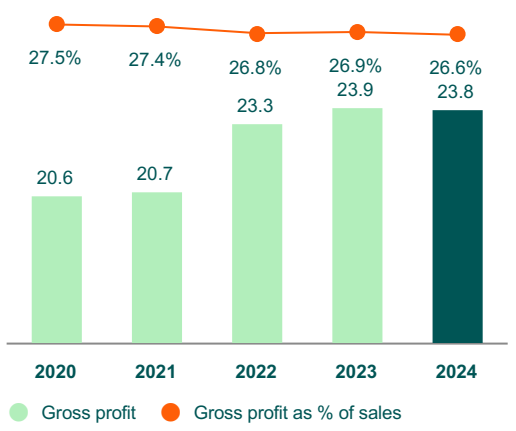
To continue making progress on our successful digital advertising business, in 2024, Albert Heijn, bol and Delhaize again launched new features, with Albert Heijn proclaimed the “most innovative media player of the year” in the Netherlands.

In parallel, we have scaled our advertising technology to Delhaize and Alfa Beta and also started scaling our advertising operations support, increasingly tapping into crucial new income streams and supporting our online profitability.

Stable gross profit

Gross profit was down by €49 million, or 0.2%, compared to 2023. At constant exchange rates, gross profit decreased by 0.0%. Gross profit margin (gross profit as a percentage of net sales) for 2024 was 26.6%, decreasing slightly compared to 2023. 2024 margin was unfavorably influenced by food inflation growth, which was largely offset by our cost savings across all the brands as part of our Save for Our Customers program. This program, through which we saved a record amount of €1,354 million in 2024, included initiatives such as favorable commercial and fresh sourcing in the U.S.; the Operate Smarter program to reduce, among other things, shrink; the Buy Better program at Albert Heijn; and commercial initiatives at bol and the CSE brands.

Gross profit
(€ billion)

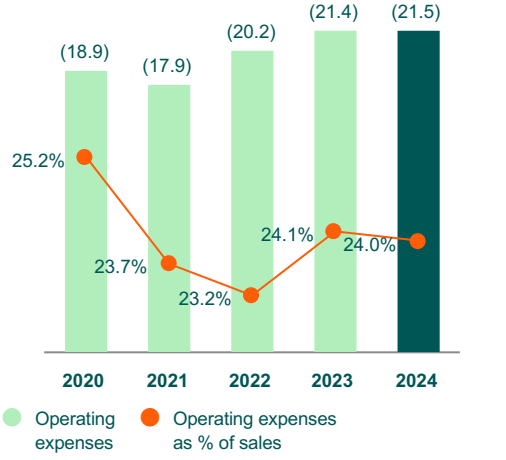


Operating expenses

In 2024, operating expenses increased by €31 million, or 0.1%, to €21,453 million, compared to €21,422 million in 2023. At constant exchange rates, operating expenses increased by 0.3%. As a percentage of net sales, operating expenses decreased by 0.1 percentage points to 24.0%, compared to 24.1% in 2023. Excluding gasoline sales and at constant exchange rates, operating expenses as a percentage of net sales decreased by 0.2 percentage points. The decrease in operating expenses as a percentage of sales in 2024, compared to 2023, was driven by sales leverage, strict cost control in all the brands and the conversion from integrated to affiliated stores as part of the Belgium Future Plan, partly offset by increasing labor inflation.

Operating expenses include impairments, gains (losses) on leases and the sale of assets, restructuring and related charges and other items that management believes can distort an understanding of the trend related to the development of our underlying business. Impairment losses and reversals, gains (losses) on leases and the sale of assets – net, and restructuring and related charges are summarized on the next page.

Operating expenses
(€ billion)



Financial group review continued
Group performance continued

Impairment losses and reversals – net

Ahold Delhaize recorded the following impairments and reversals of impairments of assets – net in 2024 and 2023:

€ million	2024	2023
The United States	**154**	228
Europe	**75**	147
Total	**229**	375

Impairment charges in 2024 were €229 million, down by €147 million compared to 2023. These impairments mainly related to Stop & Shop stores in the U.S. and intangible assets and impairments related to bol and software in progress in Delhaize in Europe. In 2023, impairment losses were mostly driven by FreshDirect impairment charges and the transformation of integrated stores into independent affiliated stores as part of the Belgium Future Plan.

(Gains) losses on leases and the sale of assets – net

Ahold Delhaize recorded the following (gains) losses on leases and the sale of assets – net in 2024 and 2023:

€ million	2024	2023
The United States	**(38)**	220
Europe	**219**	(40)
Ahold Delhaize Group	**—**	—
Total	**181**	180

The losses on leases and the sale of assets in 2024 were €181 million, a €1 million unfavorable change compared to the €180 million loss in 2023. The 2024 loss was mainly attributable to losses recognized on the sale of stores to franchisees in Belgium and partly offset by gains related to Stop & Shop stores. In 2023, the loss of €180 million was largely driven by the divestment of FreshDirect.

Restructuring and related charges and other items

Restructuring and related charges and other items in 2024 and 2023 were as follows:

€ million	2024	2023
The United States	**67**	61
Europe	**137**	143
Ahold Delhaize Group	**210**	(2)
Total	**414**	202

Restructuring and related charges and other items in 2024 resulted in a €414 million net loss. This net loss is €212 million higher compared to 2023. In the U.S., these charges mostly relate to Stop & Shop store closures and losses related to Hurricane Helene. In Europe, the net loss was mainly driven by losses related to the sale of stores to franchisees as part of the Belgium Future Plan and an amendment to and funding for the Dutch pension plan that also accounted for the net loss in the Ahold Delhaize Group segment; see *Note 24*. In 2023, the U.S.-related charges were mostly driven by our Accelerate global restructuring program. In Europe, the net loss was also mainly driven by the transformation of integrated stores in Belgium in 2023.

Operating income

Operating income in 2024 went down by €62 million, or 2.2%, to €2,784 million compared to €2,846 million in 2023. This decrease resulted from unusual items, related to impairment, losses and restructuring charges, as described earlier in this section. At constant exchange rates, operating income was 1.9% lower than last year.

Net financial expenses

Net financial expenses in 2024 were up by €16 million, or 2.9%, to €562 million, compared to €546 million in 2023. The increase was primarily due to higher interest expense on the additional debt related to the acquisition of Profi and on leases, partially offset by higher interest income from higher cash levels.

Income taxes

In 2024, income tax expense was €481 million, €25 million higher compared to €456 million in 2023. The effective tax rate, calculated as a percentage of income before income tax, was 21.7% in 2024 (2023: 19.8%).

Higher income tax expense and higher effective tax rate for 2024 resulted from a changed mix of earnings between jurisdictions and one-time events. For the details behind the effective tax rate changes, see *Note 10*.

Share in income of joint ventures and associates

Ahold Delhaize's share in income of joint ventures and associates was €23 million in 2024, or €7 million lower than last year.

Our share of JMR's results in 2024 was €10 million lower when compared to 2023. Our share of Super Indo's results in 2024 was €2 million higher than in 2023. For further information about joint ventures, see *Note 15* to the consolidated financial statements.

Financial group review continued
Group performance continued

Underlying operating income and underlying operating income margin

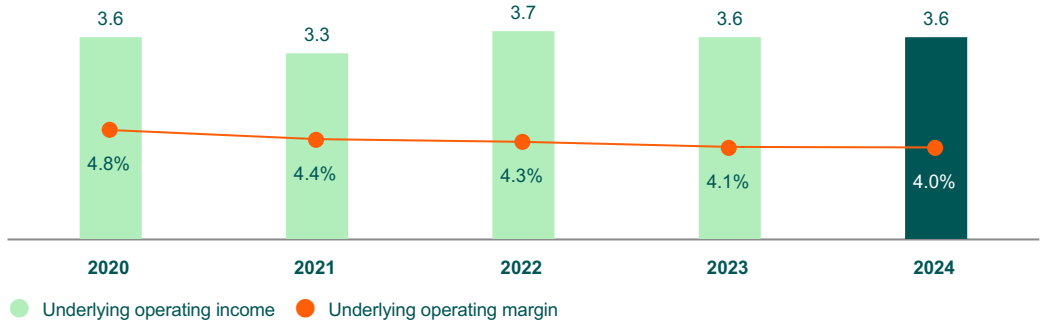
Underlying operating income was €3,608 million in 2024, up €4 million, or 0.1%, versus €3,604 million in 2023. At constant exchange rates, underlying operating income increased by 0.2%, compared to 2023. The contribution by segment was 64% by the U.S., and 36% by Europe. Underlying operating income margin in 2024 was 4.0%, compared to 4.1% in 2023.

Our 2024 underlying operating margins were in line with prior year, driven mainly by continued efforts to deliver on our Save for Our Customers cost-savings program to offset price investments and higher operational and administrative expenses that resulted from inflationary pressures. Moreover, margin pressure was also offset by the divestment of FreshDirect and performance recovery in Belgium due to the Belgium Future Plan.

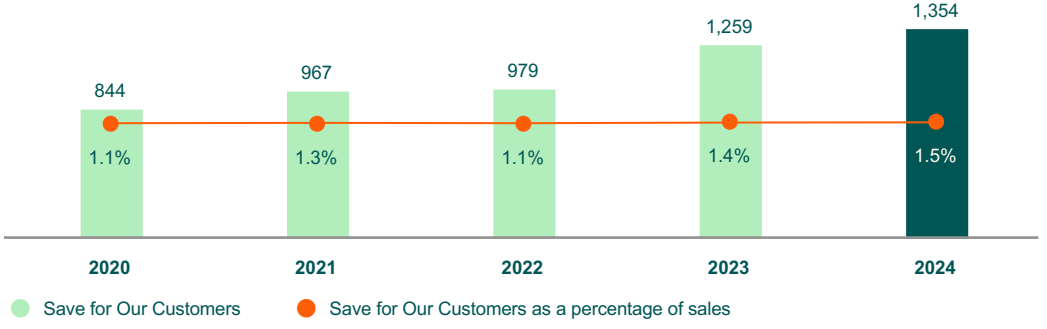
Our Save for Our Customers program achieved a record high level in 2024, delivering €1,354 million and positively impacting our gross profit and operating expenses. This result is due to the cost-savings initiatives in Europe and the U.S. that were initiated over the past 12 months.

The Save for Our Customers program enables our great local brands to absorb cost increases, invest in better customer propositions and keep shelf prices as low as possible, to best serve customers and local communities, and ensure access to affordable and healthy food options in this inflationary environment.

Underlying operating income
(€ billion)



Save for Our Customers
(€ million)



Financial group review continued
Financial position

Financial position

€ million	December 29, 2024	% of total	December 31, 2023	% of total
Property, plant and equipment	**11,953**	**23.1%**	11,647	24.4%
Right-of-use assets	**9,649**	**18.6%**	9,483	19.8%
Intangible assets	**13,420**	**25.9%**	12,998	27.2%
Pension assets	**69**	**0.1%**	51	0.1%
Other non-current assets	**2,225**	**4.3%**	2,180	4.6%
Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments[1]	**6,185**	**11.9%**	3,500	7.3%
Inventories	**4,797**	**9.3%**	4,583	9.6%
Other current assets	**3,544**	**6.8%**	3,380	7.1%
Total assets	**51,842**	**100.0%**	47,821	100.0%
Group equity	**15,454**	**29.8%**	14,755	30.9%
Non-current portion of long-term debt	**15,985**	**30.8%**	14,682	30.7%
Pensions and other post-employment benefits	**553**	**1.1%**	792	1.7%
Other non-current liabilities	**2,454**	**4.7%**	1,983	4.1%
Short-term borrowings and current portion of long-term debt and lease liabilities[2]	**4,330**	**8.4%**	3,085	6.5%
Payables	**8,524**	**16.4%**	8,278	17.3%
Other current liabilities	**4,542**	**8.8%**	4,248	8.9%
Total equity and liabilities	**51,842**	**100.0%**	47,821	100.0%

1. Short-term borrowings and current portion of long-term debt comprise €1,444 million lease liabilities, €295 million short-term borrowings, €1,962 million bank overdrafts and €630 million current portion loans (for more information, see *Note 26* to the consolidated financial statements).

Ahold Delhaize's consolidated balance sheets as of December 29, 2024, and December 31, 2023, are summarized as follows:

Total assets increased by €4,021 million. Property, plant and equipment increased by €307 million. Regular capital expenditures were favorably impacted by exchange rate differences and unfavorably impacted by depreciation and impairment losses. The impairment losses were mostly recognized for underperforming and closed stores. For more information, see *Note 11* to the consolidated financial statements.

Right-of-use assets increased by €166 million. The main driver of this increase was exchange rate differences. For more information, see *Note 12* to the consolidated financial statements.

Intangible assets increased by €422 million. This increase was mostly due to favorable exchange rate differences. For more information, see *Note 14* to the consolidated financial statements.

Other non-current assets increased by €45 million, mostly due to an increase in loans receivable and in net investment in leases, For more information, see *Note 16* to the consolidated financial statements.

Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments, increased by €2,686 million. The increase is mainly driven by our strong free cash flow generation, the issuance of €1,600 million new bonds in anticipation of the acquisition of Profi and the related increase of our cash held under a notional cash pooling agreement, partly offset by redemption of debt in the amount of €750 million.

Other current assets increased by €165 million, driven by receivables. For more information, see *Note 18* and *Note 5*.

Our pension and other post-employment benefits decreased by €239 million to €553 million in 2024, mainly due to the amendment of the Dutch pension plan. For more information, see *Note 24*.

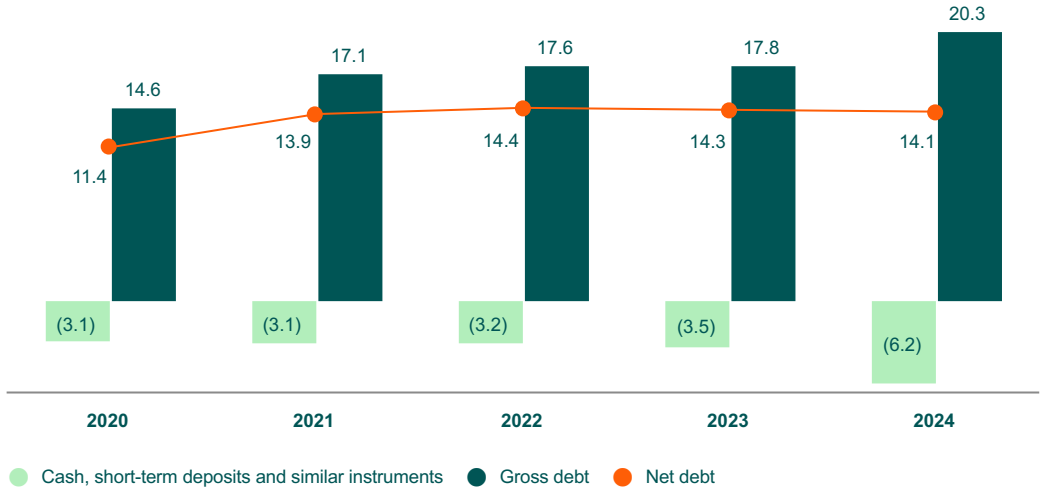
Financial group review continued
Debt

Debt

€ million	December 29, 2024	December 31, 2023
Loans	**5,175**	4,137
Lease liabilities	**10,809**	10,545
Non-current portion of long-term debt	**15,985**	14,682
Short-term borrowings and current portion of long-term debt[1]	**4,330**	3,085
Gross debt	**20,315**	17,766
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments[2,3,4]	**6,185**	3,500
Net debt	**14,129**	14,267

1. Short-term borrowings and current portion of long-term debt comprise €1,444 million lease liabilities, €295 million short-term borrowings, €1,962 million bank overdrafts and €630 million current portion loans (for more information, see *Note 26* to the consolidated financial statements).
2. Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at December 29, 2024, was €16 million (December 31, 2023: €15 million) and is presented within Other current financial assets in the consolidated balance sheet.
3. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. This balance at December 29, 2024, was €185 million (December 31, 2023: €335 million).
4. Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €1,961 million (December 31, 2023: €767 million). This cash amount is fully offset by an identical amount included under short-term borrowings and current portion of long-term debt.

Gross and net debt
(€ billion)



In 2024, gross debt increased by €2,549 million to €20,315 million, primarily due to the issuance of €1,600 million new bonds and the increase of our short-term borrowings related to the cash held under a notional cash pooling arrangement, partly offset by the repayment of a €750 million bond at maturity.

Ahold Delhaize's net debt was €14,129 million as of December 29, 2024 – a decrease of €137 million from December 31, 2023. The decrease in net debt was mainly the result of the strong free cash flow generation (€2,545 million), partly offset by the payment of the common stock dividend (€1,037 million), the completion of the €1 billion share buyback program and the impact of foreign exchange on Ahold Delhaize's outstanding U.S. dollar-denominated liabilities.

Financial group review continued
Liquidity position

Liquidity position

€ million	December 29, 2024	December 31, 2023
Total cash and cash equivalents (*Note 20*)	**6,169**	3,484
Short-term deposits and similar instruments (*Note 19*)	**16**	15
Investments in debt instruments (FVPL) – current portion (*Note 19*)	**—**	—
Cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments	**6,185**	3,500
Less: Notional cash pooling arrangement (short-term borrowings)	**1,961**	767
Liquidity position	**4,224**	2,733

We view available cash balances and funds from operating activities as Ahold Delhaize's primary sources of liquidity, complemented by external sources of funds when required. We manage short-term liquidity based on projected cash flows. As of December 29, 2024, the Company's liquidity position primarily comprised €4,224 million of cash (including short-term deposits and similar instruments and current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the undrawn portion of the €1.5 billion revolving credit facility.

Based on the current operating performance and liquidity position, cash provided by operating activities, the available cash balances and the undrawn portion of the revolving credit facility are considered sufficient to fund working capital needs, capital expenditures, the acquisition of Profi, interest payments, dividends, the announced €1 billion share buyback program and scheduled debt repayments for the next 12 months. In addition, the Company has access to the debt capital markets based on its current credit ratings.

Group credit facility

Ahold Delhaize has access to a five-year €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility, with two one-year extension options. In 2024, the Company agreed with the lenders to exercise the second option, extending the maturity to December 2029. This facility links the cost of borrowing to the Company's annual performance on sustainability KPIs that are aligned with its healthy communities & planet strategic priority.

The credit facility contains customary covenants and a financial covenant that requires Ahold Delhaize, if its corporate rating from Standard & Poor's and Moody's is lower than BBB/Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1. The maximum leverage ratio was unchanged compared to the prior credit facility, dated 2020.

During 2024 and 2023, the Company complied with these covenants and was not required to test the financial covenant because its credit rating exceeded the thresholds. As of December 29, 2024, there were no outstanding borrowings under the facility.

Credit ratings

Maintaining investment-grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to a variety of lenders and markets. Ahold Delhaize's current credit ratings from the solicited rating agencies are as follows:

- Standard & Poor's: Corporate credit rating BBB+, with a stable outlook since March 2023 (2023: BBB+ with stable outlook)
- Moody's: Issuer credit rating Baa1, with a stable outlook since February 2018 (2023: Baa1 with stable outlook)

Financial group review continued
Cash flows

Consolidated cash flows

Ahold Delhaize's consolidated cash flows for 2024 and 2023 are as follows:

€ million	2024	2023
Operating cash flows from continuing operations	**6,224**	6,466
Purchase of non-current assets (cash capital expenditure)	**(2,299)**	(2,434)
Divestment of assets/disposal groups held for sale	**250**	136
Dividends received from joint ventures	**22**	22
Interest received	**196**	160
Lease payments received on lease receivables	**125**	117
Interest paid	**(230)**	(226)
Repayments of lease liabilities	**(1,743)**	(1,815)
Free cash flow	**2,545**	2,425
Proceeds from long-term debt	**1,594**	500
Repayments of loans	**(782)**	(291)
Changes in short-term loans	**1,217**	97
Changes in short-term deposits and similar instruments	**—**	—
Dividends paid on common shares	**(1,037)**	(1,044)
Share buyback	**(1,000)**	(999)
Acquisition/(divestment) of businesses, net of cash	**(4)**	(164)
Other cash flows from derivatives	**—**	—
Other	**(16)**	(49)
Net cash from operating, investing and financing activities	**2,514**	475

Free cash flow

Free cash flow, at €2,545 million, increased by €119 million compared to 2023, despite the incidental receivable related to a tax refund in Belgium last year. The free cash flow result is mainly driven by a lower capital expenditure of €135 million and higher divestment of assets of €114 million. Lower capital expenditure is driven by fewer investments in Europe related to supply chain and store maintenance. Divestments are mainly driven by the sale of facilities in the United States.

Higher interest received of €36 million is the result of a higher cash balance compared to last year. Lower repayment of lease liabilities of €72 million also contributed to free cash flow.

This upside was partly offset by a decrease in operating cash flows from continuing operations, which was lower by €242 million compared to 2023. The lower operating cash flow was driven by payments related to the amendment of the Dutch pension plan and higher income taxes paid in 2024, due to an incidental receivable related to a tax refund in Belgium last year (see *Note 10*).

In 2024, the main uses of free cash flow included:

- Share buyback program, for a total amount of €1,000 million
- Common stock final dividend of €0.61 per share for 2023, paid in 2024, and common stock interim dividend of €0.50 per share for 2024, resulting in a total cash outflow of €1,037 million

Financial group review continued
Capital investments and property overview

Capital expenditure (CapEx), including acquisitions and additions to right-of-use assets, amounted to €3,699 million in 2024 versus €4,099 million in 2023. Total cash CapEx for the year amounted to €2,299 million in 2024, a decrease of €135 million compared to the previous year. Total regular CapEx was lower than last year, mainly driven by lower investments in Europe due to timing of logistics and store maintenance investments.

Capital investments were primarily allocated to the expansion, remodeling and maintenance of our store network, online channel, supply chain and IT infrastructure, and the development of our digital capabilities.

A portion of our annual investments is dedicated to reducing our carbon footprint. These efforts include the replacement of refrigeration systems to enable the use of natural and low-global warming potential (GWP) refrigerants, projects to enhance energy efficiency in our facilities, investments in green buildings and solar panel installations, and the gradual transition from fossil fuel vehicles to electric alternatives. To support these initiatives, we require investment proposals to align with the latest company standards for energy consumption and the mitigation of potential environmental impacts caused by refrigerants. We also use our Green Bond framework to determine whether an investment qualifies as sustainable and we disclose our investments within that framework each year.

At the end of 2024, Ahold Delhaize brands operated 7,765 stores, compared to 7,716 in 2023. The Company's total sales area amounted to 9.7 million square meters in 2024, a decrease of 1.7% over the prior year.

Capital expenditures

€ million	2024	2023	Change versus prior year	% of sales
The United States	**2,029**	2,139	(110)	3.7%
Europe	**1,623**	1,889	(266)	4.6%
Ahold Delhaize Group	**22**	23	(1)	—%
Total regular CapEx	**3,673**	4,051	(377)	4.1%
Acquisition CapEx	**26**	49	(23)	—%
Total CapEx	**3,699**	4,099	(400)	4.1%
Total regular CapEx	**3,673**	4,051	(377)	4.1%
Right-of-use assets[1]	**(1,375)**	(1,683)	308	(1.5)%
Change in property, plant and equipment payables (and other non-cash adjustments)	**1**	66	(66)	—%
Gross CapEx (Purchase of non-current assets)	**2,299**	2,434	(135)	2.6%
Divestment of assets/disposal groups held for sale	**(250)**	(136)	(114)	(0.3)%
Net CapEx	**2,049**	2,298	(249)	2.3%

1. Right-of-use assets comprises additions (€485 million), reassessments and modifications to leases (€877 million) (for more information, see *Note 12* to the consolidated financial statements) as well as additions (€2 million) and reassessments and modifications to leases (€11 million) relating to right-of-use assets included within investment properties (for more information, see *Note 13* to the consolidated financial statements).

Financial group review continued
Capital investments and property overview continued

Number of stores

The total number of stores (including stores operated by franchisees) is as follows:

	Opening balance	Open/ acquired	Closed/ sold	Closing balance
The United States	2,048	5	(36)	**2,017**
Europe	5,668	158	(78)	**5,748**
Total number of stores	7,716	163	(114)	**7,765**

	2024	2023	Change versus prior year
Number of stores operated by Ahold Delhaize	**5,496**	5,618	(122)
Number of stores operated by franchisees	**2,269**	2,098	171
Number of stores operated	**7,765**	7,716	49

Franchisees operated 2,269 stores in the Netherlands, Belgium, Luxembourg and Greece.

The total number of pick-up points is as follows:

	2024	2023	Change versus prior year
The United States	**1,635**	1,564	71
Europe	**276**	269	7
Total number of pick-up points	**1,911**	1,833	78

At the end of 2024, Ahold Delhaize operated 1,911 pick-up points, which was 78 more than in 2023. These are either standalone or in-store and include 1,635 pick-up points in the U.S., of which 1,630 are click-and-collect points.

Ahold Delhaize also operated the following other properties as of December 29, 2024:

Warehouses/DCs/production facilities/offices	**175**
Properties under construction/ development	**72**
Investment properties	**546**
Total other properties	**793**

Investment properties consist of buildings and land not employed in support of our retail operations. The vast majority of these properties were subleased to third parties. Of these, many consisted of shopping centers containing one or more Ahold Delhaize stores and third-party retail units generating rental income.

The total number of retail locations owned or leased by Ahold Delhaize was 6,396 in 2024. This total includes 888 stores subleased to franchisees. The total number of retail locations owned or leased increased by 38 compared to 2023.

Ahold Delhaize brands also operate 229 gas stations on the premises of some of their stores in the U.S.

The following table breaks down the ownership structure of our 6,396 retail locations (inclusive of stores subleased to franchisees) and 793 other properties as of December 29, 2024.

	Retail locations	Other properties
Company owned % of total	19%	54%
Leased % of total	81%	46%

Financial group review continued
Tax transparency and responsibility

At Ahold Delhaize, we seek to make a positive impact in the communities where our brands operate and be good neighbors. We do this by paying taxes in a way that takes into consideration social and corporate responsibility and the interests of all our stakeholders. Our overall tax approach is in line with Ahold Delhaize's Business Principles, sustainability strategy and Code of Ethics.

Our tax policy, which applies to all consolidated group entities, consists of five main tax principles: transparency, accountability and governance, compliance, relationships with authorities and business structure. Our tax principles are aligned with The B Team's Responsible Tax Principles, developed by a group of leading companies, with involvement from civil society, investors and representatives from international institutions. In 2017, The B Team brought together the heads of Tax from nine multinationals to develop the Responsible Tax Principles, which raise the bar on how businesses approach tax and transparency and help forge a new consensus around what responsible tax practice looks like.

Ahold Delhaize also complies with the principles included in the VNO-NCW Tax Governance Code. For more information, see *Compliance to the code* on the Ahold Delhaize website at *www.aholddelhaize.com*.

Transparency

By paying our share of taxes in the countries where we have operations, we contribute to economic and social development in these countries. Also, with our total tax contribution, we support the UN Sustainable Development Goals (SDGs).

In 2024, Ahold Delhaize collected and bore many types of taxes: payroll tax, corporate income tax, net-value-added tax (VAT), sales and use (S&U) tax, property and real estate tax, dividend tax, excise and customs duties, and others (e.g., packaging tax), for a total amount of €6.1 billion. Approximately €1.9 billion of the Company's total tax contribution in 2024 relates to taxes borne.

The total tax contribution and corporate income tax payments that were reported per country are summarized below.

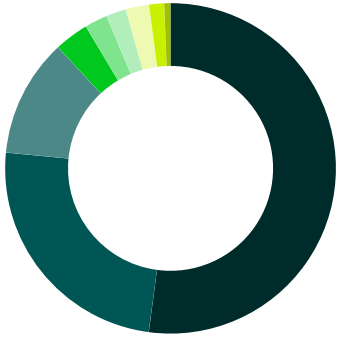
Our effective income tax rate (ETR) over 2024 was 21.7%. This is our worldwide income tax expense for the financial year 2024, amounting to €481 million, shown as a percentage of the consolidated income before income taxes.

Ahold Delhaize 2024 total tax contribution by type €6.1 billion
(€ million)



Payroll tax	3,058
VAT and S&U tax	1,616
Corporate income tax	470
Excise and customs duties	405
Property and real estate tax	311
Dividend tax	156
Other	107

Ahold Delhaize 2024 total tax contribution by country €6.1 billion
(€ million)



The United States	3,191
The Netherlands	1,494
Belgium	708
Czech Republic	205
Greece	137
Serbia	120
Romania	140
Switzerland	90
Luxembourg	37

For more details on our corporate income tax financial position, see *Note 10* to the consolidated financial statements.

Financial group review continued
Tax transparency and responsibility continued

Ahold Delhaize 2024 corporate tax paid per country €470 million
(€ million)



The United States	205
The Netherlands	116
Belgium	11
Czech Republic	23
Greece	(7)
Serbia	11
Romania	17
Switzerland	89
Luxembourg	5

Tax incentives

We define tax incentives as fiscal measures designed by governments to stimulate investment and encourage growth or a change in behavior by providing more favorable tax treatment to some activities or sectors.

For some of the activities that Ahold Delhaize and the brands undertake as part of our efforts to positively impact communities, there are tax incentives available, as described below.

Ahold Delhaize does make limited use of tax incentives. The main tax incentives applied by Ahold Delhaize in the various jurisdictions where our brands operate are:

Wage tax credits

Certain wage tax credits are available to companies that give opportunities to people who normally face difficulties finding employment, such as individuals with physical disabilities, as local governments seek to stimulate work participation in the labor market for these employees.

Capital investment credits

Local governments sometimes provide capital investment credits to stimulate investment (e.g., in warehouses or stores) in certain areas, to stimulate economic growth in their local communities.

Research and development (R&D) incentives

Local governments sometimes provide R&D incentives to companies undertaking certain activities that increase the level of innovation and economic growth in their communities. We are always striving to innovate as we drive operational excellence, for instance, by optimizing stock in our brands' DCs and stores. We receive R&D incentives for some of these activities.

Accountability and governance

Ahold Delhaize has a well-equipped and professional Tax function. It reports directly to the CFO and has direct access to the Management Board and the Supervisory Board. At least once a year, the function presents a tax update, including the implementation and execution of the tax strategy, to the Audit, Finance and Risk Committee of the Supervisory Board. The global tax policy is approved by the Management Board.

Our risk appetite is very low for tax purposes. We recognize the risk that non-compliance with applicable tax laws and regulations could result in damage to Ahold Delhaize's reputation or to the relationship with our host countries. For more information, see *Risk management*.

Tax in control statement

Being in control in relation to taxes and responsible taxation is an important objective for our Tax department and our Company. We have certain activities in place to support this, including:

- We have a tax control framework to assess and control tax risks for the various taxes and jurisdictions.
- We define, implement and test tax controls resulting from our risk assessment exercises through our various monitoring functions – comprising senior management and the Risk & Controls (second line of defense) and Internal Audit teams – making use of specific Ahold Delhaize tools developed for this purpose.
- Based on the annual internal audit plan, we audit selected taxes and/or jurisdictions. This results in an audit report rating the design and operating effectiveness of our tax controls.
- We have a separate control framework for responsible taxation in place.
- (Local) management signs a letter of representation on a quarterly basis stating, among other things, that they are in compliance with all (tax) controls and policies.
- We hold frequent update meetings with local CFOs and business teams.
- We produce a tax compliance report.
- We organize continuous education for the Tax team and related functions.

Each quarter, our brands sign a letter of representation, which includes an approval and a confirmation on the accuracy and completeness of our tax position. We have a tax strategy in place that is proactively communicated throughout the Company, and we organize training for selected brands and jurisdictions, during which the tax policy and its main principles are explained through tax risk workshops.

On a regular basis, we monitor whether our tax strategy is aligned with the Ahold Delhaize Business Principles, sustainability strategy and Code of Ethics. For example, the Tax department's annual objectives are based on the abovementioned principles and strategy and cascaded to individual associates' goals. Department and associate performance compared to these objectives is measured at least once per year.

Ahold Delhaize associates have access to a whistle-blower line for reporting any ethical or compliance concerns related to Company practices, including tax matters.

Financial group review continued
Tax transparency and responsibility continued

We are also actively involved in the field of tax technology. We have drafted a global tax technology strategy and roadmap based on five pillars: insights, data driven, automation, risk management and future-proof. We set up various initiatives within our direct tax disciplines (such as country-by-country reporting automation, Pillar 2 calculations and a tax reporting engine) and indirect tax disciplines (such as a VAT solution and tax engine), to optimize and upgrade our tax processes. We closely align with broader finance implementations, such as a new core finance systems/finance consolidation systems and our IT function assists us with our tax technology projects.

Compliance

Our tax compliance is based on the following examples of good tax practices:

- We aim to file our taxes in full compliance with local laws and regulations.
- We base our tax compliance on a reasonable and responsible interpretation of tax laws.
- We aim to comply with the letter as well as the spirit of the law.
- We attempt to discuss and clarify uncertainties about the tax treatment upfront with the tax authorities.
- We only seek rulings from tax authorities to confirm the applicable treatment of laws and regulations based on full disclosure of the relevant facts.
- We only make use of tax incentives when they are aligned with our business and operational objectives, follow from the tax law and are generally available to all market participants.

Relationships with tax authorities

Ahold Delhaize engages with tax authorities based on mutual trust, and we seek open and transparent working relationships with them. We provide the tax authorities with any information they require within a reasonable timeframe. This helps both the tax authorities and Ahold Delhaize to foster timely and efficient compliance. In the Netherlands, we have an individual monitoring plan in place with the Dutch tax authorities. In Belgium, we participate in the Co-operative Tax Compliance Program (CTCP).

Stakeholder engagement

As a Company close to society, we value constructive dialogue on taxes with the governments in the countries where our brands operate and we respond to government consultations on proposed changes to legislation with the aim of achieving sustainable legislation.

In addition to the tax authorities, our stakeholders also include investors, customers, business partners, non-governmental organizations (NGOs), employees and the broader communities in which we operate. We are an active member in a number of stakeholder representation groups such as the VNO-NCW and Nederlandse Orde van Belastingadviseurs. We also participate and provide active feedback in the Dutch Association of Investors for Sustainable Development (VBDO) tax transparency initiative. We actively participate in the European Business Tax Forum (EBTF) Total Tax Contribution Study.

Business structure

We have a physical presence in all jurisdictions where we operate and we follow internationally accepted norms and standards (e.g., OECD/ Action Plan on Base Erosion and Profit Shifting/EU).

Our tax decision-making process is based on the following examples of good tax practices:

- We do not operate nor transfer value created to jurisdictions listed on the European Union (EU) “blacklist” of non-cooperative jurisdictions for tax purposes updated by the Council of the EU on October 8, 2024, or (low-tax) jurisdictions listed on the Netherlands’ blacklist published in the Government Gazette on December 19, 2024.
- We pay tax on profits according to where value is created within the normal course of business.
- We base our transfer pricing policy on the arm’s length principle.
- We do not use opaque corporate structures or those situated in low-tax jurisdictions to hide relevant information from the tax authorities.
- We are transparent about the entities we own (see *Note 35* to the consolidated financial statements).
- We will not engage in arrangements with any employee, customer or contractor whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

For more information, see the Ahold Delhaize website at *www.aholddelhaize.com*.

Financial group review continued
Earnings and dividend per share

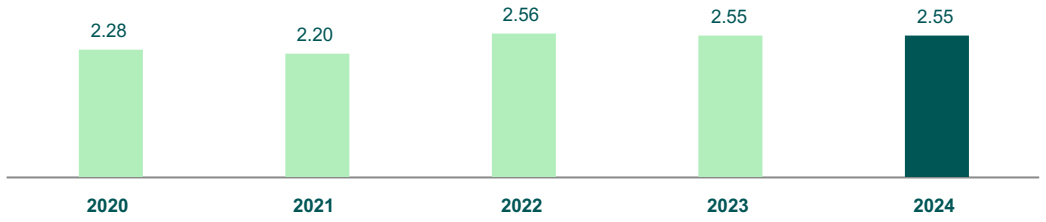
Income from continuing operations per common share (basic) was €1.90, a decrease of €0.05, or 2.6%, compared to 2023. The main driver of this decrease was lower income from continuing operations, which was caused by lower operating income, higher financial expenses, and higher taxes. The decline was partially offset by the decrease in the number of outstanding shares as a result of a €1 billion share buyback program carried out in 2024 (see *Note 21* to the consolidated financial statements for more information on the share movements). Underlying income from continuing operations per common share (diluted) was €2.54, an increase of €0.00, or 0.1%, compared to 2023, driven by favorable changes in number of shares offset by higher tax impact this year.

Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to €2,370 million in 2024 and €2,451 million in 2023. As part of our dividend policy, we adjusted income from continuing operations, as shown in the table *Underlying income from continuing operations.*

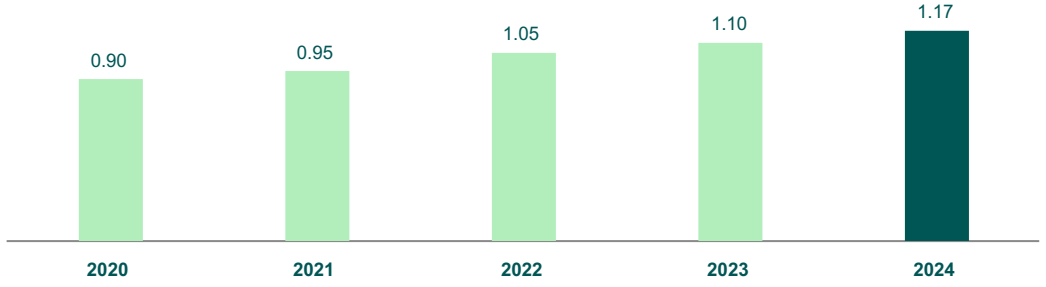
We propose a cash dividend of €1.17 per share for the financial year 2024, an increase of 6.4% compared to 2023, reflecting our ambition to sustainably grow dividend per share. This represents a payout ratio of 46% of underlying net income from continuing operations for 52 weeks.

If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024. In 2024, dividend payments totaled €1,037 million (vs. €1,044 million in 2023).

Underlying income from continuing operations per common share (basic), amounts in €



Dividend per common share, amounts in €



Underlying income from continuing operations € million (per share data in €)	2024 (based on 52 weeks)	2023 (based on 52 weeks)
Income from continuing operations	**1,764**	1,874
Adjusted for:		
Impairment losses and reversals – net	**229**	375
(Gains) losses on leases and the sale of assets – net	181	180
Restructuring and related charges and other items	**414**	202
Unusual items in net financial expense	**(10)**	—
Tax effect on adjusted and unusual items	**(208)**	(181)
Underlying income from continuing operations	**2,370**	2,451
Income from continuing operations per share attributable to common shareholders	**1.90**	1.95
Underlying income from continuing operations per share attributable to common shareholders	**2.55**	2.55
Diluted underlying income per share from continuing operations	**2.54**	2.54

See *Information about Ahold Delhaize shares* for further details.

Financial review by segment

Key financial and non-financial information

The segmental key financial and non-financial information per region for 2024, 2023, 2022 and 2021 is presented below:

	The United States				Europe			
	2024	2023 restated[4]	2022	2021	2024	2023 restated[4]	2022	2021
Net sales (€ millions)	**54,198**	54,610	55,218	45,455	**35,158**	34,124	31,767	30,147
Net sales ($ millions)	**58,639**	59,055	57,959	53,699				
Of which: online sales (€ millions)	**4,090**	4,247	4,157	3,228	**5,145**	4,684	4,461	4,477
Of which: online sales ($ millions)	**4,426**	4,592	4,367	3,814				
Net sales growth in local currency	**(0.7)%**	1.9%	7.9%	3.6%	**3.5%**	7.2%	5.0%	2.8%
Comparable sales growth[1]	**0.5%**	1.8%	7.4%	2.6%	**2.0%**	6.3%	2.9%	2.8%
Comparable sales growth (excluding gasoline sales)[1]	**0.8%**	2.3%	6.8%	1.9%	**2.0%**	6.3%	2.9%	2.8%
Net consumer online sales (€ millions)	**4,090**	4,247	4,157	3,228	**8,033**	7,546	7,166	7,173
Net consumer online sales ($ millions)	**4,426**	4,592	4,367	3,814				
Operating income (€ millions)	**2,215**	2,044	2,605	2,231	**906**	870	1,173	1,209
Operating income ($ millions)	**2,392**	2,210	2,733	2,631				
Underlying operating income (€ millions)	**2,398**	2,553	2,603	2,150	**1,336**	1,120	1,131	1,306
Underlying operating income ($ millions)	**2,594**	2,761	2,727	2,543				
Underlying operating margin	**4.4%**	4.7%	4.7%	4.7%	**3.8%**	3.3%	3.6%	4.3%
Number of employees/headcount (at year end in thousands)	**226**	229	239	239	**161**	173	175	174
Number of employees/FTEs (at year end in thousands)[2]	**138**	140	155	160	**83**	91	94	99
Contribution to Ahold Delhaize net sales	**60.7%**	61.5%	63.5%	60.1%	**39.3%**	38.5%	36.5%	39.9%
Contribution to Ahold Delhaize underlying operating income[3]	**64.2%**	69.5%	69.7%	62.2%	**35.8%**	30.5%	30.3%	37.8%

1. For the year 2024, 2023, 2022 and 2021, comparable sales growth is presented on a comparable 52-week basis.
2. Included in the 83,000 FTEs in 2024 in Europe (2023: 91,000; 2022: 94,000; 2021: 99,000) are 38,000 FTEs in the Netherlands (2023: 39,000; 2022: 40,000; 2021: 40,000)
3. Before costs related to the Ahold Delhaize Group (formerly known as GSO)
4. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

Financial review by segment continued
United States

Net sales
€54.2bn (0.7)%*
2023: €54.6bn (0.8)% vs. 2023

Comparable sales growth (excluding gasoline sales)
0.8%

Operating income
€2.2bn 8.3%*
2023: €2.0bn 8.4% vs. 2023

Underlying operating income
€2.4bn (6.0)%*
2023: €2.6bn (6.1)% vs. 2023

Underlying operating margin
4.4% (0.3)pp*
2023: 4.7% (0.3) pp vs. 2023

Online sales
€4.1bn (3.6)%*
2023: €4.2bn (3.7)% vs 2023

*At constant rates.

The United States segment

€ million	2024	2023 restated[1]	Change versus prior year	% change	% change at constant rates
Net sales	**54,198**	54,610	(412)	(0.8)%	**(0.7)%**
Of which online sales	**4,090**	4,247	**(157)**	(3.7)%	**(3.6)%**
Comparable sales growth	**0.5%**	1.8%			
Comparable sales growth excluding gasoline	**0.8%**	2.3%			
Operating income	**2,215**	2,044	171	8.4 %	8.3 %
Adjusted for:					
Impairment losses and reversals – net	**154**	228	(74)		
(Gains) losses on leases and the sale of assets – net	**(38)**	220	(258)		
Restructuring and related charges and other items	**67**	61	5		
Underlying operating income	**2,398**	2,553	(155)	(6.1)%	**(6.0)%**
Underlying operating income margin	**4.4%**	4.7%			

1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

In 2024, net sales were €54,198 million, a decrease of €412 million or 0.8% compared to 2023. At constant exchange rates, net sales showed a decrease of 0.7%, driven by the divestment of FreshDirect and lower gasoline sales. In addition, a combined negative impact from the 32 Stop & Shop stores that closed down in Q4 2024 and a recall of Boar's Head deli products pressured net sales. A continued growth in pharmacy sales positively affected net sales. Food Lion and Hannaford continue to lead the U.S. brands' performance, with 49 and 14 consecutive quarters of positive sales growth, respectively.

Online sales were €4,090 million, down by 3.6% compared to the prior year at constant exchange rates, negatively impacted by14.7 percentage points due to the divestment of FreshDirect. This was partially offset by double-digit online growth at Food Lion, Hannaford and The GIANT Company. The U.S. brands focused on driving sales through operational excellence, improving the value proposition for customers, and expanding their online presence. The brands have been working on improvements in on-time and order completeness, pick-up and delivery turnaround times, capacity expansions, and enhanced online offerings through a new partnership with DoorDash. Investments in technology enabled the brands to strengthen the customer experience, bolster fulfillment efficiency and expand retail media inventory.

Financial review by segment continued
United States continued

Own-brand food sales
(8)



Own-brand food sales	32.1%
National-brand food sales	67.9%

Net sales by category
(8)



Fresh	44.5%
Non-perishables	37.8%
Non-food	9.4%
Pharmacy	6.4%
Gas	1.8%
Retail media	0.1%

The U.S. brands provided value to customers by consistently expanding their high-quality own-brand assortments. In 2024, own-brand food sales as a percentage of total food sales increased to 32.1%, up by 0.5 percentage points. The highest growth category in 2024 was dairy – a combination of unit growth of our brands' cream and creamer products – further accelerated by the market price of eggs.

In 2024, pharmacy increased the most in share as a percentage of total sales, while fresh continued to be the biggest category in terms of net sales. The relative share of non-perishables, non-food and gas decreased.

Comparable sales excluding gasoline increased by 0.8%, driven by strong pharmacy and online sales (excluding FreshDirect). Sales performance was also positively affected by strong results, most notably from Food Lion. In addition, sales in the U.S. benefited this year from price investments and the successful rollout of our remodeling programs. In 2024, the U.S. segment opened five new stores expanded two and conducted 190 remodels.

Operating income increased by €171 million, or 8.4%, compared to 2023. Underlying operating income was €2,398 million and is adjusted for the following items:

- Impairment losses and reversals – net: In 2024, impairment charges amounted to €154 million, versus €228 million in 2023. in 2024, these impairments mostly related to the closure of Stop & Shop stores in the U.S.. In 2023, these impairments mostly related to property, plant and equipment impairments for FreshDirect.
- (Gains) losses on leases and the sale of assets – net: In 2024, the total net gain amounted to €38 million, mainly related to the closure of Stop & Shop stores and the sale of investment properties. In 2023, a €220 million loss was recorded, mainly related to the divestment of FreshDirect.
- Restructuring and related charges and other items: In 2024, the net loss was €67 million, mainly driven by Stop & Shop stores, our Accelerate global restructuring program and losses related to Hurricane Helene. In 2023, the net loss of €61 million was mainly driven by the Accelerate programs (see *Note 24* to the consolidated financial statements).

In 2024, underlying operating income was €2,398 million, down by €155 million or 6.1% compared to last year. At constant exchange rates, underlying operating income decreased by 6.0%.

The United States' underlying operating margin in 2024 was 4.4%, down by 0.3 percentage point compared to 2023, mostly driven by a lower sales leverage and higher store labor costs. This was partly offset by favorability in margin mix, primarily resulting from the divestment of FreshDirect and tight cost management as part of our Save for Our Customers cost-savings program.

Financial review by segment continued
Europe

Net sales
€35.2bn ▲ 3.5%*
2023: €34.1bn 3.0% vs. 2023

Comparable sales growth (excluding gasoline sales)
2.0%

Operating income
€0.9bn ▲ 4.8%*
2023: €0.9bn 4.1% vs. 2023

Underlying operating income
€1.3bn ▲ 20.0%*
2023: €1.1bn 19.4% vs. 2023

Underlying operating margin
3.8% ▲ 0.5pp*
2023: 3.3% 0.5 pp vs. 2023

Online sales
€5.1bn ▲ 9.9%*
2023: €4.7bn 9.8% vs. 2023

*At constant rates.

Europe segment

€ million	2024	2023 restated[1]	Change versus prior year	% change	% change at constant rates
Net sales	**35,158**	34,124	1,033	3.0%	**3.5%**
Of which online sales	**5,145**	4,684	461	9.8%	**9.9%**
Net consumer online sales	**8,033**	7,546	487	6.4%	**6.5%**
Comparable sales growth	**2.0%**	6.3%			
Comparable sales growth excluding gasoline	**2.0%**	6.3%			
Operating income	**906**	870	36	4.1%	**4.8%**
Adjusted for:					
Impairment losses and reversals – net	**75**	147	(72)		
(Gains) losses on leases and the sale of assets – net	**219**	(40)	259		
Restructuring and related charges and other items	**137**	143	(5)		
Underlying operating income	**1,336**	1,120	217	19.4%	**20.0%**
Underlying operating income margin	**3.8%**	3.3%			

1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

This year, European household budgets remained under pressure despite moderating inflation rates compared to a year before. In spite of economic headwinds, our brands continued to work hard to improve their customer value propositions by offering healthy food at affordable prices, which, in turn, drove market share growth. This strategy includes initiatives such as the expansion of our brands' high-quality own-brand assortments and ranges of Price Favorite products; compelling promotions to drive traffic; increased promotional activity from vendors; the implementation of price investments; and continued store remodels. In addition, we are starting to see the benefits from structural changes in our business related to the Belgium Future Plan. Tight cost management and ongoing cost-savings initiatives driven by the Save for Our Customers program fuelled the implementation of our new Growing Together strategy.

European net sales grew by €1,033 million up to €35,158 million in 2024, or 3.0% compared to 2023. At constant exchange rates, net sales were up by 3.5%. Sales growth was driven by an increase in comparable sales growth and net store openings, including the conversion of Jan Linders stores. Europe's comparable sales increased by 2.0%, mainly driven by higher volume and by a 0.3% impact of cycling prior-year strikes in Belgium, but were negatively impacted by a 2.5% impact of the cessation of tobacco sales at Albert Heijn supermarkets in the Netherlands.

Albert Heijn, bol and Etos in the Netherlands and Delhaize in Belgium contributed the most to this comparable sales increase, supported by our brands in the Czech Republic, Romania and Serbia. Strong growth resulted in market share gains in the majority of the European brands this year.

In 2024, growth in Europe was supported by multiple projects. Delhaize Belgium finalized the conversion of 128 stores to affiliates as part of the Belgium Future Plan, which resulted in an enhanced customer experience and market share growth that is exceeding expectations. We continued to invest in new technology and innovation in Europe. Albert Heijn opened its second fully automated HSC in Zwolle, while the first facility in Barendrecht is showing better customer service and improved order completeness levels and operational efficiency. Albert Heijn also expanded its dynamic markdown technology to include non-perishable products, which reduces food waste and contributes to our Save for Our Customers program. Our CSE brands implemented multiple commercial programs, including enhancing their European joint purchasing activities. In the Netherlands, bol implemented buying improvement and data initiatives, as well as logistics and contract improvements (for example, with the Dutch postal service PostNL), in order to strengthen its Save for Our Customers program delivery.

Online sales were €5,145 million, up by 9.9% compared to last year at constant exchange rates, with strong performance in both food and non-food online retail in the European region. Bol reached 4.1% net consumer online sales growth in 2024, with a notable improvement in the last quarter of 2024, and was able to maintain its market share in a declining market. This growth was powered by its successful customer proposition, including its popular loyalty program, expansion into new product categories, logistics service proposition and strong promotional campaigns.

Financial review by segment continued
Europe continued

For the 10th year in a row, bol was recognized as the number one favorite retail brand in the Netherlands. The robust online grocery offering of our other European brands also continued to serve customers well. Albert Heijn increased capacity at its second automated HSC in Zwolle, and welcomed more than one million customers to its AH Premium loyalty program. All the European brands further leveraged the power of digital capabilities to provide customers with meaningful, highly personalized discounts tailored to their needs and wallets, as well as a great, seamless customer experience.

Own-brand food sales
(%)



Own-brand food sales	49.5%
National-brand food sales	50.5%

Net sales by category
(%)



Fresh	45.5%
Non-perishables	32.4%
Non-food	21.7%
Retail media	0.4%

Part of our focus remains on the continuous growth of our brands' own-brand offerings. During the year, our brands expanded their own-brand assortments even further, from 49.4% of total food sales in 2023 to 49.5% in 2024. In addition, they were very successful in developing our Price Favorites range in Europe this year; for example, the Price Favorites assortment at Albert Heijn grew by 5% and at Delhaize Belgium by 5.5% in 2024 versus the prior year.

As a percentage of total sales, the relative share of fresh increased from 44.2% in 2023 to 45.5% in 2024, and the relative share of non-food decreased from 23.6% to 21.7%. In addition, the share of non-perishables increased from 32.0% in 2023 to 32.4% in 2024. Retail media sales also increased by 0.1% this year.

Operating income increased by €36 million, or 4.1%, to €906 million, affected by the following items that Ahold Delhaize adjusts to arrive at underlying operating income:

- Impairment losses and reversals – net: In 2024, impairment charges amounted to €75 million, related to the impairment of bol DC; impairment of software in progress for our Belgium and CSE entities; the brand name Cycloon; and underperforming stores in CSE, Belgium and the Netherlands. In 2023, impairment charges amounted to €147 million, mainly related to the transitioning of own stores into affiliates in Belgium and impairments for underperforming stores in the Netherlands and other European brands.
- Gains (losses) on leases and the sale of assets – net: In 2024, the total net loss was €219 million, driven by the loss arising from the sale of stores to affiliates in Belgium. In 2023, the total net gain was €40 million, caused by the sale of stores to franchisees related to the agreement with Jan Linders and sale of assets in Europe, partly offset by a loss on the sale of stores to affiliates in Belgium.
- Restructuring and related charges and other items: In 2024, the charges amounted to a net loss of €137 million, which resulted from the settlement loss on Dutch pensions amendment (for more information, see *Note 24)*, by restructuring-related costs pertaining to the Belgium Future Plan and integration costs of Profi in Romania. In 2023, the charges amounted to a net loss of €143 million, mainly driven by restructuring-related costs pertaining to the Belgium Future Plan.

In 2024, underlying operating income in Europe was €1,336 million, up by €217 million, or 19.4%, compared to 2023 in actual rates. Underlying operating margin was 3.8% in 2024, 0.5 percentage points higher than in 2023. Favorable margin in Europe was primarily driven by higher sales leverage, performance recovery in Belgium due to the changes in the operating model and cycling of prior year strikes, as well as lower energy costs across the region. It was partly offset by higher labor costs and an increase in the non-cash service charge for the Dutch employee pension plan.

Financial review by segment continued
Ahold Delhaize Group

Ahold Delhaize Group

€ million	2024	2023	Change versus prior year
Operating income (expense)	**(337)**	(68)	(269)
Underlying operating income (expense)[1]	**(127)**	(69)	(58)
Insurance results	**35**	77	(42)
Underlying operating income (expense) excluding insurance results[1]	**(162)**	**(146)**	**(16)**

1. Underlying operating income (expense), underlying operating income (expense) excluding insurance results, and the percentage changes in constant rates are alternative performance measures that are used throughout this report.

Ahold Delhaize Group (formerly known as Ahold Delhaize's Global Support Office or GSO) consists of functions that help the Company's brands improve the quality of their services in areas that include finance, legal, communications and sustainability. The Ahold Delhaize Group sets functional strategies, provides subject matter expertise, facilitates best practice sharing, and provides policies and guidelines.

In 2024, Ahold Delhaize Group costs amounted to €337 million, up €269 million compared to the previous year. This net increase was primarily driven by a €206 million loss, resulting from an amendment to and additional funding for the Dutch pension plan, and by lower gains on self-insurance activities.

Insurance results were €35 million, down €42 million year over year. The decrease in insurance result is mainly driven by interest rate fluctuations and loss adjusting expenses related to weather impacts, such as hurricanes, floods and fire events in the United States and Europe.

Excluding self-insurance, underlying Ahold Delhaize Group costs were €162 million, which was €16 million higher than the previous year. This increase in costs was mainly driven by incidental hired services and technology expenses.

Outlook

Summary

Key financial targets	Results in 2024	Outlook 2025
Group underlying operating margin	4.0%	Around 4%
Diluted underlying EPS growth	€2.54	Mid- to high-single digits
Gross capital expenditures[1]	€2.3 billion	Around €2.7 billion
Free cash flow[1]	€2.5 billion	At least €2.2 billion
Dividend per share **Payout ratio**[2,3]	€1.17 46%	YOY growth in dividend per share and 40-50% payout ratio
Share buyback	€1 billion	€1 billion

1. Excludes M&A
2. Calculated as a percentage of underlying income from continuing operations
3. Management remains committed to the Company's share buyback and dividend programs while continuously assessing macroeconomic, geopolitical and legislative factors as part of its decision-making process. In addition, the programs may be adjusted in response to corporate activities, including significant mergers and acquisitions.

Changes to our strategy

In May 2024, we introduced our Growing Together strategy, which will support our brands in growing faster than the market during the period from 2025 to 2028. See *Our Growing Together strategy* for more detail. Building on our strong foundation, with over 150 years of retail experience, this strategy is an evolution of our prior Leading Together strategy and further expands on the work already done. We consider our Growing Together strategy to be well balanced. It is focused on growth and delivering industry-leading margins, but also on cost discipline, investing in the future and generating cash to grow shareholder returns. Our Growing Together strategy is built around four key levers:

- Consistently investing in our customer value proposition, creating exceptional customer experiences and providing trusted products to strengthen loyalty and engagement
- Densifying and growing our markets, strengthening our foundation and expanding our horizon into new growth territories
- Innovating and creating new opportunities to fully utilize our assets and our data and accelerate complementary income streams
- Relentlessly leveraging and lowering our cost base through enhanced digital, automation and infrastructure capabilities

These levers are then powered by six strategic priorities at the brand and functional level, which support and mutually reinforce each other. You can read more about these priorities in our *Strategy* section.

Noteworthy changes to our business to come in 2025

The following are changes in the business that will impact comparable performance for 2025 and have been incorporated into our Outlook:

- The acquisition of Profi, which we closed in January, will add approximately €3 billion in net sales to our Europe segment.
- The closure of 32 Stop & Shop stores in the second half of 2024 as part of our revitalization plan will have a negative impact on net sales for The United States segment in the range of $550 to $575 million.
- The cessation of tobacco sales will impact Albert Heijn's net sales at franchised stores for the first half of the year. In addition, Delhaize and Albert Heijn stores in Belgium will end tobacco sales as of April 1, 2025, due to regulation changes. This will have around a 1.0 percentage-point impact on reported and comparable store sales in Europe in 2025.

Overall market conditions and differences between regions

On a macro level, in the U.S., the IMF expects 2.2% real GDP growth in 2025, down from 2.8% in 2024. Inflation is back at low-single-digit levels and current unemployment levels imply continued wage inflation, supporting resilient consumer spending, though elevated levels of household debt could offset consumption in the U.S. Consumer confidence, as measured by the OECD, experienced some volatility during 2024, but has been on an overall upward trajectory over the last 24 months, back toward the long-term average, which is supportive of consumption.

In Europe, the IMF expects 1.6% real GDP growth in 2025, which is flat compared to 2024. Consumer spending should benefit from real wage growth, as unemployment is low and inflation is moving back toward low-single-digit levels. Consumer confidence, as measured by the OECD, improved marginally during 2024, but remained stagnant toward the end of the year. Its proximity to the long-term average is supportive of consumption.

Looking at food in particular, the U.S. Department of Agriculture (USDA) expects food prices to increase more slowly than the historical average rate, citing an overall slowdown in price growth of goods. Food-at-home inflation in the U.S. in 2025 is projected at 1.6% against food-away-from-home inflation at 3.1%. The European Central Bank expects food inflation of 2.4% for the euro area in 2025, down from 2.9% in 2024, as energy and commodity price shocks start to dissipate.

Sales growth in 2025

Our strong and consistent performance in 2024 enabled a kick-start to several strategic initiatives, which will fuel accelerated growth in 2025. Our expectation is to deliver sales growth above market levels, driven partially by our brands' increased investments in their winning customer value propositions. Improvements in volume as a result of our focus on own-brand across the regions, aided by price investments in the U.S., specifically, should play a significant role.

Omnichannel sales will be another contributor to our sales growth. We expect to see continued outsized growth in this channel, driven, in part, by an increase in monthly active app users as a result of the rollout of unified apps in Europe and the onboarding of brands onto our proprietary PRISM platform in the U.S., as well as the investments in and further scaling of service locations and delivery centers, such as the mechanized HSC in Zwolle, the Netherlands.

Outlook continued

Sales growth will also come from our brick-and-mortar store locations as we densify and grow our markets. Examples include the expected 235 remodels and new stores in the U.S., the addition of Profi in Romania and the continuation of new store openings in the CSE region as well as remodels across Europe.

Maintaining healthy margins in 2025

In 2025, we expect to deliver a margin of around 4%, in line with our guidance for 2025 to 2028. We will continue executing the Stop & Shop revitalization plan we started last year. In addition, 2025 will be the first year of our announced $1 billion price investments plan for the period 2025 to 2028.

As you may expect from us, it is our intention that these investments will be offset by strong cost savings and the benefits coming from our complementary revenue streams. These complementary revenue streams are an important part of our strategy to innovate and create new opportunities to fully utilize our capabilities and data.

Saving for our customers

To leverage and lower our cost base, we are making a step up in our Save for Our Customers program, which is expected to yield at least €1.25 billion in 2025. This will be the first step of our overall €5 billion cost-savings program over the four-year period ending in 2028. Our Save for Our Customers program will focus on areas such as sourcing (including the benefits we receive from our European purchasing alliances), simplification, automation across the entire organization, and further leveraging of the power of data and AI.

Gross capital expenditure of around 2.7 billion[1]

For 2025, we expect gross capital expenditures to be around €2.7 billion, or 3.0% of sales (net capital of around €2.6 billion), which includes divestments. To fuel our growth, we will make a step up in investments in our store fleet, distribution centers (e.g., bringing in more mechanization) and in Digital and Technology. These will expand our brands' customer reach and have a positive impact on their customer value propositions and new income streams. Beside the step up in these three areas, we will maintain strong levels of investments into our healthy communities & planet initiatives.

1. Excludes M&A

Sustained strong free cash flow generation

Our operational outlook for 2025 translates into strong cash flow generation, which is reflected in our 2025 free cash flow outlook of at least €2.2 billion. This is underpinned by our expectations of growth in 2025 operating cash flows, supported by sales growth and consistent margins, as we step up our overall level of investments.

Overall, we expect our free cash flow generation to remain strong over the upcoming years as well, in line with our cumulative free cash flow forecast of €9 billion over the four-year period from 2025 to 2028.

Returning capital to shareholders continues

The strong level of free cash flow embedded in our 2025 outlook supports our €1 billion share repurchase authorization announced in November 2024, as well as our dividend policy, which calls for sustainable growth in our annual cash dividend and a 40-50% payout ratio from underlying net income.

We propose a cash dividend of €1.17 for the financial year 2024, an increase of 6.4% compared to 2023. If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024.

Focus on our people

For our Company, the dedication and commitment of our people continues to be one of the key drivers of success. High engagement and inclusion helps drive business, professional and personal growth. In 2025, we will continue to pursue our aspirations across the following metrics: an associate engagement score of 78% or greater, an inclusive workplace score equal to or greater than 81% and an associate growth score of 75% or greater in line with our continued commitment to grow our people. It is our intention to always be above the Global Retail benchmark.

Healthy communities & planet

We will continue to focus on healthier lives and reducing Ahold Delhaize's impact on the climate. Our current ambitions have a time horizon up to the end of 2025. At the completion of our nature project, we will determine the most appropriate future ambitions and actions going forward, where applicable.

For all other targets with future time horizons, we continue to drive progress in line with our plans, as set out in this Annual Report. For our healthy food sales target, we aim to grow own-brand healthy food sales. We do not foresee changes in the Nutri-Score and Guiding Stars methodology; key drivers for progress are focused on our brands' assortments and how they support customers in making choices.

To reduce our scope 1 and 2 carbon-emission reductions, we will follow our transition plan, and for scope 3 carbon emissions, we remain focused on the actions our brands are implementing in partnership with others. More information on our plans for scope 1, 2 and 3 carbon emissions are included in the *Climate change* section of this report.

We aim to evolve our approach to nature and biodiversity in the coming years, based on the outcomes of our detailed impact, dependency and risk assessments for our identified priority value chains and regions. This will result in refreshed and/or new targets in areas where Ahold Delhaize has the best opportunity to drive action.

In the area of circularity, our brands continue their efforts to reduce food waste in our own operations and strengthen collaboration with local food banks. This is supported on a Group level through our partnership with the Global FoodBanking Network. In 2025, our focus remains on own-brand plastic product packaging elimination, the shift to more reusables and recyclability. Our targets on packaging have a time horizon up to the end of 2025. We will determine the most appropriate future ambitions and actions, going forward, where applicable in 2025.

Information about Ahold Delhaize shares

Shares and listings

Koninklijke Ahold Delhaize N.V. is a public limited liability company registered in the Netherlands with a listing of shares on Euronext's Amsterdam Stock Exchange (AEX) and Euronext Brussels (Ticker: AD, Bloomberg code: AD NA, ISIN code: NL0011794037, CUSIP: N0074E105, Reuters code: AD.AS).

Ahold Delhaize's shares trade in the United States on the over-the-counter (OTC) market (www.otcmarkets.com) in the form of American Depositary Receipts (ADRs) (ticker: ADRNY, Bloomberg code: ADRNY US, ISIN code: US5004675014, CUSIP: 500467501).

The ratio between Ahold Delhaize ADRs and the ordinary Netherlands (euro-denominated) shares is 1:1 – i.e., one ADR represents one Ahold Delhaize ordinary share.

Structure: Sponsored Level I ADR

J.P. Morgan (the Depositary) acts as the depositary bank for Ahold Delhaize's ADR program. Please also see *Contact information* for details on how to contact J.P. Morgan regarding the ADR program.

Share performance in 2024

On December 27, 2024, the closing price of the Ahold Delhaize ordinary share on Euronext Amsterdam was €31.38, a 20.6% increase compared to the €26.02 closing price on December 29, 2023. During the same period, the Euro STOXX 50 index increased by 8.3% and the AEX index increased by 11.7%.

During 2024, Ahold Delhaize shares traded on Euronext Amsterdam at an average closing price of €29.18 and an average daily trading volume of 2.0 million shares. Across all European trading platforms, Ahold Delhaize shares traded at an average daily trading volume of 5.0 million shares. Ahold Delhaize's market capitalization was €28.7 billion at year-end 2024. The highest closing price for Ahold Delhaize's shares on Euronext Amsterdam was €33.25 on December 5, 2024, and the lowest was €25.47 on January 19, 2024.

The complete list of the select peer group includes: Walmart Inc., Kroger Co., Tesco Plc., Costco Wholesale Corporation, Carrefour SA, J Sainsbury Plc., Target Corporation and Albertsons Companies, Inc. The chart represents the performance of Ahold Delhaize shares, along with the AEX, Euro Stoxx 50 and our peer group, on an equal-weighted basis. The price performance of our shares shown in the graph to the right is not necessarily indicative of future stock performance.

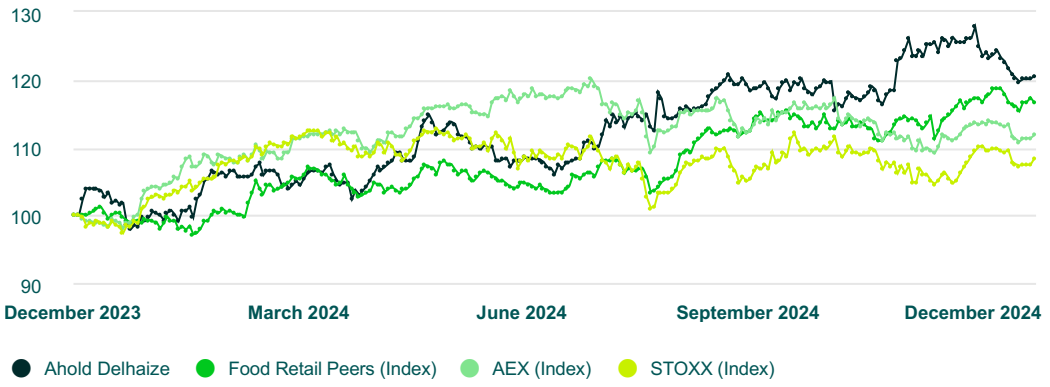
On December 27, 2024, the closing price of Ahold Delhaize's ADR was $32.75, 14.0% higher than the closing price on December 29, 2023 ($28.74). In the same period, the Dow Jones Index increased by 12.9% and the S&P 500 increased by 23.3%. In 2024, the average daily trading volume of Ahold Delhaize ADRs was 83,649.

Performance of Ahold Delhaize's common shares on Euronext Amsterdam

	2024	2023
Closing common share price at year end (in €)	**31.38**	26.02
Average closing common share price (in €)	**29.18**	29.27
Highest closing common share price (in €)	**33.25**	32.27
Lowest closing common share price (in €)	**25.47**	25.98
Average daily trading volume	**1,972,690**	2,074,697
Market capitalization (€ million)	**28,668**	24,615

Source: Bloomberg

Ahold Delhaize share price performance



Ahold Delhaize share price (€)



Information about Ahold Delhaize shares continued

Earnings per share

During 2024, Ahold Delhaize realized basic income from continuing operations per share of €1.90 and diluted income from continuing operations per share of €1.89. Basic underlying income from continuing operations was €2.55 per share, and diluted underlying income from continuing operations was €2.54 per share. This difference between our reported and underlying income from continuing operations is related to a net €606 million of one-time charges, largely driven by costs related to the repositioning of Stop & Shop, the Belgium Future Plan and an amendment to and additional funding for the Dutch pension plan.

Share capital

During 2024, Ahold Delhaize's issued and outstanding share capital decreased by approximately 32 million common shares to 914 million common shares. This decrease resulted mainly from the share buyback of €1 billion, as announced on November 8, 2023, marginally offset by the issuance of shares for the Company's share-based compensation program.

The common shares issued decreased by 32 million to 920 million at the end of 2024. The difference between the common shares outstanding and common shares issued are the treasury shares.

As of December 29, 2024, there were 6,910 thousand shares held in treasury, the majority held by Ahold Delhaize to cover the long-term share-based incentive plan.

Ahold Delhaize's authorized share capital as of December 29, 2024, comprised the following:

- 1,923,515,827 common shares at €0.01 par value each
- 326,484,173 cumulative preferred financing shares at €0.01 par value each
- 2,250,000,000 cumulative preferred shares at €0.01 par value each

For additional information about Ahold Delhaize's share capital, see *Note 21* to the consolidated financial statements.

Distribution of shares

Shareholders by region[1]

%	January 2025	January 2024
North America	**33.9**	32.4
U.K./Ireland	**19.8**	17.6
Rest of Europe	**10.3**	11.7
France	**8.1**	8.0
Germany	**5.3**	5.2
The Netherlands[2]	**4.0**	5.2
Rest of the world	**3.0**	2.5
Undisclosed[2]	**15.6**	17.4

1. Source: CMi2i
2. The Netherlands excludes the percentage of shareholdings of all retail holdings and treasury shares, which are included in Undisclosed.

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold Delhaize's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3% 5% 10% 15% 20%
25% 30% 40% 50% 60%
75% 95%

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 20, 2025, that hold an interest of 3% or more in the share capital of the Company.[1]

- BlackRock, Inc. – 5.63% shareholding (6.91% voting rights) disclosed on August 11, 2023
- Amundi Asset Management – 3.04% shareholding (3.04% voting rights), disclosed on August 25, 2023
- State Street Corporation – 3.01% shareholding (2.17% voting rights), disclosed on December 23, 2024
- Goldman Sachs Group Inc. – 3.00% shareholding (3.00% voting rights) disclosed on February 14, 2025

1. In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. For further details, see *www.afm.nl*.

For further details on the number of outstanding shares and the percentages of the issued share capital they represent, see *Note 21* to the consolidated financial statements.

Shareholder returns

On April 10, 2024, the General Meeting of Shareholders approved the dividend over 2023 of €1.10 per common share. The interim dividend of €0.49 per common share was paid on August 31, 2023. The final dividend of €0.61 per common share was paid on April 25, 2024.

Information about Ahold Delhaize shares continued

Shareholders KPIs 2020-2024

	2024	2023	2022	2021	2020
Dividend per common share[1]	**1.17**	1.10	1.05	0.95	0.90
Final dividend	**0.67**	0.61	0.59	0.52	0.40
Interim dividend	**0.50**	0.49	0.46	0.43	0.50
Dividend yield	**3.7%**	4.2%	3.9%	3.2%	3.9%
Payout ratio	**46%**	43%	40%	42%	40%

1. 2024 dividend subject to the approval of the AGM

We propose a cash dividend of €1.17 for the financial year 2024, an increase of 6.4% compared to 2023, reflecting our ambition to sustainably grow the dividend per share. This represents a payout ratio of 46%, based on the expected dividend payment on 52 weeks of underlying income from continuing operations.

If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024.

Share buyback

On November 8, 2023, Ahold Delhaize announced it would return €1 billion to shareholders by means of a share buyback program, which was completed on December 6, 2024. An additional €1 billion share buyback program was announced on November 6, 2024, which is expected to be completed before the end of 2025. Maintaining a balanced approach between funding growth in key channels and returning excess liquidity to shareholders is part of Ahold Delhaize's financial framework to support our Leading Together strategy. The purpose of the program is to reduce Ahold Delhaize's capital, by canceling all or part of the common shares acquired through the program.

Multiple year overview

The multiple-year overview is provided for 10 years. However, the figures prior to 2018 are not comparable because they have not been restated for the impact of IFRS 16. In addition, it should be noted that years prior to 2016 only relate to the former Ahold business. The former Delhaize business is included as of July 24, 2016.

Results, cash flow and other information

€ million except per share data, exchange rates and percentages	2024	2023 restated[1]	2022	2021	2020	2019	2018 restated[2]	2017[2]	2016[2,3]	2015[2]
Net sales	**89,356**	88,734	86,984	75,601	74,736	66,260	62,791	62,890	49,695	38,203
Of which online sales	**9,235**	8,931	8,618	7,704	5,547	3,493	2,817	2,393	1,991	1,646
Net sales growth at constant exchange rates[4]	**0.9%**	3.9%	6.9%	5.0%	12.3%	2.3%	2.5%	28.9%	32.3%	2.3%
Operating income	**2,784**	2,846	3,768	3,320	2,191	2,662	2,623	2,225	1,584	1,318
Underlying operating income margin	**4.0%**	4.1%	4.3%	4.4%	4.8%	4.2%	4.4%	3.9%	3.8%	3.8%
Net financial expense	**(562)**	(546)	(552)	(517)	(485)	(528)	(487)	(297)	(541)	(265)
Income from continuing operations	**1,764**	1,874	2,546	2,246	1,397	1,767	1,797	1,817	830	849
Income (loss) from discontinued operations	**—**	—	—	—	—	(1)	(17)	—	—	2
Net income	**1,764**	1,874	2,546	2,246	1,397	1,766	1,780	1,817	830	851
Earnings and dividend per share										
Net income per common share (basic)	**1.90**	1.95	2.56	2.18	1.31	1.60	1.51	1.45	0.81	1.04
Net income per common share (diluted)	**1.89**	1.94	2.54	2.17	1.30	1.59	1.49	1.43	0.81	1.02
Income from continuing operations per common share (basic)	**1.90**	1.95	2.56	2.18	1.31	1.60	1.53	1.45	0.81	1.04
Income from continuing operations per common share (diluted)	**1.89**	1.94	2.54	2.17	1.30	1.59	1.51	1.43	0.81	1.02
Dividend per common share	**1.17**	1.10	1.05	0.95	0.90	0.76	0.70	0.63	0.57	0.52
Cash flow										
Free cash flow	**2,545**	2,425	2,188	1,618	2,199	1,843	2,165	1,926	1,441	1,184
Net cash from operating, investing and financing activities	**2,514**	475	(92)	(218)	(383)	535	(1,587)	827	2,114	73
Capital expenditures (including acquisitions)[5]	**3,699**	4,099	4,107	5,776	4,456	3,604	2,838	1,822	16,775	1,172
Capital expenditures as % of net sales	**4.1%**	4.6%	4.7%	7.6%	6.0%	5.4%	4.5%	2.9%	33.8%	3.1%
Regular capital expenditures[6]	**3,673**	4,051	4,053	4,187	4,448	3,512	2,772	1,723	1,377	811
Regular capital expenditures as % of net sales	**4.1%**	4.6%	4.7%	5.5%	6.0%	5.3%	4.4%	2.7%	2.8%	2.1%
Average exchange rate (€ per $)	**0.9242**	0.9248	0.9515	0.8461	0.8770	0.8934	0.8476	0.8868	0.9038	0.9001

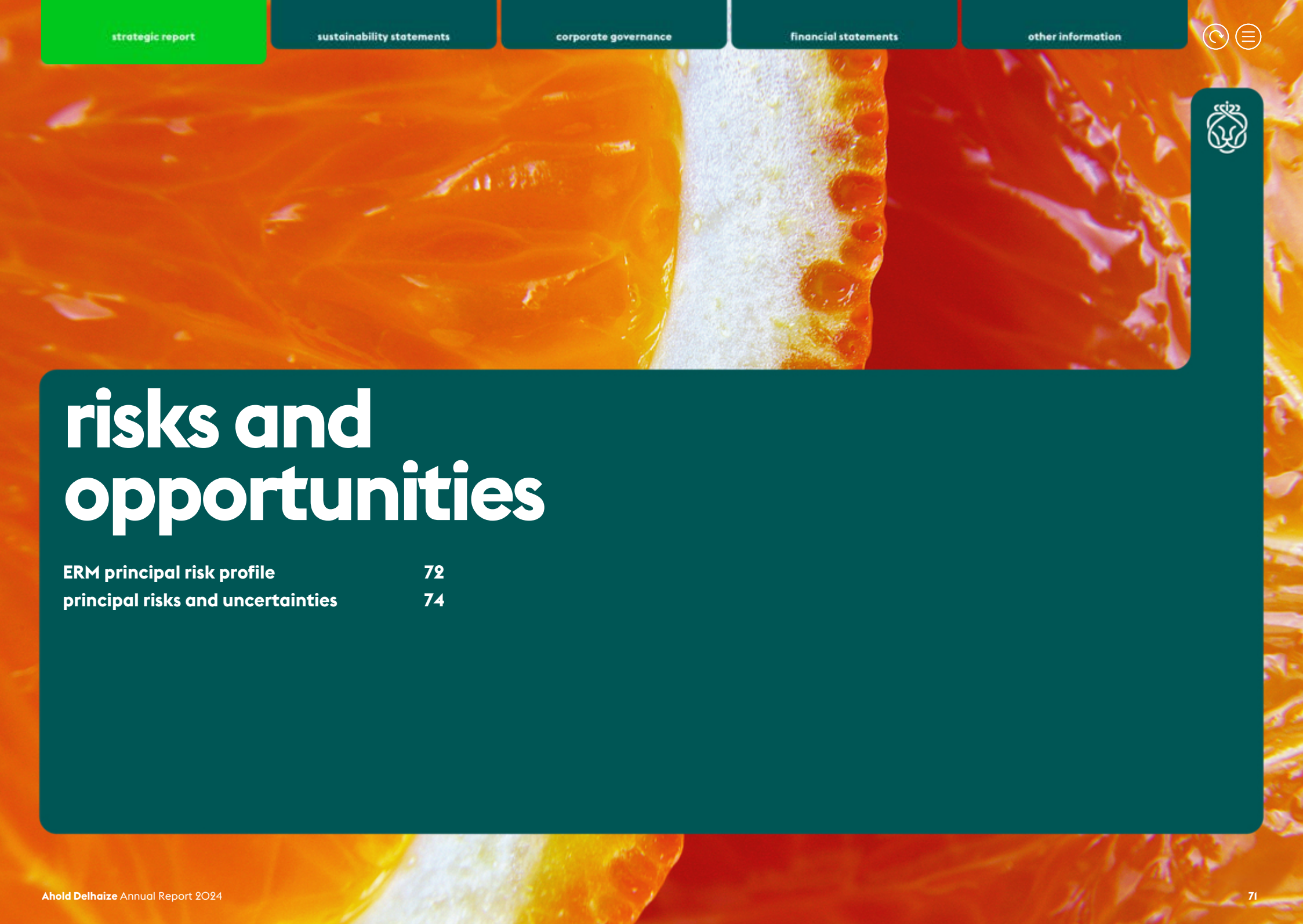
1. The net sales, online sales and net sales growth at constant exchange rates for 2023 have been updated to reflect the change in presentation for media and data income. For details see *Note 3*. Financial information prior to 2023 has not been restated.
2. 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
3. Included former Delhaize business as of July 24, 2016.
4. Net sales growth in 2021, 2020, 2016 and 2015 is adjusted for the impact of week 53 in 2020 and 2015. Net sales growth in 2021 and 2016 is calculated based on a 52-week comparison to 2020 and 2015 respectively. Net sales growth in 2020 and 2015 is calculated based on a 53-week comparison to 2019 and 2014, respectively.
5. The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude discontinued operations.
6. The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets, excluding the impact from acquisitions. The amounts exclude discontinued operations.

Multiple year overview continued

Balance sheet and other information

€ million, except for number of stores and otherwise indicated	December 29, 2024	December 31, 2023	January 1, 2023	January 2, 2022	January 3, 2021	December 29, 2019	December 30, 2018, restated[1]	December 31, 2017[1]	January 1, 2017[1]	January 3, 2016[1]
Group equity	**15,454**	14,755	15,405	13,721	12,432	14,083	14,205	15,170	16,276	5,621
Share buyback[2]	**(1,000)**	(999)	(998)	(995)	(1,001)	(1,002)	(1,997)	(998)	—	(161)
Gross debt	**20,315**	17,766	17,640	17,089	14,554	15,445	14,485	7,250	7,561	3,502
Cash, cash equivalents, and short-term deposits and similar instruments and investments in debt instruments – current portion	**6,185**	3,500	3,223	3,143	3,119	3,863	3,507	4,747	4,317	2,354
Net debt	**14,129**	14,267	14,416	13,946	11,434	11,581	10,978	2,503	3,244	1,148
Total assets	**51,842**	47,821	48,555	45,712	40,692	41,490	39,830	33,871	36,275	15,880
Number of stores	**7,765**	7,716	7,659	7,452	7,137	6,967	6,769	6,637	6,556	3,253
Number of employees (in thousand FTEs)	**222**	232	250	259	249	232	225	224	225	129
Number of employees (in thousands headcount)	**388**	402	414	413	414	380	372	369	370	236
Common shares outstanding (in millions)[2]	**914**	946	977	1,011	1,047	1,088	1,130	1,228	1,272	818
Share price at Euronext (€)	**31.38**	26.02	26.84	30.14	23.11	22.75	22.07	18.34	20.03	19.48
Market capitalization[2]	**28,668**	24,615	26,232	30,482	24,197	24,751	24,938	22,508	25,484	15,944
Year-end exchange rate (€ per $)	**0.9591**	0.9059	0.9341	0.8795	0.8187	0.8947	0.8738	0.8330	0.9506	0.9208

1. December 30, 2018, figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to December 30, 2018, has not been restated for the impact of the implementation of IFRS 16 Leases.
2. In the financial year ended January 1, 2017, an additional €1,001 million was returned to shareholders through a capital repayment.



risks and opportunities

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principal risks and uncertainties 74

ERM principal risk profile

Our Enterprise Risk Management (ERM) program has been created in line with our values and ethical principles. Our ERM assessment is designed to identify, assess and take action on risks and opportunities in line with our strategic, operational, financial and compliance-related business objectives. All of the most significant, or "principal," risks are considered to present a material financial risk.

The principal risks have been categorized by their relationship to strategic, operational, financial, compliance and sustainability-related activities and linked to the related strategic priorities. We further differentiate these principal risks according to how they have changed over the course of the year (i.e., the risk trend). The principal risks included in the Annual Report are based on our assessment of the likelihood of the risk occurring, the potential impact and the relevant mitigating actions we have in place.

The principal risks reported are largely similar to what was disclosed in our Annual Report 2023. However, in line with the principal risk profile diagram on the right and as described in the *Principal risks and uncertainties* section that follows, there has been a general heightening of the severity of a number of the risks.

The competitive, macroeconomic and sociopolitical environment in which we operate continues to present significant challenges, and our related strategic risks are in line with those reported in 2023. An increase in our operational risk category is driven largely by the limitations of some of our legacy IT systems and the recognition of the need to pursue the development and maintenance of an effective, cost-efficient and future-proof IT framework. We also observed an increase in inherent risk related to cybersecurity. Our compliance risk category also saw an increase in risk levels. This was driven by our evolving business model and the increased exposure to data privacy and product safety risks arising from ever increasing volumes of data, monetization initiatives and the expansion of initiatives and capabilities around franchising and home delivery at our brands. Although polarization and division increased pressure on geopolitical and socioeconomic risks, the macroeconomic environment has shown strong resilience and stabilization during the year and, overall, our financial risk category remains flat versus 2023. Finally, our sustainability risk category is seen as increasing as we develop and improve our assessments and understanding of the related risks. Managing increasingly conflicting stakeholder expectations around our material sustainability matters is an ongoing challenge.

The diagram to the right provides an overview of the principal risks we have identified, the management of which continues to be a critical priority for Ahold Delhaize. You can find more detailed information, including a reference to the time horizon and related strategic priorities of each risk and a description of some of the main actions taken to manage them under *Principal risks and uncertainties*.

See also the *Risk Management* section for information on our risk appetite and how it relates to our categories of risk.

It is important to note that these categorizations and how they are assigned to each risk are subjective in nature, and the actual materialization of any of the risks may differ from what is disclosed here.



ERM principal risk profile continued

The ERM process is designed to identify the key risks associated with the execution of our strategy. At the same time, the outcomes of our ERM exercise provide our senior leaders with a view of our business' different risk factors and help them to identify tangible actions and risk mitigation processes that drive the development of policies, procedures and controls. It also informs the scope of internal audit activities and our business planning and performance processes. We use KPIs and performance measures to monitor the implementation of the identified actions.

In conjunction with the annual strategic planning and ERM exercises, our brands identify and assess opportunities in line with our Growing Together strategy. The opportunities that are identified, some of which are described in the table on the right under each of our strategic priorities, are discussed by global and local management through our strategic business planning and performance cycles and are translated into elements of our global and individual brand strategies. See *Our Growing Together strategy* for more information.

The following section, *Principal risks and uncertainties*, provides an overview of the principal risks identified, including a description of each risk, developments noted during 2024 and a brief description of the primary mitigating actions in place to manage each risk.

See *Our Growing Together strategy* for more information.

The overview of risks should be read carefully when evaluating the Company's business, its prospects and the forward-looking statements contained in this Annual Report. These risks, which are not the only risks that the Company faces, may or may not actually materialize and/or have a material adverse effect on Ahold Delhaize's financial position, reputation, results of operations and liquidity or cause actual results to differ materially from the results included in any forward-looking statements contained in this Annual Report, as further set out in the *Cautionary notice*.

See *Risk management* for more information about our governance, risk and compliance (GRC) framework, ERM program and risk appetite. See *Sustainability statements* section for details on the material sustainability matters and how they are related to our risk profile.

Opportunities

Thriving people

- Strengthening of talent attraction and development pipeline
- Stimulation of culture and collaboration to enable our strategy
- Continuation of outreach initiatives to support our brands' communities
- Continued focus on associate safety and well-being

Healthy communities & planet

- Accelerated renewable energy transition
- Supplier engagement toward supply chain decarbonization
- Technology and infrastructure development to support a net-zero roadmap for own operations
- Making healthy and sustainable choices easier

Vibrant customer experiences

- Initiatives around personalization of customer journey
- Further development of loyalty and reward programs
- Continuous improvement of the customer experience through a leading digital user experience

Trusted product

- Continued investment in product safety and integrity programs
- Further development of own-brand product offerings
- Taking actions on assortment and promotions to enhance our brands' price position

Driving customer innovation

- Investment in advertising technology resources
- Further development of tech, data and AI capabilities
- Investing in innovative start-ups and scale-ups through W23 Global, a retail venture capital fund

Portfolio & operational excellence

- Accelerated Save for Our Customers program
- Initiatives to increase collaboration and leverage scale
- Strengthening of internal mechanization capabilities
- Building on strategic regional partnerships for procurement and operations

Principal risks and uncertainties

Strategic risks

Risk			Developments in 2024	How we manage this risk
Competitive environment	**Changes to the competitive landscape relating to non-traditional competition, competitor actions on pricing and assortment, or material changes in customer preferences in the brands' markets could result in a loss of competitive advantage, decrease in sales, erosion of margins and an inability to deliver on our strategic objectives.**	**Risk trend** — **Time horizon** 1-5 years **Strategic priorities**	Competitive pressure is present throughout our markets and uncertain economic conditions are leading to a greater emphasis on price from our brands' customers. Changes in the retail landscape, particularly relating to consumer shopping preferences around value and assortment, continue to pose both challenges and opportunities.	In 2024, we introduced our new Growing Together strategy to ensure that our strategic approach enables us to maintain our brands' competitive positions and leads us successfully into the future. We remain focused on offering customers both optimal product assortments and differentiating experiences. Two of the six strategic priorities in our Growing Together strategy, in particular, help manage competitive pressures. Our *trusted product* priority drives focus on our own-brand portfolios, enabling us to leverage our scale and offer customers a wide assortment at different, attractive price points. Our *vibrant customer experiences* priority focuses on delivering engaging, personalized experiences for customers that differentiate us from the competition and, among other benefits, drive higher loyalty. For more information, see *Our Growing Together strategy*.
Omnichannel and digital growth	**Failure to successfully develop and execute initiatives to grow our omnichannel and digital proposition in a scalable and profitable manner that keeps pace with shifting consumer demands and the related capabilities of our competitors could result in a loss of competitive advantage and impact our ability to deliver on related strategic objectives and performance targets. This risk is broken out separately from the competitive environment risk given its importance to our overall strategy.**	**Risk trend** — **Time horizon** 1-5 years **Strategic priorities**	Enduring changes in consumer shopping habits established during the pandemic around home delivery and click-and-collect mean that convenience and service levels related to omnichannel offerings continue to be key elements in maintaining and developing the competitiveness or our brands. Retail media and digital services markets have continued to evolve and mature during 2024 and the development of related complementary revenues streams is seen as an increasingly important component in the evolution of our strategy, and the strategies of our competitors.	Omnichannel and digital growth is at the core of our new Growing Together strategy. We have built capabilities that enable our brands to deliver seamless, integrated shopping experiences and have implemented various initiatives to drive omnichannel engagement and focus on personalization and loyalty for our brands' customers. We invest in digital capabilities to take advantage of related opportunities and drive complementary revenues related to digital services and retail media. For more information on the initiatives in place and the progress we have made, see our strategic priorities *Vibrant customer experiences* and *Driving customer innovation*.

Risk trend
- Increasing
- Flat
- Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Operational risks

Risk			Developments in 2024	How we manage this risk
Supply chain and business continuity	**Disruption to our supply chain or critical business processes, due to a long-term or permanent loss of key suppliers, logistics, facilities, utilities, IT infrastructure, personnel or commodity shortages, may result in non-availability of products for customers and have a significant adverse impact on commercial operations, revenues, reputation and customer perception.**	**Risk trend** ↑ **Time horizon** 1-5 years **Strategic priorities**	The conflicts in Ukraine and Israel/Gaza, as well as other geopolitical tensions, entail supply chain risks for commodities and for products that our brands offer to customers. Any further escalations could increase the related impacts significantly. Elevated energy costs and the risk of future energy availability restrictions resulting from the ongoing conflicts pose threats to operations, particularly in Europe. The diverse IT landscape throughout our brands' operations, along with a dependence on legacy systems and third-party service providers, continues to pose challenges and risks to business continuity.	We have established a global business continuity strategy, policy and governance structure and framework for ensuring the continuity of operations. This program is supported by dedicated business continuity managers globally within each of our brands, who activate crisis response protocols and reporting. They provide regular training (including simulations) to senior leadership on crisis management and response to high-impact events. Our business continuity program includes insurance coverage in key areas and monitoring of vendors and third-party service providers. We closely monitor relevant commodity markets and develop plans to mitigate any related risks and ensure the continuity of supply. We have entered into a number of purchase power agreements (PPAs) to contribute toward the security of our renewable energy supply and our net-zero commitments. With regard to our IT landscape, we have developed a multi-year roadmap to ensure the effective upgrade and replacement of our legacy technology systems and infrastructure.
Cybersecurity	**Our brands' business operations are dependent on the uninterrupted operation of IT systems. Information security threats or the malicious exploitation of a system vulnerability may result in a compromised IT system, system failure or a breach of sensitive Company information.**	**Risk trend** ↑ **Time horizon** <1 year **Strategic priorities**	Our focus on omnichannel and digital transformation, which continued during 2024, increases our attack surface and exposes us to increasing cybersecurity risk. Organizations worldwide continue to observe a high frequency of cyber-attacks, as there has been a significant increase in cyber risk uncertainty and complexity, leading to a volatile threat landscape. This is primarily due to factors such as narrative attacks, deepfakes, AI software supply chain risks and nation-state espionage. In 2024, we experienced a cybersecurity incident within our U.S. network, the impact of which was limited by our cyber-defense capabilities and response protocols.	We have a global Cyber Security organization and policy, including a control framework across all our brands, that governs and defines procedures for mitigating risks to our information systems. They include a variety of prevention and detection measures, including, but not limited to, associate training and monitoring of third-party service providers. We consistently improve, tighten and invest in our cyber-defense capabilities to keep pace with the evolving threats our Company faces.

Risk trend
- ↑ Increasing
- — Flat
- ↓ Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Operational risks

Risk			Developments in 2024	How we manage this risk
Organized labor	**Our unionized brands may not be able to negotiate acceptable terms for extensions and replacements of contracts as a result of increased demands and/or expectations with regard to compensation and benefits from unions, which may lead to organized work stoppages or other operational, legal, financial or reputational impacts.**	**Risk trend** — **Time horizon** <1 year **Strategic priorities**	The renegotiation of labor agreement terms with a number of union organizations throughout the Group, which were impacted to varying degrees by inflationary pressures on labor markets and evolving expectations around work contracts, were successfully completed during 2024.	Management teams and HR functions in each of the brands manage the relationship with associates and, where applicable, the unions that represent them. Efforts are made to ensure an early approach is in place to actively manage collective agreement negotiations and contingency plans are in place to manage the impact of potential union activity. The brands also listen to and act upon associates' feedback on labor and working conditions, supported by our annual AES and regular pulse surveys.
People	**Ahold Delhaize and its brands may not be able to attract, develop and retain associates and top talent in support of current and long-term needs and capabilities.** **Additionally, existing associates may be exposed to workplace hazards, situations or incidents that could impact their health, safety and well-being.**	**Risk trend** — **Time horizon** <1 year and 1-5 years **Strategic priorities**	While investment in skills is vital for inclusive and sustainable growth, addressing the broader issues of job quality and migration is also important, as is attracting suitable groups of potential employees that may currently be outside the labor market. On the supply side, during 2024, labor availability continued to pose challenges but largely stabilized in comparison to previous years. Cost-of-living pressures, social issues and geopolitical tensions are causing an increase in stress and mental well-being issues among associates. There have also been incidents of conflict and violence throughout our brands' store networks. This has the potential to cause additional negative impacts on associates' physical and psychological safety, as well as the Company's reputation.	The brands are committed to delivering on our people promise. They deploy many measures to achieve this, including, but not limited to, developing competitive employee value propositions to attract the best talent in line with their strategic capability plans and needs, implementing a formal talent management cycle and development conversations, and putting in place initiatives to become the employer of choice in their markets. They also listen to and act upon associates' feedback through our annual AES and regular pulse surveys. Care is one of our five core values and we maintain a culture where associate safety is of paramount importance. The brands have established processes and controls to effectively manage safety risks and we provide our associates with various resources to support their mental health and well-being. For more information on our people-related initiatives and our commitment to associate well-being, health and safety, see our strategic priority on *Thriving people* and the section *Own workforce* in our *Sustainability statements*.

Risk trend
- Increasing
- Flat
- Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Compliance risks

Risk			Developments in 2024	How we manage this risk
Data privacy	**Non-compliance with privacy requirements relating to the collection, usage, processing and retention of customer and associate data may lead to the exposure, misuse or misappropriation of data, which could have a significant legal, financial or reputational impact.**	**Risk trend** ↑ **Time horizon** <1 year **Strategic priorities**	Online shopping, mobile shopping and media monetization continue to grow, and the risks relating to the use and protection of associate and consumer data are intensifying. The regulatory framework is complex, related social expectations have increased, and cybersecurity data theft is on the rise. Following the implementation of guidelines for increased GDPR-related fines introduced in the EU in 2023, we are observing the enforcement of higher levels of penalties by regulatory authorities on companies in breach of GDPR-related requirements. The U.S. privacy landscape also continues to evolve and become more complex, with over a dozen additional states passing comprehensive privacy legislation.	We manage and maintain up-to-date mitigating measures across the organization, including a global Personal Data Protection policy and procedures, Code of Ethics training, our "Living Data" (data protection) awareness program, the application of various ethics committee reviews of new projects and the rollout of data privacy principles aligned with consumer expectations around the ethical use of data. We extend these measures to key third parties who agree with and are obligated to abide by our Standards of Engagement and to certain vendors who are required to provide regular internal control assurance reports. In addition, we conduct a variety of data breach simulations across all levels of the organization, and have conducted a sensitivity analysis of a data breach scenario. See *Sensitivity analysis* for more on the results.
Regulatory environment	**Changes in, or failure to comply with, laws and regulations could impact the operations and reduce the profitability of Ahold Delhaize or its businesses, affecting its financial condition, reputation or results of operations. In addition, Ahold Delhaize and its businesses are subject to a variety of antitrust and similar laws and regulations in the jurisdictions in which they operate that may impact their operations or limit their ability to realize certain acquisitions, divestments, partnerships or mergers.**	**Risk trend** — **Time horizon** 1-5 years **Strategic priorities**	During 2024, we continued to focus on ensuring compliance with applicable laws and regulations at all of our brands and minimizing risks related to regulatory enforcement and litigation. The regulatory focus in recent years, particularly in Europe, on sustainability matters (e.g., carbon emissions, sustainable packaging and supply chain due diligence) has increased our compliance requirements. The expectations of some consumers, investors, legislators and other stakeholders have increased significantly around these topics, while other stakeholders, particularly some legislators and regulators in the U.S. region, have increasingly advocated in favor of opposing views with respect to these matters. We are closely monitoring any changes in the political frameworks in the countries where our brands operate that have the potential to bring a shift in regulatory priorities and increase risks related to regulatory investigations and litigation.	We manage and regularly update a global policy framework with procedures and internal controls that are designed to ensure compliance with certain critical Company standards and regulations. Our global policies are supported by brand-level policies tailored to maintain compliance with local regulations. Our global and brand-level Legal, Tax and Compliance teams also maintain real-time knowledge about proposed, upcoming or new legislation through participation in industry associations and bodies. We estimate the exposure to any legal proceedings and record provisions for these liabilities where it is reasonable to estimate and where the potential realization of a loss contingency is more likely than not. For more information on contingencies, see *Note 34*. During 2024, our brands and support organizations continued with Company-wide measures to ensure the health, safety and well-being of associates and customers, while maintaining compliance with local laws and regulations. With regard to human rights and due diligence, Ahold Delhaize has developed a methodology to help each brand explore how it impacts associates, customers, communities and people in its supply chains.

Risk trend
- ↑ Increasing
- — Flat
- ↓ Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Compliance risks

Risk			Developments in 2024	How we manage this risk
Product safety	**There is a risk that customers may become injured or ill from the use or consumption of products sold by Ahold Delhaize brands, whether they are contaminated or defective, intentionally tampered with, or impacted by food fraud in the supply chain. In addition, negative impacts on human rights or the environment during the production of our products (e.g., human rights violations by suppliers) may negatively impact the reputation or results of Ahold Delhaize and the brands.**	**Risk trend** ↑ **Time horizon** <1 year **Strategic priorities**	We continue to maintain focus not only on the health and safety of associates and customers, but also on hygiene and the safety of the products our brands sell. We responded immediately to minimize the impact of a listeria outbreak at our supplier Boar's Head during Q3, preemptively halting sales, issuing recalls and implementing decontamination procedures. We are committed to the implementation of our Growing Together strategy and on delivering high-quality assortments of own-brand and national-brand products, in line with our *trusted product* strategic priority. We have continued to apply vigilance and engagement with our suppliers to ensure food safety standards were maintained.	We have in place a global Product Safety organization, and policies, control frameworks and standard operating procedures are implemented at all of our brands. Our brands perform a variety of quality assurance reviews and audits in stores and DCs and at key suppliers. Escalation procedures are in place and are followed by our brands for all product recalls. We further mitigate our risks in this area through related insurance coverage for our brands. We have implemented guidance related to human rights in our supply chain and compliance with requirements regarding related social compliance certifications and audits are monitored closely.

Risk trend
- ↑ Increasing
- — Flat
- ↓ Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Financial risks

Risk		Developments in 2024	How we manage this risk
Macroeconomic and sociopolitical developments	**Ahold Delhaize and its brands may face challenges, uncertainties and potential adverse impacts stemming from a combination of economic, political and social factors, encompassing the dynamic interplay of macroeconomic variables, such as overall economic growth, inflation, consumer confidence, fiscal policies, and sociopolitical factors, including geopolitical events, shifting demographics, political stability and social cohesion.** **Risk trend** — **Time horizon** 1-5 years **Strategic priorities**	The global economy demonstrated resilience during 2024, with generally stable GDP growth, and the decline in inflation rates, which started at the end of 2022, continued. Food commodity prices continued to increase. The labor market showed consistent strength and, although nominal wages have continued to increase, they have done so at a slower rate. While increasing positivity was observed, cost-of-living pressures continued to impact households, with consumers focusing on necessities and essential goods. Overall grocery spending was relatively flat. See *Macroeconomic trends* for further details. On the sociopolitical front, there continues to be notable societal polarization on social topics and political viewpoints, and the prominent geopolitical conflicts have divided opinion. Ahold Delhaize's position, or perceived position, in relation to any of these increasingly significant sociopolitical factors may exacerbate, among others, risks related to associate safety and brand reputation.	Ahold Delhaize and its brands monitor closely and act upon macroeconomic and sociopolitical developments as part of the strategic planning process. In addition, our Communications team regularly assesses consumers' perceptions of our brands. We closely monitor commodity price volatility and availability and develop plans to mitigate any related risks and ensure continuity of supply. Through our Save for Our Customers program, our brands are focused on keeping prices as low as possible and ensuring that customers have access to affordable and healthy choices. We also implement measures to increase efficiency and scale, such as enhancing joint sourcing and product harmonization initiatives, and participating in European purchasing alliances.

For a summary of other financial risks identified through our annual ERM assessment, see *Additional risks and uncertainties*.

Risk trend
- Increasing
- Flat
- Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

Sustainability risks

Risk			Developments in 2024	How we manage this risk
Climate and nature	**Climate- and nature-related risks that may impact Ahold Delhaize, our brands and value chains include physical risks, which can directly damage assets and disrupt supply chains, and transition risks, which involve financial and operational challenges arising from adaption toward low-carbon, sustainable economic systems. See *Environmental information* for further details on our climate and nature-related impacts, risks and opportunities.**	**Risk trend** ↑ **Time horizon** >5 years **Strategic priorities**	The EU's Copernicus Climate Change Service and other scientific agencies are reporting that 2024 was the warmest year on record and areas in both Europe and North America experienced more intense drought, summer wildfires and unpredictable weather events. During 2024, we suffered operational disruption and physical damage as a result of Hurricane Helene in the U.S. and flooding in Eastern Europe. There is a high level of focus on climate change, and governments and regulators have driven related regulatory change and increased reporting requirements. Volatility in some food commodities, such as cocoa and olive oil, was seen, to some extent, to have been impacted by climate and nature-related risks, among other factors.	We continue to develop and enhance our GHG reduction roadmaps with the ambition of becoming net zero across our own operations (scope 1 and 2) by 2040 and across our entire value chain by 2050. During 2024 we enhanced our customized climate risk assessment capabilities, utilizing detailed physical climate data, financial information and scenario analysis for the execution of climate-risk assessments on our own operations at a facility level, and have taken further steps to better understand and quantify our most significant transition risks. We plan to develop our analysis during 2025 to assess further the physical climate- and nature-related risks in our value chain. Actions to manage our climate and nature-related risks (both physical and transition) are outlined in detail under *Climate* and *Nature* in our *Sustainability statements*.
Stakeholder expectations on material sustainability matters	**Ahold Delhaize and its brands are subject to external scrutiny from various stakeholders and internal scrutiny from associates on sustainability matters, such as climate change; packaging; working conditions; DE&I; and customers' health and nutrition. There is a risk that, should we not effectively meet stakeholders' expectations by demonstrating that we are making a positive contribution and taking actions to mitigate any negative impacts our business may have on society or the environment in the regions where our brands operate, we may be exposed to reputational damage or litigation actions.**	**Risk trend** ↑ **Time horizon** 1-5 years **Strategic priorities**	Following the trend of increased scrutiny on sustainability matters in recent years, we have continued to receive requests for information on our sustainability initiatives and performance metrics from investors and other key stakeholders. There are increasingly demanding sustainability and value chain due diligence reporting requirements and, in general, an expectation that companies will provide transparent insight into the impact they have on people and the environment. Stakeholders, including regulators, are also more closely scrutinizing the accuracy of sustainability reporting. During 2024, we completed a double materiality assessment to understand and update the range of sustainability matters that are material to our stakeholders.	Three of the six strategic priorities of our Growing Together strategy – *healthy communities & planet*, *thriving people* and *trusted product* – relate to this risk. As part of our integrated approach, we regularly perform an assessment of the material sustainability matters facing the organization according to our stakeholders. Based on the outcome of these assessments, we develop strategies and policies to address the most pertinent stakeholder expectations and ensure we are taking advantage of related opportunities. Our CSO, holding a position on the Executive Committee, has accountability for developing a clear, integral and coherent vision in line with our Group strategy, for providing thought leadership, expertise and support to the brands in delivering our ambition and for ensuring focus and collaboration across the organization. The CSO is supported by a cross-functional Sustainability Leadership Team (SLT) representing all aspects of sustainability. See *Sustainability statements* for further information on material sustainability matters and how we manage the related risks.

Risk trend
- ↑ Increasing
- — Flat
- ↓ Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
- Trusted product
- Driving customer innovation
- Portfolio & operational excellence

Principal risks and uncertainties continued

In addition to the principal risks identified, the following other and emerging risks were identified and considered in conjunction with our annual ERM assessment:

Additional risks and uncertainties

Pensions and other post-employment benefits

Pensions and healthcare funding obligations may be impacted by interest rate fluctuations, stock market performance, changing pension laws, longevity of participants, and increased costs in specific markets. During 2024, Ahold Delhaize de-risked its pension plans through settlements in the United States and a plan amendment in the Netherlands; see *Note 24* to the consolidated financial statements.

In addition, some of our brands participate in multi-employer plans (MEPs) that are underfunded, and may be required, in certain circumstances, to increase their contributions to fund the payment of benefits to the MEP. For more information on the financial risks related to the MEPs, see *Note 24* to the consolidated financial statements.

Our governance structure includes a pension committee responsible for monitoring pension plan funding as well as the status of our MEPs. Management of each MEP is administered by a board of trustees appointed by the management of the participating employers (plan sponsors) and unions. The relevant Ahold Delhaize brands have been represented as a board of trustee member on several MEP boards and, through these positions, manage and monitor the MEPs' funding.

Insurance

Ahold Delhaize manages its insurable risks through a combination of self-insurance and commercial insurance coverage for workers' compensation, general liability, property, cybersecurity, vehicle accident and certain healthcare-related claims. Risk transfer to insurers is dependent upon insurance market dynamics and, as a result, new or renewed insurance policies may be subject to increases in premiums and decreases in coverage limits. Our self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, regulatory changes and economic conditions, including interest rate volatility and adverse litigation results. Our process enables us to monitor claim and settlement patterns and evaluate third-party risk.

Other financial risks

Other financial risks include foreign currency translation risk, credit risk, interest risk, liquidity risk, tax-related risks, liabilities to third parties relating to lease guarantees, contingent liabilities and risks related to the legislative and regulatory environment, including litigation. For information on these financial risks, see *Note 25*, *Note 30* and *Note 34* to the consolidated financial statements.

Artificial intelligence

The evolution of AI and machine learning has been gaining speed in recent years, and the mainstream emergence of generative AI is creating emerging risks and opportunities for Ahold Delhaize. Benefits include speed, efficiency, customization and ease of use for a variety of different functions, both for internal purposes and customer-facing applications. At the same time, the technology entails substantial risks around proper and ethical usage, data privacy, cybersecurity, complexity and cost. In addition, the competitive positions of our brands may be negatively impacted should we not keep pace with competitors that are realizing operational and cost efficiencies from AI. Ahold Delhaize has developed an AI Policy and has initiated a robust plan to establish effective governance and control frameworks, manage the related risks and ensure that we take advantage of the related opportunities.

Principal risks and uncertainties continued

Sensitivity analysis

At Ahold Delhaize, we closely follow the impact of different internal and external risk factors on operations, including our principal risks and uncertainties. The purpose of our sensitivity analysis is to assess the external risk factors in the context of the Company's current strategy and to determine their impact on our business and the viability of our business model, as well as on our ability to meet our financial liabilities and other obligations.

Our strategy is based on assumptions relating to: the global economic climate, changes in consumer behavior, competitor actions, market dynamics and our current and planned structure, among other factors.

From the sensitivity analysis we performed, we found the results of the Company to be most sensitive to material changes in the external risk factors described here in the table on the right. In addition to the external risk factors noted here, see *Climate* for details of sensitivity to physical climate-related risks under a selection of climate change scenarios.

External risk factors	Associated principal risks	Description
Changing macroeconomic environment	Macroeconomic and sociopolitical developments	Failure to effectively adjust components of our Growing Together strategy in the event of a changing macroeconomic environment across all or some areas of operation could lead to an inability to adapt to various dynamics affecting our performance. Unpredictable cycles of inflation or deflation may result in a change in customer behavior, particularly down-trading to value competitors/discounters, and may place additional pressure on our supply chain and cost base, including labor and energy needs. An inability to pass on costs into retail prices may put pressure on our margins. Combined, these effects could result in a loss of market share and/or may have a material adverse effect on the Company's financial position and performance.
Aggressive competitive environment	Competitive environment	Aggressive competitive action in any of our brands' markets, if not reacted to effectively, could have a negative impact on our market share. Sustained competitive stress could damage the company's reputation, making it difficult for our brands to attract and retain customers, and financial performance may suffer from lower revenues, reduced profitability and the need for increased levels of investment. The cumulative effect could destabilize the Company's long-term strategic positioning in the markets in which the brands operate and impact the ability to deliver on our Growing Together strategy.
Cybersecurity attack and/or data breach	Cybersecurity Data privacy Supply chain and business continuity	In the event of a successful cyber-attack or data breach, the Company or the brands could be subject to material monetary penalties, loss of customers and damage to our corporate reputation; it could also lead to potential litigation. A serious cyber-attack could also impact the operation of significant business processes and result in non-availability of products for customers and the inability to operate the day-to-day business at brand level, including stores and DCs.

sustainability statements

- general information
- environmental information
- social information
- governance information
- sustainability notes





general information

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General information
Basis of preparation

At Ahold Delhaize, we believe that the long-term resilience of our Company is linked to the well-being of our planet and the people who help our brands bring products to customers, both within our brands' value chains and own operations.

Reporting on how we manage these impacts is an important step in helping us continuously improve. We welcome the new Corporate Sustainability Reporting Directive (CSRD) and the new European Sustainability Reporting Standards (ESRS) and are proud to present our first Annual Report prepared in accordance with the CSRD and ESRS.

In this Annual Report, we use the terms environmental, social and governance (ESG) and the term sustainability to explain our impact on the world around us, and the impact of the world on our business. However, we differentiate between these terms within Ahold Delhaize in the following way:

- Sustainability at Ahold Delhaize is about ensuring long-term value creation by balancing environmental, social and economic impact.
- ESG is a framework used to evaluate Company performance in three areas – environmental impact, social responsibility and governance. It serves as an input to Ahold Delhaize's sustainability strategy.
- In the *Remuneration* section, we refer to "ESG and other strategic imperatives" in relation to the Management Board remuneration. This definition is consistent with the definition used in the Management Board remuneration policy and plan documents.

Basis of preparation

Framework and data selection

The EU Accounting Directive (2013/34/EU) (as amended by the CSRD) requires large companies, among others, to include, in a dedicated section of their management report, the information necessary to understand the entity's impacts on sustainability matters and how sustainability matters affect the Company's development, performance and position.

With the CSRD expected to be transposed into national law in 2025, we have already chosen to comply voluntarily with it in this year's Annual Report. While we faced some challenges in preparing our sustainability statements in accordance with the CSRD and ESRS, we see the process as a learning opportunity and an important part of our sustainability journey.

We consider ourselves ready to report on our sustainability matters today. However, based on the challenges we have encountered, we recognize the need to improve the availability and quality of our data.

Measurement basis

We have applied our ESG accounting policies consistently during the financial year, as well as for comparative figures. In most situations, we provide comparative figures, but where new indicators were implemented in 2024, comparative figures are not available.

Estimates and uncertainties

As we have elected to voluntarily comply with the CSRD, we are aware that the preparation of our sustainability statements is subject to Company-specific and temporary interpretations associated with this early compliance. While we prepared the sustainability statements based on the first set of ESRS, we recognize that a better understanding of the requirements may evolve when additional implementation guidance or Q&As are made available by the European Financial Reporting Advisory Group (EFRAG), and when market practice develops.

We also realize that information available for assessing certain industry benchmarks is limited and may only emerge as the number of reporting organizations increases and reporting practices become more established and uniform. We recognize the ongoing complexities and evolving nature of ESG reporting under ESRS, including potential changes in market views and notions on the nature of targets, commitments and ambitions adopted voluntarily. For this reason, we will periodically review and adjust our approach, methodologies and disclosures in line with updates to the regulations and guidance and emerging best practices and views in the market.

See *Sustainability notes* for more detail on our calculation methods, methodologies, assumptions and how we use estimates and judgments for all our ESG data points.

Consolidation

Ahold Delhaize's Annual Report 2024 covers the period from January 1 to December 29, 2024 (see *Note 2* to the consolidated financial statements for more information on the basis of preparation). The consolidated quantitative ESG data reported comes from Ahold Delhaize and all its subsidiaries. We use the financial control approach for our ESG reporting scope, in line with what is used in the consolidated financial statements. See *Note 3* to the consolidated financial statements for more information about the general accounting principles followed for consolidation, *Note 1* for more information on the Company and its operations, and *Note 35* for a list of subsidiaries, joint ventures and associates.

From an ESG reporting perspective, the dataset includes data from Company-owned stores; transactions with franchise and affiliate stores; offices; and Company-owned and leased DCs, including all transportation from DCs to stores and Company-owned jets, unless specifically noted otherwise.

Where the sustainability statements covers the Company's upstream and/or downstream value chain, we indicate this as part of the disclosures relating to the relevant material sustainability matters.

The Company has not used any of the options for omitting information on the basis of classified or sensitive information or impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

General information continued
Basis of preparation continued

External audit

All sustainability-related information in the *Sustainability statements* and quantitative data points included in the *Sustainability notes* are covered by a voluntary external audit with a limited assurance scope performed by our external independent auditor, KPMG. See the auditor's *limited assurance report*.

None of our metrics have been validated by an external body other than our assurance provider.

Disclosures incorporated by reference

The following information is incorporated in the sustainability statements by reference:

- *Our great local brands*
- *Our Growing Together strategy*, *including Our value creation model*
- Corporate governance:
  - *Our Management Board and Executive Committee*
  - *Our Supervisory Board*
  - *Supervisory Board report*: Composition of the Supervisory Board – Supervisory Board profile and Independence
  - *Governance, risk and compliance*
- *Remuneration policy for the Management Board*: Definitions of EIP performance measures and definitions of GRO performance measures
- *Note 1*, *Note 2*, *Note 3*, *Note 7* and *Note 35* to the consolidated financial statements

Disclosure requirements in ESRS covered by the sustainability statements

See *Appendix to sustainability statements* for an overview of the disclosure requirements we complied with in preparing the sustainability statements.

Specific circumstances disclosure

Time horizons

For this reporting period, our short-term horizon is set at one year, our medium-term horizon is set at two to four years, and our long-term horizon extends to 10 years. These definitions align with our strategic planning cycles and allow us to monitor and achieve our sustainability objectives effectively.

Sources of estimation and outcome uncertainty

In preparing for qualitative and quantitative disclosures, we make judgments and use estimates and assumptions that are critical for the data we report. When disclosing forward-looking information – such as targets, ambitions and objectives – we acknowledge its inherent uncertainties and specify that such information is subject to change. Inherent to using estimates and assumptions is the recognition that this information is uncertain and that actual data might differ from previous estimates. We disclose the assumptions and approximations we have used, to provide context for and support understanding of our disclosures.

The sustainability disclosures made, including targets, ambitions and objectives, are, in many respects, dependent on developments outside of Ahold Delhaize's direct control, such as progress to be made by our suppliers, customers and society at large. The progress made by Ahold Delhaize on these topics, including on targets, ambitions and objectives disclosed, is, therefore, subject to general market dependencies. These include, among others, policy and regulatory change, the decarbonization trajectory of the economy, microeconomic and financial factors, technological developments supporting sustainability efforts, and market and supplier progress and support. We continue to keep our targets, ambitions and objectives under review to ensure their alignment with Ahold Delhaize's overall strategy.

For disclosures relating to estimations, judgments made to determine metrics and changes in the preparation or presentation of sustainability information, see individual metrics under *Sustainability notes*.

Changes in presentation of sustainability information

Unlike in the previous reporting period, in which we reported in accordance with Global Reporting Initiative (GRI) standards, we have prepared these sustainability statements in accordance with the ESRS. The main effects of this change relate to additional disclosures around policies, actions, metrics and targets regarding material sustainability matters.

In addition, our reporting on scope 3 GHG emissions was done in prior years with a one-year delay. This delay is no longer utilized in the Annual Report 2024 and, as such, we provide both 2023 and 2024 figures as newly reported figures. See *Climate change* for more information.

The restatements of prior period or baseline figures, where applicable, are disclosed under each metric in the *Sustainability notes*.

General information continued
Governance

Governance

How we manage sustainability and ESG

Executive and non-executive governance bodies

Our Management Board is responsible for the overall management of the Company and for the actions and decisions of the Executive Committee, which manages our general affairs and ensures effective implementation of the strategy and achievement of the Company's objectives.

Until his retirement at the end of May 2024, Jan Ernst de Groot was Ahold Delhaize's Chief Sustainability Officer (CSO) and Chief Legal Officer (CLO). As of June 2024, Alex Holt took over as CSO and member of Ahold Delhaize's Executive Committee.

The Health & Sustainability (H&S) Group function at Ahold Delhaize reports directly to our Chief Sustainability Officer (CSO), who also chairs the cross-functional SLT.

The Chief Human Resources Officer (CHRO) is responsible for own-operation HR aspects, including diversity, equity and inclusion, associate well-being and worker safety, while the Compliance and Ethics function on Group level, which includes human rights and product safety, is responsible for certain social and governance matters and reports to the CLO.

Our Chief Financial Officer (CFO) maintains oversight of our sustainability-related financial activities and reporting. The CSO, CLO and CHRO are part of the Executive Committee, while the CFO is part of both the Executive Committee and the Management Board.

Topic-specific targets and ambitions are agreed by the Management Board and Executive Committee to effectively monitor and report performance against our ambition. This process is guided by the CSO and other relevant Executive Committee members with support from the cross-functional SLT. Our double materiality assessment (DMA), ERM and strategy processes are key inputs to setting targets and defining aims.

The Management Board is also regularly updated on progress and consulted on adjustments, when needed. During these meetings, the Management Board reviews, provides feedback and approves targets, ensuring alignment with the Company's strategy.

The Supervisory Board supervises the Management Board on the performance of its duties and advises both the Management Board and Executive Committee. See *Corporate governance* and the *Supervisory Board report* for more information on the Health and Sustainability Committee and topics discussed.

The Supervisory Board is updated on sustainability progress bi-annually, when the Management Board presents a comprehensive review, including an update on the views and interests of affected stakeholders and material impacts, risks and opportunities. The Supervisory Board provides input, approves modifications and makes sure that the targets align with long-term strategic goals. This ensures ongoing alignment and responsiveness to changes in the business environment.

For the composition, expertise and role of the Health and Sustainability and Audit, Finance and Risk Committees, see *Supervisory Board report*.

Day-to-day leadership

The SLT brings together a team of leaders representing the main dimensions of sustainability across Ahold Delhaize and is the Company's expert advisory voice on sustainability. It includes support functions such as Finance, Communications, Legal, H&S, HR and Public Affairs. Responsible associates in the respective areas update the SLT on a regular (monthly) and need-to-know basis about the views and interests of affected stakeholders and material impacts, risks and opportunities.

Regional and brand leadership teams are responsible for establishing and resourcing implementation plans and monitoring performance around targets and ambitions as defined by the Group as well as locally relevant sustainability topics.

The H&S, HR and Compliance & Ethics functions, together with the relevant Finance departments, determine the ESG indicators to be collected and reported to the Finance team at Ahold Delhaize Group and included in the Annual Report and on our website.

Guidance on these ESG indicators is summarized in an ESG Accounting Manual, updated on an semi-annual basis and part of Ahold Delhaize's Accounting and Procedures Manual (ADAPM). The ESG Accounting Manual is approved by the ESG sub-committee of the cross-functional ADAPM committee, which includes representatives from the brands and support functions, such as Finance, HR, Legal and H&S.

Ahold Delhaize's ESG information, as set out in the *Sustainability notes*, is voluntarily subject to limited assurance by our external independent auditor. See the *Assurance report* on the ESG information for the opinion and the exact scope of the assurance provided.

Policies

We have a global sustainability policy that applies to Ahold Delhaize and its subsidiaries. This policy outlines Ahold Delhaize's approach to sustainability and ESG within its own operations and across its value chain. We also maintain internal sustainability standards that address key material sustainability matters, offering guidance on these topics to the local brands. The CSO is responsible for the implementation of the sustainability policy and the related standards.

Ahold Delhaize's global policies are formal statements or principles that are intended to build a foundation for the implementation of our sustainability approach. Our global standards are mandatory minimum global requirements, rules or goals that provide support and direction for the global policies.

See *Environmental information* and *Social information* for further details on policies related to each material sustainability matter.

Information to and sustainability matters addressed by governance bodies

See the *Corporate Governance* section for information about the matters addressed by management and the *Supervisory Board report* for information on topics discussed by the Supervisory Board during 2024.

Integration of sustainability-related performance in incentive schemes

In 2022, we strengthened the connection between executive compensation and sustainability by elevating our emphasis on ESG factors in our remuneration policies, changing both short- and long-term incentive composition. See *Remuneration policy for the Management Board* for further details.

General information continued
Governance continued

Statement on due diligence

In the summer of 2023, we kicked off our first global sustainability due diligence (SDD) process that identifies the Company's salient social and environmental impacts. This process was the starting point for – and reflects the "do no harm" aspect of – our DMA.

An SDD 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 the SDD diagram for an overview of the steps of the process.

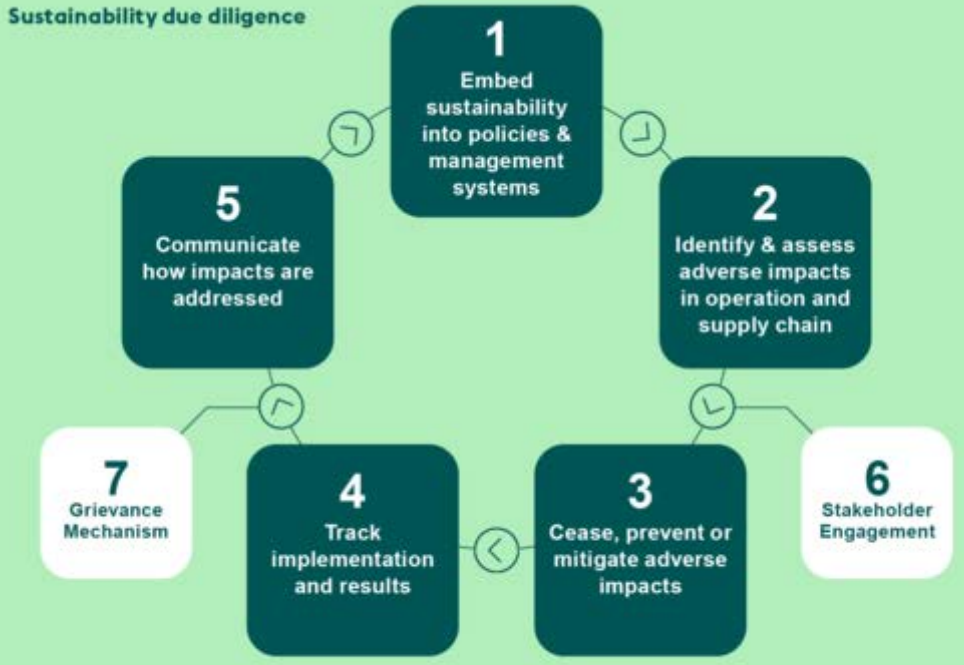
We set out to identify Ahold Delhaize's global salient social and environmental impacts and to identify any gaps in how we mitigate those salient impacts and develop a due diligence roadmap that will help us meet the requirements of the Corporate Sustainability Due Diligence Directive (CSDDD). We will adapt our roadmap when further guidance is available in relation to the CSDDD.

When performing an SDD, it is important to engage with affected stakeholders. Ahold Delhaize recognizes that impacts on people often occur locally, in the day-to-day operations and supply chains of our great local brands. So, throughout the global SDD process, we engaged with more than 40 internal regional and local experts across our brands, who represented Commercial, Legal, Sustainability and HR-related functions. We also conducted a survey that was completed by more than 70 associates in key roles across all regions and brands.

As part of the process, we engaged with external representatives of potential affected stakeholders (in our own operations and our supply chains). We interviewed 13 organizations on Ahold Delhaize's potential salient social and environmental impacts and perceived gaps.

We invited those same organizations to participate in a stakeholder workshop to discuss their recommendations for a due diligence roadmap. In addition, we asked more than 30 external stakeholders to complete a survey and leveraged input from the human rights impact assessments conducted by Albert Heijn to get a perspective from workers in the supply chain.

See also our 2024 *Human Rights Report* issued in July 2024 for more information.



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 and determining measures to prevent and mitigate potential adverse impacts
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

General information continued
Governance continued

Overview of salient impacts

The outcome of our SDD process is the overview of salient social and environmental impacts presented in the table below. These salient issues were included in the DMA as input, where the majority also became part of the material sustainability matters for reporting under the CSRD.

Environmental salient impacts	Social salient impacts
GHG emissions (OO/VC)	Child labor (VC)
Water scarcity and overuse (VC)	Forced labor (VC)
Ecosystem conversion, incl. deforestation (VC)	Community impacts, incl. land rights, access to water (VC)
Overfishing and depletion of fish stocks (VC)	Inadequate wages (OO/VC)
Plastic pollution (VC)	Freedom of association and collective bargaining (OO/VC)
Soil degradation (VC)	Discrimination (incl. gender inequality) (OO/VC)
Food waste (OO)	Harassment and violence (OO/VC)
Inadequate animal welfare (VC)	Insufficient access to healthy food (OO)
	Inadequate working time (OO/VC)
	Unhealthy and unsafe working conditions (OO/VC)

VC – value chain
OO – own operations

Due diligence roadmap

The second outcome of our SDD process is the due diligence roadmap, which covers the steps required to address salient environmental and social impacts.

We started implementing the due diligence roadmap in 2024 to address our salient social and environmental impacts and work toward closing the gaps to help us meet future CSDDD requirements. We will adapt our roadmap when further guidance is available in relation to the CSDDD. The high-level steps of our roadmap are:

1. Develop due diligence guidance and policy to embed due diligence within the organization.
2. Build out the sustainability risk assessment to enhance identification and assessment of adverse impacts.
3. Develop mitigation toolbox to help with the stopping, prevention and mitigation of negative impacts.
4. Measure progress to track implementation and results.
5. Develop due diligence reporting in line with CSRD and CSDDD to communicate how impacts are addressed.
6. Engage with stakeholders along the way and develop supply chain grievance mechanisms.

See also *Index: Statement on due diligence*.

Risk management and internal controls

Ahold Delhaize measures, tracks and reports on various ESG-related KPIs to demonstrate our performance against our strategy and compliance with regulatory reporting requirements.

Our internal controls for ESG reporting follow the same framework as our internal controls for financial reporting. Depending on the nature and priority of the ESG reporting topics, key controls are formalized in our global risk management system and are subject to regular review by Risk & Control and Internal Audit teams to validate their design and operating effectiveness.

Our global GRC committee serves as a forum for identifying, addressing and monitoring relevant business risks and opportunities. Our Risk & Control teams report on the effectiveness of our internal control framework to the GRC on a quarterly basis, and to the Management Board and Supervisory Board through the Management Review of Internal Controls (MRIC) process.

In order to effectively address ESG reporting risks and meet limited assurance requirements, we have developed robust processes and internal control procedures for ESG KPIs both at brand and Group level. We maintain process documentation and evidence of control procedures to demonstrate our review, reconciliation and validation of data reported.

We apply the same risk management framework for ESG information as we use for financial information; see *Governance, risk and compliance* for more information.

General information continued
Strategy

Strategy

Strategy, business model and value chain

Our strategy is further explained in *Our Growing Together strategy*, and, for an overview of the markets our brands serve, see *Our great local brands*. See also *Our value chain* and *Our value creation model* under *Strategic report*.

For an overview of our associates (headcount) by geographical area, see the *social indicators* on Own workforce as disclosed in the *Sustainability notes*.

For a breakdown of revenue, including sales from gasoline, see *Note 7* to the consolidated financial statements.

Material impacts, risks and opportunities (IRO) and interaction with strategy and business model

See *Our material sustainability matters* under *Double materiality assessment* for an overview of our sustainability material matters and how these interact with the strategic priorities of our Growing Together strategy. For an overview of our actions and projects related to these matters, see the topical sections in the sustainability statements where we discuss our material *environmental*, *social* and *governance* matters.

We provide an overview of the identified impacts, risks and opportunities relating to the material sustainability matters in the *Sustainability statements section on IRO management*.

Current and anticipated financial effects

See *Performance review* for more information about the financial results and position of the Company. The 2024 results have not been affected significantly by the impacts, risks and opportunities related to the material sustainability matters compared to the prior year.

See *Note 2* to the consolidated financial statements for information on how we consider the effects of climate change in the preparation of the financial statements. Specifically, see *Note 11* to the consolidated financial statements for information on where we have included climate- and sustainability-related risks and opportunities as part of our impairment test.

Included in the consolidated income statements are the following types of operating expenses that are directly or indirectly linked to the effects of the impacts, risks and opportunities and our data collection and reporting efforts under ESRS. None of these expenses were significant enough for individual disclosure:

- Under *Note 8* to the consolidated financial statements:
  - Labor costs, which include the expenses relating to associates working in a dedicated capacity or indirectly on material sustainability matters, such as associates in our H&S team
  - Other operating expenses, which include costs incurred to implement the ESRS as well as other operational costs to implement policies and standards relating to material sustainability topics
  - Also included in Other operating expenses are losses incurred as a result of climate events, such as costs relating to Hurricane Helene; see also *Performance review Group performance*: *Restructuring and related charges and other items*.
  - See also *Performance review – Financial review by segment: Ahold Delhaize Group* for impacts on insurance costs due to weather events.
- Under *Note 4* to the parent financial statements, we included the independent accountant fees relating to the limited assurance on the sustainability statements.
- Under *Note 17* to the consolidated financial statements, we included the inventory write-off during 2024, which includes losses related to food waste.
- See also *EU Taxonomy* for the eligible (and aligned) CapEx spent in 2024, impacting our financial position.

With the exception of climate change, the implementation of our action plans relating to material sustainability matters does not require significant, separately identified operating expenditure (OpEx) in the future, as these activities and costs are integrated into our business model and reported as business as usual. For example, costs incurred due to food waste are included in inventory write-offs and operational costs are included in store operations.

Anticipated financial effects include OpEx and CapEx to be incurred in the coming years as part of our efforts to reduce our GHG emissions. See also *Climate change: Transition plan*.

General information continued
Strategy continued

Interests and views of stakeholders

As global retailers, Ahold Delhaize and its brands take into account the needs of many different stakeholder groups in our day-to-day business. We define stakeholders as individuals, groups or organizations that can affect or be affected by our business.

The value we create depends not only on our own efforts, but also on factors in the external environment, market developments (see *Evolving market trends*) and the relationships we build with our stakeholders. Nature and animals are considered "quiet" stakeholders, whose needs we take into account in our policies and actions.

We proactively manage our relationships to foster open dialogue with, and capture feedback from, our stakeholders in both formal and informal ways throughout the year. Also, as part of our SDD and DMA, we gained further insight into the diverse perspectives of our key affected stakeholders on our impacts, risks and opportunities. These insights help us identify matters that are financially material and impactful for sustainability, aligning our strategy with our goals and societal expectations so we can add short-, medium- and long-term value. To enhance transparency on how we do this and to comply with the Dutch Corporate Governance Code, we have published our *Policy on Stakeholder Engagement*. The following table highlights certain expectations of, the means of engagement with and examples of what we discuss with our four most impactful stakeholder groups.

See *Impact, risk and opportunity management* and the separate sections on sustainability material matters for more information on how we address the outcome of our engagement with stakeholders and how they interact with our strategy and business model.

Customers

Expectations

- A seamless and easy shopping experience, enabled by technology
- High-quality products that are healthy, tasty and affordable
- Empowered customer choice through great value and easy access to affordable and healthy food options

How we engage with them

- Brands' customer service in stores, on the telephone and online
- Direct feedback to our brands' associates, websites and social media
- Customer surveys, studies and focus groups
- Communications campaigns to support customers in making local, affordable, healthy and sustainable food choices
- Customer research, such as what we performed as part of the DMA

What they tell us

- Customers value products that are made with respect for people, animals and the planet, and they share our concerns about food and plastic waste.
- Customers want convenient online shopping with pick-up or delivery options.
- Consumers want to have choice and appreciate when it is easy to find healthier alternatives to products and when there is guidance and information available.

Associates

Expectations

- A caring place to work, where there is opportunity for growth and collaboration, and a thriving culture
- Balanced remuneration and equal pay for equal work
- A safe and supportive environment where everyone is heard and valued

How we engage with them

- Through our AES
- Frequent touchpoints, including performance review processes, recognition, rewards and benefits programs, and training
- Virtual town halls, expert sessions and other meetings and events to facilitate connections
- Associate mental health initiatives
- Sponsorship and support of Business Resource Groups (BRGs)
- As part of the DMA, but we also engage with Works Councils on a regular basis

What they tell us

- Associates take pride in working for Ahold Delhaize and its brands and have access to support, resources and training to maximize their growth.
- Workplace conditions-related topics, such as working hours, equal treatment and safety, are important topics for associates.

Shareholders

Expectations

- Delivery of consistent, stable earnings growth, strong free cash flow, dividends and share repurchase programs and being a sustainable food retailer

How we engage with them

- Annual and extraordinary General Meetings of Shareholders
- Quarterly disclosures on financial performance briefings and presentations
- Individual or group meetings with analysts and shareholders
- Regular regional roadshows and conferences
- Other meetings, such as our Strategy Day in May 2024, during which we introduced our new Growing Together strategy
- Sustainability expert sessions

What they tell us

- Shareholders appreciate the delivery of consistent, stable earnings growth, strong free cash flow, dividends and share repurchase programs.
- Sustainability topics considered important by shareholders include climate, biodiversity, and consumer health and nutrition.

General information continued
Strategy continued

Communities[1]

Suppliers

Expectations
- Building long-term relationships that are mutually beneficial and cooperation on important topics, such as health, human rights, product safety and climate

How we engage with them
- Individual meetings, online communication, supplier events and via partnerships
- As part of the DMA, we engaged with several key suppliers.

What they tell us
- Suppliers give us input on how our brands can create healthier and more sustainable products for customers, reduce food waste and increase economic, social and environmental value for communities in the supply chain.
- We should work together on mitigating the negative impacts of climate change.

Charities and civic organizations

Expectations
- Being an integral part of the communities our brands serve and helping addressing broader societal challenges

How we engage with them
- Partnerships with local community organizations and charities, either directly or via brand-owned foundations or sponsorships

What they tell us
- They give us insights into community needs and how our brands can be stronger partners in creating healthier communities.

NGOs

Expectations
- Helping resolve global challenges related to climate, health, human rights and other topics. We consider NGOs to represent, to a certain extent, the voices of communities and workers in the value chain.

How we engage with them
- Responding to requests from and reaching out to NGOs via individual and group meetings as well as written communication
- Being a founding partner and member of various sustainability-related networks and institutions

What they tell us
- NGOs make us aware of opportunities to improve our performance and transparency on a wide range of topics including human rights and climate change.
- In some cases, NGOs expect us to change policies or work with our brands' suppliers to improve their ESG performance.

Governments

Expectations
- Respecting regulations and adopting a stakeholder approach that takes into account society and the environment

How we engage with them
- Engaging with the European Commission on the importance of a well-functioning EU internal market for both the agri-food chain and consumers
- The U.S. brands made commitments in service of the White House Challenge to End Hunger and Build Healthy Communities. They accelerated their work to support nutrition education for children by committing to invest almost $1 million to reach more than 200,000 children with nutrition messaging in 2024.

What they tell us
- Our views, insights and support are valued and we can help to create a favorable policy and regulatory framework for the Company and society.

Franchisees and affiliates

Expectations
- The opportunity to build a long-term profitable business, with reliable supply of high-quality products at competitive prices and insights to improve their business

How we engage with them
- Individual meetings, strategic and commercial business reviews, training courses and events on commercial and operational management, leadership and sustainability
- Simplification and acceleration of store opening and remodeling process

What they tell us
- They give us input on operating stores, engaging with local communities and competing in their markets.

Industry associations

Expectations
- Commitment by Ahold Delhaize and its brands to address industry challenges, establish coalitions of action, drive implementation and work together to shape operational standards

How we engage with them
- Pre-competitive forums such as Roundtable on Sustainable Palm Oil and GLOBALG.A.P.
- Industry association memberships, chambers of commerce and national retail federations such as the Consumer Goods Forum (CGF), VNO-NCW (Netherlands), Eurocommerce (EU) and FMI: The Food Industry Association (U.S.)

What they tell us
- They help us anticipate and understand local, national and regional public policy developments and drive change in specific sectors.

Schools and research institutes

Expectations
- Funding, (customer) insights and sponsorship for joint research projects

How we engage with them
- Responses to academic surveys, sponsorships, scholarships and other educational initiatives

What they tell us
- Academic research on topics such as robotics is often very specific and theoretical. Collaboration with Ahold Delhaize helps universities find real-life use cases for their technologies and co-create scalable solutions.

1. Please note that "communities" in this chapter is not the same as "Communities", as included in the *Community impacts* chapter in this Annual Report.

General information continued
Impact, risk and opportunity management

Impact, risk and opportunity management

The process to identify and assess material IROs

Our double materiality assessment

Our 2024 materiality assessment is based on the double materiality principle, considering both impact materiality and financial materiality in line with ESRS requirements. Impact materiality reflects the inside-out perspective: the actual or potential impacts of Ahold Delhaize and its brands on people and the environment over the short, medium and long term. Financial materiality reflects the outside-in perspective: the most significant sustainability-related risks and opportunities for Ahold Delhaize and its brands over the short, medium and long term.

The DMA led us to make some changes to our previously identified material sustainability matters, including regrouping and renaming some to align with the ESRS. We have also identified some new material sustainability sub-topics.

As explained in the *Environmental* and *Social Information* chapters, Ahold Delhaize is utilizing the transitional provision related to value chain. Due to the current varying levels of maturity of our approach to these topics, and that of the industry at large, policies, actions and targets have not yet always been established. In the coming year, we will look to identify what steps, if any, can be taken to address these matters while maintaining alignment with our overall strategy.

Our material sustainability matters are included in the overview *Our material sustainability matters* below. This table also includes a link to our strategic priorities.

The process to determine material sustainability matters is summarized in the overview to the right.

Step 1: Sustainability due diligence

We kicked off our first SDD process in 2023 and finalized it in early 2024 (see also *Statement on due diligence*). SDD is an on-going practice that responds to and may trigger changes in our strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The outcome of the first SDD was a list of salient issues, focused on negative impacts. This list became the starting point for the long list of topics in our DMA and was supplemented by potential positive impacts and risks in the next steps of the process.

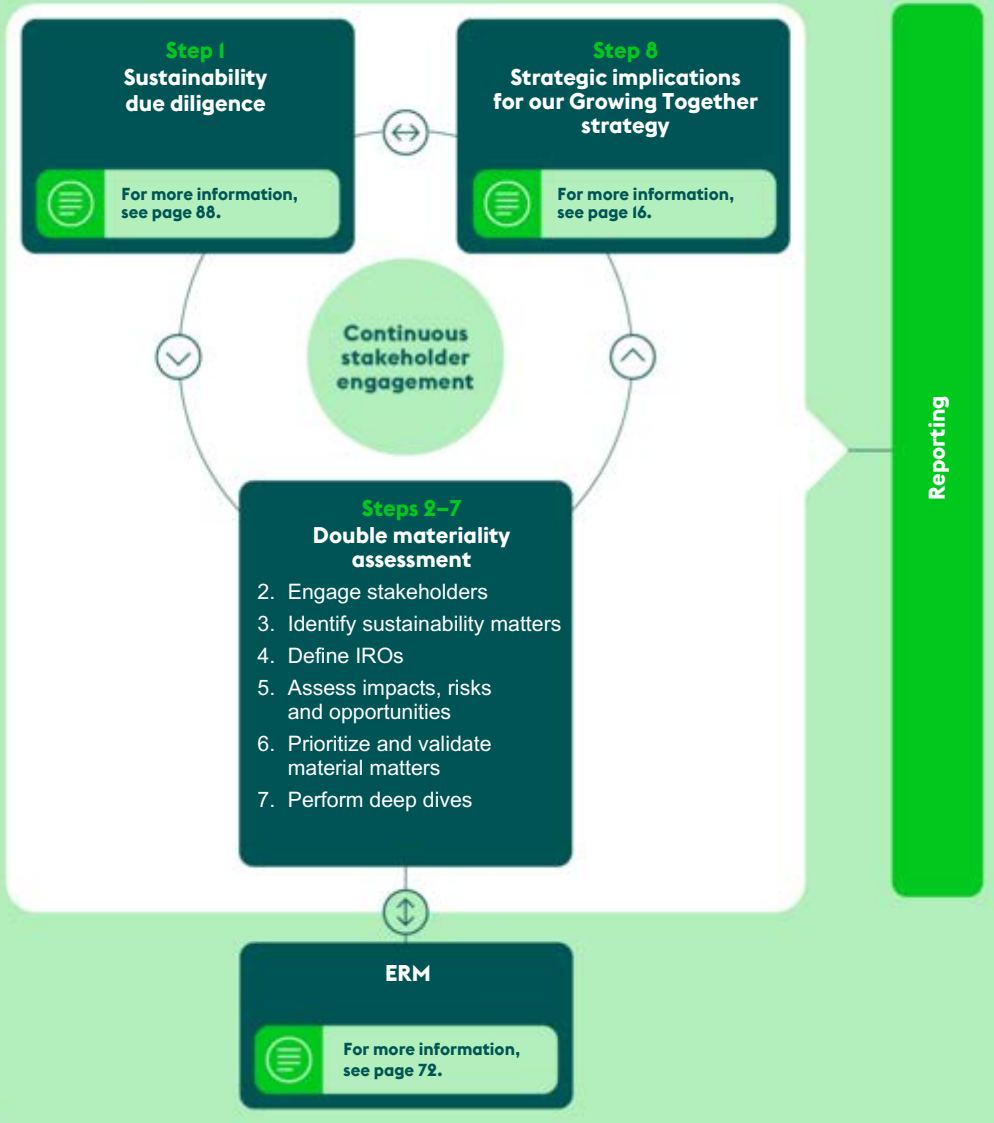
Step 2: Define context and identify stakeholders

First, we defined Ahold Delhaize's context and characteristics, including: a general overview of Ahold Delhaize and its brands; our value chain steps covering the upstream, own operations and downstream business operations and business relationships; our market position; and other elements of our strategy. Our value chain consists of a range of actors, activities and assets. See *Our value chain* and *Our value creation model* for more information.

We obtained insights into affected stakeholders' interests and views through a robust process of engagement that included one-on-one interviews and a survey. These insights are used to ensure alignment on and inclusion in the long list of topics considered for materiality.

To read more on our stakeholder engagement policy and processes, see *Interests and views of stakeholders*.

Double materiality in context



General information continued
Impact, risk and opportunity management continued

Step 3: Identify potentially relevant sustainability matters
We created a long list of sustainability matters, also covering entity-specific topics that could potentially be material for Ahold Delhaize and its brands. We researched and referenced insights from international reporting standards, including ESRS; our previous years' (single) materiality assessments; our SDD process; peer reports; our brand-specific reports; rating agency reports; risk analyses; and insights gathered from our engagement with stakeholders. We also made use of an AI-based application that provided data-driven insights through an automated analysis of data points from publicly available sources to provide input for topics on the long list.

Step 4: Define impacts, risks and opportunities
Sustainability matters are defined by the impacts, risks and opportunities they bring. Our assessment included the full value chain, incorporating insights from stakeholders and topic experts to deepen our understanding, particularly on issues within the supply chain.

Step 5: Assess impacts, risks and opportunities
The next step was to quantify and evaluate the impacts. For negative impacts, we assessed severity using scale, scope and irremediability, and for positive impacts, using scale and scope. We also considered the likelihood of potential impacts. We used a five-point scale that standardizes evaluations across scale, scope, irremediability and likelihood. Our assessments relied on specific data where available but, for some upstream and downstream impacts in the value chain, our topic experts applied professional judgment when data was unavailable.

Alongside the assessment of the impacts, our subject matter experts also analyzed and assessed the potential risks and opportunities, based on qualitative and quantitative thresholds informed by existing ERM and SDD thresholds, as well as the materiality threshold used for the audited financial statements. The assessment resulted in a materiality score for each impact, risk and opportunity. The DMA also informs our risk management process; see *Risks and opportunities*.

Step 6: Prioritize and validate material matters
After assessing and scoring, by applying a threshold or cut-off point, we were able to determine which were material and non-material.

Thresholds were determined at levels that ensured the most material matters were appropriately included for disclosure and validated by the outcomes of our stakeholder engagement activities.

This resulted in the short list of material sustainability matters that were clustered into our material sustainability matters and validated by our SLT and ESG Steering Committee and approved by the Executive Committee.

Step 7: Perform deep dives
To advance certain topics, further scientific-based analysis is sometimes considered necessary. This can be done by following the four phases of the LEAP approach for environmental sub-topics and involves delving deeper into specific environmental topics to thoroughly understand impacts, dependencies and risks on a more detailed and science-based level than the results of our DMA.

To address this need, we initiated a nature project, which builds on the LEAP approach foundations and is supported by scientific data to help us gain a comprehensive understanding of our impacts and dependencies. For more information, see *Nature*.

Step 8: Strategic implications
The outcome of the DMA informs our strategy, which aims to create sustainable long-term value for our stakeholders and will be used to identify sustainability priorities for the short, medium and long term.

For both impact and financial materiality, we have defined short-, medium- and long-term time horizons in line with the definition outlined in the ESRS, as explained in the *Basis of preparation*.

Each year, we will perform a light review of our DMA, updating it based on desk research and inquiry with internal stakeholders to identify if there are any triggering events. We aim to perform a thorough DMA every three to four years, unless a significant event triggers an earlier reassessment.

Interaction between the DMA and the ERM process
Our ERM process is undertaken in line with the principles and best practice provisions of the Dutch Corporate Governance Code. It is designed to identify, assess and take action on risks and opportunities that may impact the achievement of our strategic, operational, financial and compliance-related business objectives and activities including, but not solely related to, sustainability topics.

Although the ERM process can identify principal sustainability-related risks that correspond with the financial risks of the DMA, it also identifies principal risks that are not related to sustainability matters and are not identified as part of the DMA. In the ERM process, we identified several principal risks that interact with our material sustainability matters. For more information on our ERM process and principal risks, see *Risks and opportunities*.

Limitations
The DMA process may be impacted in the future when additional sector-specific standards are adopted. The sustainability statements may not include every IRO or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our material sustainability matters
The following table lists the material sustainability matters we have identified through our DMA process, along with the sub-topics that our material sustainability matters relate to, as well as the IRO underlying these matters. In addition, this list also links material sustainability matters with our strategic priorities and the United Nations Sustainable Development Goals. For more on how these IROs interact with our strategy and business model, see *Strategy* under General information.

For more information on these matters, see the topical sections in the *Environmental* and *Social information* sections of the *Sustainability statements*.

General information continued
Impact, risk and opportunity management continued

Our material sustainability matters, including the related impacts, risks and opportunities

Impact, risk or opportunity	**Impact materiality:** Negative impact	**Impact materiality:** Positive impact	**Financial materiality:** Risk	**Financial materiality:** Opportunity
Value chain[1]	Upstream	Own operations	Downstream	
Time horizon[1]	Short-term	Medium-term	Long-term	

1. Dark green indicates applicability for the material sustainability matter/impact

Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Environmental: Climate					
Healthy communities & planet	***Climate change*:** Understanding and mitigating business impacts on climate change by reducing scope 1, 2 and 3 GHG emissions across the value chain. This includes our approach to mitigating and adapting to potential physical and transition risks, as well as the identification of potential climate-related opportunities in the transition to a lower-carbon economy.				7, 13, 17
	Climate change mitigation (CCM) and energy use: Impact on the environment, nature and people through the direct GHG emissions from the own operations (scope 1) of Ahold Delhaize and its brands as well as the indirect GHG emissions from purchased electricity, heat, cooling and steam (scope 2)	–	← O →	S M L	
	CCM: The impact on the environment, nature and people through scope 3 GHG emissions. Scope 3 GHG emissions include those generated by farmers, producers and suppliers, mainly from activities related to the production of goods that are sold to customers.	–	← →	S M L	
	CCM – transition risk: Transitioning to a lower-carbon economy may entail extensive policy, legal, technological and market changes, to address mitigation and adaptation requirements. These events can include the introduction of carbon pricing, product composition restriction, changes in customer preferences and energy price volatility, which may pose an economic risk to the Company.	!	← O →	S M L	
	Climate change adaptation (CCA) – physical risk: The risk of acute and chronic climate events due to extreme weather events, which can cause damage to own (vulnerable) assets (e.g., own office buildings, stores and warehouses) or to our distribution infrastructure, which can result in out-of-stock situations and subsequently store closures or impacts on our brands' ability to make home deliveries	!	← O →	S M L	
	CCA – physical risk: The risk of acute and chronic climate events due to extreme weather events, which can cause decreases in agricultural yields (e.g., yield volatility and yield loss) and commodity scarcity	!	← →	(S) M L	
Environmental: Nature					
Healthy communities & planet	***Pollution*:** The pollution of air, soil, water and living organisms and food resources through the emissions of pollutants including nitrates, phosphates, pesticides, non-GHG air pollutants and microplastics, which may be harmful to human health and the environment. This occurs during the mining, cultivation, production or transport of products and services sold by Ahold Delhaize and its brands.				3, 14
	Pollution of air, soil, water, living organisms and food resources: Impact on air quality, soil, water, living organisms and food resources through the emission of pollutants caused by the sourcing, production and transport of products and services sold by Ahold Delhaize and its brands	–	← →	S M L	
	Microplastics: Impact on the environment and customers from the products sold and consumed by customers that contain microplastics and can have negative effects on the environment and human health. Pollution can also originate in the production and use of microplastics in health and beauty products and the associated plastic waste that leaks into ecosystems.	–	← →	S M L	
	Microplastics – transition risk: Regulatory and reputational risks due to new or stricter regulations regarding the use and sale of (products containing) microplastics resulting in failure to meet stakeholder expectations. Regulatory requirements could impact product assortment, requiring reformulation or discontinuing of products.	!	← →	S M L	

General information continued
Impact, risk and opportunity management continued

Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Environmental: Nature continued					
Healthy communities & planet	***Water and marine resources:*** **Water:** Understanding and managing impacts, dependencies and risks linked to freshwater withdrawals and consumption in our upstream value chains. Focused on water use in cultivation, production and processing of commodities and products sold by Ahold Delhaize and its brands **Marine resources:** Understanding and managing impacts, dependencies and risks linked to the harvesting of seafood from both wild catch and aquaculture operations in our upstream value chains				3, 14, 17
	Water consumption and withdrawal: Impact on the local environment and water availability/supply through withdrawal and consumption of the water associated with producing products sold by Ahold Delhaize brands	–	← ○ →	S M L	
	Water consumption and withdrawal: Decreasing water availability in production areas could result in higher prices, broader quality and availability challenges. Reputational risks linked to sourcing water-thirsty crops from water-stressed areas, especially where there is community impact. Increased regulation and policy relating to water use could result in increased cost of compliance for suppliers.	!	← ○ →	S M L	
	Extraction and use of marine resources: Impact on marine ecosystems through the extraction and disturbance of marine resources (e.g., sourcing of seafood, bycatch and overfishing) for the production and sale of products by Ahold Delhaize brands	–	← ○ →	S M L	
	Extraction and use of marine resources: Degradation of marine ecosystems and fish stocks could result in increased prices, reduced availability and assortment. Increased policies and regulations on sourcing marine products could bring increased costs and liabilities for Ahold Delhaize and its supply chain. There are also potential reputational risks stemming from the sale of seafood while the marine environment is in decline.	!	← ○ →	S M L	
	***Biodiversity and ecosystems*:** Understanding and managing the business's impacts on biodiversity and ecosystems in upstream value chains as well as the related risks. Includes consideration and mitigation of the business's contribution to relevant material drivers of biodiversity loss, including climate change, pollution, ecosystem conversion, land degradation and direct exploitation through seafood sourcing				13, 14, 15, 17
	Land-use change, freshwater-use change and sea-use change: Impact on biodiversity and ecosystems caused by land-use change such as deforestation and land conversion, large-scale freshwater-use and sea-use change in the upstream value chain	–	← ○ →	S M L	
	Land-use change, freshwater-use change and sea-use change: The impacts of land-, water- and sea-use change could result in the reduced availability and quality of raw materials for Ahold Delhaize's brands, with potential price impacts (physical risk). There are also risks to the ongoing development of regulation in this space, which could be costly to comply with and/or reduce land and water available for food crops, pasture and timber, which could reduce productivity and increase raw material prices (transition risk). There is a reputational risk of being linked to land-, water- or sea-use change within our upstream value chains.	!	← ○ →	S M L	
	Climate change: The emission of GHGs that contribute to climate change and exacerbate biodiversity loss and damage to ecosystems. These effects can include increased temperatures or extreme weather events.	–	← ○ →	S M L	
	Climate change: The impact of climate change on biodiversity and ecosystems could result in the reduced availability and quality of raw materials for Ahold Delhaize's brands (physical risk). The transition risk of our brands' suppliers failing to comply with stricter laws and regulations regarding the emission of GHGs and, therefore, losing their ability to supply. There is a reputational risk of being linked to climate change and its impact on biodiversity and ecosystems.	!	← ○ →	S M L	
	Impact on the extent and condition of ecosystems: Impact on biodiversity and ecosystems caused by **land degradation**, as a result of the sourcing and production of our brands' products	–	← ○ →	S M L	
	Land degradation: Land degradation could lead to challenges relating to the availability and price of raw materials for Ahold Delhaize's brands (physical risk). In addition, new or stricter laws and regulations on land degradation could create challenges for our suppliers (transition risk). There is a reputational risk of being linked to land degradation in the upstream value chain.	!	← ○ →	S M L	

General information continued
Impact, risk and opportunity management continued

Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Environmental: Nature continued					
Healthy communities & planet	**Pollution:** Impact on biodiversity and ecosystems through pollution, for example through plastics, chemical fertilizers, pesticides and nitrogen emissions that harm nature and ecosystems	–	← ○ →	S M L	
	Pollution: At severe levels, pollution could create challenges for the availability of raw materials for Ahold Delhaize's brands (physical risk). In addition, should we or our suppliers fail to comply with stricter laws and regulations on the pollution of ecosystems, it may create additional supply challenges (transition risk). Adverse impacts on pollution could also create a reputational risk for Ahold Delhaize, its brands and suppliers.	!	← ○ →	S M L	
	Direct exploitation: Impact on biodiversity and ecosystems caused by the direct exploitation of species, as a result of the sourcing and production of our brands' products, namely through our seafood assortment	–	← ○ →	(S) M L	
	Direct exploitation: Direct exploitation of nature and biodiversity could lead to the reduced availability and increased prices of raw materials, most likely within the seafood assortment (physical risk). Linked to this, increased policies and regulations on marine products could bring increased costs and liabilities for Ahold Delhaize's brands and its supply chain (transition risk). The is also potential reputational risks stemming from the sale of wild-caught seafood where there are sustainability challenges.	!	← ○ →	S M L	
	Impacts and dependencies on ecosystem services: Potential impact and dependency on ecosystem services such as pollination, water availability and healthy soils caused by Ahold Delhaize's activities	–	← ○ →	S M L	
	Impacts and dependencies on ecosystem services: Dependencies on ecosystem services including but not limited to pollination, healthy and productive soils and water availability can create physical risks within our supply chain linked to the price and availability of raw materials. Impacts on ecosystem services within our value chains could create transition risks linked our reputation, liability and/or regulation.	!	← ○ →	S M L	
	Impacts and dependencies on ecosystem services: Opportunities around the use of technologies to support the production of products that are not harmful for biodiversity and ecosystems (e.g., precision fermentation to support the transition to plant-based protein)	☆	← ○ →	S M L	
	***Animal welfare*:** Understanding and managing the business' actual and potential impacts on animal welfare in upstream value chains				15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
	Impact on the well-being of animals through the use of animals for food production, sourced from suppliers and sold by Ahold Delhaize brands	–	← ○ →	S M L	
Environmental: Circularity					
Healthy communities & planet	***Packaging*:** Implementing practices to reduce product and transportation packaging and increase reusable, recyclable or compostable packaging material use, where possible, and working with stakeholders to support the transition to a circular economy for packaging				12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS
	Packaging: Impact on the environment through the production, use and disposal of (virgin) plastics, cardboard and other (non-)compostable primary and secondary packaging materials used and sold by Ahold Delhaize's brands	–	← ○ →	S M L	
	Packaging – transition risk: Transition risks relating to regulatory pressures for new or stricter product composition and circularity regulations, also impacting supply, as well as the risk of market share loss due to an inability to respond to consumer demands for more sustainable, circularly designed products and/or product packaging.	!	← ○ →	(S) M L	
	***Waste*:** We promote the responsible handling of unsold food to reduce food waste and increase the reuse of unsold food and the recycling of food that is wasted along the supply chain, in distribution and operations as well as in customers' homes. Our aim is to contribute to a food system that is based upon the principles of the circular economy. Other waste components offer opportunities to refuse/avoid, reduce, reuse, repair or recycle, in order to reduce the negative environmental impact.				12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS
	Food waste: Impact on the environment and food security through the waste of (scarce) food resources (intended for human consumption) across the value chain	–	← ○ →	S M L	
	Packaging waste: Impact on the environment through waste generated by own operations and customers from the use of primary and secondary packaging for products used and/or sold by Ahold Delhaize's brands	–	← ○ →	S M L	

General information continued
Impact, risk and opportunity management continued

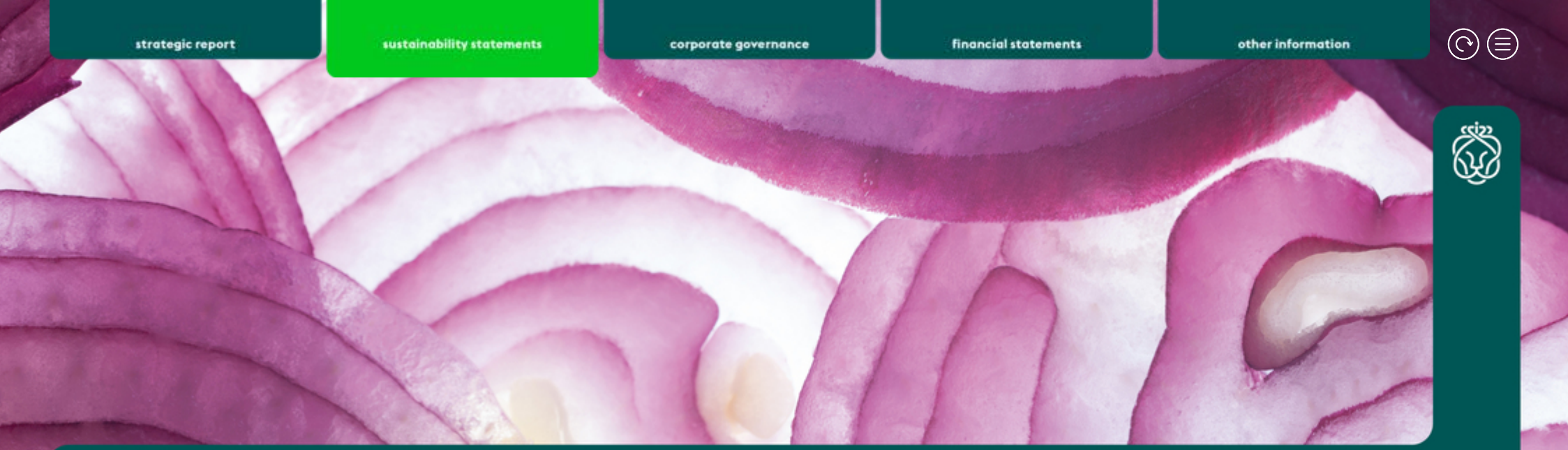
Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Social: Own workforce					
Thriving people	***Working conditions***: Ensuring responsible labor practices in our own operations, employee well-being and health promotion, and freedom of association topics				8, 17
	Adequate wages: Impact on employees by providing an adequate wage	+	← ○ →	S M L	
	Social dialogue: Impact on employees, including provision or allowance of employees' representation, where duly elected or appointed by law, in negotiation, consultations or other types of dialogue between representatives of governments, employers, and/or workers' representatives.	+	← ○ →	S M L	
	Work-life balance: Opportunities in employee engagement, offering benefits – such as attractive well-being initiatives and a working environment that respects work-life balance – that may lead to performance improvement	☆	← ○ →	S M L	
	Health and safety: Ahold Delhaize and each of its brands recognize and support the right of their associates to work in a healthy and safe workplace. Impact on employees' occupational health and safety through protection and safety measures on the work floor that are inadequate to prevent physical injury	−	← ○ →	S M L	3
	Equal treatment and opportunities for all: Building a diverse and inclusive environment, fostering non-discriminatory workplace practices				5, 17
	Diversity: Impact on employees by supporting a diverse workforce through new hires and promotions across Ahold Delhaize and all its brands, including but not limited to generations, LGBTQ+, gender, race and ethnicity, disabilities, neurodiversity, religion and nationalities.	+	← ○ →	S M L	
	Gender equality: Impact on employees as a result of promoting a gender-balanced workforce and striving for pay equity for all associates across Ahold Delhaize and its brands	+	← ○ →	S M L	
	Measures against violence and harassment in the workplace: Risk of disruptions in the supply chain and critical interaction with suppliers due to legal or regulatory sanctions, labor unrest, strikes and absenteeism of workers, as well as reputational risk as a result of failing to foster a safe working environment that is free of harassment, discrimination and unethical behavior	!	← ○ →	S M L	
Social: Labor and human rights in the value chain					
Trusted product	**Working conditions:** Respecting the rights of every worker to be treated fairly and with respect and dignity, while ensuring that salient impacts are addressed, including inadequate wages and unhealthy and unsafe working, and where applicable, living conditions				3
	Adequate wages: Impact on workers in the upstream value chain as a result of engaging with parties that do not pay adequate wages to their workers	−	← ○ →	S M L	
	Health and safety: Impact on workers in the upstream value chain as a result of engaging with parties that do not provide adequate healthy and/or safe working conditions for their employees. Workers in DCs, migrant workers and subcontracted workers (in the agricultural sector) are at a heightened risk.	−	← ○ →	S M L	
	Other work-related rights: Respecting the right of every child to be free from labor that deprives them of their childhood, potential and dignity or harms their physical and/or mental development, and respecting the right of every individual to be free from forced labor, slavery and servitude				8
	Child labor: Impact on children as a result of engaging with parties in the supply chain that violate the human rights of children through child labor. Child labor is work that interferes with compulsory schooling and damages health and personal development.	−	← ○ →	S M L	
	Forced labor: Impact on workers in the value chain as a result of engaging with parties in the supply chain that violate the human rights of workers through forced labor. Forced labor is defined as all work or service demanded from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.	−	← ○ →	S M L	

General information continued
Impact, risk and opportunity management continued

Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Social: Labor and human rights in the value chain continued					
Trusted product	**Equal treatment and opportunities for all:** Respecting the rights of every worker to a workplace free from discrimination, harassment and violence, and for women to be treated fairly and equally to men				5, 8, 10, 17
	Gender equality and pay for work of equal value: Impact on workers in the upstream value chain through engaging with parties that do not provide equal treatment and opportunities and equal pay for work of equal value for employees based on gender	–	← ◎ →	S M L	
	Measures against violence and harassment in the workplace: Impact on workers in the upstream value chain as a result of engaging with parties that do not provide adequate measures against violence and harassment in the workplace. Harassment involves unwelcome and, in some cases, unlawful conduct. This includes verbal, written, graphic or physical contact.	–	← ◎ →	S M L	
	Discrimination: Impact on employees of suppliers as a result of engaging with parties that do not provide an inclusive workplace for employees and do not respect the rights of every worker to enable a workplace free from discrimination	–	← ◎ →	S M L	
	All sub-topics: Risk of reputational damage and/or operational disruptions in the supply chain and interaction with critical suppliers due to these suppliers being noncompliant with applicable standards and measures leading to: – Failures to implement practices to prevent child labor and forced labor and to ensure equality and adequate wages to be paid – Failures to implement practices for safe work environment or materialization of worker harassment	!	← ◎ →	S M L	
Social: Community impacts					
Trusted product	***Community impacts, including land rights and access to water***: Ensure that salient and material impacts on local and Indigenous communities in the supply chain, such as land-related impacts and access to water and adequate food, are addressed, including respecting the rights of human rights defenders and Indigenous peoples				2, 3
	Land-related impacts: Impact on (Indigenous) communities of land availability through land grabbing as a result of the increased demand for land necessary to house livestock, grow more crops, or house upstream production facilities. This can be done with or without free, prior and informed consent of communities and result in (involuntary) physical displacement and relocation of people.	–	← ◎ →	S M L	
	Water and sanitation: Impact on (Indigenous) communities of water availability due to activities in the upstream supply chain that require (excessive) water use from (water-scarce) areas, as well as the effect of effluents/wastewater from upstream supply chain activities on communities' water use for subsistence farming	–	← ◎ →	S M L	
	Adequate food: Impact on (Indigenous) communities' food security through land grabbing, overexploitation of (natural) resources, and the use of harmful pesticides/pest control agents by upstream supply chain partners	–	← ◎ →	S M L	
	Litigation and /or reputational risks: Risk of litigation and/or reputational damage due to being linked to (human) rights violations of communities in the upstream supply chain through suppliers, as well as operational disruptions due to unrest around communities' access to water and sanitation	!	← ◎ →	S M L	
	Impacts on human rights defenders, especially those from Indigenous communities: Impact on human rights defenders from attacks against them. This is particularly related to Indigenous communities, because 40% of human rights defenders' killings occur in these communities (while Indigenous peoples comprise less than 5% of the world's population).	–	← ◎ →	S M L	

General information continued
Impact, risk and opportunity management continued

Growing Together strategy	Descriptions and definition of material sustainability matter / impact, risk and opportunity	IRO	Value chain	Time horizon	Main SDG related to this topic
Social: Customers					
Healthy communities & planet	***Customers' health and nutrition***: Inspire customers and communities to engage in positive habits by offering the right assortment; nudging them toward healthy lifestyles; and supporting them through education, inspiration and the use of technology				
	Impact on customers by providing healthy and nutritious products, providing clear information on product nutrition and increasing customers' awareness of health and nutritious impacts	+	← ○ →	S M L	
	Opportunity to be considered a frontrunner in offering healthy and nutritious products to customers, meeting the increasing (and future) customer needs for more healthy, sustainable and nutritious products and tapping into financial incentives by working with government projects to promote healthy and sustainable food	☆	← ○ →	S M L	
Healthy communities & planet and trusted product	***Access to affordable, healthy products***: We strive to provide customers and communities with access to affordable, high-quality nutritious products by making healthier products affordable and accessible for all.				
	Access to affordable, healthy products: Positive impact on customers by making healthier and quality products affordable and accessible for all	+	← ○ →	S M L	
Trusted product	***Product safety***: A "safe product" means any product that, under normal or reasonably foreseeable conditions of use, including the actual duration of use, does not present any risk or only the minimum risks compatible with the product's use. For product safety purposes, we make a distinction between food and non-food. Food is defined as all products that are considered as human food and excludes medicine and dietary supplements. Non-food are all products that are not considered as human food, including medicine, medical devices and dietary supplements.				
	Health and safety of customers and protection of children: Impact on customers, including vulnerable groups, through the sale of products that are unsafe and/or illegal and could harm or injure customers, such as products that are contaminated or defective, intentionally tampered with, or impacted by food fraud in the supply chain	−	← ○ →	S M L	
	Health and safety of customers and protection of children: The risk of non-compliance with new or stricter product safety regulations and the reputation harm and loss of customers as a result of the sale of unsafe products	!	← ○ →	S M L	



environmental information

For more information on our performance on these environmental topics, see *Sustainability notes – Environmental indicators*.

For brand examples related to environmental topics covered in this section, see *www.aholddelhaize.com/sustainability*.

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Environmental information
Performance highlights

As part of our strategic priority *healthy communities & planet*, and informed by our DMA, we measure and manage our Company's environmental impacts using three pillars: climate, nature and circularity. The table below provides an overview of the targets or ambitions and our progress for 2024.

climate

Environmental topics	Measurable targets and ambitions[1, 2, 3]	Progress	Performance
climate change	**Scope 1 and 2 targets (2018 baseline):** • 2025: > 38% reduction against the 2018 baseline	On track	Scope 1 and 2 reduction of 36% against the 2018 baseline was achieved, a 2 percentage-point higher reduction than in 2023.
	• 2030: 50% reduction against the 2018 baseline	On track	
	• 2040: Net zero: 90% reduction and 10% removals against the 2018 baseline	On track	
	Scope 3 targets (2020 SBTi-methodology baseline):		
	Near term: 2030: Scope 3 targets (2020 baseline, submitted but not yet validated): • We commit to reduce absolute scope 3 forest, land and agriculture (FLAG) GHG emissions by 30.3% by 2030 from the 2020 SBTi baseline (for near-term target). • We commit to reduce absolute scope 3 Energy and Industrial (E&I) GHG emissions by 42.0% by 2030 from the 2020 SBTi baseline (for near-term target).	Area of focus	Our FLAG GHG emissions increased by 9.9% compared to the 2020 SBTi baseline, while the E&I GHG emissions increased 0.2% against the 2020 SBTi baseline. Against our restated 2020 full scope 3 baseline of 60.4 $MtCO_2e$, our full scope 3 footprint increased to 63.6 $MtCO_2e$ in 2024.
	Long term: 2050: Scope 3 targets (2020 baseline, submitted but not yet validated): • We commit to reduce absolute scope 3 FLAG GHG emissions by at least 72% by 2050 from the 2020 SBTi baseline (for long-term target). • We commit to reduce absolute scope 3 E&I GHG emissions by 90% by 2050 from the 2020 SBTi baseline (for long-term target).	Area of focus	
	Net zero:[4] • We commit to reach net-zero GHG emissions across our value chain by 2050.	Area of focus	

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information continued
Performance highlights continued

nature

Environmental topics	Measurable targets and ambitions[1, 2, 3]	Progress	Performance
water and marine resources: seafood	• By 2025, we aim to have 100% of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted Fishery/Aquaculture Improvement Projects (FIPs/AIPs).	On track	In 2024, 96.7% of own-brand seafood products were certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIRs/AIPs, compared to 96.9% in 2023.
biodiversity and ecosystems: critical commodities	By 2025, Ahold Delhaize and its brands aim to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber. We achieve this through:		
	• 100% of own-brand products containing coffee certified against an accepted standard	On track	In 2024, 97.4% of own-brand products containing coffee were certified against an acceptable standard, compared to 97.1% in 2023.
	• 100% of own-brand products containing cocoa certified against an accepted standard	Significant progress	In 2024, 96.5% of own-brand products containing over 5% cocoa were certified against an accepted standard compared to 91.8% in 2023.
	• 100% of own-brand products containing palm oil certified against an accepted standard	Significant progress	In 2024, 96.4% of own-brand products containing palm oil were certified against an acceptable standard compared to 93.7% in 2023.
	• 100% of own-brand products containing tea certified against an accepted standard	On track	In 2024, 99.5% of own-brand products containing tea were certified against an acceptable standard compared to 99.4% in 2023.
	• 100% of high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits	Achieved ahead of schedule	100% of high-risk soy volume in own-brand supply chain were covered by accepted physical certification or credits in both 2024 and 2023[7].
	• 100% of own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled	Area of focus	In 2024, 91.6% of own-brand wood fiber-based products and packaging were either certified against an acceptable standard or classified as low-risk or recycled, down 1.8% from 93.4% in 2023.
animal welfare	• All Ahold Delhaize brands have the ambition of being 100% cage free for own-brand and national-brand shell eggs by 2032[5].	Area of focus	47% of the total shell eggs sold were cage free, compared to 45% in 2023.
	• Our U.S. brands have the ambition to sell 100% pork products from group-housed swine by 2028[6]. Our European brands continue to ensure compliance with EU legislation that limits the use of gestation crates for swine for extended periods.	Area of focus	Reporting to commence in 2025.

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information continued
Performance highlights continued

Circularity

Environmental topics	Measurable targets[1, 2, 3]	Progress	Performance
waste	• Our target is >40% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2025.	On track	In 2024, we achieved a 35% reduction of total food waste per €1 million of food sales against the 2016 baseline, the same percentage reduction as reported in 2023.
	• By 2030: 50% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline	On track	
packaging	By 2025: • Our target is to reduce the use of virgin plastic in own-brand primary product packaging by 5% compared to 2021.	Achieved ahead of schedule	By 2024, we had reduced our virgin plastic packing by 10.3% compared to our 2021 baseline, a minimal improvement compared to last year's 10.2% decrease against the baseline.
	• Our target is to have 25% of our total own-brand primary plastic packaging weight made from recycled content.	Area of focus	15.7% of own-brand plastic product packaging is made of recycled content, compared to 14.8% in 2023.
	• Our target is for 100% of primary own-brand plastic packaging to be reusable, recyclable or compostable in practice and at scale.	Area of focus	33% of primary plastic own-brand product packaging is reusable, recyclable or compostable, compared to 28% in 2023, a 4.3 percentage-point increase.

1. Boundaries of the material sustainability matters are included in *Our material sustainability matters* overview.
2. See *Sustainability notes*, as well as individual ESRS disclosures, for more information on the KPIs and performance.
3. See *Sustainability statements* for more information on the targets or ambitions per material sustainability matter.
4. See *Definitions and abbreviations* for the definition of net zero. We plan to utilize removals to the extent permitted by the SBTi.
5. Our ambition relating to cage-free shell eggs was revised during December 2024, from the ambition to be 100% cage free by 2025 to 100% by 2032. See *Animal welfare* for more information.
6. The ambition for our U.S. brands was revised in December 2024, from the aim to eliminate gestation stalls by 2025 or sooner to the above. See *Animal welfare* for more information.
7. Includes credits purchased in the first quarter of the next financial year to offset volumes of the current financial year. See *Sustainability notes* for more information.

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information: climate
Climate change

climate

Climate and nature can be seen as two sides of the same coin. Climate change is a key driver of nature loss, while the degradation of nature contributes to climate change and undermines nature's ability to regulate emissions and adapt to weather events.

Our climate pillar includes the material sustainability matter climate change, which covers both our impact on climate change (mainly due to GHG emissions), including the impact on nature, and the impact of climate change on our organization (mainly physical and transition risks). In the Nature section of this report, we will focus on drivers of nature loss other than climate change.

in this section

climate change 105



climate change

Definition: Understanding and mitigating business impacts on climate change by reducing scope 1, 2 and 3 GHG emissions across the value chain. This includes our approach to mitigating and adapting to climate-related risks and the implications for our business, including physical and transition risks, as well as the identification of climate-related opportunities in the transition to a low-carbon economy.

The climate change material matter includes two sub-topics: climate change mitigation and energy and climate adaptation.

Governance

See *General information: Governance* in the sustainability statements for more information on the governance of sustainability.

Our approach to climate change is rolled out globally, with our brand leadership teams responsible for implementing actions within the brands. Every brand has dedicated teams working to reduce its climate impact from own operations and the value chain. These teams consist of associates from departments such as Store Development and Store Maintenance, as well as sourcing managers.

Because decarbonizing our business is such a high priority, we linked the achievement of our scope 1 and 2 GHG-emissions reduction targets to remuneration under our long-term, share-based incentive plan. In 2024, we further strengthened the connection between executive compensation and sustainability by updating our annual cash incentive plan to include, in the performance measures, having a detailed and approved scope 3 plan. We continue to keep our sustainability targets, ambitions and objectives, and their interrelation, including our GHG-emissions reduction targets, under review to ensure alignment with our overall strategy.

For more details on the integration of sustainability-related performance in incentive plans, see *Remuneration Policy for the Management Board*.

Environmental information: climate continued
Climate change continued

Strategy

As food retailers, we are aware of how climate change is impacting the way food is grown and will change our business, both now and in the years to come – from how and where products are sourced to what our brands' stores look like and how we heat or cool them.

A healthy planet is a key component of our *Healthy communities & planet* strategic priority, and our approach to addressing climate change in our Company focuses on both the impact of climate change on our business and how our business activities impact the climate. We aim to reduce our impact on the climate through our commitment to reach net-zero GHG emissions across our own operations by 2040 (scope 1 and 2) and become a net-zero business across the entire value chain, products and services no later than 2050 (scope 3).

For more information on our strategy and how it is linked to the material sustainability matters we have identified, see *Our material sustainability matters* section.

Transition plan

Our impact and overall approach

Climate change and the degradation of nature are global threats to the health of the planet and people's lives and livelihoods.

A range of issues – such as energy production, deforestation, burning of fossil fuels, agriculture and waste – contribute to the climate crisis and to the health and resilience of the planet, which underpins the well-being of everyone who inhabits it.

Through our activities, we are producing direct and indirect GHG emissions. This means we are impacting climate change in different ways. Examples range from the fossil fuels burned for heating and during transportation, the electricity consumed throughout our facilities or the refrigerants we use for cooling the products in our stores, to the way the products we source are produced, their usage by our brands' customers or how the waste is treated.

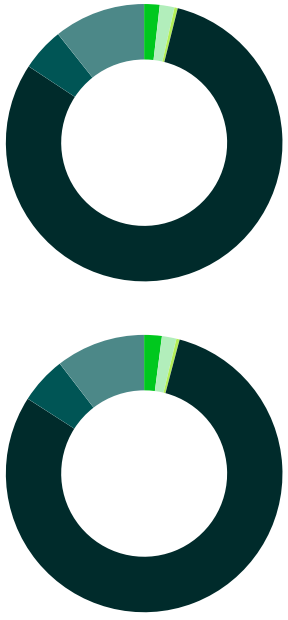
Of our total carbon footprint, refrigerants, electricity, heating and transport form our scope 1 and 2 footprint. The remaining emissions categories form our scope 3 footprint, representing around 96% of our total direct and indirect carbon footprint in 2024. See also *Sustainability notes* for a further breakdown of our GHG emissions.

To support our aim of becoming a net-zero business, we have set science-based emissions reduction targets for our own operations (scope 1 and 2) as well as our entire value chain (scope 3) (pending SBTi validation) with the objective of limiting global warming to 1.5 degrees Celsius in line with the Paris agreement.

We leveraged a 1.5 degree-aligned pathway to determine the levers and contributions for each scope and did not consider any other scenarios in the development.

Our transition plan is embedded in and aligned with our overall business strategy, as one of our strategic priorities is *healthy communities & planet*. To achieve a healthy planet, we are committed to lowering our GHG emissions, both in our brands' own operations and throughout our value chain.

Our total carbon footprint



	2024	2023 restated
Scope 1 and 2[1] ($MtCO_2e$)	**2.58**	**2.65**
Refrigerants[2]	1.8%	2.1%
Electricity, heating and cooling[2]	1.7%	1.7%
Transport[2]	0.4%	0.4%
Scope 3 ($MtCO_2e$)	**63.56**	**61.36**
Purchased goods and services[2]	80.4%	79.9%
Use of sold products[2]	5.0%	5.5%
Other scope 3[2]	10.7%	10.4%
Total GHG emissions[1] ($MtCO_2e$)	**66.14**	**64.01**

1. Includes market-based scope 2 GHG emissions
2. Calculated as percentage of total GHG emissions

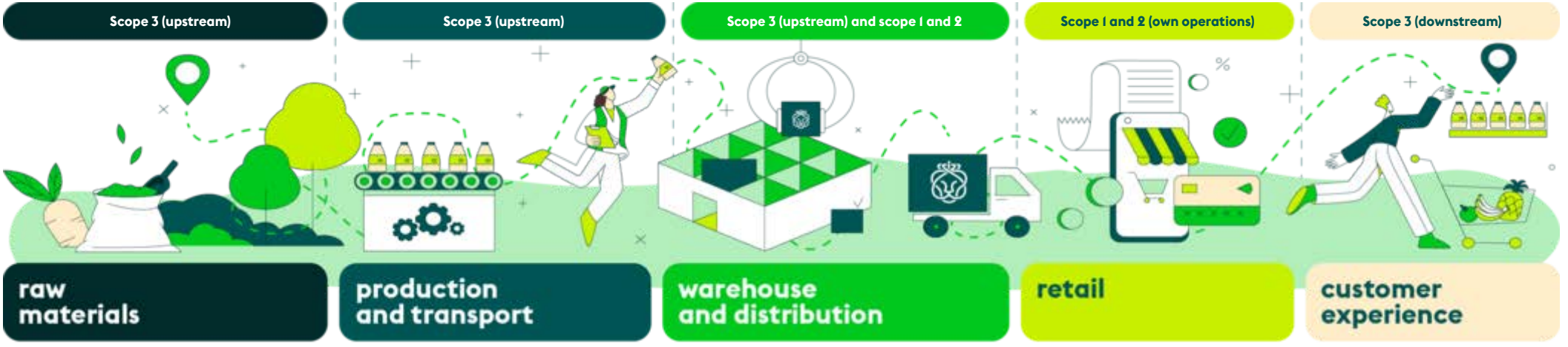
The funding required to implement the actions outlined in our transition plan for our brands' own operations (scope 1 and 2) is integrated into our financial planning for the strategic period through 2028. This ensures that our financial resources are allocated effectively to support our sustainability goals, reinforcing our commitment to a healthy planet.

There are locked-in emissions associated with the capital goods we procure, for example, refrigerant systems. These emissions are factored into our scope 1 and 2 transition plans. In addition, we have scope 3 locked-in emissions that are calculated in category 11 – use of sold products, which relate to electrical goods. We recognize the lifetime emissions of the electrical goods that we sell in our GHG inventory. We aim to reduce the emissions intensity of the goods we sell, and electrical goods are a component of this strategy. The majority of emissions in category 11 for electrical products occur within the Netherlands, in which the planned decarbonization of the grid is aligned to the achievement of our scope 3 reduction targets.

ESRS E1 requires companies to disclose whether they are excluded from the EU Paris-aligned benchmarks, in accordance with the exclusion criteria stated in the Climate Benchmark Standards Regulation[1]. This regulation requires administrators of EU Paris-aligned benchmarks to exclude from those benchmarks the companies that derive revenues over specified thresholds from certain activities (e.g., coal-, oil- or natural gas-related activities, or high-GHG-intensity electricity generation) and the companies found or estimated to significantly harm one or more of the EU Taxonomy environmental objectives. Ahold Delhaize does not meet any of the exclusion criteria and, therefore, is not excluded from the EU Paris-aligned benchmarks.

1. Climate Benchmark Standards Regulation

Environmental information: climate continued
Climate change continued

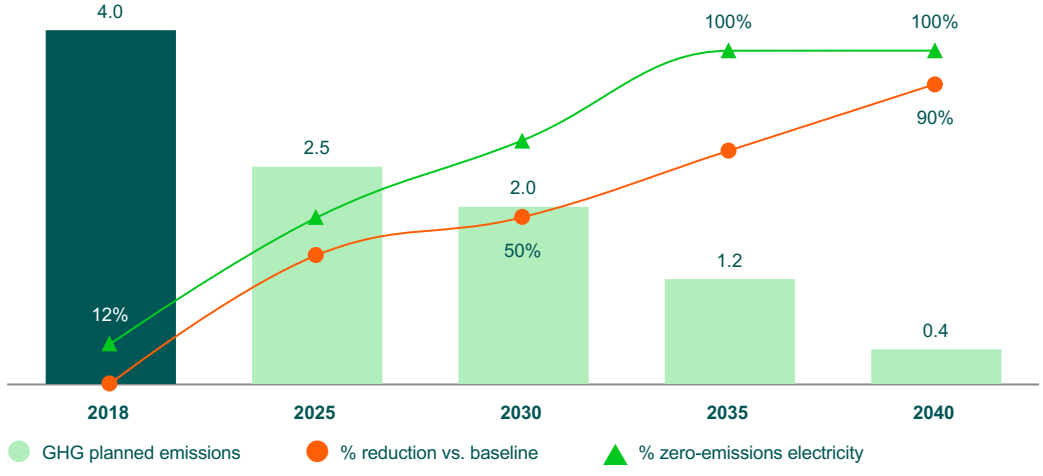


Own operations (scope 1 and 2)

Our first goal is to reduce emissions from our local brands' operations. This is a relatively smaller part of the emissions in our total value chain, but these are the emissions over which we have direct control and can have the biggest direct impact. In 2024, we focused on estimating potential emissions reduction in our own operations from each lever we have identified, and further worked to estimate the resources necessary to implement our mitigation actions.

The primary sources of our scope 1 and 2 CO_2e emissions are refrigerant leakage, electricity consumption, heating and transportation, with electricity consumption and refrigeration representing approximately 80% of total scope 1 and 2 emissions.

GHG planned emissions reduction
Scope 1 and 2 (in $MtCO_2e$)



Key levers

To address the emissions in our brands' operations, we have identified four key levers that will contribute the most in helping us reach our medium-term target of 2.0 $MtCO_2e$ emissions reduction, or a 50% reduction against the 2018 baseline of 4.0 $MtCO_2e$, and our long-term target of becoming net zero (90% reduction and 10% removals) by 2040, also against our 2018 baseline.

Reduction % versus 2018 baseline		
2025	2030	2040
> 38%	50%	≥ 90%

For more details on our scope 1 and 2 targets, see *How we measure our performance*.

The actions we take to reduce emissions from refrigerants, transportation and on-site heating directly influence our scope 1 emissions, while the transition to zero-emissions electricity and improving energy efficiency will reduce our scope 2 emissions. Electrifying our fleet and heating will also impact electricity use and, therefore, scope 2 emissions. However, as we increase the share of

Environmental information: climate continued
Climate change continued

zero-emissions electricity over time, the additional impact on scope 2 emissions will also reduce over time, eventually reaching zero. For Ahold Delhaize, zero-emissions electricity includes electricity from renewable sources and electricity from nuclear sources.

Transition to zero-emissions energy

In 2024, approximately 34% of our scope 1 and 2 emissions were caused by electricity consumption. Our total electricity consumption is forecasted to further increase due to the electrification of our transportation and heating systems, among other factors. We plan to reduce electricity emissions to zero by 2035.

We plan to achieve part of this by generating our own electricity through solar panels installed in both the U.S. and Europe. In 2024, we increased the electricity generated on-site through solar panels and used on-site by 9% compared to 2023. By 2035, we plan to source nearly all electricity, other than own-generated electricity, through virtual and direct PPAs in Europe, while in the U.S., a combination of PPAs, bundled supply contracts, unbundled renewable energy certificates (RECs) and nuclear energy purchases will be used, depending on the electric market rules. In 2024, we used 49% zero-emissions electricity.

We actively invest in renewable energy initiatives. Our solar projects include widespread photovoltaic installations. In Europe, we signed our first pan-European PPA, which is expected to start generating renewable energy in 2026.

Transition to low-GWP and natural refrigerants

Nearly half (46%) of our total scope 1 and 2 emissions come from our 2024 mix of refrigerant types and associated leakage. Our brands are aiming to reduce refrigerant emissions by executing local climate plans.

In order to achieve our net-zero plan, we need to replace or retrofit our refrigeration systems with low-climate-impact alternatives that can use natural or low-GWP refrigerants, minimize leakage and consume less energy. We aim to transition, year by year, to natural and low-GWP refrigerants. Natural refrigerants have significantly lower climate impact than chemical refrigerants and are more energy efficient.

Our U.S. businesses are planning to convert equipment for compatibility with low-GWP or natural refrigerants. By 2040, we aim to replace around 1,200 systems with low-GWP systems and fully convert approximately 2,800 systems to natural refrigerant systems. Refrigerant emissions are among the hardest to abate, because addressing them often requires replacing entire refrigeration systems. As such, they make up the largest part of the residual emissions for our U.S. businesses.

For our European brands, the current plan is to only convert systems to natural refrigerants. Of the total refrigerant systems, 40% are already using CO_2 refrigerants. By 2040, we intend to convert over 1,500 systems to natural refrigerants, representing more than 50% of the total refrigerant systems.

Transition from fossil fuels in heating and transportation

Our fossil fuel-related emissions come mainly from two sources: transport and heating. Transport by our own fleet includes distribution, to both stores and customers, and personnel cars. These activities account for 10% of our total scope 1 and 2 emissions. Our long-term vision is to achieve 100% fossil-fuel-free transport in both Europe and the U.S. by 2040.

This will require us to replace over 5,000 vehicles in the U.S. and over 4,000 in Europe with clean alternatives, such as electric or hydrogen vehicles.

Technological maturity plays an important role in how fast we can transition to cleaner energy sources. In the U.S., we face challenges in electrifying our fleets and equipment, especially for long-haul vehicles and charging infrastructure. The increased demand for electricity may also result in grid congestion, because the infrastructure is not ready, which could lead to disruptions in operations. Therefore, we continue to explore other options, such as hydrogen. Likewise, we will need to evaluate the viability of electrifying our fleets in Europe on a country-by-country basis.

Natural gas and propane used for heating comprise 9% of our scope 1 and 2 emissions today. Our aim is to gradually electrify our heating systems to eliminate fossil fuel use in both the U.S. and Europe by 2040. Our plans to transition stores from fossil fuels are subject to change, and there are currently no plans to transition certain stores away from district heating systems or to implement electrified heating in select northern U.S. locations, where severe winter conditions may limit its effectiveness.

Increase energy efficiency

Reduction of electricity consumption is the most direct way to reduce energy-related emissions. While Ahold Delhaize's total electricity consumption is set to increase as a result of overall decarbonization measures, energy efficiency remains a key lever in reducing environmental impact.

We are installing energy-efficient equipment, such as LED lights, doors on cabinets, heat recuperation, heat pumps, new refrigeration systems, improved insulation and new passive doors on freezers. Taking measures like these when remodeling is enabling our brands to create energy-efficient stores.

Scope 1 and 2 road to decarbonization

The farther in the future our plans are set to be executed, the less certain is the feasibility and achievability of our actions on key levers, as well as the costs of these actions. For actions scheduled to be executed from 2025 to 2028, we have built the plans from the brand level up and included the estimated CapEx necessary to execute them in our long-range plans. We have estimated the feasibility and reduction potential with a reasonable level of reliability, but the actual outcomes can still differ.

For the period 2029 to 2040, our plans are more high level and include more assumptions. As a result, we have a higher level of uncertainty around whether our estimated outcomes are achievable and the reductions will materialize as estimated.

Our current expectations are that, based upon the identified action plans and the progress we are making, we are on a positive trajectory to meet our targets of 50% reduction by 2030, subject to our estimates and assumptions as set out below.

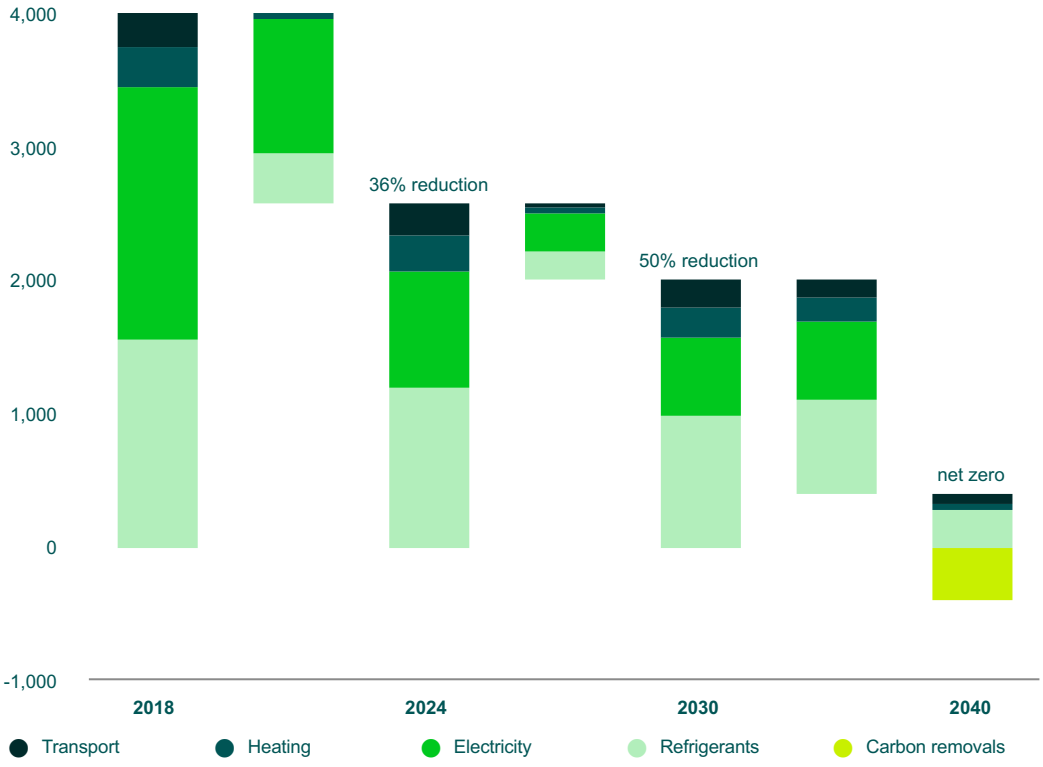
For the period 2030 to 2040, we will continue to make our high-level plans more concrete, taking into account available and developing technology and insights. We have made a lot of progress identifying the high-level plans and actions, and we now have a better view of what our road to net zero until 2040 looks like.

However, the high level of uncertainty, due to the longer-term nature of the actions, changing regulations and reliance on technology and infrastructure that is sometimes not yet fully operational or proven in practice, still leads to significant uncertainty and causes us to be dependent on various assumptions to provide more detail (see *Assumptions and estimates used in calculations* below).

To reach net zero in 2040, we will offset our residual emissions by sourcing carbon removal credits. Our current projection is that we will reduce 90% of scope 1 and 2 emissions and offset the remaining 10%. Based on our transition plan, we expect that our residual emissions will come from low-GWP refrigerants and fossil fuels for heating and transportation. For more details on our carbon removals, see section *GHG removals and carbon credits* below.

Environmental information: climate continued
Climate change continued

Scope 1 and 2 road to decarbonization: Expected reduction plan for scope 1 and 2 GHG emissions based upon our current best estimate for the period 2024 to 2040
(in $MtCO_2e$)



in $MtCO_2e$	Base year (2018)	Achieved reduction (2024)	2030	2040
Total GHG emissions	4.0	2.6	2.0	0.4
Refrigerant replacement and conversion		(0.4)	(0.2)	(0.7)
Electricity: Reach 100% zero-emissions electricity		(1.0)	(0.3)	(0.6)
Heating switch to fossil fuel-free heating		—	—	(0.2)
Transport switch to fossil fuel-free vehicles		—	—	(0.1)

Assumptions and estimates used in calculations
Our ability to achieve our GHG emissions reduction targets for scope 1 and 2 with the actions above is based on the following assumptions:

- Our European brands will use only natural refrigerants to replace the current refrigerant systems, while in the U.S., our brands will also use low-GWP refrigerants in the first years.
- The feasibility of the transition away from fossil fuels for our transportation is dependent on resolving challenges in infrastructure readiness.
- We are making the assumption that both regions will generate own energy by installing solar panels. Total electricity consumption is expected to increase due to the electrification of transport and heating.
- 100% zero-emissions energy can be acquired at close to parity with grid power.
- When determining the costs of abatement and reduction initiatives, we used current costs and we included costs associated with our leased assets (i.e., we did not assume cost reduction that may take place when technology scales and matures).

Investments and funding supporting the implementation of our transition plan

The implementation of our transition plan to achieve net-zero emissions will require significant investments in clean, low-emissions and zero-emissions technologies. These investments are covered in our Growing Together strategy, which includes a gross cash capital expenditure cadence of 3% of net sales. We have allocated the necessary financial resources to support our transition plan over the strategic period (until 2028), as this is the time horizon for financial planning and allocation. In our investment plans, we do not differentiate between regular replacement CapEx and incremental CapEx that directly contributes to our scope 1 and 2 reduction program.

As a consequence, we do not disclose the monetary amounts related to the incremental investments to reduce our scope 1 and scope 2 emissions. It is also important to note that the further we project into the future, the more uncertain these costs become. Factors such as advancements in technology could potentially reduce costs, while high demand might drive them up. In addition, the plans themselves are subject to change as new information and technologies emerge.

At the end of each year, we review our total CapEx spend to determine the portion that is eligible and aligned with the EU Taxonomy. While we anticipate that the CapEx spend eligible for the EU Taxonomy will increase in future years, driven by the increase in total CapEx spend for the transition plan, alignment is more difficult to predict, as not all investments will meet the EU Taxonomy alignment criteria. For instance, some investments in vehicles may not fully comply with the DNSH noise regulations, even though they help us in lowering GHG emissions.

Environmental information: climate continued
Climate change continued

In 2024, we spent:

- €896 million on EU Taxonomy-eligible but not aligned CapEx
- €118 million on EU Taxonomy-eligible and aligned CapEx

Of the EU Taxonomy-eligible and aligned CapEx, approximately €37 million is related to the actions mentioned in this transition plan, including refrigerants replacement, investments in fossil fuel-free transport and heating, solar panels and energy efficiency measures.

See *EU Taxonomy* for more information.

In 2024, Ahold Delhaize issued a new Green Financing Instrument in the form of a Green Bond for a total notional amount of €500 million. Part of the proceeds of the Green Bond are used to invest in the actions mentioned in this transition plan. The framework used to determine which investments can be considered green is broader than the EU Taxonomy, while being in line with the ICMA (International Capital Markets Association) guidelines and signed off by second-party opinion provider Sustainalytics. Therefore, we expect a larger portion of the total transition plan CapEx spend to align with our Green Finance Framework. Similar to the EU Taxonomy, we report the total CapEx spend that can be considered sustainable according to our Green Bond framework each year. This amount is also expected to increase over the years as we continue to invest more funds in our transition plan.

In 2024, we spent approximately €300 million on Green Bond CapEx, of which around €210 million is related to the actions mentioned in this transition plan.

This number is lower than the total Green Bond spend because investments in new buildings and investments such as bottle and can collectors and route optimization software, which are part of total Green Bond, are not linked to the transition plan.

Each year, we will track our progress by comparing actual emissions reductions against the expected emissions reduction in the transition plan and evaluating our actual investments against the planned investments.

The investments related to the transition plan consist of additions to the property, plant and equipment and right-of-use assets. See also *EU Taxonomy* note for a reconciliation of the additions included in the financial statements (*Note 11*, *Note 12*, *Note 13* and *Note 14* to the consolidated financial statements) to the total CapEx under the EU Taxonomy.

The operating expenses related to the transition plan measures consist mainly of costs related to electricity purchased, diesel/gasoline for transportation and fuels used for heating and cooling. These are fully integrated into the daily operations and are recorded as part of other operating expenses; see *Note 8* to the consolidated financial statements.

Value chain (scope 3)

The vast majority of our GHG emissions are scope 3, which are indirect emissions that take place across our value chain – for example, emissions generated through the production and manufacturing of the products we sell and the use of those products. Our value chain consists of thousands of suppliers, producers and farmers who supply hundreds of thousands of products that are sold to millions of customers across the U.S. and Europe each day.

Our scope 3 emissions are driven by purchased goods and services, use of sold products and other categories (e.g., business travel). The category “purchased goods and services” represented 80% of our total carbon footprint (scope 1, 2 and 3) or 84% of our scope 3 emissions in 2024.

For more details on our scope 3 targets, see *How we measure our performance*.

Challenges

With the vast majority of our value chain emissions falling outside of our direct control, to achieve our targets, we will need to promote societal change and collaborate across the industry; we cannot achieve our scope 3 targets without working closely with our brands’ suppliers and customers. For this reason, playing a part in wider society and cooperating across our brands’ value chains are integral parts of our plan.

Supplier action

Our ability to drive scope 3 emissions reduction depends on the efforts of our suppliers and customers. The size and diversity of our supplier network presents challenges as we seek to influence, scale and track decarbonization practices. In some of our local brands’ operating regions, industry bodies are not pursuing climate action until 2030; this inaction will create barriers to value chain decarbonization. Our local brands are encouraging suppliers to set science-based climate targets and engaging with them on specific decarbonization measures.

Customer action

Addressing the behavior-action gap is complex, as it requires a multi-layered approach and there are many individual and societal factors at play that are not within our direct circle of influence. Our brands’ 150 years of experience in engaging, inviting, nudging and encouraging consumers will help them facilitate this required change in behavior.

Key levers

To reduce GHG emissions within our supply chain, we have identified the following key priorities: engaging with our brands’ suppliers and farmers, providing an assortment with a lower carbon footprint, and encouraging customers to choose lower-emission products.

Engaging suppliers in setting science-based targets and implementing sustainable practices

Our brands encourage suppliers to set emissions reduction targets in line with the latest science. These commitments will accelerate improvements in livestock farming, raw material sourcing, processing, transport, packaging, deforestation and food waste reduction and could help address the majority of our scope 3 emissions by 2030.

As of January 2025, 61 of Ahold Delhaize’s top 100 suppliers have either set science-based targets or are committed to doing so (*SBTi Companies Taking Action*).

Actions being taken by suppliers include:

Livestock farming: GHG emissions from livestock can be reduced by focusing on enteric fermentation and manure management. This involves strategies such as improving animal feed formulas, using feed additives (including bovaer and red algae) to reduce methane emissions, harnessing biogas from liquid manure, and adjusting manure pH with sulfuric acid.

Processing: Encouraging suppliers to optimize their production processes through energy efficiency, new machines or switching to renewable energy sources.

Environmental information: climate continued
Climate change continued

Food loss and waste: We seek to combat food loss and waste throughout the value chain across all product categories. This includes losses in agriculture, such as those due to machine failure; post-harvest losses, including from quality defects; losses during processing; and operational waste within our brands' stores. We tackle food waste through various approaches, including maximizing product utilization, for example, through upcycling; refining product management, such as through enhanced demand planning; and enhancing product distribution, including through decreased transit times or optimized routes. See also *Waste*.

Deforestation-free supply chain**:** By 2025, Ahold Delhaize and its brands have the ambition to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber. See also *Biodiversity and ecosystems*.

Agricultural practices: Most of our products are agriculture based. Agriculture can have net positive or negative emissions, depending on the underlying practices used. Ahold Delhaize brands seek to engage with suppliers and farmers to reduce or sequester emissions by incentivizing sustainable change through longer-term contracts with concrete environmental requirements and through co-investments on farms. Activities under this lever include optimizing the use of fertilizers and pesticides; using regenerative agricultural methods, such as no-till farming and cover cropping; and taking measures related to agroforestry, afforestation and reforestation.

Low-carbon footprint products

Assortment of products: In collaboration with suppliers, our brands seek to reduce the carbon footprint of their local assortments. Our local brands remain committed to empowering customers to make environmentally conscious choices. This strategy varies across our different brands and can include promoting a health-focused and reduced-GHG-emissions product lineup, investing in product development, and transitioning from high-emission protein sources, such as red meat, to lower-emission sources, such as white meat or plant-based alternatives.

In Europe, the transition to plant-based proteins is one way we are working toward offering products with a lower carbon footprint. Our European brands agreed to a regional target of at least 50% plant-based sales by 2030. At the same time, this action also reinforces our dedication to a healthier and more sustainable food system and inspires our brands' customers to make healthier choices. See also *Customers' health and nutrition and access to healthy affordable products*.

Customer engagement

Proactively engaging with customers (unquantified impact): Our local brands encourage customers to shift toward lower-emission products. They continue to help customers understand the impact of their buying decisions and make choices that fit their needs, their tastes and their values.

They do this by stimulating and rewarding sustainable choices through loyalty programs and discounts, increasing product transparency through navigation systems and product labelling, improving assortments and products with more vegan and vegetarian choices, and increasing customers' knowledge of healthy lifestyles by giving them access to free dietitians and knowledge platforms.

Recognizing the challenges of behavior change, we focus on addressing the barriers customers have identified, facilitating easier, informed choices through accessible information, inspiration and incentives. We are committed to continuously improving our brands' product offerings, ensuring that affordable, healthy and sustainable options remain accessible.

Scope 3 road to decarbonization

Category 1 – Purchased goods and services is the largest scope 3 category. Therefore, when we started working on concrete plans for reducing scope 3 emissions, we prioritized this category. We identified six levers, plus an "other" category to be quantified.

Due to the high level of uncertainty around data accuracy and availability, we only report on the estimated reduction potential by 2030 and not up to our long-term and net-zero target date of 2050. Achieving our long-term revised scope 3 emissions targets and our net-zero target will require intense cooperation across the value chain.

We considered two scenarios in our analysis. The theoretical reduction potential of the levers remained the same across the scenarios; however, in the lower boundary, we assumed moderate achievability, while, in the upper boundary, we assumed accelerated achievability. We analyzed these two scenarios to understand what the outcomes may be with limited engagement and what would be possible with accelerated engagement.

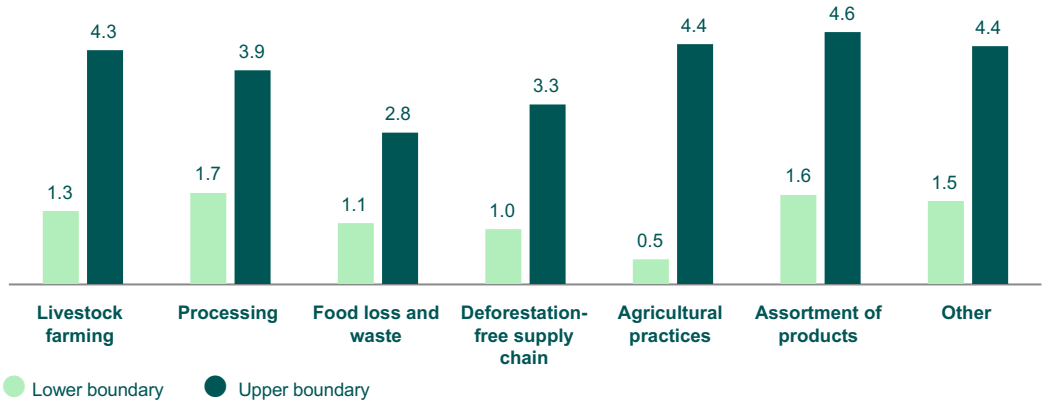
When we assessed the potential to achieve our targets, we took into consideration an assumption on annual growth rate. We anticipate shifts in customer preferences and demand as well as impacts from regulatory factors as we transition to a lower-carbon economy. As part of our transition plan, we aim to help customers choose lower-carbon products. See *IRO management* for further analysis on transition risks and opportunities.

Ahold Delhaize and its brands are currently working to build knowledge and create a broader level of commitment to science-based targets within our supply chain. In addition, we work in partnership with other players in our supply chain to understand the initiatives and levers that they are actioning to decarbonize, linking the GHG emission reduction quantification of the actions to monitor progress toward our collective GHG emissions reduction targets.

Based on the quantification of the levers, we believe that they have a cumulative estimated reduction potential of between 8.8 (lower boundary) and 27.6 $MtCO_2e$ (upper boundary) by 2030.

Environmental information: climate continued
Climate change continued

Cumulative estimated reduction potential of scope 3 decarbonization levers by 2030 (in $MtCO_2e$)



Our 2020 scope 3 emissions baseline (using SBTi methodology) amounts to 23.7 $MtCO_2e$ for E&I GHG emissions and 16.8 $MtCO_2e$ for FLAG GHG emissions. To reach our 2030 revised scope 3 emissions targets, we need to reduce 10.0 $MtCO_2e$ of E&I GHG emissions and 5.1 $MtCO_2e$ of FLAG GHG emissions, totaling 15.1 $MtCO_2e$[1]. The lower boundary would, therefore, not achieve sufficient reductions for us to meet our 2030 scope 3 targets, while the upper boundary suggests that with accelerated actions, our revised scope 3 emissions targets can be achieved.

1. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.

Scope 3 emissions is a rapidly evolving and critical topic, requiring significant innovation around financing, technology and accounting. While more work will be needed to enhance our scope 3 roadmap across our global supply chain, we are committed to continuing to stimulate progress and take action.

In 2024, we continued to refine how we work with suppliers on scope 3 emission reduction and through which levers. We calculated the estimated reduction potential in 2022 and this remains a preliminary view that we use to guide focus on GHG-emission reductions.

The top six levers remain our primary levers for action. In 2025, we will continue building our potential to realize emission reductions.

Due to our reliance on supplier action to realize scope 3 emission reduction, it is challenging to estimate the total OpEx and CapEx we will require for the transition, and therefore, we are not reporting a total cost estimate this year. We continue to work with our brands and suppliers to understand the overall costs of the transition and embed these costs in our strategy.

Assumptions used in scope 3 emission reduction calculations

Our ability to achieve our GHG emissions reduction targets with the actions above is based on the following assumptions:

- To a large extent, achieving our scope 3 targets will require specific actions by suppliers and farmers, to be driven by the suppliers and farmers independently.
- In order to enable cost-based prioritization across the Group, we will need further analyses to increase our confidence in our estimates of investment costs and the financial upside related to cost efficiency improvement or new value streams. These analyses might result in changes in how we prioritize activities and, therefore, reduce emissions over time.
- The reduction potential of some of the levers is driven by uncertain consumer behavior – for example, slow adoption of less carbon-intensive meat. Reduction potential is also limited or uncertain due to a lack of available solutions, high upfront costs and the upskilling required.
- We expect that new technology and enhancements to existing technology over the coming years will create new opportunities for reducing emissions and achieving our net-zero targets.

Material IROs and interaction with strategy and business model

Ahold Delhaize recognizes climate and nature-related risk as a principal risk that may impact our business – in varying degrees – in the short, medium and long term. See *Risk and opportunities* for more information on our principal risks.

Climate risks can be thought of in two categories: physical risks and transition risks.

Ahold Delhaize faces potential physical risks from event-driven (acute) or longer-term (chronic) shifts in climate patterns that may pose financial implications for our business. Impacts may vary depending on the interactions between hazards (triggered by climate trend or event), vulnerability (susceptibility to harm) and exposure (people, assets or ecosystems potentially impacted) (Intergovernmental Panel on Climate Change (IPCC), 2014).

Changing consumer preferences and future policy and regulation associated with the shift to a low-carbon economy present transition risks but also opportunities for our business. Depending on the nature, speed and focus of the changes related to the transition, the impact of financial, operational and reputational risks or opportunities for our business will vary.

Ahold Delhaize's business strategy provides a degree of resilience to some of these risks. For example, our diversified supply chain approach provides some resilience to the physical impacts of climate change on particular areas; and our large physical store footprint, widespread reach, continuity plans and multi-channel business provide some resilience to potential local flooding and hurricane hotspots. Our emission reduction commitments and the diversification of our product base to include a range of plant-based alternatives also helps to increase our business resilience as consumer preferences for lower-carbon products evolve.

For a definition of climate-related physical and transition risks, see *Note 2* to the consolidated financial statements. For further details on our identification of physical and transition risks, as well as the scope of the assessment and outcomes, see *Climate-related risks*. See our *2023 CDP response* for further detail on how we are responding to climate impacts.

Environmental information: climate continued
Climate change continued

IRO management

Process to identify and assess material climate change mitigation and adaptation-related IROs

See *Our material sustainability matters* for an overview of the sub-topics linked to climate change as well as the climate-related impacts and risks we have identified and assessed as material through our *DMA* process.

The impacts and risks identified during the DMA are the negative impacts on the environment due to scope 1, 2 and 3 GHG emissions (in the entire value chain) as well as physical risks in own operations and transition risks in own operations and upstream value chain.

Climate-related risks

Climate-related scenario analysis

In 2021, we identified six key climate-related physical and transition risks that have formed the basis of our climate risk reporting ever since. In 2023, we implemented a climate risk assessment tool that facilitates scenario analysis to better understand how our business may be exposed to some of these climate risks. We focused on physical risk analysis in 2023 and expanded the analysis to also include some transition risks in 2024.

The tool models the evolution of potential climate risks and opportunities across five future warming scenarios derived from the IPCC's Shared Socioeconomic Pathways (SSPs). Each SSP considers variables in development and economic growth, geopolitics, equality and other socioeconomic conditions to simulate different temperature outcomes by the end of the century (2100).

While all five SSP scenarios are included in the tool, our disclosure focuses on a more than 4°C No Policy (SSP5-8.5) scenario with the greatest potential physical impacts and a 1.5°C Paris Ambition (SSP1-1.9) scenario which is aligned with global climate-related policy efforts and presents the greatest potential transition impacts.

Scope of scenario analysis

The scope of our scenario analysis focuses on identifying and assessing the potential financial impacts of four climate-related physical and transition risks on our own operations, across three timeframes, using an outlook of five and 10 years from now as well as a prediction out to 2040. The nearer-term timeframes allow us to consider and incorporate the potential impact of climate-related risks and opportunities into our risk management and strategic planning, while the 2040 timeframe helps us consider potential climate impacts on asset lifetimes or impairments. See *Note 11* and *Note 14* to the consolidated financial statements for details.

Physical risk scenario analysis examines the potential for climate hazards to impact our own operations, through asset damage or revenue disruption. Although currently excluded, our upstream and downstream value chain is on our roadmap for inclusion in due course. In 2024, we expanded the coverage of our physical risk analysis to include all of our facilities (stores, DCs, offices and investment properties) for 15 brands. We excluded joint ventures from the analysis.

Our transition risk assessment examines the potential for policy and market-related transition factors, specifically changing consumer diets and carbon pricing, to impact product sales and gross margin. We used scope 3 category 1 data for own-brand and national-brand products to group products into different categories based on their GHG emission intensity for this assessment.

Our transition risk mitigation efforts focus on own-brand products, as our brands have the greatest scope to directly influence the composition and carbon intensity of these product ranges. However, as we source from a broad range of suppliers, we also engage with national brands to encourage them to apply sustainable practices and set emissions reduction targets.

Although carbon pricing could raise the prices our brands pay to suppliers, we expect our overall GHG emissions reductions efforts will mitigate our risk exposure as we decrease the level of emissions subject to carbon pricing. In our scenario analysis, we did not identify any assets or business activities that are considered to be incompatible with the climate transition set out at this moment.

We reviewed the scenario analysis outcomes by reference to the potential estimated impact on revenue and losses relative to materiality thresholds established in our ERM process.

Assumptions and limitations

Climate-related risks are highly uncertain and challenging to measure, due to uncertainties in the timing and magnitude of impacts. For this reason, we make several assumptions in climate scenario analysis to support the viability of the model.

The model presents the potential gross risk, not considering existing mitigation efforts. The results assume that Ahold Delhaize's operational footprint, portfolio of products and services, energy usage and emissions remain static across various time horizons. Because we assess each hazard individually, we do not consider the potential for certain hazards to exacerbate or compound the impact of others.

The transition risk modules assume that carbon emission pricing is accounted for on a production basis without border adjustments, upstream scope 3 emission costs incurred by suppliers are passed on in full to Ahold Delhaize, and no financial benefits can be derived from carbon pricing revenues (e.g., tax exemptions).

Environmental information: climate continued
Climate change continued

Ahold Delhaize identified six significant physical and transition risks. The outcomes of our tool-based scenario analysis is presented below, representing gross risk not accounting for any adaptation or mitigation efforts that have been put in place.

We categorize climate risk using a three-level impact scale, from low to high potential risk impact. The thresholds are based on different financial impacts, reflecting either a profit impact (e.g., direct loss or increased cost) or a revenue impact (e.g., reduction in net sales).

Material IRO (identified via DMA)	Key risk[1]	Type of risk	Type of impact	Tool-based scenario analysis performed?	Gross risk exposure per scenario and timeframe (outcomes of 2024 climate scenario analysis)			
					Paris Ambition (1.5°C)		No Policy (4°C)	
					Five-year outlook	2040 outlook	Five-year outlook	2040 outlook
Adaptation: Physical risks from climate change in own operations	Revenue losses resulting from disruption of stores and DCs (operations) due to climate events	**Physical**	Revenue	Yes	●	●	●	●
	Increased costs resulting from asset damage due to climate events	**Physical**	Profit	Yes	⬤	⬤	⬤	⬤
Transition risks from climate change in own operations	Regulatory risk: The impact of carbon pricing on gross margin	**Transition**	Profit	Yes	⬤	⬤	—	—
	Market risk: Changes in gross margin from changing customer diets	**Transition**	Revenue	Yes	●	⬤	○	○
	Market risk: The impact of climate change on energy costs	**Transition**	Profit	No	While this risk remains material, its impact is considered to be relatively lower than the other risks listed above, as our commitments and progress in this area provide a degree of resilience. The brands already implement several mitigation efforts, e.g., enhancing operational energy efficiency.			
Adaptation: Physical risks from climate change in the value chain	The impact of agricultural yield decreases and yield losses on revenue and gross margin	**Physical**	Profit Revenue	No – planned for future	Initially identified as a material climate-related risk in 2021. See our previous annual reports for full details. While our 2024 scenario analysis focused on physical risks to our own operations, we intend to augment our dataset and enhance our tooling capabilities to perform updated scenario analysis on this value chain risk in the coming years.			

⬤	**High**	Significant disruption requiring major resources and reprioritization of objectives to mitigate risk
●	**Moderate**	Moderate impact requiring some adjustments to objectives, resources, and timelines to manage risks
○	**Low**	Low impact, manageable with existing resources, causing limited disruption
—	**Neutral**	No impact expected

1. Six key risks identified in initial 2021 climate-risk analysis.

Environmental information: climate continued
Climate change continued

Physical risks outcomes

Our 2024 scenario analysis suggests that flash floods, riverine floods and tropical windstorms pose the greatest potential threat to our own operations across future time horizons, in both the Paris Ambition and No Policy scenarios. These results are consistent with our 2023 analysis, with the exception that tropical windstorms now display a higher threat to our brands' operations than heat waves (which we reported as a top risk in 2023). This change is due to the expansion of our analysis and the nature of the additional facilities included in our 2024 assessment.

As shown in the table above, when not considering existing mitigation or adaptation efforts, the model suggests that exposure to physical climate hazards may result in a moderate impact on revenue disruption and potentially a high impact of asset damage. Furthermore, exposure is set to increase by 2040 in both scenarios (albeit within the same risk impact ranges).

Although our modeling does not predict significant differences in physical risk exposure across scenarios, the potential for adverse (financial) impact is more pronounced in a No Policy scenario. This is because the Paris Ambition scenario assumes more ambitious climate policy action and mitigation efforts to curb the impacts of climate change and, therefore, reduced overall physical impacts.

During 2024, we already experienced operational disruption and asset damage as a result of climate-related events across the locations where our brands operate, including hurricane impact in the U.S. and flooding across Central and Eastern Europe.

It is worth noting that the modeled outcome represents a combined physical risk exposure across our many thousands of facilities. The geographical spread of our locations likely reduces the risk of any one event significantly impacting our business.

Our climate risk scenario assessment is ongoing, and we will continue to enhance our analysis. As noted, we have not yet come to a final conclusion about the potential financial value at risk as a result of the residual exposure to climate hazards, taking into account existing mitigation efforts such as site-level adaptation plans or insurance coverage.

The outcomes of the 2024 climate scenario analysis were considered in the "climate and nature-related" principal risk in our ERM profile.

Transition risk outcomes

The carbon pricing model analyzes how adjustments in carbon pricing might impact operational costs, such as the cost of power and utilities, and the prices we pay our suppliers.

Currently, in the jurisdictions where we operate, Ahold Delhaize is not subject to material policy requirements on carbon pricing, as the focus for GHG emission trading systems and certificates has been centered on energy-intensive sectors. In a No Policy scenario, the model assumes a roll-back of any and all existing carbon pricing systems.

The Paris Ambition scenario models a far-reaching adoption of increasing rates of carbon taxation, which could present a significant financial burden for our business if mitigating actions are not taken.

Whatever the scenario, as we recognize the need to incentivize decision-making to align with our climate-related targets, we apply internal carbon pricing to relevant CapEx investment decisions. See *Internal carbon pricing* for more details.

The significant differences identified in the potential exposure to transition risks between scenarios creates further incentives for us to mitigate transition risks by continuing to work toward achieving our emissions reduction targets to reach net zero by 2050, outlined in our Transition Plan sections above.

The consumer sentiment model examines the impact of consumers' sustainable buying habits on our sales. In a No Policy scenario, the model assumes limited to no uptake in products that are perceived as more sustainable, resulting in an expected low impact on our financial position.

To meet the Paris Ambition going forward, the model predicts a significant increase in the risk value as customer purchasing decisions are expected to shift drastically toward lower-carbon impact products. This shift could create a moderate unmitigated risk for our business within the next five years, moving to a high risk by 2040. See *Managing climate-related risks and opportunities* for details on our risk response. In the current context, although our brands' customers are becoming increasingly climate-aware, elements such as affordability and quality remain as the key drivers for purchasing decisions.

Opportunities

In our view, the impacts of climate change also offer opportunities. For example, by reducing our emissions and increasing our climate resilience, we believe we can increase operational cost efficiency and attract talented people who wish to work for a company that is actively addressing the impacts within its control and contributing to climate change mitigation.

Managing climate-related risks and opportunities

The modeling scenarios prepared in the climate risk assessment tool (and in the past) are useful for understanding the potential (financial) impacts of climate change on our business. Beyond that, it is valuable to look more broadly at the results and consider them in the context of our wider organizational risk management processes for further analysis.

Our actions and progress to address the impact of climate-related risks on our business (in addition to the scenario analysis work described above) are further explained below.

Physical risks

- We limit financial losses by procuring property damage and business interruption (PDBI) insurance against damage from natural catastrophes and weather-related events.
- Our Global Asset Protection function runs an extensive risk engineering program across all our brands to understand, quantify and mitigate a variety of hazards, including natural catastrophes. Risk engineering specialists visit our distribution network and HSCs on an annual rotation to perform risk assessments and provide actionable improvement recommendations. The results of those assessments assist site management and Global Asset Protection in implementing risk mitigation measures proactively and effectively, ensuring better resilience against physical risks.
- On a forward-looking basis, we leverage the expertise of the risk engineers for new building designs and construction projects to implement risk mitigation elements during the planning phase.
- Our brands implement various adaptation measures to protect the business from climate change impacts, for example, enhancing drainage and installing rainwater collection system to adapt to flood or drought risk.
- Our food retail brands are engaging with suppliers to implement sustainable agricultural practices to mitigate risks around product procurement and decreasing agricultural yields.

Environmental information: climate continued
Climate change continued

Transition risks: Regulatory risks

- We aim to reduce our carbon footprint by identifying and implementing ways of making equipment in use and buildings more energy efficient – see *Own operations (scope 1 and 2)*.
- We are mitigating regulatory risks through our work on sustainable packaging, food waste, sustainable sourcing, reformulation of own-brand products, product transparency and the expansion of our brands' ranges to include more low-carbon products.

Transition risks: Market risks

- Our brands are developing and diversifying their product offerings to provide customers with more plant-based meat and dairy alternatives, to ensure that our business model and product assortments remain competitive and compatible with changing customer demands.
- Our net-zero ambitions identify the use of renewable energy as a way to reduce our carbon footprint. While our brands continue to make use of opportunities to install more solar panels, they also actively pursue the acquisition of other sources of renewable energy, such as (virtual) PPAs for green energy.

Next steps

Based on the 2024 physical hazard assessment results, we are evaluating the adaptation solutions that have been implemented or may be available at facilities with elevated climate hazard exposure. To further understand the residual climate risk that these facilities may face, we will continue to consult with local teams to evaluate existing protection measures and resilience strategies, such as design standards, business continuity plans, local climate action plans and climate considerations in CapEx investment proposals. In addition, we plan to assess climate risks across our value chain in due course.

The transition insights we have gained provide further support for our transition plan and help us focus our efforts on achieving strategic, climate-related opportunities, for example, by informing more sustainable product decisions.

Policies

We have an overarching sustainability policy that covers our approach on climate and specific climate-related standards that provide further guidance to our brands. See also *General information: Governance*.

Within our climate approach, we are guided by the standards of the GHG Protocol. See *Climate change* in the *Sustainability notes* for more details on our methodology.

Our standard on renewable energy introduces the approach of Ahold Delhaize and its local brands to sourcing renewable energy and implementing energy efficiency measures, which are linked to the key levers identified in our transition plan. It concerns the sourcing of renewable energy to achieve net-zero emissions in the Company's market-based scope 2 footprint. It is applicable to our global operations and excludes renewable energy consumed outside our own operations, i.e., in the value chain, and energy carriers such as fuels. By adhering to these guidelines, we strive to achieve zero-emissions electricity by 2035.

Our standard on carbon offsets includes our approach on the use of offsets to achieve our net-zero goals. It covers the neutralization of residual emissions in Ahold Delhaize's own operations (scope 1 and 2) through carbon removal projects outside of the Company's own operations and value chain. The standard establishes a framework for purchasing high-integrity offsets that contribute to our net-zero targets, while remaining aligned with Ahold Delhaize's overall sustainability values. See also *GHG removals and carbon credits*.

Actions and resources

Our actions to reduce our negative impacts and mitigate risks are centered on the following topics:

GHG emissions and CCM

See *Transition plan* for an explanation of the key levers, the actions undertaken by the brands and the resources allocated.

Management of climate-related risks

See *Climate-related risks* for work done to assess climate-related risks, outcomes and next steps.

How we measure our performance

In order to ensure that measures are taken to reduce GHG emissions in our own operations and supply chain and to increase energy efficiency in our own operations, we have set the targets mentioned below.

In setting up our targets, we engaged with brands stakeholders as well as with senior leadership teams and the Executive Committee. As the SBTi is the only internationally recognized GHG-target setting body, our targets are aligned to their pathways and are pending validation, except for the scope 1 and 2 near-term target, which has been approved.

We currently have no additional targets set on climate-related risks and opportunities, CCA or transition risk mitigation. As we advance our work on climate, we will evaluate the need to define and update our targets.

Scope 1 and 2 targets

Timeline	Target
Scope 1 and 2 (market-based) (2018 baseline[1])	
Short term	>38% reduction by 2025
Near term	50% reduction by 2030[2]
Long term	Net zero: 90% reduction and 10% removals by 2040

Milestone	
Near term	We plan to reduce electricity emissions to zero by 2035.

1. The 2018 restated baseline is 4.0 $MtCO_2e$.
2. The SBTi has approved Ahold Delhaize's scope 1 and 2 near-term science-based emissions reduction targets. These targets are based on a 1.5-degree decarbonization pathway.

Ahold Delhaize developed science-based targets (SBTs) for scopes 1 and 2 (market-based) in 2019, and submitted targets to the SBTi for validation in 2020.

Our near-term emissions reduction targets for scope 1 and 2, set in 2019, have been formally approved by the SBTi. This means that the SBTi has assessed the targets against the emissions reduction pathways necessary for the world to limit global average temperature rise 1.5ºC above pre-industrial levels and found them to be consistent with that outcome.

In accordance with SBTi technical guidance on setting SBTs, 2018 was selected as the baseline year, since it was the most recent year with robust scope 1 and 2 footprint data. The 2018 (restated) baseline for SBTi target setting is 4.0 $MtCO_2e$; see *Sustainability notes* for further details.

Environmental information: climate continued
Climate change continued

Scope 3 targets

Timeline	Target
Scope 3 (2020 SBTi-methodology baseline)	
Short term	• Suppliers representing 70% of our footprint will be asked to commit to the SBTi by 2025. • All our suppliers will be asked to report on scope 3 by 2025.
Near term[1]	• We commit to reduce absolute scope 3 FLAG GHG emissions by 30.3% by 2030 from the 2020 SBTi baseline for near-term target (of 16.8 $MtCO_2e$)[1]. • We commit to reduce absolute scope 3 E&I GHG emissions by 42.0% by 2030 from the 2020 SBTi baseline for near-term target (of 23.7 $MtCO_2e$)[1].
Long term[2]	• We commit to reduce absolute scope 3 FLAG GHG emissions by at least 72% by 2050 from the 2020 SBTi baseline for long-term target (of 22.6 $MtCO_2e$)[2, 3]. • We commit to reduce absolute scope 3 E&I GHG emissions by 90% by 2050 from the 2020 SBTi baseline for long-term target (of 29.2 $MtCO_2e$)[2, 3].
Net zero	• We commit to reach net-zero GHG emissions across our value chain by 2050[3].

1. Committed, but not yet approved by the SBTi, the target is based on a 1.5-degree decarbonization pathway. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.
2. Ahold Delhaize has also committed to set long-term scope 3 emissions reduction and net-zero targets by 2050. These targets are submitted, but not yet validated by the SBTi. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.
3. In the setting of our long-term and net-zero SBTi targets, we are planning to also make use of removals to the extent permitted by the SBTi guidance.

In 2023, in line with the SBTi guidance on land-related (forest, land and agriculture sector or FLAG) and non-land-related (Energy and Industrial sector or E&I), we replaced both our near-term and long-term scope 3 GHG emissions reduction targets with two reduction targets, FLAG and E&I sector targets. Both our near-term (2030) and our long-term (2050) scope 3 reduction targets are consistent with the SBTi methodology with the aim of maintaining the level of decarbonization required to keep the global temperature increase within 1.5°C of pre-industrial temperatures.

The estimated FLAG emissions make up 42% our total GHG footprint in 2024. In setting the target, we applied the SBTi FLAG Standard with a linear annual reduction of 3.03%. For the E&I sector emissions target, we consider the SBTi's 4.2% annual reduction. We submitted the scope 3 targets to the SBTi in October 2023 and they are pending validation. Conversations and responses to queries from the SBTi on our submitted scope 3 targets are ongoing.

We continue to use 2020 as our baseline year for scope 3, consistent with the prior submissions, given the improved quality and robustness of our local brands' data for that year.

The near-term (2030) reduction targets cover 67% of category 1 purchased goods and services emissions, 0% of categories 14 and 15 and 100% of emissions under the remaining scope 3 categories, while the long-term (2050) reduction targets cover 90% of category 1 purchased goods and services emissions, 0% of categories 14 and 15 and 100% of emissions under the remaining scope 3 categories. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more details on the calculation.

For setting our long-term and net-zero SBTi targets, we are making use of removals to the extent permitted by the applicable SBTi guidance.

As a general rule, the use of carbon credits must not be counted as emissions reduction toward the progress of a company's near-term science-based targets. Carbon credits may only be considered an option for neutralizing residual emissions or to finance additional climate mitigation beyond the science-based emissions reduction targets. We follow this principle in our target setting. See *GHG removals and carbon credits* for more details on our approach to carbon credits.

Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward science-based targets.

Metrics

We are guided by the standards of the GHG Protocol, which defines a global standardized framework for the measurement and management of GHG emissions from the private and public sectors. Our carbon footprint methodology follows the guidelines of the World Business Council for Sustainable Development (WBCSD)/WRI and we report our GHG emissions data with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Our methodology, estimates and judgments around the metrics used are included in *Sustainability notes*.

Energy consumption and mix

For details on the energy consumption and mix and energy intensity, see *Climate change* in the *Sustainability notes*.

Gross scope 1, 2, 3 and total GHG emissions

For details on the GHG emissions and GHG intensity, see *Climate change* in the *Sustainability notes*.

Performance management

GHG emissions (scope 1 and 2)

	2024	2023 restated	Change vs. prior year	Target 2030
Absolute CO_2e emissions from own operations ($MtCO_2e$)	**2.58**	2.65	(0.07)	
% reduction in absolute CO_2e emissions from own operations against 2018 baseline[1]	**36%**	34%	2pp	50%

1. Compared to the 2018 restated baseline of 4.0 $MtCO_2e$

Compared to our 2018 baseline, GHG emissions decreased by 36% in 2024. The main driver for the higher reduction percentage compared to last year was our reduction in emissions coming from refrigerants, demonstrating that our investments in cleaner refrigerants are paying off.

GHG emissions from refrigerant leakages remained our largest source of emissions. In 2024, these emissions totaled 1,199 kilotonnes, compared to 1,323 kilotonnes in 2023. In 2024, we saw a slight decrease in our leak rate. Furthermore, because we replaced high-GWP refrigerants with low-GWP and natural refrigerants, the average GWP of these leakages decreased. Refrigerant emissions per square meter of sales area were 144 kilograms CO_2e compared to 153 kilograms CO_2e last year.

Environmental information: climate continued
Climate change continued

Emissions from electricity and heat consumption were 1,135 kilotonnes in 2024, compared to 1,074 kilotonnes in 2023 (restated). This includes emissions from electricity, fuels used for heating and imported heat and cooling. Emissions per square meter of sales area from these types of energy consumption in 2024 were 136 kilograms, compared to 124 kilograms in 2023 (restated). In 2024, 49% of electricity consumed came from zero-emissions sources, compared to 52% in 2023. Although lower than last year, we are still on-track to reach 100% zero-emissions electricity by 2035.

Total emissions from transportation declined to 250 kilotonnes compared to 252 kilotonnes in 2023, due to lower fuel (mainly diesel) consumption.

See *Sustainability notes* for detailed calculations.

For calculating category 1 GHG emissions, which have the highest impact on both FLAG and E&I performance, we use the Big Climate Database to assess our products' emissions. This results in an emissions profile that aligns with our Company's performance. Therefore, our scope 3 purchased goods and services emissions reflect our Company's sales.

The fluctuations we see in the ratio of FLAG and E&I emissions are due to changes in our brands' product assortment. Other scope 3 categories included in our SBTi E&I-related emissions demonstrated, in general, an improved performance in 2024 compared to 2023. However, this does not significantly affect the total E&I emissions, as the majority of emissions stem from category 1.

GHG emissions (scope 3)

	2024 SBTi methodology	2023 SBTi methodology	Change vs. prior year	Target 2030
FLAG-related emissions				
Absolute CO_2e emissions from the value chain ($MtCO_2e$) – using SBTi target methodology	**18.51**	17.84	0.66	
% reduction/(increase) in absolute CO_2e emissions from the value chain – against the 2020 SBTi methodology baseline[1]	**(9.9)%**	(6.0)%	(3.9)pp	30.3%
E&I-related emissions				
Absolute CO_2e emissions from the value chain ($MtCO_2e$) – using SBTi target methodology	**23.76**	23.32	0.44	
% reduction/(increase) in absolute CO_2e emissions from the value chain – against the 2020 SBTi methodology baseline[2]	**(0.2)%**	1.6%	(1.9)pp	42.0%

1. Compared to the restated 2020 SBTi FLAG baseline of 16.8 $MtCO_2e$
2. Compared to the restated 2020 SBTi E&I baseline of 23.7 $MtCO_2e$

We also note that, based on 2023 data, the vast majority of our top 20% of suppliers by emissions are reporting decreases in their scope 3 emissions. We continue to work with the Carbon Disclosure Project (CDP) and our suppliers to adapt our calculation methodology to account for these real reductions.

Regarding our scope 3 short-term targets, in 2024, our brands asked that at least their top 70% suppliers by emissions commit to SBTi and report their scope 3 emissions.

GHG removals and carbon credits

By setting net-zero targets, Ahold Delhaize has committed to neutralizing residual emissions by our net-zero target dates. Carbon removal solutions are therefore an essential component of our long-term net-zero planning. Our primary focus remains on reducing emissions to minimize residuals as much as possible.

For our scope 1 and 2 emissions, to achieve net zero by 2040, we will reduce at least 90% of our baseline emissions and neutralize up to 10% with carbon removals sourced outside of our value chain.

Currently, we are focused on emissions reductions and are not purchasing removals at scale. To prepare for future needs, we are developing a sourcing strategy with a portfolio of solutions to:

- Secure the supply of high-quality removals necessary to meet our net-zero goals
- Incentivize the development and scaling of removal technologies
- Ensure that removals align with the durability and integrity standards required for our residual emissions

Our net-zero strategy excludes the use of avoidance offsets, as they do not contribute to the neutralization of residual emissions. Instead, we focus solely on carbon removal solutions that actively remove carbon from the atmosphere and store it in alignment with the characteristics of our residual emissions. Specifically:

- Fossil-based residual emissions: We aim to neutralize these with removal solutions offering high-permanence storage.
- Nature-based and short-lived residual emissions: We use removal solutions with lower-permanence requirements, appropriate to the emission source.

For scope 3 residual emissions, our approach is still in development and reflects the complexity of addressing emissions across our value chain. Our approach involves engaging with suppliers, particularly those in agriculture, to explore applying nature-based solutions in their operations. For fossil-based residuals, we aim to support suppliers in identifying appropriate removal solutions.

As policies and regulations evolve, and as advancements in carbon removal technologies progress, we will continue refining our approach to ensure it both meets our commitments and contributes meaningfully to global climate goals.

In 2024, Delhaize Belgium made carbon neutrality claims for several products. The brand purchased carbon credits, covering 3,150 tCO_2e, supporting carbon reduction projects outside their value chain. Of the total carbon credits, 93% were verified by Verra and 7% by Gold Standard. The underlying projects were located in Chile, the Democratic Republic of the Congo and Eritrea. These carbon credits were not used to offset our scope 3 carbon footprint.

Environmental information: climate continued
Climate change continued

Internal carbon pricing

Our Company uses internal carbon pricing schemes to support decision-making and incentivize investments that align with our climate-related targets. When our brands plan to open new stores or DCs, or remodel existing stores, they must create an investment proposal to assess the return on investment. These proposals consider both financial information and the environmental impact of the investment.

For new stores or DCs, we evaluate electricity consumption, fossil fuel usage for heating and cooling, and the type of refrigerants used. Based on this evaluation, we estimate the annual GHG emissions that the investment will generate. We then apply an internal carbon price of $180/€150 per ton to these emissions, adding this cost to the overall investment. The internal carbon price was determined in 2021 by looking at the market price and comparing with our peers. The difference between the dollar and Euro amount is due to exchange rate factors at the time and rounding. We review the internal carbon price annually and change if necessary. This internal carbon pricing scheme functions as a shadow price applied to CapEx decisions.

By incorporating this carbon cost, we encourage investments in low-carbon technologies and practices, as these will result in lower costs and higher returns on investment. This approach helps us achieve our GHG emissions reduction targets.

Our internal carbon pricing scheme is applied across all brands in the U.S. and Europe.

This approach addresses scope 1 and scope 2 emissions, specifically refrigerants, heating and cooling, and electricity, which amounted to 2,321 ktCO_2e in 2024, representing approximately 90% of our total scope 1 and 2 emissions in the year. The approach does not cover our own transportation, business acquisitions and scope 3 emissions.

Environmental information: nature

nature

Around the world, nature is declining at unprecedented rates. On average, there has been an approximate 73% decline in the size of populations of mammals, birds, fish, reptiles and amphibians in just over 50 years. In addition, six of the nine planetary boundaries have now been crossed – including climate change, biodiversity loss and land-system change.

As food retailers, we depend on a healthy and productive natural environment to put high-quality and affordable products on our shelves. Most of the products that we sell are derived from biological resources, and are dependent on productive soils, healthy waterways and effective pollination, among other things.

At the same time, food value chains place significant pressure on nature and biodiversity, through impacts such as ecosystem conversion and deforestation, water use, GHG emissions and pollution.

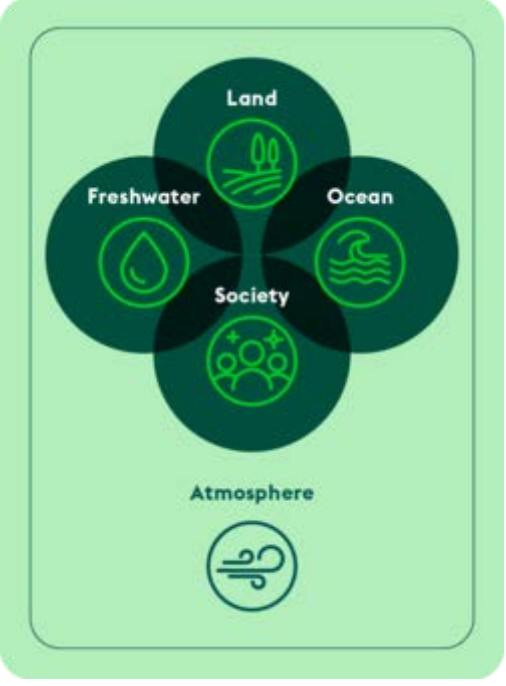
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What is nature?

Nature refers to the natural world, emphasizing the diversity of living organisms, including people, and their interactions with each other and their environment. It comprises four realms: land, ocean, freshwater and atmosphere. The four realms provide an entry point for understanding how organizations and people depend upon and impact nature.

For the purposes of this report, climate change, as it relates to nature, is dealt with as part of the overall climate topic; see *Climate change*.



Source: Recommendations of the Taskforce on Nature-related Financial Disclosures – September 2023, with reference to Science Based Target Network (2022) SBTN Glossary. The inclusion of atmosphere reflects the importance of air quality and the close association between climate- and nature-related risks and opportunities, while acknowledging that links with climate mitigation and adaptation occur across all realms.

Governance

At Ahold Delhaize, governance on nature is integrated into our broader sustainability governance approach; see *General information – Governance*.

Our Executive Committee, which includes our CSO, has oversight of nature-related impacts, dependencies and risks and is engaged in the review and ongoing development of our updated approach to nature. In addition, updates to nature elements of our principal risk on *climate and nature-related risks*, as well as the related mitigation actions, are performed and reported bi-annually to the Management Board and Supervisory Board as part of the ERM process.

To support the implementation of our approach to nature at a brand level, in 2024, we established a Nature Working Group, comprising representatives from each of our brands with responsibility for nature. Over the course of the year, the group met several times, discussing topics that included regenerative agriculture, deforestation and land conversion, and the nature project.

Environmental information: nature continued

IRO management

Policies

We have an overarching sustainability policy that includes several nature-related topics, and is applicable to all Ahold Delhaize brands. In addition to the sustainability policy, we have a more detailed nature standard that provides guidance to our brands on specific nature-related topics including:

a. Land use change, including deforestation and conversion: For more detail, see Policies – deforestation and land conversion under *Biodiversity and ecosystems*.

b. Land degradation: For more detail, see Policies – Sustainable and regenerative agriculture under *Biodiversity and ecosystems.*

c. Sea use change: For more detail, see Policies – Marine resources under *Water and marine resources*.

d. Extraction and use of marine resources: For more detail, see Policies – Marine resources under *Water and marine resources*.

e. Direct exploitation: For more detail, see Policies – Marine resources and Water consumption and withdrawals under *Water and marine resources*.

The nature standard will be reviewed in the coming years as we strengthen our work on nature.

Process to identify and assess material IROs

In our DMA, we identified the following relevant sub-topics relating to nature.

With the exception of climate change, all of these relate to our upstream value chain and are set out below:

Pollution	Water and marine resources	Biodiversity and ecosystems
Air pollution[2]	Water withdrawal[2]	Land/water/sea use change[2]
Water pollution[2]	Water consumption[2]	Land degradation[2]
Soil pollution[2]	Marine resources	Direct exploitation
Microplastics		Impacts and dependencies on ecosystem services[2]
Pollution of food and living organisms		Climate change[1]

1. While climate change is also identified as a material sustainability matter under Biodiversity and ecosystems, it is addressed as part of our disclosures under *Climate change*.
2. These items were in scope of the nature project. See below for additional detail.

The 2024 nature project

Process

Building on the DMA process, we worked with an external advisor to conduct a more detailed impact, dependency, risk and opportunity assessment of our own operations and own-brand supply chain. This work, collectively referred to as the "nature project," has enabled us to better understand where in our supply chain these topics are most relevant, and how we might be able to respond.

In 2025, we will further evaluate the results of our nature project and seek input into the development of key priorities moving forward.

In addition, the results of the project will be used to inform the review and update of our global nature approach and other priorities.

The assessment drew upon guidance from the Taskforce on Nature-related Financial Disclosure's (TNFD's) LEAP approach and from ESRS. To a lesser extent, we also drew on some concepts from Science-Based Targets for Nature (SBTN), such as the list of High Impact Commodities (HICs), and the concept of pressure and the State of Nature.

We did not conduct specific community consultations as part of the nature assessment. See also *Community impacts* for more information, including Human Rights Impacts Assessments (HRIAs), which cover community impacts stemming from environmental impacts.

2024 nature project

Activities		Impact assessment: Science-based evaluation of the severity and location of impacts on nature	Dependency assessment: Assessment of reliance on specific ecosystem services	Risks and opportunities: Assessment of nature-related risks and opportunities	Wrap up: Consolidation of results, interpretation and next steps
Scope	Direct operations	✓		High-level scan	✓
	Upstream value chain	✓	✓	✓	✓

Environmental information: nature continued

Outcomes of the 2024 nature project

Through the project, we assessed potential impacts on nature and biodiversity in our upstream own-brand value chains, with a focus on 27 HICs[1]. In evaluating these impacts, we considered both the pressure these commodities place on nature and biodiversity, and the state of nature in the actual or estimated production location[2]. To assess pressure, we conducted life-cycle assessments over several nature pressure categories, including water use, water pollution, soil pollution, air pollution and land use. The State of Nature assessment included consideration of whether the value chain was likely to intersect with key biodiversity areas or ecologically sensitive areas.

1. The pressure assessment was conducted at the product level, rather than the ingredient level. While the approach varied across categories, this means weight was allocated to HICs based on assumptions.
2. In instances where the country of origin of select HICs was unknown, we utilized desk-based research and trade flow databases to identify likely sourcing countries. In these instances, and where sub-national information was not available, we utilized MapSPAM crop maps to identify likely sourcing locations within a country.

The assessment identified several high-impact value chains for additional exploration, set out below.

High-impact value chains for additional exploration	
Land use, soil, air and water pollution	Animal value chains such as beef, poultry, pigs and dairy (includes feed) in selected locations
Deforestation and conversion	Palm oil, soy, cocoa, coffee, tree nuts, pulp, banana, avocado and beef value chains in selected locations
Water use	Tree nut, cotton, cocoa, beef, dairy, rice and avocado value chains in selected locations

Our existing program of work on deforestation and conversion covers many of the value chains flagged for further exploration, including palm oil, soy, coffee, tea, cocoa and wood fiber. See *Biodiversity and ecosystems* for more information on our deforestation approach.

In the coming year, we plan to engage our brands, NGOs and value chain partners (where relevant) to validate the results of this assessment, investigate potential mitigation actions and further prioritize actions and value chains.

Dependency assessment

Food and agriculture value chains are highly dependent on ecosystem services. This year, we assessed the dependency of our brands' own-brand supply chains on four ecosystem services that are considered to have high or very high importance to the food and agriculture sector. The assessment drew on tools including ENCORE and the TNFD's Food and Agriculture Sector Guidance.

A summary of the results is as follows:

Ecosystem services	Relative dependency[2]	Related supply chains
Water supply and quality	●	The majority of our assortment is dependent on the provision of clean freshwater and fertile soil in order to support biomass supply. This includes animal products, broadacre crops, and fruits and vegetables.
Soil fertility and quality	●	
Biomass supply	●	
Pollination	●	Some products within our assortment have a high or very high[1] direct dependency on pollination. These include (but are not limited to) cocoa, melons, pumpkins and squash, tree nuts, avocados, cucumbers, berries, plums, pears, apples apricots and peaches. We also have an indirect reliance on pollinators through other value chains, e.g., pollination required to produce some crops in feed in animal value chains.

Level of dependency ● Very high ● High ● Medium

1. Very high dependency refers to crops that are expected to have a yield reduction of more than 90% without pollinators. High-dependency crops are those with an anticipated yield reduction of approximately 40-90% without pollinators.
2. Refers to the proportion of the assessed assortment that has a high or very high direct dependency on the ecosystem service

Nature risks and opportunities

Building on the risks and opportunities identified through the DMA, we conducted a more detailed risk and opportunity assessment, focusing on physical and transition risks in our upstream value chain.

We assessed the likelihood and magnitude of 21 risks and opportunities in our upstream value chain using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, the results of our impact and dependency assessments, and desk-based research.

The risks and opportunities assessed are set out in the table below, with those initially identified to be most severe underlined. We have included some additional detail on several risks, along with current mitigation where relevant.

This represents our first nature risk assessment, and we will continue to refine and build upon this work in years to come. As a first step, we will engage with our brands to validate the results, and will work to embed the learnings and outcomes of this process into our ERM risks on climate and nature, where applicable.

Environmental information: nature continued

We utilized scenario assessment to understand the way that six of the most severe risks might evolve under a pessimistic scenario. To do so, we drew upon the TNFD's critical uncertainties matrix, utilizing scenario #3, "sand in the gears." We did not explicitly consider systemic risk in this assessment.

Physical risks	• Water availability[1] • Water quality[1] • Soil quality • Invasive species[1] • Pollinator decline • Herbicide resistance[1] • Loss of genetic diversity[1] • Pests and diseases • Air pollution • Habitat loss	*Example* Reduction in the availability and flow of water could result in supply chain disruption, reduced availability or increased prices. Higher-risk value chains include fruit and vegetables from Spain. Ahold Delhaize and its brands are engaging with suppliers to mitigate risks around agricultural yields driven by nature and climate risk. See *Climate change: Process to identify and assess material climate change mitigation and adaptation-related IROs* paragraph for more information.
Transition risks	• Consumer preferences • Investor sentiment • Community and stakeholder conflict[1] • Adverse media and NGO attention • Policy and regulations[1] • Litigation and liability[1] • Monitoring[1] • Production systems	*Example* Increasing policy and regulations on nature and biodiversity can pose a transition risk. These regulations could also create exposure to litigation. We actively manage risks relating to new policies, litigation and regulations as part of our GRC framework. As an example of recent action on environmental regulations, this year we took significant steps to prepare the business for the EU Regulation on Deforestation Free Products (EUDR) introduction.
Opportunities	• Plant-based transition[1] • Investment in regenerative agriculture • Increase in organic assortment • Diversification of product portfolio to include the adoption of broader varieties	*Example* Increasing the sale of plant-based products has the potential to reduce pressure on nature and climate and to support positive health outcomes for our brands' customers. See *Climate change* for EU targets set in relation to the plant-based protein transition as part of scope 3 reduction activities.

1. The underlined topics were initially identified to be the most severe.

Updating our approach to nature

In 2024, we took several significant steps to better understand our relationship to nature and to build our thinking around an updated approach. Key actions this year included:

- Producing a detailed impact, dependency and risk assessment and identifying priority value chains (via the nature project).
- Performing an initial analysis of nature impacts in feed, national-brand and packaging value chains for one of our brands.
- Establishing a Nature Working Group to facilitate the education and cross-pollination of work on nature across our brands.
- Holding several education sessions on nature with our brands and with leadership groups, including our SLT and our H&S Leadership Community.
- Enhancing our disclosure of nature-related impacts, risks and opportunities. In this Annual Report, we included, for the first time, a *TNFD index* to demonstrate our initial work toward implementing the recommendations of the TNFD.

In the coming year, we will continue to build out our approach to nature, to determine whether we need to update our policies, allocate resources and set actions, metrics and targets.

Environmental information: nature continued

Pollution



pollution

Definition: The pollution of air, soil, water and living organisms and food resources through the emissions of pollutants including, but not limited to, nitrates, phosphates, pesticides, non-GHG air pollutants and microplastics, which may be harmful to human health and the environment. This occurs during the mining, cultivation, production or transport of products and services sold by Ahold Delhaize and its brands.

IRO management

Process to identify and assess material pollution-related IROs

See *Our material sustainability matters* for the pollution-related impacts and risk we have identified and assessed as material through our *DMA* process. Pollution was identified as a material sustainability matter for the first time in the 2024 DMA.

The material upstream impacts identified relate to negative effects on the environment due to air, soil, water and living organism pollution, and microplastics, and transition risks around microplastics.

In addition, see the description of work done as part of the *nature project*, which included a more detailed impact and dependency assessment on several material sub-topics, namely soil, water and air pollution.

Policies, actions and targets

The Company makes use of the transitional provision related to value chain topics to phase in the reporting on pollution.

We do not currently have a policy, any formal action plans or targets on pollution linked to our material impacts and risks. In addition, as of yet, we have no significant operating or capital expenditure allocated to the matter.

In the coming years, the Company will further analyze the pollutants in its upstream value chain and determine the next steps, building on the outcomes of the nature project.

See *Waste* and *Packaging* for policies, actions and targets on waste and packaging, which have indirect impacts on the pollution of water and soil.

Note that the impacts of the seven GHGs are out of scope of Pollution and are addressed in *Climate change*.

Environmental information: nature continued
Water and marine resources



water and marine resources

Definitions:
Water: Understanding and managing impacts, dependencies and risks linked to freshwater withdrawals and consumption in our upstream value chains. It is focused on water use in cultivation, production and processing of commodities and products sold by Ahold Delhaize and its brands.

Marine resources: Understanding and managing impacts, dependencies and risks linked to the harvesting of seafood from both wild catch and aquaculture operations in our upstream value chains.

IRO management

Process to identify and assess material water- and marine-related IROs

See *Our material sustainability matters* for the water and marine resource-related impacts and risks we have identified and assessed as material through our *DMA* process. The impacts identified as material are negative effects on the environment due to extraction and use of marine resources and water consumption and withdrawals. Both physical and transition risks have been identified for both water consumption and withdrawals, as marine resource extraction and use.

In addition, see the description of work done as part of the *nature project*, which included a more detailed impact, dependency and risk assessment of water in our upstream supply chains.

Policies

Marine resources

The identified impacts and risks relating to marine resources and seafood are covered in the global sustainability policy, with additional guidance included in our nature standard.

The objective of our policy is to manage our impacts and dependencies by increasing the proportion of seafood that is produced in an environmentally and socially responsible manner.

Consistent with other commodities, our approach is focused on own-brand seafood products, as this is where Ahold Delhaize can make the biggest direct impact. Our approach to prevent, reduce or mitigate negative impacts and manage risks is to source seafood for our own brands that has either been certified, assessed by a third party, or is in an improvement plan.

For all seafood products, including national-brand products, our Standards of Engagement set expectations for suppliers with regard to fish stock management and practices to protect fish species.

We also support collaboration across the value chain (both own brand and national brand) by participating in partnerships and initiatives to address the challenges faced by the seafood sector. Additional detail on these partnerships are set out in the actions below.

Water consumption and withdrawals

Water consumption and withdrawals are new sub-topics identified in the DMA. As such, we do not currently have policies on water consumption and withdrawals in our upstream value chain. In the coming years, as we update our approach to nature, we will identify additional policies as needed, building on the outcomes of the nature project.

We are making use of the transitional provision related to value chain topics on water consumption and withdrawals.

Actions and resources

Ahold Delhaize brands have dedicated H&S teams that address matters relating to seafood and marine resources, alongside other sustainability topics. Actions to implement the policy on seafood did not result in significant, separately identifiable operating or capital expenditure in 2024.

The process of complying with our sourcing requirements is also integrated into normal operations and, as such, not separable.

Marine resources

Standards of Engagement

In 2024, Ahold Delhaize started implementing version 4.0 of its Standards of Engagement. This latest version requires suppliers to comply with all applicable environmental legislation and maintain all relevant permits, including, but not limited to, fish stock species management, and utilize practices that protect fish stock species in line with local, national and international fisheries management regulations (e.g., U.S. Magnuson-Stevens Fishery Conservation and Management Act and International Regional Fishery Management Organization measures).

The new version of the Standards of Engagement applies to all suppliers, is rolled out as new contracts are entered into, and has an implementation period of three years.

Responsible sourcing of seafood

Our sourcing actions are centered on own-brand seafood and follow a three-pronged approach. By 2025, our aim is that all seafood purchased for our own-brand supply chains must comply with one of the following:

- Be certified against an accepted standard
- Be assessed by an accepted third party to be low or medium risk
- Be sourced from a supplier in an accepted Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP)

The requirements for accepted standards, third parties and improvement projects are set out in the *Sustainability notes*.

Our U.S. brands apply this three-pronged approach to all of their seafood sourcing, covering both own-brand and national-brand products.

Environmental information: nature continued
Water and marine resources continued

Many of the certification schemes that Ahold Delhaize accepts for seafood – the Global Sustainable Seafood Initiative (GSSI) recognized standards or Aquaculture Stewardship Council (ASC) standards – include controls relevant to:

- Direct exploitation of marine resources
- Habitats and conversion of marine ecosystems (sea-use change) – for example, caused by the establishment of new aquaculture sites, or the use of fishing methods that disturb the sea floor
- The environmental impacts associated with aquaculture feed (land-use change and direct exploitation) – for example, the risk of deforestation or unsustainable fishing practices linked to feed.

This action relate to the mitigation hierarchy layer of reducing the use of marine resources.

Partnerships and collaboration

Below is a summary of our seafood partnerships in 2024:

Multi-stakeholder collaboration	Focus
Global Tuna Alliance	An independent group of retailers and supply chain companies working to improve the social and environmental conditions in tuna supply chains.
Global Sustainable Seafood Initiative	A global multi-stakeholder initiative on sustainable seafood. Conducts benchmarking of certification schemes.
Seafood Task Force	Multi-stakeholder initiative on human rights in tuna and shrimp supply chains, with some focus on ecosystem conversion.
North Atlantic Pelagic Advocacy Group	Fishery Improvement Project in the North Atlantic Pelagic fishery, with relevance to our sourcing of mackerel and herring, and indirect sourcing of blue whiting via inclusion in salmon feed.

Water consumption and withdrawals

We do not currently have a global action plan for addressing the negative impacts and risks relating to water withdrawals and consumption. In the coming years, as we update our approach to nature, we will identify additional actions as needed, building on the outcomes of the nature project.

How we measure our performance

We do not have a target on upstream value chain material sustainability sub-topics relating to water consumption and water withdrawals yet and thus will make use of the transitional provisions on value chain topics.

We have the following ambition in place, focused on the sustainable sourcing of own-brand seafood products from our upstream value chain:

Timeline	Ambition
Short term	100% of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIP or AIP by 2025.

Our voluntary ambition was informed by participation in multi-stakeholder networks, such as those listed in the *Partnerships and collaboration* paragraph earlier in this chapter.

Currently, Ahold Delhaize has no targets linked to our material impacts and risks relating to water consumption and water withdrawals in the upstream value.

In the coming year, we will look at what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Metrics

We track our progress and performance through our use of certification for own-brand seafood products.

Performance management

	2024	2023	Change vs. prior year
Percentage of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIPs or AIPs	**96.7%**	96.9%	(0.2)pp

The percentage of certified own-brand seafood products remained almost flat compared to 2023.

We are continuing to work toward achieving our sustainably sourced seafood ambition, but there are gaps relating to some species and/or markets. For example, some of the products our brands sell come from small local fisheries, for which certification is not always available. In these instances, we are looking at options to partner with local research organizations or NGOs to assess their sustainability.

Environmental information: nature continued

Biodiversity and ecosystems



biodiversity and ecosystems

Definition: Understanding and managing the business's impacts and dependencies on biodiversity and ecosystems in upstream value chains as well as the related risks. Includes consideration and mitigation of the business's connection to relevant material drivers of biodiversity loss, including climate change, pollution, ecosystem conversion (including deforestation) and direct exploitation through seafood sourcing.

Strategy

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As a food retailer, Ahold Delhaize is dependent on healthy ecosystems for the products its brands source from value chain actors upstream. Changes in the health of these ecosystems can result in both acute and chronic impacts to the food supply chains.

Ahold Delhaize brands' operations are spread over a number of countries in Europe and on the U.S. East Coast. The Company is not dependent on a small number of suppliers or sourcing locations; therefore, our strategy and business model is reasonably resilient.

In addition, Ahold Delhaize and its brands are engaging with suppliers to develop solutions to address risks around product procurement and decreasing agricultural yields. This includes working with producers and cooperatives that invest in greenhouse facilities that can support environmental conditions optimal for production or regenerative agricultural practices. See *Climate change* for more detail.

The Company makes use of the transitional provision related to value chain topics to phase in the reporting on biodiversity and ecosystems. See also further information about the *nature project* executed in 2024.

Material IROs and interaction with strategy and business model

The DMA identified a potential material negative impact relating to land degradation in the upstream value chain.

Land degradation is the result of human exploitation, and is driven by practices and events including extreme drought, deforestation and ecosystem conversion, soil pollution, overuse of fertilizers and pesticides, overgrazing and monocultures.

No material negative impacts relating to desertification or soil sealing were identified.

IRO management

Process to identify and assess material biodiversity and ecosystem-related IROs

See the description of work done as part of the *nature project*, which included a more detailed impact, dependency and risk assessment of biodiversity and ecosystems in our upstream supply chains.

See *Our material sustainability matters* for the biodiversity and ecosystem-related impacts and risks we have identified and assessed as material through our *DMA* process.

Ahold Delhaize and its brands have some sites (mainly stores) in or near biodiversity-sensitive areas. We are not aware of material impacts on biodiversity connected to these sites. Based on analysis conducted to date, we have concluded that it is not necessary to implement a program of biodiversity mitigation measures for our own operations.

For more information on policies, actions, targets and metrics for the climate change-related impact and risk, see *Climate change*, and for the pollution-related impact and risk, see *Pollution*.

Policies

Our global sustainability policy, supported by our nature standard, includes Ahold Delhaize's overall policy and approach to biodiversity and ecosystems.

Our policy is focused on three areas: deforestation and land conversion; sustainable and regenerative agriculture; and marine resources. As a result, it links material sub-topics including land-use change, sea-use change, land degradation, direct exploitation of marine resources, and also, partly, impacts and dependencies on ecosystem services. However, the policy and standard currently have gaps relating to water, pollution and water-use change, as addressed in *Water and marine resources*.

Deforestation and land conversion

We follow the guidance and definitions of the Accountability Framework Initiative (AFI), and use a cut-off date of December 31, 2020, or the date of the applicable certification, whichever is earlier.

As a retailer with a global footprint, we source several commodities that are considered to have a high risk of deforestation and/or land conversion. Our focus is on own-brand products that contain one of the following commodities: palm oil, soy, coffee, tea, cacao and wood fibers. We use verification and, where possible, certification programs to address and minimize deforestation and land conversion. Where certified material is not available, for example in the case of embedded soy coming from South America, we buy credits to directly support farmers producing certified soy.

Environmental information: nature continued
Biodiversity and ecosystems continued

We will use the results of the nature project to review and determine what the next steps will be. We currently focus on our own-brand supply chain, as this is where we have the greatest oversight and control over the way products are farmed, produced and packaged. Over time, we will continue to consider how we can better understand and address these issues within our national-brand supply chains.

In addition, the EU has legislation addressing deforestation: the EUDR. Ahold Delhaize and its European brands will comply with this regulation when it becomes applicable.

The EUDR entered into force in June 2023 and was initially scheduled to become applicable on December 30, 2024. However, the EU Parliament and the Council have recently agreed to the Commission's proposal to delay its application by one year to give companies and authorities more time to better prepare for its implementation. This legislation aims to minimize deforestation and forest degradation associated with certain commodities and relevant products placed on the EU market.

Sustainable and regenerative agriculture

Poor farming practices can have adverse impacts on soil, waterways and biodiversity. As well as resulting in environmental damage, these practices can also undermine the resilience and productivity of food supply chains, which has consequences for food security, communities and businesses alike.

We identified several of the topics impacted by unsustainable farming practices as material sub-sub-topics during the DMA: land degradation, climate change (see *Climate change*), pollution of air, soil and water (see *Pollution*), water consumption and withdrawals (see *Water and marine resources*), and impacts and dependencies on ecosystem services.

Ahold Delhaize currently does not have a policy on sustainable and regenerative agriculture and, as these are topics within the value chain, the transitional phase-in provisions will be utilized for reporting.

All brands are, however, encouraged to support these types of farming practices. The nature of this support will depend on the resources and capacity of the brand and the make-up and structure of its supply chain.

Actions and resources

Actions to implement the existing policies around biodiversity and ecosystems did not result in significant, separately identifiable operating or capital expenditure in 2024. Ahold Delhaize brands have dedicated Health and Sustainability teams that address matters relating to biodiversity alongside other sustainability topics.

In addition to the actions discussed below, many other elements of our healthy communities & planet approach also reduce our negative impacts on nature and biodiversity. This includes actions to reduce plastic packaging and food waste and lessen our climate impact, and efforts to lead the transition to sustainable protein.

We do not currently incorporate Indigenous knowledge into actions on biodiversity and ecosystems or use any biodiversity offsets.

Standards of Engagement

According to our Standards of Engagement 4.0, which is being rolled out over the coming years, we expect our suppliers to:

- Comply with all applicable environmental legislation and maintain all relevant permits, including, but not limited to, deforestation and/or land conversion (e.g., EU Regulation on deforestation-free products) and agro-chemical and pesticide storage, use and management
- Not source materials associated with deforestation or land conversion, in line with the respective cut-off dates prescribed by legislation and/or by relevant standards (e.g., Roundtable on Sustainable Palm Oil)

See also *Workers in the value chain* for more information about our Standards of Engagement.

Deforestation and land conversion

Ahold Delhaize and its brands aim to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber by 2025. We achieve this by:

- Sourcing own-brand products containing coffee, cocoa, palm oil and tea that are, as much as possible, certified against an accepted standard
- Sourcing high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits
- Sourcing own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled

The requirements for accepted standards and credits are set out in the *Sustainability notes*.

Sustainable and regenerative agriculture

The Ahold Delhaize brands support sustainable and/or regenerative agriculture through multiple channels, including:

- Use of standards and certifications
- Establishment of brand-specific farming programs
- Partnerships with suppliers
- Support for NGOs and farming groups

Agriculture is a place-based science, which means that the most appropriate sustainable or regenerative practices will differ according to the local region, climate, crop and farm environment.

Many of our brands work with initiatives such as the GLOBALG.A.P. to contribute to sustainable agriculture in their upstream value chains.

Our brands are working to further integrate sustainable agriculture expectations into sourcing requirements. Many work directly with suppliers to adopt sustainable agriculture practices that include conserving natural resources, reducing land conversion and improving soil health.

In addition, this year, our U.S. and Belgian brands announced regenerative agriculture pilots in partnership with our suppliers. These pilots focused on commodities, such as wheat and oats. Following the completion of these pilots, we will identify key learnings and share them across the brands.

These activities relate to the mitigation hierarchy layers of avoiding, minimizing and regenerating nature.

Environmental information: nature continued
Biodiversity and ecosystems continued

More sustainable consumption patterns

We aim to encourage customers, for example, through our product offering, to increase their consumption of plant-based proteins, which, when produced sustainably, have fewer environmental impacts than animal-based proteins. See also *Climate change: scope 3 key levers* for the European activities around transitioning to more plant-based protein.

This action relates to the mitigation hierarchy layer of reducing the impact and risk of our supply chains on nature.

Annual risks assessments

Our brands conduct an annual sustainability risk assessment to identify social and environmental risks linked to our sourcing practices. This assessment considers environmental impacts such as land conversion, pesticide use and water use, as well as a range of social impacts. Our brands use its outputs to inform their ongoing work on these topics in their supply chains.

Multi-stakeholder partnerships

We know that transitioning to a more sustainable food system will require coordinated action from a variety of actors across governments and NGOs and within food and beverage value chains. For this reason, we are involved in several multi-stakeholder forums centered on critical social and environmental challenges and solutions linked to biodiversity and ecosystems.

Multi-stakeholder collaboration	Focus
To advocate progression in supply chains and promote system change:	
The Tropical Forest Alliance (TFA)	A multi-stakeholder partnership platform supporting companies in the global transition to deforestation-free supply chains for commodities like palm oil, soy, beef and paper/pulp.
The Roundtable on Sustainable Palm Oil (RSPO)	A global partnership promoting sustainable palm oil production, processing, trade and use through the development and implementation of global standards.
The Retailer Palm Oil Group (RPOG)	A non-competitive coalition of retail companies committed to using sustainable palm oil in their products, aiming to make sustainable palm oil the norm.
The Palm Oil Transparency Coalition (POTC)	A pre-competitive coalition working to remove deforestation and exploitation from palm oil production. Focuses on transparency, traceability and sustainability in palm oil supply chains through, for example, their annual trader assessment.

Multi-stakeholder collaboration	Focus
The Round Table for Responsible Soy (RTRS)	Promotes responsible soy production, processing, trade and use. Develops and implements global certification standards for sustainable soy.
The Retailer Soy Group (RSG)	A non-competitive group of retail companies committed to increasing the use of sustainable soy in their products, aiming to make sustainable soy the norm and increase transparency in the soy supply chains.
Transitioning farming systems:	
Sustainable Agriculture Initiative (SAI) Regenerating Together Group	Ahold Delhaize was a founding member of the SAI's "Regenerating Together" group and subsequent program. The working group has members spanning food value chains and supports the development of a regenerative agriculture framework.

How we measure our performance

To measure our performance, we have the following ambition in place addressing land conversion and deforestation, which is focused on the sourcing of own-brand critical commodities:

Timeline	Ambition
Short term	By 2025, Ahold Delhaize and its brands aim to be 100% deforestation- and land-conversion free for own-brand products containing soy, palm oil, cocoa, coffee, wood fiber and tea. We refer to no deforestation or land conversion as defined by the *Accountability Framework Initiative* or the *Forest Resources Assessment*. The cut-off date we use is December 31, 2020, or the date of the applicable certification, whichever is earlier. We achieve this by having: • 100% of own-brand products containing coffee, cocoa, palm oil and tea certified against an accepted standard • 100% of high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits • 100% of own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled

Environmental information: nature continued
Biodiversity and ecosystems continued

Our voluntary ambitions are broadly aligned with the aims of both the Kunming-Montreal Global Biodiversity Framework and the EU biodiversity strategy. We have not reviewed alignment with national-level policies and legislation.

Regarding the mitigation hierarchy, our ambition most closely related to attempting to “minimize” or “avoid” negative impacts. We did not apply ecological thresholds and allocations of impacts to Ahold Delhaize when setting our voluntary ambition.

Our ambitions were informed by participation in multi-stakeholder networks, such as those listed in the *Multi-stakeholder partnerships* paragraph earlier in this chapter.

Biodiversity offsets were not used in setting the above-mentioned ambition.

We do not have targets on all upstream value chain material sustainability sub-topics yet, and thus will make use of the transitional provisions on value chain topics.

We are on track to achieve our ambitions for tea and soy; however, certain commodities, like palm oil, continue to pose challenges. In the case of palm oil, the limited availability of certified palm kernel oil and its derivatives, most commonly used in non-food products, remains an obstacle. Wood fiber, coffee and palm oil are areas of focus.

In the coming year, we will review the ambition and will look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Our current ambitions have a time horizon up to the end of 2025. At the completion of our nature project, we will determine the most appropriate future ambitions and actions going forward, where applicable.

See also *Water and marine resources* for the ambition on sustainable sourcing of seafood.

Metrics

We track our progress and performance by certifying own-brand products, with a focus on the six critical commodities.

The methodology, data considerations and requirements for accepted standards are set out in the *Sustainability notes*.

Performance management

Performance indicator description	2024	2023	Change vs. prior year
Tea, coffee and cocoa			
% of own-brand products containing **tea** (as defined) certified against an accepted standard	**99.5%**	99.4%	0.1pp
% of own-brand products containing over 1% **coffee** by weight certified against an accepted standard	**97.4%**	97.1%	0.3pp
% of own-brand products containing over 5% **cocoa** certified against an accepted standard	**96.5%**	91.8%	4.7pp
Palm oil			
% of certified palm oil in own-brand products	**96.4%**	93.7%	2.7pp
Wood fiber			
% of own-brand wood-fiber based products either certified against an accepted standard, classified as low-risk or recycled	**91.6%**	93.4%	(1.8)pp
Soy			
% of high risk own-brand soy certified against acceptable standards or covered by accepted credits[1]	**100%**	100%	0.0pp

1. This also includes credits purchased in the first quarter of the next financial year. See *Sustainability notes: Biodiversity and ecosystems* for information.

We are on track to achieve our ambition of having 100% of coffee, tea and cocoa certified against an accepted standard. In 2024, we made good progress in increasing the percentage of certified cocoa.

The improvement in certified palm oil is mainly attributable to our U.S. brands achieving a higher certification compared to 2023. Future improvement in a number of European brands will be required to achieve the 2025 ambition.

The percentage of own-brand wood-fiber-based products certified against an accepted standard, classified as low-risk or recycled, decreased, due to fluctuations in certification by European brands.

Environmental information: nature continued
Animal welfare



animal welfare

Definition: Understanding and managing the business's actual and potential impacts on animal welfare in upstream value chains, considering the five domains of animal welfare: nutrition, physical environment, health, behavioral interactions and mental state.

Strategy

For more information on our strategy and how the material sustainability matters identified are linked with Ahold Delhaize's Growing Together strategy, see *Our material sustainability matters*.

Animal-derived proteins are still an important part of the human diet – predominantly eggs, chicken, pork, dairy and beef – but the economics of their production often has an inversely proportional relationship to the welfare of the animals. Higher animal welfare standards require investments in physical space, working hours and specialized equipment, which might not always be available in certain markets.

At the same time, farm animal welfare is connected to food safety, due to the close links between space provided to animals and their health. Higher stocking densities require a higher usage of antimicrobials to keep the animals healthy, which may lead to antibiotic-resistant pathogens for humans.

Ahold Delhaize and its brands support the welfare of animals and the provision of safe food, while, at the same time, preserving access to affordable, fresh products.

Our approach to animal welfare currently focuses on stronger animal welfare standards for own-brand and national-brand whole- or single-ingredient products derived from farm animals globally, as well as (aquaculture-farmed) seafood.

We support the internationally recognized Five Freedoms of animal welfare. However, the traditional approach of the Five Freedoms is increasingly found to be limited, as it assumes that the absence of negative experiences (or "freedoms" from negative states) alone ensures high welfare.

A more modern framework, the Five Domains model, is gaining prominence. This approach not only focuses on minimizing negative experiences but also on enhancing positive ones, aiming to ensure the highest level of welfare throughout an animal's life. As a result, Ahold Delhaize is transitioning to the Five Domains framework in our approach to animal welfare.

The five freedoms	The five domains
Freedom from hunger and thirst	**Nutrition:** Factors that involve the animal's access to sufficient, balanced, varied and clean food, and water.
Freedom from discomfort	**Physical environment:** Factors that enable comfort through temperature, substrate, space, air, odor, noise and predictability.
Freedom from pain, injury or disease	**Health:** Factors that enable good health through the absence of disease, injury and impairment with a good fitness level.
Freedom to express normal behavior	**Behavioral interactions:** Factors that provide varied, novel and engaging environmental challenges through sensory inputs, exploration, foraging, bonding, playing, retreating and others.
Freedom from fear or distress	**Mental state:** The mental state of the animal should benefit from predominantly positive states, such as pleasure, comfort or vitality, and fewer negative states, such as fear, frustration, hunger, pain or boredom.

The Five Domains model is context specific, and can be applied differently, depending on the role of a company within the value chain. For Ahold Delhaize, we use the following:

Nutrition domain: Ahold Delhaize wants each animal in its brands' supply chains to have access to the appropriate food in the appropriate quantity. This domain includes the topics of food and water quality, force feeding and starvation.

Physical environment domain: Ahold Delhaize wants each animal in its brands' supply chains to live in an environment that has adequate space for free movement and adequate lighting, noise and temperature. This domain includes limiting live animal transport times.

Health domain: Ahold Delhaize wants each animal in its brands' supply chains to live in good health, with limited disease, injury, functional impairment or routine mutilation. This domain includes the topic of beta-antagonists, which are sometimes used in livestock production to enhance growth and alter body composition, and antimicrobials.

We understand the significance of antimicrobials in both human and animal medicine and the threat from improper use in livestock supply chains. Some antimicrobials used in livestock supply chains are also used in human medicine and, if overused, can lead to increased antimicrobial resistance. We believe that antimicrobials used in animal medicine, when applied responsibly and under veterinarian oversight for treatment of disease or injury, promote good animal welfare; they should not be used unless the well-being of an animal is endangered. We don't support the prophylactic use of antimicrobials in animal farming, or their use as growth promoters.

Environmental information: nature continued
Animal welfare continued

Behavioral interactions domain: Ahold Delhaize wants each animal in its brands' supply chains to have agency when it comes to its behavior, through normal interaction with its environment, other animals and humans. This domain includes providing good living conditions to animals that are used for labor.

Mental state domain: Ahold Delhaize wants each animal in its brands' supply chains to experience a mental state of comfort, security and calmness. This domain includes the topic of pre-slaughter stunning: it is our aim that animal-based products come from farm animals that have been rendered unconscious and insensible to pain before harvest through effective stunning in a single attempt. To offer all customers a suitable choice, we accept alternative practices for religious slaughter.

IRO management

Process to identify and assess material animal welfare-related IROs

See *Our material sustainability matters* for the animal welfare-related impact we have identified and assessed as material through our *DMA* process: the negative impact on the well-being of animals through use of animals for food production, sourced from suppliers and sold by Ahold Delhaize brands.

Our current animal welfare approach addresses select species and industry practices. In 2025, we will conduct further analysis to refine priority topics and actions. Therefore, we will build out our animal welfare policy, action plans and metrics in the coming years. The Company makes use of the transitional provision related to value chain topics to phase in reporting on animal welfare.

Policies

We have an overarching sustainability policy that is applicable to all Ahold Delhaize brands. In addition to the sustainability policy, the Company also has a specific animal welfare standard that provides further guidance on our approach to animal welfare.

The animal welfare standard applies to both terrestrial farm animals and (aquaculture-farmed) seafood. The standard includes more information on terrestrial animals, including our interpretation of the Five Domains (our domain definitions) and guidance to brands, and, to a much lesser extent, guidance on seafood welfare. This is primarily due to the maturity of the supply chain, availability of data and practicality of confirming adherence. See *Water and marine resources* for more information on the responsible sourcing of seafood.

Actions and resources

Our local brands translate the guidance provided in our animal welfare standard into day-to-day decision making, taking into account local market conditions and local legislation. More information on specific brand approaches is available on the brand websites (see *www.aholddelhaize.com*).

This year, we updated our *Standards of Engagement* to incorporate our vision on animal welfare; besides complying with applicable legislation, we expect suppliers to commit to sound, science-based animal care practices and the elimination of animal cruelty, abuse and neglect. In addition, Ahold Delhaize expects suppliers to incorporate the Five Freedoms of animal welfare.

Ahold Delhaize is a member of several multi-stakeholder initiatives, such as SAI Beef (ERBS) and GLOBALG.A.P. (for pork and chicken). Key areas of action are antimicrobial use and mortality rates.

Each brand has one or more sustainability experts in-house, who also look after animal welfare topics. There are no specific, separately identifiable, dedicated resources allocated to the topic, but it is fully integrated into our sourcing of products where agreements are made with suppliers on animal welfare. Due to the activities being fully integrated into the daily operations, no significant operating expenses are identifiable and tracked.

As the activities are also aimed at improving animal welfare in the upstream value chain, no significant capital expenditure is incurred in relation to animal welfare.

In regions where consumer uptake of cage-free eggs is slower than expected, our brands work with consumer research and egg producer organizations to evaluate how in-store signage supports customer education and at-shelf purchase decisions.

We will continue to evaluate our animal welfare program and make modifications as necessary.

How we measure our performance

Consistent with the reporting in our Annual Report 2023, the rate of supplier transition and consumer uptake in some regions is slower than expected. Therefore, in 2024, we reviewed our ambition on cage-free eggs and revised it as indicated below.

It is important to note that to achieve this revised ambition, availability within the supply chain, demand among customers, legislation and regulatory compliance with programs like the U.S. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), are all critical factors.

Environmental information: nature continued
Animal welfare continued

We recognize that this work cannot be done alone. The transition to cage-free eggs will require strong collaboration and partnership among partners, farmers, suppliers and customers, and we look forward to bringing these stakeholders along this journey.

When it comes to pork, our original ambition was based on the assumption that the industry would transition to the complete removal of gestation crates, which are used to confine pregnant sows for most of their gestation period. While these systems simplify management and prevent aggression, they raise significant welfare concerns, including extreme restriction of movement, the inability to express natural behaviors and the potential for stress and frustration.

However, transitioning to fully crate-free systems has proven challenging and impractical due to space constraints, the need to manage sow aggression, and the higher costs and labor demands of such systems. In response, the industry has broadly shifted toward group housing, which addresses many welfare concerns by allowing sows greater freedom of movement, opportunities for social interaction and a more enriched environment, while balancing operational feasibility.

In 2024, we reviewed our pork animal welfare ambition to reflect evolving industry practices and the regulatory requirements in the EU. While EU legislation mandates that sows must be kept in groups for most of their gestation, they still permit the use of stalls during the initial four weeks of pregnancy for breeding and stabilization purposes.

Recognizing the impracticality of fully crate-free systems and the welfare improvements achievable with group housing, we have revised our ambition to align with this model, which reflects the prevailing trend in the U.S. and the intent of EU legislation to improve sow welfare while addressing operational realities.

Our voluntary ambitions were informed by consultations with international animal welfare organizations.

We do not have ambitions on upstream value chain material sustainability sub-topics relating to animal welfare beyond our current focus topics. We are currently evaluating the completeness of this and thus will make use of the transitional provisions on value chain topics.

As noted earlier, our current animal welfare approach addresses select species and industry practices and we will review these ambitions and look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Currently, we have defined the following updated ambitions, which are focused on improving the physical environment of swine and laying hens:

Timeline	Ambition
2032	All Ahold Delhaize brands have the ambition of being 100% cage free for own-brand and national-brand shell eggs by 2032[1].
2028	Our U.S. brands have the ambition to sell 100% pork products from group-housed swine by 2028. Our European brands continue to ensure compliance with EU legislation that limits the use of gestation crates for swine for extended periods, which is comparable to our ambition for our U.S. brands[2].

1. During 2024, the ambition was updated, following a review of the progress made and market circumstances. The previous ambition was that all European Ahold Delhaize brands, other than Albert Heijn and Delhaize Belgium, and all U.S. brands committed to being 100% cage-free for own-brand and national-brand shell eggs by 2025. Albert Heijn and Delhaize Belgium have already achieved 100% cage-free own-brand and national-brand eggs.
2. During 2024, we revised the U.S. brands' ambition from the aim to eliminate the use of gestation stalls by 2025 or sooner to the above.

Metrics

We currently only report on the cage-free eggs metric. The Company makes use of the transitional provision related to value chain topics to phase in reporting on animal welfare.

Performance management

	2024	2023	Change vs prior year
Percentage of shell eggs that are cage free	47%	45%	2pp

In 2024, our brands have continued to advance on the cage-free eggs ambition through supplier engagement and phasing out non-compliant items from their assortment.

Albert Heijn and Delhaize Belgium have already achieved 100% cage-free own-brand and national-brand eggs.

Environmental information: circularity
Packaging

circularity

Circularity refers to the practice of keeping resources in circulation for as long as possible, thereby minimizing waste. This approach encourages us to rethink the design and management of our products and operations.

At Ahold Delhaize, packaging and waste – especially food waste – are the most material sustainability matters linked to circularity, making them our primary focus areas. These topics are closely linked to our *Healthy communities & planet* strategic priority and serve as starting points for our efforts to manage resources more efficiently across the value chain.

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packaging

Definition: Our brands are continuously improving product packaging by reducing virgin plastic use, incorporating more recycled content, and adopting recyclable or reusable materials in own-brand plastic packaging.

To achieve this, we measure the packaging we place on the market and concentrate our efforts on sourcing packaging that relies less on finite resources and is designed to retain its highest value for longer, preventing it from becoming waste.

IRO management

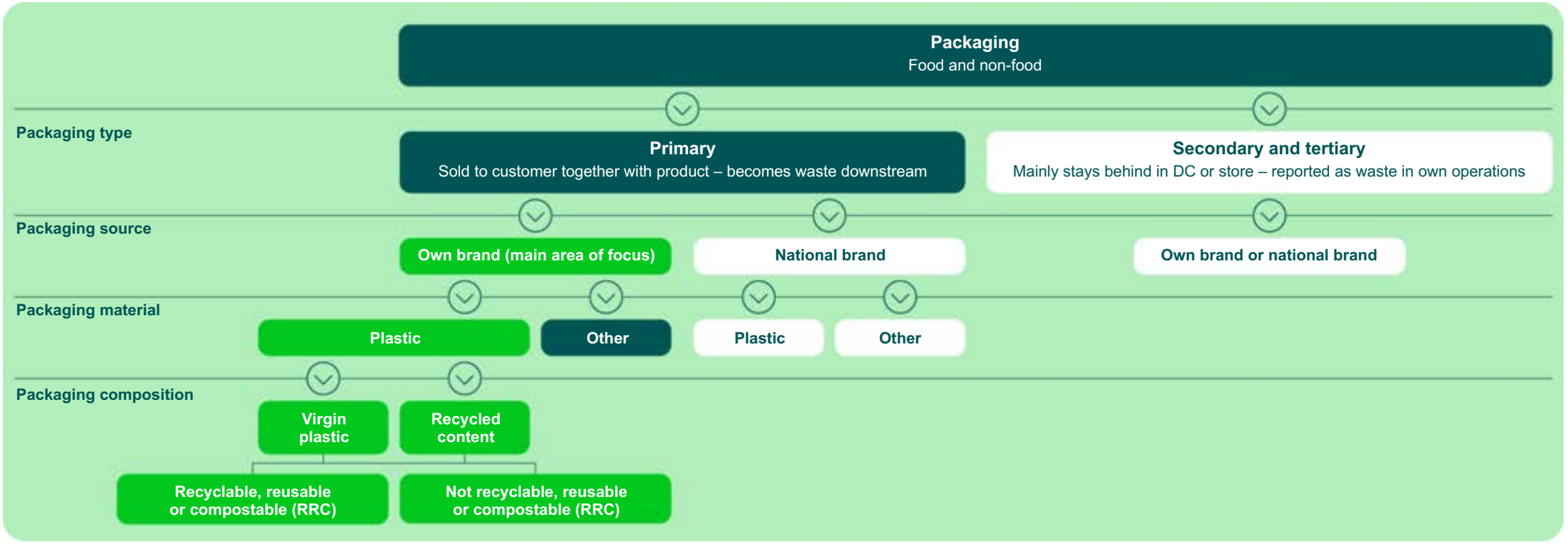
Process to identify and assess material packaging-related IROs

See *Our material sustainability matters* for the packaging-related impact and risk we have identified and assessed as material through our *DMA* process.

The impact around packaging we have identified as material is the negative impact on the environment through the production, use and disposal of (virgin) plastics, cardboard and other (non-)compostable primary and secondary packaging materials used and sold by Ahold Delhaize's brands. In addition, we have identified a transition risk around increased regulatory pressures. The IROs are upstream in the value chain.

In our business model, we mainly use packaging, such as plastics, for our own-brand products and through CPG suppliers that manufacture branded products delivered to our brands' own operations. Ahold Delhaize and its brands do not manufacture any packaging. Our approach and actions to address packaging-related impacts, risks and opportunities depend on the classification of the packaging. We aim to prioritize our policies and actions in the areas where we can maximize our impact and where we have more data available.

Environmental information: circularity continued
Packaging continued



1. **Packaging type:** Primary packaging is sold with the product to the customer and becomes waste downstream. In order to reduce the negative impacts on the environment, the aim is to eliminate or reduce primary packaging. Where that is not possible, we should aim to use packaging that is made from recycled content and designed for recycling. Secondary and tertiary packaging is mainly waste in our own operations, and as such, Ahold Delhaize and its brands deal with it according to the waste hierarchy explained under *Waste*.
2. **Packaging source**: From a product management perspective, we classify the products (and the related packaging) we sell as either own-brand products or national-brand products, since the level of involvement in product development, ingredients, packaging and market propositioning differs. This subsequently impacts the level of influence we have on managing the related impacts, risks and opportunities, and our actions related to it.

   For the definitions of own brand and national brand, see *Definitions and abbreviations: Non-financial performance measures*.
3. **Packaging material**: Different types of packaging, such as glass, paper, aluminum and plastic, are used to pack the products sold by Ahold Delhaize and its brands. The production, use and disposal of (virgin) plastics, cardboard and other packaging materials used and sold by our brands can have negative effects on environmental resources.
4. **Packaging composition**: From a circular economy and environmental perspective, our activities aim to reduce or eliminate the use of virgin plastics, replace them with recycled content where elimination is not possible, and work toward ensuring that plastic packaging is recyclable, reusable or compostable.

Environmental information: circularity continued
Packaging continued

We consider plastic to be the most problematic material type due to the following reasons, among others:

- It relies on fossil fuels (finite resources) and significantly contributes to GHG emissions.
- The existing recycling infrastructure is inefficient compared to materials like paper and glass, requiring both a concerted industry effort to improve recycling rates and a reduction in the inflow of plastic to the system.
- As a non-biodegradable material, it causes long-lasting environmental harm when mismanaged or improperly disposed of.
- It poses potential health risks due to chemicals of concern and microplastics.

Studies from organizations including the Ellen MacArthur Foundation (EMF), the World Economic Forum and UNEP broadly highlight these aspects. We will conduct further investigations to better understand the impacts of other packaging materials in the future.

Policies

Ahold Delhaize has an overarching sustainability policy that also includes topics related to circularity, and is applicable to all our brands. The Company makes use of the transitional provision related to value chain topics to phase in reporting on packaging.

In addition to the sustainability policy, the Company also has a plastic packaging standard that documents how plastic packaging is managed within our brands' own operations.

As a signatory to the New Plastics Economy Global Commitment ("The Global Commitment") and a supporter of the Business Coalition for a Global Plastics Treaty – both initiatives led by the EMF in collaboration with the UN Environment Program and WWF respectively – Ahold Delhaize has set plastic packaging-related targets for 2025.

In line with guidance from the EMF, we follow a framework designed to help us move toward a more circular system for own-brand product packaging, through:

1. Elimination
2. Shift to reusable
3. Shift to recyclable or compostable in practice and at scale
4. Decoupling the use of plastic from the consumption of finite (fossil) resources
5. Elimination of hazardous chemicals from plastic

Our policy on plastic packaging is focused on own-brand primary plastic packaging.

Our approach for branded products is to encourage CPG suppliers to become members of the EMF in order to unite more suppliers behind a common vision of a circular economy for plastics, and set reduction targets in line with the Foundation's guidance.

Our policies currently do not address packaging materials other than plastic.

Actions and resources

While each brand has one or more sustainability experts in-house, these specialists are not necessarily fully dedicated to (plastic) packaging. Management of this topic is also embedded in our brand teams' roles in product development, store operations and DC logistics. It does not require specific, separately identifiable, or dedicated resources to be allocated to the topic.

Primary plastic packaging

National brands

For national-brand products, we do not control the plastic consumption or usage within the value chain and we do not always receive detailed data on the types of plastics used in these products. We encourage our suppliers to become members of the EMF but do not explicitly monitor memberships.

Over 1,000 organizations from across the world, including businesses representing 20% of all plastic packaging produced globally and over 50 government signatories, have mobilized behind The Global Commitment's common vision of a circular economy for plastic.

Many of our significant suppliers have already made this commitment, including Nestlé, PepsiCo, The Coca-Cola Company, Unilever, Mars Incorporated and L'Oréal, along with major packaging producers like Amco, plastics producers such as Novamont and resource management specialist Veolia. These suppliers account for a significant portion of the branded products in our brands' operations.

We monitor progress made by signatories of The Global Commitment through the annual progress reports issued.

The progress report 2024 is available *here* and covers the 2023 reporting year. The report shows continued progress by signatories on virgin plastic production, post-consumer recycled (PCR) content and recyclability. Key findings included in the report are:

- Signatories decreased their total and virgin plastic packaging weight, with the virgin weight decrease being the greatest yearly reduction since 2018.
- For the sixth consecutive year, signatories continued to increase their use of PCR content.
- Between 2022 and 2023, signatories' recyclability in practice and at scale went up by 4 percentage points, mostly because the packaging category PP other rigids (pots, tubes, cups, etc.) is now recognized as recyclable. There is sufficient evidence that recycling rates have grown for this packaging type in multiple regions.
- With a large part of the plastic packaging industry not yet taking action, and signatories likely to miss key 2025 targets, the world is off track on eliminating plastic waste and pollution.

Own-brand

Our approach toward packaging is primarily focused on own-brand products and their primary plastic packaging, as we control the related processes within the value chain. Our brands continue to improve their own-brand product packaging by eliminating unnecessary plastic, switching to reusable and/or recyclable packaging, and increasing the use of recycled content in own-brand plastic packaging.

The vision behind the EMF guidance and framework is to help organizations progress to the target state all signatories seek over time, acknowledging that realizing it will require significant effort and investment, and recognizing the importance of taking a full life-cycle and systems perspective as we aim for better overall economic and environmental outcomes.

In line with guidance from the EMF, our actions are built on this framework, which is designed to help us move toward a more circular system for own-brand products, through the following steps:

1. Elimination

Eliminating problematic or unnecessary plastic packaging through redesign, innovation and new delivery models is a priority. To achieve a circular economy, we need to curb growth in the total amount of material that needs to be

Environmental information: circularity continued
Packaging continued

circulated. While plastics bring many benefits, there are some problematic items on the market that need to be eliminated to achieve a circular economy, and sometimes plastic packaging can be avoided altogether while maintaining utility. Elimination is about more than bans on straws and plastic bags – it is a broad opportunity for innovation.

By aiming to remove all unnecessary packaging and reduce the weight of the packaging as much as possible, we reduce the overall supply of plastic packaging.

2. Shift to reusable

The shift away from single-use toward reusable packaging is a critical part of reducing the negative impact of plastic usage. However, in order to have a real impact, reuse models need to be taken from niche to scale. The Global Commitment states in its 2023 Progress Report that strong policy measures will be crucial to enable the scaling of reuse, and unlock the significant benefits it can offer. In parallel, businesses should drive progress where they can.

Brands are encouraged to explore and implement reusable alternatives for single-use plastic.

3. Recyclable or compostable in practice and at scale

The recyclability of product packaging is complex, as it often comprises several different materials.

Designing packaging to be reusable, recyclable or compostable is an essential step, but a circular economy is only realized if packaging is actually reused, recycled or composted in practice. This requires the necessary systems to be in place to collect, sort and effectively reuse, recycle or compost the packaging.

"Recyclable" means different things to different people in different contexts. In the context of The Global Commitment, "technically recyclable" is not enough.

Recycling needs to not just work in a lab – it should be proven that packaging can be recycled in practice and at scale. See our *Sustainability notes – Packaging* for more information on how we assess recyclability.

For some packaging categories – such as most rigid plastic packaging – in some geographies, designing technically recyclable plastic packaging is a crucial first step in facilitating the scaling of the necessary infrastructure to collect, sort and recycle these packages in practice.

Design changes, such as removing undetectable carbon black pigment and removing or redesigning components such as caps, lids, pumps and trigger sprays, have the potential to not only increase overall recyclability but also stimulate the scaling of essential infrastructure.

Governments are, however, essential in setting up effective collection infrastructure, facilitating the establishment of related self-sustaining funding mechanisms, and providing an enabling regulatory and policy landscape.

Similar to how recyclability is defined, for compostability, The Global Commitment also moves beyond technical compostability (i.e., meeting relevant international compostability standards) to compostability proven to work in practice and at scale.

The "in practice and at scale" requirement and suggested threshold result in some signatories reporting low or moderate recyclability percentages today. The threshold also means that progress toward 2025 targets can be expected to follow a "lumpy" trajectory (e.g., if infrastructure to collect and recycle certain high-volume categories of packaging reached the threshold scale requirement, recyclability scores would increase significantly).

It should be noted that recyclability and compostability percentages reported as part of The Global Commitment are not comparable to assessments and claims of recyclability using different definitions or methodologies. The definitions of recyclability and compostability used in the context of The Global Commitment are designed to be applied at a global level and are not linked to any specific geographical area, local context, or regulations, or on-pack recyclability or compostability labels.

Our brands have developed packaging guidelines for suppliers, providing recommendations such as:

- Designing packaging to be recyclable according to local or regional design-for-recycling guidelines
- Increasing the use of post-consumer recycled content where possible
- Avoiding black plastic and colored PET because they hinder recyclability
- Delivering and protecting products with the least amount of material.

In 2024, Ahold Delhaize brands put 170 thousand tonnes (2023: 169 thousand tonnes) of own-brand primary plastic product packaging on the market, of which 33% (2023: 28%) is currently reusable, recyclable or compostable.

4. Decoupling the use of plastic from the consumption of finite (fossil) resources

Moving toward a circular economy for plastic packaging involves decoupling the use of plastic from the consumption of finite (fossil) resources. This is achieved, first and foremost, by reducing the need for virgin plastics through elimination, reuse and use of recycled content. Using recycled content is essential (where legally and technically possible) both to decouple from finite feedstocks and to stimulate demand for collection and recycling. Then, over time, any remaining virgin inputs must be switched to renewable feedstocks that are proven to come from responsibly managed sources and to be environmentally beneficial.

5. All plastic packaging is free of hazardous chemicals, and the health, safety, and rights of all people involved are respected

The use of hazardous chemicals in packaging and its manufacturing and recycling processes should be eliminated (if not done yet). It is essential to respect the health, safety and rights of the people involved in all parts of the plastics system, and particularly to improve worker conditions in informal (waste picker) sectors.

Since our primary plastic packaging touches food, strict rules are in place about the composition and use of other chemicals in the plastic. Our brands monitor and integrate legal requirements and regulations into their packaging guidelines to ensure compliance in the markets where they operate.

Other packaging materials

Secondary and tertiary packaging materials generally stay behind in DCs and stores and become waste. The main activity to reduce the impact of these materials is to ensure they are appropriately disposed of by separating them by type in the warehouse or store and ensuring our waste disposal contractors collect them separately and confirm they have been recycled. See also *Sustainability notes – Waste* for quantitative information about waste recycled and disposed.

Our online retail platform brand, bol, uses relatively more paper and cardboard packaging material as secondary packaging for shipment, but is working to reduce waste. For example, bol uses "multi-packing machines" that customize the packaging of orders consisting of multiple items. The multi-packing machine can scan the dimensions of multiple items at

Environmental information: circularity continued
Packaging continued

once and fold one cardboard box around them. Smarter, customized packaging means smaller packages, less packaging material and as little empty air as possible, and also a lower carbon footprint per delivered package.

Our brands support responsible forest management by using, as much as possible, 100% Forest Stewardship Council (FSC)- or Program for Endorsement of Forest Certification (PEFC)-certified paper and cardboard. See also the wood fiber critical commodity indicator included under *Biodiversity and ecosystems*.

To increase the recycling of different packaging materials, a number of our brands also offer recycling stations at their stores, where customers can deposit materials like glass, paper and batteries for recycling. Some of our brands also provide facilities to collect plastic and glass bottles, specifically in cases where there are deposits on the bottles, such as in the Netherlands.

The recently adopted EU Packaging and Packaging Waste Regulation will harmonize packaging rules across all the member states. Ahold Delhaize is developing a compliance plan to align with this. It will be applied to all packaging placed on the EU market and all packaging waste referenced in the regulation.

Partnerships

We also work with several umbrella organizations to find solutions for sustainable packaging. Some of our brands are members of national plastic pacts that are implementing solutions toward a circular economy for plastic. For example, Albert Heijn is a member of the Dutch Plastics Pact, while Ahold Delhaize USA is a member of the U.S. Plastics Pact and the Sustainable Packaging Coalition, a membership-based collaborative that believes in the power of industry to make packaging more sustainable.

How we measure our performance

Consistent with the disclosure in our Annual Report 2023, we expect that we will not achieve our targets related to RRC and recycled content, due to issues ranging from the scaling up of reusable packaging to the availability of a robust recycling infrastructure for certain plastic packaging categories within some of our brands' markets. See also the key findings from the The Global Commitment 2024 progress report above.

However, we have already surpassed our virgin plastic reduction target.

To measure our performance, we have the following targets in place:

Timeline	Target
Short term	100% of primary own-brand plastic packaging is reusable, recyclable or compostable in practice and at scale by 2025.
	By 2025, our brands aim to reduce the use of virgin plastic in their own-brand primary product packaging by 5% compared to the 2021 baseline.
	25% of our total own-brand primary plastic packaging weight will be made from recycled content by 2025.

Our targets are voluntary and have been informed by the partnership with the EMF New Plastics Economy Global Commitment, and the scientific resources made available by it.

Our current targets on packaging have a time horizon up to the end of 2025. In 2025, we will determine the most appropriate future targets or ambitions and actions going forward, where applicable.

We currently do not have targets in place to monitor the progress of our national-brand suppliers have made to reduce the negative environmental impacts of the production, use and disposal of (virgin) plastics, cardboard and other (non-)compostable primary and secondary packaging materials used and sold by Ahold Delhaize's brands, nor do we have targets on packaging materials other than own-brand primary plastic packaging. Therefore, we make use of the transitional provisions on these value chain topics.

Metrics

As discussed earlier in this section, our metrics are focusing on own-brand primary product packaging. In addition, see also our reporting on total waste in *Sustainability notes – Waste*, which includes reporting on other types of waste recycled, such as secondary and tertiary packaging materials.

The assessment methodology for recyclability follows the guidelines of the EMF New Plastics Economy Global Commitment regarding recyclability of plastic packaging, which means that actual, not technical, recycling is used for reporting. See *Sustainability notes – Packaging* for more information on our methodology.

In several of our brands' markets, and for several plastic packaging types, actual recycling infrastructure is not yet established, and, as such, the plastics are not reported as recyclable, even though they may technically be recyclable.

In the coming year, we will review these targets and look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Performance management

Performance indicator description	2024	2023 restated	Change vs. prior year
% of own-brand primary plastic product packaging that is made from recycled content	**15.7%**	14.8%	0.9pp
% reduction/(increase) in own-brand primary virgin plastic product packaging against the 2021 baseline	**10.3%**	10.2%	0.02pp
% primary plastic own-brand product packaging that is reusable, recyclable or compostable	**32.7 %**	28.44 %	4.3pp

By 2024, we had reduced our virgin plastic packaging by 10.3% compared to our 2021 baseline, a minimal improvement compared to last year's 10.2% decrease against the baseline.

Total weight of virgin plastic packaging totaled 144 thousand tonnes, which is 38 tonnes lower than the previous year and, thus, basically equal to the 2023 number. This reduction in virgin plastic packaging was mostly realized due to a higher percentage of recycled content in plastic content as total plastic packaging volumes increased. In 2024, 15.7% of own-brand plastic product packaging is from recycled content, a 0.9 percentage-point improvement compared to 2023.

In 2024, 33% of our own-brand primary plastic packaging was reusable, recyclable or compostable, a 4.3 percentage-point improvement compared to 2023.

See *Sustainability notes – Packaging* for more information.

Environmental information: circularity continued

Waste



waste

Definitions: Our material sustainability topics around waste include the following:

Food waste: We promote the responsible handling of unsold food to reduce food waste and increase the reuse of unsold food and the recycling of food that is wasted along the supply chain, in distribution and operations as well as in customers' homes. Our aim is to contribute to a food system that is based upon the principles of the circular economy.

Other waste: This includes non-food waste from our brands' operations, such as secondary packaging materials and paper. These waste components present opportunities to refuse/avoid, reduce, reuse, repair or recycle, aiming to minimize negative environmental impacts.

IRO management

Process to identify and assess material waste-related IROs

See *Our material sustainability matters* for the waste-related impacts we have identified and assessed as material through our *DMA* process.

The impacts assessed as material relate to the negative impact on the environment and food security through the waste of food resources across the value chain and other waste generated in own operations and downstream by customers, through the use of packaging.

The own-brand products our brands sell are manufactured by third parties. With the exception of our coffee roasting facility in the Netherlands, we do not manufacture any products sold in our brands' stores or online. From a resource use and circular economy perspective, our focus is, first, to reduce waste generated within our brands' operations and, second, to improve resource efficiency in the sourcing of food products, thereby also reducing food waste.

Our brands continue to reduce the amount of food that is wasted as much as possible, in their supply chains and stores and at customers' homes. By reducing the amount of food waste at the source and donating surplus products to food banks, we can reduce our environmental impact while creating a positive social impact.

The reduction of waste is linked to our *Healthy communities & planet* strategic priority. The food waste reduction target is also part of remuneration; see *Remuneration Policy for the Management Board*.

For more information on waste, see *Sustainability notes – Waste*.

Waste generated by type in 2024



Food waste (recycled)	16%
Cardboard/paper (recycled)	47%
Plastic waste (recycled)	2%
Other waste (recycled)	9%
Percentage of recycled waste	**74%**
Food waste (sent to disposal)	5%
Other waste (sent to disposal)	21%
Percentage of non-recycled waste	**26%**

Policies

Ahold Delhaize has an overarching sustainability policy that also includes topics related to circularity, and is applicable to all our brands.

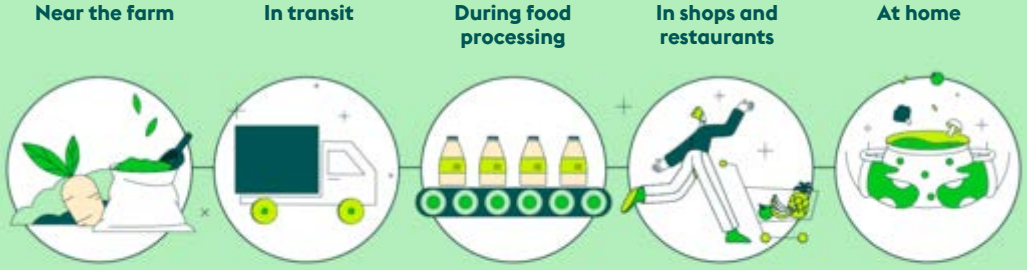
Food waste

In addition to our sustainability policy, we also have a specific food waste standard that documents the approach by which food waste is managed within our brands' own operations and in the value chain.

We focus on food waste because we believe it is the waste area where our actions can reduce negative environmental impacts the most. Food waste does not only negatively impact food security, it also fuels climate change. If food ends up in a landfill, it produces methane, a GHG that contributes to climate change. And when food is wasted, all the energy and water associated with growing, harvesting, transporting and packing the food are also wasted.

Environmental information: circularity continued
Waste continued

Drivers of food loss and waste throughout the value chain



Near the farm
- Inefficient harvesting practices resulting in spillage or no harvesting
- Out-of-date machinery
- Crop damage: cosmetic or damage from pests or animals

In transit
- Poor infrastructure leading to products not reaching the market, damage, spoilage and spillage
- Lack of or insufficient cold storage
- Inability to sell due to quality or size

During food processing
- Ineffective planning, outdated equipment
- Trimming during processing and spillage
- Lack of measurement and data to show waste hotspots
- Insufficient food-handling skills and awareness

In shops and restaurants
- Ineffective planning and stock management
- Past use/sell date and spoilage
- Lack of measurement to show hotspots
- Cosmetic damage
- Product recalls

At home
- Lack of awareness of food waste issues
- Inefficient cooking, storage and portioning
- Poor planning; not using shopping lists and menu plans
- Poor understanding of use/sell by dates

We aim to contribute to a food system that ensures everyone has access to nutritious food for generations to come. There are different drivers of food loss and waste throughout the supply chain, as illustrated in the overview above, that build on an overview by the World Resources Institute. This overview is not exhaustive.

Our definition of food waste applies to both food that is intended for human consumption and its associated inedible parts that leave the human food supply chain. As a result, inedible parts, such as orange peels left over after making freshly squeezed orange juice sold in our brands' stores, count as food waste in our figures.

Ahold Delhaize's definition of food waste includes waste sent to animal feed, bio-based materials, anaerobic digestion, composting/ aerobic digestion, controlled combustion and landfill, but excludes donations to hunger relief organizations.

This definition is stricter than that of the Champions 12.3 Guidance on Interpreting Sustainable Development Goal (SDG) Target 12.3, when it comes to the destinations that count as food waste. We report separately on food donated.

Our policy is based on the Food Recovery Hierarchy; we have a three-pronged approach to reducing food waste across our brands' operations, including stores, warehouses and transport, as follows:

1. Reducing food waste through prevention
2. Diverting surplus food
3. Recycling to divert from landfill

For more information on each of the topics, see *Actions and resources* below.

While we would like to do even more to reduce food waste, our efforts are sometimes limited by external factors, such as the infrastructure of hunger relief organizations in certain of the markets our brands serve.

Our approach

Our approach to food loss and waste aims to address food waste in all areas of the the value chain:

- Upstream farm food loss: We contribute to the prevention and reduction of food waste upstream through memberships in global initiatives and encourage actors within our value chain to also join these initiatives. We also work directly with suppliers on innovations that can be used to reduce food waste.
- In store/own operations food waste: Our brands implement projects that optimize sourcing, stocking and promotions so that food is sold, and where it is not possible, we maximize food donations.
- Downstream food waste: Our brands encourage customers to utilize food already in their homes with, for example, recipes and education.

Other waste

We do not currently have a policy, formal action plans or targets on other waste linked to our material impacts and risks. The Company makes use of the transitional provision related to value chain-related impacts to phase in reporting on waste.

For the negative environmental impact of waste generated by own operations and customers from the use of own-brand primary plastic packaging for products used and/or sold by Ahold Delhaize's brands, see our policies and actions in *Packaging*.

Actions and resources

Food waste

Our local brands are responsible for preparing plans to execute on our global strategy and policies. Specific actions can differ per brand, and each brand is held accountable for its food waste reduction efforts through annual internal target setting and performance management, with food waste reduction targets also included in our incentive plans; for more details, see *Remuneration*.

While each brand has one or more sustainability experts in-house, these specialists are not necessarily fully dedicated to food waste. Reduction of food waste is an operational topic where the impact is made on ground level every day. There are no specific, separately identifiable, dedicated resources allocated to the topic, but it is part of the way our brands run their stores and DCs.

Environmental information: circularity continued
Waste continued

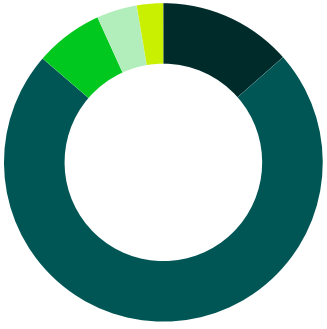
For the 56% food recycled, as a percentage of total unsold food, the recycling destinations are:

Application of unsold food



Unsold food donated to people	25%
Total tonnes of food recycled	56%
Total tonnes of food waste disposed (landfill or incineration)	19%
Total of unsold food (303 thousand tonnes)	100%

Destinations of food recycled



Animal feed	14%
Anaerobic (biogas)	73%
Aerobic (compost)	7%
Bio-based materials/biochemical processing (rendering)	4%
Recycling other (e.g., converted to biodiesel)	3%

Reducing food waste through prevention

We reduce food waste across our brands' operations, including stores, warehouses and transport. Specific actions, which can differ by brand and location, include working with suppliers to buy smarter; introducing discounts on almost-expired products; and using technology, such as dry misting in the fresh food department, electronic shelf pricing and AI. We use order algorithms to determine the optimal order sizes, taking into account inventory levels in stores and DCs, size of shelves, expirations dates and customer demand. With these considerations, our algorithms determine the optimal balance between availability and food waste. We are continuously working to make these algorithms more intelligent.

We also support innovations to reduce food waste in the upstream value chain by placing new products on the market that utilize food not necessarily suitable to be sold in supermarkets, such as processing "ugly" produce or damaged products into new products, for example, cauliflower rice. In addition, we also leverage opportunities to improve the shelf life of products.

Where possible, we also shorten our distribution chain. For example, by arranging for some of our fruit to be packed on farm level, ready for distribution to the stores and delivered directly to our DCs, our brands are able to get the products on the shelves quicker, increasing the shelf life and having fresher products in the stores.

To prevent food waste downstream in the value chain, our brands have different initiatives in place, such as providing ideas for using leftovers by offering recipes and education on better storage methods.

Diverting surplus food

We divert surplus food to food banks, charities and innovative operations, such as restaurants that cook with unsold food. In 2024, we donated 75 thousand tonnes of food waste or 25% of unsold food (2023: 76 thousand tonnes or 25%).

In 2024, Ahold Delhaize entered into a partnership with The Global FoodBanking Network (GFN), an international non-profit organization dedicated to alleviating food insecurity while reducing food loss and waste. GFN maintains strong relationship with its local partners: Feeding America and the European Food Banks Federation. During the first pilot year of this partnership, we provide support to different projects in our operating countries. All projects focus on strengthening and/ or expanding local food banks, with the aim to alleviate hunger and support local communities.

Recycling to divert from landfill

We send food no longer suitable for human consumption to other recycling destinations, to divert it from landfill. These methods can include animal feed production, green energy facilities or industrial uses. For the destinations of food recycled in 2024, see the graph *Destinations of food recycled* earlier in this chapter. Only 19% (2023: 17%) of unsold food was disposed of in 2024, either through incineration or landfill.

Environmental information: circularity continued
Waste continued

Our partnerships
Ahold Delhaize's brands enter into partnerships to reduce food waste, such as:

- U.S. Food Waste Pact: This national voluntary agreement was put forth by Ahold Delhaize USA's partners at ReFED – a national non-profit working to end food loss and waste across the food system – and the World Wildlife Fund, the world's leading conservation organization. The pact aims to assist Ahold Delhaize USA, and all food businesses, to make impactful progress on food waste reduction goals through pre-competitive collaboration.
- Ahold Delhaize is a founding member of the World Resources Institute 10x20x30 initiative, through which retailers partner with suppliers to root out food loss and waste in the food supply chain.
- Ahold Delhaize is a member of the CGF's Food Waste Coalition of Action, which is committed to contributing to the UN Sustainable Development Goals' efforts to halve per capita global food waste at the retail and consumer levels, and to reduce food loss along production and supply chains, including at the post-harvest stage, by 2030.

Other waste
The Ahold Delhaize brands are working to reduce other waste in operations, and, where reduction is not possible, we aim to recycle as much waste as possible. If recycling is not possible, waste is disposed of through incineration (with or without the generation of energy) and, only as a last resort, directed to landfill. Currently, approximately 21% of total waste generated is not recycled; see *Sustainability notes – Waste* for more information.

As part of our journey toward a circular economy, we explore ways to manage resources more efficiently. In addition to improving packaging (see *Packaging*), preventing and reducing food waste, and optimizing waste streams, some of our brands are also exploring circular approaches to store remodeling. While global policies and actions are not yet formalized, our brands are taking steps in this direction.

How we measure our performance
To measure our performance, we have the following targets in place, focused on food waste in our own operations:

Timeline	Target
Short term	We have a target of >40% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2025.
Medium term	We have a target of 50% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2030.

This target relates to the prevention and reuse layers of the waste hierarchy. The targets were informed by participation in multi-stakeholder networks, such as those listed in the *Our partnerships* paragraph earlier in this chapter.

In establishing the long-term target for 2030, we aligned with Sustainable Development Goal 12.3., but our targets are voluntary targets and not based upon conclusive scientific evidence.

We do not have reduction targets in place for waste other than food waste.

Metrics
We measure and track our performance on food waste according to the Food Loss and Waste Protocol (FLW Protocol), a multi-stakeholder effort to develop the global accounting and reporting standard for quantifying food and associated inedible parts removed from the supply chain.

We currently do not have metrics measuring our upstream and downstream-related impacts relating to food waste and other waste. See also the reporting on total waste as included in the *Sustainability notes – Waste*.

Performance management

	2024	2023 restated	Change vs previous year
Tonnes of food waste per food sales (t/€ million)	**3.17**	3.17	
% reduction in food waste per food sales (t/€ million)[1]	**35%**	35%	— pp

1. The reduction is measured against the restated 2016 baseline of 4.89 t/€ million. See *Sustainability notes – Waste* for more information.

In 2024, tonnes of food waste per food sales totaled 3.17, which equals a 35% reduction compared to the 2016 baseline, equal to last year.

Tonnes of food waste per food sales remained the same compared to the prior year, as our increased total tonnes of food waste were offset by higher food sales. The absolute figure for food waste in 2024 amounted to 228 thousand tonnes, an increase of 1.1% compared to last year. This increase is fully driven by an algorithm update improving reporting accuracy, which resulted in higher total food waste not recycled.

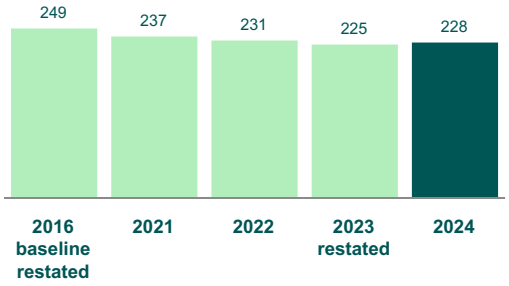
Excluding this update, total tonnes of food waste decreased by over 5% versus last year.

Food donations play an important part in decreasing our food waste. In 2024, we donated 25% of unsold food toward feeding those in need, in line with last year.

Along with increasing donations, our brands implemented measures to reduce food waste, such as offering discounts during late store hours or selling near-expired food from DCs.

See *Sustainability notes* for more information.

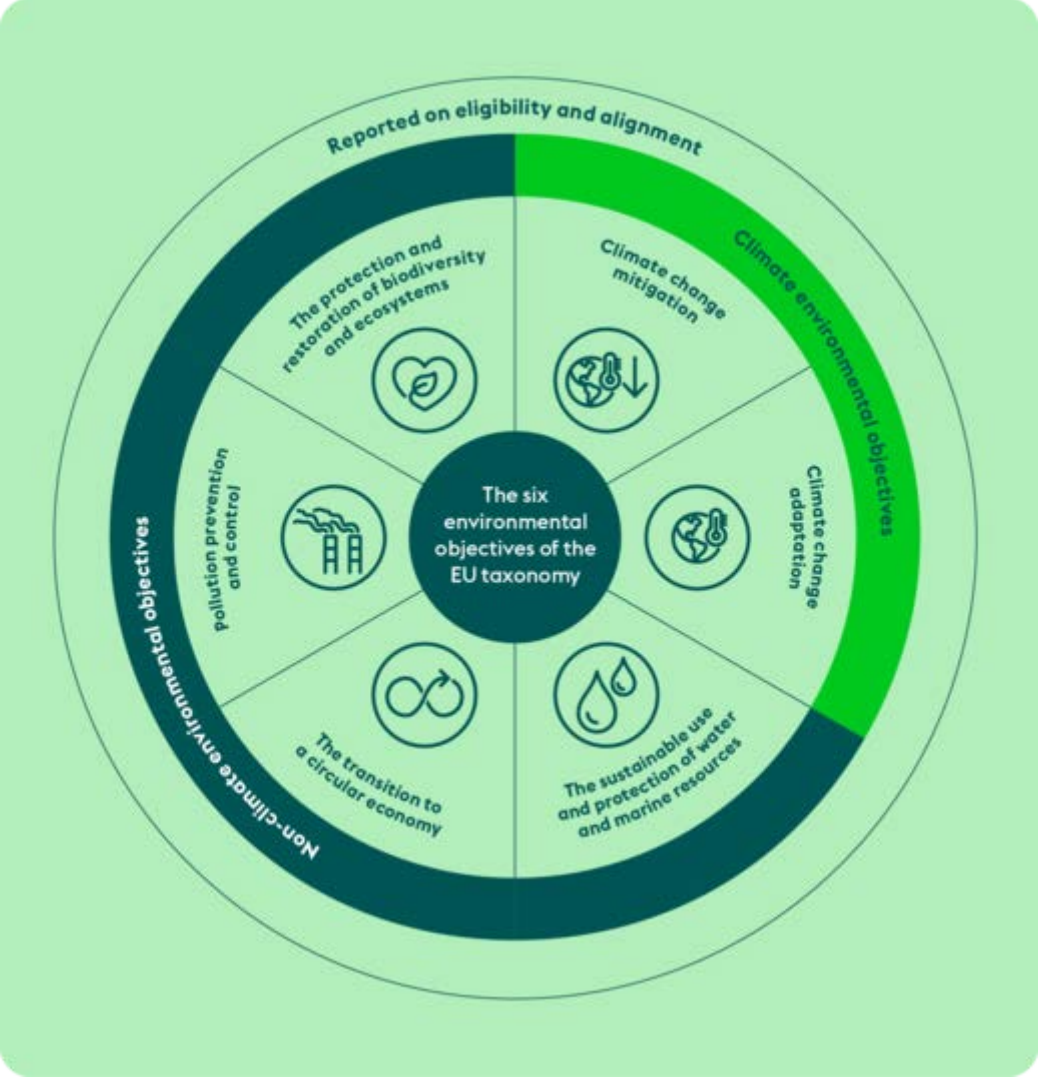
Absolute food waste (in thousands of tonnes)[1]



1. See *Sustainability notes – Waste* for more information.

Environmental information
EU Taxonomy

The European Taxonomy Regulation (EU 2020/852) and its supporting delegated acts provide a framework to help companies, investors and policymakers identify environmentally sustainable economic activities. It is a classification system that defines criteria for economic activities aligned with a net zero by 2050 trajectory and broader environmental goals other than climate.



The regulation outlines six environmental objectives that guide businesses in reporting their contributions to a sustainable economy. To claim alignment, an economic activity must meet the technical screening criteria (TSC), demonstrating a substantial contribution to one or more of these objectives. Additionally, it must ensure no significant harm (DNSH) to any of the other objectives while adhering to minimum safeguards.

In 2024, full reporting on the eligibility and alignment of economic activities across all six environmental objectives became mandatory.

Own operations and application of the EU Taxonomy

The EU Taxonomy, which initially focused on high-emission sectors, such as energy, manufacturing, transport and buildings, has expanded its reach in recent years. It now includes non-high-emitting sectors, such as disaster risk management, information and communication technology (ICT), and professional services, as well as more sectors focusing on where companies can make the most relevant contributions to environmental objectives. However, it still does not cover the food retail sector where Ahold Delhaize primarily operates. Our business operations are explained below:

Main activities: Ahold Delhaize's main economic activity is operating food retail stores and e-commerce (see also *Note 7* to the consolidated financial statements). Food retail currently does not match any eligible economic activities outlined in the Climate Delegated Act and the Environmental Delegated Act that classify economic activities as sustainable; therefore, the Company's main activities are out of scope.

Secondary activities: Ahold Delhaize also engages in other secondary economic activities that primarily support its retail activities. These include transporting goods from DCs to stores and owning and leasing real estate, including retail spaces, office buildings and DCs. A number of these supporting activities are recognized as economic activities under the EU Taxonomy regulation.

Environmental information continued
EU Taxonomy continued

KPIs under the EU Taxonomy

The EU Taxonomy requires companies to report the proportion of turnover, CapEx and OpEx aligned with the six environmental objectives.

Ahold Delhaize's reported KPIs remain consistent with last year, as the estimates and judgments remain unchanged and are applied throughout the Company and its brands.

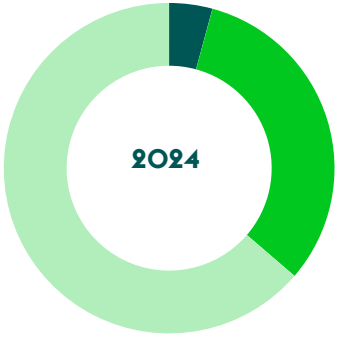
Our performance is summarized below.

Reporting summary of financial KPIs under the EU Taxonomy
(in million €)

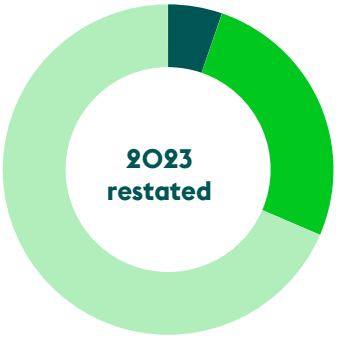
	Total		Taxonomy non-eligible activities		Taxonomy-eligible activities	
KPIs / Year	2024	2023 restated[1]	2024	2023	2024	2023 restated
Turnover	89,356	88,734	89,356	88,734	—	—
OpEx	642	711	642	711	—	—
CapEx	2,792	2,984	1,778	2,044	1,014	940
Of which:						
Taxonomy eligible and aligned					118	158
Taxonomy eligible but not aligned					896	782

1. See *Sustainability notes* for the restatement of 2023 figures.

Eligibility and alignment proportions of CapEx under the EU Taxonomy



Eligible and aligned CapEx	4%
Eligible but not aligned CapEx	32%
Non-eligible CapEx	64%



Eligible and aligned CapEx	5%
Eligible but not aligned CapEx	26%
Non-eligible CapEx	68%

For more information about our methodology as well as the estimates and judgments made, see the EU Taxonomy section in the *Sustainability notes*, which also includes the mandatory *disclosure tables*.

In 2024, Ahold Delhaize reported an eligibility percentage of 36.3%, up from 31.5% in 2023. This reflects newly identified economic activities under non-climate environmental objectives, specifically water supply, waste management and remediation. While gross eligibility is higher this year, aligned CapEx declined to 4.2% from 5.3% in the prior year. In the U.S., the reduction was driven by a CapEx shift from aligned LED investments to high-GWP refrigerant replacements, which are not aligned with the EU Taxonomy criteria. In the EU region, significant investments have not yet met alignment criteria. In addition, brands in the region had fewer store openings, and, for one brand, LED investments did not meet technical screening criteria.

See *Sustainability notes* and *CapEx disclosure table* for more detailed information on the economic activities under relevant environmental objectives.

social information

For more information on our performance on these social topics, see *Sustainability notes – social indicators*.

For brand examples related to social topics covered in this section, see *www.aholddelhaize.com/sustainability*.

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Social information
Performance highlights

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.

Social topics	Measurable targets and ambitions[1, 2, 3]	Progress	Performance
Health and safety (own workforce)	Short term: Reduce workplace injury absenteeism rate year-on-year (number of injuries that result in lost days per 200,000 hours worked) Mid to long term: Through risk mitigation, education and awareness, reduce all serious injuries and fatality occurrences (per one million hours worked).	On track	In 2024, the workplace injury absenteeism rate (number of injuries that result in lost days per 200,000 hours worked) was 1.81, compared to 1.85 in 2023.
Human rights in the value chain	By 2025: Our ambition is to have 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.	Area of focus	77% of production sites of own-brand products in high-risk countries were audited against an acceptable standard with a valid audit report or certificate and no non-compliances on deal-breakers.
Customers' health and nutrition	As per Annual report 2023: Our target is to have 52.3% healthy own-brand food sales as a proportion of total own-brand food sales by 2025. Updated in 2024: Our target is to have more than 51.7% healthy own-brand food sales as a proportion of total own-brand food sales by 2025[4].	Achieved ahead of schedule	52.4% healthy own-brand food sales as a proportion of total own-brand food sales was achieved in 2024, compared to 54.8% in 2023. The decrease is in line with the expected impact of the implementation of the Nutri-Score 2.0 algorithm in the Netherlands and Belgium.
Product safety	100% of production sites of own-brand food products are certified in compliance with an independent third party against an Ahold Delhaize-approved standard, or in compliance with an acceptable level of assurance standard by 2025.	On track	99% of production sites of own-brand food products are certified against an Ahold Delhaize-approved standard, or in compliance with an acceptable level of assurance, compared to 98% in 2023.
	100% of high-risk non-food own-brand products are produced in production units audited by an independent third party against an Ahold Delhaize-accepted standard, tested or where stepping-stone audits were used as an alternative by 2025	On track	97% of high-risk non-food own-brand products are produced in production units audited by an independent third party against an Ahold Delhaize-accepted standard, tested or where stepping-stone audits were used as an alternative, with 97% remaining equal to 2023.

1. Boundaries of the material sustainability topics are shown in *Our material sustainability matters* section.
2. See *Sustainability notes* for more information on the KPIs and performance.
3. See *Sustainability statements* section for more information on the targets and ambitions per material sustainability matter.
4. We adjusted the 2025 target for healthy own-brand food sales to more than 51.7% to account for the expected 0.7 percentage point decreasing impact of the amended Nutri-Score algorithm to be implemented in 2025 in our CSE brands. Excluding the impact, the target is more than 52.4%, which is an improvement vs 2024 and above the original target of 52.3%.

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Social information: associates
Own workforce

own workforce

At Ahold Delhaize, we know that everything we achieve is thanks to our people – their passion, talent and creativity is what enables us to bring our purpose and our Growing Together strategy to life every day.

Ahold Delhaize's people promise is our pledge to help them thrive: we create a caring place to work, that inspires growth and collaboration, where everyone is heard and valued and finds purpose in serving our brands' communities.

in this section

own workforce 147



own workforce

Definition: The ESRS defines "workforce" to include associates who are in an employment relationship with Ahold Delhaize or our great local brands ("employees") and those people who are self-employed, with contracts to supply labor, or who come to us from employment agencies ("non-employees"). This year, information in this section refers to associates of Ahold Delhaize or our great local brands unless specifically noted otherwise.

Introduction

The 388 thousand associates that work at Ahold Delhaize and our brands aim to make a meaningful contribution and bring positive change to the communities they serve.

This meaningful contribution starts from within, with how we treat associates at Ahold Delhaize and the brands. As a Company, we have an impact on associates, not only on their work but also on their health and well-being. This represents an enormous responsibility – and one that we take very seriously, while realizing it is an area where we can never stop learning and growing, especially in today's increasingly challenging times.

Economic, geopolitical and social challenges have put increased pressure on associate health, safety and well-being, and have undermined mental health. In the midst of these challenges, Ahold Delhaize and its brands aim to operate in a way that is consistently in sync with our shared values.

Our foundation for this is our people promise: We create a caring place to work, that inspires growth and collaboration, where everyone is heard and valued and finds purpose in serving our brands' communities.

Policies

Ahold Delhaize's people promise is underpinned by a shared set of values and ethical principles that support our brands' cultures and associates. The *Code of Ethics* lays out those principles, which help us act with integrity toward customers, communities, suppliers, business partners and each other:

- We respect each other
- We follow the law
- We engage with integrity

Social information: associates continued
Own workforce continued

Along with these ethical principles, we work to create a culture where associates have the courage to speak up by sharing concerns, asking questions and reporting any potential misconduct. For more information, see *Governance, risk and compliance*.

Our shared values – integrity, courage, teamwork, care and humor – and ethical principles provide the framework for the decisions we make and are the foundation of our commitment to conduct our business the right way, every day. That includes our commitment to respect human rights. See *Human Rights Report 2024*.

To ensure associates understand and can abide by our ethical principles, Ahold Delhaize provides annual training to all associates, including part-time associates and contractors, on our ethical principles. Associates at manager level and above participate in more focused training on our Code of Ethics, ethical principles and ethical culture.

In addition, we communicate the Code of Ethics and ethical principles to all associates through the Ahold Delhaize website, local intranet pages, posters, videos, local campaigns and during our global Ethics Week. Ahold Delhaize's global *Speak Up Policy* supports our culture by giving associates information about how to report misconduct and what safeguards are in place if they do so. See *Governance, risk and compliance* for more information.

The global Ethics and Compliance team leads engagement on ethics and human rights. Within this team, the Director of Ethical Engagement & Human Rights has day-to-day responsibility for leading and supporting our strategies and efforts related to ensuring that basic human rights are respected everywhere within our own workforce.

This work is coordinated through the Ahold Delhaize Working Group on Human Rights, which brings together the Group-level functional areas (such as HR, Occupational Health & Safety and Legal) responsible for supporting the brands in addressing the salient impacts in their own operations and in supply chains. For more information on the commitment of Ahold Delhaize and its brands to human rights, see *Position on Human Rights* and *Workers in the value chain* which are aligned with relevant internationally recognized instruments.

We also have a global sustainability policy that applies to Ahold Delhaize and its subsidiaries. This policy outlines Ahold Delhaize's approach to sustainability and ESG within its own operations and across its value chain. For more information on the sustainability policy please refer to *General information*.

In addition to these global policies, Ahold Delhaize's brands also offer policies that outline additional associate expectations (e.g., travel and meeting policies) and benefits related to work-life balance (e.g., workplace flexibility and informal caregiving support). Each of the brands represents the unique character and needs of the communities it serves and is encouraged to create specific policies to service the needs of those communities.

IRO management

Process to identify and assess material own workforce-related IROs

See *Our material sustainability matters* for own workforce-related impacts and risks we have identified and assessed as material through our *DMA* process.

Working conditions

Strategy

Through our "people promise," we aim to create a caring place to work that inspires growth and collaboration, where everyone is heard and valued and finds purpose in serving our brands' communities. To deliver on this promise, as part of the work around Ahold Delhaize's new strategic priorities, we created the thriving people strategic priority, which revolves around four key pillars:

- **Everybody grows**: Offer a space where associates can learn and grow, also ensuring the depth and diversity of our talent pipelines
- **Teams collaborate**: Passionately nurture belonging and inclusion through the 100/100/100 DE&I aspiration, continuously evolve Ahold Delhaize's "Dare to Care" employer value proposition and live our shared values
- **Culture thrives**: Foster a culture where everyone feels safe, cares for themselves and others, and collaborates to better serve communities and build a sustainable future
- **Organization evolves**: Develop, build and organize key core and future retail capabilities through functional academies and evolving the future of work (e.g., AI)

For more information, see *Thriving people*.

Health and safety

Definition

Ahold Delhaize and each of its brands recognize and support the right of associates to work in a healthy and safe workplace. We verify responsible labor practices to support associate health and well-being.

Actions and resources

Ahold Delhaize and its brands believe that building a comprehensive safety culture, processes and tools across the Company is the foundation of creating awareness and engaging associates. To that end, we introduced the Global Safety Policy in 2024. This policy provides the framework for Ahold Delhaize's approach to health and safety. It ensures compliance with regulations, integrates industry best practices and reflects our core value of care. The policy applies to all aspects of the brands' operations, including retail, supply chain, e-commerce and construction.

Key principles of the policy include the following:

- Every associate should leave work in good condition at the end of the workday.
- Care for the health, safety and well-being of our colleagues, customers, suppliers and vendors is a Company value.
- Visible leadership commitment and associate participation in safety provide a strong foundation for positive organizational cultures.
- Business decisions should include the assessment of safety risks and mitigate or adequately control inherent business hazards.

Visible commitment from leadership and participation in safety by associates provide a strong foundation for a positive culture in an organization. Ahold Delhaize's 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. Brand leadership is responsible for establishing and resourcing implementation plans and monitoring performance around locally relevant health and safety topics. We have a Global Safety Network, which comprises the Safety leads from each brand and other relevant experts, that collaborates on setting strategic priorities,

Social information: associates continued
Own workforce continued

mitigating common risks, sharing best practices and subject matter expertise, and developing 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 addition to the Global Safety Network, all brands have Executive Safety Meetings and Committees whose key purpose is to discuss overall safety strategy and ensure the brand has action plans in place focused on safety improvement strategies. This year has seen an improvement in workplace absenteeism rate of 2%, from 1.85 in 2023 to 1.81 for 2024. The serious injury rate decreased by 16%, from 0.45 in 2023 to 0.39 in 2024.

Safety at Ahold Delhaize extends beyond physical measures to include digital safety, ergonomic considerations and emergency preparedness. At Ahold Delhaize, we aim to:

- Optimize associates' well-being through a safe, supportive environment
- Incorporate health and safety into every level of the Company, fostering a better place to work and shop
- Promote continuous improvement through teamwork, innovation and training

We believe that safety is a responsibility shared by everyone. To this end, we encourage all associates to report any potentially unsafe conditions or practices or safety violations to their supervisor, local safety team or the Global Compliance and Ethics team through the Speak Up line. Associates are also expected to participate in safety training and to support their colleagues in adhering to local safety practices.

All the associates that work at Ahold Delhaize and our brands are covered by our health and safety management systems. This helps to ensure the safety and heath of employees in our own workforce. Examples of system elements include written safety programs, policies and job specific trainings.

How we measure performance

To measure performance, Ahold Delhaize has the following targets in place, focused on own operations:

Timeline	Ambition
Short term	Reduce workplace injury absenteeism rate year-on-year (number of injuries that result in lost days per 200,000 hours worked)
Medium to long term	Through risk mitigation, education and awareness, reduce all serious injuries and fatality occurrences (per one million hours worked).

Adequate wages

Definition

The ESRS defines an adequate wage as a wage that provides for the satisfaction of a worker's needs and those of the worker's family given national and economic and social conditions.

The application requirements provide guidance on the adequate wage benchmark that a Company can compare its lowest wage against. The guidance for European Economic Area (EEA)-based countries differs from non-EEA-based countries.

The lowest wage is calculated for the lowest pay category, excluding interns and apprentices. The calculation needs to be based on the basic wage plus any fixed additional payments guaranteed to all employees.

The adequate wage benchmark used for comparing with the lowest wage cannot be lower than the minimum wage set by the EU Directive on Adequate Minimum Wages for EEA countries.

Actions and resources

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

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

See our *Human Rights Report 2024* for more information.

In line with these principles, we compared gross hourly wages (excluding fixed additional guaranteed payments) of all our brands' associates against the applicable national minimum wage benchmarks in each country or the U.S. state minimum wage requirements, where these exceed the national minimum. The analysis confirms that Ahold Delhaize and its brands pay gross hourly wages (excluding fixed additional guaranteed payments) at or above the minimum wage in each location. Since Ahold Delhaize and its brands also pay fixed additional payments, for example, profit-sharing and holiday allowances, we can provide assurance that our brands' associates are paid an adequate wage.

Social dialogue, freedom of association and collective bargaining

Definition

Social dialogue: All types of negotiation, consultation or exchange of information between or among representatives of governments, employers and their organizations, and workers' representatives, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations solely between workers' representatives and management (or trade unions and employers' organizations).

Collective bargaining: All negotiations that take place between an employer, a group of employers or one or more employers' organizations and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations for:

- Determining working conditions and terms of employment
- Regulating relations between employers and workers and/or between employers or their organizations and a workers' organization or organizations

Social information: associates continued
Own workforce continued

Actions and resources

Ahold Delhaize and its brands recognize and support the right of associates to decide whether to form or join trade unions if they choose and have their legal rights to collective bargaining respected. Associates are at the center of our brands' relationships with customers and communities. In establishing their associates' employment conditions, our brands set compensation and benefits levels in line with job-level and local market norms and regularly review remuneration practices, considering societal and market dynamics as well as economic conditions.

For 57% of associates, remuneration is based on collective bargaining agreements structured primarily as fixed annual salaries or hourly wages. In addition, store managers and general management associates are eligible to receive a performance-based annual bonus. Associates in senior management positions are eligible for performance-based annual bonuses as well as Ahold Delhaize performance share grants that are linked to the long-term goals of the Company.

The HR function in each of the brands manages the relationship with associates and, where applicable, the unions that represent them. They strive to ensure an early bargaining approach is in place to actively manage collective bargaining agreement negotiations, and that contingency plans are in place to minimize the impact of potential work stoppages.

Ahold Delhaize and its brands appreciate and seek participation and feedback and encourage open dialogue between associates and management. This is done in a number of different ways.

The brands listen to and act upon associates' feedback on labor and working conditions through our annual AES and regular pulse surveys.

These surveys measure cultural aspects of inclusion and many other aspects of associate engagement, to see where brands are performing today and identify remaining gaps.

Some of Ahold Delhaize's brands have works councils in place to ensure proper consultation with and representation of associates. For example, the Ahold Delhaize Group and European Business Services Works Council consists of four members responsible for participating in discussions and decisions relating to Ahold Delhaize's policies and strategy before they are implemented. This year, Ahold Delhaize's leadership engaged with this group repeatedly to get their feedback on the new Company strategy and its implications for associates.

AD Connect is an association for Ahold Delhaize senior staff who are employed in the Netherlands or on a Dutch contract. It was founded in 1974 to represent the interests of senior staff and has more than 400 members today. AD Connect has its own board and acts as a representative voice for senior staff regarding benefits, remuneration and other employment conditions for senior management positions and above.

The brands also encourage the development of BRGs that address the specific needs and identities of their associates, including in diverse focus areas such as neurodiversity, abilities, racial/ethnical origins, and other generational and multicultural topics. These BRGs actively partner with the brands' suppliers and relevant NGOs to further educate and engage the community. They also provide direct feedback and mentoring to the brands and Executive Committee on any gaps that exist in relation to working conditions or support for these associates and provide insight and advice on how these gaps might be remediated.



Members of Lion Pride, a newly formed BRG at Delhaize Belgium focused on creating an inclusive environment for all Delhaize associates.

Through our NextCo, Ahold Delhaize ensures that the voices of a broad representation of associates are represented in the board room. See *Thriving people* for more information.

How we measure performance

Ahold Delhaize does not have any targets in place to measure performance on social dialogue, freedom of association or collective bargaining.

Work-life balance

Definition

A satisfactory state of equilibrium between an individual's work and private life. Work-life balance, in a broader sense, encompasses not only the balance between work and private life, given family or care responsibilities, but also the allocation of time spent at work and in private life beyond family responsibilities.

Actions and resources

Work-life balance at Ahold Delhaize starts with our people promise: we aim to create a caring place to work, inspiring growth and collaboration, where everyone is heard and valued and finds purpose in serving their brand's communities.

Life events

Providing a caring place to work includes supporting associates through transformative moments in their lives. Whether it is childbirth, moving house, marriage, navigating disability, bereavement or retirement, associates may look to us, their employers, for support.

Life events – both happy and difficult – represent significant moments in a person's life that can have a major impact on their needs and behavior. Ahold Delhaize and its great local brands already offer benefits to cover several of these life events and continuously take steps to ensure these benefits still provide adequate support as associates' needs and external circumstances change. All the local brands' associates are entitled to family-related leave through social policy dictated by government legislation, and/or collective bargaining agreements and various brand-specific policies. Family-related leave includes maternity leave, partner and parental leave, special leave (e.g., bereavement or wedding) and care leave.

In 2023, Ahold Delhaize introduced the Life Events Framework, or LEF, which means "courage" in Dutch. LEF brings together the guidelines and all relevant information about benefits, practicalities and resources to support associates, along with guidance for their managers. It represents an evolving approach that addresses the changing needs of associates.

Social information: associates continued
Own workforce continued

The program covers a pipeline of topics that come to our attention from numerous channels, including through BRGs, the brands and Ahold Delhaize's own ambitions. Once completed, frameworks are made available to all brands, who can then choose to implement them as policies or augment them to suit the needs of their associates. In 2023, LEF successfully launched two new additions. One was a "working from abroad" policy for the Ahold Delhaize Group and European teams that addresses associates' changing work patterns and expectations around work-life balance.

This year we added two new topics to the LEF offering for our Dutch brands and Ahold Delhaize EU&I. The first is menopause support, which addresses a topic that many people feel uncomfortable talking about and that is not often discussed at work. Though more than half of associates at Ahold Delhaize and the brands will experience menopause at some point in their lives, there is little awareness of how both physical and mental symptoms may impact someone's personal and working life. The material we provide helps individuals navigate this phase in their lives and helps their managers be aware of the challenges they may face. In line with our deeply held beliefs around inclusion, this policy applies to everyone who is experiencing menopause, regardless of gender identity, gender expression or biological sex.

The second new topic is informal caregiving support. Ahold Delhaize defines informal care as the regular and unpaid help an associate provides to a sick, disabled or frail person – either their partner, child, parent, family member, neighbor or friend. Due to the rapid growth of the senior population, healthcare systems are facing challenges in keeping up with increasing costs and personnel requirements in the care industry.

To fill this gap, an increasing number of people may need to combine their paid job with informal care.

Ahold Delhaize created a policy to support associates who are informal caregivers, as well as their managers and HR Business Partners. The aim is to create a workplace where associates can share their challenges, get support from their managers and environment, and understand the resources available to them, including a coaching program, mental health support, leave options, sabbaticals and remote working.

Mental health and well-being

We believe that supporting well-being is critical to making sure associates and our business can thrive. So, we have introduced and strengthened programs that improve associate safety, help people build resilience in the face of change, reinforce positive coping mechanisms and eliminate stigma or marginalization around mental health issues. Ahold Delhaize offers a mental health and well-being intranet site for Ahold Delhaize Group associates, giving them access to a range of resources for self-care and self-assessment and tells them where to go for additional support.

This intranet site also offers associates a self-care guide and an online self-assessment to check in on their emotional well-being across eight different themes. An international coach desk is also available for Ahold Delhaize Group associates: a fully online, personalized coaching process to support and challenge associates as they achieve their personal and professional goals.

The Company also offers access to online psychologists, support groups and lifestyle coaching through the assistance program OpenUp, which is freely available to associates and their families across the Group, Ahold Delhaize EU&I, our European brands and Albert Heijn associates up to store manager level. Each of our brands also offer extensive programs and support for their associates. For example, Albert Heijn offers a Feel better about yourself line ("Beter in je vel-lijn") through Psychological Interventions and Support Netherlands (PSION), providing their store-based associates with free professional advice for any psychological complaints.

Ahold Delhaize Group also hosts an annual mental health awareness month in October, in recognition of World Mental Health Day on October 10, where we organize numerous activities, information sessions and discussions to promote mental health and well-being.

Recognition



Our brands aspire to be the leading employer of choice in each of their markets. Ahold Delhaize and the majority of the brands received recognition as top employers, certified by the Top Employer Institute (TEI) in 2024. All the U.S. brands, including Ahold Delhaize USA, are now Top Employer certified, while, in Europe, Mega Image in Romania, Maxi in Serbia, Alfa Beta in Greece and Albert in the Czech Republic have also received certification. This prestigious award requires rigorous documentation of benchmarked practices that offer systemic operations to positively affect associates.

In results from the TEI, Ahold Delhaize scored the highest in the "unity" category, focused on ensuring fair practices across an associate population that "brings employees together and creates a sense of belonging and unity in the organization" in categories including purpose and values, ethics and integrity, diversity and inclusion, and sustainability. This was a great acknowledgement of our aim to be open for everyone.

Ahold Delhaize was also recognized as a top 1% employer globally by Leading Employer, an independent organization that conducts a comprehensive meta study evaluating 85,000 companies to identify the top employers globally. The study uses secondary data available freely online, including public surveys, employee reviews, audits, jury awards and memberships. The evaluation is carried out using a weighted evaluation matrix. These recognitions, and others we received, acknowledge our brands' efforts to continuously improve the associate experience, care and support, while also showing us areas where we can further improve.

How we measure performance

Ahold Delhaize does not have any metrics or targets in place to measure performance on work-life balance.

Social information: associates continued
Own workforce continued

Equal treatment and opportunities for all

Strategy

At Ahold Delhaize, when we say we are open for everyone, we mean everyone – associates, customers, partners, suppliers and every member of our communities. Our brands do this through our joint commitment to diversity, equity and inclusion, brought to life through our 100/100/100 aspiration toward a workforce that is 100% gender balanced at all levels and 100% reflective of the communities the brands serve and a culture that is 100% inclusive. As an international Company, this aspiration and framework ensures our approach is relevant to our local brands.

Ahold Delhaize has 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 100/100/100 aspiration includes three pillars critical to this work:

- People: We define and celebrate diversity – everything that makes us unique and everything that makes us similar – inclusive of, but not limited to: generation, LGBTQ+ status, gender, race and ethnicity, disability, neurodiversity, religion and nationality.
- Culture: Our shared values of courage, care, teamwork, integrity and humor are at the core of who we are. They represent our north star and guide us in operating the right way, every day.
- Community: 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.

Ahold Delhaize's DE&I 100/100/100 aspiration



Diversity and inclusion

Definition

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

Actions and resources

100% inclusion

In 2024, Ahold Delhaize and its brands continued to focus on building an inclusive environment where everyone feels welcome. In the past, our shared values primarily guided how we work together. These values remain our non-negotiable minimum standard, for everyone across the Company – they are how we present ourselves to the world and what we expect of anyone working across Ahold Delhaize.

But we realized that we needed to go further and be more resolute about which behaviors we want to prioritize. Therefore, we introduced leadership behaviors: Grow our people, Obsess over customers, and Win together. These behaviors include the following, with a focus on inclusion:

- Genuinely care: We create real connection, showing empathy, vulnerability, respect and interest in others.
- Lead inclusively: We enjoy diversity, create space for different perspectives, listen and speak to understand.
- Evoke curiosity: We ask questions and seek new ideas and opportunities to learn and innovate.
- Speak up: We act with courage and create a safe space to speak up.

We added these leadership behaviors to our performance management process, and each associate is asked to reflect on whether these behaviors are observable when they work with their colleagues. It's a huge step toward every leader taking accountability for nurturing inclusion.

To ensure Ahold Delhaize and its brands are actively and intentionally pursuing the aspiration of 100% inclusion, we continued our work with the non-profit organization the Contentment Foundation, which focuses on creating a psychologically safe environment. Ahold Delhaize inducted a cohort of 50 nominated associates to deep dive on an applied psychological safety transformation program. Participants were empowered not only to role model psychological safety themselves in any team-related situation, but also to comfortably teach others how to apply tools in practice.

The program consisted of nine live virtual sessions and individual growth work, over six months of dedicated time. This global experience was inspired by work done by the CSE brands in 2023, and we anticipate further engagement on this crucial topic across our brands in the future.

Ahold Delhaize measures and tracks progress on psychological safety and additional cultural aspects of inclusion through an inclusive workplace index that is part of the annual AES. The Company received a score of 81% on this index in 2024, 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 5 percentage points above the global retail benchmark.

Social information: associates continued
Own workforce continued

Associate population diversity

81%	388,000	52%	48%	1%
AES inclusion score	Total associates	female	male	other

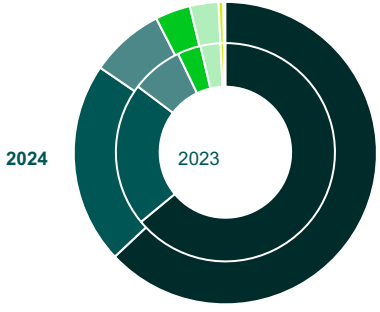
Gender diversity by region



58%	42%
U.S. associates	EU associates

U.S. associates			EU associates		
47%	52%	1%	58%	42%	—%
female	male	other	female	male	other

U.S. associates: Racial and ethnic diversity[1]



	2024	2023
White	**62.0%**	63.1%
Black or African American	**21.2%**	21.0%
Hispanic or Latino	**7.8%**	7.5%
Two or more races	**3.7%**	3.4%
Asian	**3.0%**	2.9%
American Indian/Alaskan Native	**0.5%**	0.5%
Native Hawaiian/ Other Pacific Islander	**0.2%**	0.2%

1. 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.

At Ahold Delhaize and the brands, we believe great working environments are those where every associate feels heard and valued and can bring their true self to work. This includes making space for the celebration of different cultural, religious or other important personal days. To enable associates to observe the days that matter most to them, some of our brands, including all of the U.S. brands, bol and Maxi, have introduced floating holidays – paid time off, taken on a day chosen by the associate, or swapped for an existing public holiday in the brands' local context. In 2024, we reviewed learnings from these different types of newly introduced and existing policies, and we expect to see this practice expand to all the European brands in 2025.

100% representative of our communities



Hannaford associate at work in a disability-friendly role.

In 2024, our EU&I brands incorporated an option for associates to self-identify many demographic points of information about themselves in our annual AES. While our U.S. brands have been viewing data with the help of self-identification for some time, this is a new practice for our European brands.

This additional anonymized data allows us to better understand the experiences of associates representing the full spectrum of diversity of the communities our brands serve, and also analyze how we are working toward our aspiration of 100% inclusion with a much finer lens. Now, with associates' input, we can look at whether, for example, single parents feel a lower sense of belonging and inclusion than other people.

This data will help us to refine our benefits and processes to ensure we are meeting the needs of associates and offering the same care to everyone, regardless of their identifiers.

Our commitment to balanced slates continues to be an important part of reaching our 100/100/100 aspirations. Balanced slates are one tangible way we can source the best talent, minimizing unconscious bias in hiring, promotions and job assignments by ensuring equitable access to opportunities. At Ahold Delhaize, we review and audit our senior-most leadership balanced slate outcomes, and the brands determine locally through what job level to apply balanced slates.

Social information: associates continued
Own workforce continued

100% gender balanced

Across Ahold Delhaize, our aspiration is to have a workforce that is 100% gender balanced at all levels.

Compared to 2023, our overall proportion of women in management increased from 41% to 42%, while our director-level representation increased from 36% in 2023 to 37% in 2024. At executive level (VP+), the proportion remained stable at 37% this year, and representation of women at SVP+ (referred to as sub-top or top-management) increased to 36.5% in 2024 compared to 32.0% in 2023. See *Corporate Governance* for more information on our sub-top representation.

How we track our progress

Ahold Delhaize does not have any targets in place to measure progress on diversity and inclusion.

Pay Equity

Definition

Pay Equity is about equal pay for work of equal value. The pay difference is the extend of any difference between a female and a male employee's pay.

Actions and resources

Pay equity at Ahold Delhaize

At Ahold Delhaize, we are a people business – we pride ourselves on being open to everyone and we want every associate to thrive. Striving for pay equity is an important mission for each of our brands.

We believe that the total value proposition for an associate is more than the wages and benefits they receive. It includes other factors, such as well-being support, opportunities to learn and grow, recognition and the diversity and inclusiveness of the workforce. Pay equity is an integral part of each brand's total rewards philosophy and principles. For associates, the aim is to drive fair and meaningful rewards and recognition as part of our thriving people strategic priority. Each brand is committed to delivering equal pay for equal work and equal access to career opportunities to all associates.

See Adequate wages and our *2024 Human Rights Report* for more information about the six overarching principles of fundamental "procedural justice" used to guide fair compensation.

In our brands, 57% of associates 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 created policies and frameworks for determining job levels and titles, pay grades and bands, performance evaluation and wage increases. Ahold Delhaize and the brands are committed to ensuring all associates are paid equally for doing the same or equivalent jobs or work of equal value. Each brand conducted equal pay for equal work studies through independent third-party experts in this field, taking into account local legal requirements. 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 unexplainable differences identified.

How we measure performance

To align with regulatory requirements for 2024 in the ESRS, Ahold Delhaize will report on the unadjusted and the adjusted average pay differences for the total aggregated company population. The unadjusted pay difference provides a straightforward assessment of the pay difference by calculating the average or median difference in earnings between genders without considering other influencing factors. The adjusted average gender pay difference shows the difference between the average hourly rate for all males compared with all females, expressed as a percentage of the average hourly rate for all males. If we were to list the pay for all male and female associates separately, from the lowest to the highest paid, the middle-paid associate for each gender represents the median for that gender.

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. In 2024, the unadjusted average pay difference for the total aggregated company population was 14.13% and the unadjusted median pay difference was 4.50%.

The adjusted pay difference is a measure used to analyze differences in earnings between various demographic groups, typically between men and women. The adjusted pay difference takes into account factors such as country, job level, location type and other relevant variables that might influence earnings. For the adjusted pay difference, Blinder-Oaxaca decomposition is used to separate the explained and unexplained portions of a difference in two predicted mean values from each other. This method was utilized by the European Commission in their analysis of the (adjusted) gender pay differences across different European countries[1]. In 2024, the adjusted average pay difference for the total aggregated company population was 1.36%.

While we are pleased that the outcome of the adjusted pay difference informs us that there are objective and reasonable explanations for the unadjusted pay difference, Ahold Delhaize and the brands will continue the important work of delivering pay equity to associates.

1. The public available pay differences are available until 2022. In 2022, women's gross hourly earnings were, on average, 12.7% below those of men in the EU and 13.2% in the euro area (Source: Eurostat). In the Netherlands, a distinction is made between the governmental and the business sector by the Central Bureau of Statistics. The unadjusted average pay difference in the business sector in the Netherlands for 2022 was 16.4%. The adjusted average pay difference in the business sector in the Netherlands for 2022 was 6.9%.

Social information: associates continued
Own workforce continued

To accurately track and report on our progress compared to previous years, we have also chosen to share the analysis covering the same Manager+ population in the Netherlands as in our Annual Report 2022 and 2023. We chose to disclose this study first because we believe the results are more accurate due to a comparable base across one country. The gender pay difference analysis covers 2,102 male and female associates in management positions in the Netherlands. We are proud of the progress we have made in this group, as the unadjusted average pay difference is 1.63% (2023: 2.93%) and the median pay difference is 2.22% (2023: 2.59%).

Ahold Delhaize and its brands are committed to delivering pay equity to all associates. We keep challenging each other to further review practices and build internal capabilities, ensuring equity is ingrained in each of our brands' people decisions. Our brands continue to strive for consistency in their rewards and recognition by using robust job and pay structures and ensuring any unexplainable pay differences are addressed. This ambition and our pay equity commitment empower our goals to be equitable and inclusive employers.

Gender pay

Shows the difference in pay between men and women

Average pay difference

Population: Manager+, the Netherlands

1.63%

(2023: 2.93%)



Median pay difference

Population: Manager+, the Netherlands

2.22%

(2023: 2.59%)



Measures against violence and harassment in the workplace

Definition

Harassment: A situation where unwanted conduct related to a protected ground of discrimination (for example, gender, under Directive 2006/54/EC of the European Parliament and of the Council15, or religion or belief, disability, age or sexual orientation, under Council Directive 2000/78/EC16) occurs with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment.

Actions and resources

At Ahold Delhaize and the brands, we believe that supporting well-being is critical to ensuring associates and our business can thrive. This has been particularly true in recent years, when the economic, geopolitical and social challenges we faced put increased pressure on associate health, safety and well-being.

With this in mind, our brands have introduced and strengthened programs that improve associate well-being, help associates build resilience in the face of change, reinforce positive coping mechanisms and work to eliminate any stigma or marginalization around mental health issues. One example is the OpenUp mental well-being platform we made available to associates at our support office in the Netherlands.

Ahold Delhaize and the brands also respect the human rights of all associates, including the right to a workplace free from harassment and violence. Ahold Delhaize's Code of Ethics and Position on Human Rights include clear aims and expectations on respect in the workplace. Our brands do not tolerate conduct by any associate or any other person that creates an intimidating, offensive or hostile work environment. This includes harassment based upon a person's legally protected status.

To ensure that all associates at Ahold Delhaize and the brands are able to work in an environment free from discrimination and harassment, we provide reporting options for associates, including our Speak Up lines. These are local ethics reporting lines that enable associates, third parties within and connected to our supply chains, and the public to raise concerns about improper behavior or possible violations of law or policy, including our Position on Human Rights and Standards of Engagement. Ahold Delhaize and the brands strongly encourage raising concerns and speaking up and will not retaliate or allow retaliation against anyone who, in good faith, reports a potential violation. Any form of direct or indirect retaliation is strictly prohibited, as stated in our Position on Human Rights and in the Standards of Engagement.

How we measure performance

For more information about the Speak Up lines, see *Governance, risk and compliance*. For the number of work-related incidents and/or complaints and severe human rights impacts within our own workforce, and any related material fines, sanctions or compensation, see *Sustainability notes*.

Social information: associates continued
Own workforce continued

Training and skills development

Definition

Initiatives put in place by the Company aimed at maintaining and/or improving its own workers' skills and knowledge. It can include different methodologies, such as on-site and online training.

Actions and resources

Associates are encouraged to develop IDPs, which are discussed as part of the performance evaluation process with the aim of guiding associates in reflecting on, owning and developing their career growth and personal aspirations. To support associates' individual development, we offer a portfolio of in-person and virtual development programs, along with online offerings through learning platforms. Our partnership with LinkedIn Learning enables us to provide skills-based online learning solutions to more than 7,500 associates across 14 of our brands. Associates can choose from a range of more than 14,500 e-learnings across different areas to grow their skills at their own pace. Our partnership with learning experience platform Degreed has enabled data-driven development and upskilling for 7,300 associates to date.

Our customized leadership development flagship programs are designed to equip and empower our leaders to gain crucial leadership capabilities and grow personally and professionally.

One such program is Ahold Delhaize's Retail Academy, a long-standing tradition since 1999, that brings together a selected group of leaders from the brands for an intensive one-week program to learn about our strategy and develop their retail leadership and impact within the organization. Through exposure to the latest industry trends and retail best practices, participants gain a broader understanding of the retail market, positioning them to adapt and innovate. The program also offers a better understanding of our Growing Together strategy and how each can contribute to our collective goals. Finally, it fosters valuable connections by building a global network of colleagues, enabling knowledge-sharing and collaboration.

In addition to these flagship Ahold Delhaize internal programs, our functions, regions and brands offer a diverse range of opportunities for continuous growth and development. Our CSE brands offer an inspiring initiative that enables associates to learn about our business in an engaging game-based format, called Best in Town. It is designed to foster a culture of continuous learning and belonging in the workplace, while bringing associates closer to our strategy and business. This groundbreaking program started at Albert in the Czech Republic and expanded across four additional brands – Albert, Alfa Beta, Mega Image and Maxi – engaging more than 47,000 employees from stores, DCs and support offices.

In 2024, we continued to host a series of monthly leadership masterclasses for all managers across our European brands. Around 200 managers attended, and had the chance to gain insights from both industry and internal experts on topics that elevate their leadership behaviors and strengthen their internal network. The classes were popular, receiving a score of four out of five from attendees. The European team has also partnered with the organization Undercover Activist to develop the Positive Workplace Activism program. This course is intended for anyone who wants to feel encouraged and supported in addressing social and environmental issues in the workplace, mobilizing people to speak up and accelerating how our Company is integrating sustainable practices.

The GIANT Company team has revamped its new hire training to align with diverse learning styles. They are utilizing enhanced web-based modules and increasing management involvement for a more effective onboarding experience.

Albert Heijn has formed a partnership with NCVB, a company that provides nationally recognized, customized secondary (MBO) vocational training for associates. Through this cooperation, associates at the brand's stores are able to further their education with a focus on retail, to equip them to become specialists and store managers.

At Hannaford, the team developed and piloted the Hannaford Leadership Passport Program. It is designed to provide a foundation of knowledge, processes and tools for new and developing managers, setting them up for success as they lead others.

To measure the impact of our training and development programs, we actively track progress on associate growth through our AES. In 2024, we maintained a growth score of 75%, which is 4 percentage points above the norm for Global Retail.

Social information: labor and human rights in the value chain
Workers in the value chain

labor and human rights in the value chain

Ahold Delhaize's Position on Human Rights defines our support for respecting human rights in our own organizations and our supply chains. It is built on our Code of Ethics and reflected in our Standards of Engagement.

Our Code of Ethics defines the ethical values and principles that are the foundation of our commitment to conduct our business the right way, every day. This includes our support for respecting the human rights of the people who work throughout the supply chains of Ahold Delhaize and its brands.

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workers in the value chain

Definition: Workers working for entities in the supply chain and their labor and human rights that must be respected:

Respecting the rights of every worker to a workplace free from discrimination, harassment and violence and to be treated fairly, with respect and dignity, including for women to be treated equally to men, while ensuring that salient impacts are addressed, including inadequate wages and unhealthy and unsafe working, and, where applicable, living conditions.

Respecting the right of every child to be free from labor that deprives them of their childhood, potential and dignity or harms their physical and/or mental development.

Respecting the right of every individual to be free from forced labor, slavery and servitude.

Strategy

Interests and views of stakeholders

Ahold Delhaize incorporates its stakeholders' interests and views on human rights in the supply chain into its strategy and business model by engaging with internal and external stakeholders, including representatives of supply chain workers and communities, suppliers, and external organizations, such as NGOs, civil society organizations, and industry associations like the amfori Business Social Compliance Initiative (BSCI). We actively engage with these stakeholders and their representatives individually, especially in the context of supply chain labor and human rights through the SDD process, with internal stakeholders through the DMA, and through regular conversations with the Ahold Delhaize Working Group on Human Rights.

This engagement and collaboration ensures that stakeholder interests are reflected in Ahold Delhaize's sustainability initiatives and overall business approach. By integrating stakeholder feedback in the due diligence roadmap, Ahold Delhaize aligns its business practices with the needs and expectations of these stakeholders and works towards ongoing improvement in working conditions and salient impacts across its global supply chain. See our section on *General information – Statement on due diligence* for more information on these processes.

Social information: labor and human rights in the value chain continued
Workers in the value chain continued

Material IROs and their interaction with strategy and business model

Our local brands depend on global supply chains for raw material sourcing, production, and business relationships, making these chains integral to our business model. At Ahold Delhaize, we use “supply chain” and “upstream value chain” synonymously, reflecting our focus on addressing key stakeholder impacts, especially those affecting supply chain workers. This alignment is guided by the SDD and DMA, which help us prioritize safeguarding workers' rights across our supply chain.

Through our SDD process, detailed in the *Statement on due diligence* section, we identified supply chain workers as key stakeholders potentially affected by salient human rights impacts, which often have systemic roots. Ahold Delhaize's focus on human rights concerns all our upstream value chain workers. We believe that our commitment to human rights is a foundational commitment toward people in our supply chain; therefore, it is reflected in our *trusted product* strategic priority.

The SDD process also highlights several vulnerable groups that are particularly at risk in these global supply chains, and they often overlap. They include:

- Children, who face risks of child labor and unsafe working conditions
- Women, who are vulnerable to discrimination, harassment, and unequal treatment
- Migrant workers, particularly in agriculture and fishery, who are at risk of forced labor and exploitation
- Low-skilled, subcontracted, and informal workers, who are vulnerable to inadequate wages, forced labor and unsafe conditions
- Minorities and refugees, who are at risk of discrimination
- Smallholders, who face inadequate incomes
- Indigenous peoples and human rights defenders, who are exposed to community impacts

We conducted a gross risk assessment focusing on product categories and key raw materials used in our own-brand products, specifically evaluating them against environmental and social risks. The table on the right summarizes the key outcomes of our brands' supply chain risk assessments, highlighting salient social impacts. It clarifies the connections between geographies, product categories, potential impacts and the vulnerable groups that may be affected.

The salient issues identified in the SDD were taken as input to the *DMA*, and we recognized that the potential material impacts and dependencies on these workers in our brands’ supply chains form a material sustainability matter for Ahold Delhaize. These material impacts align closely with those previously identified salient human rights issues, validating our due diligence outcomes and strengthening our confidence in risk assessment procedures. A table listing the material impacts identified in our DMA is provided under *Our material sustainability matters*.

Our approach is to adapt continuously to address these impacts, concentrated in the upstream value chain, particularly in own-brand product categories and high-risk countries with limited government protections, as we work on eliminating, preventing, or reducing our negative impacts and mitigating risks. For instance, we have strengthened our human rights positions by integrating the CGF's Priority Industry Principles on forced labor into our Standards of Engagement, requiring suppliers to adhere to stringent social compliance. See also the policies sub-section *Standards of Engagement* to read more about this practice and other actions detailed under *Actions and resources*.

Key product categories	Key regions	Main countries in key regions	Potential salient impacts	Potential affected vulnerable groups
Coffee	Africa, Asia, South America	Brazil, Colombia, Kenya, Rwanda, Vietnam	Child labor; forced labor; inadequate wages/incomes; discrimination (incl. gender inequality); harassment and violence; freedom of association; inadequate working time; unhealthy, unsafe working conditions; community impacts	Children (including young workers); women, low-skilled workers, informal workers, smallholders, minorities, refugees, Indigenous peoples, human rights defenders
Tea	Africa, Asia	India, Kenya, Sri Lanka		
Cocoa	Africa, South America	Ivory Coast, Ghana		
Seafood	Asia, South America	India, Thailand		
Palm oil	Asia	Indonesia, Malaysia		
Soy	South America	Brazil		
Fruit and vegetables (incl. flowers and plants	Africa, America, Asia, Mediterranean, Middle East			
Non-food	All high-risk countries	China, Turkey		

IRO management

See *Our material sustainability matters* for the labor and human rights in the upstream value chain-related impacts and risk we have identified and assessed as material through our *DMA* process.

Policies

Our commitment to human rights

Our commitment to human rights is rooted in our dedication to ethical business practices, as outlined in the *Position on Human Rights* and guided by our values of integrity and care, as also mentioned in our Code of Ethics. The policy outlines a comprehensive approach to respecting human rights, focusing on key stakeholders within Ahold Delhaize's own operations and upstream value chain.

It explicitly addresses Ahold Delhaize’s social salient impacts and material topics in the supply chain, including equal treatment and opportunities for all, working conditions and other work-related rights, including child labor, forced or compulsory labor and human trafficking, the safety of workers, and precarious work. It specifically addresses the needs of vulnerable groups, including women, members of the LGBTQ+ community, children, persons with disabilities and Indigenous peoples, among others.

The Position on Human Rights applies to all Ahold Delhaize brands and business relationships, covering our own operations and upstream value chain. It sets clear expectations for ethical business practices among suppliers worldwide, promotes adherence to global human rights standards and high business ethics, and emphasizes proactive engagement with stakeholders across the supply chain.

Social information: labor and human rights in the value chain continued

Workers in the value chain continued

Our Executive Committee has approved our Position on Human Rights and is responsible for its implementation, overseeing stakeholders' engagement, monitoring compliance, addressing violations and ensuring access to remedies when needed.

The commitment to human rights we outline in our Position on Human Rights is aligned with the UN Guiding Principles on Business and Human Rights and informed by the International Labor Organization's (ILO's) 1998 Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Our *Position on Human Rights* is publicly available on our website, ensuring stakeholders and partners are well informed about our practices and policies.

To help drive industry-wide improvements on human rights, Ahold Delhaize actively collaborates with initiatives like the amfori BSCI and the CGF's Sustainable Supply Chain Initiative.

Standards of Engagement

Ahold Delhaize's Standards of Engagement are comprehensive requirements that our suppliers maintain the same high level of business ethics, regard for human rights and respect for the environment as do Ahold Delhaize and its brands. The Standards of Engagement are approved by the CLO, who is also responsible for their global implementation.

The Standards of Engagement define our expectations and aim to ensure that our brands' suppliers maintain the same high level of business ethics and regard for human rights and the environment as Ahold Delhaize and its brands. The Standards of Engagement are integral to the contractual relationships with these suppliers.

The Standards of Engagement are aligned with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights and further informed by the ILO's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the amfori BSCI Code of Conduct. However, we recognize the global complexities and variations in labor regulations, particularly concerning the ILO Conventions. Because our Company operates in countries that have not ratified all of the core ILO Conventions, we also refer to the local laws and legal frameworks as they apply in each of the countries in which Ahold Delhaize, its brands and suppliers operate.

The Standards of Engagement specifically reference individuals or groups who are vulnerable or marginalized.

Our Standards of Engagement 4.0, adopted on January 1, 2024, are fully aligned with our Position on Human Rights, explicitly addressing the salient human rights impacts. Key updates include the implementation of age-verification mechanisms and the international principles on responsible recruitment, reflecting the findings of our human rights due diligence process and stakeholders' expectations.

These updated Standards also strengthen the framework for monitoring and investigating suppliers, with closer cooperation, in the case of reports or allegations of serious compliance issues. The updated Standards now apply to all suppliers, extending beyond own-brand suppliers to include national-brand and not-for-resale suppliers, and those outside high-risk countries.

All suppliers – regardless of category – are required to report any allegations or incidents of serious noncompliance and must allow Ahold Delhaize to investigate these reports. Version 4.0 will replace version 3.0 over a three-year period, effective from January 1, 2024. All new contracts or contract renewals will adhere to the revised Standards, ensuring a structured transition process. To further support this transition, the Ahold Delhaize *website* includes a video introduction and a guidance document for suppliers, which contains additional resources to help them learn more about specific requirements.

In cases where suppliers operate in high-risk countries or have an elevated risk of non-compliance, Ahold Delhaize may require suppliers to provide an amfori BSCI audit or equivalent assurance. For more information on requirements applicable to own-brand suppliers located in high-risk countries, see *Social compliance*.

If significant breaches take place, such as child labor or forced labor, suppliers are obligated to immediately notify Ahold Delhaize, initiate an investigation, implement corrective measures and provide full cooperation throughout the remediation process. Ahold Delhaize reserves the right to suspend business relationships until these issues are fully resolved to its satisfaction. In 2024, Ahold Delhaize introduced reporting on deal-breakers, which includes severe cases of non-respect of these international standards. The approach to deal-breakers and broader remediation efforts is outlined under *Social compliance*.

Processes for engaging with value chain workers about impacts

Ahold Delhaize and its brands regularly engage with a wide range of stakeholders. In 2023, we published our *Policy on Stakeholder Engagement*, which outlines our approach to engaging with stakeholders on sustainability. This policy and our *Health & Sustainability Stakeholder Engagement Guidelines* are available on our website.

Globally, we engage with relevant benchmarks such as the Corporate Human Rights Benchmark, as well as NGOs and other organizations that represent or are considered proxies for workers in the upstream value chain. Locally, each brand also works with civil society organizations, industry associations and local governments, along with some of the same groups we engage with globally.

We engage with the upstream value chain workers both directly and through credible proxies, as listed above, to manage and address actual and potential impacts on their human rights. This engagement occurs at multiple stages, primarily through social compliance and certification programs, and through HRIAs focused on specific supply chains and geographies. These assessments allow for direct engagement with affected workers, particularly vulnerable or marginalized groups, such as migrant workers in agriculture.

At the operational level, social compliance and certification programs are integral to engagement. These include social audits with worker interviews to help ensure social compliance with our social standards at least every two years, and in case of major non-compliance, a re-audit is done every year. These social standards also have grievance mechanisms, such as amfori's Speak for Change program, detailed below.

Social information: labor and human rights in the value chain continued
Workers in the value chain continued

Affected workers can also engage directly with us through our Speak Up line, which is accessible to both internal and external stakeholders.

The Human Rights team oversees global stakeholder engagement on human rights generally and the global approach to engagement with affected workers in the upstream value chains.

For more information on how we engaged with parties as part of the SDD process, see *Statement on due diligence* under *General information*.

Although Ahold Delhaize does not currently have any Global Framework Agreements with union federations, we remain focused on direct and proxy engagement with workers in our upstream value chain.

As an outcome of the interviews and stakeholder workshop during the SDD process, we received feedback that HRIAs are good tools for engaging directly with affected stakeholders, including rightsholders, and providing more focused insights about impacts in specific supply chains and regions. See *Human rights impact assessments (HRIA)* under Actions and resources for more information.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Remediation and access to remedy are essential aspects of our human rights due diligence process. Ahold Delhaize and its brands are committed to providing and supporting effective remedies for labor and human rights impacts within our upstream value chain. We address any allegations of human rights violations that we cause or contribute to in good faith through legitimate processes and expect the same commitment from our suppliers.

Our approach to remediation is guided by our Position on Human Rights and Standards of Engagement, specified as Access to remedy, which requires suppliers to participate in effective, fair, and transparent grievance mechanisms and remediation.

Ahold Delhaize and its brands encourage raising concerns and speaking up. We do not retaliate or allow retaliation against anyone who, in good faith, reports a potential violation. Any form of direct or indirect retaliation is strictly prohibited.

Ahold Delhaize and its brands provide multiple ways to raise concerns, including our local Speak Up lines. These lines are free, accessible, confidential, secured, and administered by a third party to ensure the safety and protection of each of our brand's associates, third parties within and connected to our value chains, and members of the public who wish to raise concerns about improper behavior or possible violations of law or policy. For the Global Speak Up Policy, contact details, and more information about the process, including a response timeline, see the *Speak Up* section of our website. For more information about the Speak Up line, see *Governance, risk and compliance – Ethics and compliance*.

While these lines are available to third parties within and connected to our supply chains and the general public, we recognize that workers in our upstream value chains may find it harder to access them. In the latest version of the Standards of Engagement, we have strengthened our expectations for suppliers regarding grievance mechanisms and made it clear that retaliation is strictly prohibited. We also emphasize the importance of allowing human rights defenders to work safely under all circumstances. We continue to work with industry organizations and standard committees, including the amfori BSCI and others, to evaluate and promote effective grievance mechanisms among our suppliers.

One example is amfori's Speak for Change supply chain grievance mechanism program. This program is set up in line with the UN Guiding Principles, and receives complaints from workers, communities, and their representatives who believe that amfori members and their business partners have negatively impacted them. More information, aggregated data, and case reports are available on the *amfori website*.

Our grievance mechanisms to address adverse impacts allow upstream value chain workers to raise concerns confidentially. We strive to ensure that grievances are addressed promptly and effectively, and remediation is provided when our brands' operations cause or contribute to negative impacts.

We monitor non-compliance through social audits and certification processes. Each social audit includes a corrective action plan (CAP), and suppliers must demonstrate continuous improvement to remain in the audit or certification process. For more information on deal-breakers identified during the certification process, see *Social compliance: Deal-breakers*.

Sometimes, an allegation of (severe) non-compliance with our Standards of Engagement comes from external sources, such as independent organizations or journalists, raised outside Ahold Delhaize's social audit process. When this happens, we follow a process similar to how we handle internal grievances. In 2024, we responded to allegations made via the Business and Human Rights Resource Center related to working conditions and access to grievance mechanisms of workers in the upstream value chain. Our responses are publicly available. For examples, see our *Human Rights Report 2024* sections *Human rights in the supply chain* and *Access to remedy*.

Looking ahead, one of the key steps in our Company's due diligence roadmap is to enhance the accessibility and effectiveness of our supply chain grievance mechanism in partnership with industry groups and social standards organizations, as well as other collaborative programs that Ahold Delhaize and the brands engage in.

Actions and resources

Our approach to managing material impacts in the upstream value chain focuses on areas where we can drive the most impact. For both national and own-brand products, we embed our Standards of Engagement within the procurement process. In addition, as we work together with suppliers to identify and address risks, we prioritize our own-brand products, because they allow direct conversations about product conditions, ingredients and production practices with our suppliers.

Social compliance

As part of our social compliance audit program, Ahold Delhaize requests own-brand suppliers to demonstrate social compliance at their production locations in high-risk countries through Ahold Delhaize-accepted third-party audit reports or certificates, which are *amfori BSCI or equivalent*. The Ahold Delhaize-accepted or stepping-stones audits monitor social compliance with our Standards of Engagement. The third-party auditors assess working conditions and progress and measures to mitigate impacts necessary to protect human rights at production locations in our value chain, such as working conditions, health and safety, inadequate wages, equal treatment and opportunities, discrimination, harassment and violence, and preventing child labor and forced labor. By having policies, key indicators of impacts on our above-mentioned DMA topics, and CAPs, audited, own-brand suppliers can demonstrate social compliance.

Social information: labor and human rights in the value chain continued

Workers in the value chain continued

Our focus is on high-risk countries, as defined by amfori, through which we target managing material impacts and potentially affected workers and vulnerable groups in our global value chain. We are making steady progress toward auditing and obtaining certification of our own-brand production locations in high-risk countries against acceptable standards, including those defined as any standard equivalent to amfori BSCI. For Ahold Delhaize, utilizing the amfori BSCI standard is a strategic choice for managing human rights impacts in the supply chain.

We also accept stepping-stone standards to support suppliers in specific countries as a first temporary step in making progress toward an acceptable standard, acknowledging that change cannot happen overnight. When including these standards, 93% of own-brand suppliers' production locations have been audited or certified on social compliance. See also the *Sustainability notes* for more information.

Our routine social audits against these certification programs in high-risk countries form a key part of our approach to ensure that suppliers comply with social standards.

While we recognizes the limitations of social audits, we see them as a meaningful, independent and scalable way to monitor working conditions in complex, global supply chains. The amfori BSCI approach emphasizes continuous improvement through CAPs that address noncompliance, followed by progress reports.

We continue to work closely with standard-setting organizations and other stakeholders to address the credibility and effectiveness of social audits, find ways to improve working conditions and address adverse human rights impacts throughout the supply chain.

Deal-breakers

If a social compliance audit identifies a severe compliance issue, such as child labor, forced or bonded labor or life-threatening health and safety situations, Ahold Delhaize brands may suspend orders from that supplier and work with them to get the violation or adverse impact remediated. If a supplier is unable or unwilling to remediate its non-compliance within a reasonable timeframe, the brand could ultimately terminate its relationship with that supplier. In practice, most of the deal-breaker cases involve occupational health and safety situations.

In 2024, Ahold Delhaize brands reported six own-brand first-tier production units with deal-breakers. In some cases, the brands and their suppliers were able to remediate the deal-breaker at the own-brand first-tier production unit. We are working closely with our suppliers to resolve the remaining cases as soon as possible.

We monitor these violations across all social audit programs, including amfori BSCI (or equivalent). All certification programs we accept have a set of minimum requirements that cover the deal-breakers. Our brands will initially suspend orders from a non-compliant supplier and work with the supplier to get the violation or adverse impact remediated.

Regardless of whether a supplier is audited or certified, if a serious allegation of a deal-breaker is raised at a supplier (or elsewhere in our supply chain), Ahold Delhaize conducts a thorough investigation and takes appropriate action.

See also our performance on the social compliance metric as reported in our *Sustainability notes*.

Critical commodities

Our approach to critical commodities emphasizes certification to address environmental and human rights impacts. By 2025, Ahold Delhaize and its brands aim to have certified 100% of their own-brand products containing soy, palm oil, cocoa, coffee, wood fiber, seafood and tea against an acceptable standard. Certification standards include standards like Fairtrade, Rainforest Alliance and the RSPO, which address and minimize environmental and social impacts. The commodity certification standards that Ahold Delhaize and its brands accept include social requirements, with the exception of the Marine Stewardship Council (MSC), the standard we use to certify wild-caught seafood. Therefore, Ahold Delhaize has contributed to developing the FISH Standard for Crew and is engaged in partnerships like the Global Tuna Alliance and the Seafood Task Force to address social impacts in those supply chains.

See also *Biodiversity and ecosystems* for more details on our certification of critical commodities.

Human rights impact assessments

HRIAs can help Ahold Delhaize understand where and how people are negatively impacted. An essential aspect of an HRIA is to gain insight into the perspectives of workers who may be particularly vulnerable and/or marginalized, foster open dialogue between businesses, rightsholders (individuals or social groups that have particular entitlements in relation to specific duty-bearers) and stakeholders, and create and implement action plans to address those impacts.

Over the past three years, Albert Heijn has published reports and action plans from 10 HRIAs focused on specific suppliers, with more in progress. Learnings from these HRIAs have informed their recently introduced *Positive Produce for People and Planet Program* for fruits and vegetables.

Building on Albert Heijn's work, Ahold Delhaize has initiated two HRIAs focused on key salient impacts across our supply chains. We have selected independent, expert organizations that help us to meaningfully engage and ensure that rightsholders' voices are heard and considered. These assessments will cover multiple Ahold Delhaize brands and evaluate adverse impacts in value chains, including the material impacts identified in our DMA. We believe that this approach will help us assess impacts more broadly and establish global action plans that allow us to address impacts collectively.

The global HRIAs, initiated in 2024, focus on key issues, including the treatment of migrant workers in global value chains, particularly in agriculture and fisheries. Once the HRIAs are finalized in 2025, we will determine the follow-up actions.

Collaboration and partnerships

Partnerships and collaborations are essential in our human rights work and drive a broader impact on our brands' operations, communities and supply chains as we address systemic risks, such as inadequate wages, unsafe working conditions and discrimination. Ahold Delhaize engages in sector-wide collaboration and takes an active role in the key organizations that it partners with, including as Chair of the amfori Board, member of the CGF's Sustainable Supply Chain Initiative Steering Committee and participant in other working groups. We consult with our partners to continuously improve the effectiveness of those programs and initiatives.

Social information: labor and human rights in the value chain continued

Workers in the value chain continued

Our brand, Albert Heijn, is on the board of IDH's Sustainability Initiative Fruit and Vegetables (SIFAV) and the Dutch Initiative for Sustainable Cocoa and Ahold Delhaize USA is on the board of the Seafood Task Force.

Our brands also collaborate with national-brand suppliers on human rights and social compliance programs, such as the CGF's Sustainable Supply Chain Initiative, which aims to mutually recognize auditing, monitoring and certification programs through comprehensive independent benchmarking.

Sustainability risk assessment (SRA)

Our SRA is guided by the OECD and FAO for Responsible Agricultural Supply Chains. Our brands annually conduct the SRA to evaluate key raw materials against environmental and social risks in our own-brand products. The social risks identified in the SRA are based on our salient and material impacts and combine information on publicly available risk data per country to assess the likelihood and severity of risks. Each brand determines the extent to which the risk is mitigated and the available leverage to (further) mitigate the risk in order to prioritize supply chains and formulate actions.

While our current tool has been effective, we plan to either update it based on our findings from the SDD process and DMA or explore existing external tools that we can implement.

Tracking effectiveness of our actions

The effectiveness of our actions is tracked through quarterly reports on *SpeakUp line issues reported* and grievances resolved. We also leverage programs like amfori's Speak for Change, which provides transparency and efficient tracking mechanisms as detailed on their platform. This approach helps us focus on meaningful interventions and resolutions.

Actions to mitigate risks such as forced labor include deeper supplier audits and increasing scrutiny of high-risk regions. We periodically evaluate social compliance programs and continuously work with standards to improve their effectiveness and outcomes.

See also how we measure our performance below.

Managing material impacts: What's next

We are advancing the integration of our Standards of Engagement into our Global Purchasing Policy to strengthen ethical practices across purchasing. Our due diligence roadmap now forms an integrated, risk-based approach to managing social and environmental impacts.

Over the next two years, the roadmap will guide the development of additional tools, including expanded grievance mechanisms and supplier capacity-building initiatives. We will focus also on executing the due diligence roadmap, as outlined in the *General information* section.

Looking ahead, we plan to integrate social compliance audits more effectively into our broader due diligence framework and engage with social standards like amfori and Sedex to strengthen integrity and continue improving our social compliance program further.

Resources and governance

Our approach to human rights is led through a centralized Ethics and Compliance team that drives global engagement on human rights. This work is coordinated through the Ahold Delhaize Working Group on Human Rights and is built on cross-functional collaboration. Its members regularly collaborate with counterparts in the brands to manage human rights programs and adapt to local contexts, helping brand leadership teams actively monitor and address human rights impacts within their upstream value chains.

Each brand has their own resources responsible for managing its programs and activities and ensuring working conditions for own-brand products and critical commodities are monitored at the brand or regional level, which aligns with our diversified upstream value chain approach.

How we measure performance

To measure our performance in addressing labor and human rights in our upstream value chain, we have the following ambition in place, which is focused on our own-brand products:

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-compliance on deal-breakers by 2025

For more information on how social compliance audits and certificates aim to address labor and human rights mentioned in this chapter, see *Social compliance*.

The ambition supports our broader policy objective of ensuring ethical sourcing and sustainable supply chain practices. See also the ambitions set on critical commodity sourcing of own-brand products under *Biodiversity and ecosystems*.

While we do not have a target in place, we measure our performance against the above ambition, aiming to increase the percentage of production units meeting fully acceptable standards while progressively reducing reliance on stepping-stone audits and strengthening compliance across our value chain.

Metrics

The social compliance metrics are used to report on labor and human rights in the supply chain.

Performance management

Performance indicator description	2024	2023	Change vs. prior year
% 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	**77%**	78%	(1)pp
% of production sites of own-brand products in high-risk countries audited against a stepping-stone standard with a valid audit report or certificate and no non-compliance on deal-breakers	**17%**	18%	(1)pp

In 2024, 77% of production sites of own-brand products in high-risk countries were audited against an acceptable standard (amfori BSCI or equivalent). While our brands are focused on implementing social compliance at all their own-brand suppliers in high-risk countries, we acknowledge that we still have necessary steps to take to reach our ambition. If we include stepping-stone standards (see *Sustainability notes* for more information) in our total social compliance numbers, we reached 93% in 2024.

In the coming year, we will review the ambition and identify what steps can be taken to close the gap while maintaining alignment with our overall strategy.

Social information: communities
Community impacts

communities

Community impacts, and specifically the rights of Indigenous peoples and local communities to land and natural resources such as water, have been identified as a new material sustainability topic in our 2024 DMA. These impacts primarily occur at the start of our supply chains: farming activities, deforestation, and competition for scarce water resources can affect local communities and Indigenous peoples with new activities in their natural habitat. However, addressing these impacts is complex, as Ahold Delhaize brands do not directly interact with these communities.

While direct interventions on community impact are complex and often extend beyond our supply chain, our actions in these areas inherently address key community concerns. Many of our existing sustainability efforts – including those related to deforestation, responsible sourcing of commodities and human rights – already contribute indirectly to mitigating these negative impacts. Our social compliance certification processes, supplier engagement, and broader sustainability initiatives inherently address key community concerns. Given the interconnected nature of these topics, this chapter will illustrate our approach and actions by referencing our ongoing work on other material sustainability topics. We recognize that this is an evolving area, and we will continue to assess and refine our approach over time.

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Community impacts 163



community impacts

Definitions: Local communities, including Indigenous peoples, along with entities in our supply chain and their human rights that must be respected:

Respecting the rights of local communities and Indigenous peoples to land and natural resources, including access to water, for their livelihoods and access to adequate food.

Respecting the rights of human rights defenders to work peacefully toward the protection and promotion of human rights and to work safely under all circumstances and in environments that enable them to do so.

Strategy

Interests and views of stakeholders

Ahold Delhaize and the brands recognize and support the rights of Indigenous peoples and local communities to land and natural resources, including access to water. We recognize that Indigenous peoples, local communities, smallholders and women are often dependent on the use of or access to land or natural resources, including water, for their livelihoods.

Land rights are essential in tackling environmental and climate-related issues, including deforestation and natural resource management.

There is also increasing pressure on the availability of potable water, often in areas of agricultural production, which can affect local and Indigenous communities and small farmers.

Our commitment to embedding the interests, views and rights of affected communities aligns with practices detailed under *General information* and *Labor and human rights in the supply chain*, ensuring a structured approach that harmonizes the Company's goals with stakeholder needs and societal expectations.

Social information: communities continued
Community impacts continued

Material IROs and their interaction with strategy and business model

As stated under *Workers in the value chain*, our local brands depend on global supply chains for raw material sourcing, production and business relationships, making them integral to our business model. Through our SDD process, detailed in *Statement on due diligence*, we identified affected local communities as key stakeholders potentially affected by salient human rights impacts, which often have systemic roots.

We believe that our commitment to human rights is a foundational commitment towards people in our supply chain and is therefore linked to our *Trusted product* strategic priority and reflected in our values of care and integrity.

Ahold Delhaize recognizes that local communities – especially vulnerable groups such as Indigenous peoples, smallholder farmers and women – are often dependent on the use of or access to land or natural resources, including water, for their livelihoods and access to food.

We also recognize the importance of human rights defenders who work to promote social justice, protect the environment and ensure sustainable development. This group is at risk for retaliation, intimidation, threats, physical violence and other forms of illegal mistreatment.

The salient issues identified in the SDD informed our *DMA*, and resulted in the potential negative impacts on these affected communities in our brands' supply chains to be identified as a new material sustainability matter. While Ahold Delhaize has historically acknowledged community-related human rights within broader human rights due diligence, the explicit focus on these communities as a new material sustainability matter represents a strategic shift as a result of our DMA. As this is new, the Company is making use of the transitional provision related to value chain topics, where relevant, to determine the extent of reporting required on this topic in future years.

See *Our material sustainability matters* for an overview of the identified impacts and risks as well as for how our material sustainability matters link with our strategy and business model.

IRO management

See *Our material sustainability matters* for the impacts and risks we have identified and assessed as material for affected communities through our *DMA* process.

Policies

Our commitment to human rights extends to affected communities across our supply chain, as outlined in our Position on Human Rights and Standards of Engagement. These policies, detailed under *Labor and human rights in the value chain*, define our approach to protecting the economic, social and cultural rights of affected communities through their land-related rights and access to water for their livelihoods and access to food, while also addressing civil and political rights, particularly those of human rights defenders.

The policies stated above set out expectations for how we should respect the rights of vulnerable groups within these communities, such as women, Indigenous peoples, and other marginalized groups, and manage impacts on affected communities.

We do not tolerate land grabbing. In the recent revision of our Standards of Engagement, we strengthened requirements for suppliers involved in land acquisition, leasing, or disposal. It highlights Ahold Delhaize's commitment to recognizing the particular rights of Indigenous peoples, including the need for free, prior and informed consent on matters impacting their lands and resources. This process safeguards the rights of affected communities, ensuring that their voices are heard and respected in all land-use decisions.

Please read the Community impacts chapter of our 2024 *Human Rights Report* for more details.

Processes for engaging with affected communities about impacts

The *Policy on Stakeholder Engagement* outlines our approach to engaging with stakeholders on sustainability and, together with the *Health & Sustainability Stakeholder Engagement Guidelines*, defines our engagement process with affected communities.

The *Workers in the value chain* chapter of the Policy lists the stakeholders we engage with and outlines the process and ownership by which we engage with them. This process and ownership also applies to affected communities. This chapter also includes information on our engagement with organizations that represent or are considered proxies for affected communities in our supply chain.

This recent collaboration has deepened our understanding of community impacts, including land rights and access to water. This enhanced perspective helps us address issues affecting these communities and stakeholders with greater insight and responsiveness.

Ahold Delhaize and its brands also engage with affected communities in supply chains through the social compliance and certification programs. Key elements of an amfori BSCI social audit include an assessment of the environmental impacts on surrounding communities and require suppliers to have a grievance mechanism in place that is accessible to those communities. Other examples include:

- The Round Table on Responsible Soy certification program that facilitates a global dialogue on responsible soy and target addressing human rights of local communities
- The certification program of the RSPO, a multi-stakeholder approach that covers inclusion of smallholder farmers.

In 2024, we commissioned global HRIAs, which include, among other things, community impacts in global supply chains. Where relevant, these assessments allow direct engagement with affected communities, particularly vulnerable or marginalized groups, such as Indigenous peoples and smallholder farmers.

The global HRIAs initiated in 2024 focus on key issues, including the treatment of migrant workers in global value chains, particularly in agriculture and fisheries. Once the HRIAs are finalized in 2025, we will determine the follow-up actions.

Social information: communities continued
Community impacts continued

Processes to remediate negative impacts and channels for affected communities to raise concerns

Our remediation processes are detailed in the *General information* section and, for global supply chains specifically, under *Workers in the value chain*. We require our suppliers to establish or participate in an effective, fair and transparent grievance mechanism for individuals, communities and their representatives.

Action and resources

Our approach to managing material impacts in the value chain focuses on areas where we can drive the most impact. For both national- and own-brand products, we embed our Standards of Engagement in the procurement process. In addition, when working together with suppliers to identify and address risks, we prioritize our own-brand products, because they allow direct conversations about product conditions, ingredients and production practices.

Compliance and certifications

Our social compliance program addresses labor and human rights violations in the supply chain. However, its coverage is limited, as it focuses on the last stage of production (LSOP), specifically on own-brand production units in high-risk countries. Programs like amfori BSCI or SMETA extend this coverage to include some community impacts.

To manage the broader risks of deforestation and land degradation and how those connect to the livelihoods of local communities and Indigenous peoples, we rely on certifications that address additional impacts beyond social compliance, especially in critical commodities.

We are working to certify six critical commodities in our own-brand supply chains, including palm oil, soy, wood fiber, tea, coffee and cocoa.

Certifications like Fairtrade, Rainforest Alliance or equivalent are committed to continuous improvement in cocoa, coffee and tea supply chains. For example, Ahold Delhaize brands aim to source 100% sustainably certified own-brand coffee and tea products to improve agricultural practices and reduce community impacts. By adhering to Rainforest Alliance or Fairtrade Standards, these certifications help improve farming practices while addressing social factors that affect communities, like access to water.

By 2025, our brands aim to have 100% of their own-brand products containing soy, palm oil, cocoa, coffee, wood fiber, tea and seafood certified against an accepted standard or otherwise assured. For more information, see *Biodiversity and ecosystems* and *Water and marine resources*.

Collaboration and partnerships

Partnerships and collaborations play an important role in our work on human rights and in driving a broader impact on supply chains, including local communities. Ahold Delhaize often takes an active role in the key organizations it partners with and participates in other working groups and consultations to contribute to the continuous improvement of the effectiveness of those programs and initiatives.

Recognizing the critical importance of water resources, particularly in high-water-risk regions, some of our Ahold Delhaize brands, in close collaboration with the SIFAV, are implementing stringent water management standards.

These standards are designed to monitor water use in agricultural production, to see that it does not adversely affect local communities, in an effort to safeguard their access to this vital resource.

One of the key efforts from our brands Albert Heijn and Delhaize involves implementing water management standards in high-water-risk regions as part of the SIFAV. By 2025, all SIFAV partners aim to ensure that at least 70% of volumes from these regions comply with approved water standards, significantly mitigating the risk of water scarcity and its impact on local communities.

In the Human Rights Report 2024, you can find more information about some of the key partnerships to prevent, mitigate and remediate material impacts in commodity supply chains.

Sustainable sourcing and biodiversity programs

Ahold Delhaize is committed to sustainable sourcing and agricultural practices that respect the rights of local communities. Our brands actively participate in initiatives like GLOBALG.A.P., the S.A.I. Platform Farm Sustainability Assessment and the Rainforest Alliance to promote sustainable and regenerative agriculture to mitigate negative impacts on nature, biodiversity and local communities. These initiatives help ensure that farming practices are environmentally responsible, respect the rights of local communities and are considerate of the communities that rely on these resources.

Human rights impact assessments (HRIAs)

HRIAs can help Ahold Delhaize understand where and how people in the upstream value chain are negatively impacted. An essential aspect of an HRIA is the way it can be used to gain insight into the perspectives of affected communities that may be particularly vulnerable and/or marginalized, fostering open dialogue between businesses, rightsholders and stakeholders, and creating and implementing action plans to address those impacts.

Therefore, they are a vital part of our approach to SDD. See *Workers in the value chain* for more information.

Managing material impacts: What's next

Ahold Delhaize is committed to managing material risks and seizing opportunities to support affected communities through targeted initiatives.

Looking ahead, one of the steps on Ahold Delhaize's due diligence roadmap is to further develop supply chain grievance mechanisms, ensuring they are accessible and effective. We plan to achieve this in partnership with industry organizations, social standards and other collaborative programs that Ahold Delhaize and the brands engage in.

In 2023, we began refining our approach to managing nature-related impacts, which includes water consumption and withdrawals in our supply chain. See *Nature* for more information on the progress made.

How we measure performance

Our social compliance metrics and ambition and our ambition and metrics used to measure progress on critical commodity certification are also used to measure the progress of our actions toward mitigating negative impacts on affected communities.

See *Workers in the value chain* for the related metrics on social compliance and *Biodiversity and ecosystems* for the related metrics on critical commodities.

Social information: customers
Product safety

customers

At Ahold Delhaize, we translate our passion for food into healthy, fresh and affordable products that are accessible to our brands' customers. We serve customers' life needs through our core business of food retail, and an expanding ecosystem of integrated products, services channels and data.

In this section of the sustainability statements, we provide more information on our material sustainability matters linked to consumers.

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product safety

Definition: A "safe product" means any product which, under normal or reasonably foreseeable conditions and actual duration of use, presents no risk or only the minimum risk compatible with the product's use.

From a materiality perspective, we focus on the impact on customers, including vulnerable groups, through the sale of products that are illegal or unsafe and could harm or injure customers.

For product safety purposes, we make a distinction between food and non-food. Food is defined as all products that are considered as human food and exclude medicine and dietary supplements. Non-food refers to all products that are not considered as human food, including medicine, and dietary supplements.

Strategy

Product safety is a key priority and the cornerstone of the trust our brands build with customers. Ahold Delhaize brands are committed to providing customers with legal and safe products. This commitment is based on the applicable legal and regulatory requirements that relate to our businesses as well as Ahold Delhaize's internal policies and procedures related to ethical business practices.

As a leading group of supermarkets, ensuring the safety and quality of our products is a fundamental aspect of our commitment to customers. Our license to operate is intrinsically linked to our ability to provide safe and reliable products. Regulatory bodies and customers expect us to adhere to stringent safety standards. Failure to meet these standards could result in legal consequences, loss of consumer trust and ultimately the inability to continue our operations. For these reasons, maintaining product safety is essential to our business continuity.

Every item on our shelves undergoes rigorous safety checks to ensure it meets quality standards. This is not just a regulatory obligation but a core business principle. Safe products foster customer loyalty, enhance our brands' reputation and drive sales. In competitive markets, our brands' commitment to product safety reinforces their position as trusted retailers.

From a strategic perspective, prioritizing product safety aligns with our long-term business goals. It mitigates risks associated with product recalls, legal liabilities and potential harm to consumers.

We have a product safety policy and standards in place that are based on regular reviews of product safety regulations; quality assurance reviews; and audits in stores and DCs and at key suppliers.

Social information: customers continued
Product safety continued

Our brands develop, brand and market own-brand lines in-house to offer great value across different price points and a relevant local assortment. They partner to have them produced and packaged for sale. We take responsibility for maintaining the highest levels of product safety for our own-brand products. We work to ensure they are safe; produced in clean, efficient facilities; and clearly and accurately labeled. Product safety for national-brand products is the responsibility of the national-brand suppliers.

Ultimately, our focus on product safety supports our mission to provide high-quality products, ensuring the well-being of our brands' customers and the success of our business.

Interests and views of stakeholders

We recognize customers as key stakeholders. For information on the interests and views of affected stakeholders, see *Stakeholder engagement*.

Material IROs and their interaction with strategy and business model

The outcomes of the *DMA* shows that product safety might have a potential negative impact downstream in our value chain, with the focus on vulnerable groups, including the health and safety and protection of children. See *Our material sustainability matters* for details on the product safety-related impact and risk we identified and assessed as material through our DMA process. See the *Strategy* section for an overview of how our material IROs interact with our strategy and business model.

IRO management

Ahold Delhaize and own-brand suppliers operate a risk-based quality assurance system that takes into account vulnerable groups, including young, old, pregnant and immunocompromised people. The food safety standards we require include the usage of the vulnerable groups in the Hazard Analysis and Critical Control Point (HACCP) risk assessment. This risk assessment is used to identify, assess and control potential hazards in food production and processing. It ensures that food products are safe for consumption by focusing on preventive measures rather than relying on final product testing alone. We also take these vulnerable groups into account in our risk assessment for non-food products and in incident assessments.

Policies

Ahold Delhaize has a product safety policy, compliance standards, terms and conditions, and product safety specifications with clear accountability in place. The product safety policy establishes the mission, vision, objectives, responsibilities, tasks, organizational structure and application as well as the roles and the governance of product safety at Ahold Delhaize. The policy covers product safety for food and non-food products and extends to all of Ahold Delhaize's business activities, including operations conducted by the Ahold Delhaize brands, manufacturing facilities, and distribution and transportation activity. In terms of governance, the CLO of Ahold Delhaize, who is a member of Ahold Delhaize's Executive Committee, is responsible for compliance with the product safety policy.

Our Code of Ethics and contracts establish key requirements for all suppliers. We actively monitor compliance for our own-brand products through an extensive (third-party) audit program and provide support for suppliers if issues are identified. We also have regular engagement with expert bodies to understand and respond to changes in safety standards. We closely monitor any updates to product safety regulations, to ensure our standards and products continue to conform with all relevant regulations.

Processes for engaging with affected stakeholders about impacts

The *Policy on Stakeholder Engagement* outlines our approach to engaging with stakeholders on sustainability and, together with the *Health & Sustainability Stakeholder Engagement Guidelines*, defines our engagement process with affected stakeholders.

Processes to remediate negative impacts and channels for affected stakeholders to raise concerns

To monitor and support the safety and integrity of our products, we have established governance, assurance and risk management processes, such as monitoring own-brand product safety and customer complaints, with corrective actions taken when required and responses given to customers who file complaints.

We are aware that the risk of product recalls is always present, but we have a robust process in place to mitigate and minimize their occurrence, and if recalls do happen, we have an effective procedure to address them promptly.

Customers can raise their concerns in person, online, by phone or in writing to our brands, or they can bring their products back to our stores. Safety-related complaints are handled by the brands as a part of the general complaint-handling process.

Product recalls are implemented following the national legislation of the country where the brand operates. Recall notices for the own-brand products are posted on the brand's websites. As a response, investigations are conducted internally, and, if needed, at our suppliers, to determine the causes and implement the necessary corrective measures for prevention.

Actions and resources

Actions to implement the existing policies around product safety did not result in significant, separately identifiable operating or capital expenditure in 2024.

Ahold Delhaize's Product Safety & Compliance team assesses the effectiveness of our product safety control frameworks and facilitates follow-up inquiries to realize management's action plans. This approach helps stimulate the continuous improvement of our product safety practices and performance.

We have monitoring processes in place to manage food safety and product integrity throughout the Group and supply chain. Our brands perform a variety of quality assurance reviews and audits in stores, DCs and at key and preferred alternative suppliers.

Social information: customers continued
Product safety continued

To ensure the quality of the reviews, we have qualified food and product technology teams at the brands who also have access to external experts. We use diverse data sources and analytics to identify and anticipate potential product safety issues (horizon scanning). We further mitigate our risks in this area through different types of insurance coverage within our brands. We also review and monitor controls throughout the product lifecycle on an ongoing basis to confirm compliance with mandatory and internal safety requirements.

The focus of our product safety reporting is on own-brand products. Our brands work to ensure that the products are produced in clean, efficient facilities with good working conditions. As the risk assessment on vulnerable groups is part of the accepted standards, we have created a KPI with an ambition on the number of production sites certified.

For product safety, we have a food and a non-food ambition in place. We measure this at a certain point in time; therefore, there will always be some suppliers who are not yet certified or renewing their certificate at the time of measurement.

Hazard Analysis and Critical Control Point (HACCP)

We apply the internationally recognized HACCP system to ensure food safety.

This science-based, preventive system identifies, assesses and controls hazards critical to food safety. We review our HACCP plans and systems annually, ensuring they meet rigorous standards. These standards are implemented worldwide.

Collaboration and partnerships

Partnerships and collaborations play an important role in our product safety work. As a member of the CGF, we take an active role in various standards committees and working groups to drive global food safety. We support the CGF's Global Food Safety Initiative (GFSI) standards to advance the safety of food products. GFSI is a CGF Coalition of Action that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs. The GFSI Benchmarking process is now the most widely recognized in the food industry worldwide. As an active contributor to organizations such as the Brand Reputation through Compliance Global Standard (BRCGS) and GLOBALG.A.P., we help develop and maintain the highest standards on food safety.

Managing material impacts and risks

Ahold Delhaize is committed to managing material impacts and risks.

Product safety does not only rely on processes and procedures, but also on associates' awareness of their (potential) effect on the safety of the products. In 2024, we started a project to establish a methodology to assess product safety culture at the brands and identify potential areas for further development. We plan to continue this project in coming years.

See also *Our material sustainability matters* for how our material sustainability matters link with our strategy and business model.

How we measure performance

While we do not have a target in place to measure our performance on reducing our negative impacts and risks relating to product safety, we have the following ambition in place, focused on certification and audits by independent third parties:

Timeline	Ambition
Short term	100% of production sites of own-brand food products are certified in compliance with an independent third party against an Ahold Delhaize-approved standard, or in compliance with an acceptable level of assurance standard by 2025
Short term	100% of high-risk non-food own-brand products that are produced in production units audited by an independent third party against an Ahold Delhaize-accepted standard, tested or where stepping-stone audits were used as an alternative by 2025

Currently, Ahold Delhaize has no targets linked to our material impacts and risks relating to product safety in the downstream value chain. The ambition supports our broader objective of ensuring product safety.

Metric

Our metrics and methodology around the metrics used to measure product safety are included in the *Sustainability notes* section of this report.

Performance management

Performance indicator description	2024	2023	Change vs Previous Year
% of production sites of own-brand food products that are certified in compliance with an Ahold Delhaize-approved standard or comply with an acceptable level of assurance standard	99%	98%	1pp
% of high-risk non-food own-brand products that are produced in production units audited by an independent third party against an accepted standard, tested or where stepping-stone audits were used as an alternative	97%	97%	—pp

We aim to achieve 100% for both indicators. However, because new suppliers are still in the process of gathering data at measurement date (year-end), and the process of renewing current certificates – which involves finding auditors, conducting audits, and waiting for certificate issuance – is ongoing, this resulted in our not achieving full 100% compliance at year-end.

Social information: customers continued

Customers' health and nutrition and access to healthy, affordable products



customers' health and nutrition and access to healthy, affordable products

Definitions:

Customers' health and nutrition: We inspire customers and communities to engage in positive habits, by offering the right assortment, nudging them toward healthy lifestyles, and supporting them through education, inspiration and the use of technology.

Access to healthy, affordable products: We strive to provide customers and communities with access to affordable, high-quality nutritious products by making healthier products affordable and accessible for all.

Strategy

Customers' health and nutrition

Customers' health and nutrition seamlessly fits into our Growing Together strategy, specifically in our strategic priority *healthy communities & planet*. We aim to inspire customers and communities to engage in positive habits, offering the right assortment, and making healthier and sustainable products affordable and accessible for all. Our brands will continue to grow healthy sales and facilitate progress toward making healthy and affordable products accessible to everyone.

To further reinforce our dedication to a healthier and more sustainable food system and inspire customers to make healthier choices, we have announced that our European food retail brands have set a consolidated target, aiming for 50% plant-based food sales by 2030. A gradual shift toward more plant-based proteins is an important component of our plan to reduce carbon emissions and our impact on nature, and can also help achieve nutritional health objectives. By rebalancing protein sales and advancing the development of lower-carbon-emission animal products, we are addressing emissions in line with our climate ambition – while simultaneously providing greater value and choice to our brands' customers. This includes offering delicious, nutritious and affordable options that cater to diverse lifestyles and preferences. Our U.S. brands continue their focus on building lower-carbon assortments to inspire customers to make better choices and support a more sustainable food system. See *Actions* for more information.

Our local brands make healthier eating easier through their broad ranges of products that include affordable, nutritious choices and with recipes, support services, transparent labeling and nutritional information. They use engaging activities, both in store and online, to make healthier food an attractive choice. All our brands continue to reformulate own-brand products and recipes to reduce sugar, salt, colorants and additives while safeguarding product integrity and safety. Several of our U.S. brands are actively engaged in initiatives focused on reducing portion sizes.

Access to healthy, affordable products

Through our DMA, we identified access to healthy, affordable products as an actual positive impact downstream in our value chain.

The topic sits at the intersection of our *healthy communities & planet* and *trusted product* strategic priorities. Through trusted product, we translate our passion for food into healthy, fresh and affordable products that are accessible to our brands' customers.

Since this topic has been newly identified as material in our value chain, we will make use of the transitional provisions for value chain topics to phase in a comprehensive approach.

In the meantime, our brands continue to undertake many great efforts to make healthy products affordable for customers. They do this, for example, through Price Favorites affordable, entry-level products and through various incentive programs.

Interests and views of stakeholders

Our brands engage with customers through local channels, such as their customer service departments, the telephone, in-store feedback, email and local brand websites. Some of our brands also make use of consumer insight and engagement studies to obtain further insight on, for example, customer preferences, satisfaction and behavior. Some of our U.S. brands have customer interaction programs in place that are focused on health and nutrition, such as extensive dietitian programs and classes on healthy living. Engaging with customers is part of everyday business for our brands.

We see customers as a key group of affected stakeholders. See *Interests and views of stakeholders*, for a description of how the interest, views and rights of our brands' customers inform our strategy and business model.

IRO management

Process to identify and assess IROs

Through the *DMA*, customers' health and nutrition is identified as an actual positive impact downstream in our value chain and an opportunity to meet customer needs for more healthy, sustainable and nutritious products.

Although the DMA did not identify a negative impact, we acknowledge the potential for negative impacts on customers' health and nutrition and strive to manage this by contributing to healthy eating and offering nutritious products.See *Our material sustainability matters* for the impacts and risks we have identified and assessed as material for affected communities through our *DMA* process.

Policies

Our global sustainability policy includes more information about customers' health and nutrition. We also have an internal Global Consumers' Health & Nutrition (GCH&N) standard that describes our objectives and scope; the material impacts, risks or opportunities the policy relates to; and the process for monitoring these impacts and risks. It also describes the different levers our brands use to inspire and support customers. See *General information: Governance* for more information on our policies.

Social information: customers continued
Customers' health and nutrition and access to healthy, affordable products continued

The GCH&N standard focuses on creating a food system that provides access to healthy nutrition in several ways, such as offering a broad product range that includes affordable nutritious choices, using nutritional navigation systems to identify healthier products, and providing customers with healthy and sustainable diets. Our healthy own-brand food sales metric helps us evaluate progress as we work to meet growing customer needs for healthy and nutritious products, and is linked to our Management Board *Remuneration*.

For more information on the human rights policy commitments that are relevant to our brands' customers, including the processes and mechanisms to monitor compliance with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at work and OECD Guidelines for Multinational Enterprises, see *Labor and human rights in the value chain: Policies*. For more information on channels customers can use to raise concerns, see *Product safety*.

Actions and resources

Support and inspire customers in making healthy choices

Actions to implement the existing policies around customers' health and nutrition did not result in significant, separately identifiable OpEx or CapEx in 2024. Ahold Delhaize brands have dedicated H&S teams that address matters relating to customers' health and nutrition alongside other sustainability topics.

All of our brands have initiatives in place, both in-store and online, to support customer health. These range from loyalty programs, to product placement and campaigns, to reformulation and education. With *healthy communities & planet* being a strategic priority for Ahold Delhaize, we will continue to implement and/or enhance these types of initiatives in coming years.

We continuously share knowledge and insights across our brands, in order to have the most impactful tactics in place and to learn and leverage each others' expertise.

Our brands are committed to enhancing transparency about nutritional value through systems like Nutri-Score in Europe and Guiding Stars in the U.S. Most of Ahold Delhaize's brands have a nutritional navigation system in place. However, our brands in the CSE countries face challenges in meeting this target. Local authorities have resisted adopting Nutri-Score. They have prohibited it as a consumer-facing system, pending EU-wide legislation from the European Commission on front-of-package labeling. Consequently, our CSE brands, including Albert, Alfa Beta, Mega Image and Delhaize Serbia, have removed the Nutri-Score logo from their own-brand products. Despite these challenges, our CSE brands remain dedicated to promoting healthier diets by proactively enhancing their marketing messages around healthy products.

Our brands are committed to delivering healthier options and guidance to customers, while also providing a broad selection of products that cater to consumer needs. Health- and nutrition-related initiatives are being implemented on various levels: from incentives provided through loyalty programs and promotional campaigns to educating our youngest customers – children – by teaching them about healthy eating in a fun and engaging way. An increasing number of programs in the U.S. are using Guiding Stars as the standard for food purchases to guide participants to more nutritious choices.

In addition, to actively encourage customers to eat and live healthily, our brands are also focused on optimizing their product ranges and assortments. In order to reformulate items that are on the borderline of receiving a Guiding Star, the U.S. teams have worked together to identify and reformulate items that did not yet qualify for a star due to their nutritional composition – such as having too much salt.

To further reinforce our dedication to a healthier and more sustainable food system and inspire customers to make healthier choices, we are expanding our protein transition target across EU brands. In addition to moving toward more balanced planetary diets, all our brands are focused on creating a lower-carbon assortment, for example, through GHG emission-reduction initiatives within meat and dairy.

Lastly, the protein transition is receiving increased attention across the European food industry. As mentioned, all of our European food brands agreed on a consolidated target of at least 50% plant-based sales by 2030. See *Climate change* – scope 3 key levers for more information.

How we measure performance

Timeline	Target
Short-term	Our target is to have more than 51.7% healthy own-brand food sales as a proportion of total own-brand food sales by 2025[1].

1. We adjusted the 2025 target for healthy own-brand food sales to more than 51.7% to account for the expected 0.7 percentage point decreasing impact of the amended Nutri-Score algorithm, to be implemented in 2025 in our CSE brands. Excluding the impact, the target is more than 52.4%, which is an improvement vs. 2024 and above the original target of 52.3%.

Our current voluntary target on health has a time horizon up to the end of 2025. In 2025, we will determine the most appropriate future ambitions or targets and actions going forward, where applicable.

Metric

We use the *Guiding Stars* ratings for U.S. brands and the Nutri-Score criteria for European brands as our healthy sales standards. All of our European brands use the Nutri-Score criteria for measuring the performance indicator healthy own-brand food sales.

Our methodology, estimates and judgments around the metrics used to measure customers' health and nutrition are included under *Sustainability notes*.

Our healthy sales metric is applicable to all of our brands, with the exception of bol. We changed the metric and target took place as a result of Nutri-Score's change to a 2.0 algorithm. Our Dutch and Belgian brands transitioned to the Nutri-Score 2.0 algorithm at the beginning of 2024, and the remaining European brands will follow in 2025.

Performance management

	2024	2023	Change vs prior year
% of healthy own-brand food sales as a proportion of total own-brand food sales	**52.4%**	54.8%	(2.4)pp

By 2024, 52.4% of own-brand food sales across our brands consisted of sales from healthy products. This is an improvement compared to 2023, when excluding the change to Nutri-Score 2.0 at Albert Heijn and Delhaize Belgium.

The Nutri-Score 2.0 algorithm made it harder for products to receive an A or B score, which had a total negative impact of 3.4 percentage points on a group level. Excluding the Nutri-Score 2.0 impact, the own-brand healthy sales percentage would have been 55.7%, an increase of 0.9 percentage points compared to 2023.

The percentage of healthy own-brand food sales increased, mainly driven by product reformulations, introducing new, healthy SKUs and promotions of healthy products.

governance information

Although our DMA process concluded that business conduct is not a material sustainability matter, our commitment to integrity and our ethical principles are foundational to our governance framework and our day-to-day business practices that enable our sustainability activity. We have not identified any other governance-related material sustainability matter to report on.

See also *Governance, risk and compliance* for more information.

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Sustainability notes
Introduction

The sustainability notes include the metrics we use to track our performance on our material sustainability matters. This section also includes the methodologies we use for measuring performance and the data collection process and considerations we take into account when reporting on these indicators.

We provide the information necessary to understand the development, performance, position and impact of activities relating to *Our material sustainability matters* and include the indicators required by the applicable ESRS. For more information about our DMA, see *Double materiality assessment*.

Basis of preparation

For the basis of preparation, see *General information*.

The sustainability notes include information for the financial year 2024, with comparative figures from 2023. Ahold Delhaize's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31. The financial year 2024 consisted of 52 weeks and ended on December 29, 2024. See also *Note 2*. From a practical perspective, certain indicators are based on a calendar year rather than the 52-week financial year. Due to rounding, numbers presented may not add up precisely to the totals provided.

For details on the definitions used, see *Definitions and abbreviations*.

Setting and adjusting baselines and correction of errors

In order to provide meaningful and consistent comparison of ESG indicators, such as GHG emissions reduction, over time, we set a performance date to compare progress of our current performance against a set baseline. This performance date is referred to as the baseline year. We use the following baseline years:

GHG emissions scope 1 and 2:	2018 (2018 was used, as target was set in early 2020)
GHG emissions scope 3:	2020 (updated from 2018 in 2022 as part of our updated scope 3 targets)
Plastic packaging:	2021 (2021 was the most recent year, as target was set in 2022)
Food waste:	2016 (aligned with SDG target 12.3)

For consistent tracking of performance over time, the baseline may need to be recalculated due to changed circumstances, such as divestments and acquisitions, or changes in the calculation methodology or the correction of errors. The purpose of the recalculation is to make the comparison between the actual performance data and the baseline like for like.

The discovery of significant errors is also corrected in the comparative figures, where possible. If this is not possible, it is indicated. Impacts are considered significant (or material) if omitting, misstating or obscuring them could reasonably be expected to influence decisions that the primary users of the sustainability statements and the underlying ESG KPIs make on the basis of that data.

Data collection and use of data from third parties

Data collection for a number of the ESG indicators we report on is a complex task, because of the large number of products our brands have in their assortments as well as the significant number of locations. The maturity of data completeness and accuracy differs between the third parties delivering both transactional and master data to us. Verifying all of this data is a cumbersome process; the data quality varies per brand and country and sometimes depends on the willingness of other parties in the industry to provide data. For example, indicators for plastic packaging rely heavily on third-party data on weight and composition. Capturing accurate master data on packaging requires diligence, not only on our side but also on the side of third parties in our value chain.

We also use third-party data sources, such as emission factors, in our calculations of GHG emissions. In the absence of verified third-party data or own data sources, we must estimate the emissions in our value chain with standard emission factors, use of estimates and extrapolation of existing data. In addition, data provision from third parties on nutritional information to calculate the Guiding Stars or Nutri-Score labels, as well as weight of food waste collected on our behalf by third-party waste processing companies, is also critical in determining our indicators.

See also the data collection and considerations paragraphs for the relevant indicators mentioned for more detail.

Events after balance year end

See also *Note 36* to the consolidated financial statements for information. We did not identify any matters impacting the sustainability statements.

Non-financial performance measures

In presenting and discussing ESG performance, we also use the Company's own metrics where it allows for a better understanding of Ahold Delhaize's ESG performance or where there are not always clear reporting requirements yet. These metrics should not be viewed in isolation and should be read in conjunction with the definitions included in the *Definitions and abbreviations*, as other companies might define these measures differently than Ahold Delhaize.

Wherever possible, indicators are based on elements of a total group, for example, own-brand products, food sales, associates, stock-keeping units and sales areas. Definitions of these topics are included in the *Definitions and abbreviations* section, together with the definitions of other non-financial alternative performance measures used in the sustainability statements and elsewhere in this report.

Sustainability notes continued
Environmental indicators

Climate change

Energy consumption and mix

Energy consumption and mix (in MWh)	2024	2023[1]
(1) Fuel consumption from coal and coal products	—	
(2) Fuel consumption from crude oil and petroleum products	1,073,038	
(3) Fuel consumption from natural gas	1,108,796	
(4) Fuel consumption from other fossil sources	—	
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	2,722,044	
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	**4,903,878**	
Share of consumption from fossil sources in total energy consumption (%)	*65.7%*	
(7) Consumption from nuclear sources	**681,496**	Not reported[1]
Share of consumption from nuclear sources in total energy consumption (%)	*9.1%*	
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	3,638	
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources[2]	1,835,012	
(10) The consumption of self-generated non-fuel renewable energy	36,651	
(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)	**1,875,301**	
Share of consumption from renewable sources in total energy consumption (%)	*25.1%*	
Total energy consumption (calculated as the sum of lines 6, 7 and 11)[3]	**7,460,675**	**7,666,588**
Renewable electricity produced on-site and exported to grid[4]	6,187	3,138

1. The data for 2023 is not available at the level of detail required by ESRS E1 Climate change and, therefore, we only disclose the comparative total energy consumption for the year.
2. Includes energy attribute certificates
3. The amount disclosed in the Annual Report 2023 as facilities energy consumption (6,812 million kWh or 6,812,229 MWh (6,677,940 MWh restated)) did not include the fuel consumption for transportation.
4. The 2023 amount disclosed in the Annual Report 2023 included an amount of 9,368 MWh representing electricity produced on-site and used on-site, which was reclassified in 2024.

Energy consumption is reported as derived from nuclear or renewable sources only if the origin of the energy is supported by a contractual instrument; see table *Share and types of contractual instruments used for calculating scope 2 market-based emissions* for more details on the contractual instruments used for the renewable electricity purchased.

When electricity is purchased and the mix includes fractions of nuclear-generated or renewable-generated electricity (residual mix), these fractions were not included in the amount disclosed under Consumption from nuclear sources or Total renewable energy consumption.

Energy intensity per net revenue

	2024	2023	% change
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/ € million net sales)	**83**	86	(3.4)%

Ahold Delhaize's main businesses are covered under section G (retail) of the Statistical Classification of Economic Activities in the European Community (NACE codes): supermarkets (G 47.11), online sales (G 47.95), drug stores (G 47.74/47.75) and liquor stores (G 47.25). In line with the guidance from ESRS E1 paragraphs 38 and 40 – 43, all Ahold Delhaize activities are considered high-impact climate sectors. As such, the energy intensity is calculated based on the total energy consumption, in MWh, as mentioned in the table above, and the total net sales for the Group, in the amount of €89,356 million (2023: €88,734 million); see the *Consolidated income statement*.

GHG emissions

We report our GHG emissions by applying the financial control approach. Therefore, the table *Overview GHG emissions* shows the GHG emissions related to the consolidated Ahold Delhaize group. ESRS E1 requires entities to disclose the GHG emissions of the investments over which they have operational control. Ahold Delhaize does not have control over its investments, and, therefore, their emissions are reported in category 15 of scope 3, in line with the GHG Protocol guidance.

As mentioned in these sustainability statements under *How we measure our performance*, the metrics and targets sub-section of Climate change, we have set our GHG emissions reduction targets in line with the SBTi guidelines. For scope 3 targets, this means that the inventory includes the following:

- For the 2030 targets: 67% of category 1 emissions, 100% of categories 2 through 13 emissions, and 0% of categories 14 and 15 emissions
- For the 2050 targets: 90% of category 1 emissions, 100% of categories 2 through 13 emissions, and 0% of categories 14 and 15 emissions

A reconciliation between the total scope 3 GHG emissions, as reported, and the scope 3 GHG emissions used to report our performance against the targets set in line with the SBTi is included in the table *Overview of calculation of our SBTi-methodology scope 3 emissions*.

Of total gross scope 3 GHG emissions, 0.06% (2023: 0.05%) were calculated using primary data provided directly by suppliers or third parties. This includes mainly data related to upstream transportation and distribution activities.

Sustainability notes continued
Environmental indicators continued

Overview GHG emissions

Performance indicator description (in $ktCO_2e$)	Base year restated	2024	% reduction/ (increase) vs. baseline	2023 restated	% change 2024 vs. 2023	2022 restated	% change 2023 vs. 2022	2025	% average annual emission reduction[4]	2030[2]	% average annual emission reduction[4]	2040	% average annual emission reduction[4]	2050[3]	% average annual emission reduction[4]
	Retrospective							Reduction milestones and target years							
Scope 1 GHG emissions	2018														
Gross scope 1 GHG emissions	2,096	1,695		1,838	(7.8)%	1,842	(0.2)%								
Scope 1 – Refrigerant leakage		*1,199*		*1,323*	*(9.4)%*	*1,305*	*1.4 %*								
Scope 1 – Heating		*246*		*262*	*(6.2)%*	*278*	*(5.5)%*								
Scope 1 – Own transport		*250*		*252*	*(0.6)%*	*259*	*(2.7)%*								
Percentage of scope 1 GHG emissions from regulated emissions trading schemes (%)	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions	2018														
Gross location-based scope 2 GHG emissions	N/A	1,646		1,672	(1.5)%	1,668	0.2%								
Scope 2 – Electric energy use		*1,630*		*1,654*	*(1.4)%*	*1,649*	*0.3%*								
Scope 2 – Use of imported heat and cooling		*16*		*18*	*(9.0)%*	*19*	*(7.4)%*								
Gross market-based scope 2 GHG emissions	1,914	889		812	9.6%	1,017	(20.2)%								
Scope 2 – Electric energy use		*873*		*794*	*10.0%*	*998*	*(20.4)%*								
Scope 2 – Use of imported heat and cooling		*16*		*18*	*(9.0)%*	*19*	*(7.4)%*								
Scope 1 and 2 GHG emissions (location-based)	N/A	3,342		3,510	(4.8)%	3,511	—%								
Scope 1 and 2 GHG emissions (market-based)	**4,010**	**2,584**	**36 %**	**2,650**	**(2.5)%**	**2,859**	**(7.3)%**	**2,486**	**5.4%**	**2,005**	**4.2 %**	**401**	**4.1 %**		

Scope 3 GHG emissions[1]	2020 Actual	2020 near term[2] SBTi	2020 long term[3] SBTi	Actual	near term SBTi	Actual		Actual							
Gross indirect (scope 3) GHG emissions				63,559		61,365	3.6%	61,311	0.1%						
Gross indirect (scope 3) GHG emissions – FLAG emissions	25,132	16,839	22,619	27,622	(9.9)%	26,632	3.7%	27,108	(1.8)%			11,737	3.03%			6,333	2.4%
Gross indirect (scope 3) GHG emissions – E&I emissions	35,259	23,711	29,176	35,937	(0.2)%	34,733	3.5%	34,203	1.6%			13,753	4.2%			2,918	3.0%
Total GHG emissions															
Total GHG emissions (location-based)				66,901		64,875	3.1%	64,821	0.1%						
Total GHG emissions (market-based)				66,144		64,015	3.3%	64,170	(0.2)%						

1. For details on scope 3 categories, see next page.
2. Our near-term scope 3 reduction target (i.e., 2030) is measured against the 2020 baseline calculated in line with SBTi guidance for setting near-term reduction targets. For more details, see table *Overview of the calculation of our SBTi-methodology scope 3 emissions*.
3. Our long-term scope 3 reduction target (i.e., 2050) is measured against the 2020 baseline calculated in line with SBTi guidance for setting long-term reduction targets. For more details, see table *Overview of the calculation of our SBTi-methodology scope 3 emissions*.
4. The percentages are calculated using the emissions in the target and base years and do not consider the emissions of the current year. These reduction percentages do not represent the actual performance.

Sustainability notes continued
Environmental indicators continued

Overview GHG emissions continued

Performance indicator description (in $ktCO_2e$)	Retrospective										Reduction milestones and target years			
	Base year[1,2] restated			2024	% reduction/ (increase) vs. baseline	% of total scope 3	2023	% change 2024 vs. 2023	2022 restated	% change 2023 vs. 2022	2030[1]	% average annual emission reduction[4]	2050[2]	% average annual emission reduction[4]
Scope 3 GHG emissions	2020 Actual	2020 near term SBTi	2020 long term SBTi	Actual	near term SBTi		Actual		Actual					
Gross indirect (scope 3) GHG emissions				63,559			61,365	3.6%	61,311	0.1%				
Gross indirect (scope 3) GHG emissions – FLAG emissions	25,132	16,839	22,619	27,622	(9.9)%		26,632	3.7%	27,108	(1.8)%	11,737	3.03%	6,333	2.4%
Category 1 – Purchased good and services – FLAG emissions[3]				*27,622*		*43.5%*	*26,632*	*3.7%*	*27,108*	*(1.8)%*				
Gross indirect (scope 3) GHG emissions – E&I emissions	35,259	23,711	29,176	35,937	(0.2)%		34,733	3.5%	34,203	1.6%	13,753	4.2%	2,918	3.0%
Category 1 – Purchased good and services – E&I emissions[3]				*25,539*		*40.2%*	*24,544*	*4.1%*	*23,611*	*3.9%*				
Category 2 – Capital goods				*323*		*0.5%*	*381*	*(15.0)%*	*354*	*7.6%*				
Category 3 – Fuel and energy-related activities (not included in scope 1 or scope 2)				*1,267*		*2.0%*	*1,314*	*(3.6)%*	*1,415*	*(7.2)%*				
Category 4 – Upstream transportation and distribution[3]				*290*		*0.5%*	*243*	*19.3%*	*271*	*(10.1)%*				
Category 5 – Waste generated in operations				*168*		*0.3%*	*165*	*1.8%*	*149*	*10.6%*				
Category 6 – Business travel				*14*		*0.02%*	*14*	*(0.3)%*	*3*	*450.5%*				
Category 7 – Employee commuting				*472*		*0.7%*	*495*	*(4.6)%*	*690*	*(28.2)%*				
Category 11 – Use of sold products				*3,336*		*5.2%*	*3,516*	*(5.1)%*	*3,703*	*(5.1)%*				
Category 12 – End-of-life treatment of sold products				*782*		*1.2%*	*749*	*4.4%*	*818*	*(8.5)%*				
Category 14 – Franchises				*464*		*0.7%*	*179*	*159.1%*	*157*	*14.3%*				
Category 15 – Investments				*3,282*		*5.2%*	*3,133*	*4.8%*	*3,033*	*3.3%*				

1. Our near-term scope 3 reduction target (i.e., 2030) is measured against the 2020 baseline calculated in line with SBTi guidance for setting near-term reduction targets. For more details, see table *Overview of the calculation of our SBTi-methodology scope 3 emissions*.
2. Our long-term scope 3 reduction target (i.e., 2050) is measured against the 2020 baseline calculated in line with SBTi guidance for setting long-term reduction targets. For more details, see table *Overview of the calculation of our SBTi-methodology scope 3 emissions*.
3. Emissions from third-party transportation between the tier 1 suppliers and our own operations are included in category 1, instead of category 4.
4. The percentages are calculated using the emissions in the target and base years and do not consider the emissions of the current year. These reduction percentages do not represent the actual performance.

Sustainability notes continued
Environmental indicators continued

Overview of the calculation of our SBTi-methodology scope 3 emissions

Performance indicator description (in $ktCO_2e$)	2020 actual value as reported in the Annual Report 2024 (as restated)	Near-term target and performance: % inclusion of category emissions in the SBTi methodology baseline for 2020	Near-term target and performance: 2020 baseline calculated using SBTi methodology and used for near-term target setting	Near-term target and performance: 2024 actual value as reported in the Annual Report 2024	Near-term target and performance: 2024 actual value using SBTi methodology	Near-term target and performance: 2023 actual value as reported in the Annual Report 2024	Near-term target and performance: 2023 actual value using SBTi methodology	Long-term target: % inclusion of category emissions in the SBTi methodology baseline for 2020	Long-term target: 2020 baseline calculated using SBTi methodology and used for long-term target setting
Scope 3 GHG emissions	*A*	*B*	*C=A*B*	*D*	*E=B*D*	*F*	*G=B*F*	*H*	*H=A*H*
Total gross indirect (scope 3) GHG emissions – FLAG emissions	**25,132**		**16,839**	**27,622**	**18,507**	**26,632**	**17,843**		**22,619**
Total gross indirect (scope 3) GHG emissions – FLAG emissions	*25,132*	*67%*	*16,839*	*27,622*	*18,507*	*26,632*	*17,843*	*90%*	*22,619*
Total gross indirect (scope 3) GHG emissions – E&I emissions	**35,259**		**23,711**	**35,937**	**23,763**	**34,733**	**23,321**		**29,176**
Category 1 – Purchased good and services – E&I emissions	*23,758*	*67%*	*15,918*	*25,539*	*17,111*	*24,544*	*16,444*	*90%*	*21,382*
Category 2 – Capital goods	*644*	*100%*	*644*	*323*	*323*	*381*	*381*	*100%*	*644*
Category 3 – Fuel and energy-related activities (not included in scope 1 or scope 2)	*1,369*	*100%*	*1,369*	*1,267*	*1,267*	*1,314*	*1,314*	*100%*	*1,369*
Category 4 – Upstream transportation and distribution	*278*	*100%*	*278*	*290*	*290*	*243*	*243*	*100%*	*278*
Category 5 – Waste generated in operations	*134*	*100%*	*134*	*168*	*168*	*165*	*165*	*100%*	*134*
Category 6 – Business travel	*15*	*100%*	*15*	*14*	*14*	*14*	*14*	*100%*	*15*
Category 7 – Employee commuting	*736*	*100%*	*736*	*472*	*472*	*495*	*495*	*100%*	*736*
Category 11 – Use of sold products	*3,871*	*100%*	*3,871*	*3,336*	*3,336*	*3,516*	*3,516*	*100%*	*3,871*
Category 12 – End-of-life treatment of sold products	*746*	*100%*	*746*	*782*	*782*	*749*	*749*	*100%*	*746*
Category 14 – Franchises	*250*	*—%*	*0*	*464*	*0*	*179*	*0*	*—%*	*0*
Category 15 – Investments	*3,458*	*—%*	*0*	*3,282*	*0*	*3,133*	*0*	*—%*	*0*
Total scope 3 footprint	**60,392**			**63,559**		**61,365**			

In our Annual Report 2023, the 2020 SBTi methodology baselines for near- and long-term targets were calculated based on the 2020 actual GHG emissions as reported in the Annual Report 2022 of 65.9 $MtCO_2e$. This resulted in a 2020 FLAG baseline of 15.5 $MtCO_2e$ and a 2020 E&I baseline of 29.5 $MtCO_2e$ for near-term reduction targets, and a 2020 FLAG baseline of 20.8 $MtCO_2e$ and a 2020 E&I baseline of 37.8 $MtCO_2e$ for long-term reduction targets (see page 119 of the Annual Report 2023). In 2023, the 2020 actual figure was restated to 59.8 $MtCO_2e$ (see page 287 of the Annual Report 2023), and, in 2024, the 2020 actual figure was restated to 60.4 $MtCO_2e$ (see *Restatement of prior year figures and adjustments to baseline* below).

Performance indicator description (in $ktCO_2e$)	Near-term target: 2020 baseline calculated using SBTi methodology and used for near-term target setting	Near-term target: 2030 percentage reduction target per SBTi methodology	Near-term target: 2030 reduction target in absolute value[1]	Long-term target: 2020 baseline calculated using SBTi methodology and used for long-term target setting	Long-term target: 2050 percentage reduction target per SBTi methodology	Long-term target: 2050 reduction target in absolute value[2]
Scope 3 GHG emissions	*A*	*B*	*C=A*B*	*D*	*E*	*F=D*E*
Total gross indirect (scope 3) GHG emissions – FLAG emissions	16,839	30.3%	5,102	22,619	72.0%	16,286
Total gross indirect (scope 3) GHG emissions – E&I emissions	23,711	42.0%	9,959	29,176	90.0%	26,258

1. The 2030 reduction targets in absolute value are calculated based on the 2020 SBTi methodology baseline for near-term target, as restated (2023: 4.7 $MtCO_2e$ for FLAG and 12.4 $MtCO_2e$ for E&I – see page 119 of the Annual Report 2023).
2. The 2050 reduction targets in absolute value are calculated based on the 2020 SBTi methodology baseline for long-term target, as restated (2023: 15.0 $MtCO_2e$ for FLAG and 34.0 $MtCO_2e$ for E&I – see pages 119 and 120 of the Annual Report 2023).

Sustainability notes continued
Environmental indicators continued

Share and types of contractual instruments used for calculating scope 2 market-based emissions[1]

	2024
Nuclear electricity purchased	**9.1%**
Renewable electricity purchased	**24.7%**
Bundled contractual instruments	
Power purchase agreements	**1.3%**
Supplier contracts	**18.1%**
Unbundled contractual instruments	
Virtual power purchase agreements	**—%**
Spot purchases	**2.8%**
Long-term contracts	**2.6%**

1. The data for 2023 is not available at the level of detail requested by ESRS E1 and, therefore, not reported.

The share of contractual instruments is calculated based on the quantity (MWh) of electricity purchased through the different types of contractual instruments and the total energy consumption (MWh) as reported in the table above on *Energy consumption and mix*.

GHG intensity per net revenue

GHG intensity per net revenue	2024	2023	% change
Total GHG emissions (location-based) per net revenue ($ktCO_2e$/€ million net sales)	**0.75**	0.73	2.4%
Total GHG emissions (market-based) per net revenue ($ktCO_2e$/€ million net sales)	**0.74**	0.72	2.6%

The GHG intensity is calculated based on the total GHG emissions, as mentioned in the table *Overview GHG emissions based on the financial control approach*, and the total net sales for the Group, in the amount of €89,356 million (2023: €88,734 million); see the *Consolidated income statement*.

Biogenic emissions[1]

Performance indicator description ($ktCO_2e$)	2024
Direct biogenic emissions	**0.9**
Indirect biogenic emissions	**6.4**

1. The data for 2023 is not available and, therefore, not reported.

The direct biogenic emissions are emissions from the combustion of biofuels in our own operations, while indirect biogenic emissions result from the combustion of biofuels in the value chain. Both are related to transportation activities.

Other information

Refrigerants

Performance indicator description	2024	2023
Refrigerant leakage rate (%)	13.1%	13.2%
Refrigerant average GWP[1]	2,341	2,420

1. Based on total refrigerant charge

Methodology

Energy consumption and mix

Energy consumption and mix information is based upon actual activity data relating to energy consumption and liters of fuel used for owned transport.

Scope 1 and 2 emissions

For our approach and progress on the material sustainability matter climate change, which also addresses GHG emissions, see *Climate change*.

We report our scope 1 and 2 GHG emissions data with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Our main sources of GHG emissions are fuel combustion, energy consumption and refrigerant leakages. To calculate carbon-equivalent emissions based on these sources, we use emission factors. GHG-emission data consists of a calculated CO_2 equivalent, defined as actual CO_2 emitted plus equivalent emission from other GHGs: methane (CH_4), nitrous oxide (N_2O) and various refrigeration blends, including hydrofluorocarbons (HFCs). Ahold Delhaize concluded that perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) are not material for its business and therefore we do not measure them.

The carbon footprint methodology follows the guidelines of the WBCSD/World Resources Institute (WRI) GHG Protocol on corporate GHG accounting and reporting.

We use the latest available emission factors in our reporting. We source location-based electricity emission factors from the International Energy Agency (IEA) (*IEA*, 2024 edition; 2022 data) for European countries and from the Environmental Protection Agency (EPA) (based on *eGrid* 2022 values, issued in January 2024) for the United States. The source we use for the market-based (residual mix) emission factors for our European brands is the *European residual mix*, edition 2024, 2023 data, and for our U.S. brands is *Green-e* edition 2023, 2021 data.

Sustainability notes continued
Environmental indicators continued

We source fuel emission factors according to GHG Protocol 2014 wherever available, and otherwise from other appropriate sources. For refrigerant leakages, GWP values of all refrigerant blends used in Ahold Delhaize facilities were calculated based on GWP values of refrigerants from the Intergovernmental Panel for Climate Change Assessment Report 6, AR6 Chapter 7 (2021).

Scope 3 emissions

Our reporting on scope 3 GHG emissions was done in prior years with a one-year delay. As this delay is no longer utilized in the Annual Report 2024, we provide both 2023 and 2024 figures as newly reported figures, with 2022 as the previously reported comparative.

Our carbon footprint methodology follows the guidelines of the WBCSD/WRI and we report our scope 3 GHG emissions with reference to the latest version of the Greenhouse Gas Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard (version 2011).

To calculate carbon-equivalent emissions, we use emission factors. GHG emissions data consists of a calculated CO_2 equivalent, as defined above under scope 1 and 2 emissions methodology.

Calculating scope 3 emissions is complex. Our grocery retail brands have hundreds of thousands of products on their shelves supplied by more than 10,000 direct suppliers. All of these direct suppliers source materials and ingredients from their own suppliers, resulting in complex supply chains covering all the geographies of the world.

As a result of this complexity, actual data on our scope 3 GHG emissions is currently not consistently available, and we continue to work to improve this. As our brands continue to reach out to their suppliers, we expect increasing access to actual data, which will make our numbers more accurate. At the moment, we fully rely on assumptions and estimations when calculating our scope 3 GHG emissions.

Our scope 3 footprint consists of 11 relevant scope 3 emission categories (out of 15 defined by the GHG Protocol). We have used two main calculation methods, as defined by the GHG Protocol: the average data method and the spend-based method[1]. We applied the method that was most suitable, based on the scope 3 category, as detailed in *Data collection and considerations*.

The following categories are not considered significant and, therefore, we do not report on them: upstream leased assets (based on the financial control approach, the emissions related to the right-of-use assets are already included in our scope 1 and 2), downstream transportation and distribution (immaterial) and downstream leased assets (immaterial). The processing of sold products category is not applicable, as we only sell finished products.

1. Calculation of scope 3 emissions requires us to make certain estimates and assumptions and then apply our judgment, all within the bounds of the applicable GHG Protocol. As a result, the way we calculate our scope 3 emissions may vary from the way other businesses calculate their scope 3 emissions.

Data collection and considerations

Scope 1 and 2 emissions, including energy consumption and mix

Activity data on energy consumption, leakage for refrigerant substances and liters of fuel used for owned transport has been collected on a quarterly basis on site level at each brand. The sources of this data include invoices, remote meter records, third-party service provider reports and internal reports. Activity data is reviewed internally and reported to the Group through an internal reporting tool that stores conversion factors to calculate the GHG emissions. Absolute emissions are calculated by multiplying activity data by relevant conversion factors.

Data is not always available in real time or immediately after quarter close. In these limited cases, we use data extrapolated from previously known consumption.

If data is not available at all, e.g., for a portion of stores, we use estimates calculated using locations that are comparable in size and format.

Scope 3 emissions

Obtaining accurate scope 3 data is a challenge across industries. We encourage our brands' suppliers to report their emissions to our local brands through surveys (such as CDP and ImpactBuying), so that we can account for the emissions in our inventory. This reporting process is resource intensive for suppliers, and the task of validating the data provided also puts a burden on our local brands.

Due to the resource requirements of reporting scope 3 data, we collect scope 3 GHG-emission data on an annual basis. In the absence of verified supplier data, we must estimate the emissions in our value chain with standard emission factors. Using standardized factors creates barriers to fully understanding our emissions profile, measuring progress and identifying opportunities for reduction.

Calculating category 1: Purchased goods and services

Purchased goods and services, the most material category, accounts for 83.6% of our total estimated scope 3 footprint in 2024. Several assumptions and estimates are used in our calculation of the category. We use different input datasets to calculate the emissions from products and services, depending on the information available in our brands' data systems. As we continue to enhance our calculations for scope 3, we were able to move to an increased percentage of more accurate, weight-based calculations, as detailed below. The following information sources were used to calculate the 2024 emissions:

- Weight of products purchased (50%) (2023: 48%; 2022: 51%)
- Value of products purchased (24%) (2023: 25%; 2022: 24%)
- Weight from products sold corrected for waste (17%) (2023: 17%; 2022: 16%)
- Value from products sold is corrected for margin and waste to come to the value of products purchased (10%) (2023: 11%; 2022: 10%). The correction for margin and waste is done at brand level but assumed to be the same for all product categories, not diversified to product category.

Sustainability notes continued
Environmental indicators continued

These average data method calculations are based on the publicly available emission intensity of different foods.

For products with weight (66%) (2023: 65%; 2022: 66%), we mainly used the Big Climate Database (all brands except Delhaize Belgium) and Agribalyse (solely for Delhaize Belgium). With these databases, all retail-specific product categories were assigned emissions factors that enabled us to apply corresponding emissions intensities for each category. Emissions are calculated by multiplying the volume of products purchased and sold by the corresponding emission factor. For all years of calculation (2020-2024), we have used version 1.0 of the Big Climate Database. This enables a comparable calculation year-on-year. We recognize that there have been updates to the database since version 1.0; however, as we cannot distinguish which emission factors should be updated in our baseline versus what should only be updated in the most recent year of calculation, we have decided to remain with version 1.0 for this reporting cycle. We are investigating an update to our calculation approach, which will involve shifting from the Big Climate Database to an expanded emission factor database.

For the spend-based method (34%) (2023: 35%; 2022: 34%), we used the emissions intensities of different food and non-food industries (source: UK Department for Environment, Food & Rural Affairs (Defra, 2011) for food (emissions factor corrected for inflation) and Base Carbone (2024) for different non-food categories) and multiplied this by the value of products purchased and sold (corrected for margin and waste, if needed).

As a consequence, due to our ongoing efforts to implement further due diligence procedures in connection with scope 3 emissions, reducing the use of assumptions and estimates, our numbers may materially change over time.

For services, the footprint is calculated using the spend-based method. Activity data is the annual brand-level purchased value of products and services multiplied by the emissions intensity for relevant services, adjusted for inflation (source: EPA Supply Chain Greenhouse Gas Emission Factors for U.S. Industries and Commodities).

Emissions from not-for-resale purchased goods and services are calculated using the spend-based method and emissions factors from the EPA (Supply Chain Greenhouse Gas Emission Factors for U.S. Industries and Commodities), adjusted for inflation.

Calculating category 2: Capital goods
Category 2 is calculated using the average-spend method and emission factors from the EPA (Supply Chain Greenhouse Gas Emission Factors for U.S. Industries and Commodities), adjusted for inflation.

Calculating category 3: Fuel- and energy-related activities
Category 3 is calculated using scope 1- and 2-related activity data, volumes of sold fuel combined with well-to-tank emission factors from Defra and electricity life cycle factors from the IEA.

Calculating categories 4: Upstream transport and distribution
Category 4 is calculated using the fuel-average data method. The volumes of fuel used in vehicles outside the financial control boundary are multiplied by a well-to-wheel emission factor, which is sourced from Defra.

Calculating category 5: Waste generated in operations
Category 5 is calculated using an average-data method. Emission factors from Ecoinvent are applied per waste processing method. The waste volumes per processing method are reported by the operations.

Calculating category 6: Business travel
Category 6 is calculated using the distance-based method. Distances travelled per modality are either provided by travel booking partners or estimated based on headcount. Distance-based emission factors are sourced from Defra, EPA and CO2emissiefactoren.nl.

Calculating category 7: Employee commuting
Category 7 is calculated using the distance-based method. Distances travelled per modality are estimated based on headcount. Distance-based emission factors are sourced from Defra, EPA and CO2emissiefactoren.nl.

Calculating category 11: Use of sold products
The second biggest emissions category is category 11: Use of sold products, which accounts for 5.2% of our total estimated scope 3 emissions in 2024. This category is impacted by the gasoline stations some of our brands operate and, as of 2024, the electrical products sold by our brands.

Emissions for fuel sold are calculated using an average-data method, by multiplying the total volume of fuel sold to customers by the relevant emission factor from the EPA and Defra.

Emissions from sold electrical products (lightbulbs and appliances) are calculated using the average-data method. Per product group, assumptions are made on the average life time and the average electricity consumption over the life time, based on a supplier-provided Life Cycle Analysis (LCA) or LCA from third parties or other public sources. With the assumptions, total electricity consumption over the product lifetime is calculated, which is then multiplied by volumes and location-based grid emission factors sourced from the IEA.

Calculating category 12: Waste from end of life of sold products
Category 12 is calculated using an average-data method. Emission factors from Ecoinvent are applied per waste processing method. The waste volumes are derived from the sold product volumes.

Calculating category 14: Franchisees (/affiliates)
Emissions from franchises are calculated by extrapolating scope 1 and 2 emissions on a store-area basis.

Calculating category 15: Investments
Emissions from investments are calculated using data reported by the investment entities.

Sustainability notes continued
Environmental indicators continued

Restatement of prior year figures and adjustments to baseline

Only the items disclosed in the Annual Report 2023 and that were restated are shown in the tables below.

Scope 1 and 2 emissions

Note 1: ESRS E1 requires all energy data to be reported in net calorific value. Data related to fuel used for heating was reported in gross calorific value, while a net calorific value emission factor was used. In 2024, we converted the data from gross calorific value to net calorific value, which impacted the emissions calculated for the previous years and for the baseline.

Note 2: As part of the Belgium Future Plan project, the baseline for scope 1 and 2 has been adjusted to remove the GHG emissions coming from own stores.

Performance indicator description (in $ktCO_2e$)	2023 per Annual Report 2023	Note 1:	2023 restated
Total gross scope 1 emissions	1,867	(29)	1,838
Scope 1 – Heating	*292*	*(29)*	*262*
Scope 1 and 2 GHG emissions (location-based)	3,539	(29)	3,510
Scope 1 and 2 GHG emissions (market-based)	2,679	(29)	2,650

Due to the above restatements, the percentage reduction in absolute CO_2e emissions from own operations (scope 1 and 2) (market-based approach) in 2023 versus the restated 2018 baseline (see below) changed from 35% to 34%.

Performance indicator description (in $ktCO_2e$)	2022 per Annual Report 2023	Note 1:	2022 restated
Total gross scope 1 emissions	1,873	(31)	1,842
Scope 1 – Heating	*309*	*(31)*	*278*
Scope 1 and 2 GHG emissions (location-based)	3,542	(31)	3,511
Scope 1 and 2 GHG emissions (market-based)	2,891	(31)	2,859

(in $ktCO_2e$)	2018 baseline restatement
Reported in Annual Report 2023	4,095
Note 1: Correction from gross to net calorific value for fuel used for heating	(32)
Note 2: Adjustment related to the Belgium Future Plan project	(53)
Restated 2018 baseline	4,010

Scope 3 emissions

Note 1: In 2024, we improved the calculation of the not-for-resale purchased goods and services emissions by applying better-aligned emission factors and ensuring consistent application throughout the data sets used, which led to an adjustment of (2,372) $ktCO_2e$ in 2022 and (2,853) $ktCO_2e$ in 2020. In addition, in line with the GHG Protocol, emissions related to capital goods need to be reported under category 2 of scope 3 (these amounted to 354 $ktCO_2e$ for 2022 and 644 $ktCO_2e$ for 2020). We previously included all emissions related to not-for-resale purchased goods and services, including capital goods emissions, in category 1. We recorded the improvement in calculation and reclassification to category 2 in 2024; this impacted previous years and the baseline figures.

Note 2: We previously included upstream emissions from the procurement of sold fuels in category 1. In 2024, we concluded that these emissions should be captured under category 3 of scope 3. We made a reclassification in 2024, which changed previous years and the baseline figures.

Note 3: One of our brands improved the process of estimating category 1 emissions during 2024 by moving from manual calculation to a more streamlined calculation method, which led to more accurate calculations, and also adjusted the prior years and baseline numbers.

Note 4: We have updated the methodology for calculating the following categories:

- Category 12: As of 2024, we used the category 1 datasets to derive the waste volumes; these were previously calculated based on spend data only.
- Category 14: As of 2024, we used location-based own-store emissions to estimate franchisees' emissions; these were previously estimated based on the market-based own-store emissions.

Note 5: We identified inconsistencies in 2024, with impact on prior years and the baseline numbers reported for categories 1, 4 and 7. The adjustments we made included the amendment of gaps in the dataset used and the correction of errors.

Note 6: New emissions included in our inventory:

- We initially calculated emissions from sold electrical products (lightbulbs and appliances) in 2024 as part of category 11, and adjusted the prior years and the baseline numbers.
- As of 2024, category 15 includes the proportional share of the scope 3 GHG emissions of the investments in joint ventures. We also adjusted the prior years and baseline numbers.

Sustainability notes continued
Environmental indicators continued

Note 7: As part of the Belgium Future Plan project, we adjusted the baseline for scope 3 category 14 to align with the current portfolio structure.

(in $ktCO_2e$)	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Gross indirect (scope 3) GHG emissions
2022 figure reported in Annual Report 2023							59,885
Category 1 restatement	(2,372)	(854)	(175)		176		(3,226)
Category 2 restatement	354						354
Category 3 restatement		854					854
Category 4 restatement					28		28
Category 7 restatement					(3)		(3)
Category 11 restatement						438	438
Category 12 restatement				80			80
Category 14 restatement				(48)			(48)
Category 15 restatement						2,948	2,948
Restated 2022 actual figure							**61,311**

(in $ktCO_2e$)	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	2020 actual baseline restatement
2020 figure reported in Annual Report 2022[2]								**65,930**
Restatements made in Annual Report 2023[1]								(6,129)
2020 figure reported in Annual Report 2023								**59,801**
Category 1 restatement	(2,853)	(843)	(366)		(831)			(4,893)
Category 2 restatement	644							644
Category 3 restatement		843						843
Category 4 restatement					10			10
Category 11 restatement						635		635
Category 12 restatement				(54)				(54)
Category 14 restatement				(20)			35	16
Category 15 restatement						3,389		3,389
Restated 2020 actual baseline								**60,392**

1. For details, see page 287 of our Annual Report 2023.
2. In the Annual Report 2023, this was the figure used to calculate the SBTi baseline – it was the figure used in the SBTi submission for target validation.

Water and marine resources

Since water consumption in own operations is not a material sustainability matter, it is not reported on in this section. Consistent with prior years, data on water consumption in own operations is included in the *Appendix to the Sustainability statements* under *Additional data points below materiality threshold*.

Marine resources

Performance indicator description	2024	2023
Percentage of purchase value of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIPs or AIPs	96.7%	96.9%

Methodology

The value of own-brand seafood products is based on the monetary value of seafood purchased.

Seafood is defined as all fresh, frozen and/or canned products, where, at a minimum, seafood is a main and/or the only ingredient, or where seafood is in the product name. This excludes pet food, niche items (such as seaweed, alligator and frog legs), supplements, and binders and fillers (such as fish gelatin).

Acceptable standards are defined as:

- Any Global Sustainable Seafood Initiative (GSSI)-recognized standard; see *https://www.ourgssi.org/gssi recognized-certification/*. If a new standard is GSSI-benchmarked during the reporting period, the certification is acceptable in the reporting period
- All Aquaculture Stewardship Council (ASC) standards.

To meet the criteria for an accepted FIP, the FIP must be listed on the *fisheryprogress.org* website or a similar public system.

To meet the definition of an accepted AIP, brands must do either of the following:

- Be using an AIP in the ASC Aquaculture Improvement Programme
- Be able to demonstrate that the AIP includes the following elements:
  - Participation: Must have active participation from harvesters and/or supply chain actors (by contributing financially, in-kind and/or by working on actions in the work plan)
  - Public commitment: Participants must publicly commit by signing a memorandum of understanding or something similar, and should publish a list of formal participants.
  - Objectives: Must have time-bound objectives defined
  - Work plan: Must have a work plan with activities designed to address issues in the fishery (or farm) and to achieve objectives, including a budget, timelines and responsible parties

Sustainability notes continued
Environmental indicators continued

- Progress tracking / public reporting: Must regularly track and report progress publicly, with evidence/documentation, and make progress over time

By "assessed by an accepted third party," we mean that seafood products have been evaluated by an accepted third party as coming from either low or medium-risk sources. We consider seafood assessed at low or medium-risk to be compliant. Accepted third parties include: the Gulf of Maine Research Institute, the WWF, the Sustainable Fisheries Partnership, the Institute for Agricultural and Fisheries Research (ILVO), The Good Fish Foundation, the University of Mendel and other educational or research facilities.

Data collection and considerations

Information and certifications on seafood are collected from suppliers and reviewed by internal teams to ensure all certifications are valid and up to date.

Biodiversity and ecosystems

Critical commodities

Performance indicator description	2024	2023
Tea, coffee and cocoa		
Percentage of own-brand products containing tea (as defined) certified against an accepted standard	**99.5%**	99.4%
Percentage of own-brand products containing over 1% coffee by weight certified against an accepted standard	**97.4%**	97.1%
Percentage of own-brand products containing over 5% cocoa certified against an accepted standard	**96.5%**	91.8%
Palm oil		
Percentage of own-brand products containing palm oil certified against an accepted standard[1]	**96.4%**	93.7%
Percentage of own-brand products containing palm kernel oil certified against an accepted standard[2]	**95.8%**	98.9%
Wood fiber products and wood fiber packaging		
Percentage of own-brand wood-fiber-based products either certified against an accepted standard, classified as low-risk or recycled	**91.6%**	93.4%
Soy		
Percentage of high-risk own-brand soy certified against accepted standards or covered by accepted credits at year end	**65.6%**	Not reported[3]
Percentage of high-risk soy credits purchased after year end to ensure 100% coverage of high-risk soy	**34.4%**	
Percentage of high-risk own-brand soy certified against accepted standards or covered by credits	**100%**	100%

1. In order to mitigate the negative impacts of purchasing uncertified palm oil, the remaining balance was offset by purchase of Roundtable on Sustainable Palm Oil (RSPO) Book & Claim. At year end 2024, 0.01% (2023: 1.1%) was offset by supplier purchased credits, while 3.6% (2023: 5.1%) was purchased in the next financial year.
2. In order to mitigate the negative impacts of purchasing uncertified palm kernel oil, the remaining balance was offset by purchase of Roundtable on Sustainable Palm Oil (RSPO) Book & Claim. At year end 2024, 0.03% (2023: 0.2%) was offset by supplier purchased credits, while 4.2% (2023: 0.9%) was purchased in the next financial year.
3. The split is not readily available for 2023 and thus not reported.

Methodology

Tea, coffee and cocoa

Tea products are defined as all products based on tea (camellia sinensis), including flavored or scented teas, as well as Rooibos. The following are excluded from the scope of this indicator: matcha, iced tea drinks, iced tea mixes, ready-to-drink beverages such as kombucha, and herbal tea that does not contain camellia sinensis.

Coffee products are defined as products containing more than 1% coffee by weight. This includes products based on coffee beans (beans, ground coffee, instant coffee, liquid coffee and cold coffee drinks) and excludes coffee flavoring in food products.

Cocoa is defined as products containing more than 5% cocoa by weight. "Cocoa" includes cocoa, cocoa powder, cocoa butter, and cocoa liquor.

Accepted standards applicable to tea, coffee and cocoa are:

- Rainforest Alliance/UTZ
- Fair Trade USA/Fairtrade/FLO-CERT/*Fairtrade Sourcing Program*
- Equivalent, as defined by Ahold Delhaize's H&S team

Palm oil

Palm oil is defined as all products and ingredients derived from the oil palm fresh fruit, including palm oil, palm fat and palm kernel oil, as well as fractions and derivatives. We allow for a margin of error for products containing ≤1% (ingredient based) of palm oil, palm kernel oil and palm oil fractions and derivatives.

Sustainability notes continued
Environmental indicators continued

RSPO credit means one (1) RSPO Credit represents one (1) metric tonne of RSPO-certified sustainable oil palm product.

Any certified oil palm products can be traded through any of the four supply chain models that are approved by RSPO, of which only the first three (any one or a combination) models are considered for certification:

1. Identity Preserved (IP): The RSPO-certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO-certified IP mill.
2. Segregated (SG): Supply chain model that assures that RSPO-certified oil palm products delivered to the end user come only from RSPO-certified sources (a mixture of IP products)
3. Mass Balance (MB): Supply chain model that allows certified claims to be transferred from one oil palm product to another either through physical blending or administratively
4. Book and Claim (BC): A model that supports the production of RSPO certified sustainable oil palm products through the sale of RSPO credits

Our own-brand products can only contain certified palm oil if it is sourced from suppliers that are RSPO Chain of Custody (CoC) certified. Note that RSPO membership is not the same as RSPO certification. Own-brand products must contain physically certified RSPO IP, SG or MB palm oil, where available.

Where procurement of RSPO-certified palm oil is not possible, Ahold Delhaize brands will buy RSPO credits to offset the remaining volumes, and work with suppliers to set a timeline to transition to RSPO physically certified palm oil as soon as possible.

Wood fiber

For wood fiber to classify as certified, the direct supplier (tier 1) is CoC certified, and uses either of the following:

- Certified sustainable wood fiber, to accepted standards
- Certified recycled wood fiber, to accepted standards

Wood fiber content that is certified recycled falls into the certified category, as it requires a CoC certification from suppliers.

The accepted standards for certification are:

- FSC
- PEFC
- Equivalent, as defined by Ahold Delhaize's H&S team

For wood fiber to classify as low-risk, the direct supplier (tier 1) is not CoC certified. However, the supplier's supplier (tier 2) is CoC certified, and uses sustainable wood fiber that is certified to accepted standards.

For wood fiber to classify as recycled, the direct supplier provides a self-declaration that more than 70% of product is made of recycled content.

Soy

The CGF has developed the following classification, which breaks soy into multiple tiers, based on its usage, also called the soy measurement ladder:

- Tier 1: Directly purchased soy and its derivatives
- Tier 2: Raw meet feed
- Tier 3: Eggs and dairy
- Tier 4a: Meats in processed food products
- Tier 4b: Eggs and dairy in processed food products
- Tier 5: Sundry indirect (embedded) soy and soy derivatives

Source: CGF Calculation Guidelines for the Measurement of Embedded Soy Usage in Consumer Goods.

High-risk soy is defined as soy that comes from South America, which can potentially lead to deforestation and degradation of valuable ecosystems such as the Amazon and Cerrado (CGF Soy Sourcing Guidelines).

For the purpose of soy reporting, the scope is all high-risk (South American) soy volumes in own-brand products made of or containing soy (tier 1) or in own-brand animal-based products where soy (tiers 2-3) is used in the supply chain.

There are currently various soy certification options available that fall into the CoC model categories. To offer a consistent and transparent assessment of the certification options offered by different schemes, the categories have been taken from the ISEAL "Chain of Custody Models Guidance" document.

The following modules are generally applicable:

1. IP: A CoC system that ensures that certified product from a certified site is kept separate from other sources
2. SG: A CoC system in which the certified product is kept physically separate from the non-certified product throughout the entire supply chain
3. MB: A CoC system in which the soy from a certified source may be mixed with sources of non-certified soy, provided the mixing process is monitored
4. BC: A model that supports the production of certified soy through the sale of credits.

The Ahold Delhaize policy specifies that high-risk soy must be either physically certified by an accepted standard or covered by accepted (Area MB) soy credits to offset South American soy volumes used.

Sustainability notes continued
Environmental indicators continued

The accepted standards are:

- ADM Responsible Soybean Standard (SG)
- Donau Soja (SG)
- International Sustainability & Carbon Certification (ISCC) (SG)
- ProTerra (SG)
- RTRS (SG)

For credits, Ahold Delhaize accepts Area MB Soy Credits issued by:

- RTRS
- Cefetra Certified Responsible Soya Standard (CRS)
- Equivalent, as defined by Ahold Delhaize's H&S team

Data collection and considerations

Information and certifications for critical commodities are collected from suppliers and reviewed by internal teams to ensure all certifications are valid and up to date.

For soy offset by RTRS or CRS credits and palm oil offset by RSPO Book & Claim, credits are either purchased in the fourth quarter to cover usage over the entire year or the residual portion is purchased in the first quarter of the next financial year.

To calculate our soy footprint for embedded soy, we use the RTRS conversion tables. It is, therefore, an estimate.

Animal welfare

Performance indicator description	2024	2023
Percentage of shell eggs that are cage free	**47%**	45%

Methodology

The percentage of own- and national-brand shell eggs that are cage free is based on the number of eggs sold by our brands during the reporting period. The percentage is calculated by dividing the number of sold own-brand or national-brand shell eggs that are cage free in the reporting period by the total number of eggs sold in the reporting period.

The brands report on both own- and national-brand eggs on a year-to-date basis, based upon eggs sold. Eggs are only counted when sold as the product itself, not when eggs are an ingredient or main ingredient in a product. The reporting only includes sold chicken eggs; no other types of eggs sold, such as quail eggs, are taken into account.

Data collection and considerations

Cage-free shell eggs are defined as chicken shell eggs produced by farms that do not make use of cages or enriched cages (EU class three and four). Eggs produced in "combination systems," or systems with cages that allow chickens to leave the cages, whether it is temporary or not, are not considered to be cage free.

Packaging

Performance indicator description[1]	2024	2023 restated
Own-brand primary plastic product packaging (thousand tonnes)	**170**	169
Own-brand primary virgin plastic product packaging (thousand tonnes)	**144**	144
Own-brand plastic product packaging made from recycled content (thousand tonnes)	**27**	25
% of own-brand plastic product packaging made from recycled content	**15.7%**	14.8%
% reduction/(increase) in own-brand primary virgin plastic product packaging against the 2021 baseline[2]	**10.3%**	10.2%
% primary plastic own-brand product packaging that is reusable, recyclable or compostable	**32.7%**	28.4%

1. The 2023 figures exclude Gall & Gall.
2. The change is shown against a restated 2021 baseline of 160 thousand tonnes.

Methodology

Almost all of our brands report plastics on a component level, while a few brands that have less granularity in their data report elements for which the main structural element (comprising at least 50% of packaging weight) is plastic, including packaging components that are part of this larger plastic packaging (labels, sleeves and triggers/sprays).

The reporting on plastic packaging only looks at own-brand primary plastic packaging and does not include national brands. We do not report on national-brand products because we do not control the plastic consumption or usage within the value chain and we do not currently receive detailed data on the types of plastics used within these products.

The assessment methodology for recyclability follows the guidelines of the EMF New Plastics Economy Global Commitment regarding recyclability of plastic packaging, which means that actual, not technical, recycling is used for reporting.

A packaging or packaging component is only reported as recyclable if: (a) its successful post-consumer collection, sorting and recycling is proven to work in practice and at scale and (b) no materials or components disrupt the system for recycling.

Sustainability notes continued
Environmental indicators continued

That means that for point (a) above, we use the latest results of The Global Commitment's Recycling Rate Survey to check those plastic packaging categories for which there is evidence that a "system for recycling" exists in practice and at scale today (a 30% post-consumer recycling rate in multiple regions, collectively representing at least 400 million inhabitants). For point (b) above, we verify whether the color of plastic packaging fits the system for recycling or hinders its ability to be recycled.

In several of our brands' markets, and for several plastic packaging types, this is not yet the case and, as such, the plastics are not reported as recyclable, even though they may technically be recyclable.

Data collection and considerations

Data collection for primary plastic packaging data is a complex task, because of the large number of products our brands have in their assortments, but also due to several additional circumstances.

- Firstly, in most cases, plastic packaging is not produced by product suppliers themselves but sourced through third parties. Therefore, our brands depend solely on the information they receive from their suppliers.
- Secondly, the assortment at our brands is continuously changing, and product design is renewed during the year, meaning that frequent changes to the packaging materials need to be captured in our systems.
- And thirdly, the complexity of the packaging itself has an impact. Many products, including branded products, use different packaging components (e.g., type, color and weight) that are frequently changed, and each component can impact the reported weight and recyclability of the plastic packaging.

The European brands collect and report on plastic packaging data on a quarterly basis, and the U.S. brands do so on an annual basis. For the 2023 reporting period, the U.S. brands reported over the period beginning in Q4 of the previous financial year through the end of Q3 2023. In 2024, the reporting covers the 2024 financial year, but includes some estimates.

Data collection is accomplished, among other things, through supplier questionnaires that are distributed either directly or through a third party. These surveys enable us to collect information per plastic packaging component, such as weight, type of plastic and color. Some brands, including the U.S. brands, started implementing a system that requires packaging vendors to input information about their plastic packaging into software, and are performing some validation of the data at brand level. This new way of working was not yet fully in place by the end of 2024 but is in the process of being implemented.

Data received from third parties and suppliers is analyzed internally through sanity checks, focusing on outliers and anomalies. Based on these checks, variations have been identified between reported and actual weight and type of the plastic packaging. Therefore, we encourage our suppliers to continuously improve the accuracy of the data they provide to us. Most of our brands have implemented a process of physical (sample) testing with an external third party, taking into account a tolerance level, and store the outcomes in a data-collection tool as evidence and for reference purposes.

In order to determine the total reported weight of own-brand plastic product packaging, the reported weight of each SKU's components is multiplied by the number of SKUs sourced.

Recyclability of own-brand primary plastic packaging is assessed internally or, in some cases, through a third party. In some of our brands, data availability prevented us from doing a full EMF assessment. In these cases, we performed the recyclability steps as well as possible.

At the end of 2024, our brands were able to collect information for most of our own-brand products. Most of the information was directly received from suppliers or third-party service providers. For the remaining part, our brands estimated the weight of the plastic packaging using the average weights of similar products. Estimated plastic packaging weight is identified as not recyclable.

The current percentage of reusable, recyclable or compostable own-brand primary plastic product packaging is completely based on recyclable packaging, as reusable and compostable packaging is used in very small amounts that do not impact the overall percentage at group level.

Restatement of prior year figures and adjustments to baseline

Note 1: We made a reclassification of both 2023 and the baseline of 2021. The reclassification related to post-industrial plastic, which was previously counted toward virgin plastic, but should have been reported as recycled content. This adjustment results in a reduction of virgin plastic packaging and an increase in recycled content in plastic packaging.

Performance indicator description	2023 per Annual Report 2023	Note 1: Reclass	2023 restated
Own-brand primary virgin plastic product packaging (thousand tonnes)	146	(3)	144
Own-brand plastic product packaging made from recycled content (thousand tonnes)	22	3	25
% of own-brand plastic product packaging made from recycled content	13.2%	1.7%	14.8%
% reduction/(increase) in own-brand primary virgin plastic product packaging against the 2021 baseline	10.3%	(0.1)%	10.2%

Performance indicator description	2023 per Annual Report 2023	Note 1: Reclass	Restated
Baseline restatement 2021: Own-brand primary virgin plastic product packaging (thousand tonnes)	163	(3)	160

Sustainability notes continued
Environmental indicators continued

Waste (including food waste and other waste)

Performance indicator description	2024	2023 restated
Total waste generated in own operations (thousand tonnes)	**1,089**	1,102
Total amount of recycled waste (thousand tonnes)	**807**	825
Total amount of non-recycled waste (thousand tonnes)	**282**	277
Percentage of non-recycled waste (of total waste) (thousand tonnes)	**26%**	25%
Radioactive waste generated (thousand tonnes)	**—**	—
Total amount of recycled waste ((diverted from disposal) (thousand tonnes)	**807**	825
Non-hazardous waste		
Food waste recycled (thousand tonnes)	**170**	173
Plastic recycled (thousand tonnes)	**27**	28
Paper and cardboard recycled (thousand tonnes)	**512**	532
Other waste recycled (thousand tonnes)	**98**	92
Total amount of non-recycled waste (directed to disposal) (thousand tonnes)	**282**	**277**
Non-hazardous waste		
Incineration with energy recovery (thousand tonnes)	**79**	75
Incineration without energy recovery (thousand tonnes)	**1**	1
Landfill (thousand tonnes)	**202**	201
Other disposal operations (thousand tonnes)	**—**	—

Performance indicator description	2024	2023 restated
Food waste		
Total tonnes of unsold food (thousand tonnes)	**303**	302
Total tonnes of food donated (thousand tonnes)	**75**	76
Total tonnes of food waste (thousand tonnes)	**228**	225
Percentage of unsold food donated to feed people	**25 %**	25 %
Total amount of food waste recycled (diverted from disposal) (thousand tonnes)	**170**	**173**
Diverted to animal feed (thousand tonnes)	**23**	29
Diverted to biogas: Codigestion / anaerobic digestion (thousand tonnes)	**124**	119
Diverted to composting: Aerobic processes (thousand tonnes)	**12**	12
Diverted to rendering: Converting material into industrial products (thousand tonnes)	**7**	7
Diverted to other recycling activities (thousand tonnes)	**5**	4
Total amount of non-recycled food waste (directed to disposal) (thousand tonnes)	**58**	**53**
Incineration with energy recovery (thousand tonnes)	**9**	4
Incineration without energy recovery (thousand tonnes)	**—**	—
Landfill (thousand tonnes)	**49**	48
Other disposal operations (thousand tonnes)	**—**	—
Tonnes of food waste per food sales (t/€ million)	**3.17**	3.17
Percentage reduction in food waste per food sales[1,2]	**35%**	35%
Tonnes of food waste sent to disposal per food sales (t/€ million)	**0.80**	0.74
Percentage of food waste recycled (of total food waste)	**75 %**	**77 %**

1. Reduction is shown against the restated 2016 baseline of 4.89 t/€ million).
2. See *Restatement of prior year figures and adjustments to baseline* below for more information.

Methodology

Total waste

Total waste generated includes food waste, cardboard, plastic, glass, metal and wood.

Ahold Delhaize does not generate significant amounts of hazardous waste or any radioactive waste and, therefore, we do not report against it.

Sustainability notes continued
Environmental indicators continued

Food waste

We calculate food waste according to the FLW Protocol), a multi-stakeholder effort to develop the global accounting and reporting standard for quantifying food and associated inedible parts removed from the supply chain. Our definition of food waste includes waste sent to animal feed, bio-based materials, anaerobic digestion, composting/aerobic digestion, controlled combustion and landfill. Food waste does not include donations to hunger relief organizations, theft or cash shortages.

We follow Champions 12.3 Guidance on Interpreting Sustainable Development Goal Target 12.3. According to this, the definition of food loss and waste applies to both food that is intended for human consumption and its associated inedible parts that leave the human food supply chain. This is because Target 12.3 comes under SDG 12 (Responsible consumption and production) and not SDG 2 (Zero hunger), so it covers both food security and resource-use efficiency, not just food security alone. As a result, inedible parts count as food waste in our figures.

Data collection and considerations

Total waste

Figures are reported on a quarterly basis through a combination of internal measurements and reports from external partners. This data captures food waste and non-food waste from all integrated stores, DCs and offices where Ahold Delhaize manages the waste stream. Our brands work with a number of external partners to recycle cardboard, paper, plastic, metal, glass, wood, electronics, cooking oil and food waste.

In some cases, estimates are made by weight and number of bins picked up by third parties. The majority of waste is disposed of off-site. The contractual agreements on waste streams with external parties are managed locally.

Food waste

We report food waste figures on a quarterly basis through a combination of internal measurements and reports from external partners. Waste in stores and DCs is separated into food waste, cardboard, plastic, glass and trash.

We provide training for associates to ensure waste separation is done as accurately as possible and we perform audits to check the quality of waste separation. Given the variety of circumstances under which the data is collected, it may contain limited inaccuracies, as our audits show that some food waste ends up in trash bins.

To recycle and dispose of food waste, Ahold Delhaize brands work with a number of external partners with varying degrees of maturity in how they collect data. In some cases, weights are estimated based on average bin weight and frequency of service.

The metric we use is tonnes of food waste per € million food sales. Food sales are measured in euros and are impacted by exchange rates. The food waste figure used in this metric is converted to euros on the basis of the accounting policies used for the consolidated financial statements. See *Note 2* and *Note 3* for more information.

According to the FLW Protocol, the definition of food loss and waste (FLW) does not include packaging, such as boxes, wrap or plastic containers. Depending on the data collection method, some amount of food waste also includes the weight of the packaging. Estimates are made to effectively remove the weight of the packaging from the amount of food waste, but this is not yet done consistently across all of our brands. As our data collection processes mature over time, we will remove the weight of the packaging from our food waste figures for all of our brands and also adjust our baseline by using the guidance of the FLW Protocol for excluding the weight of packaging from the weight of FLW.

Our food waste figures exclude food waste (and food sales) of franchisee/affiliated stores, aligned with our consolidation scope. We, therefore, only include food waste in our integrated stores and food sales to franchisees/affiliates (not the sales of franchisees/affiliates to customers). In certain situations, we use estimates for the reporting, to make a split of total food waste between food waste from integrated stores and from franchisee/affiliates.

When calculating the total tonnes of unsold food donated to people, we use estimates for some brands, as actual weight data is not always available.

Restatement of prior year figures and adjustments to baseline

Note 1: We have made minor corrections to the reported number of total waste generated in own operations in 2023, resulting in the reported number from the Annual Report 2023 being restated from 1,103 thousand tonnes to 1,102 thousand tonnes.

Note 2: Due to a change in Delhaize Belgium's business model, by which all integrated stores have been converted to the affiliate model, we have made an adjustment to the 2016 baseline. This adjustment impacted both the food sales and food waste in tonnes.

Performance indicator description	2023 per Annual Report 2023	Note 2: Change in business model	Restated
Restatement of 2016 baseline: Tonnes of food waste per food sales (t/€ million)	4.99	(0.10)	4.89

Due to the restatement of the 2016 baseline, the percentage reduction in food waste per food sales (t/€ million) for 2023 changed from 37% to 35%.

Sustainability notes continued
Environmental indicators continued

EU Taxonomy

The European Commission has established the European Taxonomy Regulation (EU 2020/852) ("EU Taxonomy") as an important step toward the objective of a climate-neutral EU by 2050. The EU Taxonomy aims to redirect capital flows toward activities that meet the criteria outlined in the regulation. As such, the European Commission has developed a catalog of economic activities to determine if they substantially contribute toward a sustainable economy based on TSCs. Companies must use this classification system to assess if their business activities are sustainable. The EU Taxonomy and its supporting delegated acts are designed to help companies, investors and policymakers identify environmentally sustainable economic activities.

While we support the EU Taxonomy's goals, we recognize the ongoing complexities and evolving nature of the framework. For that reason, we will periodically review and adjust our methodology and figures in line with updates to the regulations and guidance, including finalized commission notices.

Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts (Climate Delegated Act and the Environmental Delegated Act) supplementing the Taxonomy Regulation, irrespective of whether that economic activity meets any or all of the TSCs as laid down in those delegated acts. Taxonomy non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

An economic activity is Taxonomy-aligned when it complies with the TSCs, as defined in the Climate Delegated Act and the Environmental Delegated Act, and is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation and fair competition. To meet the TSCs, an economic activity contributes substantially to one or more environmental objectives, while not doing significant harm (DNSH) to any of the other environmental objectives.

KPIs under the EU Taxonomy

Turnover

Consistent with previous years, the food retail sector remains outside the scope of EU Taxonomy regulation. No net sales are accounted for in the consolidated income statement for the main and secondary activities listed above. Therefore, due to how the regulation is structured, our turnover is not covered by, and thus is not eligible for, the EU Taxonomy. As a result, we report 0% eligibility and alignment for 2024, which is in line with the prior year.

Per our consolidated financial statements, total turnover (or net sales) is €89.4 billion, of which 0% is eligible and aligned under the EU Taxonomy. See also the *disclosure template* for turnover.

Accounting policies

Turnover eligibility is calculated in accordance with the definition in Article 8 of the EU Taxonomy. The net sales line, as included in the consolidated income statement, is the equivalent of turnover under the EU Taxonomy. See also *Note 7* to the consolidated financial statements.

Estimates and judgments

Other income is disclosed as a separate line in the consolidated income statement and, as such, is not considered to meet the definition of turnover under the EU Taxonomy. Other income includes, for example, rental income from real estate.

CapEx

We have allocated our CapEx to eligible activities under the six environmental objectives in accordance with the EU Taxonomy and followed the same approach as last year, where economic activities with insignificant CapEx were considered small or insignificant and, as such, reported as non-eligible and not aligned, even though some might qualify under the EU Taxonomy criteria.

The following Company-specific circumstances impact Ahold Delhaize's eligibility and alignment figures:

- Eligibility and alignment of economic activities require an assessment against local regulation, which does not always align with the EU Taxonomy, making it more challenging to prove alignment against locally available regulation (if any). This requirement significantly impacts our business in the United States, where we spend approximately 55% (53% in 2023) of our total regular CapEx (see *Capital investments and property overview* for more information).
- Countries are at different maturity levels in terms of energy performance certification. For example, in Romania, local regulation to facilitate energy performance certificates was not yet in place, resulting in no alignment of newly acquired or leased real estate in that country. In addition, obtaining certification is not mandatory in certain countries.
- Energy-efficiency labeling for specially built or business-to-business equipment is not available. For example, Ahold Delhaize's brands often install custom-built refrigeration systems that combine different store components. Since there is no labeling in place for these types of systems, these assets are not aligned, even though our brands are confident in their quality and energy efficiency.
- Prices for equipment requiring specialized or extended installation or a more granular breakdown of costs are not always available in the level of detail needed to consider eligibility and alignment. For example, labor costs are capitalized on a project basis and not allocated to individual equipment, making it impossible to determine the total cost price of a specific asset to consider its eligibility or alignment. As a result, all capitalized labor costs are considered not eligible and not aligned.

Sustainability notes continued
Environmental indicators continued

- Our experience has shown that, in many cases, the criteria around DNSH are stricter than the substantial contribution criteria under TSCs and require more stringent rules for compliance than the assets currently available in the market. For instance, the noise pollution requirement for transport is set at such a high standard that the average electric small delivery vehicle cannot meet the criteria for alignment.

Eligible CapEx increased across both regions, while aligned CapEx declined. This shift was primarily driven by changes in construction and real estate activities. In the U.S., the reduction was driven by a shift from aligned LED investments to high-GWP refrigerant replacements, which are not aligned. In the EU, the decline was due to investments in non-certified buildings and LED investments not meeting alignment criteria.

In transportation, eligible CapEx grew, particularly in new trucks and hybrid vehicles, but alignment declined due to TSCs and DNSH noise requirements.

Eligible and aligned CapEx increased in water supply, waste management and remediation activities, driven by significant investment in bottle and can dispensers in the EU and an anaerobic digestion plant at our Stop & Stop brand in the U.S.

For information and communication, eligible CapEx decreased due to lower investments in digital projects, while aligned CapEx increased as route optimization and ESL investments met alignment criteria.

See the *CapEx disclosure table* for the movement across economic activities under relevant environmental objectives.

Accounting policies

We have determined the CapEx eligibility and alignment in accordance with the definition as per Article 8 of the EU Taxonomy. CapEx includes additions to tangible[1] and intangible assets during the financial year considered before depreciation, amortization and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. It also includes additions to tangible and intangible assets resulting from business combinations but excludes additions to goodwill.

The additions follow the accounting principles as disclosed in the financial statements of this Annual Report. A reconciliation of the additions included in the financial statements (see *Note 11*, *Note 12*, *Note 13* and *Note 14* to the consolidated financial statements) to the total CapEx under the EU Taxonomy is as follows:

1. Tangible assets comprise the balance sheet line items property, plant and equipment, right-of-use assets and investment property.

Reconciliation of the alternative financial performance measure: CapEx

(€ millions)	2024	2023
Additions to property, plant and equipment (PPE) (*Note 11*)	1,756	1,872
Acquisition of PPE through business acquisitions (*Note 11*)	6	21
Additions to investment property – owned (*Note 13*)	11	10
Additions of right-of-use assets – PPE (*Note 12*)	485	588
Acquisition of right-of-use assets – PPE through business acquisitions (*Note 12*)	0	1
Additions of right-of-use assets – investment property (*Note 13*)	2	5
Additions to intangible assets (*Note 14*)	531	485
Acquisition of intangible assets through business acquisitions (*Note 14*)	20	27
Subtotal	**2,811**	**3,008**
Adjustments: Excluding additions to goodwill (*Note 14*)	(20)	(24)
CapEx used for EU Taxonomy purposes	**2,792**	**2,984**

Accounting estimates and judgments

Reassessments and modifications to right-of-use assets have been excluded from the EU Taxonomy calculation of CapEx.

While the Company's IT systems only partially capture all of the necessary data fields for EU taxonomy automation, our teams made efforts to improve this. Some manual processes are still in use to determine the underlying economic activities. Where relevant, we have allocated CapEx to the identified activities, based on a review of readily available information, such as investment proposals, cost centers and asset registers, which may not be entirely suitable for classification under the EU Taxonomy. As a result, estimates and judgments were applied, to a certain extent, to determine the CapEx number, as reported under the EU Taxonomy.

Operating expenditure (OpEx)

The regulation also considers the spend on OpEx directly attributed to CapEx needed for the transition to more sustainable operations to be eligible in accordance with the EU Taxonomy. Ahold Delhaize's operating expenses denominator, as defined by the EU Taxonomy regulation, represent an insignificant portion of the Group's total OpEx. As this indicator remains irrelevant to the Group's activities, it is not assessed for taxonomy eligibility and alignment, so we use the exemption for the calculation of the numerator of the OpEx KPI in accordance with the regulation.

As a result, we report 0% eligible (and aligned) OpEx, based on our materiality assessment for the six environmental objectives. For 2024, the OpEx denominator is €642 million, versus €711 million in 2023. See also the *disclosure template* for OpEx.

Sustainability notes continued
Environmental indicators continued

Accounting policies

The EU Taxonomy defines OpEx as direct non-capitalized costs that relate to research and development; building renovation measures; short-term leases, maintenance and repair; and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to which activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. This definition differs from the broader definition used in the consolidated financial statements as Operating expenses or Other operating expenses; see *Note 8*.

The EU Taxonomy allows for an exemption where the OpEx is not material for the business model of non-financial undertakings. Ahold Delhaize makes use of this exemption, as explained above.

Estimates and judgments

Ahold Delhaize's long-term goals to transition to more sustainable operations are strategically focused on prioritizing CapEx over OpEx. In accordance with the EU Taxonomy OpEx definition, OpEx is not significant to our business model; therefore, from both perspectives, it remains insignificant for the Company and supports the judgment of using the exemption for the calculation of OpEx.

The OpEx denominator was determined using estimates to decide if the amounts meet the definition of OpEx, as our current IT systems only partially capture the necessary information to determine the underlying economic activities and nature of expenses as defined by the EU Taxonomy.

Assessment of compliance with the EU Taxonomy Regulation

The assessment of taxonomy-aligned activities follows a three-step approach, considering the two TSCs set by the Taxonomy Regulation (EU) 2020/852 and adherence to minimum safeguards. For economic activity to claim alignment, it must fulfill the TSCs of substantial contribution and DNSH, and comply with minimum safeguards.

Eligible economic activities

In 2024, Ahold Delhaize analyzed its economic activities to assess compliance with all six environmental objectives outlined in the Taxonomy Regulation (2020/852). As a result, we identified 11 economic activities that meet the eligibility criteria under the Climate Delegated Act and Environmental Delegated Act, contributing to the CCM and CE environmental objective, and are listed in the table "*Eligible activities*." However, CCM5.5 and CE2.5 eligible economic activities were part of the smaller activities classified in prior years; in 2024, they were classified as eligible due to more significant CapEx spending.

Eligible activities

Activity number[1]	Activity name	Description and main activities by Ahold Delhaize
CCM6.5	T: Transport by motorbikes, passenger cars and light commercial vehicles	The economic activities of Ahold Delhaize's brands relating to leasing cars and sometimes small delivery vehicles, mainly for their e-commerce businesses, fall under this economic activity code.
CCM6.6	T: Freight transport services by road	The transportation activities of Ahold Delhaize's brands relating to buying or leasing trucks to deliver goods from DCs to stores are eligible under this activity code. However, it excludes outsourced transportation services, unless the vehicles in these agreements are considered leases.
CCM7.3	Construction and real estate activities (CRE): Installation, maintenance and repair of energy-efficiency equipment	This activity includes most of the store remodeling activities of Ahold Delhaize's brands that lead to energy-efficiency improvements. The activity also includes adding insulation to walls, roofs and floors, using energy-efficient windows and doors, and upgrading heating, ventilation and air-conditioning systems.
CCM7.4	CRE: Installation, maintenance and repair of charging stations for electric vehicles in buildings	Ahold Delhaize's brands engage in the installation, maintenance and repair of electric vehicle charging stations at stores or in buildings and associated parking spaces.
CCM7.6	CRE: Installation, maintenance and repair of renewable energy technologies	The economic activity includes various measures such as setting up and caring for solar photovoltaic systems, solar hot water panels, heat pumps, wind turbines, solar transpired collectors and energy storage units. Ahold Delhaize's brands engage in installing solar panel systems and ancillary technical equipment.
CCM7.7	CRE: Acquisition and ownership of buildings	Acquiring and owning real estate properties are part of the economic activities of Ahold Delhaize's brands. When entering into new lease agreements for real estate (additions to right-of-use assets), although it may not technically be considered acquiring or owning a building, Ahold Delhaize utilizes this economic activity for CapEx reporting, following the broader definition of CapEx under the EU Taxonomy.
CCM8.1	Information and communication (IC): Data processing, hosting and related activities	Spending by Ahold Delhaize's brands on servers and essential hardware to operate the IT Center of Excellence for the Belgian and CSE brands falls under this activity code.
CCM8.2	IC: Data-driven solutions for GHG emissions reductions	Investments by Ahold Delhaize's brands in software to enhance the efficiency of the e-commerce supply chain, home delivery and productivity units per hour. These investments focus on the logistics software that calculates the most optimal routes, contributing to reduced GHG

Sustainability notes continued
Environmental indicators continued

Activity number[1]	Activity name	Description and main activities by Ahold Delhaize
CCM5.5	Water supply, sewage, waste management & remediation (WM): Collect/transport non-hazardous waste	Ahold Delhaize's brands have introduced automatic waste collection machines for plastic, glass and metal packaging under the Guarantee-Return System to facilitate efficient collection and transport of non-hazardous waste.
CE2.3	WM: Collection of hazardous and non-hazardous waste	Management of waste by Ahold Delhaize's brands for reuse or recycling through spending on gathering and sorting plastic bottles, cans and other hazardous and non-hazardous waste at the brands' stores for recycling, falls under this economic activity code.
CE2.5	WM: Recovery of bio-waste by anaerobic digestion or composting	All expenditures under this activity relate to the anaerobic digestion plant, which processes bio-waste to generate biogas and organic fertilizers and contributes to a circular economy by diverting waste from landfills, reducing greenhouse gas emissions and producing renewable energy.
CE4.1	IC: Provision of IT/OT data-driven solutions	Investments by Ahold Delhaize's brands in IT systems, particularly in reducing food waste and implementing dynamic pricing strategies. Initiatives such as Electronic Shelf Labelling (ESL), IT-driven solutions for dynamic pricing, digitizing inventory information, and enhancing replenishment systems focused on reducing food waste are, therefore, eligible activities under this economic activity.

1. Activities and the related activity numbers as defined in the Climate Delegated Act and Environmental Delegated Act

Estimates and judgments

We applied estimates and judgments to identify eligibility under climate and non-climate environmental objectives where uncertainties arise due to regulation's complexity or lack of clarity. The Company recognizes the challenge of understanding disclosure requirements complexities and highlights the recurring nature of uncertainties in dealing with them.

Multiple environmental objectives: We applied estimates and judgments when splitting CapEx, especially when facing complex projects contributing to multiple objectives. The judgment involves assessing these projects to determine the primary reporting objective, favoring alignment with the most significant environmental objective. For instance, construction and real estate activities are relevant for CCM and CE environmental objectives. However, we determine allocations to CCM using business judgment. Similarly, the business activities of collecting and sorting cans and plastic bottles focus on recycling rather than just collecting and transporting them, contributing to CE and not directly to CCM.

Real estate: While the Company and its brands, from time to time, construct new buildings on existing (or newly acquired) land or renovate existing buildings, these construction activities are always outsourced to a professional developer or construction company. In 2024, Ahold Delhaize continued outsourcing all construction and renovation work to professional developers. Similar to last year, renovations of existing buildings were reported under "CCM7.7. Acquisition and ownership of buildings" rather than as separate activities for new construction or renovations. The economic activity CCM7.7 also includes the CapEx of right-of-use assets.

Although refrigerant replacement or retrofitting is not explicitly listed under "CCM7.3. Installation, maintenance, and repair of energy efficiency equipment," since refrigerators are included under "CCM3.5 Manufacture of energy efficiency equipment for buildings," we believe they are eligible when used in construction and should be considered part of the CCM7.3 economic activity.

Energy: Ahold Delhaize brands regularly install solar panels on store and DC rooftops, using the energy generated on-site. While this may seem to fall under the activity "4.1. Electricity generation using solar photovoltaic technology," all our solar panel installations on top of roofs are considered to be part of economic activity "7.6. Installation, maintenance, and repair of renewable energy technologies," as they are considered integral to the building.

Information and communication: Ahold Delhaize primarily engages in data processing and hosting activities, often outsourced to third-party providers. However, Ahold Delhaize's strategic use of ICT solutions in route optimization software for its e-commerce business model supports overall logistic management. Ahold Delhaize considers these types of economic activities relevant for activity code "CCM8.2 Data-driven solutions for GHG emissions reductions," as they contribute to lower GHG emissions.

Substantial contribution: Technical screening criteria (TSCs)

The first pillar in the alignment assessment is determining if an undertaking substantially contributes to one of the environmental objectives that is required to meet the specific TSCs set out in the Delegated Acts of Taxonomy Regulation (2020/852). Ahold Delhaize and its brands assessed substantial contribution criteria for all eligible activities based on the regulation requirements covering relevant activity codes.

Estimates and judgments

Due to the complexity of the currently available regulation and the need for clarity around how to interpret and apply it, we used estimates and judgments to evaluate compliance with the detailed TSCs.

Sometimes, the criteria are complex because they refer to multiple EU and local regulations. It is difficult to provide the necessary evidence, especially in non-EU countries where the transposition of an EU directive into local law is not applicable or where the transposition to local law in an EU country is only partially done. Therefore, we have applied a conservative approach in claiming alignment.

Sustainability notes continued
Environmental indicators continued

Do no significant harm (DNSH) criteria

The second pillar in the alignment assessment ensures that our activities do not significantly harm the other five environmental objectives under in the EU Taxonomy. We evaluated the DNSH criteria on an economic activity level and, where applicable, further considered it on an asset level. The most significant DNSH criterion relates to CCA, which requires us to assess climate risks and create adaptation plans. This is consistent with the physical risk assessments we conduct for our overall business.

We have further advanced last year's process, where we utilized an automated climate risk assessment tool to streamline our processes. Building on last year's risk insights, we enhanced our 2024 climate risk assessment by expanding the scope to include additional brands and new assets. Where material, we have prepared CCA plans to mitigate the identified climate risks, although some implementation plans are still pending, reflecting our ongoing commitment to improvement. For a detailed update, see further details in *Climate change*.

Estimates and judgments

Estimates and judgments were applied in evaluating compliance with the DNSH TSC, considering the evolving character of the European regulatory framework, the level of complexity of the available regulation, and the need for clarity around how to interpret and apply it.

Minimum safeguards

The final pillar of Ahold Delhaize's alignment assessment focuses on compliance with minimum safeguards, ensuring that our economic activities adhere to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These safeguards guide key aspects of our policies, including human rights due diligence, anti-corruption, taxation, and fair competition.

With the updated *Position on Human Rights*, published in 2022, and the latest version of the *Standards of Engagement*, published in 2023, we continue to reinforce our commitment to respecting human rights across all operations and our supply chain. For more detailed information, please refer to our *2024 Human Rights Report* and sections on *Social information* as part of our Sustainability reporting, effective this year.

Estimates and judgments

We have applied judgments to assess the adequacy of Ahold Delhaize's minimum safeguards at the Company level for asserting compliance. Given that alignment with the guidelines encompasses a diverse set of criteria, the application of these criteria is subject to interpretation.

Restatement of prior year figures

We identified an error in category CCM 7.3 that required a €26 million adjustment, increasing the aligned CapEx from €132 million to €158 million in the 2023 reporting year. The aligned CapEx for this economic activity was initially reported as €25 million instead of the correct amount of €51 million. As a result, both eligible and aligned CapEx and eligible but not aligned CapEx percentages have been restated, and the percentage changes are reflected in the table below.

Performance indicator description	2023 per Annual Report 2023	Adjustment	2023 Restated
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	4.4%	0.9%	5.3%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	27.1%	(0.9)%	26.2%

EU Taxonomy KPI disclosure tables

The KPI tables on the following pages summarize the outcome of Ahold Delhaize's assessment of its turnover, CapEx and OpEx.

2024 marks the first year of reporting eligible and aligned proportions of KPIs for all six environmental objectives. The tables also include 2023 comparative figures for taxonomy-eligible and aligned economic activities related to climate objectives, taxonomy-eligible KPIs, and the first reporting of aligned KPIs for the four non-climate environmental objectives.

Sustainability notes continued
Environmental indicators continued

Turnover (Amounts in € million)

Economic activities (1)	Code(s) (2)	Allocate turnover (3)	Proportion of turnover (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	DNSH criteria: Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		—	—%														—%		
of which Enabling		—	—%														—%		
of which Transitional		—	—%														—%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		—	—%														—%		
Total (A.1 + A.2)		—	—%														—%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		89,356	100%														100%		
Total (A + B)		89,356	100%														100%		

Sustainability notes continued
Environmental indicators continued

CapEx (Amounts in € million)

Economic activities (1)	Code (s) (2)	Allocate CapEx (3) Currency	Proportion of CapEx (4) %	Substantial contribution criteria: Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water and marine resources (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity and ecosystems (10) Y; N; N/EL	DNSH criteria: Climate change mitigation (11) Y / N	Climate change adaptation (12) Y / N	Water and marine resources (13) Y / N	Pollution (14) Y / N	Circular economy (15) Y / N	Biodiversity and ecosystems (16) Y / N	Minimum safeguards (17) Y / N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18) Percent restated	Category (enabling activity or) (19) E	Category (transitional activity) (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Collection and transport of non-hazardous waste in source segregated fractions	CCM5.5	4	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	—%		
Transport by motorbikes, passenger cars and commercial vehicles	CCM6.5	10	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%		T
Installation, maintenance and repair of energy-efficiency equipment	CCM7.3	14	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.7%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM7.4	2	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Installation, maintenance and repair of renewable energy technologies	CCM7.6	10	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Acquisition and ownership of buildings	CCM7.7	64	2.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.8%		
Data-driven solutions for GHG-emissions	CCM8.2	1	—%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	—%	E	
Collection and transport of non-hazardous and hazardous waste	CE2.3	10	0.4%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	—%		
Recovery of bio-waste by anaerobic digestion or composting	CE2.5	1	—%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	—%		
Provision of IT/OT data-driven solutions	CE4.1	1	—%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	—%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)[1]		118	4.2%	3.8%	—%	—%	—%	0.4%	—%	Y	Y	Y	Y	Y	Y	Y	5.3%		
of which Enabling		29	1.0%	1.0%	—%	—%	—%	—%	—%								2.0%	E	
of which Transitional		10	0.4%	0.4%													0.5%		T

Sustainability notes continued
Environmental indicators continued

CapEx (Amounts in € million)

Economic activities (1)	Code (s) (2)	Allocate CapEx (3) Currency	Proportion of CapEx (4) %	Substantial contribution criteria: Climate change mitigation (5) Y; N; N/EL	Climate change adaptation (6) Y; N; N/EL	Water and marine resources (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular economy (9) Y; N; N/EL	Biodiversity and ecosystems (10) Y; N; N/EL	DNSH criteria: Climate change mitigation (11) Y / N	Climate change adaptation (12) Y / N	Water and marine resources (13) Y / N	Pollution (14) Y / N	Circular economy (15) Y / N	Biodiversity and ecosystems (16) Y / N	Minimum safeguards (17) Y / N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18) Percent restated	Category (enabling activity or) (19) E	Category (transitional activity) (20) T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and commercial vehicles	CCM6.5	20	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Freight transport services by road	CCM6.6	48	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Installation, maintenance and repair of energy-efficiency equipment	CCM7.3	155	5.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.2%		
Acquisition and ownership of buildings	CCM7.7	671	24.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17.0%		
Data processing, hosting and related activities	CCM8.1	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Data-driven solutions for GHG-emissions reduction	CCM8.2	0	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Collection and transport of non-hazardous and hazardous waste	CE2.3	1	—%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.3%		
Provision of IT/OT data-driven solutions	CE4.1	0	—%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)[2]		896	32.1%	32%	—%	—%	—%	—%	—%								26.2%		
Total (A.1 + A.2)		1,014	36%														32%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		1,778	64%														68%		
Total (A + B)		2,792	100%														100%		

1. The comparative percentage for A.1 has been restated. See the restatement of the prior year above.
2. The comparative percentage for A.2 has been restated. See the restatement of the prior year above.

Sustainability notes continued
Environmental indicators continued

OpEx (Amounts in € million)

			Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code (s) (2)	Allocate OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		Currency	%	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		—	—%														—%		
of which Enabling		—	—%														—%		
of which Transitional		—	—%														—%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		—	—%														—%		
Total (A.1 + A.2)		—	—%														—%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		642	100%														100%		
Total (A + B)		642	100%														100%		

Sustainability notes continued
Environmental indicators continued

Nuclear energy and fossil gas-related activities (Template I)

Nuclear energy-related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Sustainability notes continued
Social indicators

Own workforce

Please note that Associate data is collected using calendar years; the data presented here is as at December 31, 2024, which differs from our 2024 financial year end of December 29, 2024. The 2023 figures are also reported as at December 31; however, that aligns with our 2023 financial year.

Own workforce – workplace conditions

Associate engagement

Performance indicator description[1,2]	2024	2023
Associate engagement score	**78%**	78%
Associate growth score	**75%**	75%
Inclusion score	**81%**	81%

1. For 2024, this excludes Delhaize Belgium and bol.
2. For 2023, this excludes Delhaize Belgium, bol and FreshDirect.

Methodology

Associate engagement is measured through an annual survey of all associates employed by Ahold Delhaize and the brands at the time of the survey distribution in October each year. We work with a third party (Perceptyx) to deploy our AES.

For information on definitions used and questions asked, see *Definitions and abbreviations: Non-financial performance measures*.

Data collection and considerations

We offer our AES online and do our best to reach all associates and encourage them to complete the survey. In 2024, we had a participation rate of 80% (2023: 81%) of the total number of associates invited to complete the survey.

Other associate-related matters

Performance indicator description	2024	2023
% Greatest Generation (1900-1945)	**0.30%**	0.35%
% Baby Boomers (1946-1964)	**11%**	12%
% Generation X (1965-1979)	**21%**	21%
% Generation Y (millennials) (1980-1995)	**24%**	24%
% Generation Z (1996-2009)	**43%**	43%
% Generation Alpha (2010+)	**1 %**	—%
Age group under 30 years old[1]	**46%**	46%
Age group 30-50 years old[1]	**29%**	29%
Age group over 50 years old[1]	**25%**	25%
Associate turnover 30+ contract hours	**26%**	27%
Associate turnover[2]	**53%**	58%
Racially/ethnically underrepresented at VP+ level (U.S.)[3]	**14%**	15%
Racially/ethnically underrepresented at director level (U.S.)[3]	**19%**	18%
Racially/ethnically underrepresented at manager level (U.S.)[3]	**23%**	22%
Racially/ethnically underrepresented below manager level (U.S.)[3]	**37%**	37%

1. Number of associates under age 30 is 177,742, between age 30-50 is 111,951, and over age 50 is 97,858.
2. Total number of associates who left the undertaking in 2024 is 206,511.
3. Figures are for associates in the U.S. only and exclude associates in Europe due to legal restrictions in Europe.

Sustainability notes continued
Social indicators continued

Performance indicator description	2024	2023
% of female associates: Total Ahold Delhaize	**52%**	52%
% of female Supervisory Board members	**50%**	44%
% of female Management Board members	**25%**	25%
% of female Executive Committee members	**38%**	29%
% of females at VP+ level	**37%**	37%
% of females at director level	**37%**	36%
% of females at manager level	**42%**	41%
% of females below manager level	**52%**	53%
% of male associates: Total Ahold Delhaize	**48%**	47%

Performance indicator description	2024	2023
Number of Supervisory Board members – Male	**5**	5
Number of Supervisory Board members – Female	**5**	4
Number of Supervisory Board members – Other/unknown	**—**	—
Number of Management Board members – Male	**3**	3
Number of Management Board members – Female	**1**	1
Number of Management Board members – Other/unknown	**—**	—
Number of Executive Committee members – Male	**5**	5
Number of Executive Committee members – Female	**3**	2
Number of Executive Committee members – Other/unknown	**—**	—

Also see *Our Management Board and Executive Committee* and *Our Supervisory Board*.

Methodology

We have a process in place that enables us to map all data to automatically calculate the metrics above, which are based on the monthly personnel submissions by the brands or our Global HR system. The outcomes are provided at an aggregate level.

Associate data is collected using calendar years; the data presented here is as at December 31, 2024.

Associate turnover

Associate turnover is defined as the number of people who left the Company compared to the total number of associates. It includes all turnover, regardless of reason.

Turnover is calculated based on averages over the year; the data is based on actual data. We see within our brands that, in some cases, associates return several times after a contract has ended. For example, this may be due to the fact that we also employ students, who organize their work around their school schedules.

We, therefore, report on an additional metric: associate turnover with more than 30 contract hours. For Ahold Delhaize reporting purposes, the definition from the U.S. government of a full-time associate is used for this metric and, therefore, only includes associates who have a contract with a minimum of 30 working hours per week. This metric is considered to give a better view of turnover, as it excludes associates, such as students, who work at our brands as a side job.

Reflective of markets

For the purposes of Ahold Delhaize's reporting, the following racially/ethnically underrepresented groups are used and reported in the following categories: underrepresented groups, white and unknown.

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 in general, for example 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. See also *Equal treatment and opportunities for all*.

Data collection and considerations

Associate turnover

Assessing associate turnover provides a helpful indicator of associate sentiment regarding work and workplace conditions. High turnover is common in the retail industry, when compared with other industries.

We report on an additional metric: associate turnover with more than 30 contract hours. This metric is considered to give a better view of turnover, as it excludes associates, such as students, who work at our brands as a side job.

Reflective of markets

Reflective of markets information is based upon voluntary self-identification; associates also have the option to change their self-identification at any time. For this reason, changes might not always be the result of changes in the workforce.

Sustainability notes continued
Social indicators continued

Diversity, equity and inclusion

Associates by gender (head count)

Performance indicator description[1]	2024	2023
Number of associates (thousands) – Total Ahold Delhaize	**388**	402
Number of associates (thousands) – Male	**186**	189
Number of associates (thousands) – Female	**200**	211
Number of associates (thousands) – Other/Unknown	**2**	2
Number of full-time associates (thousands) – Total Ahold Delhaize	**133**	139
% of full-time associates – Total Ahold Delhaize	**34%**	35%
- of which % is male	**52%**	52%
- of which % is female	**48%**	48%
- of which % is other/unknown	**0.3%**	0.2%
Number of part-time associates (thousands) – Total Ahold Delhaize	**254**	263
% of part-time associates – Total Ahold Delhaize	**66%**	65%
- of which % is male	**46%**	44%
- of which % is female	**54%**	55%
- of which % is other/unknown	**1%**	1%

Associates by region (head count)

Performance indicator description	2024	2023
Number of associates (thousands) – Total Ahold Delhaize	**388**	402
Number of associates – United States	**226**	229
Number of associates – the Netherlands	**97**	99
Number of associates – Europe excl. the Netherlands	**64**	73
% of full-time associates – Total Ahold Delhaize	**34%**	35%
- of which % is from the United States	**61%**	60%
- of which % is from the Netherlands	**9%**	9%
- of which % is from Europe excl. the Netherlands	**30%**	32%
% of part-time associates – Total Ahold Delhaize	**66%**	65%
- of which % is from the United States	**57%**	56%
- of which % is from the Netherlands	**33%**	33%
- of which % is from Europe excl. the Netherlands	**10%**	11%

Associates by contract type and gender (headcount)

Performance indicator description	2024	2023
Number of permanent associates (thousands) – Total	**312**	
Number of permanent associates (thousands) – Male	**151**	Not reported[1]
Number of permanent associates (thousands) – Female	**159**	
Number of permanent associates (thousands) – Other/unknown	**2**	
Number of temporary associates (thousands) – Total	**74**	
Number of temporary associates (thousands) – Male	**34**	Not reported[1]
Number of temporary associates (thousands) – Female	**40**	
Number of temporary associates (thousands) – Other/unknown	**0.2**	
Number of non-guaranteed hours associates (thousands) – Total	**1**	
Number of non-guaranteed hours associates (thousands) – Male	**0.5**	Not reported[1]
Number of non-guaranteed hours associates (thousands) – Female	**1**	
Number of non-guaranteed hours associates (thousands) – Other/unknown	**0**	
Number of full-time associates (thousands) – Total	**133**	139
Number of full-time associates (thousands) – Male	**70**	72
Number of full-time associates (thousands) – Female	**63**	67
Number of full-time associates (thousands) – Other/unknown	**0.4**	0.3
Number of part-time associates (thousands) – Total	**254**	263
Number of part-time associates (thousands) – Male	**116**	117
Number of part-time associates (thousands) – Female	**136**	144
Number of part-time associates (thousands) – Other/unknown	**2**	1

1. The comparative figures of permanent, temporary and non-guaranteed hours associates are not available, as these were new metrics added in 2024.

Methodology

We have a process in place that enables us to map all data to automatically calculate the metrics above, which are based on the monthly personnel submissions by the brands or our global HR system. The outcomes are provided at an aggregate level.

Diversity

Gender diversity is reported based on voluntary disclosure by associates. When associates have not indicated a gender in the source systems or do not associate with either the male or female gender, they are reported under the category Other/Unknown.

Sustainability notes continued
Social indicators continued

The allocation between part time and full time is based on contract hours / standard weekly working hours, which can differ per brand. Associates who work less than full time (< one full time equivalent (FTE)) are considered part time. A part-time associate works less than what is considered as the standard (full-time) hours in a brand.

The reporting per region is based upon where the contract of the associate is and, therefore, does not correspond identically to the segments as reported in the consolidated financial statements. Ahold Delhaize Group's associates are split between the regions based upon the location of their contracts.

Data collection and considerations

Diversity information is based upon voluntary self-identification; associates also have the option to change their self-identification at any time. For this reason, changes might not always be the result of changes in the workforce.

Social dialogue

Performance indicator description[1]	2024	2023
% associates covered by collective bargaining – Total	**57%**	59%
% associates covered by collective bargaining – the Netherlands	**97%**	97%

1. We do not report percentage of associates covered by collective bargaining for non-EEA countries in the first year of ESRS implementation.

Methodology

Collective bargaining

The percentage of associates covered by collective bargaining agreements within the EEA has to be disclosed for countries with at least 10% of a company's total employees, which, for Ahold Delhaize, is the Netherlands. For non-EEA countries, we omit reporting for the first year. For those associates not covered by collective bargaining agreements, our local brands determine their own agreements. Ahold Delhaize has an agreement with its associates for representation by a European Works Council.

Data collection and considerations

The global percentage of associates covered by workers representatives is not a data element we track in HR systems. Ahold Delhaize and each of its brands appreciate and seek participation and feedback and encourage open dialogue between associates and management, whether it comes through direct communication with associates, through the AES, through works councils, or through their union representatives. See *Own workforce* and *2024 Human Rights Report* for more information about social dialogue.

Health and safety (own workforce)

Performance indicator description	2024	2023 restated
Workplace injury rate (per one million hours worked)	**17.88**	18.97
Number of work-related accidents	**7,783**	8,481
Rate of recordable work-related accidents	**3.6**	3.8
Number of fatalities as a result of work-related injuries	**2**	2
Workplace injury absenteeism rate (number of injuries that result in lost days per 200,000 hours worked)	**1.81**	1.85
Serious injuries and fatalities rate (per one million hours worked)	**0.39**	0.45

Methodology

The workplace injury rate is calculated by dividing the total number of work injuries by the total number of worked hours and multiplying by one million.

The workplace injury absenteeism rate is calculated by dividing the total number of work injuries by lost working days and multiplying it by 200,000. Work injuries with lost working days refers to any work-related injury occurring in the course and scope of employment that results in at least one day away from work as a result of the medical condition and requiring medical treatment.

The number of serious injuries and the fatalities rate are calculated by dividing the number of serious injuries and fatalities by the total worked hours and multiplying by one million.

Data collection and considerations

Associate injury data is collected on a quarterly basis through information systems at each brand. There are manual steps to the injury reporting process in each country, such as relying on facility managers to produce detailed and timely reports. All U.S. brands use a consistent process to report injury events, and all data resides in the same system. Each European brand has protocols to report injury events and maintains its data in local systems.

Restatement of prior year figures

Note 1: We have made minor corrections to the reported rate of workplace injury, workplace injury absenteeism, and serious injuries and fatalities. The restatements were mainly due to adjustments in number of work injuries, number of injuries with lost days, number of serious injuries and the number of worked hours in some of our brands.

Sustainability notes continued
Social indicators continued

Performance indicator description	2023 per Annual Report 2023	Note 1	2023 restated
Restatement of workplace injury rate (per one million hours worked)	17.24	1.73	18.97
Restatement of workplace injury absenteeism rate (number of injuries that result in lost days per 200,000 hours worked)	1.89	(0.04)	1.85
Restatement of serious injuries and fatalities rate (per one million hours worked)	0.47	(0.02)	0.45

Own workforce – Equal treatment and opportunities for all

Pay difference and total remuneration

Performance indicator description	2024	2023
Gender pay difference[1] – unadjusted average total Company population	**14.13%**	Not reported[3]
Gender pay difference – unadjusted median total Company population	**4.50%**	
Gender pay difference – adjusted average total Company population	**1.36 %**	
Annual total remuneration ratio[2]	**98**	112

1. Difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees.
2. Highest paid individual to the average annual total remuneration for all employees (excluding the highest-paid individual). Also see *Remuneration* section.
3. The comparative figures of gender pay difference are not available, as these were new metrics added in 2024.

Methodology

Gender pay difference is defined as the difference between the average pay levels for female and male employees, expressed as a percentage of average pay level for male employees. The unadjusted average pay difference for the total aggregated Company population is a straightforward assessment of the average hourly rate for all males compared with all females, without considering other influencing factors. The unadjusted median gender pay difference shows the difference of the median hourly base rate for all males compared with the median hourly base rate for all females.

For the adjusted pay difference, the Blinder-Oaxaca decomposition method is used to break down the total difference in average earnings for female and male employees into two parts: the explained portion, which accounts for measurable factors, and the unexplained portion, which accounts for factors that are not easily measurable.

The annual total remuneration ratio is the pay ratio of the CEO compared to the average remuneration of associates in our stores, warehouses and support offices worldwide. The average remuneration of all associates is calculated as the total (IFRS-based) labor costs divided by the number of associates on an FTE basis. In accordance with the guidance provided by the Monitoring Committee Dutch Corporate Governance Code, contracted personnel are taken into account in this calculation.

Data collection and considerations

The unadjusted gender pay difference for the total Company population is reported in accordance with the reporting requirements of ESRS. This is calculated for all male and female associates within our organization, regardless of the nature of their work or country they operate in.

Measures against violence and harassment in the workplace

Performance indicator description	2024	2023
The total number of incidents of discrimination, including harassment	**409**	Not reported[1]
The number of complaints filed (including grievance mechanisms)	**561**	
The number of severe human rights incidents	**0**	

1. The comparative figures on measures against violence and harassment in the workplace are not available, as these are new metrics added in 2024.

In 2024, Ahold Delhaize brands investigated all complaints of reported harassment and discrimination and, when appropriate, took remedial action to address the wrongful conduct. In some cases, remedial action included the payment of compensation to individuals who were the victims of the harassment and discrimination. Additionally, in some cases, associates brought legal claims, which were resolved by the Company through the payment of compensation. The total amount of compensation related to allegations of harassment and discrimination was less than €1 million.

Methodology

For the measures against violence and harassment in the workplace KPIs, the scope is all associates. Employees working for franchisees/affiliates or joint ventures are not included. Ahold Delhaize and its brands provide various options for associates to report misconduct, including through the use of Speak Up lines.

For the purposes of this reporting, we define discrimination and harassment as:

Discrimination

Discrimination occurs when an individual is treated less favorably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a “protected ground.”

Harassment

Harassment occurs when unwanted conduct related to a protected ground of discrimination (for example, gender, religion or belief, disability, age or sexual orientation) occurs with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment.

Sustainability notes continued
Social indicators continued

Data collection and considerations

Ahold Delhaize and its brands provide options for associates to report misconduct, including through the Speak Up lines. Ahold Delhaize and its brands track instances of alleged discrimination and harassment in the Speak Up management system, which contains both reports from associates and allegations entered through the case management system. Employees working for franchisees/affiliates or joint ventures are not included.

We disclose the number of severe human rights incidents (e.g., forced labor, human trafficking or child labor) in the reporting period. Information regarding such incidents is maintained in the Speak Up line case management system.

Workers in the value chain

Performance indicator description	2024	2023
% 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[1]	**77%**	78%
% of production sites of own-brand products in high-risk countries audited against a stepping-stone standard with a valid audit report or certificate and no non-compliance on deal-breakers[1]	**17%**	18%
% of production sites of own-brand products in high-risk countries audited against an acceptable or a stepping-stone standard with a valid audit report or certificate and no non-compliance on deal-breakers[1]	**93%**	96%
Total number of own-brand production units identified with a deal-breaker during the reporting period	**6**	Not reported[2]
Total number of own-brand production units identified with a deal-breaker that was resolved during the reporting period	**3**	

1. The 2023 figures exclude FreshDirect.
2. The comparative figures on deal-breakers and resolved deal-breakers are not available, as these are new metrics added in 2024.

Methodology

Production sites in high-risk countries (as defined based on the amfori BSCI Country Risk Classification) must comply with amfori BSCI or equivalent audit or certification standards. The amfori BSCI is 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.

To determine the production sites to be included in the scope of this definition, the LSOP is used. For social compliance, that means that we look beyond the first-tier suppliers and focus our requirements on the stage that involves labor to produce or process the final product. For unprocessed fruit and vegetables, the LSOP is at the farm and packing station levels. The LSOP excludes (re-)packing in a non-high-risk country. For all processed own-brand products, the LSOP is at a manufacturing level.

Our European brands in the Netherlands, Belgium, Luxembourg, Czech Republic and Greece apply the definitions, as explained above.

For local production in high-risk countries (Serbia and Romania), we have a tailored approach, in which the brands operate in close cooperation with suppliers, resulting in a better understanding of potential local issues. Therefore, the minimum social compliance requirements for these domestic suppliers are set at the stepping-stone level and are not included in the percentage of production sites at the level of an acceptable standard reported above. If we include stepping-stone standards, we are approaching 93% (2023: 96%) of production locations audited or certified on social compliance.

amfori

For Ahold Delhaize, utilizing the amfori BSCI standard is a strategic choice for managing human rights impacts in the supply chain. amfori BSCI is a non-profit organization that supports more than 1,000 international companies in monitoring and improving working conditions in the global supply chain through its auditing program, which provides a recognized methodology for identifying and remediating risks in global supply chains. Its Code of Conduct is a commitment document for amfori members and their business partners (i.e., suppliers) to exercise human rights due diligence and environmental protection in their global supply chains, in line with internationally recognized principles.

Deal-breakers

If a social compliance audit identifies a serious compliance issue at one of our first tier suppliers, such as child labor, forced or bonded labor, or life-threatening health and safety situations, our brands will initially suspend orders from that supplier and work with the supplier to get the violation or adverse impact remediated. In practice, most of the deal-breaker cases involve occupational health and safety situations.

It is important to note that deal-breakers are monitored for all social audits we accept, regardless of whether the assurance is an audit report (e.g., amfori BSCI) or a certificate. In the case of an audit report, we receive the report, including deal-breakers that may have been identified. The certification standards we accept have a set of minimum requirements that cover the deal-breakers, which means that a supplier could not be certified if deal breakers were identified. Regardless of whether a supplier is audited or certified, if a serious allegation of a deal-breaker is raised at a first tier supplier (or elsewhere in our supply chain), Ahold Delhaize conducts a thorough investigation.

Sustainability notes continued
Social indicators continued

Data collection and considerations

All production units active at the end of the reporting period are in scope for reporting. Information on product social compliance is collected from suppliers and reviewed by internal teams to ensure all audits and certifications are valid and up to date.

As part of our project to improve ESG data collection and reporting, we determined that our U.S. brands are currently not applying the LSOP definition in full, as they do not consider the farm level as LSOP for unprocessed fruit and vegetables, but take the packaging facility/location of the local trading partner as LSOP. We have analyzed gaps due to the different interpretations of the definition, and now we are working toward closing them in 2025 and aligning with the definitions used by the European brands.

Customers' health and nutrition and access to healthy, affordable products

Performance indicator description	2024	2023
% of healthy own-brand food sales as a proportion of total own-brand food sales	**52.4%**	54.8%
Number of brands with customer-facing nutritional guidance systems in place	7	8

Methodology

We are using the *Guiding Stars* ratings for U.S. brands and the Nutri-Score criteria for European brands as our healthy sales standards.

For Guiding Stars, product scores are calculated using patented algorithms designed by independent nutrition experts using evidence-based science and recommendations from the USDA Dietary Guidelines for Americans. Data is derived from product nutrition labels, ingredient lists and the USDA's National Nutrient Database. Products with a net positive balance of dietary attributes and ingredients earn one, two or three Guiding Stars, indicating good, better and best nutritional quality. Products not meeting the standard earn zero stars. The program was introduced by Hannaford Supermarkets in 2006. For more information, visit the *Guiding Stars* website.

Nutri-Score uses an algorithm to identify how healthy a product is, taking into account product ingredients and nutritional values, derived from product nutrition labels. It translates the outcome into a score ranging from A to E. If a product earns an A or a B score, it is marked as a healthy product in our calculation of the performance indicator.

All of our European brands use the Nutri-Score criteria for measuring the healthy own-brand food sales performance indicator. The number of brands with customer-facing nutritional guidance systems in place excludes our brands in the CSE countries, because they do not have Nutri-Score in place as a customer-facing nutritional guidance system. For more information, see *Customers' health and nutrition* in the sustainability statements.

In 2022, the Nutri-Score algorithm was revised by Nutri-Score's scientific committee, and these changes had to be implemented by all our European brands. Overall, the revised algorithm (Nutri-Score 2.0) changed the points allocation so that products considered less healthy earn a lower score. This impacted the current A/B products (moving some products to lower scores, so they are now considered to be unhealthy) but also made it more challenging to reformulate products to earn an A or B score.

Nutri-Score 2.0 offers improved nutritional guidance, aligning better with public health goals such as improved differentiation between products, stricter criteria for sugar, salt, and fats, and better recognition of healthier oils. Furthermore, Nutri-Score 2.0 includes specific refinements for certain product categories to improve fairness and accuracy and focuses on promoting whole and minimally processed foods.

Our Dutch and Belgian brands transitioned to the Nutri-Score 2.0 algorithm at the beginning of 2024 with the remaining European brands to follow in 2025.

Data collection and considerations

Healthier eating data is collected on a quarterly basis through product and sales information system platforms at each brand.

Since there are some manual steps to the process, to monitor accuracy, our U.S. brands have additional controls in place and our European brands perform a verification on processed products each quarter.

Product safety: including health and safety and protection of vulnerable groups

Performance indicator description[1]	2024	2023
% of production sites of own-brand food products that are certified in compliance with an Ahold Delhaize-approved standard or comply with an acceptable level of assurance	**99%**	98%
% of high-risk non-food own-brand products that are produced in production units audited by an independent third party against an Ahold Delhaize-accepted standard, tested or where stepping-stone audits were used as an alternative[2]	**97%**	97%

1. The 2023 figures exclude FreshDirect.
2. Note that this metric is different from the non-food metric reported in the Annual Report 2023, as this metric also includes stepping-stone audits in line with the ambition on non-food product safety. See also *Product safety* under *Social information*.

Sustainability notes continued
Social indicators continued

Methodology

All own-brand food production units must achieve certification by an Ahold Delhaize-approved standard. The small percentage of production units that cannot receive an Ahold Delhaize-approved standard must comply with Accepted Food Safety Assurance standards, the list of which is maintained by our Product Safety team.

For non-food safety, we report on products rather than production units, and the risk profile of the individual product is leading. Low-, moderate- and high-risk non-food products are defined as such based on a risk assessment. As the certification and testing requirements are only applicable for high-risk products and product testing can be used as an alternative for certification, we report on products instead of production locations. All production sites where high-risk products are produced must comply with audit standards or be adequately tested. A list of audit standards is maintained by the Ahold Delhaize Product Safety team.

To determine the production sites to be included in the scope of these reported food and non-food indicators, we use the LSOP, the entity that performs the LSOP or processing in the supply chain where food or non-food safety is impacted, as follows:

- For food safety: The location where the final consumer product (including packing in its primary packaging) is handled. Note that this is always a production site, and cannot be a DC, as it is about products sourced.
  - For unprocessed produce: Both the farm level and the packing station are considered an LSOP for food safety.
- For non-food safety: The location where the final consumer product (excluding packing) is produced or assembled.

Our European brands apply the definition of LSOP as explained above.

As part of our project to improve ESG data collection and reporting, we determined that our U.S. brands are currently not applying the LSOP definition in full, as they do not consider the farm level as LSOP for unprocessed fruit and vegetables, but take the packing facility/location of the local trading partner as LSOP. We aim to work toward closing this gap and aligning with the definition used by the European brands.

In addition, we have identified that the data source used by our U.S. brands to identify own-brand food products is focused on private label products rather than the full own brand-portfolio. This results in a gap in the data used for this KPI. In 2025, we will continue working toward closing the gap.

Data collection and considerations

Audits are performed by third-party verification bodies. Information on this is collected from suppliers and reviewed by internal teams to ensure all certifications are valid and up to date.

In addition to the indicators reported on in these statements, we also work to ensure that all products our brands sell are safe to consume and use, and we do this through our policies, control framework and standard operating procedures. We take responsibility for maintaining the highest levels of product safety for our own-brand products. We work to ensure they are safe; produced in clean, efficient facilities; and clearly and accurately labeled. Product safety for national-brand products is the responsibility of the national-brand suppliers.

To drive global food safety, we take an active role in various standards committees and working groups. We support the CGF's GFSI standards to advance the safety of food products. As an active contributor to organizations such as BRCGS and GLOBALG.A.P., we help develop and maintain the highest standards.

In addition, we have clear policies and procedures in place to ensure the products in our DCs and stores are safe to use or consume. Before products enter our brands' facilities, temperature and expiration dates are verified and daily quality checks are done in both DCs and stores. Our brands also provide training to associates on a regular basis.

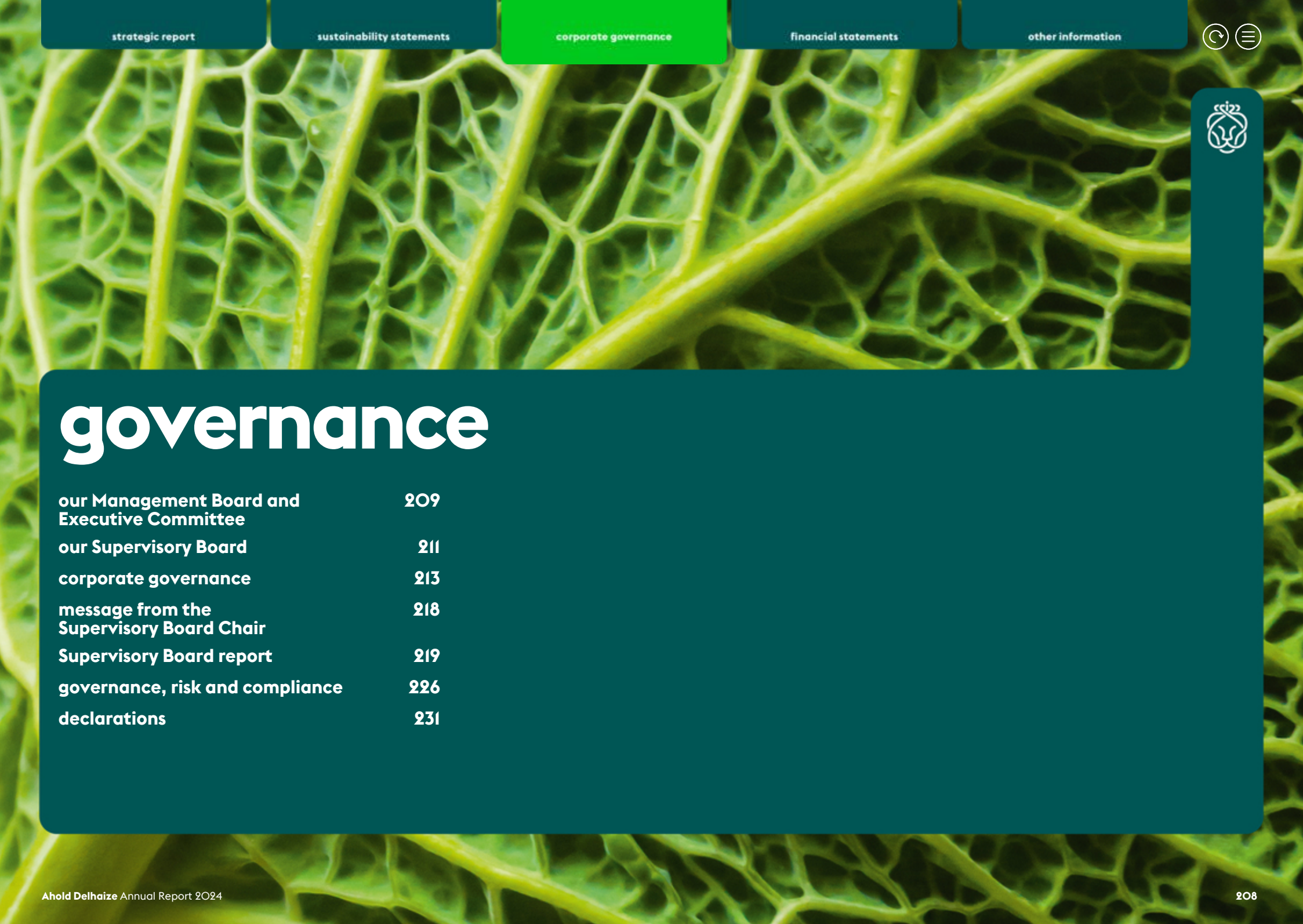
If a product is found to be materially unsafe to consume or use, we take corrective action and immediately remove it from the stores and recall it from the market. This process can be performed in a very short timeframe and associates are trained on it as a part of Ahold Delhaize's food safety management system.

See our website at *www.aholddelhaize.com* for more information on the product safety standards we adhere to.

corporate governance

governance
remuneration





governance

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Our Management Board and Executive Committee

Our Management Board is responsible for the overall management of the Company and for the actions and decisions of the Executive Committee, which manages our general affairs and ensures effective implementation of the strategy and achievement of the Company's objectives, including sustainable long-term value creation. The Management Board and Executive Committee together support our business, meet the needs of our stakeholders and ensure we comply with relevant rules and regulations.

For more information, see the Rules of Procedure of the Management Board and Executive Committee in the Governance section of our website at: *www.aholddelhaize.com*



Frans Muller

President and Chief Executive Officer
Chair and member Management Board and Executive Committee

Appointment effective: July 24, 2016 (appointed as CEO effective: July 1, 2018)

Career background: Before his appointment as President and CEO in 2018, Frans served as Deputy CEO and Chief Integration Officer since 2016. He was also Acting Chief Operating Officer for Delhaize America from October 2016 until January 2018. Prior to the merger between Ahold and Delhaize, Frans served as President and CEO of Delhaize Group.

Before joining Delhaize Group, Frans spent more than 15 years in various leadership positions for German retailer Metro AG, including as managing director Makro, president Asia Pacific and Russia/ Ukraine, CEO Metro Group Buying and, most recently, member of the board of Metro AG and CEO Metro Cash & Carry. Earlier in his career, Frans held management and executive positions at KLM Cargo in Amsterdam, Frankfurt, Vienna and Singapore.

Other board memberships: Chairman of the board, Vlerick Business School; co-chair, CGF; supervisory board member of the Dutch central bank ("De Nederlandsche Bank").

Age: 63

Nationality: Dutch



Jolanda Poots-Bijl

Chief Financial Officer

Member Management Board and Executive Committee

Appointment effective: October 1, 2023

Career background: Jolanda joined Ahold Delhaize as Executive Vice President Finance and Member of the Executive Committee on August 14, 2023, before assuming her role as CFO as per October 1, 2023.

Prior to joining Ahold Delhaize, Jolanda was CFO at offshore construction company Van Oord. She is an all-round executive with more than 20 years of boardroom experience serving as a member of global operating supervisory and executive boards across various industries.

Jolanda has substantial experience in designing strategies to transform companies and take them to the next level, with great focus and care for people while stretching performance and supporting sustainable long-term value creation.

Other board memberships: Member of the supervisory board of Pon.

Age: 55

Nationality: Dutch



JJ Fleeman

Chief Executive Officer Ahold Delhaize USA
Member Management Board and Executive Committee

Appointment effective: April 12, 2023

Career background: Before being appointed CEO Ahold Delhaize USA, JJ served as President of Peapod Digital Labs since 2018. In this role, JJ led the development of digital and commercial platforms and tools that support the brands of Ahold Delhaize USA.

Prior to this, JJ served in a wide range of leadership roles at Ahold Delhaize USA and its brands. Most notably, he served as Chief Strategy Officer of Food Lion, responsible for developing its "Easy, Fresh and Affordable" strategy.

During his career, JJ has gained broad experience leading all aspects of retail, including merchandising, store operations, digital, loyalty, marketing, business development and store portfolios. He also served as the Global Integration and Program Leader as part of the merger that formed Ahold Delhaize.

Age: 51

Nationality: American



Claude Sarrailh

Chief Executive Officer Europe and Indonesia
Member Management Board and Executive Committee

Appointment effective: October 1, 2024

Career background: Claude joined Ahold Delhaize as Executive Vice President Europe and Indonesia before assuming his role as CEO Europe and Indonesia and Member of the Management Board as per October 1, 2024.

Prior to this, Claude was a member of the management board and held the position of chief customer and merchandise officer at Metro AG.

Claude has gained broad international experience during a long-standing retail career at executive level. He has served as chief executive officer for Metro in Italy and China, and held several procurement roles in, among others, Romania and Russia. Before joining Metro AG, Claude worked for Carrefour and Banque Herve.

Age: 53

Nationality: French

Management Board composition

Nationality

Dutch	2
American	1
French	1

Gender

♀ 25% female

♂ 75% male

Tenure (years)[1]



1. The composition reflects the years since first appointment as a member of the Management Board (see Reappointment schedule Management Board).

Our Management Board and Executive Committee continued



Alex Holt

Chief Sustainability Officer
Member Executive Committee

Appointment effective: May 27, 2024

Career background: Alex Holt joined Ahold Delhaize's Executive Committee as Chief Sustainability Officer on May 27, 2024.

Alex is a global retail business executive with over 20 years of leadership experience in retail and consumer-goods businesses. She has a consistent track record of developing and delivering customer-led strategies in complex environments that both improve business performance and positively impact people and the planet.

Before joining Ahold Delhaize, Alex worked at Woolworths Group, one of Australia and New Zealand's leading retail groups, as chief sustainability officer for three years. In total, Alex served at Woolworths Group for over 10 years in several leadership roles. Prior to this, Alex worked at Tesco across several roles in business improvement, buying and category management.

Alex is a strategic and collaborative leader who takes ownership of delivering valued organizational outcomes in partnership with others. She is passionate about sustainability and skilled at purposefully prioritizing to create the biggest impact. Alex's experiences have also been enriched by non-executive roles at Foodbank Australia.

Age: 51

Nationality: British



Natalia Wallenberg

Chief Human Resources Officer
Member Executive Committee

Appointment effective: January 17, 2022

Career background: Natalia Wallenberg has served as Chief Human Resources Officer and member of Ahold Delhaize's Executive Committee since January 17, 2022. She leads the development and execution of Ahold Delhaize's people strategy, including associate engagement, leadership, culture, DE&I and talent development.

Natalia brings experience across several industries – agriculture, financial services and real estate – and has lived and worked in various countries including the United States, Switzerland, Russia, Belarus, UAE and, now, the Netherlands.

Before joining Ahold Delhaize, Natalia worked at global agricultural technology leader Syngenta Group for nearly nine years, serving as their global head HR for several business units and R&D. Prior to this, she held a number of HR leadership roles at investment bank Renaissance Capital and IKEA.

Other board memberships: Member, board, American Chamber of Commerce in Amsterdam.

Age: 42

Nationality: Belarusian



Ben Wishart

Global Chief Technology Officer
Member Executive Committee

Appointment effective: January 1, 2018

Career background: Ben Wishart became a member of Ahold Delhaize's Executive Committee on January 1, 2018. Ben joined Ahold in 2013 in the role of Global Chief Information Officer and has continued in this role for Ahold Delhaize. He is responsible for leadership and governance on technology matters globally, including strategy and solution delivery, enabling digital platforms, cyber defense and sourcing.

He previously served as chief information officer of Morrisons plc and Whitbread plc and held various senior Information Technology roles at Tesco plc. This followed early career roles in consulting with CapGemini and sales and marketing with American Express.

Other board memberships: Independent non-executive director PayPoint.

Age: 62

Nationality: British



Linn Evans

Chief Legal Officer
Member Executive Committee

Appointment effective: April 15, 2024

Career background: Linn Evans became a member of Ahold Delhaize's Executive Committee on April 15, 2024.

With more than 30 years of legal experience, Linn has an extensive background in grocery retail and private practice. He joined the Ahold Delhaize family of companies in 1998, starting as a senior attorney at Food Lion. Linn held several leadership roles at Food Lion, Delhaize America and Delhaize Group. He also acted as Secretary to the Delhaize Group Board of Directors and its committees, and assisted the company in the development of its compliance and policy framework.

In 2016, Linn played a key role in the merger of parent companies Delhaize Group and Royal Ahold, specifically managing the U.S. regulatory approval process for the merger and developing the governance of the merged company. Linn was appointed Chief Legal Officer of Ahold Delhaize USA in 2017 and has played a critical role in the design and implementation of the U.S. brand-centric operating model. Prior to joining the company, Linn was in private practice with various law firms.

Age: 60

Nationality: American

Executive Committee composition

Nationality

Dutch	2
American	2
British	2
French	1
Belarusian	1

Gender

♀ 37.5% female

♂ 62.5% male

Tenure (years)[1]



Our Supervisory Board

The Supervisory Board is responsible for supervising and advising our Management Board and overseeing the general course of affairs, strategy, operational performance and corporate governance of the Company. It is guided in its duties by the interests of the Company and the enterprise connected with the Company, taking into consideration the overall well-being of the enterprise and the relevant interests of all its stakeholders.

For more information, see the Rules of Procedure of the Supervisory Board in the Governance section of our website at www.aholddelhaize.com.



Peter Agnefjäll

Chair
Member Remuneration Committee and Governance and Nomination Committee

Appointment effective: April 10, 2019

Career background: Peter served as president and CEO of the IKEA Group from 2013 to 2017. He started his career there as a trainee in 1995 and, over the years, held several senior management positions within the company.

Other board memberships: Member board of directors, Orkla ASA.

Age: 53

Nationality: Swedish



Bill McEwan

Vice Chair
Member Governance and Nomination Committee; Member Health and Sustainability Committee

Appointment effective: July 24, 2016

Career background: Bill served on Delhaize's Board of Directors as of 2011 and was Chair of its Remuneration Committee. He is the former president and CEO of Sobeys Inc. and was a member of the board of directors of its parent company, Empire Company Limited. From 1989 to 2000, Bill held a variety of progressively senior marketing and merchandising roles with Coca-Cola Limited and Coca-Cola Bottling, and with The Great Atlantic and Pacific Tea Company (A&P) in Canada and the U.S. Bill served as president of A&P's Canadian operations before being appointed president and CEO of its U.S. Atlantic Region.

Other board memberships: Board director, chair governance committee and member audit and finance and independent committees, Interac Corp.

Age: 68

Nationality: Canadian



Robert Jan van de Kraats

Chair Audit, Finance and Risk Committee
Member Health and Sustainability Committee

Appointment effective: April 10, 2024

Career background: Robert Jan previously held the position of CFO and member of the executive board for several international businesses, most recently at Randstad N.V., a listed international staffing and recruitment company. Before joining Randstad N.V., Robert Jan was CFO of credit insurer NCM Holding N.V. (now Atradius).

Since 2004, Robert Jan has been a non-executive director/supervisory board member of various (U.S.) listed and privately held companies in retail, telecommunications, financial services, IT and business services.

Other board memberships: Chair, supervisory board, Customs Support Group; non-executive director, OCI N.V.; director, Randstad Beheer B.V.

Age: 64

Nationality: Dutch



Pauline van der Meer Mohr

Chair Remuneration Committee
Member Health and Sustainability Committee

Appointment effective: April 13, 2022

Career background: Over the course of her career, Pauline has built extensive experience in both academia and business. She served as president of Erasmus University from 2010 to 2016, after a career in Human Resources and Legal at multinational companies such as ABN AMRO, TNT and Shell.

Other board memberships: Chair, supervisory board, ASM International; member, supervisory board NN Group;

Age: 65

Nationality: Dutch



Helen Weir

Chair Governance and Nomination Committee
Member Audit, Finance and Risk Committee

Appointment effective: April 8, 2020

Career background: Helen has had a distinguished career as finance director of a number of large consumer-focused companies, including Marks and Spencer plc, where she also had responsibility for IT; John Lewis Partnership; Lloyds Banking Group plc; and Kingfisher plc. Since 2018, Helen has been a non-executive director of a number of listed and private international companies, all with a consumer focus.

Other board memberships: Chair, Mobico Group plc.; non-executive director Compass Limited.

Age: 62

Nationality: British

Our Supervisory Board continued



Katie Doyle

Chair Health and Sustainability Committee
Member Technology Committee

Appointment effective: April 10, 2019

Career background: Katie brings 30 years of experience leading and advising consumer health-branded products and retail businesses. Currently, Katie is an executive advisor to a portfolio of private equity firms that invest and operate in consumer health and technology businesses. Previously, Katie was the CEO of an e-commerce business, Swanson Health Products; and a senior vice president and corporate officer at Abbott Laboratories, responsible for its Nutrition division. Prior to these roles, she was a partner at McKinsey & Company, working with consumer goods and retail clients globally, for over 20 years.

Other board memberships: Non-executive director, Perrigo*.

Age: 57

Nationality: American

*Katie will not stand for re-election to the Perrigo Board of Directors at its annual general meeting of shareholders in 2025, and will retire from the Perrigo board at that time.



Laura Miller

Chair Technology Committee
Member Audit, Finance and Risk Committee

Appointment effective: April 10, 2024

Career background: Laura brings over 30 years of technology leadership experience helping companies leverage technology to grow the business. In her most recent role as chief information and data and analytics officer for Macy's Inc., she had responsibility for the strategy and implementation of in-store, e-commerce and back-office technologies as well as data, analytics, AI/gen AI and cybersecurity. Before joining Macy's in 2021, Laura was the global chief information officer of InterContinental Hotel Group, PLC with responsibility for the strategy, implementation and operations of hotel and consumer technologies globally, including e-commerce in China. She previously served in senior technology roles in the financial services industry at FirstData and TDAmeritrade and has also held other non-executive director roles at LGI Homes and EVO Payments.

Other board memberships: Non-executive director, NCR VOYIX Corp

Age: 60

Nationality: American



Frank Van Zanten

Member Remuneration Committee and Governance and Nomination Committee

Appointment effective: April 8, 2020

Career background: Frank has been CEO of Bunzl plc. (FTSE-100), a specialist international distribution and services group, since 2016. Frank joined Bunzl in 1994 when the company acquired his family-owned business in the Netherlands. He subsequently assumed responsibility for a number of businesses in other countries. In 2002, he became CEO of PontMeyer NV, a listed company in the Netherlands, before re-joining Bunzl in 2005 as managing director of the continental Europe business area.

Age: 58

Nationality: Dutch



Jan Zijderveld

Member Audit, Finance and Risk Committee and Technology Committee

Appointment effective: April 14, 2021

Career background: Jan was born in the Netherlands, grew up in New Zealand and spent 30 years with Unilever in senior positions, living in seven countries and running different businesses all over the world. For the last seven years, Jan was CEO and president of Unilever Europe and member of Unilever's executive board. He also served as the global CEO of NYSE-listed Avon from 2018 to 2020. In addition to taking on non-executive board memberships, Jan is an investor and works with private equity firms.

Other board memberships: Non-executive director, Pandora; member of the Supervisory Board Symrise AG.

Age: 60

Nationality: Dutch



Julia Vander Ploeg

Member Remuneration Committee and Technology Committee

Appointment effective: April 12,2023

Career background: Julia has over 25 years of experience leading digital, e-commerce and technology operations for complex global businesses across diverse industries, including retail.

She was most recently head of digital and technology for Hyatt Hotels Corporation from 2018 to 2022, with prior experience in senior operating roles for Volvo Car Corporation, McDonald's Corporation and Ticketmaster.

Other board memberships: Non-executive director, Extra Space Storage; independent director, Neighborly.

Age: 54

Nationality: American

Supervisory Board composition

Nationality

Dutch	4
American	3
British	1
Canadian	1
Swedish	1

Gender

♀ 50% female

♂ 50% male

Tenure (years)[1]



Governance continued
Corporate governance

We have designed our corporate governance structure to best support our business, meet the needs of our stakeholders, and comply with laws and regulations.

This section contains an overview of our corporate governance structure and includes information required under the Dutch Corporate Governance Code 2022 ("Dutch Corporate Governance Code").

Governance structure

Koninklijke Ahold Delhaize N.V. (the "Company" or "Ahold Delhaize") is a public company under Dutch law, structured to execute our strategy and to balance local, regional and global decision making in line with our ethical principles and values.

In 2024, our Company comprised Ahold Delhaize Group and two reportable segments – The United States and Europe – each of which is made up of a number of local brands and several supporting entities.

Ahold Delhaize has a two-tier board structure with a Supervisory Board and Management Board that are accountable to our shareholders. Our Management Board has ultimate responsibility for the overall management of Ahold Delhaize. The Supervisory Board supervises and advises the Management Board.

The Executive Committee comprises our Management Board and other key officers of the Company, led by the CEO.

The Executive Committee has been established to involve a broader leadership team in the decision-making process and to optimize strategic alignment and operational execution while having the flexibility to adapt to developments in the business and across the Company and the industry.

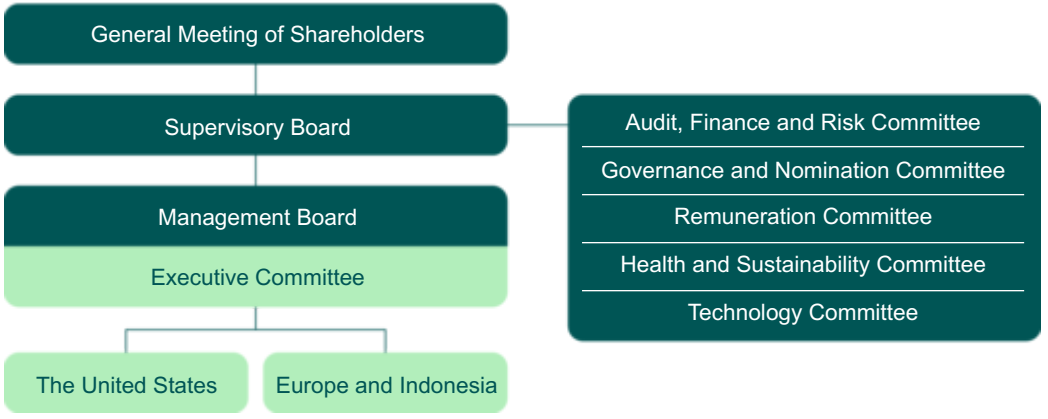
The diagram on this page shows Ahold Delhaize's governance structure. A list of subsidiaries, joint ventures and associates is included in *Note 35* to the consolidated financial statements.

Management Board and Executive Committee

The Management Board and Executive Committee together support our business, meet the needs of our stakeholders and ensure we comply with relevant rules and regulations. The members of the Management Board, in principle, attend each Supervisory Board meeting. The members of the Executive Committee attend the Supervisory Board Committee meetings relevant to their respective responsibilities. The Chair of the Supervisory Board and the CEO coordinate and agree on the attendance at Supervisory Board meetings by members of the Executive Committee who are not also members of the Management Board.

According to our Articles of Association, the Management Board must consist of at least three members. For a more detailed description of the responsibilities and the requirements of the Management Board and the Executive Committee, see the *Rules of Procedure of the Management Board and Executive Committee* in the Governance section of Ahold Delhaize's website at *www.aholddelhaize.com*.

Governance structure



Composition of the Management Board and Executive Committee

The current members of the Management Board and Executive Committee are presented on the previous pages.

Currently, Ahold Delhaize has a Management Board that is 25% female and an Executive Committee that is 37.5% female. We recognize that this leaves room for improvement, which is reflected in our broad and bold aspiration for diversity, equity and inclusion. In response to the Dutch gender board legislation, Ahold Delhaize defined the sub-top as Senior Vice President (SVP) and above, and set an aspiration to achieve one-third female representation by the end of 2025 at the SVP and above level.

We are making good progress on this ambition, given the fact that, at the end of 2024, the SVP and above female representation was 36% (39 female, 67 male and one who chose not to register their gender), up from 32% (33 female, 69 male and two who chose not to register their gender) at the end of 2023[1].

Representation at the end of 2022 was 29% and 2021 was 26%. The Company and its brands create a caring place to work, that inspires growth and collaboration, where everyone is heard and valued and finds purpose in serving our brands' communities.

Ahold Delhaize aspires to be a company that is 100% gender balanced, 100% reflective of the communities served and 100% inclusive. For more information on DE&I at Ahold Delhaize, see *Equal treatment and opportunities for all*.

1. The Sociaal Economische Raad (SER) requires adding associates who wish not to disclose their gender to the underrepresented group. As a result, the SER disclosure differs slightly.

Governance continued
Corporate governance continued

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend or dismiss a Management Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved, but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes exercised, regardless of the number of shares represented at the meeting, is required to adopt the proposal.

Management Board members are appointed for four-year terms and may be reappointed for additional terms not exceeding four years. The Supervisory Board may, at any time, suspend a Management Board member. The other members of the Executive Committee are appointed, suspended and dismissed by the Supervisory Board, at the proposal of the CEO.

Reappointment schedule Management Board

Name	Effective date of first appointment	Year of possible reappointment
Frans Muller	July 24, 2016	2027
Jolanda Poots-Bijl	October 1, 2023	2027
JJ Fleeman	April 12, 2023	2027
Claude Sarrailh[1]	October 1, 2024	2028

1. Claude Sarrailh was appointed at the Extraordinary Meeting of Shareholders held in July 2024 for a term starting October 1, 2024, and ending at the end of the Annual General Meeting of Shareholders to be held in 2028, which is the fourth calendar year after the year of appointment.

Remuneration

On April 13, 2022, Ahold Delhaize's General Meeting of Shareholders adopted the current remuneration policy for Management Board members.

You can find the details of this policy in *Remuneration policy*. For details on the individual remuneration of Management Board members, see *2024 Remuneration* and for information on an aggregated basis, see *Note 31* and *Note 32* to the consolidated financial statements.

Evaluation

In early 2025, the Management Board and the Executive Committee conducted a self-assessment. To facilitate the self-assessment, a questionnaire was filled out by all members. The consolidated output of the questionnaire was used to facilitate a structured dialogue chaired by the CEO.

Overall, the Executive Committee concluded that the team functions well. The team composition represents the Company in its dimensions of capability, in- and out-of-industry experience, multicultural characteristics, nationality and tenure, especially with the new addition in 2024 of the CSO role. This will remain an important factor to ensure we understand and connect deeply with our multiple markets, customers, associates and communities.

The atmosphere in the meetings encouraged critical thinking and deliberations were constructive. The addition of more informal Top-of-Mind meetings created more opportunities to discuss complex matters and create more moments for learning. The Management Board and Executive Committee meeting agendas address an appropriate range of strategic, operational and governance matters, and the off-site meetings allowed for more in-depth strategic and other discussions.

Supervisory Board

The Supervisory Board is responsible for supervising the Management Board and overseeing the general course of affairs, strategy, operational performance and corporate governance of the Company, and for advising the Management Board and Executive Committee. Ahold Delhaize's Articles of Association require the approval of the Supervisory Board for certain major resolutions by the Management Board, including:

- Issuance of shares
- Repurchases of shares and any reduction in issued and outstanding capital
- Allocation of duties within the Management Board and the adoption or amendment of the Rules of Procedure of the Management Board and the Executive Committee
- Significant changes in the identity or the nature of the Company or its enterprise

The Supervisory Board is responsible for monitoring and assessing its own performance. For more detailed information on the Supervisory Board, see the *Supervisory Board report*. *The Rules of Procedure of the Supervisory Board* are available in the Governance section of Ahold Delhaize's public website at *www.aholddelhaize.com*.

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend or dismiss a Supervisory Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes exercised is required, regardless of the number of shares represented at the meeting.

A Supervisory Board member is appointed for a four-year term and may be reappointed for another four-year period. The Supervisory Board member may subsequently be reappointed for a period of two years, which may be extended by, at most, two years, provided such appointments and reappointments contribute to a more diverse composition of the Supervisory Board.

Committees of the Supervisory Board

The Supervisory Board has five committees that are appointed by the Supervisory Board from its own members: the Audit, Finance and Risk Committee; the Governance and Nomination Committee; the Remuneration Committee; the Health and Sustainability Committee; and the Technology Committee.

For further information on the Supervisory Board committees, see the *Supervisory Board report* and for the full charter of each of these committees, see the complete *Rules of Procedure of the Supervisory Board* of Koninklijke Ahold Delhaize N.V. on our website.

Governance continued
Corporate governance continued

Conflict of interest

Each member of the Supervisory Board (other than the Chair) is required to immediately report any (potential) conflict of interest concerning a Supervisory Board member to the Chair of the Supervisory Board and the other members of the Supervisory Board. The Supervisory Board member with such (potential) conflict of interest must provide the Chair with all information relevant to the conflict of interest. The Chair will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest.

If the Chair has a potential conflict of interest, he shall immediately report the (potential) conflict to the Vice Chair. The Chair must provide the Vice Chair with all information relevant to the conflict of interest. The Vice Chair will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest.

Similarly, each member of the Management Board or the Executive Committee is required to immediately report any (potential) conflict of interest concerning a member of the Management Board or the Executive Committee to the Chair of the Supervisory Board and to the other members of the Management Board or Executive Committee and provide all information relevant to the conflict of interest. The Supervisory Board will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest.

We will record any such facts or transactions in the Annual Report for the relevant year, with reference to the conflict of interest and a confirmation that we have complied with best practice provisions 2.7.3 and 2.7.4 of the Dutch Corporate Governance Code.

During 2024, no decisions were taken to enter into transactions in which there were conflicts of interest with members of the Supervisory Board or Management Board that were of material significance to the Company or to the relevant member of the Supervisory Board or Management Board.

In addition, no transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company occurred in 2024, corresponding to the best practice provision 2.7.5 of the Code.

Diversity, equity and inclusion

Our foundation for driving engaging and inclusive associate experience is our people promise: we create a caring place to work, that inspires growth and collaboration, where everyone is heard and valued and finds purpose in serving our brands' communities. In line with article 2.5.1. of the Dutch Corporate Governance Code, Ahold Delhaize has a DE&I strategic framework brought to life through our 100/100/100 aspiration, toward a workforce that is 100% gender balanced at all levels and 100% reflective of the communities the brands serve and a culture that is 100% inclusive. 100/100/100 includes three pillars – people, community and culture.

Globally, Ahold Delhaize has a common focus on holistic inclusion, using the strength of different perspectives to grow our brands; locally, our brands design, implement and drive strategies tailored to the communities where they live, work and serve. This agile approach ensures each brand's strategy is relevant to its associates and the markets it serves.

The brands also encourage the development of BRGs that support commercial activities, as well as development and inclusion of associates. BRGs may actively partner with the brands' suppliers and relevant NGOs to further improve the business and educate and engage the community.

In support of our 100% inclusion ambition, our brands employ an annual AES as well as other employee listening programs, to actively measure cultural aspects of inclusion, see where they are today and identify remaining gaps. Many brands deploy psychological safety training and encourage feedback through tools like the 360 assessment or the Speak Up line, to foster safe environments where associates can speak and share openly. For more information, see *Working Conditions* and *Equal treatment and opportunities for all*.

Shares and Shareholders' rights

General Meeting of Shareholders

Ahold Delhaize's shareholders exercise their rights through annual and extraordinary General Meetings of Shareholders. The Company is required to convene an Annual General Meeting of Shareholders (AGM) in the Netherlands each year, no later than six months after the end of the Company's financial year. Extraordinary General Meetings of Shareholders (EGMs) may be convened at any time by the Supervisory Board or the Management Board, or at the request of one or more shareholders (and/or holders of depository receipts) representing at least 10% of the issued and outstanding share capital.

The agenda for the AGM must contain certain matters as specified in Ahold Delhaize's Articles of Association and under Dutch law, including the adoption of our annual financial statements. The General Meeting of Shareholders is also entitled to vote on important decisions regarding Ahold Delhaize's identity or character, including major acquisitions and divestments.

Shareholders (and/or holders of depository receipts) are entitled to propose items for the agenda of a General Meeting of Shareholders provided that they hold at least 1% of the issued share capital or the shares or depository receipts that they hold represent a market value of at least €50 million. Proposals for agenda items for a General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting.

Adoption of resolutions

Subject to certain exceptions provided by Dutch law or our Articles of Association, resolutions are passed by an absolute majority of votes cast without a requirement for a quorum.

Proposals submitted to the agenda by shareholders require an absolute majority of votes cast at the AGM representing at least one-third of the issued shares. If this qualified majority is not achieved but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, an absolute majority of votes exercised is required to adopt the proposal, regardless of the number of shares represented at the meeting (unless the law or our Articles of Association provides otherwise).

A resolution to dissolve the Company may be adopted by the General Meeting of Shareholders following a proposal of the Management Board made with the approval of the Supervisory Board. Any proposed resolution to wind up the Company must be disclosed in the notice calling the General Meeting of Shareholders at which that proposal is to be considered.

Governance continued
Corporate governance continued

Voting rights

Each common share entitles its holder to cast one vote. Dutch law prescribes a record date to be set 28 days prior to the date of the General Meeting of Shareholders to determine whether a person may attend and exercise the rights relating to the General Meeting of Shareholders. Shareholders registered at that date are entitled to attend and to exercise their rights as shareholders in relation to the General Meeting of Shareholders, regardless of a sale of shares after the record date. Shareholders may be represented by written proxy.

We encourage participation in our General Meetings of Shareholders. We use J.P. Morgan Chase Bank N.A., the Depositary for the Company's American Depositary Receipt (ADR) facility, to enable ADR holders to exercise their voting rights, which are represented by the common shares underlying the ADRs.

Neither Ahold Delhaize nor any of its subsidiaries may cast a vote on any share they hold in the Company. These shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at the General Meeting of Shareholders.

Cumulative preferred shares

In March 1989, the Company entered into an agreement with the Dutch foundation Stichting Continuïteit Ahold Delhaize (SCAD), as amended and restated in April 1994, March 1997, December 2001, December 2003 and May 2018 (the "Option Agreement"). The Option Agreement was designed to, in accordance with the purpose of SCAD under its articles, potentially exercise influence in the event of a public offer or a potential change of control over the Company, to safeguard the interests of the Company and its stakeholders and to potentially avert, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, strategy or identity.

Pursuant to the Option Agreement, SCAD has been granted an option to acquire cumulative preferred shares from the Company from time to time for no consideration.

SCAD and the members of its board are independent from the Company. The current members of the board of SCAD are:

Name	Principal or former occupation
E.M. Hoekstra, Chair	Former Member Executive Board of Directors SHV Holding and former CEO and Chairman of Royal Vopak
B.M.A. van Hussen	Lawyer and former M&A partner at DLA Piper
C.M.S. Smits-Nusteling	Former CFO KPN
G.J.G. Van Breen	Former CEO A.S. Watson Benelux

For further details on Ahold Delhaize's cumulative preferred shares, including restrictions on transfer, see *Note 21* to the consolidated financial statements. The related documents are available on our public website at *www.aholddelhaize.com*.

Issuance of additional shares and preemptive rights

Shares may be issued following a resolution by the General Meeting of Shareholders on a proposal of the Management Board made with the approval of the Supervisory Board. The General Meeting of Shareholders may resolve to delegate this authority to the Management Board for a period of time not exceeding five years. A resolution of the General Meeting of Shareholders to issue shares, or to authorize the Management Board to do so, is also subject to the approval of each class of shares whose rights would be adversely affected by the proposed issuance or delegation. On April 10, 2024, the General Meeting of Shareholders approved a delegation of this authority to the Management Board, relating to the issuance and/or granting of rights to acquire common shares up to a maximum of 10% of the issued share capital until and including October 10, 2025, and subject to the approval of the Supervisory Board.

Upon the issuance of new common shares, holders of Ahold Delhaize's common shares have a preemptive right to subscribe to common shares in proportion to the total amount of their existing holdings of Ahold Delhaize's common shares. According to the Company's Articles of Association, this preemptive right does not apply to any issuance of shares to associates. The General Meeting of Shareholders may decide to restrict or exclude preemptive rights. The General Meeting of Shareholders may also resolve to designate the Management Board as the corporate body authorized to restrict or exclude preemptive rights for a period not exceeding five years.

On April 10, 2024, the General Meeting of Shareholders delegated to the Management Board, subject to the approval of the Supervisory Board, the authority to restrict or exclude the preemptive rights of holders of common shares upon the issuance of common shares and/or upon the granting of rights to subscribe for common shares until and including October 10, 2025.

Repurchase by Ahold Delhaize of its own shares

Ahold Delhaize may acquire fully paid-in shares in its capital, subject to compliance with the requirements of Dutch law and the Company's Articles of Association. Any such acquisitions are subject to the approval of the Supervisory Board and to authorization by the General Meeting. Ahold Delhaize may acquire shares in its capital for no consideration or for the purpose of transferring these shares to associates through share plans or option plans, without authorization of the General Meeting of Shareholders.

In line with the above, the Management Board, subject to the approval of the Supervisory Board, was authorized by the General Meeting of Shareholders on April 10, 2024, to acquire common shares in the Company until and including October 10, 2025. The acquisition of common shares may, among other transaction formats, take place on the open market, through privately negotiated purchases, in self-tender offers, or through accelerated repurchase arrangements. This acquisition of common shares is taking place at prices ranging between par value and 110% of the market price of these shares on Euronext Amsterdam, provided that the Company and its subsidiaries will not hold more than 10% of the issued capital at the date of the General Meeting of Shareholders in which the authorization is given. The market price is defined as the volume weighted average price of the common shares on Euronext Amsterdam ("VWAP") during a period of at least one trading day (as determined by the Management Board) within five trading days prior to the date of the acquisition, provided that for acquisitions through self-tender offers and accelerated repurchase arrangements the market price shall be the VWAP for the common shares during a period as determined by the Management Board, which shall be at least one trading day.

Major shareholders

Ahold Delhaize is not directly or indirectly owned or controlled by another corporation or by any government. The Company does not know of any arrangements that may, at a subsequent date, result in a change of control, except as described under *Cumulative preferred shares*.

Governance continued
Corporate governance continued

Articles of Association

Our Articles of Association outline certain of the Company's basic principles relating to corporate governance and organization. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industry for Amsterdam and on our public website at *www.aholddelhaize.com*.

The Articles of Association may be amended by the General Meeting of Shareholders. A resolution to amend the Articles of Association may be adopted by an absolute majority of the votes cast upon a proposal of the Management Board. If another party makes the proposal, an absolute majority of votes cast representing at least one-third of the issued share capital is required. If this qualified majority is not achieved but an absolute majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes, regardless of the number of shares represented at the meeting, is required.

The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Right of inquiry

The thresholds for shareholders to exercise the right of inquiry ("het enquêterecht") are based on article 2:346 subclause 1 under c of the Dutch Civil Code, regardless of the current nominal share capital of the Company. More information on the nominal value of shares can be found in *Note 21* to the consolidated financial statements.

External independent auditor

The General Meeting of Shareholders appoints the external independent auditor. The Audit, Finance and Risk Committee recommends to the Supervisory Board the external independent auditor to be proposed for (re)appointment by the General Meeting of Shareholders. In addition, the Audit, Finance and Risk Committee evaluates and, where appropriate, recommends the replacement of the external independent auditor.

On April 10, 2024, the General Meeting of Shareholders appointed KPMG Accountants N.V. as the external independent auditor of the Company for the financial year 2025.

Decree Article 10 EU Takeover Directive

According to the Decree Article 10 EU Takeover Directive, we are required to report on, among other things, our capital structure; restrictions on voting rights and the transfer of securities; significant shareholdings in Ahold Delhaize; the rules governing the appointment and dismissal of members of the Management Board and the Supervisory Board and the amendment of the Articles of Association; the powers of the Management Board (in particular the power to issue shares or to repurchase shares); significant agreements to which Ahold Delhaize is a party and which are put into effect, changed or dissolved upon a change of control of Ahold Delhaize following a takeover bid; and any agreements between Ahold Delhaize and the members of the Management Board or associates providing for compensation if their employment ceases because of a takeover bid.

The information required by the Decree Article 10 EU Takeover Directive is included in this *Corporate governance* section and in the *Information about Ahold Delhaize share* section, as well as in the notes referred to in these sections or included in the description of any relevant contract.

Compliance with Dutch Corporate Governance Code

Ahold Delhaize complies with the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company in 2024, as reported in the *Governance* section. The Dutch Corporate Governance Code can be found at *www.mccg.nl*.

At the Extraordinary General Meeting of Shareholders on March 3, 2004, our shareholders consented to apply the Dutch Corporate Governance Code. Ahold Delhaize continues to seek ways to improve its corporate governance.

Corporate Governance Statement

The Dutch Corporate Governance Code requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. This is referred to in article 2a of the Decree on additional requirements for management reports "Besluit inhoud bestuursverslag" last amended on July 1, 2022 (the "Decree"). The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree, which are incorporated and repeated here by reference, can be found in the following sections of this Annual Report:

- The information concerning compliance with the Dutch Corporate Governance Code, as required by article 3 of the Decree, can be found in the section *Compliance with the Dutch Corporate Governance Code* in this *Corporate Governance* section.
- The information concerning Ahold Delhaize's diversity policy, as required by article 3a sub d of the Decree, can be found in the *Composition of the Management Board and Executive Committee* section of *Corporate governance*, the *Working Conditions* and *Equal treatment and opportunities for all* sections, as well as in the *Composition of the Supervisory Board* section in the *Supervisory Board report*.
- The information concerning Ahold Delhaize's risk management and control frameworks relating to the financial reporting process, as required by article 3a sub a of the Decree, can be found in the relevant section under *Risk management*.
- The information regarding the functioning of Ahold Delhaize's General Meeting of Shareholders and the authority and rights of our shareholders, as required by article 3a sub b of the Decree, can be found in the relevant sections under *Shares and shareholders' rights* in this *Corporate Governance* section.
- The information regarding the composition and functioning of Ahold Delhaize's Management Board, Executive Committee and Supervisory Board and its committees, as required by article 3a sub c of the Decree, can be found in the *Our Management Board and Executive Committee*, *Our Supervisory Board* and *Corporate governance* sections, as well as in the *Supervisory Board report*.
- The information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, as required by article 3b of the Decree, can be found in the *Decree Article 10 EU Takeover Directive* part in this *Corporate Governance* section.

Governance continued
Message from the Supervisory Board Chair



“We are enthusiastic about Growing Together, because it emphasizes growth, Save for Our Customers cost savings, improving the customer value proposition and strengthening our great local brands.”

Peter Agnefjäll
Chair Supervisory Board

Dear reader,

Welcome to our 2024 Supervisory Board report, reflecting on another dynamic year for Ahold Delhaize.

A key milestone this year was the launch of our renewed strategy, Growing Together. The Supervisory Board engaged in numerous constructive discussions with the Executive Committee as the strategy took shape, providing valuable challenges and advice leading up to its approval. We are enthusiastic about Growing Together, because it emphasizes growth, Save for Our Customers cost savings, improving the customer value proposition and strengthening our great local brands. Central to this strategy is a growth model designed to drive the Company's organic and non-organic expansion. There is also a significant focus on our people, as we believe that enthusiastic and engaged associates connect more powerfully with customers.

I am passionate about the sustainability component of our strategy. Decarbonizing the food chain that feeds millions of people each week is a significant challenge, and this work takes dedication and time. The Supervisory Board is proud of how the Company is addressing the many challenges we face in society today. In 2024, the Company has also put an even stronger focus on sustainability reporting, with the CSRD expected to come into effect, and the Supervisory Board is grateful for all the hard work by associates across the business to implement these changes.

When many of the Ahold Delhaize brands started over a century ago, the most advanced technology in use was a till, but today, food retailers incorporate the latest innovation in the fields of digitalization and AI. The investments Ahold Delhaize is making in technology are instrumental to its success. Ahold Delhaize’s local brands are continuously strengthening the tech spine of the Company, while also using technology in innovative ways to improve service to customers and build competitiveness. To better serve the Company and demonstrate the Supervisory Board’s strong commitment to this topic, the Board has formed a dedicated *Technology Committee*.

During the year, we welcomed new leadership on our Management Board, Executive Committee and Supervisory Board, strengthening us in areas important to our strategy. On the Executive Committee, Linn Evans succeeded Jan Ernst de Groot as Chief Legal Officer (CLO), bringing a broad range of legal and retail expertise to the role. Our dedicated Chief Sustainability Officer (CSO) on the Executive Committee, Alex Holt, had a strong start, bringing solid operational experience to the Sustainability team. On the Management Board, Claude Sarrailh succeeded Wouter Kolk as CEO Europe and Indonesia in October. Claude brings a very strong background in international grocery retail, having worked in many geographies and cultures. We are happy to have a mix of internal and external talent join our Executive Committee. We are grateful to Wouter for all his contributions over a long career with Ahold Delhaize and wish him all the best in his future endeavors.

Laura Miller’s appointment to our Supervisory Board strengthens our technology capabilities. Laura chairs the Technology Committee. Robert Jan van de Kraats’ succeeded René Hooft Graafland as chair of the Audit, Finance and Risk Committee and brings extensive financial experience to the Supervisory Board. We are also proud that in 2024, for the first time, we achieved gender balance on the Supervisory Board.

As we reflect on the year, we are reminded of the incredible people who make Ahold Delhaize exceptional: the associates who open up the stores every morning, work in distribution centers, and make home deliveries to customers each day, and those who support all these efforts in the offices. Maintaining a high level of retail excellence, day in and day out, is an incredible job. The associates who work together in teams to take care of customers in the best possible way bring to life the values of courage, integrity, teamwork, care and humor. All these elements come together to create a dynamic that supports customers and communities.

To conclude this letter, I want to take a moment to express my gratitude to Ahold Delhaize’s Management Board, Executive Committee, and especially the associates who work across the local brands and businesses. They have continuously supported customers and communities through challenging times while also helping build a strong future for the Company.

On behalf of the Supervisory Board,

Peter Agnefjäll

Governance continued
Supervisory Board report

Composition of the Supervisory Board

The composition of Ahold Delhaize's Supervisory Board should suit the nature of the Company's business, activities and the desired expertise, experience, background and independence of its members. The Supervisory Board profile was updated on February 27, 2024. It is published on the Company's website (*www.aholddelhaize.com*) and assessed annually by the Supervisory Board. The Supervisory Board is responsible for determining its optimal number of members, which is dependent on the combined qualifications of the members in view of the required and desired qualifications of the Supervisory Board as a body. The preferred size is between eight and 10 members. The Supervisory Board currently comprises 10 members.

The term of appointment of René Hooft Graafland ended after the General Meeting of Shareholders on April 10, 2024. At that meeting, the General Meeting of Shareholders reappointed (i) Bill McEwan for a term of two years, in view of his extensive executive experience in North American retail and his valuable contribution as Vice Chair of the Supervisory Board; and to ensure continuity within the Supervisory Board (ii) Helen Weir for a term of four years, given her valued contributions during her term and in view of her extensive retail and fast-moving consumer goods (FMCG) experience, as well as the financial expertise she has obtained during a 25-year career as a CFO; and (iii) Frank van Zanten for a term of four years, given his service to Ahold Delhaize as a seasoned executive with extensive international experience and expertise from a highly complex, multi-product distribution business.

The General Meeting of Shareholders also appointed (i) Robert Jan van de Kraats for a period of four years, given his extensive executive international and financial management experience; and (ii) Laura Miller for a period of four years, given her experience in legacy technology transformation and digital innovation, gained in the U.S. banking, hotel and retail sectors.

In accordance with provision 2.1.5 of the Dutch Corporate Governance Code, Ahold Delhaize's diversity policy for the Supervisory Board states that we aim to represent the diversity of the markets and communities we serve, achieving gender balance and ethnic and generational diversity. In 2024, we achieved the ambition to reach 50/50 gender balance in the Supervisory Board, in line with Ahold Delhaize's ambition for gender balance at every level.

Currently, five Supervisory Board members are female and five are male, and the Supervisory Board comprises five different nationalities. We continue to strive for increased diversity of backgrounds and experiences to further improve representation on our Supervisory Board, which is reflected in our succession planning.

Ongoing education

It is essential that the Supervisory Board members are knowledgeable about how Ahold Delhaize and its affiliated businesses are run, understand trends in the markets our brands operate in and have the specific expertise needed to carry out their duties, including in the fields of sustainability and digitalization. As part of the Supervisory Board's education, the Company organized several educational sessions for the Supervisory Board in 2024.

These sessions gave the Supervisory Board the opportunity to get acquainted with senior officers and key talents of the Company and its great local brands and, in turn, gave these associates exposure to the Supervisory Board. These sessions included a customized sustainability program with various externally facilitated sessions throughout the year, sessions on topics such as generations at work and ultra processed foods, as well as multiple sessions on Ahold Delhaize's local brands.

Our new Board members followed a thorough multi-day induction program, during which they were introduced to the members of the Executive Committees, key officers and a number of leaders of the great local brands.

Evaluation

The Supervisory Board conducted its annual evaluation for 2024, assessing the appropriateness of its composition in terms of size, expertise and diversity and its own performance, as well as the performance of its committees and individual members, including interaction with the Management Board. To facilitate the evaluation, a questionnaire with open questions was filled out by all Supervisory Board members. In addition, the members of the Management Board provided input on the evaluation. The consolidated results of the questionnaires were utilized to facilitate a structured discussion on the outcomes. The Supervisory Board reflected on the outcomes of the self-assessment and effectiveness of the educational sessions, along with the main priorities and ambitions for 2025.

Priorities for 2024 included, among others, (i) continuing to prioritize sustainability matters and digitalization, (ii) finding a balance in the level of involvement, and (iii) implementing the outcome of the strategic priorities refresh after the Strategy Day in May 2024.

The Supervisory Board took a structured approach to addressing these priorities, which included a customized sustainability educational program, and scheduling relevant educational sessions, deep-dives and informal meetings on these topics. In addition, the Supervisory Board prioritized maintaining a balance in our discussions between topics related to gaining information, maintaining oversight and ensuring compliance, and topics related to short-term and long-term strategy.

After reflecting on the progress made regarding the 2024 priorities, the outcomes of the 2024 self-assessment and considering the input from the Management Board, the Supervisory Board identified the following main priorities and actions for the year 2025:

- Continue to supervise, monitor and challenge implementation of the Growing Together strategy
- Pursue continuous improvement to maintain a balance between oversight and operational focus
- Continue to prioritize sustainability matters
- While the composition of the Supervisory Board is deemed appropriate, give attention to the diversity of the board and securing U.S. food retail experience. For more information, see *Governance and Nomination Committee*.

The Supervisory Board is confident that prioritizing these main actions and priorities will improve our effectiveness in facing the challenges ahead.

Furthermore, the Supervisory Board acknowledges the requirement pursuant to best practice provision 2.2.6 of the Dutch Corporate Governance Code that the evaluation should take place periodically under the supervision of an external expert. We will perform this evaluation in the course of 2025.

Governance continued
Supervisory board report continued

Supervisory Board profile

	Experience					Core competencies					
Name	General business management	International	Retail	Consumer goods	Online/digital	Finance	Social/ employment	Sustainability	Disclosure	Marketing	IT
Peter Agnefjäll	●	●	●	●	●	●	●	●	○	●	●
Bill McEwan	●	●	●	●	○	●	●	●	●	●	○
Robert Jan van de Kraats[1]	●	●	●	●	○	●	●	●	●	○	●
Pauline van der Meer Mohr	●	●	○	○	○	●	●	●	●	○	●
Helen Weir[1]	●	●	●	●	●	●	●	○	●	○	●
Katie Doyle	●	●	●	●	●	●	○	●	○	●	●
Laura Miller	●	●	●	●	●	●	○	○	○	●	●
Frank van Zanten	●	●	○	○	●	●	●	●	●	●	●
Jan Zijderveld	●	●	●	●	●	●	●	●	○	●	○
Julia Vander Ploeg	●	●	●	●	●	●	○	●	○	●	●

○ Working knowledge

● Well versed and experienced (including experience gained in non-executive roles)

● Proficient knowledge and/or experience given formal education and core responsibilities in previous and/or current roles (other than non-executive roles)

1. Helen Weir and Robert Jan van de Kraats are financial experts as defined in article 39 (1) of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts. Pursuant to the EU Statutory Audits Directive 2006/43/EC, at least one member of the audit committee must have expertise in the preparation and auditing of annual accounts. This article has been implemented in Dutch legislation: Article 2(3) of the Decree of 26 July 2008.

Reappointment schedule Supervisory Board

Name	Date of birth	Effective date of first appointment	Reappointment for second or third term	End of current appointment
Peter Agnefjäll	April 21, 1971	April 10, 2019	2023	2027
Bill McEwan	July 28, 1956	July 24, 2016	2023	2026
Katie Doyle	October 20, 1967	April 10, 2019	2023	2027
Helen Weir	August 17, 1962	April 8, 2020	2024	2028
Frank van Zanten	February 24, 1967	April 8, 2020	2024	2028
Jan Zijderveld	May 9, 1964	April 14, 2021		2025
Pauline van der Meer Mohr	February 22, 1960	April 13, 2022		2026
Julia Vander Ploeg	June 27, 1970	April 12, 2023		2027
Robert Jan van de Kraats	June 8, 1960	April 10, 2024		2028
Laura Miller	January 8, 1965	April 10, 2024		2028

Governance continued
Supervisory board report continued

Supervisory Board engagement

A total of 13 Supervisory Board meetings took place during the year. The average attendance rate for the meetings was 94%, reflecting the dedication of the Board's members and their capacity to allocate adequate time and focus to Ahold Delhaize.

In February and April, we held in-person meetings in Zaandam, the Netherlands. We also held in-person meetings in the U.S. city of Raleigh, North Carolina, in June; in Prague, the Czech Republic, in September; and in Brussels, Belgium, in November. In connection with the meetings, we organized business visits, dinners with local brand management, sessions with senior leadership and breakfasts with talented associates. All meetings, with the exception of the private meetings, were attended by the Management Board and several other members of the Executive Committee. Senior management and key talents from around the Company were also regularly invited to present on specific topics.

In 2024, the Supervisory Board's agenda concentrated on supervision of the development, implementation and execution of the Growing Together strategy, which was introduced during the Strategy Day on May 23, 2024. Throughout the year, the Supervisory Board extensively addressed several key topics aligned with the strategic priorities set during the strategy review. These priorities included thriving people, healthy communities & planet, vibrant customer experiences, trusted products, driving customer innovation, and portfolio & operational excellence.

The Management Board and Executive Committee ensured that the Supervisory Board was kept up to date in this regard and that there was an open and transparent dialogue with the Supervisory Board. These updates provided the Supervisory Board with a view of the progress toward both non-financial and financial performance related to the strategic priorities. The Supervisory Board is pleased to note that, throughout this process, making good choices for people and planet and sustainable long-term value creation, and the interests of all stakeholders, remained integral.

The Management Board ensured an open dialogue with the Supervisory Board in relation to ongoing strategic projects. The Supervisory Board closely followed the Belgium Future Plan and is pleased to note that the converted stores showed significant improvements in performance, market share growth and customer satisfaction. Regular updates were provided on the acquisition of the local Romanian supermarket chain Profi, which was completed on January 3, 2025. The Supervisory Board also keenly followed the Stop & Shop transformation, which aims to simplify the business, enhance the customer value proposition, and improve the financial performance.

These frequent updates and discussions on strategic issues allowed the Supervisory Board to offer direction and supervision while challenging the Management Board on the strategic merit of its plans. These interactions ensured that the interests of all stakeholders were firmly embedded in the decision-making processes.

The Supervisory Board closely monitored the financial performance and business developments of the Company, following the approval of the 2024 budget and 2025/2026 long-term plan by the Supervisory Board in November 2023. The Supervisory Board was actively engaged in monitoring the achievement of the financial objectives, with a specific focus on sales growth, progress on Save for Our Customers, complementary revenue growth, net comparable online sales, underlying operating margin, CapEx, free cash flow and underlying earnings per share. The Supervisory Board is pleased with Ahold Delhaize's financial performance over the year 2024. During 2024, the Supervisory Board reviewed and cosigned the Annual Report 2023, the 2023 proposed final dividend payment, and the €1 billion share buyback program, which commenced on December 30, 2024.

In addition to the financial objectives, the Supervisory Board was also actively engaged in monitoring the achievement of the strategic objectives, with a specific focus on own-brand healthy sales, scope 1 and 2 GHG emissions, scope 3 GHG emissions, food waste and virgin plastic packaging. The Supervisory Board is pleased with the initiatives undertaken and the progress made by all the brands in these areas.

Throughout 2024, the Supervisory Board engaged in discussions and consistently challenged management on its approach to health and sustainability. During multiple meetings, the Supervisory Board, through its Health and Sustainability Committee, explored the relevant trends in the health and sustainability landscape, and thoroughly discussed the views of external stakeholders.

Recognizing the importance, and the associated challenges, of technology, the Supervisory Board approved the formation of a new Technology Committee to ensure thorough discussions, effective supervision and support for Ahold Delhaize's technology roadmap. The Committee held its first meeting in November.

The Supervisory Board regularly discussed and evaluated the succession plans for both the Management Board and Supervisory Board, with reference to expiring terms. This resulted in the reappointment for additional terms of Bill McEwan for two years, Helen Weir for four years and Frank van Zanten for four years, and the appointment of Robert Jan van de Kraats and Laura Miller for four-year periods at the 2024 Annual General Meeting. In addition, following the announcement that CEO Europe and Indonesia Wouter Kolk decided to step down from the Management Board, the Supervisory Board was pleased with the appointment of Claude Sarrailh to succeed him as member of the Management Board and CEO Europe and Indonesia.

Both the Supervisory Board and the Management Board regularly emphasized the importance of equal treatment and opportunities for all in succession-planning discussions. Recognizing its value in driving results and reflecting the communities served by the Company's brands, the Management Board and Supervisory Board consistently assessed opportunities to enhance their performance in this area.

Governance continued
Supervisory board report continued

In addition, other important topics discussed during the Supervisory Board meetings in 2024 and actively monitored by the Supervisory Board included:

- Growing Together strategy: Holistic plans for the U.S. and Europe, as well as preparations for and reflection on the Strategy Day
- Health and sustainability: 2023 results and 2024 targets, compliance and ethics and human rights updates, power purchase agreements as part of the European Renewable Energy Program
- Financial performance: Quarterly results and press releases, half-yearly ERM updates, bond issuances, 2025 budget and long-term plan 2028 approval, healthy communities & planet key performance indicators and Ahold Delhaize's capital structure
- Business operations and developments: Various investment proposals, Technology function's 2023 year-end report, various business updates from bol, CSE updates and brand updates from Food Lion, Albert Czech Republic, Delhaize and Albert Heijn Belgium
- People and organization: Talent development and succession planning at Ahold Delhaize
- Governance: Application of the Dutch Corporate Governance Code, AGM agenda, annual review of the rules of procedure, stakeholder engagement policy update, outcomes of the shareholder consultations
- *Composition of the Supervisory Board* and succession planning
- Several educational sessions; please refer to the section *Ongoing education*.

In addition, throughout the year, the Supervisory Board held several private meetings without other attendees. These sessions addressed, among other things, the evaluation of the functioning of the Management Board and Executive Committee and their individual members, as well as the functioning of the Supervisory Board itself. The CEO was regularly invited to (parts of) the private meetings to discuss the performance of the Management Board and the Executive Committee.

During 2024, the Chair and the CEO continued to hold weekly one-on-one meetings to discuss progress on a variety of topics.

Lastly, the external independent auditor attended the meeting in February 2024, at which the Annual Report 2023 and financial statements were brought forward for adoption by the General Meeting of Shareholders. The external independent auditor also attended the quarterly meetings, at which the financial results were discussed.

Attendance

Except for a limited number of occasions, and for valid reasons, Supervisory Board members attended all Supervisory Board meetings in 2024. In case of absence, Supervisory Board members were fully informed in advance, enabling them to provide input to the Chair for the meeting, and were updated on the meeting outcome.

All Supervisory Board members made adequate time available to give sufficient attention to matters concerning the Company.

Independence

The Supervisory Board confirms that, during 2024, as well as on the date of publication of this report, 100% of the Supervisory Board members were independent within the meaning of provision 2.1.8 of the Dutch Corporate Governance Code.

Board attendance

	Supervisory Board	Audit, Finance and Risk Committee	Governance and Nomination Committee	Remuneration Committee	Health and Sustainability Committee	Technology Committee
Number of meetings	Held / Attended	Held / Attended	Held / Attended	Held / Attended	Held / Attended	Held / Attended
Peter Agnefjäll	13 / 12		4 / 4	4 / 4		
Bill McEwan	13 / 12		4 / 4		2 / 2	
Robert Jan Van de Kraats	9 / 8	3 / 3			1 / 1	
René Hooft Graafland	4 / 4	2 / 2			1 / 1	
Pauline van der Meer Mohr	13 / 13	2 / 2		4 / 4	1 / 1	
Helen Weir	13 / 13	5 / 5	4 / 4			
Katie Doyle	13 / 12		2 / 2		2 / 2	1 / 1
Laura Miller	9 / 7	3 / 3				1 / 1
Frank van Zanten	13 / 12		4 / 2	4 / 3		
Jan Zijderveld	13 / 12	5 / 5			1 / 1	1 / 1
Julia Vander Ploeg	13 / 13			4 / 4	1 / 1	1 / 1

Governance continued
Supervisory board report continued

Share positions

The following Supervisory Board members held shares in the Company during 2024:

Member	Position
Peter Agnefjäll	7,200 common shares
Bill McEwan	7,125 American Depository Receipts
Helen Weir	1,000 common shares

The positions of Peter Agnefjäll, Bill McEwan and Helen Weir were held for the long term and remained unchanged during 2024.

Committees of the Supervisory Board

The committees of the Supervisory Board are assigned specific tasks, have advisory powers and provide the Supervisory Board with regular updates on their meetings. The current composition of the Supervisory Board committees is detailed in the Supervisory Board attendance overview.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibility for, among others, the integrity and quality of Ahold Delhaize's financial statements and ESG reporting, financial and ESG reporting processes, system of internal business and IT controls, risk management and control systems, and significant enterprise risks. The Audit, Finance and Risk Committee coordinates the external independent auditor and its activities, including the audits of the financial statements, sustainability statements and other financial publications.

The Committee reports to the Supervisory Board annually on its cooperation with the external independent auditor, including on the auditor's independence. The Supervisory Board takes these reports into account when deciding on the nomination for the (re)appointment of the external independent auditor.

In 2024, the Audit, Finance and Risk Committee held five meetings. The CEO, CFO, CLO, SVP Internal Audit, SVP Tax and Accounting and representatives of the external independent auditor are invited to, and attend, the Audit, Finance and Risk Committee meetings. The attendance rate of the members of this Committee was 100%.

The Audit, Finance and Risk Committee also held private meetings attended by the Committee members, the SVP Internal Audit and the external independent auditor, KPMG.

Throughout 2024, the Chair of the Committee frequently engaged in discussions with the CFO, the SVP Internal Audit, the SVP Tax and Accounting, subject matter experts and an external independent auditor to address a range of pertinent issues. The chair also had quarterly preparatory meetings with financial management, the SVP Internal Audit and the external auditor prior to each Audit Finance and Risk Committee meeting to ensure all pertinent matters were on the agenda and time was allocated effectively during the meetings.

Throughout the year, the Committee closely monitored the financial closing process and reviewed and discussed the quarterly results and press releases prior to publication.

The Committee received several updates on the risk profile of the Company. During every quarterly meeting, the Committee received an update on tax and accounting; internal audit; internal control; governance, risk management and compliance; ethics; product integrity; asset protection and business continuity; occupational health and safety; information and cybersecurity; data privacy; and litigation. The Committee also paid specific attention to ESG reporting topics, such as the CSRD, sustainability due diligence and CSRD implementation, including the DMA. The Committee discussed trends, incidents and incident responses. It also discussed and reviewed with the external independent auditor the annual external audit plan, the findings based on their performed procedures per quarter as well as their annual board reporting, including their observations on the internal control framework on Controls over Financial Reporting, IT and ESG-related controls. The Committee also addressed various other topics such as (interim) dividends, share buyback program, and the evaluation of both the internal auditor and external auditor, and recommended the reappointment of KPMG as the external auditor for the financial year 2025.

During its meetings, the Committee paid particular attention to the financial impact of significant projects and transformations; members were pleased to note that the Belgium Future Plan, involving the divestment of stores to affiliates, was progressing well and on track with the business case. In addition, the closure of 32 Stop & Shop stores by year end and its financial impact were closely monitored.

Throughout these meetings, the Committee focused on ensuring the accuracy and transparency of the Company's financial statements, addressing tax and accounting issues, and monitoring the progress of significant projects and transformations. The discussions highlighted the Committee's commitment to maintaining robust financial governance and oversight.

At the end of 2024, the Committee reviewed the 2025 annual internal audit plan, including its scope. The Committee received quarterly updates on the progress of internal audit activities. These reports encompass insights and observations related to governance, risk management and internal control. They emphasize notable internal control deficiencies and areas needing enhancement identified during ongoing audit activities. In addition, they include follow-up actions that should be taken by responsible management to address agreed-upon actions and weaknesses. The Committee evaluated these reports and monitored the status of follow-up action plans.

Throughout 2024, the Committee discussed the tax and accounting updates as well as any potential changes in regulations regarding share buybacks, dividend withholding tax, and the reform of the pension plan in the Netherlands, including derisking the balance sheet for defined benefit pension arrangements.

The Supervisory Board has determined that Robert Jan van de Kraats and Helen Weir are "Audit Committee Financial Experts" within the meaning of provision 2.1.4 of the Dutch Corporate Governance Code.

Governance continued
Supervisory board report continued

Governance and Nomination Committee

The Governance and Nomination Committee advises the Supervisory Board on the following responsibilities in relation to the members of the Supervisory Board, the Management Board and the Executive Committee: preparing the selection criteria and appointment procedures; periodically evaluating the scope and composition, including diversity, of the three bodies; proposing the profile of the Supervisory Board; periodically assessing the performance of individual members of the three bodies and reporting the results to the Supervisory Board; developing succession planning; proposing the (re-)appointments of members of the Management Board and Supervisory Board; and supervising the Executive Committee's policy in relation to the selection and appointment criteria for senior management.

The Committee is also responsible for evaluating the Company's corporate governance and reporting the results to the Supervisory Board, and it assists the Supervisory Board in overseeing risks related to leadership composition and succession, attraction and retention of people and the governance of the Company.

In 2024, the Committee held four meetings to which the CEO and the CHRO, among others, were invited. In addition, the Committee held four private meetings. The attendance rate of the members of this Committee was 89%.

The Committee dedicated attention to the 2023 performance review and 2024 goal-setting for the Management Board and Executive Committee, confirming the proposed performance ratings and refining goals to align with the new Growing Together strategy.

Succession planning for the Management Board and Executive Committee was also a critical topic, with challenges noted in short-term readiness related to a few roles.

The Committee received several updates on succession and talent planning and DE&I. Together with management, the Committee reflected on the outcome of the AES. The overall results remained strong, with engagement at 78%, inclusion at 81%, intent to stay at 78%, and growth at 75%. The Committee emphasized the importance of monitoring these results throughout the year and taking necessary actions to address any areas of concern.

In view of Wouter Kolk's departure from the Management Board in October 2024, the Committee engaged in several sessions with the CEO and CHRO to determine the appropriate profile for a future CEO Europe and Indonesia. After an extensive recruitment process, the Committee recommended that the Supervisory Board nominate Claude Sarrailh for appointment as new member of the Management Board, CEO Europe and Indonesia. Following appointment by the shareholders, Claude joined the Company in September as Executive Vice President and assumed the role of CEO Europe and Indonesia starting on October 1, 2024. His term of appointment will end in the fourth calendar year after the year of appointment at the AGM in 2028.

Throughout 2024, the Committee dedicated significant attention to the topic of Supervisory Board succession planning, with a focus on ensuring continuity and maintaining a strong leadership team within the Supervisory Board. This resulted in the recommendation to appoint Robert Jan van de Kraats and Laura Miller as new members of the Supervisory Board, and the recommendation to reappoint Bill McEwan, Helen Weir and Frank van Zanten as members of the Supervisory Board.

The Governance and Nomination Committee provided guidance to the Supervisory Board on various matters related to the selection and appointment of members of the Supervisory Board, Management Board and Executive Committee. This included evaluating the composition and diversity of the three bodies on a regular basis and assessing the profile of the Supervisory Board to ensure it aligns with the Company's strategic priorities. The Committee evaluates and ensures that the three bodies are developing the necessary skills and expertise to oversee sustainability matters, and are equipped to address the company's material impacts, risks and opportunities. It also assesses the performance of individual members of the three bodies and reports the results to the Supervisory Board, creates succession plans, proposes appointments or reappointments of members of the Management Board and Supervisory Board, and oversees the Executive Committee's policy on selecting and appointing senior management.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board in relation to the remuneration of the Supervisory Board and Management Board. These responsibilities include analyzing the possible outcomes of the variable remuneration components and how they may affect the remuneration of the Management Board members, and preparing proposals for the Supervisory Board concerning the remuneration of the Supervisory Board and the remuneration policy for the Management Board to be adopted by the General Meeting.

The Remuneration Committee prepares proposals for the Supervisory Board concerning the terms of employment, total compensation and performance criteria (including its application) of the individual members of the Management Board and reviews the terms of remuneration proposed by the CEO for the members of the Executive Committee who are not also members of the Management Board. In addition, the Committee prepares proposals for the Supervisory Board on any share or stock option compensation plans and ensures that the structures of Ahold Delhaize's compensation programs are in line with the Company's strategy, aimed at sustainable long-term value creation, and are applied in a consistent way throughout the organization. The Committee also oversees the total cost of approved compensation programs.

In 2024, the Committee held four meetings to which the CEO and the CHRO, among others, were invited to attend. In addition, the Committee held three private meetings. The attendance rate of the members of the Committee was 94%. The Committee extensively considered and discussed the incentive design approach for 2024 and 2025, taking into account the views of all relevant key stakeholders, both internally and externally.

The Committee discussed and supported the salary recommendations for members of the Management Board and the Executive Committee, as well as the newly appointed Management Board and Executive Committee members who started in 2024 and advised the Supervisory Board on the 2024 and preliminary 2025 short-term and long-term incentive targets. The Committee also reviewed and discussed the remuneration benchmarks for the Management Board and Executive Committee.

Governance continued
Supervisory board report continued

The Committee, in close collaboration with the Health and Sustainability Committee, paid significant attention to the design of scope 3 incentives and agreed that including detailed scope 3 plans as a performance measure within the incentive plans would align Ahold Delhaize's organization more closely with its sustainability goals and objectives.

See the *Remuneration report* for more information on the remuneration of the Management and Supervisory Boards.

Health and Sustainability Committee

The Health and Sustainability Committee advises the Supervisory Board in relation to the Company's sustainability long-term vision, strategy and target setting. It monitors the Company's performance on sustainability targets and advises on ways to apply innovation to accelerate the achievement of these targets. The Health and Sustainability Committee is responsible for monitoring the Company's talent, leadership and culture development in the field of health and sustainability and assisting the Supervisory Board in fulfilling its oversight responsibilities for risks related to the topic.

During 2024, the Committee held two meetings. The CEO, CSO and SVP H&S are invited to, and attend, the Health and Sustainability Committee meetings. The attendance rate of its members was 100%.

Throughout the year, the Committee was kept up to date on relevant matters in the sustainability landscape. These updates highlighted several key areas, including the prominence of environmental risks in the 2024 Global Risks Report and the importance of global conferences, such as COP 28 and the World Economic Forum. These updates also included regulatory updates, evolving ESG sentiment and litigation trends.

The Committee discussed the trends and opportunities impacting Ahold Delhaize's sustainability agenda, including forthcoming legislation, such as the CSRD, CSDDD and the introduction of the DMA to align with the Growing Together strategy.

The Committee was presented with the 2023 performance and 2024 health and sustainability targets. The Committee was pleased with the strong performance across all key performance indicators for 2023, including healthy sales, food waste, scope 1 and 2 GHG emissions and virgin plastic packaging.

Looking ahead, the Committee agreed to recommend that the Supervisory Board approves the 2024 health and sustainability targets, with a focus on maintaining and improving performance in key areas.

Throughout the year, the Health and Sustainability Committee demonstrated a strong commitment to advancing Ahold Delhaize's health and sustainability agenda. The Committee's efforts were instrumental in setting ambitious targets, driving performance, and ensuring that the Company remains at the forefront of sustainability initiatives and delivers on the health and sustainability goals.

Technology Committee

The Technology Committee advises the Supervisory Board on the strategy and planned investment in material technology, digital and data initiatives. It monitors and periodically reviews the performance on technology programs and targets and advises on ways to apply innovations to accelerate achievement of targets. The Technology Committee regularly evaluates the approach to technology modernization and makes recommendations to the Supervisory Board where appropriate.

During 2024, the Technology Committee was established and held one meeting. The CEO, CFO and CTO were present at this meeting. The attendance rate of its members was 100%.

The Committee was informed on the strategy and technology roadmap and technology-related progress toward the Growing Together strategy. The Committee discussed several technology projects, gained a better understanding of Ahold Delhaize's vision on technology and looks forward to discussing further progress in future meetings.

Conclusion

The Supervisory Board concluded that, during the year 2024, its composition, with an extensive and varied expertise and skill set, was suitable to support the Company. The Supervisory Board appreciated the frequency of meetings and the level of information provided, as well as the commitment from the Company and its Management Board to support all of Ahold Delhaize's activities.

The Supervisory Board feels it has received sufficient information and time to carry out its duties toward the Company and all its stakeholders, and was able to support Management during another challenging year, in which the Company continued to help customers and communities to eat well, save time and live better, while, at the same time, focusing on delivering strong financial results and addressing topics on the forefront of society.

We are grateful to Ahold Delhaize's shareholders for their continued trust in and support of the Company, its strategy and its management.

Most of all, the Supervisory Board would like to express its gratitude to associates and management of the Company and its great local brands for their passion and dedication in delivering on Ahold Delhaize's promises to customers and all its other stakeholders.

Supervisory Board
Zaandam, the Netherlands

February 25, 2025

Governance continued
Governance, risk and compliance

Ahold Delhaize has a diverse portfolio of brands, geographic footprint and business structure. Because of this, it is critically important that we manage risks in a proactive and responsible way to ensure we can deliver on our Growing Together strategy.

Governance, risk management and compliance

Our GRC framework, which has been established based on our values and ethical principles, is tailored to our structure and designed to respond to the dynamic needs of our brand-centric business. It gives our management a transparent view of the risks we take, face and manage and that have a strategic impact on our great local brands and our global organization.

The GRC framework consists of global policies and controls as well as a GRC Committee structure at global and brand levels that serves as a forum for identifying, addressing and monitoring relevant risks in all corners of our business.

The global GRC Committee is responsible for reviewing Ahold Delhaize's GRC actions, issues and events. The GRC Committee is chaired by the CLO and (i) advises the Management Board and Executive Committee on matters concerning the GRC framework, including an overall GRC vision and strategy, (ii) oversees activities to develop and maintain a fit-for-purpose GRC framework and (iii) engages with Ahold Delhaize's senior management on important developments in the context of governance, risk and compliance.

Enterprise risk management

Through our ERM program, which is embedded in the execution of our strategy, the leadership of each of the brands and global functions review their principal risks, as well as their related mitigating actions, twice per year. Our Executive Committee performs a semi-annual review of all the risks reported by the brands and the outcome is aggregated into an ERM report that is presented to the Management Board and Supervisory Board, as required by the Dutch Corporate Governance Code. Ahold Delhaize's ERM program contributes to the formation of policies, procedures and controls, the scope of internal audit activities, and the business planning and performance process. See *Risks and opportunities* for further details on our principal risks.

Governance, risk management and compliance framework



Governance continued
Governance, risk and compliance continued

Risk appetite

Our Management Board and Supervisory Board define our risk appetite, which we integrate into the business through our strategy, global policies, procedures, controls and budgets. Our risk appetite, which we refreshed during 2024, acts as a compass for guiding decision making and provides management with a framework for determining the levels of risk we are willing to pursue as an organization across strategic, operational, financial, compliance and sustainability categories. We determine risk appetite by considering key opportunities and potential threats to achieving our objectives and categorize it as follows:

Low

Risk averse: Areas in which we are unwilling to accept risks that would impact the achievement of our objectives. We have sufficient resources and robust controls in place to reduce the risk to minimum levels and avoid any negative impacts.

Moderate-low

Risk cautious: Areas in which we seek safe operations, accepting the possibility of lower returns to ensure risks are appropriately managed. We have robust management systems in place to minimize risk exposure.

Moderate-high

Risk tolerant: Areas in which we are open to riskier opportunities when cost-benefit analysis shows the likelihood of greater benefits than losses. We have management systems in place to perform effective due diligence and respond with agility to changes in related risk drivers.

High

Risk seeking: Areas in which we are open to high levels of risk to gain higher business rewards. Our management systems proactively assess the related risks and opportunities and monitor the performance of related decisions.



Risk category descriptions

Compliance
Relate to unanticipated failures to comply with applicable laws and regulations as well as our own policies and procedures.

Strategic
Originate from trends, developments or events that could prevent us from executing and realizing our strategic objectives.

Financial and reporting
Relate to uncertainties in financial performance, liquidity, financing, finance policies, forecasting, budgeting, inaccuracies in external reporting and disclosures, and external factors, like the macroeconomic environment.

Operational
Include unforeseen incidents that could result from failures in internal processes or systems, human error or adverse external events and could negatively impact the day-to-day operation of our business.

Sustainability
Concern developments, trends and events related to ESG matters, including both physical and transition risks related to climate change and the impact of ESG stakeholder expectations on our strategy and performance.

Governance continued
Governance, risk and compliance continued

GRC framework

The Ahold Delhaize control framework incorporates risk assessment, control activities and monitoring into our business practices at entity-wide and functional levels. We have adopted a “Three lines of defense” model (see chart on this page) to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.

Monitoring and assurance

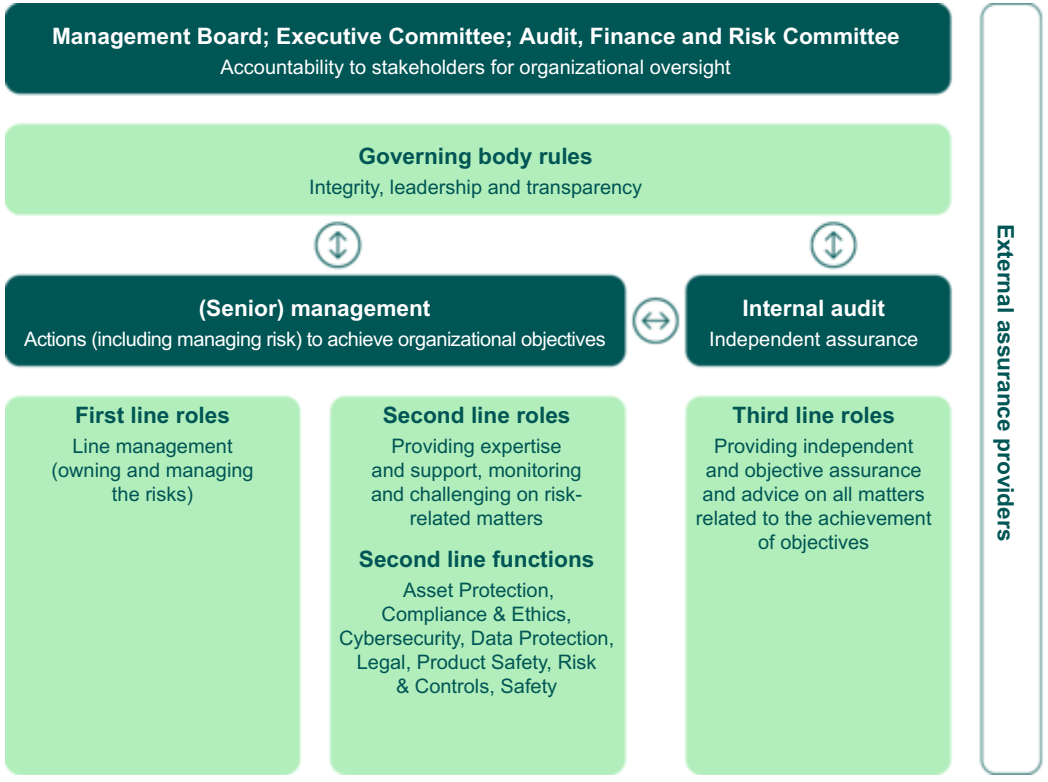
A key element of our GRC framework is monitoring and assurance. We use a comprehensive business-planning and performance review process to monitor the Company’s performance. This process covers the adoption of strategy, budgeting and the reporting of current and projected results. We assess business performance according to both financial and non-financial (including sustainability) targets. In order to meet business needs and the requirements of the Dutch Corporate Governance Code, we have a Group-wide management certification process in place, which requires that the executive management team members at each of the reporting entities send letters of representation to the Financial Disclosure Committee on a quarterly basis. These letters confirm whether the reporting entities follow Ahold Delhaize’s Code of Ethics, policies on fraud prevention and detection, accounting and internal control standards, and disclosure requirements.

Reporting

Each of the businesses is required to maintain and manage a sound internal control environment with robust policies, procedures and controls, and a strong financial discipline. The control framework is regularly monitored by our second line of defense through testing activities and the results are reported to brand and global GRC committees as well as to the Audit and Finance Committee.

Both our Risk & Controls and Internal Audit functions help to ensure that we maintain and improve the integrity, the design and the operation of our system of risk management and internal control. Internal Audit undertakes regular risk-based, independent and objective audits, the results of which are reported to the Audit, Finance and Risk Committee and management. These functions also monitor the effectiveness of corrective actions undertaken by management.

Three lines of defense model



Governance continued
Governance, risk and compliance continued

Ethics and compliance

Our Code of Ethics and ethical principles

Our Code of Ethics is applicable to all Ahold Delhaize businesses and the associates of those businesses. Our commitment to conduct our business "the right way" is supported by our ethical principles:

- We respect each other
- We follow the law
- We engage with integrity

Along with these ethical principles, we work to create a culture where associates have the courage to speak up by sharing concerns, asking questions and reporting any potential misconduct.

Creating an ethical culture

These principles are the foundation of the ethical culture that drives ethical decision making in every aspect of our business.

This ethical culture depends on committed leaders who lead by example and informed associates who understand and comply with our ethical standards. Ahold Delhaize provides annual training to all associates, including part-time associates and contractors, on our ethical principles. Associates at manager level and above participate in more focused training on our Code of Ethics, ethical principles and ethical culture. In addition, the Code of Ethics and our ethical principles are communicated to all associates through our website, local intranet pages, posters, videos and local campaigns, and during our global Ethics Week. The full Code of Ethics is available in the corporate governance section of our website at www.aholddelhaize.com.

Our global GRC framework and our global policy framework

In order to monitor key risks to our business, Ahold Delhaize has a global GRC framework. This framework consists of three pillars: the Committee structure for oversight, the policy framework that provides clear expectations and guidance, and the control framework that ensures appropriate levels of oversight and monitoring of our internal processes. The Committee structure includes GRC Committees at both the global and business level, and typically includes key business and second-line function leaders, along with senior management. Our global GRC Committee includes several members of Ahold Delhaize's Executive Committee and the VP of Global Compliance & Ethics. The key risks within the scope of the global GRC Committee include ethical, legal and regulatory risks, such as conflict of interest, fraud and anti-corruption and bribery. All significant instances of non-compliance with legal obligations are reviewed by the global GRC Committee to ensure that the non-compliance is appropriately addressed and remediated.

Global policies are one of the key elements in the control and mitigation of global risks by ensuring that these risks are appropriately managed, through both governance and processes. Because the environment in which our brands operate is becoming increasingly complex, we regularly review the risk landscape to ensure that we are addressing legal and regulatory risks. In 2024, we added a global asset protection policy and updated 12 global policies. In 2024, we also introduced a new global policy framework that provides clear structure and governance for our global policy documents, ensuring that the life cycle of each policy, including the underlying global documents, is appropriately managed. Additionally, all global policies are reviewed at least annually to ensure that they remain current and relevant to our business by addressing emerging and evolving risks or business activities.

Speak Up line

Ahold Delhaize and its businesses provide multiple ways to report misconduct or raise concerns. Our *Speak Up line* is available for associates and third parties, including customers and individuals in our supply chains, to report misconduct, including irregularities, and raise concerns about improper behavior or possible violations of law or policy. Associates and third parties may choose to report anonymously when reporting misconduct or raising concerns.

Our ethical principles



We respect each other

People are our most valuable assets. We are committed to providing a safe, secure and inclusive environment where all associates and customers are respected and appreciated.



We engage with integrity

We act ethically in all our relationships, both within the Company and in our interactions with customers, communities and suppliers.



We follow the law

We comply with applicable laws and regulations everywhere we do business and do not tolerate violations of the law.

How we protect our principles



We have the courage to speak up

We speak up as soon as possible so that the situation can be promptly addressed before it escalates.

Governance continued
Governance, risk and compliance continued

The Speak Up line is accessible online and by phone, 24 hours per day, seven days per week, in the local languages of the countries in which our businesses operate. It is a confidential and secure service hosted by an external third-party company. The Speak Up line is communicated to associates on our website, on the brands' intranets, on posters and in our annual Code of Ethics training and communications. You can find the Global Speak Up Policy, contact details and more information about the process, including a response timeline, in the Speak Up section of our website at www.aholddelhaize.com.

In 2024, our Speak Up lines received 4,581 reports (2023: 4,741), The top 10 issue types reported were:

Unfair treatment (28%)

Misconduct or inappropriate behavior (25%)

Bullying (9%)

Discrimination (6%)

Sexual or other harassment (6%)

Request for guidance (6%)

Other violations of company policy (4%)

Retaliation (3%)

Workplace safety (3%)

Substance abuse (1%)

All reports are forwarded to the appropriate internal resource for review and investigation. If misconduct is substantiated, appropriate corrective action is taken and remedy provided.

Approximately 63.9% of reports were made anonymously in 2024. On average, reports were investigated and resolved within 30 days. Approximately 29% of investigated reports were substantiated. In 2024, there were no confirmed incidents involving senior management.

The Ethics team of Ahold Delhaize and its businesses review the reports from the Speak Up lines on a quarterly basis and discuss and incorporate learnings to improve the system and ensure that processes are in place to address and prevent the reported issues. In 2024, Ahold Delhaize continued to conduct surveys of users focused on improving user experience and reporter accessibility.

No retaliation

Ahold Delhaize and its businesses strongly encourage reporting misconduct. We will not retaliate or allow retaliation against anyone who, in good faith, reports potential misconduct. Any form of direct or indirect retaliation is strictly prohibited and in direct violation of our Code of Ethics and Global Speak Up Policy. Appropriate corrective action is taken in substantiated retaliation cases.

Legal and regulatory compliance

During 2024, there were:

- No confirmed incidents of bribery, corruption, anti-competitive business practices and other significant ethical violations.
- No significant breaches of laws or regulations, including social or environmental impacts.
- No confirmed reports of significant financial reporting and accounting violations or fraud.
- No legal action, fines, penalties or settlements related to anti-competitive business practices.

Corruption and bribery

Ahold Delhaize and its businesses' commitment to "the right way, every day" includes compliance with laws relating to anti-corruption and bribery in all countries and jurisdictions in which we operate. The Ahold Delhaize Code of Ethics and our Global Anti-Corruption, Bribery and Money Laundering Policy, which was updated in 2024, prohibit any form of corruption or bribery, including facilitation payments. This guidance is available to all associates and is addressed in our Code of Ethics training, as well as in training and communication for functions that are at risk of encountering corruption and bribery.

Data privacy

Customers, associates and business partners entrust our businesses with their personal data and we are committed to safeguarding this information, consistent with relevant security and privacy legislation and regulations. At Ahold Delhaize and its businesses, we strive to use customer data to benefit customers, whether it is checking their home address for deliveries, accessing their shopping history to provide personalized benefits or confirming account details for online orders. Our four privacy foundations guide how Ahold Delhaize and its businesses manage personal data. More information is available on our website, as well as further information on key practices around how we maintain the security of systems and data. Ahold Delhaize and each of the businesses have a privacy notice for customers and associates, in line with local legal obligations, available on their websites or intranet. Through these notices, Ahold Delhaize and its businesses inform customers, associates and business partners of how the businesses collect, use and share personal data, including information about the purposes and legal bases for which data is collected, applicable retention periods and how individuals can exercise their legal rights.

Governance continued
Declarations

Introduction

This 2024 Ahold Delhaize Annual Report, dated February 25, 2025 (the Annual Report), comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Act on Financial Supervision "Wet op het financieel toezicht."

For the consolidated and the parent company's 2024 financial statements "jaarrekening" within the meaning of section 2:361 of the Dutch Civil Code, see *Performance: Financial statements*. The members of the Management Board and the Supervisory Board have signed the 2024 financial statements pursuant to their obligation under section 2:101, paragraph 2 of the Dutch Civil Code.

The following sections of this Annual Report together form the management report, or the "bestuursverslag" within the meaning of section 2:391 of the Dutch Civil Code:

- *Strategic report*
- *Sustainability statements*
- Governance, the following subsections:
  - *Our Management Board and Executive Committee*
  - *Our Supervisory Board*
  - *Corporate governance*
  - *Governance, risk and compliance*
  - *Remuneration*
- Other information, the following subsections:
  - *Definitions and abbreviations*
  - *Financial alternative performance measures*
  - *Appendix to sustainability statements*

Declarations

The members of the Management Board, as required by section 5:25c, paragraph 2, under c of the Dutch Act on Financial Supervision, confirm that to the best of their knowledge:

- The 2024 financial statements included in this Annual Report give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The management report included in this Annual Report gives a true and fair view of the position of the Company and the undertakings included in the consolidation taken as a whole as of December 29, 2024, and of the development and performance of the business for the financial year then ended.
- The management report includes a description of the principal risks and uncertainties that the Company faces.
- The management report has been prepared in accordance with the sustainability reporting standards referred to in Article 29b of the Accounting Directive and with the specifications established under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 of the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Annual declaration on internal risk management and control systems

The Management Board, as required by section 1.4.3 of the Dutch Corporate Governance Code, makes the following declaration:

The Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. These systems are designed to manage rather than eliminate the risk of failure to achieve important business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. This report provides sufficient insights into any significant deficiencies in the effectiveness of the internal risk management and control systems, with regard to the risks associated with the strategy and activities of the Company and its affiliated business, including the strategic, operational, compliance and reporting risks.

This report includes those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of the report.

With respect to financial reporting based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis and management has assessed whether the risk management and control systems provide reasonable assurance that the 2024 financial statements do not contain any material misstatements. This assessment was based on the criteria set out in COSO: Internal Control – Integrated Framework 2013 and our internal control framework. It included tests of the design and operating effectiveness of entity-level controls, transactional controls at significant locations and relevant IT general controls. Any control weaknesses not fully remediated at year-end were evaluated.

Based on this assessment, the Management Board determined that the Company's financial reporting systems are adequately designed, operated effectively and provide reasonable assurance that the financial statements are free of material misstatement.

Management Board

- Frans Muller, President and CEO
- Jolanda Poots-Bijl, CFO
- JJ Fleeman, CEO Ahold Delhaize USA
- Claude Sarrailh, CEO Europe and Indonesia

Governance continued
Declarations continued

This Annual Report, including the 2024 financial statements, which are audited by KPMG Accountants N.V., has been presented to the Supervisory Board.

The 2024 financial statements and the external independent auditor's report relating to the audit of the 2024 financial statements were discussed with the Audit, Finance and Risk Committee in the presence of the Management Board and the external independent auditor. The Supervisory Board recommends that the General Meeting of Shareholders adopts the 2024 financial statements included in this Annual Report and recommends the proposal to pay a cash dividend for the financial year 2024 of €1.17 per common share. An amount of €0.50 per common share was paid as interim dividend on August 29, 2024. The remaining amount of €0.67 per common share shall be payable on April 24, 2025.

Supervisory Board

- Peter Agnefjäll (Chair)
- Bill McEwan (Vice Chair)
- Robert Jan van de Kraats
- Pauline van der Meer Mohr
- Helen Weir
- Katie Doyle
- Laura Miller
- Frank van Zanten
- Jan Zijderveld
- Julia Vander Ploeg

remuneration

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Remuneration
Message from the Remuneration Committee Chair



“ The refreshed Growing Together strategy shapes our thinking on the Management Board’s remuneration policy, which is up for renewal in 2026.”

Pauline van der Meer Mohr
Chair Remuneration Committee

Dear reader,

On behalf of the members of the Remuneration Committee, I am pleased to introduce Ahold Delhaize’s 2024 remuneration report.

Looking back on 2024

2024 was a year of strong company performance and positive progress for Ahold Delhaize in several areas. Ahold Delhaize is a people business, and associates in all our brands’ markets were essential to delivering those outcomes. They remained committed to serving customers and communities around the great local brands and support organizations. Like many other companies, we are seeing highly competitive labor markets and are laser focused on ensuring we have the people we need on board to sustain our performance and growth. The refreshed Growing Together strategy shapes our thinking on the Management Board's remuneration policy, which is up for renewal in 2026.

Stakeholder engagement

In 2024, we continued to focus on engaging with our key stakeholders, to help broaden our understanding of their needs and concerns and ultimately help us deliver our strategy and be a responsible business. Our key stakeholders remain the same as last year: our brands’ customers, associates, investors, communities, suppliers, regulators and governments and NGOs.

The Supervisory Board received feedback from various stakeholders about ESG and other imperatives measures, such as the inclusion of scope 3 targets in the measurement centers of Ahold Delhaize’s remuneration programs.

Healthy and substantive deliberations took place in the Supervisory Board and with the Management Board on how to include scope 3 as part of the incentives design for executives. Setting robust, measurable and auditable scope 3 targets as part of executive remuneration that are on equal footing with financial reporting and performance is a complex task. I am proud that our acknowledgement of the importance of delivering progress on this topic has now resulted in Ahold Delhaize being one of the leading companies in the industry in incorporating a scope 3 qualitative measurement in its short-term incentive plans.

2024 Appointments and base salary adjustments

Following the regular performance review process, conducted by the Governance and Nominating Committee at the outset of the year, the Remuneration Committee reviewed the Management Board members’ base salary remuneration for 2024. The base salaries of Management Board members were increased as of January 1, 2024: by 4.0% for Frans Muller, 5.0% for Jolanda Poots-Bijl, 5.0% for JJ Fleeman and 3% for Wouter Kolk. The base salary for JJ Fleeman was increased up to $900,000 per October 1, 2024, as approved by the AGM in 2023 at his appointment to the Management Board.

As a Remuneration Committee, we considered external and internal salary movements, Company and individual performance, and the internal pay ratios within several scenarios in line with our Remuneration Policy for the Management Board and Dutch Corporate Governance Code. Pay for performance, with a focus on sustainable long-term value creation, is one of the key principles in our remuneration policies. These considerations were also used to determine the remuneration package of Claude Sarrailh, appointed as the CEO Europe and Indonesia at the 2024 EGM.

Remuneration continued
Message from the Remuneration Committee Chair continued

CEO and Management Board performance

As in previous years, the Supervisory Board employed a thorough process to monitor and evaluate CEO and Management Board performance. The Supervisory Board committees established and thoroughly reviewed performance objectives and targets at the outset of the year, followed by full Supervisory Board consideration and approval.

Throughout the year, the Management Board continued its journey to inspire everyone to eat and live better, for a healthier future for people and planet, by overseeing the implementation of Ahold Delhaize's refreshed Growing Together strategy.

By the end of 2024, the formal Management Board evaluation process was conducted by the Supervisory Board's Governance and Nomination Committee. The CEO performance was evaluated, in close collaboration with the Supervisory Board Chair and with broader Supervisory Board participation and input. Each Management Board member's individual review included a self-assessment against the defined objectives and metrics, the CEO's assessment and performance rating, and formal review by the Committee.

The outcomes of this process informed the recommendations of the Management Board base salary adjustments by the Remuneration Committee to the Supervisory Board for 2024. Besides the outcome of the formal Management Board evaluation process, the Remuneration Committee also took into consideration the reference points provided by the benchmarking against our selected peer group. The benchmarks provide a reference point that informs how we determine fixed and variable compensation to ensure that we remain in line with competitive market pay levels. We continue to position Management Board members' total remuneration "at or near the median" of our peer group.

2024 annual cash incentive

Ahold Delhaize and its brands have again delivered strong results. Overall sales were slightly behind target; however, the Company exceeded its operating margin and operating cash flow targets.

The Company has achieved above expectations on ESG and other strategic imperatives targets. It was inspiring to see the progress made by Ahold Delhaize and its brands on all the initiatives related to scope 3. All the brands delivered sound and well-thought-through scope 3 plans, engaged actively with suppliers, and developed approaches in keeping with their local brand presence and customer preferences.

Long-term share vesting

The 2022 long-term incentive program GRO share grant will vest on the day after the 2025 AGM. Like the 2021 GRO grant, earnings per share growth reached the maximum performance target, while return on capital and carbon emissions exceeded the targets. Results for total shareholder return did not meet the plan. The overall vesting outcome for the 2022 GRO share grant is 123% of target.

Transparency and disclosure

The Annual Report 2022 was the first to report according to our current Remuneration Policy, which we believe provided the optimal starting point for our enhanced disclosures. This level of transparency and disclosure has been continued in the 2023 and 2024 remuneration report.

I would like to thank my fellow members of the Remuneration Committee for the counsel they provided and the valuable contributions in 2024.

Looking forward

Expectations for 2025

The Supervisory Board will propose amendments at the 2025 AGM to the fee structure that was established at the time of the merger in 2016. For 2025, an interim fee adjustment will be proposed, in recognition of inflation and the increasing demands on the Supervisory Board members since 2016 and to ensure the Company remains attractive to top leaders from the industry and beyond to maintain a strong and diverse Supervisory Board.

In 2025, we will continue to monitor business performance and internal and external conditions throughout the year, in alignment with the Growing Together strategy. We will continue to engage with our major shareholders and other stakeholders and listen to their views as we develop the Management Board Remuneration and Supervisory Board Policies for next year.

Our annual report on remuneration

In this 2024 remuneration report, we provide details of decisions made for the Management Board relating to their 2024 remuneration for which, along with this statement, we will seek shareholder endorsement with an advisory vote at the 2025 AGM.

As Chair of the Remuneration Committee, I would like to thank you for your ongoing interest in Ahold Delhaize.

Pauline van der Meer Mohr

Remuneration continued

Executive remuneration principles and procedures

The current Management Board Remuneration Policy is designed to support a long-term focus with a strong emphasis on ESG factors, which are an important part of how Ahold Delhaize measures success. This is in line with our Growing Together strategy and deep focus on health and sustainability. The policy aligns the interests of the Management Board with the interests of the Company's stakeholders and features a detailed disclosure on short- and long-term performance.

This section provides a summary of our principles and procedures and how they relate to our remuneration policies. The full principles and procedures are part of our Remuneration Policies for the Management Board and Supervisory Board.

Our full remuneration principles and procedures are included in the Remuneration Policies for the Management Board and Supervisory Board, available on our *website*.

Principles

Alignment with company strategy
Our Remuneration Policy is aligned with the Company's long-term strategy.

Transparency
The Company provides extensive disclosure of how our remuneration policies are implemented, including, for the Management Board, incentive targets, intervals and performance realized.

Pay for performance
Our Remuneration Policy supports a pay-for-performance culture with an emphasis on sustainable long-term value creation.

Alignment with stakeholder interests
The Remuneration Policy aligns the focus of the Company and its senior management with the interests of the Company's stakeholders and society at large.

Consistency
The structure of Management Board remuneration is generally consistent with the remuneration structure for other senior associates of the Company.

Competitive pay
We benchmark the competitiveness of our remuneration policies annually against a relevant labor market peer.

- Applies to Management Board only
- Applies to Management Board and Supervisory Board

Procedures

Establishment, revision and execution
Our Remuneration Policy is established, revised and executed by the Supervisory Board, and subject to adoption by the General Meeting of Shareholders.

Risk assessment
The Remuneration Committee conducts regular and comprehensive analyses of the risks associated with variable compensation. This includes calculating remuneration under different scenarios and considering different performance assumptions.

Discretion and derogation
The Supervisory Board may exercise discretion in the execution of our Remuneration Policy, and, in exceptional circumstances, deviate from it.

Compliance
The design and implementation of our Remuneration Policy are compliant with all applicable laws, rules and regulations, and corporate governance requirements.

Remuneration continued
Remuneration policy for the Management Board

The current remuneration policy for the Management Board was adopted by the General Meeting of Shareholders on April 13, 2022 (94.87% of votes in favor), and became effective retroactively as of January 1, 2022.

Benchmark peer group

As an international company, Ahold Delhaize must remain attractive for top leaders from the industry and beyond to continue to have a strong and diverse Management Board. Management Board remuneration levels are benchmarked annually. The benchmark peer group consists of a total of 18 peer companies in Europe and the United States. This labor market peer group reflects the Company's geographic operating areas and the markets that are most relevant in relation to the recruitment and retention of top management. As a Dutch-headquartered company and considering the Company's Dutch and Belgian footprint, the AEX market practice in the Netherlands and BEL20 market practice in Belgium are included.

To accommodate potential changes in the labor market peer group due to delistings, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies. Typically, geographical composition leads the replacement determination. For example, if a European-based company is dropped, it is generally replaced by another European-based company.

We consider the composition of Total Direct Compensation when benchmarking base salary levels. The target Total Direct Compensation level is typically at or near the median, while consideration is given to Ahold Delhaize's size relative to the peer group, with a fixed-to-variable pay ratio that supports the pay-for-performance culture and a long-term strategic focus. For more information, see the *Remuneration Policies*, available on our website.

European peers	U.S. peers	AEX and BEL20
Tesco	Kroger	Unilever
Carrefour	Costco	Philips
Metro Cash & Carry	Target	Heineken
Casino Guichard-Perrachon	Walgreens Boots Alliance	Randstad
J Sainsbury	Best Buy	AkzoNobel
Danone	Lowe's Companies	AB InBev

Total Direct Compensation

The basic elements of the Total Direct Compensation provided to Management Board members are (1) a base salary, (2) an annual cash incentive, and (3) a long-term share-based incentive.

In addition to Total Direct Compensation, members of the Management Board are offered pensions and additional arrangements in line with local practices.

Element	Description
Base salary	The level of the base salary of the members of the Management Board is derived, as one component, from the benchmarking of Total Direct Compensation. Adjustment of individual base salaries is at the discretion of the Supervisory Board.
Annual cash incentive plan: Executive Incentive Plan (EIP)	The Company's priority and goal are to expand market share while focusing on margins to increase profitability and prudently managing capital spending and expenses to secure strong and sustainable cash flow. Consequently, the EIP employs three financial measures that reflect the fundamental key financial metrics of a retail organization: sales growth (30%), underlying operating margin (25%) and operating cash flow (20%). In addition, ESG and other strategic imperatives (25%) are included. See *Definitions of EIP performance measures* for detailed information. In support of the pay-for-performance culture and in recognition of the Company's focus on margins, the underlying operating margin measure serves as a threshold. The at-target payout as a percentage of base salary is 100%, contingent on the full achievement of the objectives, with a cap at 125% of the at-target value in the event of above-target performance.
Long-term share-based incentive plan: Global Reward Opportunity (GRO)	Under the GRO program, performance shares are granted annually as a three-year program. The vesting of these performance shares is subject to performance measured over three years. As of 2022, the GRO program employs three financial measures: return on capital (RoC) (35%), underlying earnings per share (EPS) growth (25%) and total shareholder return (TSR) (15%). In addition, a non-financial performance[1] measure (25%) related to health and sustainability targets is included. See *Definitions of GRO performance measures* for detailed information. In line with market practice, the target value of long-term incentives granted varies per role. For the CEO, the target value is 275% of base salary; for the CEO Ahold Delhaize USA, the target value is 275% of base salary; for the CFO, the target value is 200% of base salary; and for the CEO Europe and Indonesia, the target value is 175% of base salary.

1. Please note, the weighting of the non-financial performance has increased in 2022, in line with our deepened focus on health and sustainability.

Remuneration continued
Remuneration policy for the Management Board continued

Pensions and other contract terms

Pension

The pension plan for Management Board members based in the Netherlands is consistent with the plans offered to other associates of the Company in the Netherlands and is referred to as a defined benefit plan, based on career average salary. All existing pension arrangements in the Netherlands are in line with the applicable fiscal pension regulations. The current legal retirement age is between 67 and 70 (depending on year of birth), with the option for early retirement from age 55. The pensionable salary is capped at the legal maximum (2024: €137,800). Each Management Board member working under a Dutch contract pays a pension premium contribution identical to that of all other associates of the Company in the Netherlands.

In addition, Management Board members receive a gross (age-dependent) pension allowance and can choose to participate in a Net Pension Arrangement by investing the net (after-tax) amount of the pension allowance. The Net Pension Arrangement is identical to that of all other associates of the Company in the Netherlands whose pensionable salary exceeds the cap. Participation in this Net Pension Arrangement is voluntary.

Members of the Management Board working under a non-Dutch contract are offered pensions in line with local practices.

Loans

The Company does not provide loans to members of the Management Board, nor does the Company issue guarantees to the benefit of members of the Management Board.

Additional arrangements

In addition to the remuneration of the Management Board members, a number of additional arrangements apply. These include expense allowances, insurance, use of company cars and, where applicable, relocation support and allowances, which apply to other senior associates and are in line with market practice. In addition, third-party tax services are provided to ensure compliance with the relevant legislative requirements.

(Service) Agreements

The term of appointment for Management Board members is, in general, four years. If the Company terminates the (service) agreement of any member of the Management Board, the severance payment is limited to one year's base salary. The agreement may be terminated by the Company with a notice period of 12 months and by the Management Board member with a notice period of six months.

Shareholding requirements and share ownership guidelines

Shareholding and share ownership guidelines are in place to emphasize our focus on long-term sustainable value creation.

Management Board members must retain the shares awarded under the GRO program for a minimum period of five years from the grant date. The sale of a portion of the shares is permissible to finance tax due at the date of vesting.

Management Board members are required to acquire and hold shares in the Company with a value equal to a multiple of their annual base salary. The CEO and the CEO Ahold Delhaize USA are required to acquire and hold shares in the Company with a value at least equal to 400% of the annual base salary. All other members of the Management Board are required to hold shares in the Company with a value at least equal to 300% of the respective base salaries. The holding may be built up by retaining all after-tax shares from the GRO program and does not require personal share purchases.

Clawback

A clawback provision is in place and may be applied to the Management Board members' annual cash incentive plan (EIP) as well as the long-term share-based incentive program (GRO).

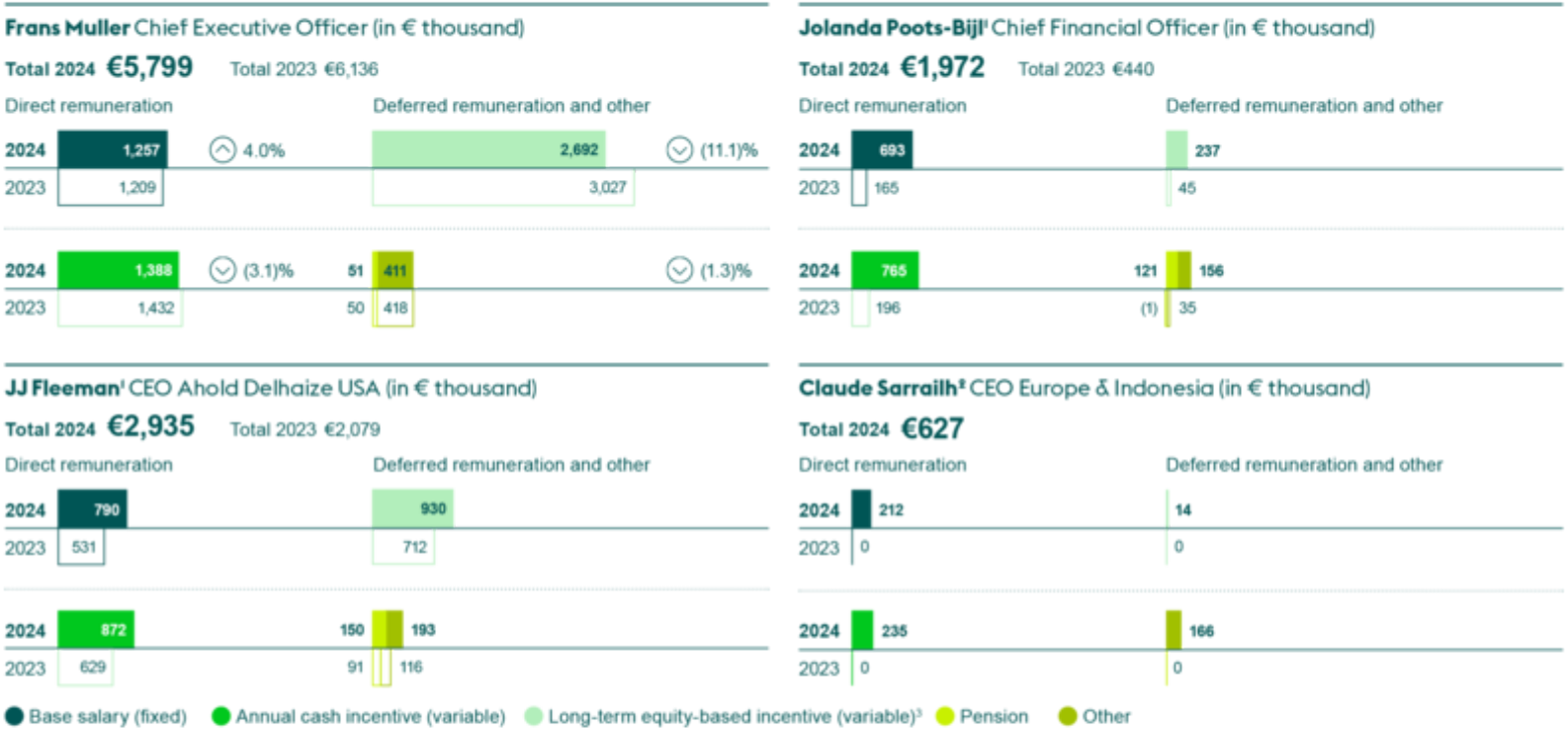
Remuneration continued
Management Board remuneration at a glance

In 2024, Ahold Delhaize delivered strong results, which are reflected in the outcomes of our short-term and long-term incentives.

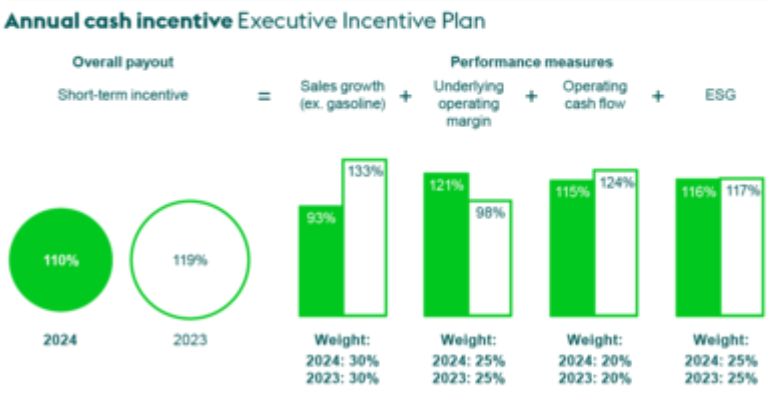
The Management Board remuneration balances the needs of internal and external stakeholders with the Company's commitment to making a sustainable contribution to society and supports a pay-for-performance culture with an emphasis on sustainable, long-term value creation.

In this report, we disclose the remuneration of both our current and former Management Board members; we focus on our current Management Board members and, where required, refer to the compensation of former Management Board members in a footnote. Full data can be found in the *Total remuneration* table.

The change in remuneration – as shown in the visual – is predominantly caused by a lower expense for share-based compensation compared to 2023. In addition, 2024 is the first year we are reporting full year figures for CFO Jolanda Poots-Bijl and CEO Ahold Delhaize USA JJ Fleeman, and we report partial year figures for CEO Europe and Indonesia Claude Sarrailh, who joined the Management Board per October 1, 2024. See *Total remuneration* for more details about the IFRS costs and entitlement.



1. Jolanda Poots-Bijl was appointed Management Board member as per October 1, 2023. JJ Fleeman was appointed Management Board member as per April 12, 2023. Remuneration shown for 2023 relates to the service period as Management Board member. As there is no full year data available for 2023, no percentage for prior year difference is calculated.
2. Claude Sarrailh was appointed Management Board member as per October 1, 2024. Remuneration shown relates to the service period as Management Board member.
3. Board members are required to acquire and hold shares in the Company with a value equal to a multiple of their annual base salary and must retain the shares awarded under the GRO plan for a minimum period of five years from the grant date.





Remuneration continued
2024 Management Board remuneration

The remuneration paid to the members of the Management Board in 2024 was in accordance with the Remuneration Policy for the Management Board.

Base salary

The annual base salaries of the members of the Management Board were reviewed by the Remuneration Committee in early 2024. The Committee considered external and internal salary movement; Company and individual performance; and the determination and assessment of internal pay ratios. It also sought the input of the individual Management Board members.

As of January 1, 2024, Frans Muller's annual base salary was increased by 4.0% and Jolanda Poots-Bijl's annual base salary was increased by 5.0%. As of January 1, 2024, JJ Fleeman's annual base salary was increased from $800,000 to $840,000 and, as of October 1, 2024, his base salary was increased to $900,000, following successful completion of the predefined individual performance criteria, as approved by the AGM on April 12, 2023.

Base salaries per Management Board member

€ thousand	2024	2023
Frans Muller CEO	**1,257**	1,209
Jolanda Poots-Bijl[1] CFO	**693**	165
JJ Fleeman[2] CEO Ahold Delhaize USA	**790**	531
Claude Sarrailh[3] CEO Europe and Indonesia[4]	**212**	—

1. The 2023 base salary reflects the amount received for the period of Jolanda Poots-Bijl's appointment to the Management Board as per October 1, 2023, until the end of the year.
2. The 2023 salary reflects the amount received for the period of JJ Fleeman's appointment to the Management Board as per April 12, 2023, until the end of the year. The 2023 base salary has been converted from U.S. dollars into euros using the 2023 Q2-Q4 year-to-date average dollar-euro exchange rate of €1 = $0.9224. The 2024 base salary has been converted from U.S. dollars into euros using the 2024 average dollar-euro exchange rate of €1 = $0.9242.
3. The 2024 base salary reflects the amount received for the period of Claude Sarrailh's appointment to the Management Board as per October 1, 2024, until the end of the year. Claude Sarrailh's 2024 full year base salary amounts to €850,000.
4. The base salary of former CEO Europe and Indonesia Wouter Kolk was increased by 3% as of January 1, 2024. See *Total remuneration* for detailed information.

Annual cash incentive: EIP

The members of the Management Board participated in the annual cash-based EIP. Three performance measures were used to track the Company's financial performance during the year: sales growth, underlying operating margin and operating cash flow. Regarding ESG and other strategic imperatives, in addition to healthy sales and food waste reduction targets, 7.5% of the performance is now measured against having a detailed and approved scope 3 plan. See following table for the definitions and weight per performance measure.

Definitions of EIP performance measures

Performance measure	Weight	Definition	Relevance to our strategy
Sales growth (ex. gasoline)[1]	**30%**	Sales growth (ex. gasoline) quantifies how much sales grew year over year, excluding gasoline sales, expressed as a percentage of last year's sales excluding gasoline.	The Company seeks to expand market share – while, at the same time, focusing on margins to increase profitability – and manage capital spending and expenses prudently to secure a strong and sustainable cash flow that allows us to cover financial obligations, make investments in the business and remunerate existing shareholders.
Underlying operating margin	**25%**	Underlying operating margin is the result of dividing underlying operating profit (excluding gasoline operating profit) by third-party sales (excluding gasoline sales).	
Operating cash flow[2]	**20%**	Operating cash flow is defined as the cash flow generated by the Company's core operations, adjusted for net lease payments and after tax.	
ESG and other strategic imperatives	**25%**	ESG and other strategic imperatives are one or more variable performance measures that are defined annually by the Supervisory Board to highlight specific strategic and key business priorities of the Company. Three performance measures were selected for 2024 that reflect the Company's commitment to a healthy and sustainable future: • Healthy sales (10%): The percentage of healthy own-brand food sales as a proportion of total own-brand food sales (weight 2023: 15%) • Food waste reduction (7.5%): Tonnes of food waste per €1 million food sales (weight 2023: 10%) • Decarbonization (7.5%): Detailed and approved scope 3 plan (weight 2023: 0%)	Our businesses flourish when our brands' communities are healthy and resilient. We aim to enable customers and associates to eat healthier, while at the same time reducing our global footprint. • Healthy products: We employ this measure to drive performance in pursuit of our objective to facilitate healthier eating. • Food waste reduction: We employ this measure to drive performance against our objective of reducing food waste. • Decarbonization: We introduced this measure to reflect our commitment to further invest in and sharpen and strengthen our initiatives toward decarbonizing our value chain.

1. For incentive purposes, sales growth performance is calculated using constant rates to ensure individuals are not rewarded nor penalized for foreign exchange rate developments, but only for true business performance.
2. For incentive purposes, we look at operating cash flow to reflect the true business performance of our operations. In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board can consider an adjustment, in accordance with the principles of reasonableness and fairness.

Remuneration continued
2024 Management Board remuneration continued

EIP performance realized

The 2024 EIP performance targets were set in the context of the Company's mid-term strategic and operational objectives.

The at-target payout as a percentage of base salary was set at 100%, contingent on the full achievement of the EIP objectives. In the event of above-target performance, payout is limited to 125% of the target value, in accordance with the Remuneration Policy for the Management Board.

In close dialogue with the Company's stakeholders, Ahold Delhaize is committed to full, ex-post disclosure of all targets and performance intervals for all metrics in both the short-term and long-term incentive plans. Please find, in the table below, the EIP performance targets and intervals for 2024 and our performance against these metrics.

In 2024, a third performance measure was placed under "ESG and other strategic imperatives" in addition to healthy products and food waste. This third non-financial qualitative measure, focused on scope 3, has guided our great local brands and regions in crafting detailed plans including, among other things, supplier engagement, supplier and customer initiatives and governance, in order to reduce GHG emissions and enable Ahold Delhaize to achieve its 2030 scope 3 reduction targets. The plans have been measured against predefined performance criteria.

Actual EIP payout

€ thousand	Base salary	Target bonus	Performance multiplier	2024 Actual bonus[1]	2023 Actual bonus[2]
Frans Muller CEO	1,257	100% of base salary	110.4%	1,388	1,432
Jolanda Poots-Bijl[3] CFO	693	100% of base salary	110.4%	765	196
JJ Fleeman[4] CEO Ahold Delhaize USA	790	100% of base salary	110.4%	872	629
Claude Sarrailh[5] CEO Europe and Indonesia[6]	212	100% of base salary	110.4%	235	—

1. The 2024 EIP represents accrued annual cash incentives to be paid in 2025, subject to shareholder approval of the 2024 financial statements.
2. The 2023 EIP represents the actual amount paid in 2024.
3. The 2023 EIP for Jolanda Poots-Bijl reflects the period from her appointment to the Management Board per October 1, 2023, until the end of the year.
4. The 2023 EIP for JJ Fleeman reflects the period from his appointment to the Management Board per April 12, 2023, until the end of the year. The figure has been converted from U.S. dollars into euros using the 2023 Q2-Q4 year-to-date average dollar-euro exchange rate of €1 = $0.9224. The 2024 EIP for JJ Fleeman has been converted from U.S. dollars into euros using the 2024 average dollar-euro exchange rate of €1 = $0.9242.
5. The 2024 EIP for Claude Sarrailh reflects the period from his appointment to the Management Board per October 1, 2024, until the end of the year.
6. See *Total Remuneration* for the 2024 outcome for Wouter Kolk.

Performance measure	Weighting 2023	Weighting 2024	Target	Performance	0% / 100% / 150%	Performance multiplier 2024	Performance multiplier 2023
Sales growth (ex. gas)	30%	30%	1.5%	(3.2)%	1.2 % / 3.8%	**93%**	**133%**
Underlying operating margin (ex. gas)[1]	25%	25%	4.0%	3.2%	4.1% / 4.2%	**121%**	**98%**
Operating cash flow (in millions)[2]	20%	20%	4,435	3,049	4,639 / 5,128	**115%**	**124%**
ESG and other strategic imperatives[3]							
Healthy products	15%	10%	51.7%	49.7%	52.0% / 52.7%	**115 %**	**110%**
Food waste	10%	7.5 %	3.0	3.3	3.0 / 2.9	**104 %**	**129%**
Detailed scope 3 plan per brand		7.5 %	Yes	No	Over / Over	**130 %**	
Total (%)[4]	100%	100%				**110.4 %**	**118.5%**

1. Underlying operating margin is the result of dividing underlying operating profit (excluding gasoline operating profit) by third-party sales (excluding gasoline sales). Gasoline operating profits are excluded from the calculation (EPM accounts definition). The amounts are calculated in local currencies or consolidated using target foreign exchange rates. Underlying operating profit (excluding gasoline) is the total operating income excluding gasoline and adjusted for impairments of non-current assets, gains and losses on the sale of fixed assets, restructuring and related charges, and other unusual items, as well as unplanned insurance and pension benefits relating to changes in discount rates.
2. Operating cash flow is defined as the cash flows generated by the core operations of the Company after tax. Operating cash flow is calculated in local currencies or consolidated using target foreign exchange rates.
3. ESG and other strategic imperatives are consolidated using target foreign exchange rates and are corrected for baseline adjustments and other unplanned (algorithmic) changes.
4. The performance measures and results as stated in this section also apply to former Management Board members, to the extent eligible in the EIP.

Remuneration continued
2024 Management Board remuneration continued

Long-term share-based incentive: GRO

The members of the Management Board participated in Ahold Delhaize's long-term share-based incentive plan, Global Reward Opportunity (GRO). Under the GRO plan, performance shares were granted with a three-year vesting period. The vesting of these shares is subject to Company performance over these three years.

Performance targets are determined for the three-year performance period based on the Company's strategy and long-term planning. Management Board members are required to hold shares for five years after the grant date – including post-tenure.

Definitions of GRO performance measures

Performance measure	Definition	Relevance to strategy	Weight	Min-max
Return on capital (RoC)	RoC is calculated as underlying operating income before depreciation and amortization divided by the annual rolling average of the sum of Company-owned property, plant and equipment at purchase price, intangible assets (excluding goodwill) at purchase price, operating working capital components and repayment of lease liabilities divided by 8%.	RoC is used as a measure of how effective we are at turning our investments into profit.	35%	0-150%
Underlying earnings per share growth (EPS)[2]	Underlying EPS is the underlying income from the Company's continuing operations, divided by the weighted average number of shares for the year. The growth is measured by dividing the EPS at the end of the performance period by the EPS at the start of the performance period.	EPS reflects our focus on growth, measured through revenue growth.	25%	0-150%
Total shareholder return (TSR)	TSR is share price growth plus dividends paid during the performance period. TSR is benchmarked against a TSR performance peer group[1]. No performance shares will vest to Management Board members if the Company ranks below the sixth position in the performance peer group.	TSR is used to compare the performance of different companies and stocks over time. The relative TSR position reflects the market perception of the overall performance of the Company relative to a reference group.	15%	0-150%
Healthy and sustainable	Healthy and sustainable comprises performance measures that reflect our long-standing commitment to sustainability. As of the 2022 GRO grant, vesting in 2025, healthy and sustainable is measured based on GHG emissions reductions (scope 1 and 2) solely and the weight has been increased from 15% to 25%.[3] Our performance on GHG emissions is measured as a percentage reduction of absolute scope 1 (direct) and 2 (indirect) GHG emissions. By focusing on GHG emission reduction and excluding healthy sales and food waste in the performance measures for the 2022 grant and onwards, we have eliminated potential duplication in performance measures in EIP and GRO.	Our purpose is inspiring everyone to eat and live better, for a healthier future for people and planet. Our brands aim to make it easy and fun for customers and associates to eat healthier, while at the same time reducing our global footprint. The healthy and sustainable performance measure in our GRO plan reflects our ambition and ensures a long-term focus. GHG emissions: We employ this measure to drive performance against our objective to reduce GHG (scope 1 and 2) emissions.	25%	0-150%

1. Wm Morrison was replaced with Albertsons in the 2022 GRO award. The TSR peer group is included in *Note 32* and the Remuneration Policies for the Management Board and Supervisory Board, available on our website.
2. For incentive purposes, EPS performance is calculated using constant rates to ensure individuals are not rewarded or penalized for foreign exchange rate developments, but only for true business performance. In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board may consider an adjustment, in accordance with the principles of reasonableness and fairness. With respect to EPS growth specifically, planned or anticipated corporate events occurring during the performance period, including share buybacks, transactions and M&A activity that may, positively or negatively, affect EPS performance, are always factored into the performance targets. In case of a significant unplanned share buyback that was not incorporated into the budget, an adjustment will be made to ensure that EPS performance for incentive purposes is not positively affected.
3. The 2021 grant, which vested in 2024, fell under the old policy (2020). Healthy and sustainable was still measured based on healthy products, food waste reduction and carbon-emissions reduction. Detailed information regarding the performance measures for the 2021 grant can be found in *Vesting of previous grants*, including performance target and intervals.

Remuneration continued
2024 Management Board remuneration continued

Award of new grants

The 2024 GRO performance share grant was made on April 11, 2024, the day after the 2024 AGM. The vesting in 2027 of the GRO performance shares granted in 2024 will be subject to performance, as mentioned in the definitions of GRO performance measures.

2024 GRO share grant and maximum vesting

	Performance shares[1]					
	ROC (35%)	EPS (25%)	TSR (15%)	Healthy and sustainable (25%)	Total at-target grant	Total maximum vesting
Frans Muller CEO	96%	69%	41%	69%	275%	413%
Jolanda Poots-Bijl CFO	70%	50%	30%	50%	200%	300%
JJ Fleeman CEO Ahold Delhaize USA	96%	69%	41%	69%	275%	413%
Claude Sarrailh[2] CEO Europe and Indonesia[3]	61%	44%	26%	44%	175%	263%

1. All percentages represent a percentage of base salary.
2. Claude Sarrailh was eligible for a pro-rata 2024 GRO grant in relation to his service period in 2024, which was granted on November 7, 2024.
3. Detailed information regarding Wouter Kolk's 2024 GRO grant can be found under *Performance shares*.

2024 GRO share grant calculation – example: Frans Muller, CEO

	At-target share grant	Grant value	Number of performance shares granted
RoC performance shares	96%	€1,209,891	44,718
EPS performance shares	69%	€864,208	31,942
TSR performance shares	41%	€518,525	19,165
Healthy and sustainable performance shares	69%	€864,208	31,942
Total	275%	€3,456,833	127,767

Table assumes a base salary of €1,257,030 and a six-month average share price of (rounded) €27.06.

2024 GRO share grant calculation – example: Jolanda Poots-Bijl, CFO

	At-target share grant	Grant value	Number of performance shares granted
RoC performance shares	70%	€485,100	17,930
EPS performance shares	50%	€346,500	12,807
TSR performance shares	30%	€207,900	7,685
Healthy and sustainable performance shares	50%	€346,500	12,807
Total	200%	€1,386,000	51,229

Table assumes a base salary of €693,000 and a six-month average share price of (rounded) €27.06.

Remuneration continued
2024 Management Board remuneration continued

Vesting of previous grants

The vesting of the 2021 (vested in 2024) and 2022 (vesting in 2025) GRO grants was, and is, subject to performance on three financial measures and one non-financial performance measure.

Performance realized

This is the third year we are providing full, ex-post disclosure of all targets and performance intervals for all metrics in both the short-term and long-term incentive plans. For the 2022 GRO grant, vesting in 2025, performance is measured over the 2022, 2023 and 2024 financial years. For the 2021 GRO grant, vested in 2024, performance was measured over the 2021, 2022 and 2023 financial years.

For the 2021 and 2022 GRO grants, the non-financial performance measure was healthy and sustainable. As of the 2022 grant, vesting in 2025, the weight of the healthy and sustainable target was increased to 25% and GHG reduction (scope 1 and 2) was selected as the sole performance measure. Underlying earnings per share growth was reduced to 25%, to support the greater emphasis on ESG factors.

For reference, for the 2021 grant, healthy and sustainable was broken down into three performance criteria (GHG carbon-emissions reduction, healthy sales and food waste reduction), with a weight of 5% each.

Share ownership

As of December 29, 2024, the Management Board members (excluding the former Management Board members) held the following shares and other interests in Ahold Delhaize.

Number of shares

Number of shares	Common shares subject to additional holding requirement[1]	Other common shares	Total common shares
Frans Muller[2]	151,276	351,519	502,795
Jolanda Poots-Bijl[3]	—	—	—
JJ Fleeman[3]	—	28,671	28,671
Claude Sarrailh[3]	—	—	—
Total	**151,276**	**380,190**	**531,466**

1. In line with best practice 3.1.2 VI of the Dutch Corporate Governance Code 2022 and the Management Board remuneration policy, shares granted and vested under the GRO program to Management Board members should be held for five years after the grant date – including post-tenure – except to cover for taxes due at the vesting date.
2. In addition, 9,579 shares are held by Frans Muller in the form of American Depository Receipts.
3. Jolanda Poots-Bijl and JJ Fleeman started their Management Board roles in 2023 and Claude Sarrailh started his Management Board role in 2024. They are permitted to build up the required share ownership (300%, 400% and 300% respectively) by retaining all after-tax shares from the GRO plan. The build-up does not require personal share purchases.

Performance measure	Weighting		Targets for	Performance				Performance multiplier	
	2021 grant	2022 grant	2022 grant	0%	100%	150%		2022 grant (2022-2024)	2021 grant) (2021-2023
Return on capital	35%	35%	12.7%	9.0%	13.5%		14.3%	**122%**	**127%**
EPS growth	35%	25%	11.6%	1.6%	16.2%		16.6%	**145%**	**150%**
Total shareholder return	15%	15%	4th	<7th	5th		1st	**75%**	**—%**
Healthy and sustainable[1]									
GHG emissions	5%	25%	(32.4)%	(27.4)%	(35.5)%		(37.4)%	**131%**	**150%**
Healthy products	5%	—%							**150%**
Food waste reduction	5%	—%							**150%**
Total (%)	100%	100%						**123%**	**120%**

1. Healthy and sustainable performance measures are consolidated using target foreign exchange rates and are corrected for baseline adjustments and other unplanned (algorithmic) changes.

Remuneration continued
2024 Management Board remuneration continued

2022 GRO share grant (to vest in 2025)

	Total number of performance shares granted in 2022[1]	Multiplier	Total number of performance shares to vest in 2025[2]	Share price[3]	Estimated value in € thousand[3]
Frans Muller CEO					
2022 RoC grant	38,166	122%	46,562		
2022 EPS grant	27,262	145%	39,529		
2022 TSR grant	16,357	75%	12,267		
2022 Sustainability grant	27,262	131%	35,713		
Total vesting April 10, 2025	**109,047**		**134,071**	**€31.38**	**4,207**
JJ Fleeman[4] CEO Ahold Delhaize USA					
2022 RoC grant	6,467	122%	7,889		
2022 EPS grant	4,619	145%	6,697		
2022 TSR grant	2,772	75%	2,079		
2022 Sustainability grant	4,619	131%	6,050		
Total vesting April 10, 2025	**18,477**		**22,715**	**€31.38**	**713**

1. The 2022 GRO grant was awarded on April 13, 2022.
2. No 2022 GRO shares were granted to Jolanda Poots-Bijl and Claude Sarrailh. Detailed information regarding the 2022 GRO shares of Kevin Holt and Wouter Kolk is provided in the *Performance shares* section.
3. The estimated value is based on the closing share price on the last trading day of the financial year (December 27, 2024) of €31.38. The actual value will be determined at vesting on April 10, 2025.
4. The GRO shares that are scheduled to vest for JJ Fleeman in 2025 were awarded to him in 2022 in his capacity of associate at that time.

2021 GRO share grant (vested in 2024)

	Total number of performance shares granted in 2021[1]	Multiplier	Total number of performance shares vested in 2024[2]	Share price[3]	Estimated value in € thousand[3]
Frans Muller CEO					
2021 RoC grant	39,013	127%	49,546		
2021 EPS grant	39,013	150%	58,519		
2021 TSR grant	16,720	—%	—		
2021 Sustainability grant	16,720	150%	25,080		
Total vesting April 11, 2024	**111,466**		**133,145**	**€27.46**	**3,656**
JJ Fleeman[4] CEO Ahold Delhaize USA					
2021 RoC grant	7,446	127%	9,456		
2021 EPS grant	7,446	150%	11,169		
2021 TSR grant	3,192	—%	—		
2021 Sustainability grant	3,192	150%	4,788		
Total vesting April 11, 2024	**21,276**		**25,413**	**€27.46**	**698**

1. The 2021 GRO grant was awarded on April 15, 2021.
2. No 2021 GRO shares were granted to Jolanda Poots-Bijl and Claude Sarrailh. Detailed information regarding the 2021 GRO grant (vested in 2024) for Kevin Holt and Wouter Kolk is provided in the *Performance shares* section.
3. The total value is based on the share price on April 11, 2024, the vesting date, of €27.46. The estimated value of each grant, as previously disclosed in the Annual Report 2023, was based on the closing share price on the last trading day of the financial year 2023 (December 29, 2023) of €26.02.
4. The GRO shares that vested for JJ Fleeman in 2024 were awarded to him in 2021 in his capacity of associate at that time.

Remuneration continued
2024 Management Board remuneration continued

(Service) agreements, pension and other individual elements

The following is a summary of Management Board service agreements.

Frans Muller

Frans Muller was reappointed at the AGM in April 2023 for another term of four years, ending on the day of the AGM in April 2027. If the Company terminates his current service agreement for reasons other than cause, Frans Muller is entitled to a severance payment equal to one year's base salary. His service agreement may be terminated by the Company with a notice period of 12 months and by Frans Muller with a notice period of six months. Frans Muller participates in the Company's Dutch pension plan.

Jolanda Poots-Bijl

During the EGM on July 5, 2023, Jolanda Poots-Bijl was appointed as CFO and member of the Management Board effective October 1, 2023, after an induction period. She joined the Company in mid-August 2023 as Executive Vice President Finance and member of the Executive Committee. She is appointed for a term ending on the day of the AGM in April 2027. If the Company terminates her current service agreement for reasons other than cause, Jolanda Poots-Bijl is entitled to a severance payment equal to one year's base salary. Her service agreement may be terminated by the Company with a notice period of 12 months and by Jolanda Poots-Bijl with a notice period of six months. Jolanda Poots-Bijl participates in the Company's Dutch pension plan.

JJ Fleeman

JJ Fleeman was appointed at the AGM on April 12, 2023, effective on that date. The appointment is for a term of four years, ending on the day of the AGM in April 2027.

If the Company terminates his employment agreement for reasons other than cause, JJ Fleeman is entitled to a severance payment equal to one year's base salary, unless he is eligible for retirement. His employment agreement may be terminated by the Company with a notice period of 12 months and by JJ Fleeman with a notice period of six months. JJ Fleeman receives a housing allowance of up to $5,000 net per month. JJ Fleeman participates in the Company's U.S. pension plans.

Claude Sarrailh

On May 15, 2024, Ahold Delhaize announced that its Supervisory Board had nominated Claude Sarrailh as member of the Management Board. Following shareholder approval during the EGM on July 10, 2024, he joined the Company in September as Executive Vice President. Claude Sarrailh started as CEO Europe and Indonesia and member of the Management Board on October 1, after an induction period. He is appointed for a term ending on the day of the AGM in April 2028. If the Company terminates his current service agreement for reasons other than cause, Claude Sarrailh is entitled to a severance payment equal to one year's base salary. His service agreement may be terminated by the Company with a notice period of 12 months and by Claude Sarrailh with a notice period of six months. Claude Sarrailh participates in the Company's Dutch pension plan.

Former Management Board members

Wouter Kolk

On March 27, 2024, the Company announced that Wouter Kolk would step down from the Management Board. With the appointment of Claude Sarrailh, Wouter Kolk's Management Board membership ended October 1, 2024. As executive leadership transition and continuity is critical, Wouter Kolk remained attached to the Company as an advisor in 2024. Wouter Kolk is not eligible for a severance payment.

Remuneration continued
2024 Management Board remuneration continued

Total remuneration

The following table provides an overview of the remuneration costs expensed in 2024 and 2023 per Management Board member.

The costs reported here are not in all cases equal to the amounts that were received by the individual Management Board members. Share-based compensation expense represents the non-cash cost for Ahold Delhaize of performance shares awarded to members of the Management Board. These costs are recognized over the three-year vesting period of the performance shares in accordance with IFRS 2, "Share-based Payment." The actual value of the 2021 GRO share grant, as received after vesting in 2024 by each Management Board member, is detailed in the table *2021 GRO share grant (vested in 2024)*. The actual value of the 2021 GRO share grant that will vest in 2025 is contingent upon the share price at the vesting date of April 10, 2025. The number of performance shares that are expected to vest is detailed in the table *2022 GRO share grant (to vest in 2025)*.

Total remuneration in 2024 and 2023 per Management Board member

		Direct remuneration						Deferred remuneration							
		Base salary		Annual cash incentive: EIP[1]		Other[2]		Long-term share-based incentive: GRO[3]		Pension[4]		Total remuneration		Fixed vs. variable remuneration[5]	
	€ thousand	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Frans Muller	Costs (IFRS)	**1,257**	1,209	**1,388**	1,432	**411**	418	**2,692**	3,027	**51**	50	**5,799**	6,136	**24%-76%**	21%–79%
	Entitlement[6]							**4,207**	3,464			**7,314**	6,573	**18%-82%**	20%–80%
Jolanda Poots-Bijl[7]	Costs (IFRS)	**693**	165	**765**	196	**156**	35	**237**	45	**121**	(1)	**1,972**	440	**41%-59%**	41%–59%
	Entitlement							**—**	—			**1,735**	395	**48%-52%**	46%–54%
JJ Fleeman[8]	Costs (IFRS)	**790**	531	**872**	629	**193**	116	**930**	712	**150**	91	**2,935**	2,079	**30%-70%**	28%–72%
	Entitlement[6,8]							**713**	661			**2,718**	2,028	**33%-67%**	29%–71%
Claude Sarrailh[9]	Costs (IFRS)	**212**	**—**	**235**	—	**166**	—	**14**	—	**—**	—	**627**	—	**46%-54%**	NA
	Entitlement[6]							**—**	—			**613**	—	**47%-53%**	NA
Former Management Board Members															
Wouter Kolk	Costs (IFRS)	**792**	769	**875**	911	**250**	248	**1,767**	1,248	**67**	39	**3,751**	3,215	**23%-77%**	26%–74%
	Entitlement[6]							**1,737**	1,440			**3,721**	3,407	**23%-77%**	25%–75%

1. The 2024 EIP represents accrued annual cash incentives payable in 2025, subject to AGM approval of the financial statements.
2. Category "Other" mainly includes gross allowances for net pension, tax compensation (tax equalization charges or refunds), allowances for housing expenses, relocation costs, international school fees, employer's contributions to social security plans, benefits in kind such as company cars, tax advice, medical expenses and the associated tax gross-up.
3. The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2024 reflects this year's portion of the share grants over the previous four years (plans 2021 to 2024).
4. Pension costs are the total net periodic pension costs of the applicable pension plans.
5. Fixed pay comprises the base salary. Variable pay comprises the annual cash incentive plan and the long-term share-based plan.
6. The 2024 entitlement value for the long-term share-based plan is the estimated value based on the closing share price as of the last trading day of the financial year (December 27, 2024) of €31.38 as presented in the table *2022 GRO share grant (to vest in 2025)*. The actual value will be determined at vesting on April 10, 2025. The 2023 entitlement value for the long-term share-based program is the value of the 2021 grant, which vested in 2024, measured per the last trading day of the financial year 2023.
7. The 2023 remuneration reflects the amount received for the period of Jolanda Poots-Bijl's appointment to the Management Board as per October 1, 2023, until the end of the year.
8. JJ Fleeman's 2024 remuneration has been converted from U.S. dollars into euros using the 2024 year-to-date average dollar-euro exchange rate of €1 = $0.9242. The 2023 and 2024 GRO entitlement values relate to JJ Fleeman's 2021 and 2022 GRO grants, respectively, which were granted to him in the capacity of associate. The estimated entitlement value is not pro-rated.
9. The 2024 remuneration reflects the amount received for the period of Claude Sarrailh's appointment to the Management Board as per October 1, 2024, until the end of the year.

Remuneration continued
2024 Management Board remuneration continued

Management Board remuneration in context

This section places the remuneration of the members of the Management Board and its development over time in the broader context of the remuneration of associates, the Company's performance and (for the CEO) external peers.

Internal context

Associates are at the center of our brands' relationships with customers and communities. In establishing the employment conditions of their associates, our brands set compensation and benefits levels in line with job-level and local market practices and regularly review remuneration practices, considering societal and market dynamics as well as economic conditions. For the majority of associates, remuneration is based on collective bargaining agreements structured primarily as fixed annual salaries or hourly wages. In addition, store managers and general management associates are eligible to receive a performance-based annual bonus. Associates in senior management positions are eligible for performance-based annual bonuses as well as Ahold Delhaize performance share grants that are linked to the long-term goals of the Company. We consistently apply this approach to our Management Board, whereby we determine remuneration by establishing a relevant reference market, determining the target level within that reference market, and setting a variable-to-fixed ratio that is reflective of our performance culture.

As a large part of the remuneration of the Management Board is linked to the business performance, the ratio between the total remuneration of the respective members of the Management Board and the average remuneration of all associates across the Group will be strongly influenced by the overall business performance of our Company. Therefore, in years of strong performance, the ratio within the Company is likely to be higher than in years of below-target performance.

The following table sets out the total remuneration for the members of the Management Board, the average remuneration of all associates across the Group, and the overall annual performance multiplier and long-term incentive vesting outcomes for 2020 through 2024. To ensure consistency with our standing disclosure practice and to allow for external comparison, the Management Board remuneration detailed at the right reflects the remuneration costs expensed per Management Board member for the respective year. Likewise, the average remuneration of all associates is calculated as the total (IFRS-based) labor costs divided by the number of associates on an FTE basis.

In accordance with the guidance provided by the Monitoring Committee Dutch Corporate Governance Code, contracted personnel are taken into account in this calculation.

Management Board remuneration and Company performance

€ thousand	2024	% change	2023	% change	2022	% change	2021	% change	2020
Management Board remuneration									
CEO	**5,799**	(5)%	6,136	(6)%	6,519	14%	5,718	(5)%	6,024
CFO[1,2]	**1,972**	943%	189	(95)%	3,529	14%	3,097	(16)%	3,679
CEO Ahold Delhaize USA[3]	**2,935**	(25)%	3,917	(41)%	6,601	36%	4,868	(8)%	5,270
CEO Europe and Indonesia[4]	**3,448**	7 %	3,215	(5)%	3,396	13%	2,996	(5)%	3,142
Average associate remuneration									
Average FTE remuneration[5]	59	7%	55	8%	51	18 %	43	(14%)	50
Company performance									
Annual cash incentive plan (EIP) overall performance multiplier[6]	**110%**	(8)%	119%	(5)%	125%	— %	125%	(17)%	150%
Long-term share-based program (GRO) overall performance multiplier[7]	**123%**	3%	120%	(9)%	132%	5%	126%	8%	117%

1. From October 1, 2023, up to and including December 31, 2024, CFO refers to Jolanda Poots-Bijl. From April 8, 2020, up to and including July 10, 2023, CFO refers to Natalie Knight. From January 1, 2020, up to April 8, 2020, CFO refers to Jeff Carr.
2. In 2023, there was a release of share-based compensation expense for Natalie Knight. For 2023, there are no full year values available, as there is a gap between Jolanda Poots-Bijl's start date and Natalie Knight's termination date. As a result, the remuneration for the CFO significantly dropped.
3. From April 12, 2023, up to and including December 31, 2024, CEO Ahold Delhaize USA refers to JJ Fleeman. From January 1, 2020, up to April 12, 2023, CEO Ahold Delhaize USA refers to Kevin Holt.
4. From October 1, 2024, up to and including December 31, 2024, CEO Europe and Indonesia refers to Claude Sarrailh. From January 1, 2020, up to September 30, 2024, CEO Europe and Indonesia refers to Wouter Kolk.
5. In 2020, Ahold Delhaize recorded a $1.7 billion (€1.4 billion) expense for incremental pension liabilities due to the withdrawal and settlement agreements of several U.S. MEPs. If this expense was excluded, the average FTE remuneration would be €44 thousand. In 2024, Ahold Delhaize recorded a €277 million expense for incremental pension liabilities in the Netherlands. If this expense was excluded, the average FTE remuneration would be €58 thousand.
6. After careful consideration, the Supervisory Board decided to adjust the 2021 EIP multiplier downward to 125%.
7. The GRO overall performance multiplier reflects the total performance in the three-year performance period.

Remuneration continued
2024 Management Board remuneration continued

The following table details the pay ratio of the CEO, CFO, CEO Ahold Delhaize USA and CEO Europe and Indonesia compared to the average remuneration of associates in our stores, warehouses and support offices worldwide.

Pay ratio internal	2024[1]	2023	2022	2021	2020 [2]	
Chief Executive Officer	98	112	128	132	122	137
Chief Financial Officer[3]	33	3	69	72	74	84
CEO Ahold Delhaize USA[4]	50	71	129	113	106	120
CEO Europe and Indonesia[5]	58	58	67	69	63	72

1. In 2024, Ahold Delhaize recorded a €277 million expense for incremental pension liabilities in the Netherlands. If this expense was excluded, the average FTE remuneration would be €58 thousand. Considering the limited impact on the pay ratios, only the actual pay ratios are shown for 2024.
2. In 2020, Ahold Delhaize recorded a $1.7 billion (€1.4 billion) expense for incremental pension liabilities due to the withdrawal and settlement agreements of several U.S. MEPs. These incremental labor costs increased the average associate remuneration per FTE, impacting the ratio between the total remuneration of the members of the Management Board and the average remuneration of all associates across the Group. To facilitate multi-year comparison, the table shows the 2020 pay ratio including this expense (left) as well as excluding this expense (right).
3. From October 1, 2023, up to and including December 31, 2024, CFO refers to Jolanda Poots-Bijl. From April 8, 2020, up to and including July 10, 2023, CFO refers to Natalie Knight. From January 1, 2020, up to April 8, 2020, CFO refers to Jeff Carr. In 2023, there was a release of share-based compensation expense for Natalie Knight. For 2023, there are no full year values available, as there is a gap between Jolanda Poots-Bijl's start date and Natalie Knight's termination date. As a result, the remuneration for the CFO significantly dropped and the CFO pay ratio does not provide a representative and comparable number.
4. From April 12, 2023, up to and including December 31, 2024, CEO Ahold Delhaize USA refers to JJ Fleeman. From January 1, 2020, up to April 12, 2023, CEO Ahold Delhaize USA refers to Kevin Holt.
5. From October 1, 2024, up to and including December 31, 2024, CEO Europe and Indonesia refers to Claude Sarrailh. From January 1, 2020, up to September 30, 2024, CEO Europe and Indonesia refers to Wouter Kolk.

External context

To put Ahold Delhaize's pay ratio into perspective, the following table and chart illustrate how Ahold Delhaize's CEO pay ratio compares to the CEO pay ratio of the companies in the benchmark peer group. All numbers are based on the publicly disclosed 2023 annual reports of the respective companies. For comparison purposes, the ratios have been calculated using the same methodology as is used to determine Ahold Delhaize's pay ratio.

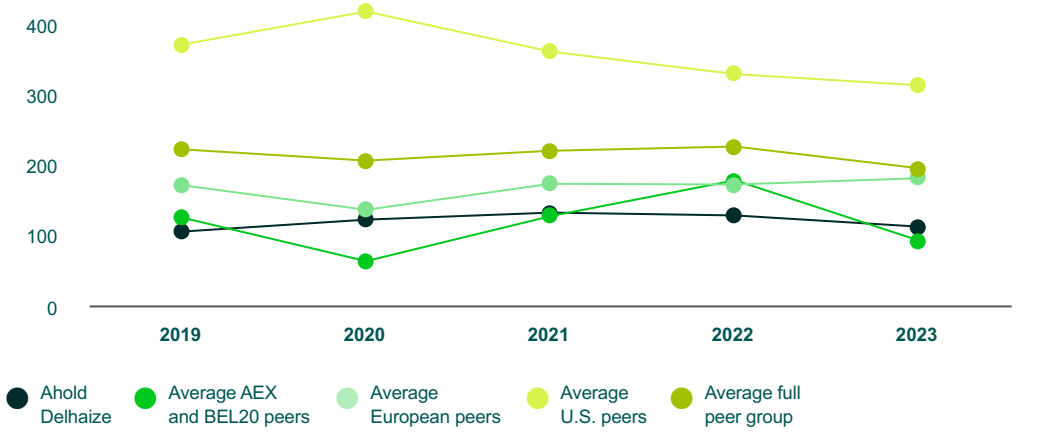
Pay ratio external	2023	2022[1]	2021	2020	2019
Ahold Delhaize	112	128	132	122	105
Average AEX and BEL20 peers[2]	92	178	127	63	125
Average European peers	181	172	173	136	171
Average U.S. peers	313	329	361	418	371
Average full peer group	195	226	220	206	222

1. As of 2022, Danone is included as the replacement for Wm Morrison, following its delisting.
2. The 2022 pay ratio for AEX and BEL20 peers was significantly impacted by one company with a significant increase, which significantly reduced in 2023.

Ahold Delhaize's 2023 pay ratio was lower than the previous year. It is important to note that pay ratios can vary greatly from one industry to another and that, even within the same industry, comparing pay ratios is challenging due to differences in market conditions (e.g., the mix of high- and low-paying countries). In each of the markets, the results are significantly impacted by companies with considerable changes in their ratios (both upwards and downwards) compared to 2022.

In determining the compensation of the Management Board, the Supervisory Board will continue to monitor the development of pay ratios in the Company and in comparison to the benchmark peer group.

Pay ratios: peer group comparison
2019-2023



Remuneration continued
Management board share-based compensation

Performance shares

The following table summarizes the status of the GRO program during 2024 for the individual Management Board members.

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024	Maximum number of shares[3]	Fair value per share at the grant date (€)
Frans Muller											
2021 RoC grant	April 15, 2021	April 11, 2024	April 15, 2026	39,013	—	10,533	49,546	—	—	—	20.25
2021 EPS grant				39,013	—	19,506	58,519	—	—	—	20.25
2021 TSR grant				16,720	—	(16,720)	—	—	—	—	7.41
2021 Sustainability grant				16,720	—	8,360	25,080	—	—	—	20.25
2022 RoC grant	April 13, 2022	April 10, 2025	April 13, 2027	38,166	—	—	—	—	**38,166**	57,249	25.51
2022 EPS grant				27,262	—	—	—	—	**27,262**	40,893	25.51
2022 TSR grant				16,357	—	—	—	—	**16,357**	24,535	14.31
2022 Sustainability grant				27,262	—	—	—	—	**27,262**	40,893	25.51
2023 RoC grant	April 13, 2023	2026 AGM + 1 day	April 13, 2028	41,146	—	—	—	—	**41,146**	61,719	28.02
2023 EPS grant				29,390	—	—	—	—	**29,390**	44,085	28.02
2023 TSR grant				17,634	—	—	—	—	**17,634**	26,451	21.25
2023 Sustainability grant				29,390	—	—	—	—	**29,390**	44,085	28.02
2024 RoC grant	April 11, 2024	2027 AGM + 1 day	April 11, 2029	—	44,718	—	—	—	**44,718**	67,077	23.84
2024 EPS grant				—	31,942	—	—	—	**31,942**	47,913	23.84
2024 TSR grant				—	19,165	—	—	—	**19,165**	28,747	11.34
2024 Sustainability grant				—	31,942	—	—	—	**31,942**	47,913	23.84
Jolanda Poots-Bijl											
2023 RoC grant	April 11, 2024	2026 AGM + 1 day	November 9, 2028	—	5,826	—	—	—	**5,826**	8,739	26.62
2023 EPS grant				—	4,162	—	—	—	**4,162**	6,243	26.62
2023 TSR grant				—	2,497	—	—	—	**2,497**	3,745	20.19
2023 Sustainability grant				—	4,162	—	—	—	**4,162**	6,243	26.62
2024 RoC grant	April 11, 2024	2027 AGM + 1 day	April 11, 2029	—	17,930	—	—	—	**17,930**	26,895	23.84
2024 EPS grant				—	12,807	—	—	—	**12,807**	19,210	23.84
2024 TSR grant				—	7,685	—	—	—	**7,685**	11,527	11.34
2024 Sustainability grant				—	12,807	—	—	—	**12,807**	19,210	23.84

Remuneration continued
Management board share-based compensation continued

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024	Maximum number of shares[3]	Fair value per share at the grant date (€)
JJ Fleeman[4]											
2021 RoC grant				7,446	—	2,010	9,456	—	—	—	20.25
2021 EPS grant	April 15, 2021	April 11, 2024	April 11, 2024	7,446	—	3,723	11,169	—	—	—	20.25
2021 TSR grant				3,192	—	(3,192)	—	—	—	—	7.41
2021 Sustainability grant				3,192	—	1,596	4,788	—	—	—	20.25
2022 RoC grant				6,467	—	—	—	—	**6,467**	9,700	25.51
2022 EPS grant	April 13, 2022	April 10, 2025	April 10, 2025	4,619	—	—	—	—	**4,619**	6,928	25.51
2022 TSR grant				2,772	—	—	—	—	**2,772**	4,158	14.31
2022 Sustainability grant				4,619	—	—	—	—	**4,619**	6,928	25.51
2023 RoC grant				25,997	—	—	—	—	**25,997**	38,995	28.02
2023 EPS grant	April 13, 2023	2026 AGM + 1 day	April 13, 2028	18,569	—	—	—	—	**18,569**	27,853	28.02
2023 TSR grant				11,142	—	—	—	—	**11,142**	16,713	21.25
2023 Sustainability grant				18,569	—	—	—	—	**18,569**	27,853	28.02
2024 RoC grant				—	27,639	—	—	—	**27,639**	41,458	23.84
2024 EPS grant	April 11, 2024	2027 AGM + 1 day	April 11, 2029	—	19,742	—	—	—	**19,742**	29,613	23.84
2024 TSR grant				—	11,845	—	—	—	**11,845**	17,767	11.34
2024 Sustainability grant				—	19,742	—	—	—	**19,742**	29,613	23.84
Claude Sarrailh											
2024 RoC grant				—	5,893	—	—	—	**5,893**	8,839	26.00
2024 EPS grant	November 7, 2024	2027 AGM + 1 day	November 7, 2029	—	4,210	—	—	—	**4,210**	6,315	26.00
2024 TSR grant				—	2,526	—	—	—	**2,526**	3,789	12.36
2024 Sustainability grant				—	4,210	—	—	—	**4,210**	6,315	26.00

Remuneration continued
Management board share-based compensation continued

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024	Maximum number of shares[3]	Fair value per share at the grant date (€)
Former Management Board members											
Wouter Kolk[5]											
2021 RoC grant	April 15, 2021	April 11, 2024	October 1, 2024	16,216	—	4,378	20,594	—	—	—	20.25
2021 EPS grant				16,216	—	8,108	24,324	—	—	—	20.25
2021 TSR grant				6,950	—	(6,950)	—	—	—	—	7.41
2021 Sustainability grant				6,950	—	3,475	10,425	—	—	—	20.25
2022 RoC grant	April 13, 2022	April 10, 2025	April 13, 2027	15,754	—	—	—	—	**15,754**	23,631	25.51
2022 EPS grant				11,253	—	—	—	—	**11,253**	16,879	25.51
2022 TSR grant				6,752	—	—	—	—	**6,752**	10,128	14.31
2022 Sustainability grant				11,253	—	—	—	—	**11,253**	16,879	25.51
2023 RoC grant	April 13, 2023	2026 AGM + 1 day	April 13, 2028	16,661	—	—	—	—	**16,661**	24,991	28.02
2023 EPS grant				11,901	—	—	—	—	**11,901**	17,851	28.02
2023 TSR grant				7,141	—	—	—	—	**7,141**	10,711	21.25
2023 Sustainability grant				11,901	—	—	—	—	**11,901**	17,851	28.02
2024 RoC grant	April 11, 2024	2027 AGM + 1 day	April 11, 2029	—	17,933	—	—	—	**17,933**	26,899	23.84
2024 EPS grant				—	12,809	—	—	—	**12,809**	19,213	23.84
2024 TSR grant				—	7,686	—	—	—	**7,686**	11,529	11.34
2024 Sustainability grant				—	12,809	—	—	—	**12,809**	19,213	23.84
Kevin Holt[6]											
2021 RoC grant	April 15, 2021	April 11, 2024	April 11, 2024	32,107	—	8,668	40,775	—	—	—	20.25
2021 EPS grant				32,107	—	16,053	48,160	—	—	—	20.25
2021 TSR grant				13,760	—	(13,760)	—	—	—	—	7.41
2021 Sustainability grant				13,760	—	6,880	20,640	—	—	—	20.25
2022 RoC grant	April 13, 2022	April 10, 2025	April 13, 2027	32,629	—	—	—	—	**32,629**	48,943	25.51
2022 EPS grant				23,307	—	—	—	—	**23,307**	34,960	25.51
2022 TSR grant				13,984	—	—	—	—	**13,984**	20,976	14.31
2022 Sustainability grant				23,307	—	—	—	—	**23,307**	34,960	25.51

Remuneration continued
Management board share-based compensation continued

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024	Maximum number of shares[3]	Fair value per share at the grant date (€)
Kevin Holt (continued)											
2023 RoC grant	April 13, 2023	2026 AGM + 1 day	2026 AGM + 1 day	36,947	—	—	—	—	**36,947**	55,420	28.02
2023 EPS grant				26,391	—	—	—	—	**26,391**	39,586	28.02
2023 TSR grant				15,835	—	—	—	—	**15,835**	23,752	21.25
2023 Sustainability grant				26,391	—	—	—	—	**26,391**	39,586	28.02
Total Management Board members				881,576	342,687	52,668	323,476	—	**953,455**	1,430,167	

1. Represents the adjustment to the number of performance shares granted resulting from the TSR, RoC, EPS and Sustainability performance.
2. The vesting date of the 2021 grant was April 11, 2024. The share price was €27.46.
3. For the TSR performance grants awarded in 2021, 2022, 2023 and 2024, the maximum number of performance shares that could potentially vest equals 150% of the outstanding performance shares if the Company's ranking is one. For the RoC performance grants, the EPS performance grants and the sustainability performance grants the maximum number of performance shares that could potentially vest equals 150% of outstanding performance shares (as explained in the section *Main characteristics of performance shares granted in 2020 through 2023* from *Note 32*). The minimum number of performance shares that could potentially vest would be nil (as explained in the section *Main characteristics of performance shares granted in 2020 through 2023* from *Note 32*).
4. JJ Fleeman was appointed CEO Ahold Delhaize USA and member of the Management Board at the AGM on April 12, 2023. His share grant for 2021 and 2022 related to his period before his Management Board membership.
5. Wouter Kolk stepped down from the Management Board on September 30, 2024. Wouter Kolk's outstanding shares will vest at the regular vesting dates, in accordance with the Remuneration Policy. The performance measures continue to apply in line with the policy.
6. Kevin Holt stepped down from the Management Board at the AGM on April 12, 2023, and retired from the Company on December 31, 2023. Kevin's outstanding shares will vest at the regular vesting dates, in accordance with the Remuneration Policy. The performance measures continue to apply in line with the policy.

Remuneration continued
Remuneration policy for the Supervisory Board

The remuneration policy for the Supervisory Board was adopted by the General Meeting of Shareholders on April 13, 2022 (96.22% of votes in favor), and became effective retroactively as of January 1, 2022.

Benchmark peer group

As an international company, Ahold Delhaize must remain attractive for top leaders from our industry and beyond to continue to have a strong and diverse Supervisory Board. The competitiveness of the Supervisory Board remuneration levels is benchmarked every three years. In extraordinary circumstances, an intermediate adjustment might be considered.

The benchmark peer group is the same as determined for the Management Board and consists of a total of 18 peer companies in Europe and the United States, including AEX- and BEL20-listed companies. This labor market peer group reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management.

European peers	U.S. peers	AEX and BEL20
Tesco	Kroger	Unilever
Carrefour	Costco	Philips
Metro Cash & Carry	Target	Heineken
Casino Guichard-Perrachon	Walgreens Boots Alliance	Randstad
J Sainsbury	Best Buy	AkzoNobel
Danone	Lowe's Companies	AB InBev

To accommodate potential changes in the labor market peer group due to delistings, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies. In general, geographical composition is leading in replacement determination. For example, if a U.S.-based company is dropped, it is generally replaced by another U.S.-based company.

Remuneration

Given the nature of the Supervisory Board's responsibilities as an independent body, remuneration is not tied to the performance of the Company and, therefore, only comprises fixed remuneration, delivered in cash. In addition to a base fee, members of the Supervisory Board are offered committee fees and travel time compensation contingent upon their activities and responsibilities and an additional fee for meetings outside of regular meetings. All remuneration is denominated and delivered in euros. Currency conversion risks are not covered by the Company.

Annual base fees

The base fees offered to members of the Supervisory Board reflect the Company's size and complexity, as well as the responsibilities of the members and the time spent on their roles.

Chair Supervisory Board	€220,000
Vice Chair	€125,000
Member Supervisory Board	€95,000

Annual committee fees

The Chair and members of the Supervisory Board's committees are offered a supplementary fee for the additional responsibilities they take on.

Chair Audit, Finance and Risk Committee	€32,500
Member Audit, Finance and Risk Committee	€17,500
Chair Remuneration Committee	€30,000
Chair Other Committee	€22,500
Member Other Committee	€15,000

Travel time compensation fee

Supervisory Board members are offered a travel time compensation of €7,500 per intercontinental round trip and €2,500 per continental round trip.

Fee for meetings outside regular meetings

An additional fee of €2,500 per meeting applies for meetings outside the regular meeting cadence to reflect the increasing demand on Supervisory Board members' time.

Shareholding

Members of the Supervisory Board are allowed to hold (privately acquired) shares in the Company.

Pensions and other contract terms

Pension

Members of the Supervisory Board are not eligible to participate in any benefits program offered by the Company to its associates, including, but not limited to, pension plans.

Loans

Ahold Delhaize does not provide loans or advances to members of the Supervisory Board. No loans or advances are outstanding. Ahold Delhaize does not issue guarantees to the benefit of members of the Supervisory Board. No such guarantees are outstanding.

Remuneration continued
Remuneration policy for the supervisory board continued

Term

Members of the Supervisory Board shall be on the Supervisory Board for a maximum period of four years and shall thereafter be eligible for reappointment for another four-year period. The member of the Supervisory Board may then be reappointed for a period of two years, which appointment may be extended by, at most, two years.

Resignation

Members of the Supervisory Board shall resign in accordance with the retirement schedule prepared by the Supervisory Board. No notice period or termination fees are applicable.

The remuneration paid to the members of the Supervisory Board in 2024 was in accordance with the Remuneration Policy for the Supervisory Board. The following table outlines the total remuneration for the members of the Supervisory Board for 2020 through 2024.

€ thousand[1,2]	2024	2023	2022	2021	2020
Peter Agnefjäll (reappointed in 2023)[3]	**270**	278	278	230	138
Bill McEwan (reappointed in 2024)[3]	**183**	189	208	162	150
Katie Doyle (reappointed in 2023)	**168**	165	168	133	126
Helen Weir (reappointed in 2024)[3]	**155**	163	160	128	88
Frank van Zanten (reappointed in 2024)	**138**	153	153	117	83
Jan Zijderveld (appointed in 2021)	**145**	155	153	93	—
Pauline van der Meer Mohr (appointed in 2022)	**161**	158	118	—	—
Julia Vander Ploeg (appointed in 2023)	**160**	112	—	—	—
Laura Miller (appointed in 2024)	**115**	—	—	—	—
Robert Jan van de Kraats (appointed in 2024)	**118**	—	—	—	—
René Hooft Graafland (retired in 2024)	**48**	170	160	134	129
Bala Subramanian (stepped down as of AGM 2023)	**—**	43	158	89	—
Mary Anne Citrino (stepped down as of AGM 2022)	**—**	—	41	125	119
Ben Noteboom (retired in 2021)	**—**	—	—	35	109
Dominique Leroy (retired in 2021)	**—**	—	—	30	116
Jan Hommen (retired on December 31, 2020)	**—**	—	—	—	223
Jacques de Vaucleroy (retired in 2020)	**—**	—	—	—	31
Total remuneration Supervisory Board	**1,659**	1,586	1,597	1,276	1,312
Number of Supervisory Board members[4]	**11**	10	10	11	11

1. In the remuneration of the Supervisory Board members, the Company has considered the composition and the responsibilities of the Supervisory Board and its related committees, as well as the responsibilities of its individual members in the respective years.
2. For the members who were appointed or resigned during a year, the remuneration for that respective year reflects a partial year.
3. During 2024, Peter Agnefjäll held 7,200 Ahold Delhaize common shares, Bill McEwan held 7,125 Ahold Delhaize American Depository Receipts common shares and Helen Weir held 1,000 Ahold Delhaize common shares. None of the other Supervisory Board members held Ahold Delhaize shares.
4. These numbers include members who were appointed or resigned during the respective year.

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Consolidated income statement

€ million, except per share data	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023, restated
Net sales	7	**89,356**	88,734
Cost of sales	8	**(65,551)**	(64,880)
Gross profit		**23,805**	23,854
Other income	8	**431**	414
Selling expenses	8	**(17,192)**	(17,320)
General and administrative expenses	8	**(4,261)**	(4,102)
Operating income		**2,784**	2,846
Interest income		**221**	174
Interest expense		**(340)**	(336)
Net interest expense on defined benefit pension plans	24	**(20)**	(17)
Interest accretion to lease liability	33	**(422)**	(382)
Other financial income (expense)		**(1)**	15
Net financial expenses	9	**(562)**	(546)
Income before income taxes		**2,222**	2,300
Income taxes	10	**(481)**	(456)
Share in income of joint ventures and associates	15	**23**	30
Income from continuing operations		**1,764**	1,874
Income (loss) from discontinued operations	5	**—**	—
Net income		**1,764**	1,874
Attributable to:			
Common shareholders		**1,764**	1,874
Non-controlling interests		**—**	—
Net income		**1,764**	1,874
Earnings per share	29		
Net income per share attributable to common shareholders:			
Basic		**1.90**	1.95
Diluted		**1.89**	1.94
Income from continuing operations per share attributable to common shareholders:			
Basic		**1.90**	1.95
Diluted		**1.89**	1.94

The accompanying notes are an integral part of these consolidated financial statements.

Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

Consolidated statement of comprehensive income

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Net income		**1,764**	1,874
Remeasurements of pension plans:			
Remeasurements before taxes – income (loss)	24	**336**	(145)
Income taxes	10	**(86)**	37
Non-realized gains (losses) on debt and equity instruments:			
Fair value result for the year		**(27)**	—
Income taxes	10	**7**	—
Other comprehensive income (loss) that will not be reclassified to profit or loss		**230**	(108)
Currency translation differences in foreign interests:			
Continuing operations		**702**	(393)
Cumulative translation differences transferred to net income		**(10)**	(30)
Income taxes	10	**1**	1
Cash flow hedges:			
Fair value result for the year		**5**	(11)
Transfers to net income		**2**	1
Income taxes	10	**(2)**	3
Non-realized gains (losses) on debt and equity instruments:			
Fair value result for the year		**—**	(1)
Income taxes		**—**	—
Other comprehensive income (loss) of joint ventures – net of income taxes:			
Share of other comprehensive income (loss) from continuing operations	15	**—**	(1)
Other comprehensive income (loss) reclassifiable to profit or loss		**697**	(431)
Total other comprehensive income (loss)		**927**	(539)
Total comprehensive income		**2,691**	1,335
Attributable to:			
Common shareholders		**2,691**	1,335
Non-controlling interests		**—**	—
Total comprehensive income		**2,691**	1,335
Attributable to:			
Continuing operations		**2,691**	1,335
Discontinued operations		**—**	—
Total comprehensive income		**2,691**	1,335

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

€ million	Note	December 29, 2024	December 31, 2023
Assets			
Property, plant and equipment	11	**11,953**	11,647
Right-of-use assets	12	**9,649**	9,483
Investment property	13	**591**	591
Intangible assets	14	**13,420**	12,998
Investments in joint ventures and associates	15	**279**	268
Other non-current financial assets	16	**1,021**	949
Deferred tax assets	10	**161**	196
Other non-current assets		**243**	228
Total non-current assets		**37,316**	36,358
Assets held for sale	5	**49**	205
Inventories	17	**4,797**	4,583
Receivables	18	**2,721**	2,488
Other current financial assets	19	**323**	302
Income taxes receivable		**95**	68
Prepaid expenses and other current assets		**373**	332
Cash and cash equivalents	20	**6,169**	3,484
Total current assets		**14,526**	11,463
Total assets		**51,842**	47,821
Equity and liabilities			
Equity attributable to common shareholders	21	**15,454**	14,755
Loans	22	**5,175**	4,137
Other non-current financial liabilities	23	**11,103**	10,801
Pensions and other post-employment benefits	24	**553**	792
Deferred tax liabilities	10	**1,051**	925
Provisions	25	**1,042**	764
Other non-current liabilities		**68**	37
Total non-current liabilities		**18,992**	17,456
Liabilities related to assets held for sale	5	**5**	—
Accounts payable		**8,524**	8,278
Other current financial liabilities	26	**4,610**	3,275
Income taxes payable		**104**	114
Provisions	25	**569**	492
Other current liabilities	27	**3,583**	3,451
Total current liabilities		**17,396**	15,610
Total equity and liabilities		**51,842**	47,821

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

€ million	Note	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings[1]	Equity attributable to common shareholders
Balance as of January 1, 2023		**10**	**9,603**	**595**	**(1)**	**5,198**	**15,405**
Net income attributable to common shareholders		—	—	—	—	1,874	1,874
Other comprehensive income (loss) attributable to common shareholders		—	—	(422)	(8)	(109)	(539)
Total comprehensive income (loss) attributable to common shareholders		—	—	(422)	(8)	1,765	1,335
Dividends		—	—	—	—	(1,044)	(1,044)
Share buyback		—	—	—	—	(999)	(999)
Cancellation of treasury shares		—	(1,189)	—	—	1,190	—
Share-based payments		—	—	—	—	57	57
Other items		—	—	—	—	—	—
Balance as of December 31, 2023	*21*	**10**	**8,413**	**173**	**(9)**	**6,168**	**14,755**
Net income attributable to common shareholders		**—**	**—**	**—**	**—**	**1,764**	**1,764**
Other comprehensive income (loss) attributable to common shareholders		**—**	**—**	**693**	**5**	**230**	**927**
Total comprehensive income (loss) attributable to common shareholders		**—**	**—**	**693**	**5**	**1,993**	**2,691**
Dividends		**—**	**—**	**—**	**—**	**(1,037)**	**(1,037)**
Share buyback		**—**	**—**	**—**	**—**	**(1,000)**	**(1,000)**
Cancellation of treasury shares		**—**	**(897)**	**—**	**—**	**898**	**—**
Share-based payments		**—**	**—**	**—**	**—**	**45**	**45**
Other items		**—**	**—**	**—**	**—**	**—**	**—**
Balance as of December 29, 2024	*21*	**9**	**7,516**	**866**	**(4)**	**7,067**	**15,454**

1. Other reserves include, among others, the remeasurements of defined benefit plans.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Income from continuing operations		**1,764**	1,874
Adjustments for:			
Net financial expenses	9	**562**	546
Income taxes	10	**481**	456
Share in income of joint ventures and associates	15	**(23)**	(30)
Depreciation, amortization and impairments	8	**3,706**	3,844
(Gains) losses on leases and the sale of assets / disposal groups held for sale		**172**	177
Share-based compensation expenses	32	**42**	53
Operating cash flows before changes in operating assets and liabilities		**6,703**	6,921
Changes in working capital:			
Changes in inventories		**(30)**	(88)
Changes in receivables and other current assets		**(220)**	(205)
Changes in payables and other current liabilities		**143**	243
Changes in other non-current assets, other non-current liabilities and provisions		**97**	(204)
Cash generated from operations		**6,693**	6,667
Income taxes paid – net	10	**(470)**	(200)
Operating cash flows from continuing operations		**6,224**	6,466
Operating cash flows from discontinued operations		**—**	—
Net cash from operating activities		**6,224**	6,466
Purchase of non-current assets		**(2,299)**	(2,434)
Divestments of assets / disposal groups held for sale		**250**	136
Acquisition of businesses, net of cash acquired	28	**(26)**	(34)
Divestment of businesses, net of cash divested	28	**21**	(130)
Dividends received from joint ventures	15	**22**	22
Interest received		**196**	160
Lease payments received on lease receivables		**125**	117
Cash received from sale of equity / debt instruments		**—**	125
Other	28	**(16)**	(171)
Investing cash flows from continuing operations		**(1,727)**	(2,209)
Investing cash flows from discontinued operations		**—**	—
Net cash from investing activities		**(1,727)**	(2,209)
Proceeds from long-term debt	28	**1,594**	500
Interest paid		**(230)**	(226)
Repayments of loans	28	**(782)**	(291)
Changes in short-term loans	28	**1,217**	97
Repayment of lease liabilities	28	**(1,743)**	(1,815)
Dividends paid on common shares	21	**(1,037)**	(1,044)
Share buyback	21	**(1,000)**	(999)
Other cash flows from derivatives	28	**—**	—
Other		**(1)**	(3)
Financing cash flows from continuing operations		**(1,983)**	(3,781)
Financing cash flows from discontinued operations		**—**	—
Net cash from financing activities		**(1,983)**	(3,781)
Net cash from operating, investing and financing activities		**2,514**	475
Cash and cash equivalents at the beginning of the year (excluding restricted cash)		**3,475**	3,054
Effect of exchange rates on cash and cash equivalents		**168**	(54)
Cash and cash equivalents at the end of the year (excluding restricted cash)	28	**6,157**	3,475

The accompanying notes are an integral part of these consolidated financial statements.

notes to the consolidated financial statements

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Notes to the consolidated financial statements

1 The Company and its operations

The principal activity of Koninklijke Ahold Delhaize N.V. (“Ahold Delhaize” or the “Company” or “Group”), a public limited liability company with its registered seat and head office in Zaandam, the Netherlands, is the operation of retail food stores and e-commerce primarily in the United States and Europe. The Company is registered with the Dutch Trade Register under number 35000363.

On February 25, 2025, the Management Board authorized the financial statements. The financial statements, as presented in this Annual Report, are subject to adoption by the Ahold Delhaize General Meeting of Shareholders. The Company has the ability to amend and reissue the financial statements up to the moment the financial statements have been adopted by the General Meeting of Shareholders.

Ahold Delhaize’s significant subsidiaries, joint ventures and associates are listed in *Note 35*.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Historical cost is used as the measurement basis unless otherwise indicated. The financial statements have been prepared on the basis of the going concern assumption.

Ahold Delhaize’s financial year is a 52- or 53-week period ending on the Sunday nearest to December 31 for the Company and our European operations, or the Saturday before the Sunday nearest to December 31 for our operations in the United States. The financial year 2024 consisted of 52 weeks and ended on December 29, 2024. The comparative financial year 2023 consisted of 52 weeks and ended on December 31, 2023.

These consolidated financial statements are presented in millions of euros (€), unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided.

2 Basis of preparation continued

The following exchange rates of the euro (€) against the U.S. dollar ($), the Czech crown (CZK), the Romanian leu (RON) and the Serbian dinar (RSD) have been used in the preparation of these financial statements:

	2024	2023
U.S. dollar		
Average exchange rate	**0.9242**	0.9248
Year-end closing exchange rate	**0.9591**	0.9059
Czech crown		
Average exchange rate	**0.0398**	0.0417
Year-end closing exchange rate	**0.0397**	0.0405
Romanian leu		
Average exchange rate	**0.2010**	0.2022
Year-end closing exchange rate	**0.2009**	0.2010
Serbian dinar		
Average exchange rate	**0.0085**	0.0085
Year-end closing exchange rate	**0.0086**	0.0085

Significant estimates, assumptions and judgments

The preparation of financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities which, by definition, will seldom equal the actual results. All assumptions, expectations and forecasts used as a basis for certain estimates within these financial statements represent good faith assessments of Ahold Delhaize's current and future performance for which management believes there is a reasonable basis. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted.

Information on the estimates, assumptions and judgments that management considers most critical is included in the notes as listed below.

Area	Note	Description	Judgments[1]	Estimates[2]
Vendor allowances	8	Expenses and other income by nature	✓	✓
	17	Inventories		
	18	Receivables		
Income taxes	10	Income taxes	✓	✓
	34	Commitments and contingencies		
Intangible assets	4	Acquisitions	✓	✓
	14	Intangible assets		
Leases and sale and leaseback transactions	12	Right-of-use assets	✓	✓
	33	Leases		
Impairments	6	Segment reporting	✓	✓
	8	Expenses by nature		
	11	Property, plant and equipment		
	12	Right-of-use assets		
	13	Investment property		
	14	Intangible assets		
Company and multi-employer pension obligations	24	Pensions and other post-employment benefits	✓	✓
Provisions and contingencies	25	Provisions	✓	✓
	34	Commitments and contingencies		
Derivatives	30	Financial risk management and financial instruments		✓

1. In applying Ahold Delhaize's accounting policies, management makes judgments that may have a significant effect on the amounts recognized in the financial statements (i.e., current recognition).
2. Management makes assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period, which may have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Fair value measurements

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs are unobservable inputs for the asset or liability.

Risks and uncertainties

An integrated comprehensive analysis of the principal risks faced by Ahold Delhaize is included in the *Risks and opportunities* section of this Annual Report. The main risks relate to macroeconomic and sociopolitical developments, the competitive environment, supply chain and business continuity, and climate- and nature-related risks.

2 Basis of preparation continued

Macroeconomic developments and geopolitical tensions

The global economy demonstrated resilience during 2024, with generally stable GDP growth, and the decline in inflation rates, which started at the end of 2022, continued. Ongoing cost-of-living pressures continued to impact household disposable incomes and, simultaneously, in conjunction with competitive pressure, presented challenges in passing cost increases on to prices.

Political developments and the conflicts in Ukraine and Israel/Gaza are causing disruption and uncertainty around global economic prospects, and security risks remain elevated in many regions. While the Group does not have any operations in Ukraine, Israel or Gaza, we performed an assessment of the overall impact of the conflicts on our global risk profile. Currently, we don't see any significant increases in the risk profile of the Company as a whole due to these factors; however, a further escalation of these conflicts or other geopolitical tensions might impact our risk profile more significantly in the future, including impacts related to downward macroeconomic trends and supply chain disruption. We are closely monitoring and assessing the evolution of any potential related impacts on our people and on macroeconomic, operational and supply chain aspects in our brands' markets. See *Risks and opportunities* for further detail on how we manage risks related to these topics, as well as other principal risks.

Climate change

The climate-related risks can be divided into two major categories: risks related to the transition to a lower-carbon economy (transition risks) and risks related to the physical impacts of climate change (physical risks).

- Transition risks: Our financial performance may be affected by the nature, speed and focus of policy, legal, technology and market changes.
- Physical risks: Our financial performance may be affected by changes in the severity and intensity of climate hazards, which may damage Ahold Delhaize assets and/or result in operational and revenue disruption. Shifting climate patterns may also lead to adverse value chain – for example, by impacting water availability, sourcing and quality and food security.

We consider the impact of climate change in assessing whether assets may be impaired or whether the useful life of assets needs to be shortened due to early replacement (see *Note 11* and *Note 14*). We also consider climate-related risks for larger projects and limit financial losses by procuring property damage and business interruption insurance against damage from natural catastrophes and weather-related events, such as floods, hurricanes and winter storms.

Use of estimates

The preparation of these consolidated financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities which, by definition, will seldom equal the actual results. The Company regularly updates its significant assumptions and estimates. In relation to this, current macroeconomic developments and geopolitical tensions primarily impacted the following areas:

Impairments

Cash-generating units (CGUs), to which goodwill and brand names have been allocated, as well as intangible assets under development and other intangible assets with indefinite lives, are tested for impairment annually, or more frequently when there is an indication that the CGU or an asset may be impaired. An impairment trigger assessment is performed on a quarterly basis to determine whether there is an indication, based on either internal or external sources of information, that an asset or a CGU may be impaired.

The Company performed its annual goodwill impairment test in the fourth quarter. Free cash flow projections for the CGUs reflect current macroeconomic circumstances, as well as certain cost-savings initiatives to reduce negative impacts. The weighted average cost of capital (WACC) rates applied are aligned with the current macroeconomic environment. For more information, see *Note 14*.

With regard to non-current assets other than goodwill and other intangible assets with indefinite lives, the Company assessed, on a quarterly basis, whether there was any indication that non-current assets were impaired. Where such indicators of impairment existed, the Company estimated the recoverable amount of the individual asset, where possible, or, otherwise, the CGU to which the asset belonged. The pre-tax discount rates that were applied are aligned with the current economic environment. For more information, see *Note 11*.

Pension obligations and self-insurance provision

The Company's pension and self-insurance provisions were impacted by the increased economic uncertainty and related risks. The impact on the actuarial assumptions used reflects the current economic outlook and is mutually compatible, including estimated future salary increases.

Impairment testing financial assets

The Company measures the loss allowance at an amount equal to the lifetime-expected credit losses for trade receivables, contract assets and lease receivables. An updated assessment of the lifetime-expected credit losses was made based on reasonable and supportable information. The overall impact of the wider macroeconomic developments was not material.

Fair value measurements

Of the Company's categories of financial instruments, only derivatives, investments in debt and certain equity instruments, and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value.

The fair value measurement of the virtual power purchase agreement is categorized within Level 3 of the fair value hierarchy. The Company uses unobservable input data, such as the volume of generated solar power and the price curves of the respective electricity market.

Other fair value measurements are categorized within Level 2 of the fair value hierarchy. The volatility and uncertainty in the financial markets did not materially impact the fair values of these financial assets and liabilities.

3 General accounting policies

Where necessary, accounting policies relating to financial statement captions are included in the relevant notes to the consolidated financial statements. These are presented in a paragraph titled *Accounting policies* at the bottom of each note. The accounting policies outlined in this Note are applied throughout the financial statements.

Consolidation

The consolidated financial statements incorporate the financial figures of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated upon consolidation. Unrealized losses on intra-group transactions are eliminated, unless the transaction provides evidence of an impairment of the assets transferred.

Non-controlling interests are recorded, as appropriate, on the consolidated balance sheet, in the consolidated income statement, and in the consolidated statement of comprehensive income for the non-controlling shareholders' share in the net assets and the income or loss of subsidiaries. Non-controlling shareholders' interest in an acquired subsidiary is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Foreign currency translation

The financial statements of subsidiaries, joint ventures and associates are prepared in their functional currencies, which are determined based on the primary economic environment in which they operate. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates. Exchange differences arising on the settlement and translation of monetary items are included in net income for the period. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are considered as assets and liabilities denominated in the functional currency of the foreign entity.

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the euro are translated into euros using the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the respective periods. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries are included in other comprehensive income and in equity, in the currency translation reserve. Intercompany loans to and from foreign entities for which settlement is neither planned nor likely to occur in the foreseeable future are considered to increase or decrease the net investment in that foreign entity; therefore, the exchange rate differences relating to these loans are also included in other comprehensive income and in equity, in the currency translation reserve.

On the disposal of a foreign operation resulting in loss of control, loss of joint control or loss of significant influence, the related cumulative exchange rate difference that was included in equity is transferred to the consolidated income statement.

Financial alternative performance measures

In presenting and discussing Ahold Delhaize's operating results, management uses certain financial alternative performance measures not defined by IFRS (*Note 6*). These financial alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Financial alternative performance measures do not have a standardized meaning under IFRS and, therefore, may not be comparable to similar measures presented by other companies. Where a non-financial measure is used to calculate an operational or statistical ratio, this is also considered an alternative performance measure. For the definitions of the financial alternative performance measures, see *Definitions and abbreviations*. For reconciliations between financial alternative performance measures and IFRS measures, see *Financial alternative performance measures*.

Change in presentation

As of 2024, media and data income that was previously presented as part of Other income is presented as part of Net sales, as a result of increased media and data activities at Ahold Delhaize. This change results in reclassifications within the income statement. The reclassifications to Ahold Delhaize's 2023 comparative amounts for the changes in presentation are as follows:

Consolidated income statement

€ million	2023, as reported	Changes in presentation	2023, restated
Net sales	88,649	85	88,734
Cost of sales	(64,880)	—	(64,880)
Gross profit	**23,769**	**85**	**23,854**
Other income	499	(85)	414
Selling expenses	(17,320)	—	(17,320)
General and administrative expenses	(4,102)	—	(4,102)
Operating income	**2,846**	**—**	**2,846**

Net sales – Information about geographical areas (Note 6)

€ million	2023, as reported	Changes in presentation	2023, restated
The Netherlands (country of domicile)	18,697	3	18,699
The United States	54,536	73	54,610
Rest of world	15,416	9	15,425
Ahold Delhaize	**88,649**	**85**	**88,734**

3 General accounting policies continued

Net sales (Note 7)

€ million	The United States 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	50,087	—	50,087
Sales to and fees from franchisees and affiliates	—	—	—
Online sales	4,247	—	4,247
Wholesale sales	202	—	202
Other sales	—	73	73
Net sales	**54,536**	**73**	**54,610**

€ million	Europe 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	21,397	—	21,397
Sales to and fees from franchisees and affiliates	7,851	—	7,851
Online sales	4,768	(84)	4,684
Wholesale sales	97	—	97
Other sales	—	96	96
Net sales	**34,113**	**12**	**34,124**

€ million	Ahold Delhaize 2023, as reported	Changes in presentation	2023, restated
Sales from owned stores	71,485	—	71,485
Sales to and fees from franchisees and affiliates	7,851	—	7,851
Online sales	9,015	(84)	8,931
Wholesale sales	298	—	298
Other sales	—	169	169
Net sales	**88,649**	**85**	**88,734**

Other income by nature (Note 8)

€ million	2023, as reported	Changes in presentation	2023, restated
Rent income	162	—	162
Advertising income	21	(21)	—
Other income	316	(64)	252
Total other income	**499**	**(85)**	**414**

New accounting policies effective for 2024

The following amendments and revisions to existing standards became effective for Ahold Delhaize's consolidated financial statements as of January 1, 2024:

- Amendments to IAS 1, "*Classifications of Liabilities as Current or Non-current*" and "Non-current Liabilities with Covenants"
- Amendments to IFRS 16, *"Lease Liability in a Sale and Leaseback"*
- Amendments to IAS 7 and IFRS 7, *"Supplier Finance Arrangement"*

These amendments do not have a significant impact on the Company's consolidated financial statements.

New accounting policies not yet effective for 2024

The IASB has issued several standards, or revisions to standards, that are not yet effective for 2024, but will become effective in coming years.

IFRS 18, "Presentation and Disclosure in Financial Statements"

In April 2024, the IASB issued a new Standard, IFRS 18, "*Presentation and Disclosure in Financial Statements*", which replaces IAS 1, "*Presentation of Financial Statements*". The new Standard carries forward many requirements from IAS 1 unchanged. IFRS 18 is the culmination of the IASB's Primary Financial Statements project and introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"

In December 2024, the IASB issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments to IFRS 9, "*Financial Instruments*" and IFRS 7, "*Financial Instruments: Disclosures"* include:

- Clarifying the application of the "own-use" requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company is currently assessing the impact on its consolidated financial statements.

3 General accounting policies continued

Amendments to IAS 21, "Lack of exchangeability"

In August 2023, the IASB issued amendments to IAS 21. The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines the exchange rate to apply when a currency is not exchangeable. The amendments also require additional information to be disclosed when a currency is not exchangeable. The amendments are effective for annual periods beginning on or after January 1, 2025. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9, "*Financial Instruments*" and IFRS 7, "*Financial Instruments: Disclosures*." The amendments address diversity in accounting practice by making the requirements more understandable and consistent. The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

On July 18, 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are as follows:

- IFRS 1, *"First-time Adoption of International Financial Reporting Standards"*
- IFRS 7, *"Financial Instruments: Disclosures"* and its accompanying *"Guidance on implementing IFRS 7"*
- IFRS 9, *"Financial Instruments"*
- IFRS 10, *"Consolidated Financial Statements"*
- IAS 7, *"Statement of Cash Flows"*

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not anticipate that the application of these amendments will have a significant effect on the future consolidated financial statements.

There are no other IFRSs that have been issued but are not yet effective that are expected to have a material effect on the future consolidated financial statements.

4 Acquisitions

Ahold Delhaize completed acquisitions of various stores in Europe and in the United States for a total purchase consideration of €28 million. The allocation of the fair values of the identifiable assets acquired, liabilities assumed, and goodwill arising from the acquisitions during 2024 is as follows:

€ million	2024
Property, plant and equipment	6
Investment property	—
Other intangible assets	1
Inventories	2
Cash and cash equivalents	—
Net identifiable assets acquired	8
Goodwill	20
Total purchase consideration	28
Purchase consideration – in kind	(2)
Cash acquired (excluding restricted cash)	—
Acquisition of businesses, net of cash acquired	26

Acquisition subsequent to balance sheet date

The intention to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa was announced in 2023. In 2024, the Romanian regulatory authorities approved the acquisition, subject to post-completion obligations regarding the relationships with suppliers in the Romanian retail market and subject to the post-completion obligation to divest 87 stores. The acquisition was completed on January 3, 2025. For more information on this acquisition, see *Note 36*.

Accounting estimates and judgments

Intangible assets acquired in a business acquisition and the financial liability related to non-controlling interest are measured at fair value at the date of the acquisition.

To determine the fair value of intangible assets at the acquisition date, estimates and assumptions are required. The valuation of the identifiable intangible assets involves estimates of expected sales, earnings and/or future cash flows and requires use of key assumptions such as discount rate, royalty rate and growth rates.

The financial liability related to the non-controlling interest is subsequently measured at amortized cost. The measurement of the financial liability involves estimates of the cash flows to settle the non-controlling interest based on the most likely scenario of exercise of related call-and-put options.

Accounting policies

Ahold Delhaize accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and the liabilities assumed. Transaction costs are expensed as incurred. Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

5 Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

€ million	December 29, 2024	December 31, 2023
Non-current assets and disposal groups held for sale	**49**	205
Total assets held for sale	**49**	205
Liabilities related to assets held for sale	**5**	—

Assets held for sale at December 29, 2024, primarily comprises non-current assets of various retail locations in The United States of €0 million (December 31, 2023: €137 million, including predominantly non-current assets of two meat processing facilities) and in Europe of €49 million (December 31, 2023: €68 million). Liabilities of €5 million at December 29, 2024, related to the certain assets held for sale in Europe.

Transformation of Delhaize integrated stores to affiliates

On March 7, 2023, Ahold Delhaize's Belgian brand, Delhaize, announced its intention to transform all of its integrated supermarkets in Belgium (128 stores) into independently operated Delhaize stores to strengthen its position in the country's competitive retail market. Delhaize planned to sell the store assets to the local entrepreneurs, who would become independent operators under the affiliate business model. In the second quarter of 2023, the store assets qualified as assets held for sale. Before they were classified as assets held for sale, Delhaize Belgium recognized a €108 million impairment for the assets based on fair value less costs to sell.

Of these, 33 stores during 2023, and the remaining 95 stores during 2024, were sold and converted into operating affiliate stores. At December 31, 2023, Delhaize Belgium's assets held for sale relating to the aforementioned affiliate business model transformation had a carrying value of €34 million.

FreshDirect

FreshDirect was reported under The United States reportable segment.

Ahold Delhaize acquired FreshDirect, an online grocer based in New York City, in January 2021. In April 2023, Ahold Delhaize began to explore its strategic options for the FreshDirect business. In Q3 2023, Ahold Delhaize recognized an impairment loss of €153 million mainly for FreshDirect's property, plant and equipment based on fair value less costs to sell. The impairment was included in General and administrative expenses in the consolidated income statement.

On November 8, 2023, Ahold Delhaize announced it had entered into an agreement to sell its FreshDirect business to Getir. The business did not qualify as a discontinued operation.

The transaction closed on December 6, 2023. Upon the divestment, Ahold Delhaize recorded a pre-tax loss of €250 million as a result on sale, offset by a net tax benefit of €75 million; these were included within General and administrative expenses and Income taxes in the consolidated income statement, respectively. Divestment of business, net of cash divested, was a negative €144 million. See *Note 28*.

Discontinued operations

Discontinued operations for the years ended 2024 and 2023 included minor adjustments on various past divestments qualified as discontinued operations.

Accounting policies

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the asset's carrying amounts or the fair value less costs of disposal. Depreciation or amortization of an asset ceases when it is classified as held for sale. Equity accounting ceases for an investment in a joint venture or associate when it is classified as held for sale; instead, dividends received are recognized in the consolidated income statement.

A discontinued operation is a component of the Company that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Results from discontinued operations that are clearly identifiable as part of the component disposed of and that will not be recognized subsequent to the disposal are presented separately as a single amount in the consolidated income statement. Results and cash flows from discontinued operations are reclassified for prior periods presented in the financial statements so that the results and cash flows from discontinued operations relate to all operations that have been discontinued as of the balance sheet date for the latest period presented.

6 Segment reporting

Reportable segments

Ahold Delhaize's retail operations are presented in two reportable segments. In addition, Ahold Delhaize Group (formerly "Global Support Office") is presented separately. Ahold Delhaize Group is not considered a reportable segment, as it does not engage in business activities from which it may earn revenues.

Ahold Delhaize's unconsolidated joint ventures JMR – Gestão de Empresas de Retalho, SGPS, S.A. ("JMR") and P.T. Lion Super Indo ("Super Indo") are excluded from the segment information below. See *Note 15* for disclosures related to the unconsolidated joint ventures.

All reportable segments sell a wide range of perishable and non-perishable food and non-food consumer products.

Reportable segment	Operating segments included in the Reportable segment	
The United States[1]	Stop & Shop, Food Lion, The GIANT Company, Hannaford and Giant Food	
Europe	Albert Heijn (the Netherlands and Belgium) bol (the Netherlands and Belgium) Alfa Beta (Greece) Delhaize Serbia (Serbia) Gall & Gall (the Netherlands)	Delhaize (Belgium and Luxembourg) Albert (Czech Republic) Mega Image (Romania) Etos (the Netherlands)

Other	Included in Other
Other retail	Unconsolidated joint ventures JMR (49%) and Super Indo (51%)
Ahold Delhaize Group	Ahold Delhaize Group staff (the Netherlands, Belgium, Switzerland and the United States)

1. The United States also included FreshDirect as an operating segment until it was divested on December 6, 2023.

6 Segment reporting continued

Segment reporting 2024

€ million	The United States	Europe	Total operating segments	Ahold Delhaize Group	Ahold Delhaize
Net sales	54,198	35,158	89,356	—	89,356
Of which: online sales	4,090	5,145	9,235	—	9,235
Operating income (loss)	2,215	906	3,120	(337)	2,784
Adjusted for:					
Impairment losses and reversals – net[2]	154	75	229	—	229
(Gains) losses on leases and the sale of assets – net[3]	(38)	219	181	—	181
Restructuring and related charges and other items[4]	67	137	204	210	414
Adjustments to operating income[1]	*183*	*431*	*614*	*210*	*824*
Underlying operating income (loss)	2,398	1,336	3,734	(127)	3,608
Other segment information					
Additions to non-current assets[5]	2,045	1,632	3,678	22	3,699
Depreciation and amortization[6]	2,053	1,407	3,459	18	3,477
Share-based compensation expenses	21	13	34	8	42

1. Included in General and administrative expenses in the consolidated income statement
2. Net impairments of property, plant and equipment; investment property; right-of-use assets; and intangible assets. Mainly relates to Stop & Shop stores in the U.S. and, in Europe, to intangible assets and impairments related to bol.
3. (Gains) losses on leases and the sale of assets – net mainly relates to the Belgium Future Plan.
4. Restructuring and related charges and other items mainly relates to an amendment to and additional funding for the Dutch pension plan of €72 million in Europe and €206 million in Ahold Delhaize Group (see *Note 24*).
5. Additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets (including assets acquired through business combinations as well as net reassessments and modifications of right-of-use assets).
6. Depreciation and amortization of property, plant and equipment; right-of-use assets; investment property; and intangible assets.

Segment reporting 2023, restated

€ million	The United States	Europe	Total operating segments	Ahold Delhaize Group	Ahold Delhaize
Net sales[7]	54,610	34,124	88,734	—	88,734
Of which: online sales[7]	4,247	4,684	8,931	—	8,931
Operating income (loss)	2,044	870	2,913	(68)	2,846
Adjusted for:					
Impairment losses and reversals – net[2]	228	147	375	—	375
(Gains) losses on leases and the sale of assets – net[3]	220	(40)	180	—	180
Restructuring and related charges and other items[4]	61	143	204	(2)	202
Adjustments to operating income[1]	*509*	*250*	*759*	*(1)*	*758*
Underlying operating income (loss)	2,553	1,120	3,673	(69)	3,604
Other segment information					
Additions to non-current assets[5]	2,157	1,920	4,077	23	4,099
Depreciation and amortization[6]	2,088	1,365	3,453	15	3,469
Share-based compensation expenses	30	13	44	9	53

1. Included in General and administrative expenses in the consolidated income statement
2. Net impairments of property, plant and equipment; investment property; right-of-use assets; and intangible assets. Includes an impairment charge of €153 million for FreshDirect and €108 million related to the Belgium Future Plan.
3. (Gains) losses on leases and the sale of assets – net is mainly driven by the loss on the divestment of FreshDirect.
4. Restructuring and related charges and other items mainly relates to the Belgium Future Plan.
5. Additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets (including assets acquired through business combinations as well as net reassessments and modifications of right-of-use assets).
6. Depreciation and amortization of property, plant and equipment; right-of-use assets; investment property; and intangible assets.
7. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

Information about geographical areas

€ million	The Netherlands (country of domicile)	The United States	Rest of world	Ahold Delhaize
2024				
Net sales[1]	19,112	54,198	16,045	89,356
Non-current assets[2]	6,519	21,920	7,173	35,613
2023, restated				
Net sales[1,3]	18,699	54,610	15,425	88,734
Non-current assets[2]	6,609	20,916	7,194	34,719

1. Net sales are presented based on country of destination.
2. Non-current assets include property, plant and equipment; right-of-use assets; investment property; and intangible assets.
3. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

6 Segment reporting continued

Additional segment information

Segment results do not include significant non-cash items other than depreciation, amortization, reassessments, modifications and additions of right-of-use assets, impairment losses and reversals, and share-based compensation expenses.

Segment information joint ventures – Other retail (JMR and Super Indo)

The information with respect to JMR and Super Indo is presented in *Note 15*.

Accounting estimates and judgments

Reportable segments

Management has applied judgment in determining the key economic characteristics to be assessed for similarities in order to define the reportable segments.

Impairments

For more information on the accounting estimates and judgment policies for impairments, see *Note 11* and *Note 14*.

Accounting policies

The accounting policies used for the segments are the same as the accounting policies used for the consolidated financial statements. Ahold Delhaize's operating segments are its retail operating companies that engage in business activities from which they earn revenues and incur expenses, and whose operating results are regularly reviewed by the Executive Committee to make decisions about resources to be allocated to the segments and to assess their performance. In establishing the reportable segments, certain operating segments with similar economic characteristics have been aggregated. As Ahold Delhaize's operating segments offer similar products using complementary business models, and there is no discernible difference in customer bases, Ahold Delhaize's policy on aggregating its operating segments into reportable segments is based on geography, macroeconomic environment and management oversight.

The segments' performance is evaluated against several measures, of which operating income and underlying operating income are the most important. Underlying operating income is regularly reviewed by the Executive Committee and is defined as total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance. Ahold Delhaize's management believes this measure provides better insight into the underlying operating performance of the Company's operations. This alternative performance measure should be considered in addition to, but not as a substitute for, operating income. Intersegment sales are executed under normal commercial terms and conditions that would also be available to unrelated third parties. There were no material intersegment sales in 2024 or 2023.

7 Net sales

Sales by segment for 2024 are as follows:

€ million	The United States	Europe	Ahold Delhaize
Sales from owned stores	**49,841**	**19,873**	**69,714**
Sales to and fees from franchisees and affiliates	**—**	**9,888**	**9,888**
Online sales	**4,090**	**5,145**	**9,235**
Wholesale sales	**209**	**103**	**312**
Other sales	**58**	**150**	**208**
Net sales	**54,198**	**35,158**	**89,356**

Sales by segment for 2023 (restated) are as follows:

€ million	The United States	Europe	Ahold Delhaize
Sales from owned stores	50,087	21,397	71,485
Sales to and fees from franchisees and affiliates	—	7,851	7,851
Online sales[1]	4,247	4,684	8,931
Wholesale sales	202	97	298
Other sales[1]	73	96	169
Net sales[1]	54,610	34,124	88,734

1. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

Net sales by product category are as follows:

Percentage of net sales	2024	2023, restated
Food: perishable	**44.9%**	44.4%
Food: non-perishable	**35.7%**	35.8%
Non-food	**14.2%**	15.0%
Pharmacy	**3.9%**	3.4%
Gasoline	**1.1%**	1.2%
Media and data	**0.2%**	0.2%
Net sales	**100%**	100%

Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

Accounting estimates and judgments

The recognition of revenue requires estimates regarding the timing of redemption of gift cards and future discounts under bonus and loyalty programs. Consideration received from the customer upon activation of a gift card is deferred until redemption or until the card expires, at which time the liability is recognized as revenue. The Company estimates any gift card non-redemptions and recognizes such breakage on a proportionate basis as redemptions occur.

7 Net sales continued

Accounting policies

Ahold Delhaize generates and recognizes net sales to retail customers as it satisfies its performance obligation at the point of sale in its stores and upon delivery of goods through its online channel. The Company also generates revenues from the sale of products to retail franchisees and affiliates that are recognized upon delivery. Ahold Delhaize recognizes fees from franchisees and affiliates as revenue as services are performed or the granted rights are used. Revenue from the sale of gift cards and gift certificates is recognized when the gift card or gift certificate is redeemed by the retail customer. Future discounts earned by customers in connection with bonus or loyalty cards and other Company-sponsored programs are deferred on the balance sheet at the time of the sale and subsequently recognized in the income statement when redeemed. When the Company expects that gift cards and future discounts under bonus and loyalty programs will not be redeemed, the breakage that is able to be estimated is recognized proportionately as revenue at the time that the Company's performance obligations are satisfied (e.g., as customers redeem their award credits or purchase goods using gift cards or vouchers).

Ahold Delhaize's sales activities do not result in the Company having a material amount of unperformed obligations and, therefore, no contract assets are recognized separately from receivables. The Company does enter into transactions with customers where contract liabilities result from consideration being received from the customer prior to the Company satisfying its performance obligations. These contract liabilities are presented on the balance sheet and in the notes as deferred income and gift card liabilities; see *Note 27*.

Generally, net sales and cost of sales are recorded based on the gross amount received from the customer for products sold and the amount paid to the vendor for products purchased, excluding sales taxes and value-added taxes. However, for certain products or services, such as sales through bol's partner platform and the sale of lottery tickets, third-party prepaid phone cards, stamps and public transportation tickets, Ahold Delhaize acts as an agent and, consequently, records the amount of commission income in its net sales. Net sales also reflect the value of products sold to customers for which the Company anticipates returns from customers, when such returns are considered to be material. Currently, customer returns mainly relate to Ahold Delhaize's online general merchandise sales, and are included in Accrued expenses in *Note 27*. Past customer return practices provide the basis for determining the anticipated returns that the Company is exposed to at the balance sheet date.

8 Expenses and other income by nature

Expenses by nature

The aggregate of cost of sales, selling expenses, and general and administrative expenses is specified by nature as follows:

€ million	2024	2023
Cost of product	**61,831**	61,174
Labor costs	**13,089**	12,875
Other operational expenses	**8,131**	8,153
Depreciation and amortization	**3,477**	3,469
Rent expenses	**65**	75
Impairment losses and reversals – net	**229**	375
(Gains) losses on leases and the sale of assets – net	**181**	180
Total expenses by nature	**87,003**	86,302

(Gains) losses on leases and the sale of assets – net mainly relate to the Belgium Future Plan and, in 2023, the divestment of FreshDirect. For more information about the sale of the Delhaize stores in Belgium, see *Note 5*.

Other income by nature

Other income is specified as follows:

€ million	2024	2023
Rent income	**170**	162
Advertising income[1]	**—**	—
Other income[1]	**261**	252
Total other income	**431**	414

1. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3*).

For more information on rent expenses and rent income, see *Note 33*.

Accounting estimates and judgments

Vendor allowances

When vendor allowances cannot be specifically identified in the purchase price of products, this requires management to apply judgments and estimates, mainly surrounding the timing of when performance obligations have been fulfilled, the volume of purchases that will be made during a period of time, the product remaining in ending inventory, and the probability that funds can be collected from vendors. Using these judgments and estimates, management's practice is to allocate earned vendor allowances between cost of sales and inventory based upon the amount of related product that was sold and the amount that remains in ending inventories. This practice is based on the turnover of the inventories.

8 Expenses and other income by nature continued

Impairments

For more information on the accounting estimates and judgments for impairments, see *Note 11* and *Note 14*.

Accounting policies

Cost of sales

Cost of sales includes the purchase price of the products sold and other costs incurred in bringing the inventories to the location and condition ready for sale. These costs include: costs of purchasing, storing and rent; depreciation of property, plant and equipment and right-of-use assets; salaries; and cost of transporting products, to the extent that it relates to bringing the inventories to the location and condition ready for sale.

Vendor allowances

Ahold Delhaize receives various types of vendor allowances. The most common allowances vendors offer are (i) volume allowances, which are off-invoice or amounts billed back to vendors based on the quantity of products sold to customers or purchased from the vendor and (ii) promotional allowances, which relate to cooperative advertising and market development efforts. Volume allowances are recognized as a reduction of the cost of the related products as they are sold. Promotional allowances are recognized as a reduction of the cost of the related products when the Company has performed the activities specified in the contract with the vendor. If the contract does not specify any performance criteria, the allowance is recognized over the term of the contract.

Vendor allowances are generally deducted from cost of sales, unless there is clear evidence that they should be classified as revenue resulting from the Company providing a distinct good or service to the vendor. Ahold Delhaize recognizes vendor allowances only where there is evidence of a binding arrangement with the vendor, the amount can be estimated reliably and receipt is probable.

Selling expenses

Selling expenses relate to our store and online operations and consist of employees' salaries and wages, store expenses, depreciation related to owned and leased stores, amortization of intangible assets, advertising costs, outbound logistics costs (order fulfillment and delivery cost) and other selling expenses.

General and administrative expenses

General and administrative expenses consist of support office employees' salaries and wages, rent and depreciation of support offices, amortization of intangible assets, impairment losses and reversals, gains and losses on the sale of non-current assets and disposal groups held for sale, restructuring costs, and other general and administrative expenses.

9 Net financial expenses

€ million	2024	2023
Interest income	**221**	174
Interest expense	**(340)**	(336)
Net interest expense on defined benefit pension plans	**(20)**	(17)
Interest accretion to lease liability	**(422)**	(382)
Gains (losses) on foreign exchange	**1**	4
Fair value gains (losses) on financial instruments	**(1)**	3
Other gains (losses)	**—**	7
Other financial income (expense)	**(1)**	15
Net financial expenses	**(562)**	(546)

Interest income relates primarily to interest earned on cash and cash equivalents, short-term cash deposits and similar instruments.

Interest expense relates primarily to notes and financing obligations and also includes:

- Interest accretions to provisions, which mainly consists of interest accretions to the provision for self-insurance in the amount of €53 million (2023: €56 million). For details, see *Note 25*.
- Interest accretion on the Food Employers Labor Relations Association (FELRA) settlement liability of €21 million (2023: €23 million). See *Note 24*.
- Interest expenses on the other long-term financial liabilities of €2 million (2023: €25 million, included the interest accretion on the financial liability for the non-controlling interest of FreshDirect and Cycloon and interest accretion on the Local 1500 Pension Fund withdrawal liability, which were settled in 2023).

Net interest expense on defined benefit pension plans is related to the Company's pension plans being in a net liability position over 2024 and 2023.

Interest accretion to lease liabilities is impacted by interest rates. For more information on leases and the interest accretion thereon, see *Note 33*.

Foreign exchange results arising from the purchase of goods for sale or goods and services consumed in Ahold Delhaize's operations are included in cost of sales or in the appropriate element of operating expenses, respectively. In 2024, the Company recorded a net exchange gain of €2 million in operating income (2023: net exchange gain of €1 million).

Other gains (losses) in 2023 mainly include a €25 million gain on the settlement of the financial liability to acquire the remaining shares in Cycloon, partly offset by a €15 million loss on the loan extinguishment at FreshDirect.

10 Income taxes

Income taxes on continuing operations

The following table specifies the current and deferred tax components of income taxes on continuing operations in the income statement:

€ million	2024	2023
Current income taxes		
Domestic taxes (the Netherlands)	**(105)**	(143)
Foreign taxes		
United States	**(161)**	(201)
Europe – Other	**(158)**	(98)
Total current tax expense	**(424)**	(442)
Deferred income taxes		
Domestic taxes (the Netherlands)	**40**	(37)
Foreign taxes		
United States	**(82)**	(32)
Europe – Other	**(16)**	55
Total deferred tax expense	**(58)**	(14)
Total income taxes on continuing operations	**(481)**	(456)

Effective income tax rate on continuing operations

Ahold Delhaize's effective tax rate in its consolidated income statement differed from the Netherlands' statutory income tax rate of 25.8%. The following table reconciles the statutory income tax rate with the effective income tax rate in the consolidated income statement:

	2024	
	€ million	Tax rate
Income before income taxes	**2,222**	
Income tax expense at statutory tax rate	**(573)**	**25.8%**
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	**93**	**(4.2)%**
Deferred tax income (expense) related to recognition of deferred tax assets – net	**(3)**	**0.1%**
Non-taxable income (expense)	**(3)**	**0.1 %**
Other	**5**	**(0.2)%**
Total income taxes	**(481)**	**21.7%**

	2023	
	€ million	Tax rate
Income before income taxes	2,300	
Income tax expense at statutory tax rate	(593)	25.8%
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	115	(5.0)%
Deferred tax income (expense) related to recognition of deferred tax assets – net	(9)	0.4%
Non-taxable income (expense)	18	(0.8%)
Other	13	(0.6)%
Total income taxes	(456)	19.8%

The rate differential indicates the effect of Ahold Delhaize's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands.

Non-taxable income (expense) for 2023 includes a tax benefit on divestments in the amount of €16 million.

Other includes discrete items, such as one-time transactions, movement in uncertain tax positions and (state) tax rate changes impacting deferred tax in the balance sheet.

OECD Pillar Two model rules

On December 14, 2022, the Council of the EU adopted the Pillar Two directive (the Global Anti-Base Erosion Proposal or "GloBE" – EU Directive 2022/2523). It states that large multinationals will be required to compute their effective tax rate according to the GloBE rules (referred to as GloBE income and GloBE effective tax rate) in each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate in that jurisdiction and the GloBE rate set of 15%.

For Ahold Delhaize, the new rules are applicable as of fiscal year 2024. Ahold Delhaize has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Hence, there are no deferred positions recorded related to Pillar Two. For 2024, Ahold Delhaize does not expect to pay Pillar Two top-up tax for the jurisdictions where we operate.

Income taxes on discontinued operations

Current and deferred income tax related to discontinued operations amounted to nil in 2024 (2023: nil).

10 Income taxes continued

Deferred income tax

The significant components and annual movements of deferred income tax assets and liabilities as of December 29, 2024, and December 31, 2023, are as follows:

€ million	January 1, 2023	Recognized in income statement	Other	December 31, 2023	Recognized in income statement	Other	December 29, 2024
Leases and financings	416	4	(16)	404	**18**	**33**	**455**
Pensions and other (post-)employment benefits	359	(10)	(7)	342	**6**	**(84)**	**264**
Provisions	123	(48)	23	98	**(37)**	**19**	**80**
Interest	65	(3)	(4)	58	**5**	**5**	**68**
Other	21	(17)	12	16	**2**	**(5)**	**13**
Total gross deductible temporary differences	984	(74)	8	918	**(5)**	**(33)**	**880**
Unrecognized deductible temporary differences	(7)	—	3	(4)	**—**	**4**	**—**
Total recognized deductible temporary differences	977	(74)	11	914	**(5)**	**(29)**	**880**
Tax losses and tax credits	346	81	(50)	377	**64**	**(211)**	**230**
Unrecognized tax losses and tax credits	(269)	(8)	47	(230)	**—**	**214**	**(16)**
Total recognized tax losses and tax credits	77	73	(3)	147	**64**	**3**	**214**
Total net deferred tax asset position	1,053	(1)	8	1,061	**58**	**(26)**	**1,093**
Property, plant and equipment and intangible assets	(1,522)	(9)	27	(1,504)	**(100)**	**(59)**	**(1,663)**
Inventories	(289)	(4)	8	(285)	**(16)**	**(18)**	**(320)**
Other	(5)	—	5	—	**—**	**—**	**—**
Total deferred tax liabilities	(1,816)	(13)	40	(1,789)	**(116)**	**(78)**	**(1,983)**
Net deferred tax assets (liabilities)	(763)	(14)	48	(729)	**(58)**	**(104)**	**(890)**

The column Other in the table above includes amounts recorded in equity, acquisitions, divestments and exchange rate differences, as well as reclassifications between deferred tax components and the application of tax losses and tax credits against current year income tax payables.

Deferred income tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. The deferred tax assets and liabilities are presented as non-current assets and liabilities on the balance sheet as follows:

€ million	December 29, 2024	December 31, 2023
Deferred tax assets	**161**	196
Deferred tax liabilities	**(1,051)**	(925)
Net deferred tax liabilities	**(890)**	(729)

10 Income taxes continued

As of December 29, 2024, Ahold Delhaize had operating and capital loss carryforwards of a total nominal amount of €1,439 million (December 31, 2023: €1,963 million). The following table specifies the years in which Ahold Delhaize's operating and capital loss carryforwards and tax credits are scheduled to expire:

€ million	2025	2026	2027	2028	2029	2030–2034	2035–2039	After 2039	Does not expire	Total
Operating and capital losses (nominal value)	65	10	47	49	12	538	58	12	648	**1,439**
Operating and capital losses (tax value)	3	—	2	3	2	29	3	1	162	**206**
Tax credits	1	1	3	2	2	9	4	—	2	**24**
Tax losses and tax credits	5	2	5	5	4	38	7	1	164	**230**
Unrecognized tax losses and tax credits	(3)	(1)	(1)	(2)	—	—	—	(1)	(8)	**(16)**
Total recognized tax losses and tax credits	2	1	4	3	4	38	7	—	156	**214**

The majority of the above-mentioned deferred tax assets relate to tax jurisdictions in which Ahold Delhaize has suffered a tax loss in the current or a preceding period. Operating and capital loss carryforwards related to one jurisdiction may not be used to offset income taxes in other jurisdictions. Of the loss carryforwards, €776 million relates to U.S. state taxes, for which a weighted average tax rate of 5.3% applies.

No deferred income taxes are recognized on undistributed earnings of Ahold Delhaize's subsidiaries and joint ventures, as the undistributed earnings will not be distributed in the foreseeable future. The cumulative amount of undistributed earnings on which the Group has not recognized deferred income taxes was approximately €65 million at December 29, 2024 (December 31, 2023: €67 million).

Income taxes in equity and comprehensive income

Current and deferred income taxes recognized in and transferred from equity and comprehensive income are as follows:

€ million	2024	2023
Remeasurement of pension plans	**(86)**	37
Currency translation differences on loans	**1**	1
Cash flow hedges	**(2)**	3
Non-realized gains (losses) on debt and equity instruments	**7**	—
Share-based compensation	**3**	3
Total	**(77)**	44

Income taxes paid

The following table specifies the income taxes paid per country:

€ million	2024	2023
The United States	**(205)**	(224)
The Netherlands	**(116)**	(188)
Belgium	**(11)**	367
Greece	**7**	(3)
Czech Republic	**(23)**	(13)
Serbia	**(11)**	(14)
Romania	**(17)**	(9)
Switzerland	**(89)**	(112)
Luxembourg	**(5)**	(4)
Total income taxes paid	**(470)**	(200)

In March 2023, Ahold Delhaize signed an agreement with the Belgian tax authorities relating to its tax return over 2018. Based on this agreement, Ahold Delhaize fully recovered its associated outstanding receivable in 2023.

10 Income taxes continued

Taxes accrued

The following table specifies the taxes accrued (current tax) per country:

€ million	2024	2023
The United States	**(161)**	(201)
The Netherlands	**(105)**	(143)
Belgium	**(8)**	(5)
Greece	**(1)**	(2)
Czech Republic	**(25)**	(15)
Serbia	**(10)**	(10)
Romania	**(9)**	(8)
Switzerland	**(100)**	(57)
Luxembourg	**(6)**	(1)
Total income taxes accrued	**(424)**	(442)

Accounting estimates and judgments

The ultimate tax effects of transactions may be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is probable that additional tax will be due or recognizes assets for uncertain tax positions when it is probable that the benefit will flow to the Company and the benefit can be reliably measured. Probability is estimated using the Company's interpretation of legislation and relevant case law and the Company assumes that the taxation authorities have full knowledge of all facts and circumstances.

Management is required to make significant judgment in determining whether deferred tax assets are realizable. The Company determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. The Company assesses and weighs all positive and negative evidence to support this determination. Where utilization is not considered probable, deferred tax assets are not recognized in the balance sheet.

Accounting policies

Income tax expense represents the sum of current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax expense is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date and adjustments for current taxes payable (receivable) for prior years. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets, including deferred tax assets for tax loss carryforward positions and tax credit carryforward positions, are recognized to the extent that it is probable that future taxable income will be available against which temporary differences, unused tax losses or unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are not discounted; they are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxes levied by the same fiscal authority. Current income tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset and when the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The ultimate tax effects of some transactions can be uncertain for a considerable period of time, requiring management to estimate the related current and deferred tax positions. The Company recognizes liabilities for uncertain tax positions when it is probable that additional taxes will be due or recognizes assets for uncertain tax positions when it is probable that the benefit will flow to the Company and the benefit can be reliably measured. To measure the liability for the uncertain tax position, management determines whether uncertainties need to be considered separately or together based on which approach better predicts the resolution of the uncertainty. The Company also recognizes the liability for either the most likely amount or the expected value (probability weighted average), depending on which method it expects to better predict the resolution.

These liabilities are presented as current income taxes payable, except in jurisdictions where prior tax losses are being carried forward to be used to offset future taxes that will be due; in these instances, the liabilities are presented as a reduction of deferred tax assets. Interest accrued on uncertain tax positions is considered to be a financial expense of the Company. Any other adjustments to uncertain tax position liabilities are recognized within Income tax expense.

A (voluntary) tax payment of a disputed amount to the tax authority meets the definition of an asset and is recognized as a current or non-current income tax receivable, depending on the timing of the expected resolution. The payment is an asset for the Company because it will either be refunded by the tax authority or be used to settle the tax liability arising from the resolution of the dispute.

11 Property, plant and equipment

€ million	Buildings and land	Other	Under construction	Total
As of January 1, 2023				
At cost	14,681	11,431	534	26,647
Accumulated depreciation and impairment losses	(7,037)	(7,127)	—	(14,164)
Carrying amount	**7,644**	**4,303**	**534**	**12,482**
Year ended December 31, 2023				
Additions	235	708	929	1,872
Transfers from under construction	637	330	(968)	—
Acquisitions through business combinations	20	1	—	21
Depreciation	(674)	(1,001)	—	(1,675)
Impairment losses	(147)	(196)	—	(343)
Impairment reversals	—	—	—	—
Assets classified (to) from held for sale or sold	(362)	(104)	(4)	(470)
Other movements	(5)	17	(16)	(4)
Exchange rate differences	(146)	(84)	(6)	(237)
Closing carrying amount	**7,202**	**3,974**	**470**	**11,647**
As of December 31, 2023				
At cost	14,487	11,080	470	26,037
Accumulated depreciation and impairment losses	(7,285)	(7,105)	—	(14,390)
Carrying amount	**7,202**	**3,974**	**470**	**11,647**
Year ended December 29, 2024				
Additions	**187**	**730**	**839**	**1,756**
Transfers from under construction	**651**	**350**	**(1,001)**	**(1)**
Acquisitions through business combinations	**4**	**2**	**—**	**6**
Depreciation	**(640)**	**(977)**	**—**	**(1,618)**
Impairment losses	**(80)**	**(37)**	**(15)**	**(133)**
Impairment reversals	**5**	**1**	**—**	**5**
Assets classified (to) from held for sale or sold	**(65)**	**(25)**	**(1)**	**(91)**
Other movements	**(23)**	**8**	**—**	**(15)**
Exchange rate differences	**244**	**145**	**8**	**397**
Closing carrying amount	**7,483**	**4,170**	**300**	**11,953**
As of December 29, 2024				
At cost	**15,315**	**11,998**	**300**	**27,614**
Accumulated depreciation and impairment losses	**(7,832)**	**(7,829)**	**—**	**(15,660)**
Carrying amount	**7,483**	**4,170**	**300**	**11,953**

Buildings and land includes stores, DCs, warehouses and improvements to these assets. Other property, plant and equipment mainly consists of furnishings, machinery and equipment, trucks, trailers and other vehicles. Assets under construction mainly consists of stores and improvements to stores and furnishings, machinery and equipment.

The higher of the value in use or fair value less cost of disposal represents an asset's recoverable amount. The value-in-use method involves estimating future cash flows. The present value of estimated future cash flows has been calculated using pre-tax discount rates ranging between 6.1% and 13.3% (2023: 6.3%-13.8%). Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants and is generally measured by using an income approach or a market approach. The income approach is generally applied by using discounted cash flow projections based on the assets' highest and best use from a market participants' perspective. The market approach requires a comparison of the subject assets to transactions involving comparable assets by using inputs such as bid or ask prices or market multiples.

In 2024, Ahold Delhaize recognized net impairment losses of €127 million for property, plant and equipment (2023: €343 million). These were related to The United States (2024: €93 million, 2023: €210 million) and Europe (2024: €34 million, 2023: €133 million). Net impairment losses in 2024 were recognized mainly for underperforming and closed stores. Net impairment losses recognized in 2023 included mainly impairment charges for FreshDirect in the amount of €141 million, for store assets related to the transformation of Delhaize's integrated stores into affiliates in the amount of €102 million, and for underperforming and closed stores.

The additions to property, plant and equipment include capitalized borrowing costs of €3 million (2023: €2 million). Generally, the capitalization rate used to determine the amount of capitalized borrowing costs is a weighted average of the interest rate applicable to the respective operating companies. This rate ranged between 2.8% and 8.8% (2023: 3.0%-8.1%).

Other movements mainly includes transfers between asset classes and between property, plant and equipment, investment property and intangible assets.

The carrying amount of buildings and land includes amounts related to assets held under financings of €90 million (December 31, 2023: €95 million). Ahold Delhaize does not have legal title to these assets.

Property, plant and equipment with a carrying amount of €5 million (December 31, 2023: €10 million) has been pledged as security for liabilities, mainly for loans.

Accounting estimates and judgments

Judgments are required, to determine not only whether there is an indication that an asset may be impaired, but also whether indications exist that impairment losses previously recognized may no longer exist or may have decreased (impairment reversal). After indications of impairment have been identified, estimates and assumptions are used in the determination of the recoverable amount of a non-current asset. These involve estimates of expected future cash flows (based on future growth rates and remaining useful life) and residual value assumptions, as well as discount rates to calculate the present value of the future cash flows.

11 Property, plant and equipment continued

Accounting policies

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of an asset and borrowing costs incurred during construction. Where applicable, estimated asset retirement costs are added to the cost of an asset. Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be measured reliably. All other subsequent expenditures represent repairs and maintenance and are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful lives of the items of property, plant and equipment, taking into account the estimated residual value. Where an item of property, plant and equipment comprises major components having different useful lives, each such part is depreciated separately.

The ranges of estimated useful lives of property, plant and equipment are:

Land	indefinite
Buildings	30–40 years
Certain structural components of buildings	10–20 years
Finish components of buildings	5–10 years
Machinery and equipment	3–15 years
Other	5–10 years

The useful lives, depreciation method and residual value are reviewed at each balance sheet date and adjusted, if appropriate.

Depreciation of leasehold improvements is calculated on a straight-line basis over either the lease term (including renewal periods when renewal is reasonably assured) or the estimated useful life of the asset, whichever is shorter.

Impairment of non-current assets other than goodwill

Ahold Delhaize assesses on a quarterly basis whether there is any indication that non-current assets may be impaired. If indicators of impairment exist, the Company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which it belongs. Individual stores are considered separate CGUs for impairment testing purposes. The carrying value of the store includes mainly its property, plant and equipment and right-of-use assets (if held under a lease arrangement).

The recoverable amount is the higher of an asset's fair value less costs of disposal or the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The estimated future cash flows exclude lease payments if the CGU is held under a lease arrangement, but include a replacement CapEx if needed to maintain the ongoing operation during the forecast period.

An impairment loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

In subsequent years, the Company assesses whether indications exist that impairment losses previously recognized for non-current assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating income as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

As noted above, companies are required to assess at each reporting date whether there is an indication that a non-current asset may be impaired. One such indicator is significant changes with adverse effects in the technological, market, economic or legal environment in which the company operates that have taken place during the period (or will take place in the near future). Transitioning to a lower-carbon economy may trigger such adverse effects. Therefore, Ahold Delhaize also considers the impact of climate change in assessing whether assets may be impaired or whether the useful life of assets needs to be shortened due to early replacement.

12 Right-of-use assets

€ million	Buildings and land	Other	Total
Carrying amount as of January 1, 2023	**9,423**	**184**	**9,607**
Year ended December 31, 2023			
Additions	494	94	588
Reassessments and modifications to leases	1,077	3	1,080
Acquisitions through business combinations	1	—	1
Depreciation	(1,249)	(63)	(1,311)
Termination of leases	(30)	(4)	(34)
Impairment losses	(8)	—	(8)
Impairment reversals	—	—	—
Assets classified (to) from held for sale or sold	(134)	(11)	(144)
Transfer (to) from right-of-use assets – investment property	(1)	(1)	(2)
Reclassifications (to) from net investment in leases	(92)	—	(92)
Exchange rate differences	(199)	(3)	(201)
Carrying amount as of December 31, 2023	**9,283**	**200**	**9,483**
Year ended December 29, 2024			
Additions	**374**	**112**	**485**
Reassessments and modifications to leases	**877**	**—**	**877**
Depreciation	**(1,247)**	**(63)**	**(1,311)**
Termination of leases	**(37)**	**(4)**	**(40)**
Impairment losses	**(50)**	**—**	**(50)**
Impairment reversals	**2**	**—**	**2**
Transfer (to) from right-of-use assets – investment property	**19**	**(14)**	**6**
Reclassifications (to) from net investment in leases	**(132)**	**—**	**(132)**
Exchange rate differences	**322**	**7**	**329**
Carrying amount as of December 29, 2024	**9,412**	**237**	**9,649**

Buildings and land includes stores, DCs and warehouses. Other mainly consists of furnishings, machinery and equipment and vehicles. Right-of-use assets that meet the criteria of an investment property are included in *Note 13*. For more information on leases, see *Note 33*.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for leases, see *Note 33*, and for impairments, see *Note 11*.

Accounting policies

For more information on the accounting policies for leases, see *Note 33*.

13 Investment property

€ million	Right-of-use asset investment property	Company-owned investment property	Total investment property
As of January 1, 2023			
At cost	710	880	1,590
Accumulated depreciation and impairment losses	(479)	(449)	(928)
Carrying amount	**231**	**430**	**661**
Year ended December 31, 2023			
Additions	5	10	15
Reassessments and modifications to leases	11	—	11
Depreciation	(24)	(20)	(44)
Impairment losses	(2)	(3)	(5)
Termination of leases	(2)	—	(2)
Assets classified (to) from held for sale or sold	—	(14)	(14)
Reclassifications (to) from net investment in leases	(6)	—	(6)
Transfers (to) from right-of-use assets, property, plant and equipment and intangible assets	2	(12)	(10)
Exchange rate differences	(6)	(9)	(15)
Closing carrying amount	**209**	**382**	**591**
As of December 31, 2023			
At cost	628	812	1,440
Accumulated depreciation and impairment losses	(419)	(430)	(849)
Carrying amount	**209**	**382**	**591**

13 Investment property continued

€ million	Right-of-use asset investment property	Company-owned investment property	Total investment property
Year ended December 29, 2024			
Additions	2	11	13
Reassessments and modifications to leases	11	—	11
Acquisitions through business combinations	—	—	—
Depreciation	(23)	(17)	(40)
Impairment losses	(2)	(1)	(4)
Impairment reversals	—	—	—
Termination of leases	(5)	—	(5)
Assets classified (to) from held for sale or sold	—	(11)	(11)
Reclassifications (to) from net investment in leases	(5)	—	(5)
Transfers (to) from right-of-use assets, property, plant and equipment and intangible assets	3	13	15
Exchange rate differences	9	16	24
Closing carrying amount	198	392	591
As of December 29, 2024			
At cost	955	1,039	1,994
Accumulated depreciation and impairment losses	(757)	(647)	(1,403)
Carrying amount	198	392	591

A significant portion of the Company's investment property comprises shopping centers containing both an Ahold Delhaize store and third-party retail units. The third-party retail units generate rental income, but are primarily of strategic importance to Ahold Delhaize in its retail operations. Ahold Delhaize recognizes the part of a shopping center leased to a third-party retailer as investment property, unless it represents an insignificant portion of the property.

The impairment losses recognized were related to The United States (2024: €3 million, 2023: €3 million) and Europe (2024: €0 million, 2023: €2 million).

The Company-owned investment property includes an amount related to assets held under financings of €16 million (December 31, 2023: €16 million). Ahold Delhaize does not have legal title to these assets. At December 29, 2024, there was no investment property pledged as security for liabilities. At December 31, 2023, company-owned investment property with a carrying amount of €15 million was pledged as security for liabilities, mainly for loans.

The fair value of investment property as of December 29, 2024, amounted to approximately €826 million (December 31, 2023: €793 million). Fair value of investment property has generally been measured using an income or market approach. Fair value for right-of-use asset investment property is the fair value of the right-of-use itself, not the fair value of the property under lease. Approximately 75% of Ahold Delhaize's fair value measurements are categorized within Level 2. The most significant inputs into this valuation approach are observable market retail yields and tenant rents to calculate the fair value. The remaining fair value measurements that are categorized within Level 3 primarily include the fair value measurements based on the Company's own valuation methods and the fair value for certain mixed-use properties and properties held for strategic purposes. For certain mixed-use properties and properties held for strategic purposes, Ahold Delhaize cannot determine the fair value of the investment property reliably. In such cases, the fair value is assumed to be equal to the carrying amount.

Rental income from investment property (both company-owned and right-of-use asset) included in the income statement in 2024 amounted to €75 million (2023: €73 million). Direct operating expenses (including repairs and maintenance but excluding depreciation expense) arising from rental-income-generating and non-rent-generating investment property in 2024 amounted to €27 million (2023: €13 million).

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for impairments, see *Note 11*.

Accounting policies

Investment property consists of land and buildings held by Ahold Delhaize to earn rental income or for capital appreciation, or both. These properties are not used by the Company in the ordinary course of business. The Company often owns (or leases) shopping centers containing an Ahold Delhaize as well as third-party retail units. In these cases, the third-party retail units generate rental income, but are primarily of strategic importance for operating purposes to Ahold Delhaize in its retail operations. The Company recognizes the part of an owned (or leased) shopping center that is leased to third-party retailers as investment property, unless it represents an insignificant portion of the property. Land and buildings leased to franchisees are not considered to be investment property, as they contribute directly to Ahold Delhaize's retail operations. Investment property is measured on the same basis as property, plant and equipment.

Right-of-use assets are separately disclosed as a line in the balance sheet, but right-of-use assets that meet the definition of investment property are included in Investment property and separately disclosed in the notes.

14 Intangible assets

€ million	Goodwill	Brand names	Software	Franchisee and affiliate relationships	Customer relationships	Other	Under development	Total
As of January 1, 2023								
At cost	7,990	3,431	2,591	653	228	345	258	15,495
Accumulated amortization and impairment losses	(69)	(103)	(1,692)	(113)	(161)	(176)	(7)	(2,321)
Carrying amount	**7,920**	**3,328**	**900**	**539**	**66**	**169**	**251**	**13,174**
Year ended December 31, 2023								
Additions	—	—	40	—	3	2	440	485
Transfers from under development	—	—	457	—	—	—	(457)	—
Acquisitions through business combinations	24	—	—	—	1	2	—	27
Amortization	—	(2)	(392)	(18)	(10)	(17)	—	(438)
Impairments	—	(1)	(14)	—	(5)	—	(1)	(21)
Impairment reversals	—	—	—	—	—	—	—	—
Assets classified to held for sale or sold	—	—	(3)	—	—	(1)	—	(3)
Other movements[1]	—	—	—	—	—	—	15	15
Exchange rate differences	(157)	(65)	(13)	—	(1)	(3)	(2)	(241)
Closing carrying amount	**7,788**	**3,259**	**976**	**522**	**55**	**153**	**246**	**12,998**
As of December 31, 2023								
At cost	7,796	3,278	2,661	653	216	299	246	15,149
Accumulated amortization and impairment losses	(8)	(19)	(1,686)	(131)	(161)	(146)	—	(2,151)
Carrying amount	**7,788**	**3,259**	**976**	**522**	**55**	**153**	**246**	**12,998**
Year ended December 29, 2024								
Additions	**—**	**—**	**41**	**—**	**1**	**7**	**482**	**531**
Transfers from under development	**—**	**—**	**546**	**—**	**—**	**2**	**(548)**	**—**
Acquisitions through business combinations	**20**	**—**	**—**	**—**	**—**	**1**	**—**	**20**
Amortization	**—**	**(2)**	**(468)**	**(18)**	**(6)**	**(14)**	**(1)**	**(509)**
Impairments	**—**	**(5)**	**(13)**	**—**	**—**	**(1)**	**(29)**	**(49)**
Impairment reversals	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Assets classified to held for sale or sold	**—**	**—**	**(3)**	**—**	**—**	**(3)**	**—**	**(6)**
Other movements[1]	**—**	**—**	**4**	**—**	**—**	**(8)**	**(2)**	**(6)**
Exchange rate differences	**283**	**123**	**24**	**—**	**1**	**5**	**5**	**440**
Closing carrying amount	**8,090**	**3,374**	**1,107**	**504**	**51**	**140**	**152**	**13,420**
As of December 29, 2024								
At cost	**8,098**	**3,401**	**3,081**	**653**	**222**	**301**	**152**	**15,909**
Accumulated amortization and impairment losses	**(8)**	**(27)**	**(1,974)**	**(149)**	**(171)**	**(160)**	**—**	**(2,489)**
Carrying amount	**8,090**	**3,374**	**1,107**	**504**	**51**	**140**	**152**	**13,420**

1. Other movements mainly includes transfers between asset classes and transfers between intangible assets and property, plant and equipment.

14 Intangible assets continued

Goodwill acquired in business combinations is allocated, at acquisition, to the CGUs or groups of CGUs expected to benefit from the business combination.

Brand names include retail brands, as well as an insignificant amount for certain own brands (referring to ranges of products). Retail brands are strong and well-established brands of supermarkets, convenience stores and online stores protected by trademarks that are renewable indefinitely in their relevant markets. There are not believed to be any legal, regulatory or contractual provisions that limit their useful lives. Ahold Delhaize brands play an important role in the Company's business strategy. Ahold Delhaize believes that there is currently no foreseeable limit to the period over which the retail brands are expected to generate net cash inflows, and, therefore, they are assessed to have an indefinite useful life.

Franchisee and affiliate relationships relate to those contractual relationships in our franchisee and affiliate businesses in Greece and Belgium, recognized in connection with the Ahold Delhaize merger. Customer relationships consist primarily of pharmacy scripts and customer lists recognized through the acquisition of bol in 2012. Other mainly includes location development rights, deed restrictions and similar assets. Intangible assets under development relate mainly to software development. Software and software development represent both costs from external purchases and internal development costs.

The carrying amounts of goodwill allocated to Ahold Delhaize's CGUs and brand names recognized from business acquisitions are as follows:

€ million		**Goodwill December 29, 2024**	Goodwill December 31, 2023	**Brand names December 29, 2024**	Brand names December 31, 2023
	Cash-generating unit				
The United States	Stop & Shop	**1,074**	1,015	**—**	**—**
	Food Lion	**1,148**	1,084	**1,385**	**1,309**
	The GIANT Company	**616**	582	**—**	**—**
	Hannaford	**1,971**	1,849	**823**	**778**
	Giant Food	**362**	342	**—**	—
Europe	Albert Heijn (the Netherlands and Belgium)	**1,767**	1,760	**—**	—
	Delhaize (Belgium and Luxembourg)	**439**	439	**786**	786
	bol (the Netherlands and Belgium)	**235**	235	**86**	91
	Albert (Czech Republic)	**183**	187	**—**	—
	Alfa Beta (Greece)	**143**	143	**136**	136
	Mega Image (Romania)	**130**	130	**83**	83
	Delhaize Serbia (Serbia)	**12**	12	**76**	76
	Etos	**8**	8	**—**	—
	Gall & Gall	**1**	1	**—**	—
Total		**8,090**	7,788	**3,374**	3,259

Goodwill impairment testing

In the 2024 annual goodwill impairment test, with the exception of Delhaize, bol and Mega Image, the recoverable amounts of the CGUs were based on value in use.

The cash flow projections used in determining recoverable amounts excluded the lease payments that are considered financing and included replacement CapEx for the right-of-use assets. The carrying values of the CGUs tested included their right-of-use assets.

Value in use is determined using discounted cash flow projections that cover a period of five years and are based on the financial plans approved by the Company's management.

Fair value represents the price that would be received for selling an asset in an orderly transaction between market participants and is generally measured using an income approach and/or a market approach. For Delhaize, bol and Mega Image, the Company used discounted cash flow projections based on the assets' highest and best use from a market participant's perspective, taking financial plans as approved by management as a base (Level 3 valuation). Except for bol, the discounted cash flow projections cover a period of five years. Due to the expected continuation of high growth in the relevant online retail markets, the Company projected cash flows for bol over a 10-year period to better reflect the growth expectations in sales, profitability and cash generation, as the business has not yet reached a steady state.

The terminal value is based on the Gordon growth formula (Free cash flows/(Weighted average cost of capital (WACC) – long-term growth)) where long-term growth was generally assumed to be nil.

The key assumptions for the goodwill impairment test relate to the WACC (hereafter: discount rate), sales growth, operating margin and growth rate (terminal value).

The discount rates are determined based on external market data and reflect specific risks relating to relevant CGUs, the key assumptions used in the cash flow projections, and the composition of the assets and liabilities included in the CGUs' carrying value. The discount rates are as follows:

	Pre-tax discount rate	**Post-tax discount rate**
The U.S. brands	8.3%-9.0%	6.5%
The brands in the Netherlands (excluding bol)	6.4%-6.5%	4.8%
Delhaize	7.6%	5.7%
bol	12.6%	10.1%
Albert (Czech Republic)	7.2%	5.7%
Alfa Beta (Greece)	7.8%	6.2%
Mega Image (Romania)	10.2%	9.0%
Delhaize Serbia (Serbia)	11.6%	8.6%

14 Intangible assets continued

The sales growth rates and operating margins used to estimate future performance are based on past performance and our experience of growth rates and operating margins achievable in Ahold Delhaize's main markets. The sales compound annual growth rates applied in the projected periods ranged between 1.1% and 7.2% for the CGUs. The average operating margins applied in the projected periods ranged between 2.0% and 6.7% for the CGUs. The terminal value to extrapolate cash flows beyond the explicit forecast period included one year of additional growth based on the long-term inflation expectations that ranged between 1.8% and 2.8% for the CGUs; generally no additional growth was assumed thereafter. The long-term growth rates are determined using the long-term inflation expectations, based on external market data.

Key assumptions relating to CGUs to which a significant amount of goodwill or intangible assets with indefinite useful lives is allocated are as follows:

	Pre-tax discount rate	Post-tax discount rate	Growth rate (terminal value)
Stop & Shop	8.3%	6.5%	2.2%
Food Lion	9.0%	6.5%	2.2%
Hannaford	8.9%	6.5%	2.2%
Albert Heijn	6.5%	4.8%	2.0%
Delhaize	7.6%	5.7%	1.9%

Cash flow projections for these CGUs reflect current macroeconomic circumstances, including increases in energy costs and inflation as well as certain cost-saving initiatives to reduce negative impacts. The discount rates applied are aligned with the current macroeconomic environment. For more information, see *Note 2*.

Additional capital investments to mitigate climate-related risks can be phased out over a reasonably long period as part of investments in the normal course of business. Transitioning to a lower-carbon economy is not expected to trigger significant adverse effects on future cash flows.

Given the macroeconomic circumstances, further reasonable negative changes in sales growth, margins and discount rates would not result in impairment of these CGUs, except for Stop & Shop.

In 2024, Stop & Shop reshaped its plans to position the business for growth. The brand focused on multi-year investments in price and the customer value proposition, including customer experience as part of its growth strategy in its markets. In addition, Stop & Shop closed 32 underperforming stores by the beginning of November 2024. The key assumptions used in the discounted cash flow projections are revenue growth and margin development. The sales growth is based on actual experience, expected uplift from price investments and value proposition, and the development of market share. The margin development is based on actual experience and management's long-term projections with the expected leverage of higher sales and cost savings.

The recoverable amount for Stop & Shop exceeds the carrying amount by slightly more than 10%. A sensitivity analysis indicates that the valuation is sensitive to changes in sales growth, operating margins and pre-tax discount rate. The recoverable amount of Stop & Shop would be equal to its carrying amount if compound average sales growth in the projection period were reduced, in absolute terms, by 1.9%, if Stop & Shop's operating margins in the projection period were reduced, in absolute terms, by 0.3%, or if the pre-tax discount rate was, in absolute terms, higher by 1.5%.

Accounting estimates and judgments

Intangible assets

For accounting estimates and judgments relating to intangible assets, see *Note 4*.

Impairments

Judgments are required to determine whether there is an indication that a CGU to which goodwill has been allocated may be impaired. Estimates and assumptions are involved in the determination of the recoverable amount of the CGUs. These include assumptions related to discount rates, cash flow projections (such as sales growth rates, operating margins and growth rates to determine terminal value) and market multiples.

Accounting policies

Goodwill and impairment of goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in the net fair value of the identifiable assets, liabilities and assumed contingent liabilities at the date of acquisition. It is carried at cost less accumulated impairment losses. Goodwill on acquisitions of joint ventures and associates is included in the carrying amount of the investment.

For the purposes of impairment testing, goodwill is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of a business combination. Goodwill is allocated to a CGU (or group of CGUs) representing the lowest level within the Company at which the goodwill is monitored for internal management purposes and is never larger than an operating segment before aggregation. CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the CGU may be impaired. Goodwill on acquisitions of joint ventures and associates is assessed for impairment as part of the investment whenever there is an indication that the investment may be impaired. An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a CGU's fair value less costs of disposal or its value in use. An impairment loss is allocated first to reduce the carrying amount of the goodwill and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On the partial or complete disposal of an operation, the goodwill attributable to that operation is included in the determination of the gain or loss on disposal.

14 Intangible assets continued

Other intangible assets

Separately acquired intangible assets and internally developed software are carried at cost less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are recognized at fair value at the date of acquisition (which is regarded as their cost).

Brand names and customer, franchise and affiliate relationships acquired in business acquisitions are stated at fair value, determined using an income approach. Direct costs related to the development of software for internal use are capitalized only if the costs can be measured reliably, technical feasibility has been established, future economic benefits are probable, and the Company intends to complete development and use the software. All other costs, including all overhead, general and administrative, and training costs, are expensed as incurred.

Amortization is computed using the straight-line method based on estimated useful lives, which are as follows:

Retail brands	indefinite
Own brands	10–15 years
Software	3–10 years
Franchise and affiliate relationships	14–40 years
Customer relationships	7–25 years
Other	5 years–indefinite

The useful lives, amortization method and residual value are reviewed at each balance sheet date and adjusted, if appropriate. Brand names, intangible assets under development and other intangible assets with indefinite lives are assessed for impairment annually or whenever there is an indication that the asset may be impaired.

15 Investments in joint ventures and associates

In 1992, Ahold Delhaize partnered with Jerónimo Martins, SGPS, S.A. in the joint venture JMR – Gestão de Empresas de Retalho, SGPS, S.A. (“JMR”). Ahold Delhaize holds 49% of the shares in JMR and shares equal voting power on JMR’s board of directors with Jerónimo Martins, SGPS, S.A. JMR operates food retail stores in Portugal under the brand name Pingo Doce.

Ahold Delhaize holds 51% of the shares in P.T. Lion Super Indo (“Super Indo”). Super Indo operates supermarkets in Indonesia. Although Ahold Delhaize has a 51% investment in Super Indo, the Company cannot exercise its majority voting rights mainly due to (i) a quorum requirement for the board of directors to decide on critical operating and financing activities and (ii) a requirement for unanimous affirmative decisions in the board of directors on significant and strategic investing and financing matters, such as budgets and business plans and any resolution on the allocation of profits and distribution of dividends.

Therefore, JMR and Super Indo are joint ventures and are accounted for using the equity method. There are no quoted market prices available.

Ahold Delhaize is also a partner in various smaller joint ventures and associates that are individually not material to the Company.

Changes in the carrying amount of Ahold Delhaize’s interest in joint ventures and associates are as follows:

€ million	JMR 2024	Super Indo 2024	Other 2024	Total 2024
Beginning of the year	**168**	**71**	**29**	**268**
Investments in associates	**—**	**—**	**8**	**8**
Share in income (loss) of joint ventures and associates	**9**	**13**	**1**	**23**
Share in other comprehensive income (loss) of joint ventures	**—**	**—**	**—**	**—**
Dividend	**(17)**	**(3)**	**(1)**	**(22)**
Exchange rate differences	**—**	**—**	**2**	**2**
End of the year	**160**	**81**	**38**	**279**

€ million	JMR 2023	Super Indo 2023	Other 2023	Total 2023
Beginning of the year	167	64	30	262
Investments in joint ventures	—	—	—	—
Share in income (loss) of joint ventures	19	10	1	30
Share in other comprehensive income (loss) of joint ventures	—	—	—	(1)
Dividend	(17)	(2)	(2)	(22)
Exchange rate differences	—	(1)	(1)	(2)
End of the year	168	71	29	268

Share in income (loss) from continuing operations for Ahold Delhaize’s interests in all individually immaterial joint ventures was a gain of €2 million (2023: a gain of €1 million) and a loss of €1 million for individually immaterial associates (2023: nil).

15 Investments in joint ventures and associates continued

Set out below is the summarized financial information for JMR and Super Indo (on a 100% basis).

€ million	JMR 2024	JMR 2023	Super Indo 2024	Super Indo 2023
Summarized statement of comprehensive income				
Net sales	**5,712**	5,471	**706**	666
Depreciation and amortization	**(214)**	(188)	**(21)**	(20)
Interest income	**—**	—	**4**	2
Interest expense	**(15)**	(3)	**—**	—
Interest accretion to lease liability	**(26)**	(22)	**(4)**	(3)
Income tax expense	**(2)**	(10)	**(1)**	(4)
Income from continuing operations	**19**	39	**25**	20
Net income	**19**	39	**25**	20
Other comprehensive income (loss)	**—**	(1)	**—**	—
Total comprehensive income	**19**	38	**25**	20

€ million	JMR December 29, 2024	JMR December 31, 2023	Super Indo December 29, 2024	Super Indo December 31, 2023
Summarized balance sheet				
Non-current assets	**2,001**	1,829	**147**	121
Current assets				
Cash and cash equivalents	**31**	94	**127**	108
Other current assets	**508**	483	**91**	78
Total current assets	**539**	577	**218**	186
Non-current liabilities				
Financial liabilities	**452**	384	**51**	46
Other liabilities	**63**	60	**7**	6
Total non-current liabilities	**515**	444	**58**	52
Current liabilities				
Financial liabilities (excluding trade payables)	**395**	200	**7**	7
Other current liabilities	**1,303**	1,419	**159**	127
Total current liabilities	**1,698**	1,619	**166**	134
Net assets	**327**	343	**141**	121

The reconciliation of the summarized financial information presented above to the carrying amount of JMR and Super Indo is as follows:

€ million	JMR 2024	JMR 2023	Super Indo 2024	Super Indo 2023
Opening net assets	**343**	340	**121**	108
Net income	**19**	39	**25**	20
Other comprehensive income (loss)	**—**	(1)	**—**	—
Dividend	**(35)**	(35)	**(6)**	(4)
Exchange rate differences	**—**	—	**1**	(2)
Closing net assets	**327**	343	**141**	121
Interest in joint venture	**49%**	49%	**51%**	51%
Closing net assets included in the carrying value	**160**	168	**72**	62
Goodwill	**—**	—	**9**	9
Carrying value	**160**	168	**81**	71

Commitments and contingent liabilities in respect of joint ventures and associates

Pingo Doce, an indirectly wholly owned subsidiary of JMR in Portugal, is involved in several proceedings, already pending in court, regarding the challenge of decisions by the Portuguese Competition Authority (AdC) on alleged breaches of the respective antitrust laws for some products sold in its stores. Following search-and-seizure actions carried out in late 2016 and early 2017 in several companies operating in the food distribution sector, AdC decided to open several inquiries. Within the scope of these inquiries, AdC issued several statements of objections for alleged anti-competitive practices against various suppliers and retailers, including Pingo Doce. Pingo Doce received 10 statements of objections for alleged anti-competitive practices, consisting of price alignment for certain products. Throughout the course of these investigations, Pingo Doce has fully cooperated with the authorities.

Up to the end of 2023, Pingo Doce was notified of decisions issued by the AdC regarding the 10 above-mentioned proceedings, imposing fines on several retailers and their suppliers, including Pingo Doce. In the case of Pingo Doce, these decisions resulted in the imposition of fines in the amount of €190 million.

Pingo Doce disagrees with these decisions, which it considers to be completely ungrounded. As such, Pingo Doce filed the respective appeals before the Competition, Regulation and Supervision Court (“Tribunal da Concorrência, Regulação e Supervisão”) in accordance with the applicable deadlines. Under the terms of the applicable law, Pingo Doce also requested suspensive effect to the appeals, subject to providing a guarantee, to prevent the immediate payment of the fine. Based on the opinion of its legal counsels and economic advisors, Pingo Doce is fully convinced of the strength and merits of its position. Therefore, no provision was recognized for this imposed fine in Pingo Doce’s accounts.

15 Investments in joint ventures and associates continued

In 2023, a consumer protection association filed class actions against Pingo Doce in respect of damages arising from an alleged discrepancy in prices between what is displayed on the shelf and what appears at the checkout counter in its supermarkets. The safeguarding of the legitimate interests of the consumer is always a priority for Pingo Doce, and therefore, as Pingo Doce is convinced that there is no ground for these actions, it has contested them.

In addition, our JMR joint venture is involved in several tax proceedings that challenge decisions by the Portuguese tax authorities. These tax claims are contested by our JMR joint venture. For these tax claims, JMR issued several bank guarantees for a total amount of €225 million. Ahold Delhaize's indirect share of these JMR-issued guarantees is €110 million, based on our ownership interest.

There are no other significant contingent liabilities or restrictions relating to the Company's interest in the joint ventures and associates. The commitments are presented in *Note 34*.

Accounting policies

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where Ahold Delhaize has both rights to the assets and obligations for the liabilities relating to the arrangement and, therefore, the Company accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where Ahold Delhaize has rights to the net assets of the arrangement and, therefore, the Company equity accounts for its interest.

Associates are entities over which Ahold Delhaize has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is defined as the power to participate in the financial and operating policy decisions of the entity but not control or joint control over those policies. Associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are measured initially at cost and subsequently adjusted for post-acquisition changes in Ahold Delhaize's share of the net assets of the investment (net of any accumulated impairment in the value of individual investments). Where necessary, adjustments are made to the financial figures of joint ventures and associates to ensure consistency with the accounting policies of the Company.

Unrealized gains on transactions between Ahold Delhaize and its joint ventures and associates are eliminated to the extent of the Company's stake in these investments. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

16 Other non-current financial assets

€ million	December 29, 2024	December 31, 2023
Net investment in leases	**576**	538
Reinsurance contract assets	**182**	184
Loans receivable	**147**	116
Defined benefit assets	**69**	51
Derivative financial instruments	**16**	—
Investments in equity instruments	**—**	27
Other	**29**	32
Total other non-current financial assets	**1,021**	949

For more information on the Net investment in leases, see *Note 33*.

Part of the self-insured risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies. At the same time, Ahold Delhaize assumes a share of the reinsurance treaty risks that is measured by Ahold Delhaize's participation percentage in the treaty. The participation percentage is the ratio of premium paid by Ahold Delhaize to the total premium paid by all treaty members. In connection with this pooling arrangement, the Company recognizes reinsurance contract assets and reinsurance contract liabilities (see also *Note 19*, *Note 23* and *Note 26*) on the balance sheet. There were no significant gains or losses related to this pooling arrangement during 2024 or 2023.

Of the non-current loans receivable, €86 million matures in between one and five years and €62 million after five years (December 31, 2023: €44 million in between one and five years and €72 million after five years). The current portion of loans receivable of €14 million (December 31, 2023: €12 million) is included in Other current financial assets (see *Note 19*).

Defined benefit assets at December 29, 2024, represents defined benefit pension plans for which the fair value of plan assets exceeds the present value of the defined benefit obligations. For more information on defined benefit plans, see *Note 24*.

Accounting policies

For more information on the accounting policies for financial assets and reinsurance contract assets, see *Note 30*.

17 Inventories

€ million	December 29, 2024	December 31, 2023
Finished products and merchandise inventories	**4,689**	4,487
Raw materials, packaging materials, technical supplies and other	**107**	97
Total inventories	**4,797**	4,583

In 2024, €2,061 million has been recognized as a write-off of inventories within cost of sales in the income statement (2023: €2,109 million). Write-offs include, among others, spoilage, damaged product, theft and product donated to food banks.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for vendor allowances, see *Note 8*.

Accounting policies

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost consists of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their location and condition ready for sale, net of vendor allowances attributable to inventories. For certain inventories, cost is approximated using the retail method, in which the sales value of the inventories is reduced by the appropriate percentage of gross margin. The cost of inventories is determined using either the first-in, first-out (FIFO) method or the weighted average cost method, depending on their nature or use. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated marketing, distribution and selling expenses.

Included in the value of inventory is an amount representing the estimated value of inventories that have already been sold that the Company expects to be returned for a refund by customers.

Cost of sales

For more information on the accounting policies for cost of sales, see *Note 8*.

Vendor allowances

For more information on the accounting policies for vendor allowances, see *Note 8*.

18 Receivables

€ million	December 29, 2024	December 31, 2023
Trade receivables	**1,472**	1,505
Vendor allowance receivables	**821**	674
Other receivables	**545**	420
	2,838	2,599
Provision for impairment	**(118)**	(111)
Total receivables	**2,721**	2,488

The receivable balances are presented net of accounts payable and subject to an enforceable netting arrangement between the Company and the counterparty. The total effect of netting as of December 29, 2024, is €315 million (December 31, 2023: €319 million).

At December 29, 2024, the aging analysis of receivables was as follows:

			Past due			
€ million	Total	Not past due	0–3 months	3–6 months	6–12 months	> 12 months
Trade receivables	**1,472**	**1,036**	**304**	**30**	**26**	**75**
Vendor allowance receivables	**821**	**656**	**133**	**9**	**9**	**14**
Other receivables	**545**	**363**	**84**	**19**	**20**	**59**
	2,838	**2,055**	**521**	**58**	**56**	**148**
Provision for impairment	**(118)**	**(12)**	**(11)**	**(6)**	**(20)**	**(68)**
Total receivables	**2,721**	**2,043**	**510**	**51**	**36**	**80**
Expected credit loss	**4.1%**	**0.6%**	**2.1%**	**11.1%**	**36.1%**	**45.9%**

At December 31, 2023, the aging analysis of receivables was as follows:

			Past due			
€ million	Total	Not past due	0–3 months	3–6 months	6–12 months	> 12 months
Trade receivables	1,505	1,101	284	22	25	73
Vendor allowance receivables	674	573	67	10	12	12
Other receivables	420	271	59	12	9	69
	2,599	1,945	410	44	45	154
Provision for impairment	(111)	(2)	(14)	(5)	(15)	(75)
Total receivables	2,488	1,943	396	39	31	79
Expected credit loss	4.3%	0.1%	3.5%	11.1%	32.4%	48.9%

18 Receivables continued

The concentration of credit risk with respect to receivables is limited, as the Company's customer base and vendor base are large and unrelated. The Company does not hold any significant collateral on its receivables. Management believes there is no further credit risk provision required in excess of the normal individual and collective impairment assessment, based on the aging analysis performed as of December 29, 2024. For more information about credit risk, see *Note 30*.

The changes in the provision for impairment were as follows:

€ million	2024	2023
Beginning of the year	**(111)**	(104)
Charged to income	**(30)**	(37)
Used	**24**	29
Exchange rate differences	**(1)**	1
End of the year	**(118)**	**(111)**

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for vendor allowances, see *Note 8*.

19 Other current financial assets

€ million	December 29, 2024	December 31, 2023
Derivative financial instruments – current portion	**—**	—
Net investment in leases – current portion (see *Note 33*)	**117**	98
Short-term deposits and similar instruments	**16**	15
Reinsurance contract assets – current portion (see *Note 16*)	**152**	143
Short-term loans receivable	**14**	12
Other	**24**	33
Total other current financial assets	**323**	302

As of December 29, 2024, short-term deposits and similar instruments included short-term investments with a maturity at acquisition of between three and 12 months. Of the short-term deposits and similar instruments as of December 29, 2024, €16 million was restricted (December 31, 2023: €15 million). The restricted investments are held for insurance purposes for U.S. workers' compensation and general liability programs.

At each reporting date, the Company assesses whether there is evidence that a financial asset or group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at amortized costs. In 2024, the Company recognized net impairment charges for these financial assets of €1 million (2023: nil). The net impairments were included in Other gains (losses); see *Note 9*.

Accounting policies

For more information on the accounting policies for financial assets and reinsurance assets, see *Note 30*.

20 Cash and cash equivalents

€ million	December 29, 2024	December 31, 2023
Cash in banks and cash equivalents	**5,852**	3,128
Cash on hand	**317**	356
Total cash and cash equivalents	**6,169**	3,484

Cash and cash equivalents include all cash-on-hand balances, checks, debit and credit card receivables, short-term highly liquid cash investments, and time deposits with original maturities of three months or less. Time deposits and similar instruments with original maturities of more than three months but less than 12 months are classified as Other current financial assets. Bank overdrafts are included in short-term borrowings.

Of the cash and cash equivalents as of December 29, 2024, €12 million was restricted (December 31, 2023: €10 million).

The increase in cash and cash equivalents includes new long-term debt in the amount of €1.6 billion, partly offset by redemption of debt in the amount of €750 million.

Cash and cash equivalents include €1,961 million (December 31, 2023: €767 million) held under a notional cash pooling arrangement that was fully offset by an identical amount included under Other current financial liabilities. From an operational perspective, the balances in the cash pool are netted. However, in accordance with the guidance of IAS 32 regarding the offsetting of debit and credit balances for financial reporting purposes, certain balances have to be presented on a gross basis on the balance sheet (see *Note 26* and *Note 30*).

Ahold Delhaize's banking arrangements allow the Company to fund outstanding checks when presented to the bank for payment. This cash management practice may result in a net cash book overdraft position, which occurs when the total issued checks exceed available cash balances within the Company's cash concentration structure. Such book overdrafts are classified in accounts payable and amounted to €185 million (December 31, 2023: €335 million). No right to offset with other bank balances exists for these book overdraft positions.

Accounting policies

For more information on the accounting policies for cash and cash equivalents, see *Note 30*.

21 Equity attributable to common shareholders

Shares and share capital

Authorized share capital comprises the following classes of shares:

€ million	December 29, 2024	December 31, 2023
Common shares (2024 and 2023: 1,923,515,827 of €0.01 par value each)	**19**	19
Cumulative preferred shares (2024 and 2023: 2,250,000,000 of €0.01 par value each)	**23**	23
Cumulative preferred financing shares (2024 and 2023: 326,484,173 of €0.01 par value each)	**3**	3
Total authorized share capital	**45**	45

Issued share capital

As of December 29, 2024, and December 31, 2023, the common shares comprise 100% of the issued share capital. Ahold Delhaize had no cumulative preferred shares and no cumulative preferred financing shares outstanding as of December 29, 2024, and December 31, 2023.

The holders of common shares are entitled to one vote per share and to participate in the distribution of dividends and liquidation proceeds. Such rights do not apply in respect of treasury shares that are held by the Company.

Common shares and additional paid-in capital

Changes in the number of common shares and the number of treasury shares were as follows:

	Number of common shares issued and fully paid (x 1,000)	Number of treasury shares (x 1,000)	Number of common shares outstanding (x 1,000)
Balance as of January 1, 2023	**993,725**	**16,372**	**977,353**
Share buyback		34,138	(34,138)
Cancellation of treasury shares	(41,360)	(41,360)	—
Share-based payments[1]		(2,799)	2,799
Balance as of December 31, 2023	**952,365**	**6,352**	**946,013**
Share buyback		34,660	(34,660)
Cancellation of treasury shares	(31,872)	(31,872)	—
Share-based payments[1]		(2,230)	2,230
Balance as of December 29, 2024	**920,494**	**6,910**	**913,584**

1. Represents the treasury shares used for the delivery of the shares vested during the year, related to the GRO program (see *Note 32*).

Dividends on common shares

On April 10, 2024, the General Meeting of Shareholders approved the dividend over 2023 of €1.10 per common share. The final dividend for 2023 of €0.61 per common share was paid on April 25, 2024, while the interim dividend for 2023 of €0.49 per common share was paid on August 31, 2023.

On August 7, 2024, the Company announced the interim dividend for 2024 of €0.50 per common share, which was paid on August 29, 2024. In the aggregate, in 2024, the Company paid dividends on common shares in the amount of €1,037 million.

The Management Board, with the approval of the Supervisory Board, proposes that a dividend of €1.17 per common share be paid with respect to 2024. This dividend is subject to approval by the General Meeting of Shareholders. If approved, a final dividend of €0.67 per common share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per common share, which was paid on August 29, 2024. The total dividend payment for the full year 2024 would, therefore, total €1.17 per common share (2023: €1.10).

The final dividend of €0.67 per common share has not been included as a liability on the consolidated balance sheet as of December 29, 2024. The payment of this dividend will not have income tax consequences for the Company.

Share buyback

On January 2, 2024, the Company commenced the €1 billion share buyback program that was announced on November 8, 2023. The program was successfully completed on December 6, 2024.

In total, 34,659,601 of the Company's own shares were repurchased at an average price of €28.85 per share. The share buyback program resulted in a net transactional fee of €0 million.

On December 30, 2024, the Company commenced the €1 billion share buyback program that was announced on November 6, 2024. The program is expected to be completed before the end of 2025.

Share-based payments

Share-based payments recognized in equity in the amount of €45 million (2023: €57 million) relate to the 2024 GRO share-based compensation expenses (see *Note 32*) and the associated current and deferred income taxes.

Cumulative preferred shares

The Company's Articles of Association provide for the possible issuance of cumulative preferred shares. The Company believes that its ability to issue this class of shares could at least delay an attempt by a potential bidder to make a hostile takeover bid, allowing the Company and its stakeholders time to discuss and respond to the offer in an orderly process.

In March 1989, the Company entered into an agreement with the Dutch foundation Stichting Continuïteit Ahold Delhaize (SCAD, previously named Stichting Ahold Continuïteit), as amended and restated in April 1994, March 1997, December 2001, December 2003 and May 2018 (the "Option Agreement"). Pursuant to the Option Agreement, SCAD has been granted an option to acquire cumulative preferred shares from the Company at any time in full or in part.

21 Equity attributable to common shareholders continued

The Option Agreement entitles SCAD, under certain circumstances, to acquire cumulative preferred shares from the Company up to a total par value that is equal to the total par value of all issued and outstanding shares of Ahold Delhaize's share capital, excluding cumulative preferred shares held by SCAD at the time of exercising the option. If the authorized share capital of the Company is amended during the term of the option, the Option Agreement provides for a corresponding change of the total par value of cumulative preferred shares under option.

SCAD is a foundation organized under the laws of the Netherlands. Its purpose under its articles is to safeguard the interests of the Company and its stakeholders and to resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, strategy or identity. SCAD seeks to realize its objectives by acquiring and holding cumulative preferred shares and by exercising the rights attached to these shares, including the voting rights. The SCAD board has four members, who are appointed by the board of SCAD itself.

If the board of SCAD considers acquiring cumulative preferred shares or exercising voting rights on cumulative preferred shares, it will make an independent assessment and, pursuant to Dutch law, it must ensure that its actions are proportional and reasonable. If SCAD acquires cumulative preferred shares, it will only hold them for a limited period of time. These principles are in line with Dutch law, which only allows response measures that are proportionate, reasonable and limited in time. In the case of liquidation, the SCAD board will decide on the use of any remaining residual assets.

The holders of the cumulative preferred shares are entitled to one vote per share and a cumulative dividend expressed as a percentage of the amount called up and paid in to purchase the cumulative preferred shares. The percentage to be applied is the sum of (1) the average basic refinancing transaction interest rate as set by the European Central Bank – measured by the number of days during which that rate was in force in the financial year over which the dividend is paid – plus 2.1%, and (2) the average interest surcharge rate – measured by the number of days during which that rate was in force in the financial year over which the dividend is paid – that would be charged by the largest credit institution in the Netherlands (based on the balance sheet total as of the close of the financial year immediately preceding the financial year over which the dividend is paid). The minimum percentage to be applied is 5.75%. Subject to limited exceptions, any potential transfer of cumulative preferred shares requires the approval of the Management Board. Cumulative preferred shares can only be issued in a registered form. The Company may stipulate that only 25% of the par value will be paid upon subscription to cumulative preferred shares until payment in full is later required by the Company. SCAD would then only be entitled to a market-based interest return on its investment.

Legal reserves

In accordance with the Dutch Civil Code and statutory requirements in other countries, legal reserves have to be established in certain circumstances. Legal reserves are not available for distribution to the Company's shareholders. The currency translation reserve, cash flow hedging reserve and other reserves include non-distributable amounts. Of the total equity as per December 29, 2024, of €15,454 million, an amount of €1,669 million is non-distributable (December 31, 2023: €747 million restated out of total equity of €14,755 million). See *Note 9* to the parent company financial statements for more details on the legal reserves.

Accounting policies

Equity instruments issued by the Company are recorded at the value of proceeds received. Own equity instruments that are bought back (treasury shares) are deducted from equity. When reissued or canceled, shares are removed from the treasury shares on a FIFO basis, and recorded as a reduction of the additional paid-in capital, in accordance with the Company's Articles of Association. Incremental costs that are directly attributable to issuing or buying back own equity instruments are recognized directly in equity, net of the related tax. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

22 Loans and credit facilities

The notes in the table below were either issued by or guaranteed by Ahold Delhaize, unless otherwise noted. The amortization of the purchase price allocation to the debt acquired through business combinations is allocated to the respective maturity brackets.

				December 29, 2024			December 31, 2023		
€ million, unless otherwise stated	ESG feature[3]		Outstanding notional redemption amount	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
EUR 750 notes 0.875%, due 2024		EUR	—	—	—	—	750	—	750
EUR 600 notes 0.250%, due 2025	✓	EUR	600	**600**	—	**600**	—	600	600
USD 16 indebtedness 8.62%, due 2025[1]		USD	1	**1**	—	**1**	13	1	15
EUR 400 notes 3M Euribor + 30bps, due 2026		EUR	400	—	**400**	**400**	—	—	—
EUR 500 notes 1.125%, due 2026		EUR	500	—	**500**	**500**	—	500	500
EUR 500 notes 1.75%, due 2027		EUR	500	—	**500**	**500**	—	500	500
USD 71 notes 8.05%, due 2027		USD	71	**3**	**71**	**74**	2	70	72
EUR 500 notes 3.5%, due 2028	✓	EUR	500		**500**	**500**	—	500	500
USD 500 notes 6.875%, due 2029		USD	500		**457**	**457**	—	432	432
EUR 600 notes 0.375%, due 2030	✓	EUR	600	—	**600**	**600**	—	600	600
EUR 500 notes 3.375%, due 2031	✓	EUR	500	—	**500**	**500**	—	—	—
USD 271 notes 9.00%, due 2031		USD	271	**8**	**308**	**316**	7	298	305
EUR 700 notes 3.875%, due 2036	✓	EUR	700	—	**700**	**700**	—	—	—
USD 470 notes 5.70%, due 2040		USD	470	**3**	**523**	**527**	3	498	501
Deferred financing costs				**(6)**	**(17)**	**(23)**	(7)	(10)	(17)
Total notes				**609**	**5,043**	**5,652**	768	3,989	4,758
Financing obligations[2]				**21**	**132**	**153**	19	144	163
Other loans				—	—	—	—	3	3
Total loans				**630**	**5,175**	**5,805**	787	4,137	4,924

1. The notional amount of these lease notes at the end of 2023 amounted to $16 million and was reduced in 2024 to $1 million as a result of regular bond repayments of $15 million.
2. The weighted average interest rate for the financing obligations was 5.4% at the end of 2024 (2023: 5.9%).
3. Either the bond is linked to Ahold Delhaize achieving certain sustainability targets or its proceeds are allocated to finance or refinance green and/or sustainable assets.

22 Loans and credit facilities continued

On March 4, 2024, Ahold Delhaize announced that it had successfully launched and priced a €1.6 billion multi-tranche EUR transaction. The three maturities include a €400 million two-year floating rate note (FRN) tranche, a €500 million seven-year green tranche, and a €700 million 12-year sustainability-linked tranche. The two-year tranche is priced at three-month Euribor + 30 basis points, the seven-year tranche is priced at 99.297% and carries an annual coupon of 3.375%, and the 12-year tranche is priced at 99.651% and carries an annual coupon of 3.875%. The settlement of the bond issue took place on March 11, 2024.

The Green Bond proceeds will be applied to finance or refinance, in whole or in part, new or existing eligible green projects, in accordance with the Green Finance Framework dated March 6, 2023.

The sustainability-linked tranche is linked to Ahold Delhaize achieving targets in 2030 on the following KPIs:

- 50% reduction in absolute scope 1 and 2 GHG emissions compared to the financial year ending December 30, 2018 (the scope 1 and 2 GHG emissions baseline year)
- 30.3% and 42% reduction in absolute scope 3 FLAG and E&I (non-FLAG) GHG emissions, respectively compared to the financial year ending January 3, 2021 (the scope 3 FLAG and E&I GHG emissions baseline year)
- 50% reduction of food waste compared to the financial year ending January 1, 2017 (the food waste baseline year)

The sustainability-linked feature will result in a coupon adjustment of +25 basis points if Ahold Delhaize's performance does not achieve one or more of the stated KPIs. The sustainability performance reference date is December 29, 2030. Any adjustment to the rate of interest, if applicable, shall take effect and accrue from the interest payment date immediately following March 11, 2032 (i.e., prospectively).

On March 28, 2023, Ahold Delhaize announced that it had successfully launched and priced a €500 million Green Bond, with a term of five years, maturing on April 4, 2028. The issuance was priced at 99.851% and carries an annual coupon of 3.5%. The settlement of the bond issue took place on April 4, 2023. The bond proceeds will finance and refinance Ahold Delhaize's new or existing assets with a positive measurable environmental impact in the following categories:

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Pollution prevention and control

This inaugural Green Bond reinforces the continued alignment of the Company's funding strategy to its sustainability strategy.

The fair values of financial instruments, corresponding derivatives, and the foreign exchange and interest rate risk management policies applied by Ahold Delhaize are disclosed in *Note 30*.

Credit facilities

Ahold Delhaize has access to a €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility. In December 2022, Ahold Delhaize entered into a five-year €1.5 billion credit facility, with two one-year extension options. In 2024, the Company agreed with the lenders to exercise the second option, extending the maturity to December 2029. The Company structured the facility as a sustainability-linked loan, whereby the margin paid is based on the Company's performance on three predefined sustainability targets.

The sustainability KPIs relate to reducing Ahold Delhaize's GHG emissions within its own operations (scope 1 and 2), reducing food waste and helping customers make healthier choices. The facility also includes the opportunity to add scope 3 GHG emissions reduction performance targets by 2025. The facility contains customary covenants and is subject to a financial covenant that requires Ahold Delhaize, if its corporate rating from Standard & Poor's and Moody's is lower than BBB/Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1.

During 2024 and 2023, the Company complied with the covenants and was not required to test the financial covenant because of its credit ratings exceeding the thresholds. As of December 29, 2024, there were no outstanding borrowings under the facility (December 31, 2023: no outstanding borrowings under the facility).

On November 23, 2023, Ahold Delhaize entered into a one-year €1.2 billion committed, unsecured and syndicated bridge facility, with two six-month extension options. The facility related to the acquisition of Profi and was cancelled on March 18, 2024.

Ahold Delhaize has access to other uncommitted credit facilities to cover working capital requirements, issuance of guarantees and letters of credit. As of December 29, 2024, borrowings under these facilities were €268 million (December 31, 2023: €252 million).

23 Other non-current financial liabilities

€ million	December 29, 2024	December 31, 2023
Lease liabilities	**10,809**	10,545
Reinsurance contract liabilities	**162**	169
Other long-term financial liabilities	**103**	48
Derivative financial instruments	**22**	32
Financial guarantees	**7**	8
Total other non-current financial liabilities	**11,103**	10,801

For more information on lease liabilities, see *Note 33*.

The Company recognizes reinsurance liabilities on its balance sheet in connection with a pooling arrangement between unrelated companies (see *Note 16*).

As of December 29, 2024, Other long-term financial liabilities mainly includes a liability in the amount of €100 million related to the Dutch pension plan settlement (see *Note 24)*.

As of December 31, 2023, Other long-term financial liabilities mainly included a settlement liability relating to a 2013 agreement with the New England Teamsters & Trucking Industry Pension Fund (NETTI) to settle Stop & Shop's pension liabilities in the fund in the amount of $48 million (€43 million). This liability will be settled in 2025 and was reclassified as current as of December 29, 2024 (see *Note 26*).

Accounting policies

Financial guarantees

Financial guarantees made by Ahold Delhaize to third parties that may require the Company to incur future cash outflows if called upon to satisfy are recognized at inception as liabilities at fair value. Fair value is measured as the premium received, if any, or calculated using a scenario analysis. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the obligation or the amount initially recognized less cumulative amortization corresponding to the expiration or repayment of the underlying amount guaranteed.

Reinsurance contract liability

For more information on the accounting policies for the reinsurance contract liabilities, see *Note 30*.

24 Pensions and other post-employment benefits

€ million	December 29, 2024	December 31, 2023
Defined benefit liabilities	**193**	440
Other long-term pension plan obligations	**361**	352
Total pension and other post-employment benefits	**553**	792

Post-employment benefits are provided through a number of funded and unfunded defined benefit plans and defined contribution plans, the most significant of which are in the United States and the Netherlands. For more information on the defined benefit liabilities and the other long-term pension plan obligations as presented in the table above, see the sections titled *Defined benefit plans* and *Multi-employer plans (MEPs*). The current portion of Other long-term pension plan obligations in the amount of €41 million is included in *Note 27* (December 31, 2023: €39 million).

The following table provides an overview of the pension and Other post-employment benefit expenses recorded in the income statement:

€ million	2024	2023
Defined benefit costs	**246**	215
Defined benefit costs – Dutch plan settlement	**227**	—
Total defined benefit costs (see section *Defined benefit plans)*	**473**	215
Defined benefit plan – Dutch plan transition costs	**50**	—
Defined contribution plans (see section *Defined contribution plans)*	**160**	155
MEPs (see section *Multi-employer plans (MEPs)*):		
Defined benefit plans	**22**	21
Defined contribution plans	**313**	294
Total pension and other post-employment benefit expenses	**1,018**	685

The following table provides an overview of the remeasurements of the defined benefit pension plans and other long-term pension plan obligations as recorded in other comprehensive income:

€ million	2024	2023
Remeasurements defined benefit pension plans[1]	**(335)**	135
Remeasurements other long-term pension plan obligations[2]	**(1)**	10
Total remeasurements pension plans in other comprehensive income	**(336)**	145

1. For a breakdown of the remeasurements of the defined benefit pension plans, see *Defined benefit plans*.
2. The long-term pension plan obligations were remeasured at a discount rate of 5.45% (2023: 5.38%).

More information on the defined benefit plans, defined contribution plans and MEPs is provided in the sections below.

24 Pensions and other post-employment benefits continued

Defined benefit plans

Ahold Delhaize has a number of defined benefit pension plans covering a substantial number of employees, former employees and retirees in the Netherlands, the United States, Belgium, Greece and Serbia.

Net assets relating to one plan are not offset against liabilities of another plan, resulting in the following presentation of the pension and other post-employment benefits on the consolidated balance sheet:

€ million	December 29, 2024	December 31, 2023
Defined benefit liabilities	**193**	440
Defined benefit assets	**(69)**	(51)
Total net defined benefit plan funded status	**122**	390

The defined benefit assets are part of the other non-current financial assets; for more information, see *Note 16*.

In the Netherlands, the Company has a career average plan covering all employees, except for bol employees, over the age of 21. The plan provides benefits to participants or beneficiaries upon retirement, death or disability. The plan's assets, which are made up of contributions from Ahold Delhaize and its employees, are managed by Stichting Ahold Delhaize Pensioen ("Ahold Delhaize Pensioen"), an independent foundation. In 2024, the Dutch plan was amended, which resulted in a change in classification from a defined benefit to a defined contribution plan with a derecognition of the net defined benefit plan position. The main changes through the plan amendment relate to the revocation of the financing agreement between the Company and the Ahold Delhaize Pension fund and agreement on a fixed pension premium (a conditional indexed average plan) with no guarantees to make an additional contribution to the pension fund in case of deficits. As a consequence of the settlement, the defined benefit plan funded status for this plan was nil as of December 29, 2024 (December 31, 2023: €240 million). Going forward, the cash contributions to the defined contribution plan will be recognized as an expense when employees have rendered service entitling them to the contributions.

In the United States, the Company maintains a funded plan covering a limited population of employees. This plan is closed to new participants. The plan provides a life annuity benefit based upon final pay to participants or beneficiaries upon retirement, death or disability. The assets of the plan, which are made up of contributions from Ahold Delhaize, are maintained with various trustees. Contributions to the plan are required under the current funding policy if the prior year-end funding ratio falls below 100% as measured using regulatory interest rates without funding relief in order to avoid variable Pension Benefit Guaranty Corporation (PBGC) premiums. In addition, the Company provides additional pension benefits for certain Company executives and life insurance and medical care benefits for certain retired employees meeting age and service requirements at its U.S. subsidiaries, all of which the Company funds as claims are incurred.

In Belgium, the Company sponsors plans for substantially all of its employees. The plans are funded by fixed monthly contributions from both the Company and employees, which are adjusted annually according to the Belgian consumer price index. Certain employees who were employed before 2005 could choose not to participate in the employee contribution part of the plans.

The plans ensure that employees receive a lump-sum payment at retirement based on the contributions made, and provide employees with death-in-service benefits. Belgian law prescribes a variable minimum guaranteed rate of return with Belgian 10-year government bonds as the underlying benchmark, and collars of 1.75% and 3.75%. The Company substantially insures these returns with external insurance companies that receive and manage the contributions to the plans. According to the relevant legislation, a shortfall only needs to be compensated by the employer at the point in time when the employee either retires or leaves the Company. As these plans have defined benefit features (when the return provided by the insurance company can be below the legally required minimum return, in which case the employer has to cover the gap with additional contributions), the Company treats these plans as defined benefit plans. In order to avoid the gap, or reduce it to a minimum, the Company opened a new cash balance plan under branch 23 rules in Belgium, as of July 1, 2017. All new employees who begin service after this date will be included in this plan.

Additionally, in Belgium, the Company maintains a plan covering Company executives that provides lump-sum benefits to participants upon death or retirement based on a formula applied to the last annual salary of the participant before his or her retirement or death. The plan is subject to the legal requirement to guarantee a minimum return on contributions. The plan's assets, which are made up of contributions, are managed through a fund that is administered by an independent insurance company, providing a minimum guaranteed return. The plan participants' contributions are defined in the terms of the plan, while the annual contributions to be paid by the Company are determined based on the funding level of the plan and are calculated based on current salaries, taking into account the legal minimum funding requirement, which is based on the vested reserves to which employees are entitled upon retirement or death. The plan mainly invests in debt securities in order to achieve the required minimum return. The Company bears any risk above the minimum guarantee given by the insurance company. There are no asset ceiling restrictions. In order to avoid returns being less than the minimum guaranteed return, or to reduce the risk to a minimum, the level of contributions at July 1, 2017, has been capped and applied under the classic branch 21 rules. Any increase in contributions after July 1, 2017, will be managed in accordance with branch 23 rules, which are expected to experience higher returns in the long term.

24 Pensions and other post-employment benefits continued

In Greece, the Company operates an unfunded defined benefit post-employment plan. This plan relates to retirement benefits prescribed by Greek law, consisting of lump-sum compensation payable in case of normal retirement or termination of employment. The amount of the indemnity is based on an employee's monthly earnings and a multiple depending on the length of service and the status of the employee. There is no legal requirement to fund these plans with contributions or other plan assets. Employees participate in the plan once they have completed a minimum service period, which is generally one year.

In Serbia, the Company has an unfunded defined benefit plan that provides a lump-sum benefit upon the employee's retirement, as prescribed by Serbian law. The benefit is based on a fixed multiple of the higher of the (i) average gross salary of the employee, (ii) average gross salary in the Company or (iii) average gross salary in the country, each determined at the time the employee retires. There is no legal requirement to fund these plans with contributions or other plan assets.

The pension plans expose the Company to actuarial risks such as: longevity risk, interest rate risk, currency risk, salary risk and investment risk. Longevity risk relates to the mortality assumptions used to value the defined benefit obligation, where an increase in participants' life expectancies will increase a plan's liability. Interest rate risk relates to the discount rate used to value the defined benefit obligation, where a decrease in the discount rate will increase a plan's liability; however, this will be partially offset by an increase in the return on a plan's investments in debt instruments. The pension plans may mitigate interest rate risk by entering into interest rate swap contracts. Currency risk relates to the fact that a plan holds investments that may not be denominated in the same currency as the plan's obligations. The pension plans may mitigate currency risk by purchasing forward currency instruments. Salary risk relates to salary increase assumptions used to value the defined benefit obligation, where an increase will result in a higher plan liability. See section *Plan assets* for more details on the asset-liability matching strategy the Company employed to manage its investment risk.

The net defined benefit costs in 2024 and 2023 were as follows:

€ million	2024	2023
Service cost:		
Current service cost	**216**	181
Past service cost	**(444)**	(2)
Loss on settlement	**658**	—
Net interest expense	**20**	17
Administrative cost	**18**	16
Termination benefits	**6**	4
Components of defined benefit cost recorded in the income statement	**473**	215
Remeasurements recognized:		
Return on plan assets, excluding amounts included in net interest (income) expense	**(295)**	(321)
(Gain) loss from changes in demographic assumptions	**(14)**	4
(Gain) loss from changes in financial assumptions	**(58)**	262
Experience (gains) losses	**31**	190
Components of defined benefit cost recognized in other comprehensive income	**(335)**	135
Total net defined benefit cost	**138**	350

24 Pensions and other post-employment benefits continued

The changes in the defined benefit obligations and plan assets in 2024 and 2023 were as follows:

	The Netherlands		The United States		Rest of world		Total	
€ million	2024	2023	2024	2023	2024	2023	2024	2023
Defined benefit obligations								
Beginning of the year	**5,742**	5,104	**1,386**	1,357	**252**	246	**7,380**	6,706
Current service cost	**165**	128	**40**	42	**11**	11	**216**	181
Past service cost	**(443)**	—	**(2)**	—	**1**	(1)	**(444)**	(2)
(Gain) loss on settlements	**(5,540)**	—	**(213)**	—	**—**	—	**(5,753)**	—
Interest expense	**186**	190	**77**	76	**8**	10	**271**	276
Termination benefits	**—**	—	**—**	—	**6**	4	**6**	4
Contributions by plan participants	**30**	28	**—**	—	**1**	1	**31**	29
Benefits paid	**(121)**	(112)	**(93)**	(88)	**(19)**	(32)	**(233)**	(231)
(Gain) loss from changes in demographic assumptions	**(8)**	4	**(4)**	(1)	**(2)**	—	**(14)**	4
(Gain) loss from changes in financial assumptions	**(27)**	209	**(30)**	38	**(2)**	16	**(58)**	262
Experience (gains) losses	**16**	190	**11**	2	**5**	(2)	**31**	190
Divestments	**—**	—	**—**	—	**(43)**	—	**(43)**	—
Exchange rate differences	**—**	—	**82**	(39)	**—**	—	**82**	(39)
End of the year	**—**	5,742	**1,253**	1,386	**219**	252	**1,472**	7,380
Plan assets								
Fair value of assets, beginning of the year	**5,502**	4,973	**1,272**	1,247	**215**	203	**6,989**	6,423
Interest income	**175**	183	**69**	68	**7**	8	**251**	259
Company contribution	**339**	160	**58**	64	**21**	21	**418**	245
Contributions by plan participants	**30**	28	**—**	—	**1**	1	**31**	29
Benefits paid	**(121)**	(112)	**(93)**	(88)	**(19)**	(32)	**(233)**	(231)
Settlement payments	**(6,211)**	—	**(200)**	—	**—**	—	**(6,411)**	—
Administrative cost	**(11)**	(9)	**(7)**	(6)	**—**	—	**(18)**	(16)
Return on plan assets, excluding amounts included in net interest (income) expense	**296**	278	**(8)**	28	**7**	15	**295**	321
Divestments	**—**	—	**—**	—	**(43)**	—	**(43)**	—
Exchange rate differences	**—**	—	**71**	(41)	**—**	—	**71**	(41)
Fair value of assets, end of the year	**—**	5,502	**1,162**	1,272	**188**	215	**1,350**	6,989
Funded status	**—**	(240)	**(91)**	(113)	**(31)**	(37)	**(122)**	(390)

24 Pensions and other post-employment benefits continued

The total defined benefit obligation of €1,472 million as of December 29, 2024, includes €173 million related to plans that are wholly unfunded. These plans include pension plans in Greece and Serbia and other benefits (such as life insurance and medical care) and supplemental executive retirement plans in the United States.

In 2024, the Dutch plan was amended, which resulted in a change in accounting from defined benefit to defined contribution accounting. The total net loss on settlement, as presented above, is €227 million (consisting of a gain on past service costs of €443 million offset by a net settlement loss of €671 million). In addition, an amount of €50 million has been expensed for the payment due upon transition to the new plan, resulting in a total settlement loss for the Dutch plan of €277 million. The remaining unpaid balance in the amount of €100 million is included in Other long-term financial liabilities; see *Note 23*.

During 2024, Ahold Delhaize purchased annuity contracts to settle benefits in the defined benefit pension plan in the United States for participants that are currently receiving monthly payments of less than $1,800. In addition, Ahold Delhaize settled the frozen accrued benefits of participants who elected to receive a lump-sum payout. These two de-risking events resulted in a settlement gain of $16 million (€15 million consisting of a gain on past service costs of €2 million and a net settlement gain of €13 million, as presented above).

The conversion to the affiliate model in Belgium resulted in a divestment of defined benefit obligations and plan assets in the amount of €43 million in 2024.

Cash contributions

From 2024 to 2025, Company contributions are expected to decrease from $62 million (€58 million) to $54 million (€52 million) for all defined benefit plans in the United States and decrease from €21 million to €14 million for all plans in the rest of the world. In 2025, the cash contributions to defined contribution plan in the Netherlands will be recognized as an expense when employees have rendered services entitling them to the contributions.

The Ahold Delhaize USA pension plan's funding ratio at year end 2024 was 108.9%, measured using regulatory interest rates allowed by the U.S. government as part of funding relief that are higher than otherwise would be allowed. Based upon this funding ratio, under the current funding policy, we do not expect to make a funding contribution to the Ahold Delhaize USA pension plan in 2025.

On July 1, 2023, the Wet toekomst pensioenen ("Wtp") relating to the new Dutch pension system came into force and by January 1, 2028, the transition to the new pension system will have to be completed. During 2024, Ahold Delhaize Pension and the Central Works Council reached an agreement on a new pension plan that will commence in 2027, as a result of the changed legislation.

Ahead of transitioning to the new Dutch pension system, the current plan was amended in 2024 and the requirement to contribute a maximum amount of €150 million over a five-year period if the funding ratio is below 105% was settled.

Actuarial assumptions

The calculations of the defined benefit obligation and net defined benefit cost are sensitive to the assumptions set out below. These assumptions require a large degree of judgment. Actual experience may differ from the assumptions made. The assumptions required to calculate the actuarial present value of benefit obligations and the net defined benefit costs are determined per plan and are as follows (expressed as weighted averages):

	The Netherlands		The United States		Rest of world	
%	**2024**	2023	**2024**	2023	**2024**	2023
Discount rate	**3.5**	3.1	**5.7**	5.4	**3.4**	3.2
Future salary increases	**2.5**	2.5	**4.3**	4.3	**3.8**	4.0
Future pension increases	**2.2**	1.9	**0.0**	0.0	**0.0**	0.0

Assumptions regarding longevity are based on published statistics and mortality tables. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	The Netherlands		The United States		Rest of world	
Years	**2024**	2023	**2024**	2023	**2024**	2023
Longevity at age 65 for current pensioners						
Male	**21.5**	21.3	**20.2**	20.3	**N/A**	N/A
Female	**23.5**	23.7	**22.1**	22.3	**N/A**	N/A
Longevity at age 65 for current members aged 50						
Male	**23.1**	22.9	**21.4**	21.5	**N/A**	N/A
Female	**25.1**	25.3	**23.2**	23.4	**N/A**	N/A

The following table summarizes how the effect on the defined benefit obligations at the end of the reporting period would have increased (decreased) as a result of a 0.5% change in the respective assumptions and a one-year increase in life expectancy.

€ million	The Netherlands	The United States	Rest of world	Total
Discount rate				
0.5% increase	**N/A**	**(49)**	**(9)**	**(57)**
0.5% decrease	**N/A**	**53**	**10**	**63**
Future salary increases				
0.5% increase	**N/A**	**—**	**2**	**2**
0.5% decrease	**N/A**	**—**	**(2)**	**(2)**
Future pension increases				
0.5% increase	**N/A**	**—**	**N/A**	**—**
0.5% decrease	**N/A**	**—**	**N/A**	**—**
Life expectancy				
One-year increase at age 65	**N/A**	**37**	**1**	**38**

The above sensitivity analyses are based on a change in each respective assumption while holding all other assumptions constant. In reality, one might expect interrelationships between the assumptions, especially between discount rate and future salary increases, as both depend to a certain extent on expected inflation rates. The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the previous period.

24 Pensions and other post-employment benefits continued

Plan assets

The pension plan asset allocation differs per plan. The allocation of plan assets was as follows:

	The Netherlands		The United States		Rest of world	
€ million	**2024**	2023	**2024**	2023	**2024**	2023
Equity instruments:						
Consumer goods	**—**	293	**44**	56	**—**	—
Financial services	**—**	180	**18**	14	**—**	—
Telecommunications and information	**—**	272	**12**	8	**—**	—
Energy and utilities	**—**	81	**15**	15	**—**	—
Industry	**—**	319	**10**	7	**—**	—
Other	**—**	325	**153**	126	**28**	22
Debt instruments:						
Government bonds	**—**	1,768	**88**	97	**—**	—
Corporate bonds (investment grade)	**—**	459	**291**	453	**—**	—
Corporate bonds (non-investment grade)	**—**	354	**22**	25	**—**	—
Other	**—**	5	**102**	82	**35**	31
Real estate:						
Retail	**—**	—	**13**	9	**—**	—
Offices	**—**	—	**—**	—	**—**	—
Residential	**—**	—	**—**	—	**—**	—
Other	**—**	—	**52**	50	**—**	—
Investment funds	**—**	1,302	**164**	42	**—**	—
Insurance contracts	**—**	—	**—**	—	**125**	162
Derivatives:						
Interest rate swaps	**—**	(524)	**—**	—	**—**	—
Forward foreign exchange contracts	**—**	20	**—**	—	**—**	—
Cash and cash equivalents	**—**	665	**178**	178	**—**	—
Other	**—**	(17)	**1**	112	**—**	—
Total	**—**	5,502	**1,162**	1,272	**188**	215

Virtually all equity and debt instruments have quoted prices in active markets. Derivatives can be classified as Level 2 instruments, and real estate and some investment funds as Level 3 instruments, based on the definitions in IFRS 13, “Fair Value Measurement.” It is Ahold Delhaize Pensioen’s policy to use interest rate swaps to partially hedge its exposure to interest rate risk on the pension liability. Foreign currency exposures are hedged by the use of forward foreign exchange contracts.

In the Netherlands, the pension plan no longer qualifies as a defined benefit plan; as such, the plan assets are not recorded on-balance sheet as per year end 2024.

In the United States, the plan assets are managed by external investment managers and rebalanced periodically. Pension plan assets are invested in a trust intended to comply with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, the United States Tax Code, and applicable fiduciary standards. In 2020, AON was approved by the Fiduciary Committee as the pension plan’s Outsourced Chief Investment Officer (OCIO). The OCIO manages the entire pension plan portfolio and acts as fiduciary under ERISA. The Fiduciary Committee monitors the OCIO’s performance. The long-term investment objective for the plan’s assets is to maintain an acceptable funding ratio of the plan’s assets and liabilities without undue exposure to risk. In 2021, the Fiduciary Committee approved a new asset allocation approach that terminated the strategic weight to hedge funds and replaced it with high-yield debt. A revised glide path of the plan (the split between return-seeking and liability-hedging assets) was also approved. At year end 2024, the strategic targets were: 8.4% equity, 3.6% multi-asset credit and 88% liability-hedging debt securities.

In 2024 or 2023, the U.S. plans did not have any plan assets invested in Ahold Delhaize financial instruments.

The actual return on plan assets in 2024 was 2.2% for the Ahold Delhaize USA pension plan (2023: 8.0%). For the Dutch plan, the actual return on plan assets in 2023 was 9.6%.

Benefit maturities

The weighted average duration of the defined benefit obligations of the plans in the United States and the rest of world are 10.9 and 9.1 years, respectively.

The expected schedule of benefit payments for the plans is as follows:

€ million	The Netherlands	The United States	Rest of world	Total
Amount due within one year	**N/A**	**79**	**8**	**87**
Amount due between two and five years	**N/A**	**342**	**54**	**396**
Amount due between six and 10 years	**N/A**	**478**	**74**	**552**

24 Pensions and other post-employment benefits continued

Defined contribution plans

The Company operates defined contribution plans in the Netherlands, the United States, Belgium, Greece and the Czech Republic. As mentioned above, the defined contribution plans in Belgium are accounted for as defined benefit plans due to the guaranteed return elements of the plans. The largest defined contribution plans exist in the United States, where the Company sponsors profit-sharing retirement plans that include a 401(k) feature that permits participating employees to make elective deferrals of their compensation and requires the Company to make matching contributions.

During 2024 and 2023, the Company contributed €160 million and €155 million, respectively, to its defined contribution plans. These contributions were recognized as an expense in the income statement and related entirely to continuing operations in 2024 and 2023.

Multi-employer plans (MEPs)

A number of union employees in the United States are covered by MEPs based on obligations arising from collective bargaining agreements. These plans provide retirement and other benefits to participants generally based on their service to contributing employers. The benefits are paid from assets held in trust for that purpose. Trustees are appointed in equal number by employers and unions, and they are typically responsible for oversight of the investment of the assets and administration of the plan. Contribution rates and, in some instances, benefit levels are generally determined through the collective bargaining process between the participating employers and unions. At year end, none of the Company's collective bargaining agreements required an increase in the Company's total pension contributions for MEPs to meet minimum funding requirements.

Most of these plans are defined contribution plans. The plans that are defined benefit plans, on the basis of the terms of the benefits provided, are accounted for as defined contribution plans because, among other things, there is insufficient information available to account for these plans as defined benefit plans. These plans are generally flat dollar benefit plans. Ahold Delhaize is generally one of several employers participating in most of these plans and, in the event that Ahold Delhaize withdraws from a plan, its allocable share of the plan's obligations (with certain exceptions) would be based upon unfunded vested benefits in the plan at the time of such withdrawal. Ahold Delhaize's obligation to pay for its allocable share of a plan's unfunded vested benefits is called a withdrawal liability. The withdrawal liability payable by Ahold Delhaize at such time as it experiences a withdrawal from a plan is based upon the applicable statutory formula, plan computation methods and actuarial assumptions, and the amount of the plan's unfunded benefits. Ahold Delhaize does not have sufficient information to accurately determine its ratable share of plan obligations and assets following defined benefit accounting principles, and the financial statements of the MEPs are drawn up on the basis of other accounting policies than those applied by Ahold Delhaize. Consequently, these MEPs are not included in the Company's balance sheet.

The risks of participating in MEPs are different from the risks of single-employer plans. Ahold Delhaize's contributions are pooled with the contributions of other contributing employers, and are, therefore, used to provide benefits to employees of these other participating employers. If other participating employers cease to participate in the plan without paying their allocable portion of the plan's unfunded obligations, this could result in increases in the amount of the plan's unfunded benefits and, thus, Ahold Delhaize's future contributions.

Similarly, if a number of employers cease to have employees participating in the plan, Ahold Delhaize could be responsible for an increased share of the plan's deficit. If Ahold Delhaize seeks to withdraw from an MEP, it generally must obtain the agreement of the applicable unions and will likely be required to pay withdrawal liability in connection with this.

Under normal circumstances, when an MEP reaches insolvency, it must reduce all accrued benefits to the maximum level guaranteed by the United States' PBGC. MEPs pay annual insurance premiums to the PBGC for such benefit insurance.

MEP – defined benefit plans

At the end of 2024 and 2023, Ahold Delhaize participated in seven MEPs that are defined benefit plans on the basis of the terms of the benefits provided. The Company's participation in these MEPs is outlined in the tables on the next page.

Ahold Delhaize's participation percentage is an indication based on the relevant amount of its contributions during the year in relation to the total contributions made to the plan.

The estimate of the Company's net proportionate share of the plans' deficits is based on the latest available information received from these plans, such as the plans' measurement of plan assets and the use of discount rates between 6.5% and 7.5%. The estimate does not represent Ahold Delhaize's direct obligation. While it is our best estimate, based upon the information available to us, it is imprecise, and a reliable estimate of the amount of the obligation cannot be made.

The EIN/Pension plan number column provides the Employer Identification Number (EIN) and the three-digit pension plan number. As with all pension plans, multi-employer pension plans in the U.S. are regulated by the ERISA; the United States Tax Code, as amended; the Pension Protection Act of 2006; and the Multi-employer Pension Reform Act of 2014, among other legislation.

Under the Pension Protection Act of 2006, plans are categorized as "endangered" (Yellow Zone), "seriously endangered" (Orange Zone), "critical" (Red Zone), or neither endangered nor critical (Green Zone). This categorization is based primarily on three measures: the plan's funded percentage, the number of years before the plan is projected to have a minimum funding deficiency under ERISA and the number of years before the plan is projected to become insolvent. A plan is in the "Yellow Zone" if the funded percentage is less than 80% or a minimum funding deficiency is projected within seven years. If both of these triggers are reached, the plan is in the "Orange Zone." Generally, a plan is in the "Red Zone" if a funding deficiency is projected at any time in the next four years (or five years if the funded percentage is less than 65%). Plans with a funding ratio above 80% are generally designated as being in the "Green Zone." A plan in the "Red Zone" may be further categorized as "critical and declining" if the plan is projected to become insolvent within the current year or within either the next 14 years or the next 19 years, depending on the plan's ratio of inactive participants to active participants and its specific funding percentage. MEPs in endangered or critical status are required by U.S. law to develop either a funding improvement plan (FIP) or a rehabilitation plan (RP) to enhance funding through reductions in benefits, increases in contributions or both. The FIP/RP status pending/implemented column in the table below indicates plans for which an FIP or an RP is pending or has been implemented. Additional information regarding the MEPs listed in the following tables can be found on the website of the U.S. Department of Labor (*www.efast.dol.gov*).

24 Pensions and other post-employment benefits continued

€ million, except Ahold Delhaize's participation percentages	EIN / Pension plan number	ERISA zone status	FIP / RP status pending / implemented	Year of Form 5500[1]	Expiration date of collective bargaining agreement	December 29, 2024 Annual contributions	Plan deficit / (surplus)[2]	Ahold Delhaize's participation	Ahold Delhaize's proportionate share of deficit (surplus)[3]
New England Teamsters & Trucking Industry Pension	04-6372430/001	Red (Critical and declining)	Implemented	2023	March 29, 2025	4	—	1.1%	—
UFCW Local 1262 & Employers Pension Fund	22-6074414/001	Red	Implemented	2023	October 23, 2027-February 12, 2028	6	125	31.8%	40
Warehouse Employees' Union Local 730 Pension Trust Fund	52-6124754/001	Red (Critical and declining)	Implemented	2023	June 20, 2026-May 15, 2027	5	131	85.2%	112
Other plans[4]						8	3,211	2.4%	(76)
Total						**22**	**3,467**		**76**

€ million, except Ahold Delhaize's participation percentages	EIN / Pension plan number	ERISA zone status	FIP / RP status pending / implemented	Year of Form 5500[1]	Expiration date of collective bargaining agreement	December 31, 2023 Annual contributions	Plan deficit / (surplus)[2]	Ahold Delhaize's participation	Ahold Delhaize's proportionate share of deficit (surplus)[3]
New England Teamsters & Trucking Industry Pension	04-6372430/001	Red (Critical and declining)	Implemented	2022	March 29, 2025	4	—	1.8%	—
UFCW Local 1262 & Employers Pension Fund	22-6074414/001	Red	Implemented	2022	October 23, 2027-February 12, 2028	6	91	30.3%	28
Warehouse Employees' Union Local 730 Pension Trust Fund	52-6124754/001	Red (Critical and declining)	Implemented	2022	June 20, 2026-May 15, 2027	4	121	86.6%	105
Other plans[4]						7	7,007	0.4%	(30)
Total						21	7,219		103

1. Form 5500 is part of ERISA's overall reporting and disclosure framework and includes the financial statements of a MEP.
2. The deficit/(surplus) of the plans is heavily influenced by the discount rate applied by the plans, which ranges between 6.5% and 7.5%, consistent with the prior year, and by the projected assets for the funds, which changed between a decrease of 3% up to an increase of 15%. MEPs discount the liabilities at the plan's expected rate of return on assets. As a plan nearing insolvency reduces liquidity risk and expected volatility, its expected rate of return on assets declines and, as such, the discount rate will decline, resulting in an increase of the deficit within the plan. The steady liabilities combined with better market conditions have resulted in a more favorable funded status for these funds, both individually and in the aggregate.
3. Ahold Delhaize's proportionate share of deficit (surplus) is calculated by multiplying the deficit/(surplus) of each plan that the Company participates in by Ahold Delhaize's participation percentage in that plan. This proportional share of deficit/(surplus) is an indication of our share of deficit/(surplus) based on the best available information. The deficit is calculated in accordance with the accounting policies and funding assumptions applied by the relevant plan and does not represent any obligation or liability Ahold Delhaize may have in respect of the plan, which would be accounted for and measured in accordance with Ahold Delhaize's accounting policies.
4. Other plans include Teamsters Local 639 Employers Pension Plan, UFCW Local 464A Pension Fund, Bakery and Confectionery Union Pension Fund and IAM National Pension Fund, with participation percentages as of December 29, 2024, equal to 4.8%, 22.1%, 0.5% and 0.0%, respectively (December 31, 2023: 3.7%, 21.8%, 0.5% and 0.0%).

24 Pensions and other post-employment benefits continued

If the underfunded liabilities of the multi-employer pension plans are not reduced, by improved market conditions, reductions in benefits and/or collective bargaining changes, increased future payments by the Company and the other participating employers may result. However, all future increases generally will be subject to the collective bargaining process.

In 2025, the Company expects its total contributions to multi-employer defined benefit plans to be €23 million, which includes RP contribution increases where applicable. Ahold Delhaize has a risk of increased contributions and withdrawal liability (upon a withdrawal) if any of the participating employers in an underfunded MEP withdraw from the plan or become insolvent and are no longer able to meet their contribution requirements or if the MEP itself no longer has sufficient assets available to fund its short-term obligations to the participants in the plan. If and when a withdrawal liability is assessed, it may be substantially higher than the proportionate share disclosed above. Any adjustment for a withdrawal liability will be recorded when it is probable that a liability exists and the amount can be reliably estimated. Ahold Delhaize does not have a contractual agreement with any MEP that determines how a deficit will be funded, except for the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund ("FELRA") and the Mid-Atlantic UFCW and Participating Employers Pension Fund ("MAP") settlement agreement for which Giant Food recorded a $609 million pension-related liability and a $211 million defined benefit obligation related to the new variable annuity single-employer plan, with a corresponding reduction in the Ahold Delhaize FELRA and MAP MEP off-balance sheet liabilities in 2020.

American Rescue Plan Act of 2021 (ARPA)

On March 11, 2021, the ARPA was signed into law. ARPA establishes a special financial assistance program administered by the PBGC and funded by transfers from the U.S. Treasury through September 30, 2030. Under this program, eligible multi-employer pension plans may apply to receive a one-time cash payment intended to be the amount required for the plan to pay all benefits through the last day of the plan year ending in 2051. The payment received under this special financial assistance program would not be considered a loan and would not need to be paid back.

Eligible plans include, among others, plans that are in "critical and declining" status in any plan year beginning in 2020, 2021 or 2022. Applications for financial assistance must be submitted no later than December 31, 2025. Each of the following plans, to which various subsidiaries of Ahold Delhaize contribute, applied for the special financial assistance in 2023:

- New England Teamsters & Trucking Industry Pension Plan
- Bakery and Confectionery Union and Industry Pension Fund
- Warehouse Employees' Union Local 730 Pension Trust Fund

While ARPA provided financial assistance to the New England Teamsters & Trucking Industry Pension Plan on August 26, 2024, and the Bakery and Confectionery Union and Industry Pension Fund on July 22, 2024, and is expected to provide financial assistance to the Warehouse Employees' Union Local 730 Pension Trust Fund, the expected future contributions to those multi-employer plans will not be impacted in the short term. The ongoing contribution requirements will continue to be based on the collective bargaining agreements in place. Accordingly, the special financial assistance for these three plans should not have any impact on Ahold Delhaize's ongoing contribution obligation.

MEP – defined contribution plans

Ahold Delhaize also participates in 37 MEPs (2023: 36 MEPs) that are defined contribution plans on the basis of the terms of the benefits provided. The majority of these plans provide health and welfare benefits. The Company contributed €313 million and €294 million to multi-employer defined contribution plans during 2024 and 2023, respectively. These contributions are recognized as an expense in the consolidated income statement and related entirely to continuing operations in 2024 and 2023. These plans vary significantly in size, with contributions to the three largest plans representing 65% of total contributions (2023: 63%).

Accounting estimates and judgments

The present value of the pension obligations depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for pensions include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions include longevity and future salary and pension increases.

Management applied judgment in the determination to record discount rate-related remeasurements on the Other long-term pension plan obligations through Other comprehensive income.

Accounting policies

The net assets and net liabilities recognized on the consolidated balance sheet for defined benefit plans represent the actual surplus or deficit in Ahold Delhaize's defined benefit plans measured as the present value of the defined benefit obligations less the fair value of plan assets. Any surplus resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Defined benefit obligations are actuarially calculated on the balance sheet date using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using market yields on high-quality corporate bonds (i.e., bonds rated AA or higher), which are denominated in the currency in which the benefits will be paid and have an average duration similar to the expected duration of the related pension liabilities.

Defined benefit costs are split into three categories:

- Service cost, past service cost, gains and losses on curtailment and settlements
- Net interest expense or income
- Remeasurement

The first category is presented as labor costs within operating earnings. Past service costs are recognized in the income statement in the period of plan amendment. Results from curtailments or settlements are recognized immediately.

Past service years within the Dutch pension plan are calculated based upon a methodology that uses the maximum past service years based on accrued benefits or a participant's actual date of hire.

24 Pensions and other post-employment benefits continued

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is presented within net financial expenses.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (if applicable), and the return on plan assets (excluding interest), are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it occurs. Remeasurements recorded in other comprehensive income are not recycled to the income statement.

Contributions to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions. Post-employment benefits provided through industry MEPs, managed by third parties, are generally accounted for under defined contribution criteria.

25 Provisions

The table below specifies the changes in total provisions (current and non-current):

€ million	Self-insurance program	Claims and legal disputes	Severance and termination benefits	Onerous contracts	Other	Total
As of December 31, 2023						
Current portion	319	59	46	43	26	492
Non-current portion	633	13	1	61	56	764
Carrying amount	**952**	**72**	**46**	**104**	**81**	**1,256**
Year ended December 29, 2024						
Additions charged to income	**260**	**60**	**31**	**336**	**39**	**726**
Used during the year	**(249)**	**(25)**	**(52)**	**(79)**	**(32)**	**(436)**
Released to income	**(20)**	**(7)**	**(3)**	**(13)**	**(1)**	**(44)**
Interest accretion	**53**	**—**	**—**	**12**	**1**	**66**
Effect of changes in discount rates	**(6)**	**—**	**—**	**(9)**	**(2)**	**(18)**
Transfers to/from held for sale	**—**	**—**	**(1)**	**—**	**—**	**(1)**
Other movements	**—**	**(1)**	**—**	**—**	**—**	**(2)**
Exchange rate differences	**57**	**2**	**—**	**3**	**2**	**64**
Closing carrying amount	**1,048**	**100**	**22**	**355**	**87**	**1,612**
As of December 29, 2024						
Current portion	**362**	**87**	**21**	**74**	**26**	**569**
Non-current portion	**685**	**13**	**1**	**281**	**61**	**1,042**
Carrying amount	**1,048**	**100**	**22**	**355**	**87**	**1,612**

Maturities of total provisions as of December 29, 2024, are as follows:

€ million	Self-insurance program	Claims and legal disputes	Severance and termination benefits	Onerous contracts	Other	Total
Amount due within one year	362	87	21	74	26	569
Amount due between one and five years	442	13	1	279	25	761
Amount due after five years	243	—	—	1	36	281
Total	**1,048**	**100**	**22**	**355**	**87**	**1,612**

Self-insurance program

Ahold Delhaize is self-insured for certain potential losses, mainly relating to general liability, vehicle liability, workers' compensation and property losses incurred by its subsidiaries. Some of Ahold Delhaize's self-insured losses are retained at its captive insurance companies. The captives' maximum self-insurance retention per occurrence, including defense costs, is $2 million (€2 million) for general liability, $15 million (€14 million) for commercial vehicle liability, $5 million (€5 million) for workers' compensation in the United States and an amount equivalent to the capped continued payment of wages in the Netherlands, and $25 million (€24 million) for property losses in the United States and Europe, subject to an annual aggregate of $35 million (€34 million). Part of the self-insured risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies; see *Note 16*.

The measurement of the self-insurance provisions involves estimates and judgments to be made regarding claims incurred but not yet reported, timing and amount of payment of damages, and costs associated with the settlement of claims.

Claims and legal disputes

The Company is party to a number of legal proceedings arising out of its business operations. Such legal proceedings are subject to inherent uncertainties. Management, supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

Severance and termination benefits

This provision relates to payments to employees whose employment with the Company has ended, either as part of a restructuring or a voluntary separation plan. The measurement of the provision involves estimates and judgments about the population and number of employees that will ultimately be affected by the plans, estimates of salary ranges used to measure future cash flows, and assumptions of periods of service, if relevant.

Onerous contracts

Onerous contract provisions relate to unfavorable contracts where the unavoidable costs of meeting the obligations under the contracts exceed the benefits expected to be received. The judgments and estimates made in the measurement of onerous contracts relate to unavoidable future costs anticipated to be incurred. The additions charged to income in 2024 mainly relate to expected payments for the Belgium Future Plan and the closure of underperforming Stop & Shop stores.

25 Provisions continued

Other

Other provisions include loyalty programs, long-term incentives, jubilee payments, asset retirement obligations, provisions for environmental risks and supplemental medical benefits. The judgments and estimates made in the measurement of these provisions relate to the estimated costs to be incurred at an unknown future date.

The loyalty program provision of €21 million as of December 29, 2024 (December 31, 2023: €21 million), mainly relates to a third-party customer loyalty program in the Netherlands and reflects the estimated cost of benefits to which customers participating in the loyalty program are entitled. When measuring the provision for loyalty programs, management estimates the expected timing of the redemptions by customers and the expected breakage (benefits granted but never redeemed).

Accounting estimates and judgments

The recognition of provisions requires estimates and assumptions regarding the timing and the amount of outflow of resources. The main estimates are as follows:

- Self-insurance program: Estimates and assumptions include an estimate of claims incurred but not yet reported, historical loss experience, projected loss development factors, estimated changes in claim reporting patterns, claim settlement patterns, judicial decisions and legislation. It is possible that the final resolution of claims may result in significant expenditures in excess of existing reserves.
- Claims and legal disputes: Management, supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.
- Severance and termination benefits: The provisions relate to separation plans and agreements and use the best estimate, based on information available to management, of the cash flows that will likely occur. The amounts that are ultimately incurred may change as the plans are executed.
- Onerous contracts: These mainly relate to unfavorable contracts and include the excess of the unavoidable costs of meeting the contractual obligations over the benefits expected to be received under such contracts.
- Loyalty programs: Estimating the cost of benefits to which customers participating in the loyalty program are entitled includes assumptions on redemption rates. These estimates and assumptions apply to all loyalty programs, irrespective of whether they are accounted for as sales deferrals or provisions for future payments made at redemption.

Accounting policies

Provisions are recognized when (i) the Company has a present (legal or constructive) obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions are discounted whenever the effect of the time value of money is significant.

The provision for the Company's self-insurance program is recorded based on claims filed and an estimate of claims incurred but not yet reported. The provision includes expenses incurred in the claim settlement process that can be directly associated with specific claims. Other expenses incurred in the claim settlement process are expensed when incurred. The Company's estimate of the required liability of such claims is recorded on a discounted basis, utilizing an actuarial method based upon various assumptions that include, but are not limited to, historical loss experience, projected loss development factors and actual payroll costs.

Restructuring-related provisions for severance and termination benefits are recognized when the Company has approved a detailed formal restructuring plan and the restructuring has either commenced or has been announced to those affected by it. Onerous contract provisions are measured at the amount by which the unavoidable costs to fulfill agreements exceeds the expected benefits from such agreements.

26 Other current financial liabilities

€ million	December 29, 2024	December 31, 2023
Lease liabilities – current portion	**1,444**	1,281
Bank overdrafts	**1,962**	767
Loans – current portion (see *Note 22*)	**630**	787
Short-term borrowings	**295**	250
Reinsurance contract liabilities – current portion (see *Note 16* and *Note 23*)	**124**	114
Interest payable	**83**	48
Deposit liabilities	**18**	15
Derivative financial instruments	**1**	1
Other	**55**	12
Total other current financial liabilities	**4,610**	3,275

For more information on lease liabilities, see *Note 33*.

Bank overdrafts includes an amount of €1,961 million (December 31, 2023: €767 million) that relates to the overdraft position of a notional cash pooling arrangement. This bank overdraft is fully offset by an identical amount included under Cash and cash equivalents (see *Note 20* and *Note 30*).

The current portion of loans mainly includes the €600 million notes, which are due in 2025 (see *Note 22*). The €750 million notes were repaid on maturity in 2024.

In 2024, Other included mainly the NETTI settlement liability in the amount of $49 million, which will be paid in 2025; see *Note 23*.

Accounting policies

For more information on the accounting policies for financial liabilities and reinsurance contract liabilities, see *Note 30*.

27 Other current liabilities

€ million	December 29, 2024	December 31, 2023
Accrued expenses	**1,997**	1,929
Compensated absences	**472**	509
Payroll taxes, social security and VAT	**647**	598
Deferred income	**132**	108
Gift card liabilities[1]	**286**	263
Other[2]	**50**	45
Total other current liabilities	**3,583**	3,451

1. Gift card sales for the year in the amount of €745 million and exchange rate differences of €6 million, offset by redemptions in the amount of €707 million and breakage in the amount of €22 million, resulted in an ending balance of gift card liabilities of €286 million.
2. Other mainly includes the current portion of the pension-related liability for FELRA and MAP of €41 million (December 31, 2023: €39 million). For more information, see *Note 24*.

The non-current portion of the Deferred income amounts to €57 million (December 31, 2023: €26 million), and is included in the Other non-current liabilities line of the balance sheet.

Accounting estimates and judgments

For more information on the accounting estimates and judgments policies for gift card liabilities, see *Note 7*.

28 Cash flow

Cash and cash equivalents

The following table presents the reconciliation between the cash and cash equivalents as presented in the statement of cash flows and on the balance sheet:

€ million	December 29, 2024	December 31, 2023
Cash and cash equivalents as presented in the statement of cash flows	**6,157**	3,475
Restricted cash	**12**	10
Cash and cash equivalents as presented on the balance sheet	**6,169**	3,484

Additional cash flow information

€ million	2024	2023
Non-cash investing activities		
Accounts payable at year end related to purchased non-current assets	**320**	318
Assets acquired under leases[1]	**431**	563
Reassessments and modifications to leases[2]	**899**	1,142

€ million	2024	2023
Acquisition of businesses (see *Note 4*)		
Total purchase consideration	**(28)**	(52)
Purchase consideration – in kind	**2**	18
Cash acquired (excluding restricted cash)	**—**	—
Acquisition of businesses, net of cash acquired	**(26)**	(34)
Divestments of businesses		
Net cash flows from divestment of subsidiaries and businesses	**21**	8
Other net cash flows related to past divestments	**—**	—
Divestment of businesses	**21**	8
Cash divested[3]	**—**	(138)
Divestment of businesses, net of cash divested	**21**	(130)
Reconciliation between results on divestments of discontinued operations and cash (paid) received		
Result on divestments of discontinued operations before income taxes	**—**	—
Result on divestment of subsidiaries and businesses (not qualified as discontinued operations)[3]	**(237)**	(238)
Net assets (liabilities) divested	**46**	306
Currency exchange differences transferred from equity	**—**	(30)
Changes in other non-current financial assets and provisions – net	**216**	(35)
Transaction costs settled / payable	**(4)**	4
Divestment of businesses	**21**	8
Cash divested[3]	**—**	(138)
Divestment of businesses, net of cash divested[3]	**21**	(130)

1. The additions to right-of-use assets (see *Note 12* and *Note 13*) include €56 million of additions through sale and leaseback transactions and €1 million of lease incentives received net of initial direct costs paid (2023: €26 million of additions through sale and leaseback transactions and €4 million of initial direct costs paid net of lease incentives received), which are excluded from the amount of non-cash investing activities.
2. The modifications and remeasurements to right-of-use assets (see *Note 12* and *Note 13*) and to net investment in leases classified within non-current and current financial assets (see *Note 16* and *Note 19*) include €1 million of initial direct costs paid net of lease incentives received (2023: €8 million of lease incentives received net of initial direct costs paid), which are excluded from the amount of non-cash investing activities.
3. Result on divestment of subsidiaries and business in 2024 included predominantly divestment of stores, mainly in connection with the Belgium Future Plan. The amount reported for 2023 included divestment of FreshDirect (a loss of €250 million) and divestment of stores (a net gain of €12 million). Divestment of business, net of cash divested from sale of FreshDirect in 2023, was a negative €144 million with cash divested of €138 million.

Other investing cash flows

Other investing cash flows in 2024 was an outflow of €16 million (2023: an outflow of €171 million). Other investing cash flows in 2023 mainly consisted of a payment related to the exercise of an option in order to settle a non-controlling interest accounted for under the anticipated acquisition method.

28 Cash flow continued

Changes in liabilities arising from financing activities for the years ended December 29, 2024, and December 31, 2023:

€ million	Loans	Lease liabilities	Short-term borrowings and bank overdrafts	Derivative assets	Derivative liabilities	Total
As of December 31, 2023	**4,924**	**11,826**	**1,017**	**—**	**32**	**17,799**
Proceeds from long-term debt[1]	**1,585**	**—**	**—**	**—**	**—**	**1,585**
Acquisitions through business combinations	**—**	**—**	**—**	**—**	**—**	**—**
Repayments of loans and lease liabilities	**(782)**	**(1,742)**	**—**	**—**	**—**	**(2,524)**
Classified (to) held for sale or sold	**—**	**—**	**—**	**—**	**—**	**—**
Changes in short-term borrowings and overdrafts	**—**	**—**	**1,217**	**—**	**—**	**1,217**
Other cash flows from derivatives	**—**	**—**	**—**	**—**	**—**	**—**
Fair value changes	**(1)**	**—**	**—**	**(16)**	**(10)**	**(27)**
Additions to lease liabilities	**—**	**494**	**—**	**—**	**—**	**494**
Reassessments and modifications to leases	**—**	**892**	**—**	**—**	**—**	**892**
Termination of leases	**—**	**(63)**	**—**	**—**	**—**	**(63)**
Amortization of fair value adjustments and interest accretion to lease liability	**(4)**	**422**	**—**	**—**	**—**	**418**
Other non-cash movements	**(3)**	**—**	**—**	**—**	**—**	**(3)**
Exchange rate differences	**86**	**425**	**23**	**—**	**1**	**535**
As of December 29, 2024	**5,805**	**12,253**	**2,256**	**(17)**	**23**	**20,321**

1 The amount is net of deferred financing costs of €15 million, of which €9 million is included in Other within financing cash flows from continuing operations in the statement of cash flows.

€ million	Loans	Lease liabilities	Short-term borrowings and bank overdrafts	Derivative assets	Derivative liabilities	Total
As of January 1, 2023	4,760	11,965	915	(2)	26	17,664
Proceeds from long-term debt[1]	494	—	—	—	—	494
Acquisitions through business combinations	—	1	—	—	—	1
Repayments of loans and lease liabilities[2,3]	(277)	(1,819)	—	—	—	(2,096)
Classified (to) held for sale or sold	(3)	(155)	—	—	—	(158)
Changes in short-term borrowings and overdrafts	—	—	97	—	—	97
Other cash flows from derivatives	—	—	—	—	—	—
Fair value changes	5	—	—	2	7	14
Additions to lease liabilities	—	608	—	—	—	608
Reassessments and modifications to leases	—	1,124	—	—	—	1,124
Termination of leases	—	(37)	—	—	—	(37)
Amortization of fair value adjustments and interest accretion to lease liability	(7)	382	—	—	—	375
Other non-cash movements	—	—	—	—	—	—
Exchange rate differences	(48)	(243)	5	—	(1)	(287)
As of December 31, 2023	4,924	11,826	1,017	—	32	17,799

1. The amount is net of deferred financing costs of €6 million, of which €3 million is included in Interest paid and €3 million is included in Other within financing cash flows from continuing operations in the statement of cash flows.
2. Repayment of loans as presented in the statement of cash flows includes a premium paid of €15 million.
3. Repayment of lease liabilities as presented in the statement of cash flows includes €4 million of lease incentives received net of initial direct costs paid.

28 Cash flow continued

Accounting policies

The Company has chosen to prepare the statement of cash flows using the indirect method, which presents cash flows from operating activities as the income from continuing operations adjusted for non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows in foreign currencies have been translated using weighted average periodic exchange rates. Interest paid on loans is presented as a financing activity, while interest received is presented as an investing activity. Acquisitions and divestments of businesses are presented net of cash and cash equivalents acquired or disposed of, respectively. The Company has chosen to present dividends paid to its shareholders as a financing activity.

In the cash flow statement, the Company has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are not split between interest and principal portions but are shown as one line, Repayment of lease liabilities, in the cash flow statement. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

The Company has classified cash flows from operating leases as operating activities. Cash flows representing the collection of principal and interest payments for finance lease receivables are classified as investing activities and disclosed using a single line in the cash flow statement, Lease payments received on lease receivables.

29 Earnings per share

The calculation of basic and diluted net income per share attributable to common shareholders is based on the following data:

	2024	2023
Net income attributable to common shareholders for the purposes of basic and diluted earnings per share (€ million)	**1,764**	1,874
Number of shares (in millions)		
Weighted average number of common shares for the purposes of basic earnings per share	**930**	962
Effect of dilutive potential common shares:		
Conditional shares from share-based compensation programs	**4**	4
Weighted average number of common shares for the purposes of diluted earnings per share	**933**	966

The calculation of the basic and diluted income from continuing operations per share attributable to common shareholders is based on the same number of shares as detailed above and the following earnings data:

€ million	2024	2023
Income from continuing operations, attributable to common shareholders for the purposes of basic and diluted earnings per share	**1,764**	1,874

Both basic and diluted income per share from discontinued operations attributable to common shareholders amounted to €0.00 (2023: €0.00), based on the income (loss) from discontinued operations attributable to common shareholders of nil (2023: nil) and the denominators detailed above.

Accounting policies

Basic net income per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Basic income from continuing operations per share is calculated by dividing income from continuing operations attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted income per share is calculated by dividing the net income/income from continuing operations attributable to shareholders by the diluted weighted average number of common shares outstanding. To determine the diluted weighted average number of common shares outstanding, the weighted average number of shares outstanding is adjusted for the conditional shares from the share-based compensation programs.

30 Financial risk management and financial instruments

Financial risk management

Ahold Delhaize is exposed to a variety of financial risks, including currency, interest rate, funding, liquidity and counterparty risks. The Company's financial risk management is centralized through its Treasury function, which operates within a regularly reviewed framework of policies and procedures. Ahold Delhaize's Management Board has overall responsibility for the establishment and oversight of the Treasury risk management framework. Ahold Delhaize's management reviews material changes to Treasury policies and receives information related to Treasury activities. The Treasury function does not operate as a profit center and manages the financial risks that arise in relation to underlying business needs.

In accordance with its Treasury policies, Ahold Delhaize uses derivative instruments solely for the purpose of hedging exposures. These exposures are mainly the result of interest rate and currency risks arising from the Company's operations and its sources of financing. Ahold Delhaize does not enter into derivative financial instruments for speculative purposes. The transaction of derivative instruments is restricted to Treasury personnel only, and Ahold Delhaize's Internal Control department reviews the Treasury internal control environment regularly.

Relationships with credit rating agencies and monitoring of key credit ratios are also managed by the Treasury department.

30 Financial risk management and financial instruments continued

Currency risk

Ahold Delhaize operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the U.S. dollar. Since Ahold Delhaize's subsidiaries purchase and sell primarily in local currencies, the Company's exposure to exchange rate movements in its commercial operations is limited. The Company is subject to foreign currency exchange risks due to exchange rate movements in connection with the translation of its foreign subsidiaries' income, assets and liabilities into euros for inclusion in its consolidated financial statements. Translation risk related to Ahold Delhaize's foreign subsidiaries, joint ventures and associates is not actively hedged; however, the Company aims to minimize this exposure by funding its foreign operations in their functional currency wherever feasible.

To protect the value of future foreign currency cash flows, including loan and interest payments, lease payments, dividends and firm purchase commitments, and the value of assets and liabilities denominated in foreign currency, Ahold Delhaize seeks to mitigate its foreign currency exchange exposure by borrowing in local currency and entering into various financial instruments, including forward contracts and currency swaps. It is Ahold Delhaize's policy to cover foreign exchange transaction exposure in relation to existing assets, liabilities and firm purchase commitments, provided hedging instruments are available at a reasonable cost.

Foreign currency sensitivity analysis

As of December 29, 2024, Ahold Delhaize carried out a sensitivity analysis with regard to changes in foreign exchange rates to revalue dollar-denominated cash, cash equivalents and debt in its balance sheet at year end. Assuming the euro had strengthened (weakened) by 20% against the U.S. dollar compared to the actual 2024 rate, with all other variables held constant, the hypothetical result on income before income taxes would have been an increase (decrease) of €12 million (2023: an increase (decrease) of €4 million), as a result of foreign exchange revaluation of U.S. dollar-denominated monetary assets and liabilities held by non-U.S. dollar functional currency subsidiaries.

The loss on foreign exchange recognized in the 2024 income statement related to the revaluation of unhedged leases reported in the balance sheet amounted to €5 million (2023: loss of €8 million). The strengthening (weakening) of the euro by 20% against the other currencies, with all other variables held constant, would result in a loss (gain) of €194 million (2023: €179 million).

Interest rate risk

Ahold Delhaize's outstanding debt and investment position is exposed to changes in interest rates. To manage interest rate risk, Ahold Delhaize has an interest rate management policy aiming to reduce volatility in its interest expense and maintaining a target percentage of its debt in fixed-rate instruments. As of December 29, 2024, 89% of Ahold Delhaize's long-term bonds were at fixed rates of interest (December 31, 2023: 96%). Interest rate swaps are taken into account in the percentage as of December 29, 2024, and December 31, 2023 (see *Derivatives*).

Interest rate sensitivity analysis

The total interest expense recognized in the 2024 income statement related to the variable rates of short- and long-term debt amounted to €24 million (2023: €25 million). An increase (decrease) in market interest rates by 100 basis points, with all other variables (including foreign exchange rates) held constant, would have resulted in a loss (gain) of €6 million (2023: €7 million).

The total interest income recognized in the 2024 income statement amounted to €221 million (2023: €174 million), mainly related to variable rate money market fund investments and deposits. The Company estimates that a possible increase (decrease) of euro and U.S. dollar market interest rates of 100 basis points, with all other variables (including foreign exchange rates) held constant, would have resulted in a gain of €34 million or a loss of €34 million, respectively (2023: gain of €23 million or a loss of €23 million).

The above sensitivity analyses are for illustrative purposes only, as, in practice, market rates rarely change in isolation from other factors that also affect Ahold Delhaize's financial position and results.

Supply chain financing

Ahold Delhaize has supply chain finance arrangements with third-party banks. As of December 29, 2024, the amounts due under the supply chain finance arrangements classified as trade payables totaled €1,286 million (December 31, 2023: €1,313 million). As of December 29, 2024, €1,100 million was paid by third-party banks to suppliers. For more information on the accounting policies regarding supply chain finance arrangements, see section *Accounting policies – Supply chain financing*. The terms, including the payment terms, of the trade payables that are part of the supply chain finance arrangements are not substantially different from the terms of the Company's trade payables that are not part of the supply chain arrangement. The payment due dates range from 5 to 180 days for the amounts due under the supply chain finance arrangements and 0 to 180 days for other trade payables.

Credit risk

Ahold Delhaize has no significant concentrations of credit risk. The concentration of credit risk with respect to receivables is limited, as the Company's customer base and vendor base are large and unrelated. The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime-expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the numbers of past due days. The expected loss rate is calculated based on delinquency status and actual historical credit loss experience. As a result, management believes there is no further credit risk provision required over the normal individual and collective impairment, based on an aging analysis performed as of December 29, 2024. For further discussion on Ahold Delhaize's receivables, see *Note 16* and *Note 18*.

Financial transactions are entered into predominantly with investment-grade financial institutions. The Company requires a minimum short-term rating of A1/P1 and a minimum long-term rating of A3/A- for its deposit and investment products. The Company may deviate from this requirement from time to time for operational reasons. Regarding credit risk, derivative contracts with counterparties are entered into primarily under the standard terms and conditions of the International Swaps and Derivatives Association (ISDA). With certain counterparties, Ahold Delhaize has credit support annexes in place that materially reduce the counterparty risk exposure because of a contractual exchange of cash collateral. Ahold Delhaize has policies that limit the amount of counterparty credit exposure to any single financial institution or investment vehicle and actively monitors these exposures.

Counterparty risk is measured by adding the nominal value of cash, short-term deposits and marketable securities, and the mark-to-market of derivative instruments, netted with the collateral posted, if any. As a result, the highest exposure to a single financial counterparty, excluding AAA-rated money market funds, on December 29, 2024, amounted to €262 million (December 31, 2023: €183 million).

30 Financial risk management and financial instruments continued

Offsetting of financial instruments

Ahold Delhaize has several financial assets and financial liabilities that are subject to offsetting or enforceable master netting arrangements and similar agreements.

Cash pool

The Company has implemented a cash pool system, allowing more efficient management of the daily working capital needs of the participating operating entities. The settlement mechanism of the cash pool is provided by an external financial counterparty. The cash pool system exposes the Company to a single net amount with that financial counterparty rather than the gross amount of several current accounts and bank overdraft balances with multiple financial counterparties. From an operational perspective, the balances in the cash pool are netted. However, under the guidance of IAS 32 regarding the offsetting of debit and credit balances for financial reporting purposes, these balances have to be presented on a gross basis on the balance sheet (see *Note 20* and *Note 26*).

ISDA master agreements for derivatives

The Company has entered into several ISDA master agreements in connection with its derivative transactions. In general, under such agreements, the amounts owed by each counterparty to another on the same day in respect of the same transaction payable in the same currency are aggregated into a single net amount payable by one party to the other.

Under certain circumstances, if all transactions under the ISDA master agreement are terminated, e.g., when a credit event such as payment default occurs, the termination value is assessed and only a single net amount is payable in the settlement of all transactions governed by the ISDA master agreement.

The ISDA agreements do not meet the criteria for offsetting on the balance sheet. This is because the Company does not currently have a legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of a future event, such as a default. ISDAs are considered to be master netting arrangements for IFRS 7 disclosure purposes.

The following table shows the maximum exposure of the Company's financial assets and financial liabilities that are subject to offset or enforceable master netting arrangements and similar agreements for the year ended December 29, 2024.

€ million	Gross amounts in the balance sheet	Cash collateral received/ pledged[1]	Net exposure
Assets			
Cash and cash equivalents	**2,108**	**1,961**	**147**
Total	**2,108**	**1,961**	**147**
Liabilities			
Bank overdrafts	**1,961**	**1,961**	**—**
Total	**1,961**	**1,961**	**—**

1. Amounts not offset in the balance sheet but subject to master netting arrangements (or similar).

Liquidity risk

Ahold Delhaize views available cash balances and funds from operating activities as its primary sources of liquidity, complemented with access to external sources of funds when required. Ahold Delhaize manages short-term liquidity based on projected cash flows. As of December 29, 2024, the Company's liquidity position primarily comprised €4,224 million of cash (including short-term deposits and similar instruments and the current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the €1.5 billion revolving credit facility, of which nil is drawn.

Based on the current operating performance and liquidity position, the Company believes that its liquidity position will be sufficient for working capital, capital expenditures, commitments related to acquisitions, interest payments, dividends, the announced €1 billion share buyback program and scheduled debt repayments for the next 12 months. In addition, the Company has access to its revolving credit facility and to the debt capital markets based on its current credit ratings.

The following tables summarize the expected maturity profile of the Company's financial liabilities (including derivatives) as of December 29, 2024, and December 31, 2023, respectively, based on contractual undiscounted payments.

All financial liabilities held at the reporting date, for which payments are already contractually agreed, have been included. Amounts in foreign currency have been translated using the reporting date closing rate. Cash flows arising from financial instruments carrying variable interest payments have been calculated using the forward curve interest rates as of December 29, 2024, and December 31, 2023, respectively. See *Note 34* for the liquidity risk related to guarantees.

30 Financial risk management and financial instruments
continued

Year ended December 29, 2024

€ million	Net carrying amount	Contractual cash flows: Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities[1]					
Notes	(5,652)	(781)	(3,009)	(3,055)	(6,845)
Other loans	—	—	—	—	—
Financing obligations	(153)	(28)	(46)	—	(74)
Accounts payable under supply chain finance arrangements	(1,286)	(1,286)	—	—	(1,286)
Accounts payable not under supply chain finance arrangements	(7,238)	(7,238)	—	—	(7,238)
Accounts payable	(8,524)	(8,524)	—	—	(8,524)
Short-term borrowings	(2,256)	(2,256)	—	—	(2,256)
Interest payable	(83)	(83)	—	—	(83)
Reinsurance contract liabilities	(286)	(136)	(131)	(53)	(320)
Other long-term financial liabilities	(156)	(54)	(104)	—	(158)
Other	(26)	(18)	—	—	(18)
Derivative financial liabilities					
Derivatives	(23)	(1)	—	(22)	(23)

1. The maturity analysis for lease liabilities is included in *Note 33*.

Year ended December 31, 2023

€ million	Net carrying amount	Contractual cash flows: Within 1 year	Between 1 and 5 years	After 5 years	Total
Non-derivative financial liabilities[1]					
Notes	(4,758)	(889)	(2,607)	(2,071)	(5,566)
Other loans	(3)	—	—	(3)	(3)
Financing obligations	(163)	(27)	(68)	(1)	(97)
Accounts payable[2]	(8,278)	(8,278)	—	—	(8,278)
Short-term borrowings	(1,017)	(1,017)	—	—	(1,017)
Interest payable	(48)	(48)	—	—	(48)
Reinsurance contract liabilities	(283)	(124)	(142)	(51)	(317)
Other long-term financial liabilities	(58)	(10)	(52)	—	(62)
Other	(24)	(15)	—	—	(15)
Derivative financial liabilities					
Derivatives	(32)	(1)	—	(32)	(32)

1. The maturity analysis for lease liabilities is included in *Note 33*.
2. Accounts payable amounts are not presented separately for amounts under supply chain finance arrangements and amounts not under supply chain finance arrangements, since the Company opted to apply the relief in the first year of application not to present comparative information for 2023 (see *Note 3*).

30 Financial risk management and financial instruments continued

Credit ratings

Maintaining investment-grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to capital. Ahold Delhaize's current credit ratings from the solicited rating agencies are:

- Standard & Poor's: Corporate credit rating BBB+, with a stable outlook as of March 2023 (previous rating BBB assigned in September 2022).
- Moody's: Issuer credit rating Baa1, with a stable outlook as of February 2018 (previous rating Baa2 assigned in August 2015).

Capital management

The Company's primary objective to manage capital is the optimization of its debt and equity balances to sustain the development of the business, maintain its investment-grade credit ratings, and maximize shareholder value.

Ahold Delhaize may balance its capital structure in several ways, including through the payment of dividends, capital repayment, new share issues, share buybacks and the issuance or redemption of debt.

Financial instruments

Accounting classification and fair values of financial instruments

The following table presents the fair value of financial instruments, based on Ahold Delhaize's categories of financial instruments, including current portions, compared to the carrying amount at which these instruments are included on the balance sheet:

	December 29, 2024		December 31, 2023	
€ million	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets at amortized cost				
Loans receivable	**162**	**162**	129	130
Trade and other (non-)current receivables	**2,767**	**2,767**	2,542	2,542
Lease receivable	**575**	**559**	529	505
Cash and cash equivalents	**6,169**	**6,169**	3,484	3,484
Short-term deposits and similar investments	**16**	**16**	15	15
	9,689	**9,673**	6,699	6,677
Financial assets at fair value through profit or loss				
Reinsurance contract assets	**334**	**334**	327	327
Investments in debt instruments	**7**	**7**	11	11
	340	**340**	338	338
Financial assets at fair value through other comprehensive income				
Investments in equity instruments	**—**	**—**	27	27
Derivative financial instruments				
Derivatives	**17**	**17**	—	—
Total financial assets	**10,046**	**10,030**	7,065	7,043

30 Financial risk management and financial instruments continued

€ million	December 29, 2024 Carrying amount	December 29, 2024 Fair value	December 31, 2023 Carrying amount	December 31, 2023 Fair value
Financial liabilities at amortized cost				
Notes	**(5,652)**	**(5,578)**	(4,758)	(4,617)
Other loans	**—**	**—**	(3)	(3)
Financing obligations	**(153)**	**(65)**	(163)	(80)
Accounts payable	**(8,524)**	**(8,524)**	(8,278)	(8,278)
Short-term borrowings	**(2,256)**	**(2,256)**	(1,017)	(1,017)
Interest payable	**(83)**	**(83)**	(48)	(48)
Other long-term financial liabilities	**(156)**	**(157)**	(58)	(59)
Other	**(26)**	**(26)**	(24)	(24)
	(16,850)	**(16,688)**	(14,349)	(14,126)
Financial liabilities at fair value through profit or loss				
Reinsurance contract liabilities	**(286)**	**(286)**	(283)	(283)
Derivative financial instruments				
Derivatives	**(23)**	**(23)**	(32)	(32)
Total financial liabilities excluding lease liabilities	**(17,159)**	**(16,997)**	(14,665)	(14,442)
Long-term lease liabilities	**(12,253)**	N/A	(11,826)	N/A
Total financial liabilities	**(29,412)**	N/A	(26,491)	N/A

Of Ahold Delhaize's categories of financial instruments, only derivatives, investments in debt and certain equity instruments and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value. These fair value measurements are categorized within Level 2 or Level 3 of the fair value hierarchy. The Company uses inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

The fair value of derivative instruments is measured by using either a market or income approach (mainly present value techniques). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturity of the contracts. Interest rate swaps are measured at the present value of expected future cash flows. Expected future cash flows are discounted by using the applicable yield curves derived from quoted interest rates.

The fair value measurement of the virtual power purchase agreement is categorized within Level 3 of the fair value hierarchy. The Company uses unobservable input data such as the volume of generated solar power and the price curves of the respective electricity market. The fair value is calculated as the net forecasted cash in- or outflows discounted to the present value.

To the extent that no cash collateral is contractually required, the valuation of Ahold Delhaize's derivative instruments is adjusted for the credit risk of the counterparty, called Credit Valuation Adjustment (CVA), and for Ahold Delhaize's own credit risk, called Debit Valuation Adjustment (DVA). The valuation technique for the CVA/DVA calculation is based on relevant observable market inputs.

No CVA/DVA adjustments are made to the valuation of certain derivative instruments, for which both Ahold Delhaize and its counterparties are required to post or redeem cash collaterals if the value of a derivative exceeds a threshold defined in the contractual provisions. Such cash collaterals materially reduce the impact of both the counterparty and Ahold Delhaize's own non-performance risk on the value of the instrument. Ahold Delhaize posted deposits as collateral in the net amount of €24 million as of December 29, 2024 (December 31, 2023: €33 million). The counterparties have an obligation to repay the deposits to Ahold Delhaize upon settlement of the contracts.

The carrying amount of trade and other (non-)current receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because any expected recoverability loss is reflected in an impairment loss.

The fair values of quoted borrowings for which an active market exists are based on year-end quoted prices. The fair value of other non-derivative financial assets and liabilities that are not traded in an active market is estimated using discounted cash flow analyses based on market rates prevailing at year end.

As of December 29, 2024, short-term deposits and similar instruments (€16 million) contain short-term liquid investments that are considered part of Ahold Delhaize's cash position.

Derivatives

Fair values, notional amounts, maturities and the qualification of derivative financial instruments for accounting purposes are presented in the table below:

		December 29, 2024		
			Fair value	
€ million	Maturity	Assets	Liabilities	Notional amount
Forward foreign currency contracts	After 5 years	**—**	**—**	**—**
Total cash flow hedges		**—**	**—**	**—**
Forward commodity contracts[1]	Within 1 year	**—**	**(1)**	**6**
Interest rate swaps[2]	After 5 years	**—**	**(22)**	**192**
Total fair value hedges		**—**	**(23)**	**198**
Forward foreign currency contracts	Within 1 year	**—**	**—**	**95**
Virtual power purchase agreements	After 5 years	**16**	**—**	**219**
Total derivatives – no hedge accounting treatment		**16**	**—**	**314**
Total derivative financial instruments		**17**	**(23)**	**512**

30 Financial risk management and financial instruments continued

		December 31, 2023		
		Fair value		Notional amount
€ million	Maturity	Assets	Liabilities	
Forward foreign currency contracts	Within 1 year	—	(11)	300
Total cash flow hedges		—	(11)	300
Forward commodity contracts[1]	Within 1 year	—	(1)	8
Interest rate swaps[2]	After 5 years	—	(20)	181
Total fair value hedges		—	(21)	190
Forward foreign currency contracts	Within 1 year	—	—	66
Total derivatives – no hedge accounting treatment		—	—	66
Total derivative financial instruments		—	(32)	555

1. Hedge ineffectiveness in relation to the forward commodity contracts was negligible for 2024 and 2023.
2. Hedge ineffectiveness in relation to the interest rate swaps was negligible for 2024 and 2023.

On November 14, 2024, Ahold Delhaize announced it signed a virtual power purchase agreement with the Spanish renewable energy company BRUC to support the financing and construction of a cluster of five solar power plants in Seville, Spain. Energy generation is anticipated to commence in 2026. Ahold Delhaize will receive renewable energy certificates for a period of 15 years. The initial fair value of €15.8 million was deferred and will be released as other financial income (expense) over the contract term starting when energy generation commences. As of December 29, 2024, the fair value was €16.3 million. The unrealized change in fair value of €0.5 million is recorded in fair value gains (losses) (see *Note 9*).

Accounting policies

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Company).

At initial recognition, the Company measures its financial assets at their fair value plus, in the case of a financial asset not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Upon initial recognition, the Company classifies its financial assets as subsequently measured at either (i) amortized cost, (ii) fair value through other comprehensive income (FVOCI) or (iii) FVPL on the basis of both:

- The Company's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Subsequent to initial recognition, financial assets are measured as described below.

Financial assets at amortized cost

Financial assets are measured at amortized cost if both (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

The Company's financial assets measured at amortized cost comprise loans receivable, net investment in leases, trade and other (non-)current receivables, cash and cash equivalents, short-term deposits and similar instruments.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if both (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company also has the option to designate other financial assets at FVOCI. In such situations, the fair value movements are recognized in other comprehensive income, but any dividends earned are recognized in profit or loss.

Investments in debt instruments measured at FVOCI are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are reclassified to profit or loss when the debt instrument is derecognized.

There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments in equity instruments that are not held for trading and for which the Company made an irrevocable election at the time of initial recognition to account for the investment in equity instruments at FVOCI.

Financial assets at FVPL

When any of the above-mentioned conditions for classification of financial assets are not met, a financial asset is classified as "at fair value through profit or loss" and measured at fair value with changes in fair value recognized in profit or loss.

A financial asset measured at FVPL is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at FVPL is recognized in the income statement for the reporting period in which it arises.

The Company may, at initial recognition, irrevocably designate a financial asset as measured at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

30 Financial risk management and financial instruments continued

The Company's financial instruments measured at FVPL comprise reinsurance assets, derivatives and certain investments in debt instruments.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or fair value through other comprehensive income. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to 12 months of expected credit losses. If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime-expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime-expected credit losses for trade receivables, contract assets and lease receivables.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or canceled.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for derivatives and reinsurance liabilities. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the loans and short-term borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments

All derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments, unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship. In order for a derivative financial instrument to qualify as a hedging instrument for accounting purposes, the Company must document (i) at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions and (ii) its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in fair values or cash flows of hedged items. Derivatives that are designated as hedges are accounted for as either cash flow hedges or fair value hedges.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized initially in the cash flow hedging reserve, a separate component of equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are reclassified into the income statement in the same period in which the related exposure impacts the income statement. When a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified to the income statement when the forecasted transaction is ultimately recognized. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss existing in equity is immediately recognized in the income statement.

Fair value hedge

Fair value changes of derivative instruments that qualify for fair value hedge accounting treatment are recognized in the income statement in the periods in which they arise, together with any changes in fair value of the hedged asset or liability. If the hedging instrument no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortized in the income statement over the hedged item's remaining period to maturity.

Virtual power purchase agreements

Virtual power purchase agreements are considered to be derivative financial instruments. The agreements, including the embedded renewable energy certificates, are accounted for at fair value and are included as part of the derivative assets and liabilities. The difference between the fair value on initial recognition and the transaction price is recognized in the income statement as other financial income (expense) over the life of the instrument. Gains and losses resulting from the fair value remeasurement are recognized in the income statement as fair value gains (losses) on financial instruments.

Reinsurance contract assets and liabilities

Under Ahold Delhaize's self-insurance program, part of the insurance risk is ceded under a reinsurance treaty, which is a pooling arrangement between unrelated companies. In accordance with the pooling arrangement, the Company assumes a share of the reinsurance treaty risks that is measured in relation to the percentage of Ahold Delhaize's participation in the treaty. Ahold Delhaize applies the premium allocation approach, as the reinsurance contracts have a coverage period of one year or less. Reinsurance contract assets include estimated receivable balances related to reinsurance contracts purchased by the Company. Reinsurance liabilities represent the expected insurance risks related to reinsurance contracts sold by the Company. Reinsurance contract assets and liabilities are measured on a discounted basis using accepted actuarial methods.

Supply chain financing

The supply chain financing arrangements do not expose Ahold Delhaize to additional credit risk or provide Ahold Delhaize with a significant benefit of additional financing and, accordingly, it is Ahold Delhaize's policy to classify the amounts due under supply chain finance arrangements with third-party banks as trade payables. In accordance with the Company's accounting policy, trade payables are presented as operating activities in the cash flow statement. Suppliers choose to enter into these arrangements, which provide them with the option of access to earlier payment at favorable interest rates from the bank based on Ahold Delhaize's credit rating. If suppliers do not choose early payment under these arrangements, their invoices are settled by the bank under the applicable payment terms.

31 Related party transactions

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company considers all members of the Executive Committee and Supervisory Board to be key management personnel, as defined in IAS 24 "Related Party Disclosures." At the end of 2024, the Executive Committee consisted of the Management Board and four other members.

The total compensation of key management personnel in 2024 amounted to €22,919 thousand (2023: €29,858 thousand). This includes a true-up for the estimated additional wage tax relating to key management personnel leaving the Company due in accordance with Dutch tax laws of €(1,979) thousand (2023: €1,238 thousand).

Remuneration of the Executive Committee including Management Board

The table below specifies the remuneration of the Executive Committee, comprising the Management Board members and the former members of the Management Board, and the additional Executive Committee members who were not part of the Management Board.

	2024				2023			
€ thousand	MB members[1]	Former MB members[2]	Other ExCo	Total ExCo	MB members[1]	Former MB members[2]	Other ExCo	Total ExCo
Base salary	**2,952**	**792**	**1,919**	**5,663**	2,674	1,429	1,603	5,706
EIP[3]	**3,260**	**875**	**2,118**	**6,253**	3,168	1,246	1,900	6,314
Other[4]	**926**	**310**	**1,512**	**2,748**	817	438	642	1,897
Share-based compensation[5]	**3,873**	**1,463**	**2,557**	**7,894**	5,032	4,390	2,731	12,153
Pensions[6]	**322**	**67**	**292**	**681**	179	612	173	964
Remuneration of the members of the ExCo	**11,333**	**3,507**	**8,399**	**23,239**	11,870	8,115	7,049	27,034

1. The 2024 Management Board (MB) members include Frans Muller, Jolanda Poots-Bijl, JJ Fleeman and Claude Sarrailh. The 2023 Management Board members include Frans Muller, Jolanda Poots-Bijl, JJ Fleeman and Wouter Kolk.
2. Former Management Board members for 2024 include Wouter Kolk and Kevin Holt. Former Management Board members for 2023 include Natalie Knight and Kevin Holt.
3. The Executive Incentive Plan (EIP) represents accrued annual cash incentives to be paid in the following year based on an overall weighted EIP performance. For an explanation of the Company's Remuneration Policy, see the *Remuneration report*. The overall 2024 performance multiplier was 110.4% for Management Board and other Executive Committee (ExCo) (2023: 118.5% for Management Board and other ExCo).
4. Other mainly includes gross allowances for net pension, tax compensation (tax equalization charges or refunds for expatriates), allowances for housing expenses, relocation costs, international school fees, employer's contributions to social security plans, benefits in kind, such as company cars, tax advice, medical expenses, and the associated tax gross-up.
5. The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2024 reflects this year's portion of the share grants over the previous four years (plans 2021 to 2024). For more information on the share-based compensation expenses, see *Note 32*. The 2024 share-based compensation for former Management Board members includes €1,767 thousand for Wouter Kolk and €(304) thousand for Kevin Holt as a result of adjusted performance estimates (2023: €5,276 thousand for Kevin Holt and €(886) thousand for Natalie Knight).
6. Pension costs are the total net periodic pension costs of the applicable pension plans.

For more details on the remuneration of the individual members of the Management Board, see the *Remuneration report*.

Remuneration of the members of the Supervisory Board

The Remuneration Policy for the Supervisory Board was adopted by the General Meeting of Shareholders on April 13, 2022, and became effective retroactively as of January 1, 2022. The table below specifies the total remuneration of the members of the Supervisory Board.

	2024			2023		
€ thousand	Supervisory Board members	Former Supervisory Board members	Total Supervisory Board	Supervisory Board members	Former Supervisory Board members	Total Supervisory Board
Remuneration of the members of the Supervisory Board	**1,612**	**48**	**1,659**	1,543	43	1,586

For more details on the remuneration of the individual members of the Supervisory Board, see the *Remuneration report*.

Ahold Delhaize does not provide loans or advances to members of the Management Board or the Supervisory Board. There are no loans or advances outstanding. Ahold Delhaize does not issue guarantees to the benefit of members of the Management Board or the Supervisory Board. No such guarantees are outstanding.

Trading transactions

Ahold Delhaize has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements. Transactions were conducted at market prices.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured. No expense has been recognized in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

During 2024, the Company entered into the following transactions with unconsolidated related parties:

€ million	Transaction values for the year ending December 29, 2024	Receivables outstanding as of December 29, 2024	Payables outstanding as of December 29, 2024	Commitments as of December 29, 2024
Sale of goods and services				
Joint ventures	**3**	**1**	**—**	**—**
Associates	**—**	**13**	**—**	**—**
Total	**3**	**14**	**—**	**—**
Purchase of goods and services				
Joint ventures	**191**	**69**	**—**	**66**
Associates	**3**	**—**	**—**	**3**
Total	**194**	**69**	**—**	**69**

31 Related party transactions continued

During 2023, the Company entered into the following transactions with unconsolidated related parties:

€ million	Transaction values for the year ending December 31, 2023[1]	Receivables outstanding as of December 31, 2023[1]	Payables outstanding as of December 31, 2023	Commitments as of December 31, 2023
Sale of goods and services				
Joint ventures	—	1	—	—
Associates	—	7	—	—
Total	—	8	—	—
Purchase of goods and services				
Joint ventures	156	59	2	24
Associates	1	—	—	8
Total	158	59	2	32

1. The numbers have been restated to incorporate the transactions with the European purchasing alliances.

These unconsolidated related parties consist of:

- Joint ventures:
  - JMR, a joint venture of Ahold Delhaize in the retail business (see *Note 15*). There were no significant transactions with JMR in 2024 and 2023.
  - Super Indo, a joint venture of Ahold Delhaize in the retail business (see *Note 15*). There were no significant transactions with Super Indo in 2024 and 2023.
  - Other joint ventures, such as European purchasing alliances toward suppliers, real estate joint ventures in which Ahold Delhaize has an interest, and holding properties operated by Ahold Delhaize
- Associates:
  - Adhese, an advertising technology company in which Ahold Delhaize acquired a minority stake during 2022
  - Loyalty Management Nederland B.V., an associate of Ahold Delhaize that renders services relating to the management of customer loyalty programs to certain Ahold Delhaize subsidiaries in the Netherlands
  - Other associates, such as a collaborative venture capital fund to accelerate innovation across the grocery retail ecosystem and a European purchasing alliance toward suppliers

Furthermore, the Company's post-employment benefit plans in the Netherlands and the United States are considered related parties. For more information on these plans, see *Note 24*.

32 Share-based compensation

In 2024, Ahold Delhaize's share-based compensation program consisted of a share grant program called Global Reward Opportunity (GRO). Total 2024 GRO share-based compensation expenses were €42 million (2023: €53 million). Ahold Delhaize's share-based compensation programs are equity-settled.

The fair value of the 2024 GRO award performance shares granted in 2024 at grant date was €55 million, of which €7 million related to the Management Board members. The fair value is expensed over the vesting period of the grants, adjusted for expected annual forfeitures of 4% (2023: 4%) excluding Management Board members. For the share-based compensation expenses allocable to the individual Management Board members, see the *Remuneration report*.

GRO program

Main characteristics of performance shares granted in 2021 through 2024

The performance shares granted under this program vest on the day after the AGM in the third year of the grant, subject to certain performance conditions being met. The GRO program employs three financial measures: return on capital (RoC), underlying earnings per share growth (EPS) and total shareholder return (TSR), as well as non-financial performance measures related to sustainability targets.

The total GRO award comprises four portions of performance shares. The first 35% is linked to a three-year RoC target. Depending on performance, the number of performance shares that eventually vest may range between zero and a maximum of 150% relative to the number of performance shares granted.

For the performance shares granted in 2021, another 35% is linked to a three-year EPS growth target. For the performance shares granted after 2021, this number is 25%. The number of performance shares that vest may range between zero and a maximum of 150% relative to the number of performance shares granted, depending on the performance.

Another 15% of the total GRO award is linked to TSR (share price growth and dividends paid over the performance period), with performance at vesting benchmarked against the TSR performance of the peer group disclosed below. The number of performance shares that vest depends on the Company's relative ranking in the peer group and may range between zero and a maximum of 150%, relative to the number of performance shares granted (see table below for the vesting percentages based on Ahold Delhaize's ranking within the peer group).

For the remaining GRO share award, the performance at vesting is measured using sustainability targets related to the Company's health and sustainability ambitions. This applies to 15% of the performance shares granted in 2021 and 25% of the performance shares granted after 2021. Depending on performance, the number of performance shares that eventually vest can range between zero and a maximum of 150% relative to the number of performance shares granted.

32 Share-based compensation continued

The table below indicates the percentage of performance shares that could vest based on Ahold Delhaize's TSR ranking within the peer group, for the performance shares granted in 2021 through 2024:

2021–2024 GRO program rank	All participants
1	150%
2	125%
3	110%
4	100%
5	75%
6	50%
7–12	0%

TSR performance peer group for performance shares granted in 2021 through 2024	
Tesco	Kroger
Carrefour	Costco
Metro Cash & Carry	Target
Casino Guichard-Perrachon	Walgreens Boots Alliance
J Sainsbury	Walmart
Albertsons[1]	

1. For the 2021 GRO award, Wm Morrison was used instead of Albertsons.

Performance shares vesting in 2025

In 2025, the performance shares granted in 2022 will vest. The performance shares vesting will comprise performance shares based on the Company's RoC, EPS, TSR and sustainability performance. As of the end of 2024, Ahold Delhaize ranked fifth in the TSR peer group with respect to the 2022 grant. Based on this TSR ranking, the vesting percentage for the portion of the 2022 performance shares dependent on Ahold Delhaize's TSR performance was 75%.

At the end of each reporting period, Ahold Delhaize revises its estimates of the number of performance shares that are expected to vest based on the non-market vesting conditions (RoC, EPS and sustainability performance). Ahold Delhaize recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The final vesting percentage for the portion of the 2022 performance shares dependent on Ahold Delhaize's RoC, EPS and sustainability performance is 122%, 145% and 131%, respectively.

On April 10, 2025, a maximum of 0.3 million performance shares granted in 2022 to current and former members of the Management Board under the Ahold Delhaize GRO plan are expected to vest. Except to finance taxes and social security charges due on the vesting date, members of the Management Board cannot sell shares for a period of at least five years following the grant date, or until their date of resignation from the Management Board, if this period is shorter. Any sale of shares is subject to insider trading restrictions as applicable from time to time.

On April 10, 2025, a maximum of 1.8 million performance shares granted in 2022 to Ahold Delhaize employees under the Ahold Delhaize GRO plan are expected to vest. As of the vesting date, participants are allowed to sell all or part of the vested shares, subject to insider trading restrictions as applicable from time to time.

The Company will use treasury shares for the delivery of the vested shares.

The following table summarizes the status of the GRO program during 2024 for the Management Board members and for all other employees in the aggregate.

	Outstanding at the beginning of 2024	Granted	Performance adjustment[1]	Vested[2]	Forfeited	Outstanding at the end of 2024
Management Board members						
Shares Management Board members[3]	881,576	342,687	52,668	323,476	—	**953,455**
Other employees						
2021 grant	1,631,862	—	310,366	1,902,571	39,657	**—**
2022 grant	1,577,113	10,300	—	1,273	103,130	**1,483,010**
2023 grant	1,911,735	28,721	—	1,419	155,342	**1,783,695**
2024 grant	—	2,175,160	—	1,356	111,319	**2,062,485**
Total number of shares	6,002,286	2,556,868	363,034	2,230,095	409,448	**6,282,645**

1. Represents the adjustment to the number of performance shares granted resulting from the TSR, RoC, EPS and sustainability performance.
2. The vesting date of the 2021 grant was April 11, 2024. The share price was €27.46 on April 11, 2024.
3. For an overview of the shares outstanding for the Management Board members, see the *Remuneration report*.

Valuation model and input variables

The weighted average fair value of the 2024 GRO award performance shares granted in 2024, for all eligible participants including Management Board members, amounted to €11.37 per share for TSR performance shares and €23.91 per share for RoC performance shares, EPS performance shares and sustainability performance shares (2023: €21.24 per share for TSR performance shares and €28.00 per share for RoC performance shares, EPS performance shares and sustainability performance shares).

For the 2023 GRO award performance shares granted in 2024, the weighted average fair values were €18.18 (TSR) and €26.51 (RoC, EPS and sustainability) per share, and for the 2022 GRO award performance shares granted in 2024, the weighted average fair values were €12.36 (TSR) and €26.00 (RoC, EPS and sustainability) per share.

32 Share-based compensation continued

The fair values of the RoC, EPS and sustainability performance shares are based on the Black-Scholes model. The fair values of the TSR performance shares are determined using a Monte Carlo simulation model, which considers the likelihood of Ahold Delhaize's TSR ending at various ranks as well as the expected share price at each rank. The most important assumptions used in the valuations of the shares granted in 2024 and 2023 were as follows:

	2024	2023
Closing share price at grant date (€)	**27.27**	31.30
Risk-free interest rate	**2.7%**	2.7%
Volatility	**19.9%**	20.7%
Assumed dividend yield	**4.5%**	3.7%

Expected volatility has been determined based on historical volatilities for a period of three years.

Accounting policies

The grant date fair value of equity-settled share-based compensation plans is expensed, with a corresponding increase in equity, on a straight-line basis over the vesting periods of the grants. The cumulative expense recognized at each balance sheet date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of performance shares that will eventually vest. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition (e.g., total shareholder return). Those are treated as vested irrespective of whether or not the market condition is ultimately satisfied, provided that all non-market conditions (e.g., continued employment) are satisfied.

33 Leases

Ahold Delhaize as lessee

Ahold Delhaize leases a significant number of its stores, as well as DCs, warehouses, offices and other assets, under lease arrangements. Leases of retail stores typically run for periods of 10 to 25 years, and warehouses and DCs for 10 to 15 years.

The Company also leases equipment, mainly IT equipment, with average contract terms of four years. The majority of these are short-term leases and/or leases of low-value assets, and the Company has elected not to recognize right-of-use assets and lease liabilities for these leases. The Company expects the expenses incurred for short-term leases and leases of low-value assets to remain broadly consistent in future years.

Right-of-use assets

See *Note 12* and *Note 13* for more information on the right-of-use assets.

Lease liabilities

The following table summarizes the expected maturity profile of the Company's lease liabilities as presented in *Note 23* (non-current portion) and *Note 26* (current portion) as of December 29, 2024, and December 31, 2023, respectively, based on the undiscounted payments.

€ million	December 29, 2024	December 31, 2023
Less than one year	**1,900**	1,694
One to five years	**6,386**	5,969
Five to 10 years	**4,254**	4,162
10 to 15 years	**1,635**	1,656
More than 15 years	**905**	1,039
Total undiscounted lease payments	**15,080**	14,520
Lease liabilities included in the balance sheet	**12,253**	11,826
Current portion (*Note 26*)	**1,444**	1,281
Non-current portion (*Note 23*)	**10,809**	10,545

General

Leases are managed by local management and, accordingly, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The terms and conditions of real estate leases include, among others, extension and termination options as well as (additional) variable payments. A large proportion of the real estate leases also provide for lease payment increases that are based on changes in local price indices, which are generally determined annually. Lease liabilities are remeasured to reflect those revised lease payments only when there is a change in the cash flows.

The Company does not have leases with significant guaranteed residual values or purchase options.

None of Ahold Delhaize's leases impose restrictions on the Company's ability to pay dividends, incur additional debt or enter into additional leasing arrangements.

Extension and termination options

Extension and termination options are included in a large number of real estate leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

As of December 29, 2024, potential uncommitted future cash outflows of an estimated €40 billion (undiscounted) (2023: €38 billion) have not been included in the lease liability (and right-of-use asset) because it is not reasonably certain that the leases will be extended (or not terminated).

During the current financial year, an amount of €888 million (2023: €1,091 million) has been recorded as a net increase in the right-of-use assets due to reassessments and modifications of leases, which include, among others, the effect of exercising extension and termination options and changes in lease payments due to inflation-related increases.

33 Leases continued

The table below summarizes the rate of exercise of termination options.

	Number of contracts with termination options exercisable as of December 29, 2024	Number of contracts with termination options not exercised or not considered reasonably certain to be exercised as of December 29, 2024	Number of contracts with termination options exercised or considered reasonably certain to be exercised as of December 29, 2024
	Number of leases	Number of leases	Number of leases
Total Ahold Delhaize	**2,753**	**2,483**	**270**

In countries like Greece, Romania and Serbia, it is general practice to be able to terminate contracts, subject to a notice period. A large portion of the termination options listed above relates to vehicle leases in Greece, Romania and Serbia.

In Belgium, real estate leases normally have an initial term of 27 years, with a maximum duration of 45 years by tacit extension of the contract. The lessee has the right, by law, to terminate the lease every three years. In practice, contracts are therefore recorded in the real estate system as having a 27-year term with termination options every three years. These termination options are then assessed as part of the determination of the lease term, which is normally established as nine years, consistent with the investment cycle in the stores.

In other countries, limited to no termination options are in place.

Variable payments

Variable payment terms are used for a variety of reasons, including minimizing the fixed cost base for newly established stores or for reasons of margin control and operational flexibility. Variable lease payment terms vary widely across the Company:

- The majority of variable payment terms are based on a range of percentages of store sales. Percentages vary per contract and generally range between 1% and 6% of net sales of the applicable store.
- Some variable payment terms include minimum rent clauses.

Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs. The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. The Company expects the amount of variable rental payments to remain broadly consistent in future years.

Commitment for leases not yet commenced

In addition to the leases included on the balance sheet, Ahold Delhaize has signed lease agreements for properties under development of which it has not yet taken possession. The future undiscounted lease payments, including non-lease components, for these agreements amount to approximately €598 million (2023: €691 million). Of this, approximately €260 million relates to an investment commitment to transform and expand the supply chain operations on the U.S. East Coast. The 2023 amount is restated for an amount of €416 million; this is now presented as a purchase commitment. See also *Note 34*.

Sale and leaseback transactions

There have been no significant sale and leaseback transactions in 2024 and 2023. The loss on sale and leaseback transactions of €2 million in 2024 and the gain of €1 million in 2023 relate to transactions in the Netherlands, the Czech Republic and Serbia.

Amounts recognized in the income statement

€ million	2024	2023
Variable lease payments not included in the measurement of lease liabilities	**(24)**	(23)
Expenses related to short-term leases	**(18)**	(33)
Expenses relating to leases of low-value assets that are not shown above as short-term leases	**(22)**	(19)
Total rent expense	**(65)**	(75)
Depreciation charge for right-of-use assets	**(1,333)**	(1,336)
Interest accretion to lease liability	**(422)**	(382)
Gains (losses) on sale and leaseback transactions	**(2)**	1
Income from subleasing right-of-use assets	**52**	63

During 2024, net impairments of €47 million (2023: €8 million) on right-of-use assets (excluding investment properties) and €2 million (2023: €2 million) on investment property right-of-use assets were recorded. The impairments in 2024 are mainly related to Stop & Shop store closures. In 2023, the impairments were mainly related to the divestment of FreshDirect. Ahold Delhaize did not apply for rent concessions and did not receive material rent concessions.

Amounts recognized in the cash flow statement

€ million	2024	2023
Total cash outflow for leases	**(1,808)**	(1,891)

The total cash outflow for leases consists of repayment of lease liabilities (both the principal and interest portion of lease payments), the cash outflows from short-term and low-value leases and variable lease payments not included in the measurement of lease liabilities.

Ahold Delhaize as lessor

Ahold Delhaize rents out its investment properties (mainly retail units in shopping centers containing an Ahold Delhaize store) and also (partially) subleases various other properties that are leased by Ahold Delhaize. Ahold Delhaize classifies these leases as operating or finance leases.

33 Leases continued

Operating leases

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

€ million	December 29, 2024	December 31, 2023
Less than one year	**148**	105
One to two years	**130**	88
Two to three years	**78**	70
Three to four years	**50**	42
Four to five years	**34**	31
More than five years	**102**	68
Total undiscounted lease payments	**543**	404

Finance leases

Net investment in leases

€ million	2024	2023
As of the beginning of the year		
Current portion	**98**	96
Non-current portion	**538**	524
Carrying amount at the beginning of the year	**636**	620
Additions	**—**	—
Interest accretion	**18**	13
Divestment of businesses	**—**	(19)
Repayments	**(125)**	(117)
Impairment losses and reversals – net	**—**	(1)
Terminations	**1**	(1)
Reassessments and modifications	**11**	43
Reclassifications (to) from right-of-use assets	**144**	104
Exchange rate differences	**8**	(5)
Closing carrying amount	**693**	636
As of the end of the year		
Current portion	**117**	98
Non-current portion	**576**	538
Carrying amount at the end of the year	**693**	636

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

€ million	December 29, 2024	December 31, 2023
Less than one year	**124**	107
One to two years	**114**	102
Two to three years	**92**	89
Three to four years	**79**	68
Four to five years	**64**	56
More than five years	**193**	161
Total undiscounted lease payments receivable	**666**	585
Unearned finance income	**(87)**	(52)
Total discounted lease payments receivable	**579**	533
Cumulative impairment losses	**(4)**	(4)
Lease receivable	**575**	529
Unguaranteed residual value	**118**	107
Net investment in leases	**693**	636

Lease receivables are principally for real estate. Terms range primarily from five to 12 years.

There are no significant changes in the provision for impairment.

The Company, as lessor, manages risks associated with rights retained in the underlying assets mainly by screening lessees for creditworthiness prior to entering into the lease agreement and following up on outstanding lease payments as part of debtor management. In addition, lease contracts generally include terms about rights in case of delinquency and default. Lease contracts rarely include residual value guarantees.

Amounts recognized in the income statement

€ million	2024	2023
Operating leases		
Rent income relating to fixed payments on operating leases	**159**	158
Rent income relating to variable payments on operating leases	**11**	4
Total rent income	**170**	**162**
Interest income on net investment in leases	**18**	13

No significant rent concessions were provided by Ahold Delhaize.

33 Leases continued

Accounting estimates and judgments

Where the Company is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Company as lessee, management uses the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and makes adjustments specific to the lease, for example related to term, country, currency and security. On a quarterly basis, the Company calculates incremental borrowing rates for each country, broken down into buckets of duration and underlying asset leased.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

For leases of stores, DCs and warehouses, the following factors are normally the most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control; for example, when significant investment in the store is made that has a useful life beyond the current lease term.

Where the Company is the lessor, the classification of leases as finance leases or operating leases requires judgments about the fair value of the leased asset, the economic life of the asset, whether or not to include renewal or termination options in the lease term and the appropriate discount rate to use to calculate the present value of the lease payments to be received.

Revenue recognition with respect to sale and leaseback transactions is dependent on management's judgment of whether the Company has satisfied all of its performance obligations and control of the asset is transferred to the buyer, and the determination of the fair value of the asset.

Accounting policies

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception, or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of its relative stand-alone price.

The Company applies the recognition exemptions for short-term leases (less than 12 months) and leases of low-value items, defined by the Company to be below $5,000 per item (on acquisition). The payments for these exempted leases are recognized in the income statement on a straight-line basis over the lease terms.

As a lessee

The Company recognizes a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments, at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred (for example, key money and lease contract commissions), less any incentives received. The right-of-use asset for acquired leases is adjusted for any favorable or unfavorable lease rights recognized as part of the purchase price allocation. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected to separate lease and non-lease components included in lease payments for all leases. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, which are initially measured using the index or rate at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price of a purchase option that the Company is reasonably certain to exercise
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

33 Leases continued

The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is included in Other current financial liabilities and Other non-current financial liabilities.

The Company applies judgment to determine the lease term for the lease contracts in which it is a lessee that include renewal and termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the value of lease liabilities and right-of-use assets recognized. See Accounting estimates and judgments for more information.

As a lessor

The Company classifies leases as finance or operating leases at lease inception based upon whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. As part of this assessment, the Company considers certain indicators, such as whether the lease is for the majority of the economic life of the asset.

Leases classified as finance leases result in the recognition of a net investment in a lease representing the Company's right to receive rent payments. The value of the net investment in a lease is the value of the future rent payments to be received and the unguaranteed residual value of the underlying asset discounted using the rate implicit in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of Rent income.

Sale and leaseback

Sale and leaseback transactions are defined as transactions that lead to a sale according to IFRS 15 "Revenue from Contracts with Customers." Under IFRS 15, the seller-lessee must determine whether the transaction qualifies as a sale for which revenue is recognized (i.e., the transaction is a genuine sale, where all performance obligations are satisfied and control has transferred to the buyer-lessor), or the transaction is a collateralized borrowing. More specifically, a sale is considered as such if there is no repurchase option on the asset at the end of the lease term.

If the sale by the Company as seller-lessee qualifies as a sale, the Company derecognizes the asset and recognizes a gain (or loss) that is limited to the proportion of the total gain (or loss) relating to the rights transferred to the buyer-lessor. In addition, the Company recognizes a right-of-use asset arising from the leaseback and measures it at the proportion of the previous carrying amount of the asset relating to the right of use retained. The Company also recognizes the lease liability.

If the fair value of the consideration for the sale does not equal the fair value of the asset, or if the payments for the lease are not at market rates, adjustments are made to measure the sales proceeds at fair value as follows:

a. Any below-market terms should be accounted for as a prepayment of lease payments.

b. Any above-market terms should be accounted for as additional financing provided by the buyer-lessor.

If the sale by the Company does not qualify as a sale, the Company keeps the asset transferred on its balance sheet and recognizes a financing obligation equal to the transferred proceeds or cash received.

34 Commitments and contingencies

Investment commitments

As of December 29, 2024, Ahold Delhaize had outstanding investment commitments for property, plant and equipment and investment property, and for intangible assets of approximately €454 million and €14 million, respectively (December 31, 2023: €412 million and €15 million, respectively). These investment commitments include contractual commitments for contributions to franchisees. Ahold Delhaize's share in the capital investment commitments of its unconsolidated joint ventures JMR and Super Indo was nil as of December 29, 2024 (December 31, 2023: nil).

Purchase commitments

Ahold Delhaize enters into purchase commitments with vendors in the ordinary course of business. The Company has purchase contracts with some vendors for varying terms that require Ahold Delhaize to buy services and predetermined volumes of goods and goods not-for-resale at fixed prices. As of December 29, 2024, the Company's purchase commitments were approximately €3.8 billion (December 31, 2023: €3.6 billion). The purchase commitments include:

- $0.5 billion (€0.5 billion) commitments relating to service contracts for two new fully automated Ahold Delhaize USA frozen food facilities in the U.S. Northeast and mid-Atlantic regions (December 31, 2023: $0.5 billion (€0.5 billion)). These commitments mainly include non-lease components that were previously reported as part of the commitment for leases not yet commenced. The purchase commitment amount for 2023 was restated for this amount; for more information, see *Note 33*.
- $0.5 billion (€0.5 billion) commitments relating to supply agreements in the U.S. for renewable energy from new-build resources for long terms (greater than 10 years) (December 31, 2023: $0.3 billion (€0.3 billion)).
- $0.5 billion (€0.4 billion) commitments relating to a long-term supply agreement with Maryland-Virginia Milk Producers Cooperative for milk and milk-related products (December 31, 2023: $0.5 billion (€0.5 billion)).

34 Commitments and contingencies continued

Not included in the purchase commitments are those purchase contracts for which Ahold Delhaize has received advance vendor allowances, such as upfront signing payments in consideration of its purchase commitments. These contracts generally may be terminated without satisfying the purchase commitments upon the repayment of the unearned portions of the advance vendor allowances. The unearned portion of these advance vendor allowances is recorded as a liability on the balance sheet.

Other commitments

Commitments related to business acquisitions

As of December 29, 2024, the Company has an outstanding commitment to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa. The total enterprise value purchase consideration, before net debt, working capital and other closing adjustments, is estimated to be €1.3 billion and is derived from the estimated closing accounts. The actual enterprise value purchase consideration will be determined using the actual accounts after finalizing these with the seller. For more information on the acquisition of Profi, which was completed on January 3, 2025, see *Note 36*.

Contingent liabilities

Guarantees

Guarantees to third parties issued by Ahold Delhaize can be summarized as follows:

€ million	December 29, 2024	December 31, 2023
Lease guarantees	**499**	626
Loan guarantees	**17**	6
Corporate and buyback guarantees	**109**	35
Total	**625**	667

The amounts included in the table above are the maximum undiscounted amounts the Group could be forced to settle under the arrangement for the full guaranteed amount, if that amount is claimed by the counterparty to the guarantee. For lease guarantees, this is based on the committed lease terms as communicated to Ahold Delhaize.

Lease guarantees

Ahold Delhaize or its subsidiaries may be contingently liable for leases that have been assigned and/or transferred to third parties in connection with facility closings and dispositions. Ahold Delhaize could be required to perform the financial obligations under these leases if any of the third parties are unable to fulfill their lease obligations. The lease guarantees are based on the nominal value of future minimum lease payments of the relevant leases. The amounts of the lease guarantees set forth in the table above exclude the cost of common area maintenance and real estate taxes; such amounts may vary in time, per region and per property. Certain amounts related to these leases are recognized as a provision or a financial liability; see *Note 23* and *Note 25*.

As of December 29, 2024, the €499 million in the undiscounted lease guarantees as presented in the table above mainly relates to divestments. The following table sets out the undiscounted lease guarantees by divestment:

€ million	December 29, 2024	December 31, 2023
Tops divestments	**262**	252
BI-LO/Bruno's divestment	**15**	127
Sweetbay, Harveys and Reid's divestment	**59**	62
Bottom Dollar Food divestment	**67**	72
Other[1]	**95**	112
Total lease guarantees	**499**	626

1. Other mainly includes the divestment of remedy stores in the U.S. and the divestment of Bradlees.

On a discounted basis, these lease guarantees amount to €379 million and €522 million as of December 29, 2024, and December 31, 2023, respectively. If Ahold Delhaize is called upon to satisfy its obligations under the outstanding lease guarantees, it has several potential defenses to reduce the Company's gross exposure.

Corporate and buyback guarantees

Ahold Delhaize has provided corporate guarantees to certain suppliers of its affiliates in Belgium as part of the Belgium Future Plan. Ahold Delhaize would be required to perform under the guarantee if an affiliate failed to meet its financial obligations, as described in the guarantee. As of December 29, 2024, corporate guarantees were issued for an amount of €91 million (December 31, 2023: €23 million). These corporate guarantees expire in 2026.

Buyback guarantees relate to Ahold Delhaize's commitment to repurchase stores or inventory from certain franchisees at predetermined prices. The buyback guarantees reflect the maximum committed repurchase value under the guarantees. From the outstanding buyback guarantees of €18 million, an amount of €6 million expires in 2025 and €12 million expires in 2026.

Indemnifications as part of divestments of Ahold Delhaize's operations

In the relevant sales agreements, Ahold Delhaize has provided customary indemnifications, including for potential breach of representations and warranties, that often include, but are not limited to, completeness of books and records, title to assets, schedule of material contracts and arrangements, litigation, permits, labor matters, and employee benefits and taxes. These representations and warranties will generally terminate, depending on their specific features, a number of years after the date of the relevant transaction completion date.

The most significant divestment of operations is, to the extent not already covered in the guarantee section above, described below. In addition, specific, limited indemnifications exist for a number of Ahold Delhaize's smaller divestments, such as FreshDirect in 2023. The aggregate impact of claims, if any, under such indemnification provisions is not expected to be material.

Disco divestment

As part of the divestment of Disco S.A. ("Disco") in 2004, Ahold Delhaize is required to indemnify Disco and its buyers for the outcome of the Uruguayan litigation described in the *Legal proceedings* section of this Note. Ahold Delhaize's indemnification obligation relating to this litigation is not capped at a certain amount or restricted to a certain time period.

34 Commitments and contingencies continued

Taxes

Ahold Delhaize operates in a number of countries and is subject to several direct and indirect taxes, including corporate income tax, value-added tax, sales and use tax, and wage tax. Its income is subject to direct and indirect tax in differing jurisdictions where those taxes are levied on a tax base differing per tax law, jurisdiction and at differing tax rates. Significant judgment is required in determining the direct and indirect tax position. We seek to organize our affairs in a sustainable manner, taking into account the applicable regulations of the jurisdictions in which we operate.

As a result of Ahold Delhaize's multi-jurisdictional operations, it is exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of such tax laws. The authorities in the jurisdictions where Ahold Delhaize operates may review the Company's direct and indirect tax returns and may disagree with the positions taken in those returns. While the ultimate outcome of such reviews is not certain, Ahold Delhaize has considered the merits of its filing positions in its overall evaluation of potential tax liabilities for both direct and indirect taxes and believes it has adequate liabilities recorded in its consolidated financial statements for exposures on these matters. Based on its evaluation of the potential tax liabilities and the merits of Ahold Delhaize's filing positions, it is unlikely that potential tax exposures over and above the amounts currently recorded as liabilities in its consolidated financial statements will be material to its financial condition or future results of operations.

Legal proceedings

Ahold Delhaize and certain of its former or current subsidiaries are involved in a number of legal proceedings, which include litigation as a result of divestments, tax and employment, as well as other litigation and inquiries. The legal proceedings discussed below, whether pending, threatened or unasserted, if decided adversely or settled, may result in liability material to Ahold Delhaize's financial condition, results of operations or cash flows. Ahold Delhaize may enter into discussions regarding the settlement of these and other proceedings, and may enter into settlement agreements, if it believes settlement is in the best interest of Ahold Delhaize's shareholders. In accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets," Ahold Delhaize has recognized provisions with respect to these proceedings, where appropriate, which are reflected on its balance sheet.

Albert Heijn franchising

In 2014, the Vereniging Albert Heijn Franchisenemers (an association of Albert Heijn franchisees or "VAHFR") asserted claims against Albert Heijn Franchising B.V. (an Ahold Delhaize subsidiary or "AHF") for the years 2008 through 2012, the alleged value of which exceeds €200 million in aggregate. On December 24, 2014, proceedings were initiated with respect to these discussions. On November 16, 2016, the District Court in Haarlem issued a judgment rejecting all claims of the VAHFR and the claimants. On February 13, 2017, VAHFR and 240 individual claimants filed an appeal against the judgment and, in September 2017, they asserted unquantified claims for the years 2008-2016.

On July 23, 2019, the Court of Appeal issued a judgment rejecting, except for one, all the claims of VAHFR and the claimants. On October 23, 2019, the VAHFR and the claimants filed an appeal in cassation to the Supreme Court. On June 18, 2021, the Supreme Court ruled to quash the ruling of the Court of Appeal in Amsterdam and referred the matter to the Court of Appeal in The Hague. The proceedings will continue after the VAHFR brings the matter before the court in The Hague. This ruling does not change our assessment of the merits of the case and AHF and its affiliates will continue to vigorously defend their interest in the legal proceedings.

Uruguayan litigation

Ahold Delhaize, together with Disco and Disco Ahold International Holdings N.V. ("DAIH"), is party to one lawsuit in Uruguay related to Ahold Delhaize's 2002 acquisition of Velox Retail Holdings' shares in the capital of DAIH. The two other related lawsuits in Uruguay were decided in favor of Ahold Delhaize without any further right to appeal of the plaintiffs in 2013. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, amount to approximately $62 million (€59 million) plus interest and costs. As part of the divestment of Disco to Cencosud in 2004, Ahold Delhaize indemnified Cencosud and Disco against the outcome of these legal proceedings. The one remaining lawsuit is ongoing. Ahold Delhaize continues to believe that the plaintiffs' claims are without merit and will continue to vigorously oppose such claims.

National prescription opiate litigation

Several U.S. brands and subsidiaries of Ahold Delhaize have been sued in a number of lawsuits included in In re: National Prescription Opiate Litigation (MDL No. 2804), a multi-district litigation (MDL) matter pending in the United States District Court in the Northern District of Ohio. The MDL contains thousands of cases filed against hundreds of defendants by counties, cities, hospitals and others concerning the impact of opioid abuse. Several U.S. brands and subsidiaries of Ahold Delhaize also have been sued in a number of lawsuits pending in courts in New York, which are not part of the MDL. The MDL and New York suits name Ahold Delhaize as a defendant, as well as various subsidiaries, including American Sales Company LLC, which ceased operations prior to being named as a defendant in any MDL-related case. Although the MDL matters in which Ahold Delhaize or its subsidiaries have been named have been stayed by the court and, therefore, are not being actively litigated at this time, the court has requested status reports in many stayed cases (including those in which Ahold Delhaize and its subsidiaries have been named). The New York matters in which Ahold Delhaize or its subsidiaries have been named are also currently stayed. Ahold Delhaize and its subsidiaries continue to believe there are strong factual and legal defenses to the plaintiffs' claims. Ahold Delhaize is not currently able to predict the outcome of these claims.

Pharmacy regulatory investigation

The Ahold Delhaize USA brands are responding to a civil investigative demand (CID) from the U.S. Department of Justice (DOJ), working together with several state attorneys general, concerning a False Claims Act investigation relating to pharmacy prescription discount programs. The brands are cooperating with this investigation and communicating with the DOJ regarding the CID. As part of its cooperation, Ahold Delhaize has provided factual information, produced documents and responded to certain interrogatories. Ahold Delhaize has also raised legal arguments challenging a significant portion of the DOJ's investigation. Ahold Delhaize is not currently able to predict the timing or outcome of the investigation.

34 Commitments and contingencies continued

Other legal proceedings

In addition to the legal proceedings described previously in this Note, Ahold Delhaize and its former or current subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Ahold Delhaize believes that the ultimate resolution of these other proceedings will not, in the aggregate, have a material adverse effect on Ahold Delhaize's financial position, results of operations or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that Ahold Delhaize could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

Accounting estimates and judgments

For accounting estimates and judgments relating to income taxes, see *Note 10*, and for provisions and contingencies, see *Note 25*.

35 List of subsidiaries, joint ventures and associates

The following are significant subsidiaries, joint ventures and associates directly or indirectly owned by Ahold Delhaize as of December 29, 2024. Subsidiaries, joint ventures and associates not important to providing an insight into the Group as required under Dutch law are omitted from this list.

Significant subsidiaries (consolidated)		Ownership %
Retail trade Europe		
The Netherlands		
Albert Heijn B.V.*	Zaandam	100%
Albert Heijn Franchising B.V.*	Zaandam	100%
Gall & Gall B.V.*	Zaandam	100%
Etos B.V.*	Zaandam	100%
bol.com B.V.*	Utrecht	100%
Belgium		
Delhaize Le Lion / De Leeuw NV	Asse	100%
Albert Heijn België NV / SA	Antwerp	100%
Greece		
"Alfa-Beta" Vassilopoulos Single Member S.A.	Athens	100%
Serbia		
Delhaize Serbia d.o.o. Beograd	Belgrade	100%
Romania		
Mega Image SRL	Bucharest	100%
Czech Republic		
Albert Česká republika, s.r.o.	Prague	100%
Grand-Duchy of Luxembourg		
Delhaize Luxembourg S.A.	Pommerloch	100%

Significant subsidiaries (consolidated)			Ownership %
Retail trade United States			
United States			
The Stop & Shop Supermarket Company LLC	Quincy	Massachusetts	100%
Food Lion LLC	Salisbury	North Carolina	100%
The GIANT Company LLC	Carlisle	Pennsylvania	100%
Giant of Maryland LLC	Landover	Maryland	100%
Hannaford Bros. Co., LLC	Scarborough	Maine	100%
Other			
The Netherlands			
Ahold Delhaize Coffee Company B.V.*	Zaandam		100%
Ahold Europe Real Estate & Construction B.V.*	Zaandam		100%
Ahold Finance U.S.A., LLC*	Zaandam		100%

Significant subsidiaries (consolidated)			Ownership %
Ahold Delhaize Nederland B.V.*	Zaandam		100%
bol.com holding N.V.*	Utrecht		100%
Delhaize "The Lion" Nederland B.V.*	Zaandam		100%
United States			
ADUSA Commercial Holdings, Inc.	Salisbury	North Carolina	100%
ADUSA Distribution, LLC.	Salisbury	North Carolina	100%
ADUSA Supply Chain Services, LLC	Salisbury	North Carolina	100%
Ahold Delhaize USA Services, LLC	Salisbury	North Carolina	100%
Ahold Delhaize USA, Inc.	Quincy	Massachusetts	100%
Ahold Information Services, Inc.	Greenville	South Carolina	100%
Ahold Lease U.S.A., Inc.	Quincy	Massachusetts	100%
Ahold U.S.A., Inc.	Quincy	Massachusetts	100%
Delhaize America, LLC	Salisbury	North Carolina	100%
Delhaize US Holding, Inc.	Salisbury	North Carolina	100%
Guiding Stars Licensing Company, LLC	Scarborough	Maine	100%
MAC Risk Management, Inc.	Quincy	Massachusetts	100%
The MollyAnna Company	Williston	Vermont	100%
Switzerland			
Ahold Delhaize Finance Company N.V.	Geneva		100%
Ahold Delhaize International Sàrl	Geneva		100%
Ahold Delhaize Licensing Sàrl	Geneva		100%
Readel S.A.	Geneva		100%
Significant joint ventures and associates (unconsolidated)			Ownership %
JMR – Gestão de Empresas de Retalho, SGPS, S.A.	Lisbon	Portugal	49%
P.T. Lion Super Indo	Jakarta	Indonesia	51%

35 List of subsidiaries, joint ventures and associates continued

With respect to the separate financial statements of the Dutch legal entities included in the consolidation, substantially all subsidiaries availed themselves of the exemption laid down in section 403, subsection 1 of Book 2 of the Dutch Civil Code. Pursuant to section 403, Ahold Delhaize has assumed joint and several liability for the debts arising out of the legal acts of these subsidiaries. The determination of which Dutch subsidiaries of Ahold Delhaize, whether significant in the context of this Note or not, make use of the 403 exemption follows from the Dutch trade register. Each of these subsidiaries has filed Ahold Delhaize's 403 declaration with the Dutch trade register. The above significant subsidiaries that make use of the 403 exemption are marked by *.

36 Subsequent events

Acquisition of Profi

On December 4, 2024, Ahold Delhaize announced that the Romanian regulatory authorities had approved the acquisition of 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa. The acquisition doubles Ahold Delhaize's retail footprint in Romania, which currently operates nearly 1,000 stores under the Mega Image brand. The combination will complement and expand Ahold Delhaize's existing Romanian footprint to better serve both urban and rural areas. The strong format fit and complementary customer propositions between the Profi and Mega Image brands will allow them to better serve the Romanian consumer, driving both sales growth and profitability. The acquisition was completed on January 3, 2025.

On a provisional basis, the allocation of the fair values of the identifiable assets acquired, liabilities assumed, and the goodwill arising from the acquisition of Profi is as follows:

€ million	Provisional amount
Property, plant and equipment	460
Right-of-use assets	458
Intangible assets	281
Assets held for sale	49
Cash and cash equivalents	42
Other non-current financial liabilities	(380)
Other current financial liabilities	(80)
Deferred tax liability	(71)
Other assets and liabilities – net	(191)
Net identifiable assets acquired	569
Goodwill	628
Total estimated purchase consideration	1,197

The estimated purchase consideration is derived from the estimated closing accounts. The actual purchase price will be determined using the actual accounts after finalizing these with the seller.

The goodwill is attributable to the synergies expected from the combination of the operations and the ability to strengthen our presence in both urban and rural areas. The goodwill from the acquisition of Profi is not deductible for tax purposes.

Announced acquisition of Delfood

On January 13, 2025, Ahold Delhaize announced that its local Belgian brand Delhaize has reached an agreement with the louis delhaize Group to acquire all shares in Delfood NV. This intended acquisition concerns all of louis delhaize's points of sale as well as those supplied by Delfood, logistics services and headquarters in Belgium. Delhaize intends to expand its position in the Belgian retail market, particularly in the convenience segment. With this acquisition, the brand will strengthen its network of existing Delhaize stores. The transaction is subject to the approval of the Belgian Competition Authority (BCA) and is expected to close by the end of 2025.

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Parent company financial statements
Income statement

€ million	Note	52 weeks ended December 29, 2024	52 weeks ended December 31, 2023
Intercompany head office and other recharges		**60**	59
General and administrative expenses		**(261)**	(56)
Total operating expenses	2	**(261)**	(56)
Operating income (loss)		**(201)**	3
Interest expense		**(126)**	(94)
Other financial income (expense)		**(53)**	(64)
Net financial expenses		**(179)**	(158)
Loss before income taxes		**(380)**	(155)
Income taxes	5	**93**	49
Income from subsidiaries and investments in joint ventures after income taxes	7	**2,051**	1,981
Net income		**1,764**	1,874

The accompanying notes are an integral part of these parent company financial statements.

Parent company financial statements

Balance sheet

Before appropriation of current year result

€ million	Note	December 29, 2024	December 31, 2023
Assets			
Intangible assets	6	—	82
Deferred tax assets	5	23	13
Financial assets	7	23,269	23,050
Total non-current assets		23,293	23,145
Receivables	8	37	28
Prepaid expenses		1	45
Other current financial assets	14	50	—
Cash and cash equivalents		1,319	416
Total current assets		1,407	489
Total assets		24,700	23,634
Liabilities and shareholders' equity			
Issued and paid-in share capital		9	10
Additional paid-in capital		7,516	8,413
Currency translation reserve		866	173
Cash flow hedging reserve		(4)	(9)
Reserve participations		1,261	486
Accumulated deficit		4,042	3,808
Net income		1,764	1,874
Shareholders' equity	9	15,454	14,755
Provisions	10	1	1
Loans	11	7,072	6,053
Non-current liabilities	13	116	11
Total non-current liabilities		7,188	6,064
Current liabilities	12	2,057	2,814
Total liabilities and shareholders' equity		24,700	23,634

The accompanying notes are an integral part of these parent company financial statements.

Notes to the parent company financial statements

1 Significant accounting policies

Basis of preparation

Ahold Delhaize's parent company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see accounting policies relating to financial statement captions included in the relevant notes to the consolidated financial statements and *Note 3* to the consolidated financial statements).

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are measured at net asset value (equity method of accounting). Net asset value is based on the measurement of assets (including goodwill), provisions and liabilities, and determination of profit, as described in *Note 15* to the consolidated financial statements for investments in joint arrangements and associates. Goodwill is subsumed in the carrying amount of the net asset value if an investment in a subsidiary is acquired through the Company's intermediate subsidiary.

2 Expenses by nature

The operating expenses are specified by nature as follows:

€ million	2024	2023
Labor costs	**(228)**	(25)
Other operational expenses	**(27)**	(17)
Depreciation and amortization	**(6)**	(15)
Total expenses by nature	**(261)**	(56)

Labor costs consists of employee expenses of €223 million (2023: €15 million), other related employee costs of €1 million (2023: €3 million) and other contracted personnel expenses of €4 million (2023: €6 million).

In 2024, the labor costs included a pension settlement loss in the amount of €205 million. For more information on the settlement of the Dutch pension plan; see *Note 24* to the consolidated financial statements.

3 Employees

The average number of employees of Koninklijke Ahold Delhaize N.V. in full-time equivalents during 2024 was six (2023: six), of whom none were employed outside of the Netherlands. One Management Board member serves as board member outside of the Netherlands through an assignment agreement, but is not employed by Koninklijke Ahold Delhaize N.V.

The current number of employees of Koninklijke Ahold Delhaize N.V. consists primarily of members of the Executive Committee, including the Management Board. Salaries, social security charges and pension expenses amounted to €18 million, €0.4 million and €205 million, respectively, for 2024 (2023: expenses of €15 million, €2.0 million and €0.2 million, respectively).

For information on the parent company's defined benefit pension plan, the remuneration of the Management Board and the Supervisory Board and the parent company's share-based compensation plans, see *Note 24*, *Note 31* and *Note 32*, respectively, to the consolidated financial statements.

The net pension expense is calculated on the basis of the parent company's active employees only. Koninklijke Ahold Delhaize N.V. entered into the pension settlement agreement on behalf of all entities falling under the Dutch pension plan, see *Note 24* to the consolidated financial statements.

4 Auditor fees

Expenses for services provided by the parent company's independent auditor, KPMG Accountants N.V. (KPMG), and its member firms and affiliates to Ahold Delhaize and its subsidiaries in 2024 and in 2023, respectively, are specified as follows:

2024

€ thousand	KPMG	Member firms/affiliates	Total 2024
Audit fees	**3,697**	**4,103**	**7,800**
Audit-related fees	**1,133**	**125**	**1,258**
Tax advisory fees	**—**	**—**	**—**
Total	**4,830**	**4,228**	**9,058**

2023

€ thousand	KPMG	Member firms/affiliates	Total 2023
Audit fees	3,392	4,305	7,697
Audit-related fees	858	123	981
Tax advisory fees	—	—	—
Total	4,250	4,428	8,678

The audit fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external independent auditors as referred to in section 1, subsection 1 of the Audit Firms Supervision Act ("Wet toezicht accountantsorganisaties – Wta"), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These audit fees relate to the audit of the financial statements, regardless of whether the work was performed during the financial year.

4 Auditor fees continued

Audit fees relate primarily to the audit of the consolidated financial statements, as included in *Financial statements* as set out in this Annual Report; certain procedures on our quarterly results; and services related to the statutory and regulatory filings of our subsidiaries. Other audit-related fees relate mainly to assurance services on sustainability statements and other assurance services.

5 Income taxes

The following table specifies the current and deferred tax components of income taxes in the income statement:

€ million	2024	2023
Current income taxes – the Netherlands	**81**	50
Deferred income taxes – the Netherlands	**12**	(1)
Total income taxes	**93**	49

Effective income tax rate

The following table reconciles the statutory income tax rate with the effective income tax rate in the income statement:

	2024	
	€ million	Tax rate
Loss before income taxes	**(380)**	
Income tax benefit at statutory tax rate	**98**	**25.8%**
Adjustments to arrive at effective income tax rate:		
Reserves, (non-)deductibles and discrete items	**(6)**	**(1.5)%**
Total income taxes (expense) benefit	**93**	**24.3%**

	2023	
	€ million	Tax rate
Loss before income taxes	(155)	
Income tax benefit at statutory tax rate	40	25.8%
Adjustments to arrive at effective income tax rate:		
Reserves, (non-)deductibles and discrete items	9	5.5%
Total income taxes (expense) benefit	49	31.3%

Deferred income tax

The significant components and annual movements of deferred income tax assets and liabilities as of December 29, 2024, and December 31, 2023, are as follows:

€ million	January 1, 2023	Recognized in income statement	Other	December 31, 2023	**Recognized in income statement**	**Other**	**December 29, 2024**
Derivatives and loans	11	(1)	3	13	**12**	**(2)**	**23**
Blended rate deferred tax fiscal unity	—	—	—	—	**—**	**—**	**—**
Total gross deductible temporary differences	11	(1)	3	13	**12**	**(2)**	**23**
Tax losses and tax credits	—	—	—	—	**—**	**—**	**—**
Total net deferred tax asset position	11	(1)	3	13	**12**	**(2)**	**23**
Total deferred tax liabilities	—	—	—	—	**—**	**—**	**—**
Net deferred tax assets	11	(1)	3	13	**12**	**(2)**	**23**

Income taxes in equity and comprehensive income

Current and deferred income taxes recognized in and transferred from equity and comprehensive income are as follows:

€ million	2024	2023
Share buyback	**—**	—
Derivatives and loans	**(2)**	3
Total	**(2)**	**2**

6 Intangible assets

€ million	Intangible assets
As of December 31, 2023	
At cost	148
Accumulated amortization and impairment losses	(66)
Carrying amount	**82**
Year ended December 29, 2024	
Additions	—
Intercompany transfers	(76)
Amortization	(6)
Closing carrying amount	**—**
As of December 29, 2024	
At cost	—
Accumulated amortization and impairment losses	—
Carrying amount	**—**

The intangible assets mainly included software and software under development, which were transferred to another company within the Group in 2024.

7 Financial assets

€ million	December 29, 2024	December 31, 2023
Investments in subsidiaries, joint ventures and associates	**22,194**	22,010
Loans receivable from subsidiaries	**1,059**	1,015
Other derivatives (see *Note 14*)	**16**	25
Total financial assets	**23,269**	23,050

Investments in subsidiaries, joint ventures and associates

€ million	2024	2023
Beginning of year	**22,010**	22,399
Share in income	**2,051**	1,981
Dividends	**(2,952)**	(1,880)
Intercompany transfers	**166**	62
Share of other comprehensive income (loss) and other changes in equity	**226**	(129)
Exchange rate differences	**693**	(424)
End of year	**22,194**	22,010

For a list of subsidiaries, joint ventures and associates, see *Note 35* to the consolidated financial statements.

Loans receivable from subsidiaries

€ million	2024	2023
Beginning of year	**1,015**	682
Intercompany transfers	**44**	333
End of year	**1,059**	1,015
Current portion	**—**	—
Non-current portion of loans	**1,059**	1,015

8 Receivables

€ million	December 29, 2024	December 31, 2023
Receivables from subsidiaries	**11**	21
Receivables from joint ventures	**—**	—
Income tax receivable	**24**	5
Other receivables	**2**	2
Total receivables	**37**	28

The current receivables are receivables that mature within one year.

9 Shareholders' equity

The shareholders' equity in the parent company financial statements equals the equity attributable to common shareholders presented in the consolidated financial statements, except that legal reserve participations and accumulated earnings (deficit) are presented separately.

The currency translation reserve, cash flow hedging reserve and reserve participations are legal reserves that are required by Dutch law. The reserve participations include the increases in net asset value of joint ventures and associates since their first inclusion, less any amounts that can be distributed without legal or other restrictions. Other reserves include the remeasurements of defined benefit plans. Until December 31, 2023, the restricted equity under the Swiss solvency test (€78 million as of December 31, 2023) was also included in other reserves. These costs represent a legal reserve. As of December 29, 2024, the restricted equity under the Swiss solvency test in the amount of €281 million is included in the reserve participations.

The movements in equity can be specified as follows:

			Legal reserves				
€ million	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Reserve participations	Other reserves including retained earnings	Equity attributable to common shareholders
Balance as of January 1, 2023	**10**	**9,603**	**595**	**(1)**	**454**	**4,744**	**15,405**
Net income attributable to common shareholders	—	—	—	—	—	1,874	1,874
Other comprehensive income (loss) attributable to common shareholders	—	—	(422)	(8)	—	(109)	(539)
Total comprehensive income (loss) attributable to common shareholders	—	—	(422)	(8)	—	1,765	1,335
Dividends	—	—	—	—	—	(1,044)	(1,044)
Share buyback	—	—	—	—	—	(999)	(999)
Cancellation of treasury shares	—	(1,189)	—	—	—	1,190	—
Share-based payments	—	—	—	—	—	57	57
Other changes in reserves	—	—	—	—	31	(31)	—
Balance as of December 31, 2023	**10**	**8,413**	**173**	**(9)**	**486**	**5,682**	**14,755**
Net income attributable to common shareholders	**—**	**—**	**—**	**—**	**—**	**1,764**	**1,764**
Other comprehensive income (loss) attributable to common shareholders	**—**	**—**	**693**	**5**	**—**	**230**	**927**
Total comprehensive income (loss) attributable to common shareholders	**—**	**—**	**693**	**5**	**—**	**1,993**	**2,691**
Dividends	**—**	**—**	**—**	**—**	**—**	**(1,037)**	**(1,037)**
Share buyback	**—**	**—**	**—**	**—**	**—**	**(1,000)**	**(1,000)**
Cancellation of treasury shares	**—**	**(897)**	**—**	**—**	**—**	**898**	**—**
Share-based payments	**—**	**—**	**—**	**—**	**—**	**45**	**45**
Other changes in reserves	**—**	**—**	**—**	**—**	**308**	**(308)**	**—**
Balance as of December 29, 2024	**9**	**7,516**	**866**	**(4)**	**794**	**6,273**	**15,454**

For more information on the dividends on common shares, see *Note 21* to the consolidated financial statements. The unrestricted reserves are as follows:

€ million	December 29, 2024	December 31, 2023
Equity attributable to common shareholders	**15,454**	14,755
Share capital	**(9)**	(10)
Currency translation reserve	**(866)**	(173)
Subsidiaries' restrictions to transfer funds	**(794)**	(564)
Unrestricted reserves	**13,785**	14,009

10 Provisions

€ million	December 29, 2024	December 31, 2023
Provision for participations	—	—
Other provisions	1	1
Total provisions	**1**	1

As of December 29, 2024, nil is expected to be utilized within one year (December 31, 2023: nil).

11 Loans

	December 29, 2024		December 31, 2023	
€ million	Non-current	Current	Non-current	Current
EUR 750 notes 0.875%, due 2024	—	—	—	750
EUR 600 notes 0.250%, due 2025	—	600	600	—
EUR 400 notes 3M Euribor + 30bps, due 2026	400	—	—	—
EUR 500 notes 1.125%, due 2026	500	—	500	—
EUR 500 notes 1.75%, due 2027	500	—	500	—
EUR 500 notes 3.5%, due 2028	500	—	500	—
EUR 600 notes 0.375%, due 2030	600	—	600	—
EUR 500 notes 3.375%, due 2031	500	—	—	—
EUR 700 notes 3.875%, due 2036	700	—	—	—
USD 470 notes 5.70%, due 2040	523	3	498	3
Long-term loans from subsidiaries	2,864	—	2,864	438
Other loans	—	—	—	—
Deferred financing costs	(16)	(6)	(9)	(7)
Total loans	7,072	598	6,053	1,184

For more information on the external loans, see *Note 22* to the consolidated financial statements. The interest and maturity dates for the long-term loans from subsidiaries are as follows:

	December 29, 2024		December 31, 2023	
€ million	Non-current	Current	Non-current	Current
Loan 0.4680%, due 2024	—	—	—	438
Loan 0.5010%, due 2026	391	—	391	—
Loan 2.898%, due 2027	125	—	125	—
Loan 2.208%, due 2027	171	—	171	—
Loan 0.2811%, due 2028	200	—	200	—
Loan 0.7656%, due 2028	700	—	700	—
Loan 6.875%, due 2029	458	—	458	—
Loan 2.109%, due 2029	300	—	300	—
Loan 3.394%, due 2031	520	—	520	—
Total loans from subsidiaries	2,864	—	2,864	438

12 Current liabilities

€ million	December 29, 2024	December 31, 2023
Short-term borrowings from subsidiaries	1,333	1,487
Loans – current portion	598	1,184
Bank debt and lines of credit	16	—
Income tax payable	—	—
Payables to subsidiaries	19	38
Interest payable	70	36
Other current liabilities	21	69
Total current liabilities	**2,057**	2,814

The current liabilities are liabilities that mature within one year.

13 Non-current liabilities

€ million	December 29, 2024	December 31, 2023
Other long-term financial liabilities	100	—
Deferred income	16	—
Other derivatives intercompany	—	11
Total non-current liabilities	**116**	11

Other long-term financial liabilities include the unpaid balance of the Dutch pension settlement in 2024; see *Note 24* to the consolidated financial statement.

Deferred income includes the day-one fair value of the virtual power purchase agreement entered into in 2024; see *Note 30* to the consolidated financial statement.

14 Derivatives

The parent company regularly enters into derivative contracts with banks to hedge foreign currency and interest exposures of the parent company or its subsidiaries. Derivative contracts that are entered into to hedge exposures of subsidiaries are generally mirrored with intercompany derivative contracts with the subsidiaries that are exposed to the hedged risks on substantially identical terms as the external derivative contracts. In these parent company financial statements, the external derivative contracts and the intercompany derivative contracts are presented separately on the balance sheet. In situations where the external derivative contract qualifies for hedge accounting treatment in the consolidated financial statements, the external derivative contract and the intercompany derivative contract are presented as Hedging derivatives external and Hedging derivatives intercompany, respectively. In situations where the external derivative contract does not qualify for hedge accounting treatment in the consolidated financial statements, the external derivative contract and the intercompany derivative contract are presented as Other derivatives external and Other derivatives intercompany, respectively.

Fair value movements of external derivative contracts that were entered into to hedge the exposures of subsidiaries are recorded directly in income, where they effectively offset the fair value movements of the mirroring intercompany derivatives that are also recorded directly in income. Details of these derivative contracts, other financial instruments and the parent company's risk management strategies are included in *Note 30* to the consolidated financial statements and in the tables presented below.

Non-current derivatives – assets

€ million	2024	2023
Beginning of year	**25**	38
Fair value changes	**(9)**	(13)
End of year	**16**	25

Current derivatives – assets

€ million	2024	2023
Beginning of year	**—**	—
Fair value changes	**50**	—
End of year	**50**	—

Non-current derivatives – liabilities

€ million	2024	2023
Beginning of year	**11**	—
Fair value changes	**(11)**	11
End of year	**—**	11

Current derivatives – liabilities

There were no current derivative liabilities in 2024 and 2023.

15 Related party transactions

Koninklijke Ahold Delhaize N.V. has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements and were conducted at market prices.

16 Commitments and contingencies

Koninklijke Ahold Delhaize N.V., as the parent company, is party to a cross-guarantee agreement dated May 21, 2007, as amended from time to time, with Delhaize Le Lion/De Leeuw NV, Delhaize US Holding, Inc. and certain of the subsidiaries of Delhaize US Holding, Inc., under which each party guarantees fully and unconditionally, jointly and severally, the financial indebtedness of the other parties to the agreement.

The parent company acts as a guarantor for the outstanding commitment to acquire 100% of Profi Rom Food SRL (Profi), as disclosed in *Note 34* to the consolidated financial statements.

Notes and loans issued by certain subsidiaries are guaranteed by the parent company, as disclosed in *Note 22* to the consolidated financial statements.

The parent company also guarantees certain lease obligations and other obligations of subsidiaries. Guarantees issued by the parent company regarding the financial obligations of third parties and non-consolidated entities, other than under the cross-guarantee mentioned above, amount to €347 million as of December 29, 2024 (December 31, 2023: €466 million).

In addition, the Company has provided a guarantee as of July 30, 2010, for Ahold Finance U.S.A., LLC's outstanding current obligations to third parties.

The parent company has also provided a guarantee as of December 31, 2020, for Giant Food relating to the FELRA and MAP settlement agreement. The parent company guarantees Giant Food's obligation to pay any amounts that are necessary to satisfy the funding commitment solely to the extent Giant fails to satisfy such liabilities when due. The guarantee will be limited to the present value of the PBGC insolvency benefits payable to eligible Giant participants and eligible non-Giant participants under the new single-employer plan as of December 31, 2020.

The parent company has provided customary indemnifications, including for potential breach of representations and warranties made in agreements of asset disposals. Guarantees and legal proceedings are further disclosed in *Note 34* to the consolidated financial statements. Under its financing agreement with Ahold Delhaize Pensioen, Koninklijke Ahold Delhaize N.V. is liable for the pension contributions.

The parent company forms a fiscal unity with Ahold Delhaize's major Dutch subsidiaries for Dutch corporate income tax and Dutch VAT purposes and, for that reason, it is jointly and severally liable for the Dutch corporate income tax liabilities and Dutch VAT liabilities of the whole fiscal unity. Assumptions of liability pursuant to section 403, Book 2 of the Dutch Civil Code are disclosed in *Note 35* to the consolidated financial statements.

17 Distribution of profit

If approved by the General Meeting of Shareholders, a final dividend of €0.67 per common share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024. The total dividend payment for the full year 2024 would, therefore, total €1.17 per share (2023: €1.10).

18 Subsequent events

For information regarding subsequent events, see *Note 36* to the consolidated financial statements.

Zaandam, the Netherlands

February 25, 2025

Management Board

Frans Muller

Jolanda Poots-Bijl

JJ Fleeman

Claude Sarrailh

Supervisory Board

Peter Agnefjäll (Chair)

Bill McEwan (Vice Chair)

Robert Jan van de Kraats

Pauline van der Meer Mohr

Helen Weir

Katie Doyle

Laura Miller

Frank van Zanten

Jan Zijderveld

Julia Vander Ploeg

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Audit report on the financial statements

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Koninklijke Ahold Delhaize N.V.

Report on the audit of the financial statements for the 52-weeks ended December 29, 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Koninklijke Ahold Delhaize N.V. as at December 29, 2024 and of its result and its cash flows for the 52-weeks ended December 29, 2024, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying parent company financial statements give a true and fair view of the financial position of Koninklijke Ahold Delhaize N.V. as at December 29, 2024 and of its result for the 52-weeks ended December 29, 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements for the 52-weeks ended December 29, 2024 of Koninklijke Ahold Delhaize N.V. (Ahold Delhaize or the Company) based in Zaandam, the Netherlands. The financial statements include the consolidated financial statements and the parent company financial statements.

The consolidated financial statements comprise:

1. the consolidated balance sheet as at December 29, 2024;
2. the following consolidated statements for the 52-weeks ended December 29, 2024: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The parent company financial statements comprise:

1. the parent company balance sheet as at December 29, 2024;
2. the parent company income statement for the 52-weeks ended December 29, 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Ahold Delhaize in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Audit report on the financial statements continued

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 150 million
- 5% of normalized profit before tax

Group audit

- Performed substantive procedures for 94% of revenue
- Performed substantive procedures for 84% of total assets

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: the presumed risks of management override of controls and revenue recognition and the risk related to vendor allowance receivables have been identified.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatement related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified.
- Climate risks: we have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters

- Valuation of goodwill and brand names
- Vendor allowance receivables

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 150 million (2023: EUR 150 million). The materiality is determined with reference to the normalized profit before tax (5%). We consider normalized profit before tax as the most appropriate benchmark because profit before tax is an important metric for users of the financial statements. Profit before tax has been normalized for the impact of the settlement of the Dutch pension plan, impairments, disposal losses and restructuring charges. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 7.5 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Koninklijke Ahold Delhaize N.V. is at the head of a group of components ('Group'). The financial information of this group is included in the financial statements of Koninklijke Ahold Delhaize N.V.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group. As a result, we determine coverage differently and comparisons to prior period coverage figures are not meaningful.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We involved component auditors for components associated with a risk of material misstatement consisting of the retail operations in the United States, the Netherlands, Belgium, Czech Republic and Greece, as well as the insurance activities in the United States and Switzerland. We as group auditor audited the Ahold Delhaize Group entities and the parent company, which include financing activities, the group consolidation, the financial statement disclosures and a number of more complex accounting and valuation items. This also included procedures performed regarding, amongst others, goodwill and brand names impairment testing, board remuneration testing including share-based compensation.

We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 94% of revenues and 84% of total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- Issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed.
- Held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and attended meetings with local management.
- Inspected the work performed by our component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on the presumed risks of management override of controls and revenue recognition, as well as valuation of vendor allowance receivables.

Audit report on the financial statements continued

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter Governance, risk and compliance of the Annual Report, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance.

Our procedures included, among other things, assessing the Company's Governance, Risk Management and Compliance Framework, consisting of the Company's code of Ethics, Speak Up Policy and the group-wide management certification process. We assessed internal audit reports, reviewed the minutes of the Governance, Risk and Compliance Committee which describe the fraud and/or non-compliance incidents identified and assessed the Company's procedures to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with the Management Board, Supervisory Board, and other relevant functions, such as Internal Audit, Chief Legal Officer, Compliance & Ethics and Risk and Control and included correspondence with relevant supervisory authorities and regulators in our evaluation.

We have also incorporated elements of unpredictability in our audit, such as varying our group audit scoping, and involved forensic specialists in our audit procedures.

As a result of our risk assessment, we identified the following laws and regulations as those which could potentially have a material effect on the financial statements in case of non-compliance: anti-corruption and bribery, anti-competition, data privacy and product safety.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

• Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively
- The key opportunities for management manipulation are within the manual elements of the control environment, such as journal entries (within revenue accounts and vendor allowances) and accounting estimates that require significant judgment (such as vendor allowances and goodwill and brand names).

Responses:

- We evaluated the design and the implementation of the internal control measures that mitigate fraud risks, such as those related to journal entries.
- We tested journal entries, including consolidation and elimination entries, amongst others in relation to revenues and vendor allowances, including inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence.
- We evaluated areas with significant management judgment for bias by the Company's management. Where deemed appropriate, we involved specialists and performed retrospective reviews of prior years' estimates.
- We assessed the appropriateness of changes compared to prior year in the methods and underlying assumptions used to prepare accounting estimates.

• Revenue recognition (a presumed risk)

Risk:

- We identified a fraud risk in relation to the recognition of revenue. This presumed risk inherently includes the fraud risk that management deliberately overstates revenue as management may feel pressure to achieve planned results for the current year.
- As the majority of the Company's revenue is recorded at the time of sale, much of which is recorded through point of sales systems and payment is made at the time of sale, there is limited risk of management manipulation in the point of sales revenue process. Therefore, the risk of fraud in revenue recognition is focused on the occurrence of inappropriate journal entries.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as controls related to revenue recognition through journal entries.
- We tested journal entries posted in revenue accounts based on high risk criteria, including inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence.

• Vendor allowance receivables

- Our risk description and procedures performed to address the fraud risk related to vendor allowance receivables are described in the key audit matter section.

Our evaluation of procedures performed related to fraud did not result in an additional key audit matter. We communicated our risk assessment, audit responses and results to the Management Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non- compliance that are considered material for our audit.

Audit report on the financial statements continued

Audit response to going concern

The Management Board has performed its going concern assessment and has not identified any going concern risks. Our main procedures to assess the Management Board's assessment were:

- We considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- We analyzed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- We inquired with the Management Board on the key assumptions and principles underlying the Management Board's assessment;
- We inspected financing agreements in terms of conditions that could lead to going concern risks, including the term of the agreement and any covenants.
- The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

The Company has set out its targets and ambitions relating to climate change in the chapter Climate, within the section 'Environmental information', as included in the 'Sustainability Statements' of the Annual Report. The Company has a climate ambition in line with the UN's goal to limit global warming to 1.5 degrees Celsius. The Company announced their commitment to reach net-zero Green House Gas (GHG) emissions across own operations by 2040 (scope 1 and 2) and become net-zero across the entire value chain no later than 2050 (scope 3). This commitment includes both a reduction and removal target.

Management has assessed, against the background of the Company's business and operations, in detail how climate-related risks and opportunities and the Company's own targets and ambitions could have a significant impact on its business or could impose the need to adapt its strategy and operations. As described in the 'Principal Risks and Uncertainties' chapter, included in the 'Risks and opportunities' section of the Annual Report, management has considered climate-related risks, more specifically relating to the impact of physical- and transition risks.

Management prepared the financial statements, including considering whether the implications from material climate-related risks, commitments and the current financial effects relating to sustainability matters as disclosed in the sustainability statements have been appropriately accounted for and disclosed, in accordance with EU-IFRS. The material climate-related risks are managed by the Company as part of its risk management process and as such are taken into account in the preparation of the financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risks and the commitments made by the Company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- Understanding management's processes:
  - We made inquiries to understand management's assessment, against the background of the Company's business and operations. of the potential impact of climate-related risks and opportunities on the Company's financial statements and the Company's preparedness for this;
  - We have inspected minutes and documents relevant for assessing the climate-related risks in the audit;
  - We obtained an understanding of relevant sustainability themes, considering the operations and characteristics of the Company, as described by management in the chapter Climate of the annual report on page 105.
- The Company has prepared its sustainability statements in accordance with the European Sustainability Reporting Standards (ESRS). We have read, and considered as part of our risk assessment, these sustainability statements, which includes information over material sustainability matters relating to material impacts, risks and opportunities relating to climate change. As part of this, we have read and considered the information reported over the connectivity of the sustainability statements with the financial statements, more specifically relating to the current financial effects relating to sustainability matters;
- We have evaluated climate related fraud risk factors, such as management board remuneration being linked to climate related KPIs; and
- Used KPMG sustainability experts to support in understanding how climate-related risks and opportunities may affect the entity, in order to understand (potential) implications on its accounting in the current year's financial statements.

Based on our risk assessment procedures, we did not identify a risk of material misstatement specific to climate-related risk, including on the valuation of non-current assets, and thus no further audit response was considered necessary.

Furthermore we have read the 'Other information' in the annual report, including the information over material sustainability matters relating to material impacts, risks and opportunities relating to climate change with respect to climate-related risks and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Audit report on the financial statements continued

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. We considered the valuation of goodwill and brand names, and vendor allowance receivables as key audit matters, in view of the significant estimation uncertainty, magnitude and the related higher inherent risk of material misstatement. Each of these key audit matters have been set out below. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of goodwill and brand names

Risk

As at December 29, 2024, the Group's goodwill and brand names are valued at €11.5 billion. Cash-generating units (CGUs), to which goodwill and brand names have been allocated, as well as intangible assets under development and other intangible assets with indefinite lives, are tested for impairment annually, or more frequently when there is an indication that the CGU or an asset may be impaired. Judgments are required to determine whether there is an indication that a CGU to which goodwill has been allocated may be impaired.

In the 2024 annual goodwill and brand names impairment test, the recoverable amounts of the CGUs were based on fair value less costs of disposal and value in use. The Company uses discounted cash flow projections (usually 5 year) based on the assets' highest and best use from a market participant's perspective; taking financial plans as approved by management as a base. As part of this test, management concluded that no impairments should be recognized. In addition to our normal procedures, we particularly focused on the CGU Stop & Shop for which €1.1 billion goodwill is valued, based on the sensitivity of the impairment test as disclosed in Note 14. Last year, particular focus was on CGU Delhaize Belgium.

Estimates and assumptions are involved in the determination of the recoverable amount of the CGUs. These include assumptions related to discount rates and cash flow projections (such as sales growth rates, operating margins and growth rates to determine terminal value).

We consider the valuation of goodwill of the CGU Stop & Shop to be a key audit matter and significant risk, due to the magnitude of the goodwill and brand names balances and the impact of key assumptions on the valuations.

Our response

During our audit, we performed the following procedures for CGU Stop & Shop USA:

- We have evaluated management's process and design of controls over the impairment assessment for goodwill, including indicators of impairment, discount rate and forecasts;
- We have challenged management's assumptions used in determining the cash flow projections, primarily relating to the projected sales growth, operating margin developments, discount rate and (terminal) growth rate, by benchmarking the key assumptions applied against external data and by comparing the assumptions to historic performance of the Company. In doing so, we ran sensitivities on management's assumptions;
- We have involved our valuation specialists to assist us in evaluating the appropriateness of the impairment model and the discount rate applied.
- We verified that the model was prepared in line with the value in use methodology.
- We verified the mathematical accuracy of management's valuation model and agreed relevant data to the financial plans as approved by the Management Board.

Our observation

Based on our procedures performed, we consider the valuation of goodwill Stop & Shop as per December 29, 2024 reasonable.

Audit report on the financial statements continued

Vendor allowance receivables

Risk

As at December 29, 2024, the vendor allowance receivables amounted to EUR 821 million as disclosed in Note 18. Ahold Delhaize receives various types of vendor allowances. The most common allowances vendors offer are (i) volume allowances based on the quantity of products sold to customers or purchased from the vendor and (ii) promotional allowances, which relate to cooperative advertising and market development efforts. Volume allowances are recognized as a reduction of the cost of the related products as they are sold. Promotional allowances are recognized as a reduction of the cost of the related products when the Company has performed the activities specified in the contract with the vendor. When vendor allowances cannot be specifically identified in the purchase price of products, this requires management to apply judgments and estimates, mainly relating to the timing of when performance obligations have been fulfilled, the volume of purchases that will be made during a period of time, the product remaining in ending inventory, and the probability that funds can be collected from vendors.

Using these judgments and estimates, management's practice is to allocate earned vendor allowances between cost of sales and inventory based upon the amount of related product that was sold and the amount that remains in ending inventories. This practice is based upon the turnover of the inventories.

We consider the vendor allowance receivables to be a key audit matter and fraud risk for the components in the US, the Netherlands and Belgium because of the magnitude of amounts involved, specifically for the contracts that pertain significant judgement in determining the performance obligation.

Our response

During our audit, we performed the following procedures:

- We have evaluated the design and implementation of management's controls around determination of vendor allowances;
- We have challenged management's assumptions used in determining the recognized vendor allowances and we ran sensitivities on management's assumptions;
- We have assessed the quality of the estimates through performing a retrospective review of management judgements and estimates in prior year by testing subsequent collections on prior period vendor allowance receivables;
- We have assessed the aging and subsequent cash receipt of the receivable balance; and
- We have performed substantive procedures related to amounts recorded to vendor contracts. For example, on a sample basis, we have agreed the recorded amounts to the vendor contracts and we confirmed the related positions and terms with the vendors.

Our observation

Based on our procedures performed, we found management's recognition of vendor allowances to be appropriately supported.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Koninklijke Ahold Delhaize N.V. on April 13, 2022, as of the audit for the 52-weeks ended December 31, 2023 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Audit report on the financial statements continued

European Single Electronic Format (ESEF)

The Company has prepared its Annual Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the Annual Report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by the Company, complies in all material respects with the RTS on ESEF.

The Management Board is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby the Management Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Annual Report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the Annual Report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error 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 these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, February 25, 2025

KPMG Accountants N.V.

E.J.L. van Leeuwen RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Audit report on the financial statements continued

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of the Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Assurance report on the sustainability statements

Limited assurance report of the independent auditor

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

Limited assurance report on the sustainability statements 2024 included in the annual report

Our conclusion

We have performed a limited assurance engagement on the sustainability statements 2024 of Koninklijke Ahold Delhaize N.V. (Ahold Delhaize or the Company) based in Zaandam, the Netherlands. The sustainability statements include the sections general-, environmental-, social- and governance information, and the notes and the appendix to the sustainability statements, including the information incorporated in the sustainability statements by reference (sustainability statements).

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statements are not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by Ahold Delhaize to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability statements in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) '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 assurance engagement for the sustainability statements' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

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

Emphasis of matter

We draw attention to section 'basis of preparation' as included in chapter 'General information' of the sustainability statements starting on page 85. This section sets out that the sustainability statements have been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations. The 'Data collection and considerations' paragraph for the sustainability indicators address inherent measurement or evaluation uncertainties. These paragraphs identify the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical information in accordance with the ESRS. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

The section 'Impact, risk and opportunity management', also included in chapter 'General information', explains the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The sustainability statements may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important.

Our conclusion is not modified in respect to this emphasis of matter.

Limitations to the scope of our assurance engagement

Limited assurance has been provided on selected ESG information reported in the prior year annual report, however, not in the context of the new sustainability reporting standards (ESRS). Consequently, the comparative information 2023 has not been subject to limited assurance procedures in the context of the ESRS.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Assurance report on the sustainability statements continued

Description of responsibilities regarding the sustainability statements

Responsibilities of the Management Board and Supervisory Board for the sustainability statements

The Management Board is responsible for the preparation of the sustainability statements in accordance with the ESRS, including the double materiality assessment process carried out by the Company as the basis for the sustainability statements and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statements, the Management Board is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Management Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statements that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the Company.

Our responsibilities for the assurance engagement for the sustainability statements

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

A further description of our responsibilities for the assurance engagement on the sustainability statements is included in the appendix of this assurance report. This description forms part of our assurance report.

Amstelveen, February 25, 2025

KPMG Accountants N.V.

E.J.L. van Leeuwen RA

Appendix:
Description of our responsibilities for the assurance engagement on the sustainability statements.

Assurance report on the sustainability statements continued

Appendix

Description of our responsibilities for the assurance engagement on the sustainability statements

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the Company as the basis for the sustainability statements and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the information systems and the Company's risk assessment process relevant to the preparation of the sustainability statements and for identifying the Company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the Company and identifying and assessing areas of the sustainability statements, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further limited assurance procedures aimed at assessing that the sustainability statements are free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statements made by the Management Board appears consistent with the process carried out by the Company.
- Based on our professional judgement we determined materiality levels for each relevant part of the sustainability statements. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the Company.
- Determining the nature and extent of the procedures to be performed both centrally and at component level. For this, the nature, extent and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statements, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the Company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the Annual Report to identify material inconsistencies, if any, with the sustainability statements.
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the Company and are consistent or coherent with the sustainability statements;
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the TSC are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statements, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statements as a whole, are free from material misstatements and prepared in accordance with the ESRS.

Distribution of profit and shareholder rights

Distribution of profit

Articles of Association provisions governing the distribution of profit

The holders of common shares are entitled to one vote per share and to participate in the distribution of dividends and liquidation proceeds. Pursuant to section 39 of the Articles of Association, a dividend will first be declared out of net income on cumulative preferred shares and cumulative preferred financing shares. Any net income remaining after reservations deemed necessary by the Supervisory Board, in consultation with the Management Board, will then be at the disposal of the General Meeting of Shareholders, who may resolve to distribute it among the common shareholders. The Management Board, with the approval of the Supervisory Board, may propose that the General Meeting of Shareholders make distributions wholly or partly in the form of common shares. Amounts of net income not paid in the form of dividends will be added to the accumulated deficit. In the financial statements, the dividend on cumulative preferred financing shares is included in the income statement. Consequently, net income according to the parent company income statement is fully attributable to common shareholders.

See *Note 21* to the consolidated financial statements and *Note 17* to the parent company financial statements for more information on the dividend on common shares.

Details of special shareholder rights

Ahold Delhaize shareholders have no special rights; see *Corporate governance* for more information about voting rights.

Details of shares without profit rights and non-voting shares

Ahold Delhaize has no common shares without profit rights and no non-voting shares.

Contact information

Shareholder engagement

Ahold Delhaize proactively maintains an open, constructive and ongoing dialogue with its shareholders. We are committed to keeping shareholders updated by informing them transparently and accurately about Ahold Delhaize's strategy, performance and other Company matters and developments that could be relevant to investors' decisions. We disclose information through both financial and non-financial performance briefings, such as during our quarterly results releases, the AGM, Investor Days and other special events. We also participate in investor conferences and organize roadshows. All disclosed information is accessible via our website.

Corporate website

On the Company's website, you can find recent and archived press releases, financial reports, annual reports, presentations, the financial calendar and other relevant shareholder information. To receive press releases and other Ahold Delhaize news, please subscribe to our email service through our website at *www.aholddelhaize.com*.

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Key dates

Key dates 2025

AGM	**April 9**
Final dividend 2024	
Ex-dividend date	**April 11**
Dividend record date	**April 14**
Payment date	**April 24**
Interim dividend 2025	
Ex-dividend date	**August 8**
Dividend record date	**August 11**
Payment date	**August 28**
Publication Q1 2025 results	**May 7**
Publication Q2 2025 results	**August 6**
Publication Q3 2025 results	**November 5**

Annual General Meeting 2025

This year's AGM will be held on April 9, 2025. The meeting will start at 2:00 pm (CET).

The agenda and explanatory notes to the agenda can be found on our website at www.aholddelhaize.com.

Definitions and abbreviations

Financial performance measures

The financial information included in this Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as explained in *Note 2* and *Note 3* to the consolidated financial statements and in the individual footnotes, unless otherwise indicated.

This Annual Report also includes alternative performance measures (also known as non-GAAP measures). The definitions of these financial and non-financial alternative performance measures can be found below.

Financial alternative performance measures

Management believes that financial alternative performance (non-GAAP) measures allow for a better understanding of Ahold Delhaize's operating and financial performance. These alternative performance measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

Ahold Delhaize Group costs

Ahold Delhaize Group (formerly known as Global Support Office) costs relate to the responsibilities of the Ahold Delhaize Group, including Finance, Strategy, Mergers & Acquisitions, Internal Audit, Legal, Compliance, Human Resources, Information Technology, Insurance, Tax, Treasury, Communications, Investor Relations, Health & Sustainability and the majority of the Executive Committee. Ahold Delhaize Group costs also include results from other activities coordinated centrally but not allocated to any subsidiary. Underlying Ahold Delhaize Group costs exclude impairments of non-current assets, gains (losses) on leases and the sale of assets, and restructuring and related charges and other items, including business acquisition transaction costs.

Management believes this measure provides useful information about the costs of the Company's global support activities.

Basic underlying income per share from continuing operations

Underlying income per share from continuing operations is calculated as underlying income from continuing operations, divided by the weighted average number of shares outstanding, also referred to as "underlying earnings per share" or "underlying EPS." Management believes this measure provides better understanding of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance and, consequently earnings per share.

Comparable sales

Comparable sales are net sales, in local currency, from exactly the same stores – including remodeled stores and stores that are replaced within the same market area – and online sales in existing market areas for the most recent comparable period. Ahold Delhaize measures a store for comparable sales after it is open for a full 56 weeks. Comparable stores are locations that were open for both the full time period being reported on and the full comparable time period in the preceding year. In 2024, comparable sales growth is calculated by adjusting to a 52-week period.

Stores that are transferred from the integrated store network to franchise (or vice versa) are excluded from the comparable store base.

For markets that sell gasoline, Ahold Delhaize also calculates the comparable sales excluding gasoline sales, to eliminate gasoline price volatility in the comparison.

Media sales derived from the company magazine or other advertising revenue and data sales are excluded from comparable sales.

Comparable sales and comparable sales excluding gasoline sales are not reflected in Ahold Delhaize's financial statements. However, the Company believes that disclosing comparable sales and comparable sales excluding gasoline sales provides additional useful analytical information to investors regarding the operating performance of Ahold Delhaize, as it neutralizes the impact of, for example, newly acquired stores, in the calculation of sales growth.

Comparable sales excludes value-added tax (VAT).

Comparable sales growth excluding weather and calendar impacts

Comparable sales (as described under "Comparable sales"), adjusting for significant impacts driven by weather and calendar changes:

Weather: Changes to year-over-year comparable sales influenced by extreme weather conditions (e.g., (snow)storms and hurricanes).

Calendar: Comparable sales to be reported due to changes in the reporting calendar. For instance, year-over-year timing of public holidays, or number of trading days for companies that report on a monthly basis.

Management believes this measure provides better understanding and comparability of the Company's sales performance, as it excludes factors outside of Ahold Delhaize's control.

Complementary revenue streams

Complementary revenue streams is the sum of income through commercial services, B2B commercialization and gross monetization income.

Commercial services is defined as fee income or commission from selling products or services where Ahold Delhaize acts as an agent or where the product or service is sold to the customer in exchange of a standard fee.

B2B commercialization is defined as fee income received from third-party sellers for products or services provided on the platform to the customer.

Gross monetization income is derived from advertising and data insights activities in collaboration with suppliers and/or third parties who fund these activities in our omnichannel retail landscape.

Management believes this measure provides useful information regarding the growth of Ahold Delhaize's complementary income streams.

Constant exchange rates

At constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. This is done by translating the prior period results to euros using the current period's exchange rates.

Management believes this measure provides useful insight into the operating performance of the Company as a whole, including its foreign subsidiaries or joint ventures, as this measure improves comparability. When we use a constant exchange rate instead of the actual exchange rate for a performance measure, we will indicate this for the applicable KPIs.

Definitions and abbreviations continued

Diluted underlying income per share

Diluted underlying income per share from continuing operations is calculated as diluted underlying income from continuing operations, divided by the diluted weighted average number of common shares outstanding, also referred to as "diluted underlying EPS."

Management believes this measure provides better understanding of the underlying performance of the Company as it excludes items considered not to be directly related to the underlying performance and consequently earnings per share.

Earnings before interest, taxes, depreciation and amortization, or EBITDA

Ahold Delhaize defines EBITDA as operating income / (loss) plus depreciation and amortization. EBITDA is considered to be a useful measure for investors to analyze profitability by eliminating the effects of financing (i.e., net financial expense), capital investments and the impact of the purchase price allocation (i.e., depreciation and amortization).

E-commerce penetration

E-commerce penetration is a calculation that shows the portion of online sales relative to total net sales.

Management believes this measure provides useful information about the performance of the Company's e-commerce business.

Food sales

Food sales contains all net sales, excluding the following categories: pet food, flowers and plants, tobacco, and non-food products including health and beauty and cleaning products.

Sales taxes and value-added taxes are excluded from food sales reported in the sustainability statements.

Management believes this measure provides useful information about the Company's sales in the main product categories (food: non-perishable and food: perishable).

Free cash flow

Ahold Delhaize defines free cash flow as operating cash flows from continuing operations minus net capital expenditures, net repayment of lease liabilities and receivables (both interest and principal portions) and net interest paid plus dividends received from joint ventures.

Ahold Delhaize has included free cash flow, as the Company believes it is a useful measure for investors, because it provides insight into the cash flows available to, among other things, reduce debt and pay dividends. Free cash flow is derived from the financial statements; however, this is not a measure calculated in accordance with IFRS and may not be comparable to similar measures presented by other companies. Accordingly, free cash flow should not be considered as an alternative to operating cash flow.

Grocery online sales

Grocery online sales are online sales (see the definition below), excluding online sales from bol, Etos and Gall & Gall.

Management believes this measure provides useful information about the performance of the Company's grocery online sales.

Gross cash capital expenditure

Gross cash capital expenditures is defined as the purchase of non-current assets as presented in the cash flow statement.

Management believes this provides useful information about the Company's use of cash for capital expenditures

Insurance results

Sum of all gains and costs related to self insurance and reinsurance activities within Ahold Delhaize Group.

Management believes this measure provides useful information about the costs related to the Company's insurance and reinsurance activities.

Loyalty sales

Total third-party sales excluding VAT and generated by active addressable loyalty card holders. Active addressable loyalty card holders are the number of unique, active and addressable loyalty cards used in the reporting period. Active: cards used at least twice in the past 26 weeks (at the end of the reporting period), or at least one time in the reporting period. Addressable: from cardholders for whom we hold at least an address, phone number or email address.

Management believes this measure provides useful information about the performance of the Company's loyalty programs.

Net cash capital expenditure

Total regular cash capital expenditure net of right-of-use assets; change in property, plant and equipment payables (and other non-cash adjustments); and divestment of assets/ disposal groups held for sale.

Management believes this measure provides useful information about the cash used for capital expenditures.

Net consumer online sales

Net consumer online sales is defined as online sales including sales of third parties via bol's partner platform and other initiatives. Net consumer online sales excludes VAT.

Management believes that this measure provides more insight into the growth of our online businesses.

Net debt

Net debt is the difference between (i) the sum of loans, lease liabilities and short-term debt (i.e., gross debt) and (ii) cash, cash equivalents, current portion of investment in debt instruments, and short-term deposits and similar instruments. In management's view, because cash, cash equivalents, current portion of investments in debt instruments and short-term deposits and similar instruments can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure for investors to judge Ahold Delhaize's leverage. Net debt may include certain cash items that are not readily available for repaying debt.

Net sales at constant exchange rates

Net sales at constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. This is done by translating the prior period results to euros using the current period's exchange rates.

Management believes this measure provides useful insight into the operating performance of the Company as a whole, including its foreign subsidiaries or joint ventures, as this measure improves comparability.

Definitions and abbreviations continued

Net sales by category

Net sales are specified into predefined sales categories: perishable, non-perishable, non-food, gasoline and pharmacy.

Category definitions:

- Perishable includes: produce, dairy (fresh), meat, deli, bakery, seafood and frozen.
- Non-perishables include: grocery, dairy (long-life), beer and wine.
- Non-food includes: floral, pet food, health and beauty care, kitchen and cookware, gardening tools, general merchandise articles, electronics, newspapers and magazines and tobacco, etc.
- Gasoline includes: gasoline sales only.
- Pharmacy includes: pharmacy sales only.

Management believes this measure provides useful information about the performance of the different product categories.

Net sales grocery

Net sales grocery are net sales excluding sales from gasoline, bol, Etos and Gall & Gall.

Management believes this measure provides useful information about the performance of the Company's core activities.

Net sales growth

Net sales is a calculation of the following sales components excluding VAT: intercompany sales and total third-party sales, which is a calculation consisting of other sales to third parties, wholesale sales, franchise sales, online sales and retail sales. Net sales growth is the percentage year-over-year change.

Management believes this measure provides useful information about the performance of the Company's activities.

Net sales in local currency

In certain instances, net sales are presented in local currency. Management believes this measure provides a better insight into the operating performance of Ahold Delhaize's foreign subsidiaries.

Online grocery penetration

Online grocery penetration is calculated as online sales as a percentage of net sales, excluding sales from gasoline, bol, Etos and Gall & Gall. Management believes that this measure provides insights into the value of our online grocery business.

Online sales

Online sales are net sales generated through electronic ordering by the final customer at the fair value of the consideration received or receivable.

Online sales includes both business-to-consumer and business-to-business sales as long as the purchaser is the end user, sales generated through third-party platforms (e.g., Instacart and DoorDash), delivery fee income, other income derived from online sales generated through third-party platforms (e.g., price markups), and fees and commissions when Ahold Delhaize acts as an agent.

Online sales excludes VAT.

Management believes this measure provides useful information about the performance of the Company's online sales.

Operating income in local currency

In certain instances, operating income is presented in local currency. Management believes this measure provides better insight into the operating performance of Ahold Delhaize's foreign subsidiaries.

Operating margin

Operating margin is reported operating income (IFRS) divided by reported net sales (IFRS).

Management believes this measure provides useful information about the Company's operating performance.

Own-brand food sales

Net sales of own-brand food products. It follows the definitions of food sales and own-brand sales.

Management believes this measure provides useful information about the performance of the Company's own brands.

Own-brand sales

Net sales of own-brand products, which 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 fruits 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.

Management believes this measure provides useful information about the performance of the Company's own brands.

Regular capital expenditure

The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude business acquisition capital expenditure.

Management believes this measure provides useful information about the Company's capital expenditures.

Return on capital

Return on capital (RoC) is calculated as underlying operating income before depreciation and amortization divided by the annual rolling average of the sum of company-owned property, plant and equipment at purchase price, intangible assets (excluding goodwill) at purchase price, operating working capital components and repayment of lease liabilities, divided by 8%.

Management believes this measure provides useful information about the Company's earnings relative to its capital employed.

Save for Our Customers

Save for Our Customers is a savings program to improve and optimize operational efficiency and buying conditions and reduce waste, focusing on optimizing cost price and volume efficiencies. Savings are recorded over a 12-month period, starting from the moment the initiative impacts the Income Statement. These savings are based on the brands' improvement initiatives and efficiencies in the following areas: cost of goods sold (price, design and media monetization), transportation, logistics and distribution, and labor costs, as well as operating expenses (staff, general and administrative costs) in stores and headquarters. Save for Our Customers savings are intended to drive saving initiatives and improvements across the brands and are incremental to prior-year savings. These savings should be reinvested, adding more value for the benefit of customers. Recorded savings are in compliance with the Save for Our Customers savings definitions included in Ahold Delhaize's Accounting and Procedures Manual; exceptions are agreed upon and documented to accommodate regional differences. Recorded savings (Actuals) need to be sufficiently supported.

Definitions and abbreviations continued

To calculate the savings related to cost of goods sold we first calculate the difference between current year's prices and reference prices. This difference is then multiplied with last year's volume, which gives us the total savings related to cost of goods sold.

For OpEx, we calculate both rate savings and efficiency savings:

- OpEx rate savings are calculated by multiplying a rate difference by the number of units purchased in the current year. For example, the difference in wage rates compared to last year multiplied by labor hours purchased in the current year.
- OpEx efficiency savings are calculated by multiplying a unit's difference by the last year's rate. For example, the difference in kilometers driven compared to last year multiplied by last year's cost per kilometer.

Management believes this measure provides useful information about the Company's ability to absorb cost increases, invest in better customer propositions and keep shelf prices as low as possible in order to best serve customers and local communities.

Underlying earnings before interest, taxes, depreciation and amortization, or underlying EBITDA and margin

Ahold Delhaize defines underlying EBITDA as EBITDA adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance. Underlying EBITDA margin is calculated as underlying EBITDA as a percentage of sales.

Management believes this provides a more comparable measure of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance of the Company's operations.

Underlying income from continuing operations

Ahold Delhaize defines underlying income from continuing operations as income from continuing operations adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance, as well as material non-recurring finance costs and income tax expense, and the potential effect of income tax on all these items.

Management believes this provides a more comparable measure of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance of the Company's operations.

Underlying operating income and margin

Underlying operating income is defined as total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

Ahold Delhaize's management believes this measure provides better insight into the underlying operating performance of the Company's operations. Underlying operating income margin is calculated as underlying operating income as a percentage of net sales.

Non-financial performance measures

The specific definitions outlined below add context to our non-financial performance measures and other metrics used in this report.

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/or social issues associated with a commodity's production. Acceptable standards are globally consistent and focus on continuously improving production and supply chain practices.

Acceptable standards for tea, coffee and cocoa include Rainforest Alliance/UTZ Fair Trade USA/Fairtrade/FLOCERT/Fairtrade Sourcing Program or equivalent standards. Acceptable standards for palm oil include RSPO Principles and Criteria and equivalent standards. Acceptable standards for wood fiber are the Forest Stewardship Council (FSC) Chain of Custody, Program for Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI) or equivalent standards. Acceptable standards for soy are the RTRS standard for Responsible Soy Production and ProTerra, or equivalent standards. The majority of credits we purchase are 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) and cover all Aquaculture Stewardship Council (ASC) farm standards.

Associate

Person with a legal contract or active pay status (U.S.-specific) with Ahold Delhaize or its brands. This excludes external associates and contingent workers and includes expats counted in their home country.

Associates include seasonal workers, student workers (including summer season students), part-time and full-time associates, both short-term and long-term contracted associates and associates with an active pay status (U.S.-specific), as well as associates whose contract is currently suspended (e.g., for time credit or long-term illness).

Associates who have an employment contract with independent operators of affiliated or franchised stores and students who are on a non-remunerated internship are excluded from the reported figures in this section.

Associate Engagement Survey

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

- Healthy workplace: Associates are asked about the support they receive to have healthier lives.
- Inclusive workplace: Associates are asked about the support they receive to have a more inclusive workplace.
- Associate development: Associates are asked about the support they receive to develop their skills and careers with Ahold Delhaize. Our U.S. brands are excluded from this metric.
- Engagement: Associates are asked about how they feel about Ahold Delhaize.

Definitions and abbreviations continued

Associate Engagement Survey benchmarks

We use two global benchmarks for our Associate Engagement Survey: Global Retail, which comprises companies in the 5300 Retail industry classification benchmark that operate in multiple countries and have both a brick-and-mortar and online presence, and High Performance Norm, which comprises companies in the top quartile (75th percentile) of the Perceptyx Global normative benchmark database.

Associate turnover

This metric expresses the number of people lost through resignation, attrition and other means compared to the total number of people in the organization. It includes all turnover, regardless of reason, and is reported as a percentage. Associate turnover is defined as the number of people who left the company compared to the average number of associates during that time period. It includes all terminations regardless of reason.

Associate turnover 30+ contract hours

Associate turnover 30+ contract hours is defined as the number of people contracted to work more than 30 hours per period who left the company compared to the average number of associates during that time period. It includes all terminations regardless of reason.

Balanced candidate slates (50/50)

In a balanced candidate slate, 50% of the final candidates must be from a diverse/underrepresented population (female, person of color/ethnic/multinational) and at least two of the candidates in the final slate must be diverse.

Brick and mortar

Existing as a physical building, rather than doing business only on the internet.

Cash contributions

The monetary amount paid by a company in support of charitable donations in the form of direct cash donations or grants and payments for materials and services. It includes support of cultural institutions, matched employee giving, employee involvement costs, memberships and subscriptions to community-related organizations and cause-related marketing campaigns.

Charitable donations

Donations of cash, products, services, equipment or other company resources to local, national and international charitable appeals, sponsorships that are not part of a marketing strategy, grants and costs of employee volunteering that fall outside of a core community strategy, company matching of employee donations and the costs of facilitating donations by customers and suppliers.

CO_2 emissions/CO_2 equivalent (CO_2e)

The CO_2 (carbon dioxide) emissions data we report consists of a calculated CO_2 equivalent: actual CO_2 emitted plus equivalent emissions from other greenhouse gases (such as CH4, N_2O and F-gases). We report in reference to the Greenhouse Gas (GHG) Protocol Corporate Standard.

Ethnicity representation by level (VP+, Director, Manager, Overall) U.S. ONLY

Associates identifying as American, Asian, Hispanic or Latino, African-American, Native Hawaiian/Other Pacific Islander, White, Other, Not Registered, Two or more races and Unknown. Within the U.S., this metric shows the representation within Equal Employment Opportunity Commission (EEOC) classifications, by organizational level.

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.

Food waste

As defined by the UN Food and Agriculture Organization (FAO), food waste is any removal of food from the food supply chain that 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 to hunger relief organizations, theft and cash shortages.

We measure food waste using the *Food Loss and Waste Protocol*. Food waste includes waste used for animal feed, bio-based materials, anaerobic digestion, composting/aerobic digestion, controlled combustion and landfill.

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.

Full time

Associates who work full time (= one FTE), as measured by contract hours/standard weekly working hours, are considered full time.

Gen Z

Generation Z, also called Gen Z, is the generational cohort following millennials, born between 1997 and 2010.

Global warming potential (GWP)

The GHG Protocol defines global warming potential 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 CO_2." By using GWPs, GHG emissions can be standardized to a carbon-dioxide equivalent (CO_2e), which allows the ability to express the emissions of different GHGs using carbon dioxide as a reference. For example, for a 100-year time horizon, the impact of one unit of methane is 28 times greater than one unit of CO_2 (according to IPCC's 6th assessment report). Hence, methane's GWP is 28.

Greenhouse gases (GHG)

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

Definitions and abbreviations continued

Growth score: Associate perception

The growth score: associate perception is driven by the perception of opportunity for personal development and growth, opportunities for career growth, feeling their job makes good use of their skills and abilities, and support from their manager for skills and career development.

Healthy products

Own-brand healthy food sales include all own-brand products that earn one, two or three Guiding Stars (in the U.S. market) or an A or B score from Nutri-Score (in Europe). Total own-brand food sales include food sales from company-operated stores as well as to franchise / affiliate stores.

More information on Guiding Stars can be found at *www.guidingstars.com*.

Inclusive workplace: Associate perception

Associates' perception of the inclusivity of their workplace.

The metric shows the percentage of associates who strongly agree or agree with the following index statements in the Associate Engagement Survey:

- At my company, diversity is valued.
- All associates, regardless of their differences, are treated fairly.
- I can be my authentic self at My Company.
- My manager treats all associates with respect.
- I am encouraged to share my ideas about improving our work environment.

Last stage of production (LSOP) 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 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, excluding (re-)packing in a non-high-risk country.

National brands

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

Net Promoter Score (NPS)

A survey-based market research metric that measures the probability of respondents recommending a certain brand.

Number of injuries that result in lost days

Number of injuries that result in 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 injury is a non-fatal or fatal injury arising in the course of work.

Organic food products

Food that meets specific, governmental standards relative to the use of synthetic pesticides, fertilizers or any other chemicals and the way natural resources (soil, animals, energy and water) are treated in the production process. An "organic" product is a product that is certified as organic by a certifying body recognized by the government.

Own brands

Own-brand products at Ahold Delhaize company-operated and franchise / 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 fruits and vegetables or no-name non-food products) and promotional items related to the non-branded products.

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."

Part time

Associates who work less than full time (< one FTE), as measured by contract hours/standard weekly working hours, are considered part time.

Pick-up point and click-and-collect points

A pick-up point (PUP) is a location that serves as a point where customers can pick up groceries they have ordered online. PUPs exclude bol, Etos and Gall & Gall locations.

PUPs with pick-from-store (PFS) capability are also referred to as click-and-collect points.

Plastic packaging

According to ISO 21067, packaging is a product to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods, from raw materials to processed goods, from the producer to the user or consumer, including processor, assembler or other intermediary. Plastic packaging is packaging of which the main structural element is made of plastic.

Private label products

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

Sales area

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

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 and light fuel).

Definitions and abbreviations continued

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.

Scope 3 (indirect GHG emissions)

Scope 3 emissions are the result of activities from assets not owned or controlled by our Group, but that indirectly impact our value chain. For example, this includes products our brands source from suppliers, and emissions generated when customers use them. Scope 3 emissions, also referred to as value chain emissions, represent the vast majority of total GHG emissions in food retail.

Stock-keeping unit (SKU)

A stock-keeping unit (SKU) is a specific type of product, with attributes that distinguish it from other SKUs.

We include SKUs that were active only for a limited period of time during the reporting period; SKUs that were active at a certain point in time during the reporting period, even though not active anymore at the end of the reporting period or at the time of the data collection; seasonal products; and SKUs that are only sold in our franchise/affiliated stores. Excluded SKUs are SKUs that are sold in company-operated stores selling only wholesale, promotional products and secondary SKUs.

Supply chain

The full range of activities or processes carried out upstream from Ahold Delhaize, which provide products or services that are used in our operations. This includes all upstream entities with which we have direct and indirect relationships.

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 time frame.

Tenure

Tenure, as disclosed for the Management Board, Executive Committee and Supervisory Board, is calculated as the length of time members have been members of the applicable bodies.

For members of the Supervisory Board, their tenure includes their tenure in the Board of Directors of the former Delhaize Group, prior to their appointment to the Supervisory Board of Ahold Delhaize.

Tonnes of food waste donated

Includes only food products to feed people (excludes animal feed). It includes food donations to food banks and other food donations to feed people and excludes third-party donations (from customers, suppliers and associates).

Value chain

The full range of activities, resources and relationships related to Ahold Delhaize business operations and the external environment in which we operate. The value chain encompasses all processes and actors we rely on to operate, both upstream and downstream, including the supply chain, sales, marketing and distribution channels, our own operations, consumption and end-of-life. The value chain also includes the financing, geographical, geopolitical and regulatory environments in which we operate

Waste

Includes all waste, regardless of the waste management method (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, DCs 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, 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.

Terms and abbreviations

In addition to the non-financial alternative performance measures defined above, the following concepts or terminologies are used in our *Sustainability statements* and elsewhere in this report.

amfori BSCI

The amfori Business Social Compliance Initiative (BSCI) is 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.

Biodiversity

The variety of plant and animal species on earth or as measured for a specific ecosystem. According to the Food and Agriculture Organization (FAO), biodiversity for food and agriculture is indispensable to food security and sustainable development. It supplies many vital ecosystem services, such as creating and maintaining healthy soils, pollinating plants, controlling pests and providing a habitat for wildlife, including for fish and other species that are vital to food production and agricultural livelihoods.

Deforestation and land conversion are closely linked to biodiversity.

Business Resource Group (BRG)

A BRG is a group of associates who join together in their workplace based on shared characteristics, life experiences, etc., to provide support of commercial activities, enhance career development and contribute to personal development and the feeling of belonging and inclusiveness in the work environment.

CapEx

Capital expenditure.

CDP

The Carbon Disclosure Project (CDP) is an international non-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Definitions and abbreviations continued

CGF

The Consumer Goods Forum (CGF) is a CEO-led organization that brings consumer goods retailers and manufacturers together globally. It has over 400 members across 70 countries, with combined sales of €4.6 trillion and directly employing nearly 10 million people. CGF members collaborate across nine coalitions — including Food Waste, Collaboration for Healthier Lives and Towards Net Zero — to address key challenges facing the global industry. This collaboration helps drive positive change in line with the CGF's mission: "Better Lives Through Better Business." Ahold Delhaize is a longstanding member of the CGF, and, in June 2023, Frans Muller was appointed co-chair for a two-year term.

CSDDD

Corporate Sustainability Due Diligence Directive

CSRD

Corporate Sustainability Reporting Directive

Deforestation

Deforestation is a loss of natural forest as a result of:

1. Conversion to agriculture or other non-forest land use
2. Conversion to a tree plantation
3. Severe and sustained degradation

Defra

The UK Department for Environment, Food and Rural Affairs is responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the United Kingdom.

Double materiality

Double materiality has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.

Double materiality assessment (DMA)

The process of determining material sustainability matters

Eligible economic activity

An EU Taxonomy-eligible activity refers to activities that are described in the EU Taxonomy Delegated Acts adopted pursuant to the six environmental objectives of the EU Taxonomy, irrespective of whether those economic activities meet the relevant TSC as laid down in those Delegated Acts.

ESG

The acronym stands for Environmental, Social and Governance.

EU Taxonomy for sustainable activities (EU Taxonomy)

The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities.

GFSI

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

GRC

The acronym refers to Governance, Risk Management and Compliance, covering an organization's approach across these three practices.

Greenhouse Gas (GHG) Protocol

The Greenhouse Gas (GHG) Protocol works with companies to develop standards and tools that help them measure, manage, report and reduce their emissions. The protocol covers the accounting and reporting of the six GHGs covered by the Kyoto Protocol and helps to increase the consistency and transparency in GHG accounting and reporting among various companies and GHG programs. For more information, see *ghgprotocol.org/corporate-standard*.

IPCC

The Intergovernmental Panel on Climate Change was created to provide policymakers with regular scientific assessments on climate change, its impacts and future risks and options for adaptation and mitigation.

JMR

The acronym refers to "JMR -Gestão de Empresas de Retalho, SGPS. S.A.," Ahold Delhaize's joint venture in Portugal operating stores under the Pingo Doce brand. The joint venture partner in JMR is Jerónimo Martins, SGPS, S.A.

Land conversion

Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure or function.

Deforestation is one form of land conversion (conversion of natural forests). Land conversion also includes severe degradation from the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure or function. A change to natural ecosystems that meets this definition is considered to be conversion, regardless of whether or not it is legal.

LGBTQ+

LGBTQ+ is an acronym for lesbian, gay, bisexual, transgender, queer or questioning and others. These terms are used to describe a person's sexual orientation or gender identity.

Location-based approach

The GHG Protocol Scope 2 Guidance (version 2015) 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."

Definitions and abbreviations continued

MEP
The acronym refers to multi-employer plan, which is a retirement savings plan adopted by two or more employers who are not related.

Net zero
A state of balance between anthropogenic GHG emissions and anthropogenic removals. Net zero GHG emissions must be achieved at the global level to stabilize temperature increase, and targets set using the Net-Zero Standard cover all UNFCCC/Kyoto GHG emissions.

The SBTi's Net-Zero Standard outlines what companies need to do to enable the global economy to achieve net zero. The Standard makes clear that corporate net-zero targets in line with keeping global warming to 1.5°C require rapid and deep emission reductions. Companies must take action to halve their emissions by around 2030. Likewise, long-term deep emissions cuts of at least 90% before 2050 are crucial for net-zero (Energy and Industrial) targets to align with science.

NGO
The acronym stands for non-governmental organization.

Non-eligible economic activity
A non-eligible economic activity means any economic activity that is not described in the EU Taxonomy Delegated Acts adopted pursuant to the six environmental objectives of the EU Taxonomy.

Omnichannel
A shopping experience that integrates different methods of engaging with customers, such as online, in a physical store and using a mobile device.

Operations
Refers to business activities that are substantive and/or commercial activities

OpEx
Operating expenditure

Partner Platform network partners
Partner Platform network partners active on bol's platform, measured by the number of partners that have fulfilled at least one order in the last year, including orders followed by a cancellation.

Power purchase agreement (PPA)
A power purchase agreement (PPA), or electricity power agreement, is a contract between two parties, one that generates electricity (the seller) and one that is looking to purchase electricity (the buyer). The PPA defines all of the commercial terms for the sale of electricity between the two parties.

Science-based targets
Science-based targets provide a clearly-defined pathway for companies to reduce GHG emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. For more information please go to: *www.sciencebasedtargets.org*.

Science Based Targets initiative (SBTi)
The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reduction targets in line with the latest climate science. It is focused on accelerating efforts by companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practices in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets; see *www.sciencebasedtargets.org*.

It is the lead partner of the Business Ambition for 1.5°C campaign – an urgent call to action from a global coalition of UN agencies, business and industry leaders, mobilizing companies to set net-zero science-based targets in line with a 1.5°C future.

The SBTi provides a framework to help specify how much and how quickly organizations need to reduce their GHG emissions to stay within the 1.5°C maximum rise in global temperature.

During 2024, this initiative launched science-based targets guidance to define how companies can assess, prioritize, measure, address and track their impacts and dependencies on natural ecosystems. This Science Based Targets on Nature (SBTN) defines interim targets that companies can align with now across land use, freshwater use, climate impact and ecosystem integrity. The guidance uses an action framework comprising: a) avoid and reduce pressure on nature loss, b) restore and regenerate ecosystems, c) transform underlying systems to address the drivers of nature loss.

State of Nature
The condition and extent of various components of nature, including but not limited to: water availability, water quality, land degradation, land conversion, ecosystem integrity and species extinction risk.

TNFD
Acronym refers to the Task Force on Nature-related Financial Disclosures, which has developed a framework to help public companies and other organizations disclose nature-related risks and opportunities.

World Business Council for Sustainable Development (WBCSD)
WBCSD is a global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net-zero, nature-positive and more equitable future.

World Resources Institute (WRI)
The WRI is a global research organization that works with governments, businesses, multilateral institutions and civil society groups to develop practical solutions that improve people's lives and ensure nature can thrive.

They organize their work around seven global challenges: Food, Forests, Water, Energy, Climate, the Ocean and Cities. They analyze these issues through the lenses of their four Centers of Excellence: Business, Economics, Finance and Equity.

Financial alternative performance measures

Introduction

This section includes the key reconciliations of our financial alternative performance measures (also known as non-GAAP measures). The descriptions of these financial alternative performance measures are included under *Definitions and abbreviations* in the *Other information*.

Free cash flow

The reconciliation is included in *Cash flows* in the *Performance review* section.

Net debt

The reconciliation is included in *Financial position* in the *Performance review* section.

Underlying operating income (expenses)

The reconciliations are included in *Group key financial indications*, *Financial review by segment – United States* and *Financial review by segment – Europe* in the *Performance review* section.

Underlying EBITDA

The reconciliation is included in *Group performance* in the *Performance review* section.

Underlying income from continuing operations

€ million, except per share data	2024	2023
Income from continuing operations	**1,764**	1,874
Adjustments to operating income (See *Note 6*)	**824**	758
Cumulative currency translation difference transferred to net income	**(10)**	—
Tax effect on adjusted and unusual items	**(208)**	(181)
Underlying income from continuing operations	**2,370**	2,451
Underlying income from continuing operations for the purpose of diluted earnings per share	**2,370**	2,451
Basic income per share from continuing operations[1]	**1.90**	1.95
Diluted income per share from continuing operations[2]	**1.89**	1.94
Underlying income per share from continuing operations – basic[1]	**2.55**	2.55
Underlying income per share from continuing operations – diluted[2]	**2.54**	2.54

1 Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for 2024 is 930 million (2023: 962 million).
2 The diluted earnings per share from continuing operations and diluted underlying EPS are calculated by dividing the diluted (underlying) income from continuing operations by the diluted weighted average number of shares outstanding. The diluted weighted average number of shares used for calculating the diluted underlying EPS for 2024 is 933 million (2023: 966 million).

Financial alternative performance measures continued

Online sales

The difference between online sales and net consumer online sales is third-party online sales, as shown below. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3* to the consolidated financial statements).

Group

€ million	2024	2023 restated	% change
Grocery online sales	**6,150**	6,059	1.5%
Other online sales	**3,085**	2,872	7.4%
Online sales	**9,235**	8,931	3.4%
Third-party online sales	**2,888**	2,862	0.9%
Net consumer online sales	**12,123**	11,793	2.8%

The United States

€ million	2024	2023 restated	% change
Grocery online sales	**4,090**	4,247	(3.7)%
Other online sales	**—**	—	—
Online sales	**4,090**	4,247	(3.7)%
Third-party online sales	**—**	—	—
Net consumer online sales	**4,090**	4,247	(3.7)%

Europe

€ million	2024	2023 restated	% change
Grocery online sales	**2,060**	1,812	13.7%
Other online sales	**3,085**	2,872	7.4%
Online sales	**5,145**	4,684	9.8%
Third-party online sales	**2,888**	2,862	0.9%
Net consumer online sales	**8,033**	7,546	6.4%

Comparable sales

Comparable sales reconciles to net sales, as shown below. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3* to the consolidated financial statements).

Group

€ million	2024	2023 restated	% change
Net sales	**89,356**	88,734	0.7%
Gas sales	**(960)**	(1,065)	(9.9)%
Adjustments to comparable sales	**(3,086)**	(3,391)	(9.0)%
Comparable sales (ex gas)	**85,310**	84,279	1.2%

The United States

€ million	2024	2023 restated	% change
Net sales	**54,198**	54,610	(0.8)%
Gas sales	**(960)**	(1,065)	(9.9)%
Adjustments to comparable sales	**(169)**	(877)	(80.7)%
Comparable sales (ex gas)	**53,069**	52,668	0.8%

Europe

€ million	2024	2023 restated	% change
Net sales	**35,158**	34,124	3.0%
Gas sales	**—**	—	—%
Adjustments to comparable sales	**(2,917)**	(2,514)	16.0%
Comparable sales (ex gas)	**32,241**	31,610	2.0%

Financial alternative performance measures continued

Constant exchange rates

In the tables below, we show the movements at actual exchange rates versus the movements at constant exchange rates. Comparative amounts have been restated to conform to the current year's presentation (see *Note 3* to the consolidated financial statements).

Group

	2024 vs 2023		
% movement	At actual exchange rates	Impact of constant exchange rates	At constant exchange rates
Net sales	**0.7%**	0.2pp	0.9%
Online sales	**3.4%**	0.1pp	3.5%
Net consumer online sales	**2.8%**	—pp	2.8%
Operating income	**(2.2) %**	0.3pp	(1.9) %
Operating margin	**(0.1)pp**	—pp	(0.1)pp
Income from continuing operations	**(5.9) %**	0.4pp	(5.5) %
Net income	**(5.9) %**	0.4pp	(5.5) %
Underlying operating income	**0.1%**	0.1pp	0.2%
Underlying operating margin	**— pp**	—pp	— pp
Basic EPS from continuing operations	**(2.6) %**	0.4pp	(2.2) %
Diluted EPS from continuing operations	**(2.6) %**	0.4pp	(2.2) %
Basic EPS from all operations	**(2.6) %**	0.4pp	(2.2) %
Diluted EPS from all operations	**(2.6) %**	0.4pp	(2.2) %
Underlying EPS	**0.1%**	0.1pp	0.2%
Diluted underlying EPS	**0.1%**	0.1pp	0.2%
Free cash flow	**4.9%**	0.2pp	5.1%
Grocery online sales	**1.5%**	0.1pp	1.6%

The United States

	2024 vs 2023		
% movement	At actual exchange rates	Impact of constant exchange rates	At constant exchange rates
Net sales	**(0.8) %**	—pp	(0.7) %
Online sales	**(3.7) %**	0.1pp	(3.6) %
Net consumer online sales	**(3.7) %**	0.1pp	(3.6) %
Operating income	**8.4%**	—pp	8.3%
Operating margin	**0.3pp**	—pp	0.3pp
Underlying operating income	**(6.1) %**	—pp	(6.0) %
Underlying operating margin	**(0.3)pp**	—pp	(0.3)pp
Grocery online sales	**(3.7) %**	0.1pp	(3.6) %

Europe

	2024 vs 2023		
% movement	At actual exchange rates	Impact of constant exchange rates	At constant exchange rates
Net sales	**3.0%**	0.4 pp	3.5%
Online sales	**9.8%**	— pp	9.9%
Net consumer online sales	**6.4%**	— pp	6.5%
Operating income	**4.1%**	0.7 pp	4.8%
Operating margin	**—pp**	— pp	—pp
Underlying operating income	**19.4%**	0.6 pp	20.0%
Underlying operating margin	**0.5pp**	— pp	0.5pp
Grocery online sales	**13.7%**	— pp	13.7%

Net capital expenditures

The reconciliation is included in *Capital investments and property overview* in the *Performance review* section.

Appendix to the sustainability statements

The Appendix to the sustainability statements is an integral part of the *Sustainability statements* and are also part of the Management Report, or the "bestuursverslag" within the meaning of section 2:391 of the Dutch Civil Code. See also *Declarations*.

List of disclosure requirements complied with and incorporation by reference

The following tables list all of the ESRS disclosure requirements in ESRS 2 and the topical standards, indicating which are material to Ahold Delhaize and which have guided the preparation of our sustainability statements.

The tables can be used to navigate to information relating to a specific disclosure requirement in the sustainability statements.

The tables also show where we have placed information relating to a specific disclosure requirement that lies outside of the sustainability statements and is "incorporated by reference" to the *Performance review*, the *Financial statements* or *Remuneration report* within this Annual Report. For an overview of the items incorporated by reference, see *General information*: Basis of preparation – Disclosures incorporated by reference

Disclosure requirement		Section	Page	Additional information
Cross-cutting standards				
ESRS 2 General disclosures				
BP-1	General basis for preparation of the sustainability statement	*General information: Basis of preparation*	85-86	
BP-2	Disclosures in relation to specific circumstances	*General information*: *Basis of preparation* – Specific circumstances disclosure	86	
	Data points that derive from other EU legislation	*Appendix to sustainability statements: Index: Other EU legislation*	372-376	
GOV-1	The role of the administrative, management and supervisory bodies	*General information: Governance* – How we manage sustainability and ESG	87	
		Composition, diversity, skills and expertise: *Corporate governance – Supervisory Board report*	220	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	*General information*: *Governance* Information provided to and sustainability matters addressed by governance bodies	87	
GOV-3	Integration of sustainability-related performance in incentive schemes	*General information*: *Governance* Integration of sustainability performance in incentive schemes	87	
		Remuneration: *Remuneration of the Management Board*	239	
GOV-4	Statement on sustainability due diligence	*General information: Governance* – Statement on due diligence	88-89	
		Index to sustainability statements: Index: Statement on due diligence	370	
GOV-5	Risk management and internal controls over sustainability reporting	*General information*: *Governance* – Risk management and internal controls	89	
		Governance, risk and compliance	227-231	
SBM-1	Strategy, business model and value chain (products, markets, customers)	*General information: Strategy*	90-92	
		Our Growing Together strategy	16-32	
		Our great local brands	11-15	
		Our value creation model	33-34	
	Strategy and business strategy, business model and value chain (headcount by country)	*General information: Strategy*	90-92	
		Our Growing Together strategy	16-32	
		Our value creation model	33-34	
	Strategy, business model and value chain (breakdown of revenue)	*Note 7* to the consolidated financial statements	271-272	
SBM-2	Interests and views of stakeholders	*General information*: *Interests and views of stakeholders*	91-92	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	*General information*:*Strategy* – Material impacts, risks and opportunities (IRO) and interaction with strategy and business model	90	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	*General information*: *IRO management* and *Our material sustainability matters*	93-100	

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Disclosure requirement		Section	Page	Additional information
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	*General information*: *Basis of preparation* – Disclosure requirements in ESRS covered by the sustainability statements	86	
Environmental standards				
ESRS E1 Climate change				
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	*Climate change*: Governance *General information: Governance* Integration of sustainability performance in incentive schemes *Remuneration*: *Remuneration of the Management Board*	105 87 236	
E1-1	Transition plan for CCM	*Climate change*: Strategy – Transition plan	106-112	
ESRS 2 SBM-3	Material IROs and interaction with strategy and business model	*Climate change*: Strategy – Material IROs and interaction with strategy and business model	112	
ESRS 2 IRO-1	Description of the process to identify and assess material climate-related impacts, risks and opportunities	*Climate change*: IRO management	113-116	
E1-2	Policies related to CCM and CCA (E1-2 & ESRS 2 MDR-P)	*Climate change*: IRO management – Policies	116	
E1-3	Actions and resources in relation to climate change policies (E1-3 & ESRS 2 MDR-A)	*Climate change*: IRO management – Actions and resources *Climate change*: Strategy – Transition plan	116 106-112	
E1-4	Targets related to CCM and CCA (E1-4 & ESRS 2 MDR-T)	*Climate change*: How we manage performance	116-118	
E1-5	Energy consumption and mix	*Climate change*: How we manage performance – Metrics *Sustainability notes: Environmental indicators* – *Climate change*	116-118 174-182	
E1-6	Gross scope 1, 2, 3 and total GHG emissions	*Climate change*: How we manage performance – Metrics *Sustainability notes: Environmental indicators* – *Climate change*	116-118 174-182	
E1-7	GHG removals and carbon credits	*Climate change*: How we manage performance – GHG removals and carbon credits	118	
E1-8	Internal carbon pricing	*Climate change*: How we manage performance – Internal carbon pricing	119	
E1-9	Anticipated financial effects from physical and transition risks and potential climate-related opportunities	Phase-in		
ESRS E2 Pollution				
ESRS 2 IRO-1	Description of the process to identify and assess material pollution-related impacts, risks and opportunities	*Pollution*: IRO management	124	Transitional provision related to chapter 5 Value chain applied.
E2-1	Policies related to pollution (E2-1 & ESRS 2 MDR-P)	*Pollution*: Policies, actions and targets	124	
E2-2	Actions and resources in relation to pollution (E2-2 & ESRS 2 MDR-A)	*Pollution*: Policies, actions and targets	124	
E2-3	Targets related to pollution	*Pollution*: Policies, actions and targets	124	
E2-4	Pollution of air, water and soil	Pollution as a material sustainability matter is not related to own operations, thus below the materiality threshold and not applicable		
E2-5	Substances of concern and substances of very high concern	Below materiality threshold		
E2-6	Anticipated financial effects from pollution-related IROs	Phase-in		

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Disclosure requirement		Section	Page	Additional information
ESRS E3 Water and marine resources				
ESRS 2 IRO-1	Description of the process to identify and assess material water and marine resources-related impacts, risks and opportunities	*Water and marine resources*: IRO management	125-126	Transitional provision related to chapter 5 Value chain applied.
E3-1	Policies related to water and marine resources (E3-1 & ESRS 2 MDR-P)	*Water and marine resources*: IRO management – Policies	125	
E3-2	Actions and resources in relation to water and marine resources (E3-2 & ESRS 2 MDR-A)	*Water and marine resources*: IRO management – Actions and resources	125-126	
E3-3	Targets related to water and marine resources	*Water and marine resources*: How we manage performance	126	
E3-4	Water consumption	Below materiality threshold		
E3-5	Anticipated financial effects from water and marine resources-related IROs	Phase-in		
ESRS E4 Biodiversity and ecosystems				
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	*Biodiversity and ecosystems*: Strategy – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	127	Transitional provision related to chapter 5 Value chain applied.
ESRS 2 SBM-3	Material IROs and interaction with strategy and business model	*Biodiversity and ecosystems*: Strategy – Material IROs and interaction with strategy and business model	127	
ESRS 2 IRO-1	Processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	*Biodiversity and ecosystems*: IRO management – Processes to identify and assess material biodiversity and ecosystem-related IROs	127	
E4-2	Policies related to biodiversity and ecosystems	*Biodiversity and ecosystems*: IRO management – Policies	127-128	
E4-3	Actions and resources in relation to biodiversity and ecosystems (E4-3 & ESRS 2 MDR-A)	*Biodiversity and ecosystems*: IRO management – Actions and resources	128-129	
E4-4	Targets related to biodiversity and ecosystems	*Biodiversity and ecosystems*: How we manage performance	129-130	
E4-5	Impact metrics related to biodiversity and ecosystem change	*Biodiversity and ecosystems*: How we manage performance	129-130	
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	Phase-in		
ESRS E5 Resource use and circular economy				
ESRS 2 IRO-1	Description of the process to identify and assess material resource use and CE-related impacts, risks and opportunities	*Waste*: IRO management – Process to identify and assess material waste-related IROs	139	Other waste: Transitional provision related to chapter 5 Value chain applied.
E5-1	Policies related to resource use and CE (E5-1 & ESRS 2 MDR-P)	*Waste*: IRO management – Policies	139-140	
E5-2	Actions and resources in relation to resource use and CE (E5-2 & ESRS 2 MDR-A)	*Waste*: IRO management – Actions and resources	140-142	
E5-3	Targets related to resource use and CE	*Waste*: How we measure performance	142	
E5-4	Resources inflows	Below materiality threshold		
E5-5	Resources outflows	Below materiality threshold		
E5-6	Anticipated financial effects from material resource use and CE-related risks and opportunities	Phase-in		
Packaging (ESRS 2 – entity specific topic)				
ESRS 2 IRO-1	Description of the process to identify and assess material resource use and CE-related impacts, risks and opportunities	*Packaging*: IRO management – Process to identify and assess material packaging-related IROs	134-136	
ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	*Packaging*: IRO management – Policies	136	
ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	*Packaging*: IRO management – Actions and resources	136-138	
ESRS 2 MDR-M	Metrics in relation to material sustainability matters	*Packaging*: How we measure performance – metrics *Environmental indicators: Packaging*	138 185-186	
ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	*Packaging*: How we measure performance	138	

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Disclosure requirement		Section	Page	Additional information
Animal welfare (ESRS 2 – entity specific topic)				
ESRS 2 IRO-1	Description of the process to identify and assess material animal welfare-related impacts, risks and opportunities	*Animal welfare*: IRO management – Process to identify and assess material IROs	132	Transitional provision related to chapter 5 Value chain applied.
ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	*Animal welfare*: IRO management – Policies	132	
ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	*Animal welfare*: IRO management – Actions and resources	132	
ESRS 2 MDR-M	Metrics in relation to material sustainability matters	*Animal welfare*: How we manage performance – metrics	133	
ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	*Animal welfare*: How we manage performance	132-133	
Social standards				
ESRS S1 Own workforce				
ESRS 2 SBM-2	Interests and views of stakeholders	*General information: Interests and views of stakeholders*	91-92	
		Own workforce:	149-150	
		– Social dialogue, freedom of association and collective bargaining	152-154	
		– Diversity and inclusion		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	*Own workforce*: IRO management	148	
S1-1	Policies related to own workforce (S1-1 & ESRS 2 MDR-P)	*Own workforce:* Policies	147-148	
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	*Own workforce*: Social dialogue, freedom of association and collective bargaining	149-150	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	*Own workforce*:		
		– Social dialogue, freedom of association and collective bargaining	149-150	
		– Measures against violence and harassment in the workplace	155	
S1-4	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	*Own workforce*: In every section as part of actions and resources since it is topic specific	147-156	
S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities (ESRS S1-5 & ESRS 2 MDR-T)	*Own workforce*: Per section (if available) under how we measure performance	147-156	
S1-6	Characteristics of the undertaking's employees	*Sustainability notes*: *Social indicators* –	199-205	
S1-7	Characteristics of the non-employee workers in the undertaking's own workforce	Phase in – still to be determined if non-employees are below materiality threshold		
S1-8	Collective bargaining coverage and social dialogue	*Own workforce*: Social dialogue, freedom of association and collective bargaining	149-150	
S1-9	Diversity metrics	*Own workforce*: *Equal treatment and opportunities for all*	152-156	
S1-10	Adequate wages	*Own workforce*: Adequate wages	149-150	
S1-11	Social protection	Below materiality threshold		
S1-12	Persons with disabilities	Below materiality threshold		
S1-13	Training and skills development metrics	Below materiality threshold		
S1-14	Health and safety metrics	*Own workforce*: Health and Safety	148-149	
S1-15	Work-life balance metrics	*Own workforce*: *Working conditions* – Work-life balance	150-151	

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Disclosure requirement		Section	Page	Additional information
S1-16	Compensation metrics (pay gap and total compensation)	*Own workforce: Equal treatment and opportunities for all*	152-156	
S1-17	Incidents, complaints and severe human rights impacts	*Own workforce*: Measures against violence and harassment in the workplace	155	
ESRS S2 Workers in the value chain				
ESRS 2 SBM-2	Interests and views of stakeholders	*Workers in the value chain*: Strategy – Interests and views of stakeholders	157	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	*Workers in the value chain*: Strategy – Material IROs and their interaction with strategy and business model	158	
S2-1	Policies related to value chain workers workforce (S2-1 & ESRS 2 MDR-P)	*Workers in the value chain*: IRO management – Policies	158-159	
S2-2	Processes for engaging with value chain workers about impacts	*Workers in the value chain*: IRO management – Processes for engaging with value chain workers about impacts	159-160	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	*Workers in the value chain*: IRO management – Processes to remediate and channels for value chain workers to raise concerns	160	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	*Workers in the value chain*: IRO management – Actions and resources	160-162	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Workers in the value chain*: How we measure performance	162	

Disclosure requirement		Section	Page	Additional information
ESRS S3 Affected communities				
ESRS 2 SBM-2	Interests and views of stakeholders	*Community impacts*: Strategy – Interests and views of stakeholders	163	Transitional provision related to chapter 5 Value chain applied.
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	*Community impacts*: Strategy – Material IROs and their interaction with strategy and business model	164	
S3-1	Policies related to affected communities (S3-1 & ESRS 2 MDR-P)	*Community impacts*: IRO management – Policies	164	
S3-2	Processes for engaging with affected communities about impacts	*Community impacts*: IRO management – Processes for engaging with affected communities about impacts	164	
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	*Community impacts*: IRO management – Processes to remediate negative impacts and channels for affected communities to raise concerns	165	
S3-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	*Community impacts*: IRO management – Actions and resources	165	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Community impacts*: How we measure performance	165	

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Disclosure requirement		Section	Page	Additional information
ESRS S4 Consumers and end-users				
ESRS 2 SBM-2	Interests and views of stakeholders	*Customers: Product safety*: Strategy – Interests and views of stakeholders	167 169	Access to healthy, affordable products: Transitional provision related to chapter 5 Value chain applied.
		Customers' health and nutrition and access to healthy, affordable products: *Strategy* – Interests and *views* of *stakeholders*		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	*General information: Material IROs and their interaction with strategy and business model*	90	
S4-1	Policies related to consumers and end-users	*Customers: Product safety*: IRO management – Policies	167	
		Customers' health and nutrition and access to healthy, affordable products: IRO management – Policies	169-170	
S4-2	Processes for engaging with consumers and end-users about impacts	*Customers: Product safety*: IRO management – Process for engaging with consumers and end-users about impacts	167 169	
		Customers' health and nutrition and access to healthy, affordable products: IRO management – Process for engaging with consumers and end-users about impacts		
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	*Customers: Product safety*: IRO management – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	167	
S4-4	Taking action on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	*Customers: Product safety*: IRO management – Actions and resources	167-168	
		Customers' health and nutrition and access to healthy, affordable products: IRO management – Actions and resources	170	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Customers: Product safety*: How we measure performance	168	
		Customers' health and nutrition and access to healthy, affordable products: How we measure performance	170	
Governance standards				
ESRS G1 Business conduct				
ESRS GOV-1	The role of the administrative, management and supervisory bodies	Below materiality threshold		
ESRS IRO-1	Processes to identify and assess material impacts, risks and opportunities	Below materiality threshold		
G1-1	Business conduct policies and corporate culture	Below materiality threshold		
G1-2	Management of relationships with suppliers	Below materiality threshold		
G1-3	Prevention and detection of corruption and bribery	Below materiality threshold		
G1-4	Confirmed incidents of corruption and bribery	Below materiality threshold		
G1-5	Political influence and lobbying activities	Below materiality threshold		
G1-6	Payment practices	Below materiality threshold		

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Index: Statement on due diligence

This table provides a mapping to where in our sustainability statements we provide information about our due diligence process, including how we apply the main aspects and steps of our due diligence process.

Core elements of due diligence	Section	Page
Embedding due diligence in governance, strategy and business model	General information: Governance	87
	General information: Strategy	90-92
Engaging with affected stakeholders in all key steps of the due diligence	*General information: Governance* – Statement on due diligence	88-89
	General information: Strategy – Interests and views of stakeholders	91-92
Identifying and assessing adverse impacts	*General information: Governance* – Statement on due diligence	88-89
	General information: IRO management and *Our material sustainability matters*	93-100
Taking actions to address those adverse impacts	*General information: Governance* – Statement on due diligence	88-89
	Environmental information	101-144
	Social information	145-170
Tracking the effectiveness of these efforts and communicating	*General information: Governance* – Statement on due diligence	88-89
	Environmental information: Performance highlights	102-104
	Social information: Performance highlights	146
	Corporate governance: Governance, risk and compliance – Speak Up line	229-230

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Table of all data points deriving from other EU legislation (Appendix B of ESRS 2)

The table below includes all of the data points that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in our Annual Report and which data points are assessed as "Below materiality threshold."

Disclosure requirement	Related data point paragraph	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section / comment	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		Corporate governance: *Our Management Board and Executive Committee* and *Our Supervisory Board*	209-210 and 212
ESRS GOV-1	21 (e)	Percentage of board members who are independent			X		*Supervisory Board report:* Independence	222
ESRS 2 GOV-4	30	Statement on due diligence	X				*Index: Statement on due diligence*	371
ESRS 2 SBM-1	40 (d)	Involvement in activities related to fossil fuel activities	X	X	X		Not applicable	
ESRS 2 SBM-1	40 (d)	Involvement in activities related to chemical production	X		X		Not applicable	
ESRS 2 SBM-1	40 (d)	Involvement in activities related to controversial weapons	X		X		Not applicable	
ESRS 2 SBM-1	40 (d)	Involvement in activities related to cultivation and production of tobacco			X		Not applicable	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	*Environmental information: Climate change* – Transition plan	106-112
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		X	X		*Environmental information: Climate change* – Transition plan	106
ESRS E1-4	34	GHG emissions reduction targets	X	X	X		*Environmental information: Climate change* – How we measure performance	116-117
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by source (only high-climate-impact sectors)	X				*Sustainability notes*: *Environmental indicators* – *Climate change*	174
ESRS E1-5	37	Energy consumption and mix	X				*Sustainability notes*: *Environmental indicators* – *Climate change*	174
ESRS E1-5	40-43	Energy intensity associated with activities in high-climate-impact sectors	X				*Sustainability notes*: *Environmental indicators* – *Climate change*	174
ESRS E1-6	44	Gross scope 1, 2, 3 and total GHG emissions	X	X	X		*Sustainability notes*: *Environmental indicators* – *Climate change*	174-177
ESRS E1-6	53-55	Gross GHG emissions intensity	X	X	X		*Sustainability notes*: *Environmental indicators* – *Climate change*	178
ESRS E1-7	56	GHG removals and carbon credits			X		*Environmental information*: *Climate change* – GHG removals and carbon credits	118

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Disclosure requirement	Related data point paragraph	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section / comment	Page
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Phase-in	
ESRS E1-9	66 (a) and 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk		X			Phase-in	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Phase-in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Phase-in	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air,	X				Below materiality threshold	
ESRS E3-1	9	Water and marine resources	X				Below materiality threshold	
ESRS E3-1	13	Dedicated policy	X				Below materiality threshold	
ESRS E3-1	14	Sustainable oceans and seas	X				Below materiality threshold	
ESRS E3-4	28 (c)	Total water recycled and reused	X				Below materiality threshold	
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	X				Below materiality threshold	
ESRS 2 SBM3 - E4	16 (a) i		X				Below materiality threshold	
ESRS 2 SBM3 - E4	16 (b)		X				Below materiality threshold	
ESRS 2 SBM3 - E4	16 (c)		X				Below materiality threshold	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				*Environmental information*: *Biodiversity and ecosystems* – IRO management Policies	127-128
ESRS E4-2	24 (c)	Sustainable oceans / seas practices and policies	X				*Environmental information*: *Biodiversity and ecosystems* – IRO management Policies	127-128
ESRS E4-2	24 (d)	Policies to address deforestation	X				*Environmental information*: *Biodiversity and ecosystems* – IRO management Policies	127-128
ESRS E5-5	37 (d)	Non-recycled waste	X				*Environmental indicators*: *Waste*	187
ESRS E5-5	39	Hazardous waste and radioactive waste	X				*Environmental indicators*: *Waste*	187
ESRS SBM 3 - S1	14 (f)	Risk in incidents of forced labor	X				Below materiality threshold	
ESRS SBM 3 - S1	14 (g)	Risk in incidents of child labor	X				Below materiality threshold	

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Disclosure requirement	Related data point paragraph	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section / comment	Page
ESRS S1-1	20	Human rights policy commitments	X				*Social information*: *Own workforce* – *Policies*	147-148
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8			X		*Social information*: *Own workforce* – *Policies* *Social information*: *Own workforce* – IRO management	147-148
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Below materiality threshold	
ESRS S1-1	23	Workplace accident prevention policy or management system	X				*Social information*: *Own workforce* *Policies*	147-148
ESRS S1-3	32 (c)	Grievance / complaints-handling mechanisms	X				*Social information*: *Own workforce* *Policies* *Corporate Governance*: *Governance, risk and compliance* *Social indicators*: *Own workforce* – Measures against violence and harassment in the workplace	147-148 226-230 203
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		*Social information*: *Own workforce* – *Working conditions*: Health and safety *Social indicators*: *Own workforce* – *Working conditions:* Health and safety	148-149 202
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X				*Social information*: *Own workforce* – *Working conditions*: Health and safety *Social indicators*: *Own workforce* – *Working conditions:* Health and safety	148-149 202
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		*Social information*: *Own workforce* – Gender equality and equal pay for work of equal value *Social indicators*: *Own workforce* – Pay difference and total remuneration	152-155 203
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				*Social indicators*: *Own workforce* – Pay difference and total remuneration	203

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Disclosure requirement	Related data point paragraph	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section / comment	Page
ESRS S1-17	103 (a)	Incidents of discrimination	X				*Social information*: *Own workforce Policies*	147-148
							Social indicators: *Own workforce* – Measures against violence and harassment in the workplace	203
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		*Social indicators*: *Own workforce – Equal treatment and opportunities for all*	203
ESRS 2 SBM-2	11 (b)	Significant risk of child labor or forced labor in the value chain	X				*Social information*: *Workers in the value chain* – Strategy	157-158
ESRS S2-1	17	Human rights policy commitments	X				*Social information*: *Workers in the value chain* – IRO management – Policies	158-159
ESRS S2-1	18	Policies related to value chain workers	X				*Social information*: *Workers in the value chain* – IRO management – Policies	158-159
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		*Social information*: *Workers in the value chain* – IRO management – Policies	158-159
							Workers in the value chain: IRO management – Actions and resource: Deal-breakers	161
							Workers in the value chain: IRO management – Process to remediate negative impacts and channels for value chain workers to raise concerns	160
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental ILO Convention 1 to 8			X		*Social information*: *Workers in the value chain* – IRO management – Policies	158-159
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				*Social information*: *Workers in the value chain* – IRO management – Actions and resources	160-162
ESRS S3-1	16	Human rights policy commitments	X				*Social information*: *Community impacts* – IRO management – Policies	164
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		*Social information*: *Community impacts* – IRO management – Policies	164
							Workers in the value chain: IRO management – Actions and resource: Deal-breakers	161
ESRS S3-4	36	Human rights issues and incidents	X				*Workers in the value chain:* IRO management – Actions and resource: Deal-breakers	161

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Disclosure requirement	Related data point paragraph	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section / comment	Page
ESRS S4-1	16	Policies related to consumers and end-users	X				*Social information*: Customers – *Product safety* – IRO management – Policies	167
							Social information: *Customers – Customers' health and nutrition and access to healthy, affordable products* – IRO management – Policies	169-170
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		*Social information*: *Customers – Customers' health and nutrition and access to healthy, affordable products* – IRO management – Policies	169-170
ESRS S4-4	35	Human rights issues and incidents	X				*Workers in the value chain:* IRO management – Actions and resource: Deal-breakers	161
ESRS G1-1	10 (b)	United Nations Convention against Corruption	X				Below materiality threshold	
ESRS G1-1	10 (d)	Protection of whistleblowers	X				Below materiality threshold	
ESRS G1-4	24 (a)	Fines for violations of anti-corruption and anti-bribery laws	X		X		Below materiality threshold	
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	X				Below materiality threshold	

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TNFD index

Our sustainability reporting is based upon the ESRS, which incorporate a number of the TNFD's disclosure recommendations. The index below indicates where this report includes information relevant to the TNFD recommendations, noting we are not fully aligned with the TNFD's disclosure recommendations. This index should not be seen as an exhaustive list of our disclosures on nature; see the *Sustainability statements* for more information.

TNFD's disclosure recommendation	Link to content	Page
Governance		
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	*ESRS 2 GOV-1: General information: Governance* – How we manage sustainability and ESG	87
	Environmental information: Nature – Governance	120
	ESRS 2 GOV-2: General information: *Governance* Information to and sustainability matters addressed by governance bodies	87
	ESRS 2 GOV-3: General information: *Governance* Integration of sustainability performance in incentive schemes and *Remuneration*: *Remuneration of the Management Board*	87 and 239
	ESRS 2 GOV-5: General information: *Governance* – Risk management and internal controls and *Governance, risk and compliance*	226-230
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	*ESRS 2 GOV-1: General information: Governance* – How we manage sustainability and ESG and *Environmental information: Nature* – Governance	87 and 120
	ESRS 2 GOV-2: General information: *Governance* Information to and sustainability matters addressed by governance bodies	87
	ESRS 2 IRO-1: *General information*: *IRO management* and *Our material sustainability matters* and *Environmental information*: *Nature* – *IRO management*	93-100 and 121-123
C. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous peoples, local communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	ESRS 2 SBM-2: *General information*: *Interests and views of stakeholders*	91-92
	ESRS SBM-3: General information:*Strategy* – Material impacts, risks and opportunities (IRO) and interaction with strategy and business model	90
	ESRS 2 IRO-1: *General information*: *IRO management* and *Our material sustainability matters*	93-100
	Environmental information: *Nature* – *IRO management*	121-123
	Social information: Workers in the value chain – IRO management	158-162
	Social information: Community impacts – IRO management	164-165
	General information: Governance – Statement on due diligence	88-89

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TNFD's disclosure recommendation	Link to content	Page
Strategy		
A. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	ESRS 2 IRO-1: *General information*: *IRO management* and *Our material sustainability matters* *Environmental information*: *Nature* – *IRO management and, specifically, the disclosures around the 2024 nature project*	93-100 121-123
B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	*ESRS SBM-3: General information*:*Strategy* – Material impacts, risks and opportunities (IRO) and interaction with strategy and business model *Environmental information*: *Nature* – *IRO management and specifically the disclosures around the 2024 nature project*	90 121-123
C. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Exploration work in the area commenced but is not yet mature or complete; the links below show initial work conducted. *Biodiversity and ecosystems*: Strategy – Transition plan and consideration of biodiversity and ecosystems in strategy and business model See also work done on the 2024 nature project: *Nature*	 127 120 -123
D. Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority		
Risk and impact management		
A(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	Our 2024 disclosures do not include our own operations as it was not identified as material for nature in the DMA.	
A(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	*Environmental information*: *Nature* – *IRO management* ESRS 2 IRO-1: *General information*: *IRO management* and *Our material sustainability matters* *Risk and opportunities*	120-123 93 -100 72-82
B. Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities	See *Nature*	120-133
C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	ESRS 2 IRO-1: *General information*: *IRO management* and *Our material sustainability matters* *Environmental information*: *Nature* – *IRO management* *Risk and opportunities*: Sustainability risks	93-100 121-123 80

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TNFD's disclosure recommendation	Link to content	Page
Metrics and targets		
A. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	We have reported on metrics in line with the ESRS.	
B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	We have reported on metrics in line with the ESRS.	
	Sustainability notes: Environmental indicators	174-198
	Environmental information: Nature	120-133
C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	*Environmental performance highlights*	102-104
	Environmental information: Climate	105-119
	Environmental information: Nature	120-133
	Environmental information: Circularity	134-142

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Additional data points below materiality threshold

Water consumption

Water consumption in our own operations are reported to provide insights into our own water usage.

Performance indicator description[1]	2024	2023
Total water consumption (thousand m^3)	**8,769**	8,956

1. The 2023 figure excludes FreshDirect.

Methodology

Total water consumed by our brands' company-operated stores, DCs and offices during the reporting period.

Data collection and considerations

Water consumption data is collected on an annual basis. Our brands collect water consumption data through supplier invoices or meter readings.

If water consumption is not fully known at the time of data collection (i.e., if invoices have not yet been received), we may use estimations, based on one of three approaches:

1. Using the invoice from the same month in the prior year
2. If the store or DC was not open in the prior year, making an estimation based on the previous month
3. If the store or DC was not open in prior months, using an average – excluding extreme results – of water used by the same store format or DC during that year

ESG ratings

	2024		2023	
	Score	Industry rank/ risk rating	Score	Industry rank/ risk rating
MSCI ESG rating[1]	AA	Top 38%	AAA	Top 10%
ISS-ESG rating[2]	C+	Prime, top 10%	C+	Prime, top 10%
Sustainalytics score[3]	19.8	Low	23	Medium
CDP Climate score[4]	A-	Leadership	B	Management

1. MSCI scores companies from CCC to AAA, where AAA is the best score.
2. ISS-ESG scores companies from D- to A+, where A+ is the best score. The Prime status is awarded to companies with an ESG performance above the sector-specific Prime threshold.
3. Sustainalytics scores companies from 100 to 0, where 0 is the best score. The 2024 score is based upon the rating dated November 20, 2024, after an event update. The 2023 scope is based upon the last full assessment dated April 25, 2024, using Annual Report 2023 as the reference.
4. CDP Climate scores companies from D- to A, where A is the best score.

We regularly assessed which ESG ratings are most relevant to Ahold Delhaize, based on investor and other stakeholder feedback, peer and industry analysis, and external research. We considered the transparency, quality, usefulness and coverage of rating methodologies and the efforts required by companies, and prioritize our performance according to the four ESG benchmarks disclosed above.

For these prioritized ESG ratings, we actively participate in the assessments, provide data and feedback to the rating agency where relevant, and analyze the results to identify improvement opportunities relating to the various ESG topics.

Cautionary notice

This Annual Report includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward-looking statements can be identified by certain words, such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods.

Forward-looking statements, are subject to risks, uncertainties and other factors that are difficult to predict and that may cause the actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Therefore, you should not place undue reliance on any of these forward-looking statements. Factors that might cause or contribute to such a material difference include, but are not limited to, risks relating to the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions, including high levels of inflation, on consumer spending; changes in consumer expectations and preferences; turbulence in the global capital markets; political developments, natural disasters and pandemics; wars and geopolitical conflicts; climate change; energy supply issues; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; changes in supplier terms and the inability to pass on cost increases to prices; risks related to environmental, social and governance matters (including performance) and sustainable retailing; risks related to data management and data privacy; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions; increases in costs associated with the Company’s defined benefit pension plans; ransomware and other cybersecurity issues relating to the failure or breach of security of IT systems; the Company’s inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company’s legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company’s outstanding financial debt; the Company’s ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company’s credit ratings and the associated increase in the Company’s cost of borrowing; exchange rate fluctuations; inherent limitations in the Company’s control systems; changes in accounting standards; inability to obtain effective levels of insurance coverage; adverse results arising from the Company’s claims against its self-insurance program; the Company’s inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; and other factors discussed in the Company’s public filings and other disclosures.

Forward-looking statements reflect the current views of the Company’s management and assumptions based on information currently available to the Company’s management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.

In this report, the term “materiality,” “material,” and similar terms, when used in the context of economic, environmental, social, and governance topics, are defined in the referenced sustainability standards, and are not meant to correspond to the concept of materiality under prevailing securities laws or stock exchange listing requirements.

Outside the Netherlands, Ahold Delhaize presents itself under the name “Royal Ahold Delhaize” or “Ahold Delhaize.” For the reader’s convenience, “Ahold Delhaize,” the “Company,” the “company,” “Ahold Delhaize Group,” “Ahold Delhaize group” or the “Group” are also used throughout this Annual Report. The Company’s registered name is “Koninklijke Ahold Delhaize N.V.”

Nielsen’s information as included in this Annual Report does not constitute a reliable independent basis for investment advice or Nielsen’s opinion as to the value of any security or the advisability of investing in, purchasing or selling any security.