Ahold

Responsible Retailing Report 2013

Responsible retailing.

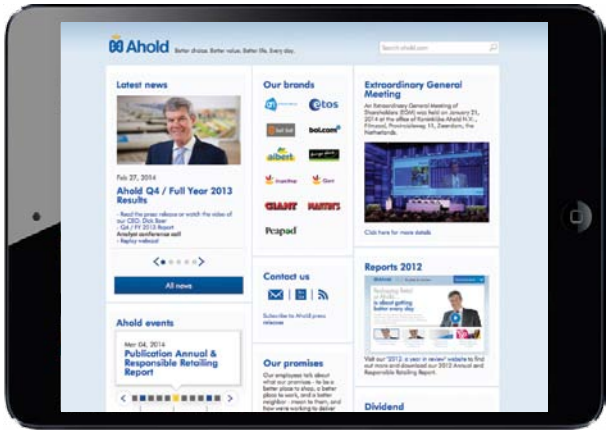
In this year's report

Welcome

Welcome to Ahold's 2013 Responsible Retailing Report.
Do take a look around this interactive PDF to find information about our responsible retailing strategy, targets, priority areas, case studies and much more…

Go online to learn more about how our strategy is coming to life…

ahold.com



Responsible retailing at Ahold: a summary

Introduction	2
Company profile	3
Group financial highlights	4
Highlights by segment	5
Message from Dick Boer, Ahold CEO	6
Responsible retailing scorecard	8
Reshaping Retail: our strategic framework	10
Our promises	11
Stakeholder engagement	12
Tackling the material issues	13
Responsible retailing strategy	15
Healthy living	16
Community well-being	18
Our people	20
Responsible products	22
Care for the environment	24

Priority areas: performance during 2013

Healthy living	27
Community well-being	31
Our people	35
Responsible products	40
Care for the environment	48

Behind our strategic priorities

Our governance structure	56
Awards and rankings 2013	57
Scope of reporting	58
Reporting process	61
CO_2 conversion factors	61
Data revisions	62
Global Reporting Initiative	63
Global Compact	68
External assurance report	69

Other information

Glossary	71
Contact us	73
Cautionary notice	73

Introduction

Responsible retailing at Ahold: a summary

Being responsible is integral to our business. We support the health and well-being of our customers and communities. Associates throughout the business are engaged in putting our strategy into practice, and we support them in leading healthier, more sustainable lives, too. We endeavor to source our products responsibly and manage our environmental impact.

In this section, you'll read an overview of our responsible retailing strategy, and some of the key stories that relate to each of our priority areas.

In this section:

Introduction	2	Our promises	11
Company profile	3	Stakeholder engagement	12
Group financial highlights	4	Tackling the material issues	13
Highlights by segment	5	Responsible retailing strategy	15
Message from Dick Boer, Ahold CEO	6	Healthy living	16
Responsible retailing scorecard	8	Community well-being	18
Reshaping Retail: our strategic framework	10	Our people	20
		Responsible products	22
		Care for the environment	24

Company profile

We are Ahold...

We are an international retailing group based in the Netherlands, with strong local consumer brands in Europe and the United States.

Operating supermarkets and selling great food has been our core business for over a century. We also offer other formats and channels to serve the needs of today's customer. We are building a true omni-channel offering, so that our customers can shop whenever and wherever is most convenient for them.

We are able to provide customers with good value, a relevant assortment and an enjoyable shopping experience because of our people. We have great associates who love what they do and are good at it. The relationships they build with our customers are an important part of why they keep coming back to shop with us.

3,131

Stores serving customers

9%

Increase on our Dow Jones Sustainability Index score versus 2012, scoring only three points lower than the sector leader

20 million

Cardholders enrolled in our loyalty programs

222,000

Associates

Over

€1 billion

Online sales

Group financial highlights

We delivered stable financial performance in a challenging environment...

Underlying operating margin
(2012 as restated[1]: 4.3%)
4.2%

Income from continuing operations per common share (basic)
(2012 as restated[1]: €0.84)
€0.79

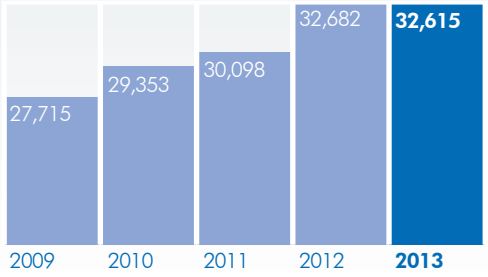
As part of our dividend policy we adjust income from continuing operations for significant non-recurring items. Adjusted income from continuing operations per share was €0.79 in 2013 (2012 as restated[1]: €0.89).

Total returns to shareholders through share buyback programs and dividend payments
(2012: €0.7bn)
€1.2bn

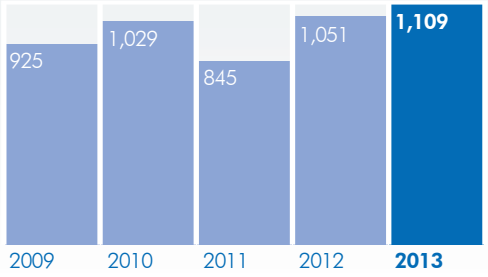
€2.5bn
Proceeds from the sale of ICA (including dividend)

Agreement reached to sell Ahold's Slovakian business

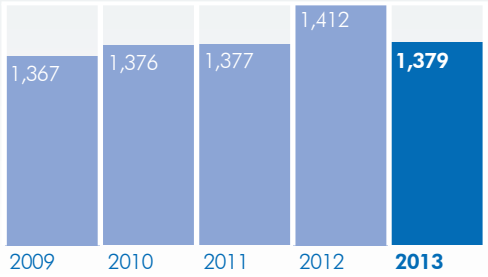
Net sales[1]
€ million
€32.6bn



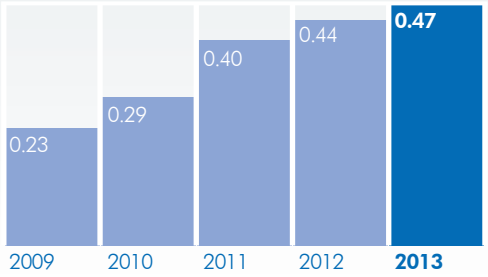
Free cash flow[1]
€ million
€1.1bn



Underlying operating income[1]
€ million
€1.4bn



Dividend per common share
(2013 includes proposed dividend) €
€0.47



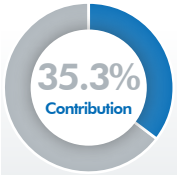
1 Including restatements, see Note 3 to the consolidated financial statements in Ahold's 2013 Annual Report for an explanation of the restatements.

Highlights by segment

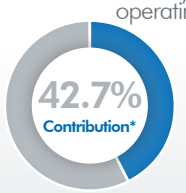
The Netherlands

The Netherlands, Belgium and Germany

Net sales
€11,494 million
+4.0% growth



Underlying operating income
€619 million
5.4% Underlying operating margin



* Before Corporate Center costs

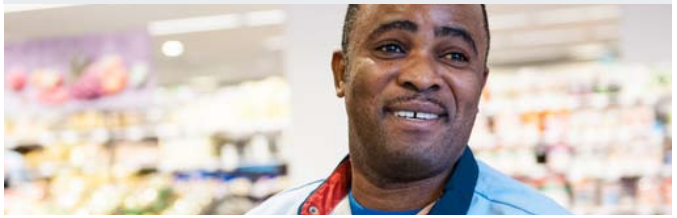
Stores
2,056

Pick-up points
17

Associates
94,000

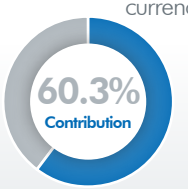
Our brands[1]

ah, etos, Gall&Gall, bol.com

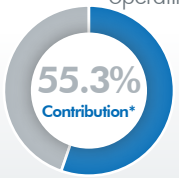


Ahold USA

Net sales
€19,676 million
+1.1% growth in local currency



Underlying operating income
€801 million
4.1% Underlying operating margin



* Before Corporate Center costs

Stores
767

Pick-up points
120

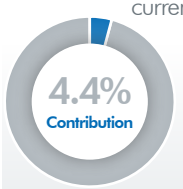
Associates
117,000

Our brands

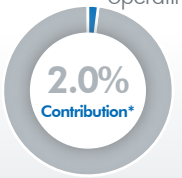
Stop&Shop, Giant, GIANT, MARTIN'S, Peapod

Czech Republic

Net sales
€1,445 million
–1.5% growth in local currency



Underlying operating income
€30 million
2.1% Underlying operating margin



* Before Corporate Center costs

Stores
284

Associates
10,000

Our brands

albert

1 As of January 1, 2014, the albert.nl brand is part of Albert Heijn's online offering at www.ah.nl

Joint ventures

Stake
49%

Net sales
€3,432 million

Our brands

pingo doce

Ahold holds 49% of the shares in the joint venture JMR, and shares equal voting power on JMR's board of directors with Jerónimo Martins, SGPS, S.A.

Message from Dick Boer, Ahold CEO

Responsible retailing is becoming more important than ever

As a food retailer with a huge reach, we see real opportunities to make a difference to the well-being of our customers, communities and associates.

Watch the CEO year in review video on www.ahold.com

Dear stakeholders,

Our Reshaping Retail strategy is helping us to meet our customers' expectations, to offer them a better assortment every day, while also building our vision of the food retailer of the future. Our goal is to be able to bring our customers great value and high quality, fresh products along with the convenience of shopping in whatever way they choose – and to do it in a responsible way so we can continue to earn the trust of our customers and other stakeholders.

Global trends, material issues

Because of this, responsible retailing is becoming more important than ever. Not just for Ahold, but for the world in general. We are in a position to make sure that we, as a retailer, stay relevant in the world we live and work in. We see macro-trends – people living longer, for example, but also increasing cases of lifestyle-related diseases and health issues, such as diabetes related to obesity – and we believe that we have a vital role to play in helping people live long and healthy lives. As a food retailer with a huge reach, we see real opportunities to make a difference to the well-being of our customers, communities and associates. We also want to play an active and responsible role when it comes to our supply chain and the environment.

Ahold's responsible retailing strategy is built around these topics because they matter to us. That is why we defined five priority areas in 2010: healthy living, community well-being, our people, responsible products and care for the environment. You can find out more about our priority areas and why they are material to Ahold in the *Tackling the material issues* section.

Meeting our responsibilities to stakeholders

As a major retailer, we want to take our responsibility towards all of those whose lives are affected by our business – they each play a unique and vital role. Our customers are extremely important to us – they're the reason we go to work and are passionate about what we do. They're becoming more aware of environmental and social issues, and, above all, they want to put a good meal on the table for their families – which is why we're striving to provide them with healthy, safe, responsible products at an affordable price and with a great shopping experience. We continually do our best to keep our promise to associates to be a better place to work. Globally, Ahold and its brands employ around 222,000 people. Every time a new supermarket opens in the U.S. or Europe, we create over 100 jobs, bringing positive economic impact to the communities around our stores. In 2013, we reached agreements with labor unions on both sides of the Atlantic, reinforcing job security and good working conditions.

We also recognize the importance of the role we play in terms of our suppliers and our communities. We believe in strengthening the food industry overall, and we do this through partnerships with others in the food retail sector, governments and NGOs. In 2013, I took on the role of co-chair of the Consumer Goods Forum (CGF) because I believe that by working together, retailers and manufacturers can have a greater positive impact. We support the CGF's resolution to achieve zero net deforestation by 2020 by sourcing commodities like soy and palm oil more sustainably, and to move to HFC-free refrigeration systems in new stores from 2015. We have also made good progress on the three health and wellness resolutions developed by the CGF – more on that in the *Healthy living* section.

Message from Dick Boer, Ahold CEO (continued)

We are proud to serve so many stakeholders – but their differing agendas and requirements also bring challenges. We try to balance our stakeholders' needs as much as possible, and work with them to find solutions that are beneficial to all. We remain committed to the principles of the UN Global Compact, and this report includes an update of our performance against these principles.

Key responsible retailing results

If you take a look at our *Responsible retailing scorecard*, you'll see the progress that we've made on our targets in 2013. I am pleased with our progress on healthy living: 24.3% of product sales met healthy criteria, and we educated over 800,000 children in healthy living globally. Although we haven't yet met our target on social compliance, I am extremely proud of the progress we have made. At the end of 2013, 78% of our production sites in high-risk countries had been audited on social compliance.

> **Our Reshaping Retail strategy is helping us to meet our customers' expectations, to offer them a better assortment every day, while also building our vision of the food retailer of the future.**

But numbers against targets are only half the story. Across all our businesses, we have many examples of our efforts to be a responsible retailer and a better neighbor. I strongly believe that children are key here – if we can teach them to live more healthily, it builds a more sustainable future. A couple of examples: in the Czech Republic, Albert ran a Smurfs campaign for a little over a month; the Smurfs figures were only featured on products meeting our healthy-eating criteria. I'm pleased to say that Albert is the first to bring a range of healthy products for children to the Czech market. In the U.S., the retail divisions are hosting regular Healthy Kids Summits to promote proper nutrition and exercise among our youngest customers. I'm particularly proud that the Ahold USA divisions received a national Neighborhood Health Improvement award from the Food Marketing Institute for the program. In the Netherlands, the lighting at almost all our distribution centers was replaced with energy-efficient LED lighting – projected to save us over eight million kWh per year and thus reducing our impact on the environment. Albert Heijn's project to make its over 10,000 own-brand products more sustainable continued to make progress. And our company health and well-being programs on both sides of the Atlantic encouraged thousands of our associates to eat more healthily and take exercise during the past year.

Over

800,000

children educated in healthy living globally

Looking to the future

Of course, responsible retailing is always about long-term sustainability. Many of the targets we set in 2010 have now been met or will expire at the end of 2015. So it's time to start thinking about the future – about our next steps towards 2020. During the reporting year, we kicked off a process to define our strategy for the next six years. In 2014, we will further develop our strategy, and I look forward to sharing our plans for the future at a later date.

Finally, after looking to the future, I'd like to take a look back at the past year – and specifically at the people whose hard work and commitment enabled us to make progress on our responsible retailing strategy. Together with my colleagues on the Executive Committee, I'd like to thank especially the 222,000 associates who work to put our priority areas into practice so that we can offer healthy, safe, sustainable products to our customers, contribute to community well-being, and care for the environment. They strive to make Ahold and all its businesses better places to shop, better places to work, and better neighbors – every day.

Dick Boer
Chief Executive Officer

February 26, 2014

> **Our goal is to be able to bring our customers great value and high quality, fresh products along with the convenience of shopping in whatever way they choose – and to do it in a responsible way so we can continue to earn the trust of our customers and other stakeholders.**

222,000

associates employed by Ahold and its brands globally

Responsible retailing scorecard

Making progress on our targets

This overview of the five priority areas in our responsible retailing strategy shows our progress against our Group-wide targets and commitments. In the case of specific targets, we show our status according to the key below; in the case of ongoing commitments, we report on the metric specified[1].

For more detail on our progress during the reporting year, see the *Priority areas: performance during 2013* section.

Key:

- completed
- on track
- behind

Healthy living

Ambition:
Make healthy living choices easy

Target / commitment	Progress	Status
Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group	**24.3%** healthy products	on track
Report on customers' perception of Ahold's businesses as leading healthy retailers	**67%** of our businesses are perceived to be the first or second healthy retailer in their region	

Community well-being

Ambition:
Contribute to the well-being of our communities

Commitment	Progress
Measure and report on the number of stores participating in at least one national community well-being event	**1,243** stores participated in national events
Measure and report on our donations	**Over €54 million** donated
Measure and report on food donations to food banks	**Over €23 million** of food donated
Measure and report on the number of children educated as part of our healthy living programs	**Over 800,000** children educated

[1]Slovakia is excluded from data. See *Data revisions* section for further information.

Responsible retailing scorecard (continued)

Our people

Ambition:
Provide a better place to work, and support our associates in living healthy and sustainable lives

Commitment	Progress
Report on our progress on associate engagement	**67%** of associates feel engaged
Report on our progress on associate participation in healthy living programs	**Over 27,000** associates took part in healthy living programs
Report on our progress on rolling out sustainability programs	**See *Our people* section for details**

Responsible products

Ambition:
Source our products – including their packaging – with respect for people, animals and the environment

Target / commitment	Progress	Status
Ensure that 80% of our own-brand food suppliers are certified against GFSI-recognized standards by 2012	Europe: **93% suppliers certified** U.S.: **81% sales certified**	
Ensure that 100% of our own-brand suppliers in high-risk countries are audited on social compliance by 2012	Europe: **66% suppliers audited** U.S.: **36% suppliers audited**	
Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015	Coffee: **79%** Tea: **85%** Cocoa: **35%** Palm oil: **100% certified** Soy: **0%** Seafood: **25%**	
Map the environmental footprint of 50% of our own-brand suppliers and their supply chains by 2015	Our businesses made an analysis of their own-brand assortment to identify potential risks	
Report on the number of products reviewed against our 4R packaging guidelines	**582** products reviewed	

Care for the environment

Ambition:
Reduce our environmental footprint

Target / commitment	Progress	Status
Reduce CO_2 per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline	**16.8%** reduction	
Report on the percentage of food waste compared to total food sales	**1-2%** of total food sales wasted	
Reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015	**293 million** bags reduced at our U.S. businesses	
Eliminate landfill as a disposal method by 2020	**17%** landfill globally	
Ensure that all businesses have implemented a communication policy to encourage customers to reduce, re-use and recycle by 2013	Communication policies in place	

Reshaping Retail: our strategic framework

How are we reshaping retail at Ahold?

Our Reshaping Retail framework defines our strategic ambitions, how we operate and what we want to be as a company.

Our strategy to reshape retail is helping us to meet the changing needs of consumers today, and accelerate the growth of our company in the future. We have a shared vision for the future and a common set of values across all our businesses. We have a successful business model, strong brands, and we are getting better every day through the realization of our shared promises. Our strategy to reshape retail outlines our clear ambition to grow and be competitive in years to come.

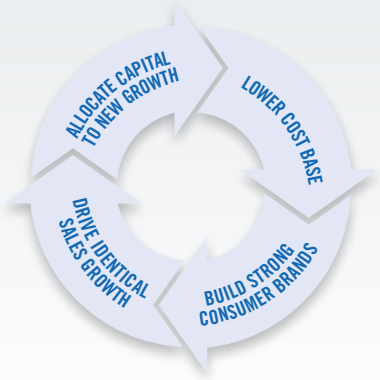
One of the six key pillars of our Reshaping Retail strategy is "responsible retailing." However, being a responsible retailer underpins all elements of our strategy. It is the foundation on which our three promises are built: to be a better place to shop for our customers, a better place to work for our associates, and a better neighbor for the communities in which we operate. Without being a responsible retailer, we cannot fulfill our promise to get better every day, and we cannot create and enable the growth of our company that we need to succeed.

Being responsible is therefore integral to our business. We support the health and well-being of our customers and communities. Associates throughout the business are engaged in putting our strategy into practice, and we support them in leading healthier, more sustainable lives, too. We endeavor to source our products responsibly and look after the environment we operate in. Our five priority areas – healthy living, community well-being, our people, responsible products, and care for the environment – give structure to our efforts.

We have a robust **business model**, built on strong local brands…

we are keeping our **promises**…

and we have the ambition to drive performance and go for **growth**.



Ahold is becoming
a better place to shop,
a better place to work,
and a better neighbor.

Creating growth:

- Increasing customer loyalty
- Broadening our offering
- Expanding geographic reach

Enabling growth:

- Simplicity
- Responsible retailing
- People performance

Our values
Putting the customer first; Doing what's right; Loving what we do; Making ideas happen; Getting better every day

Our vision
Better choice. Better value. Better life. Every day.

Our approach to this report

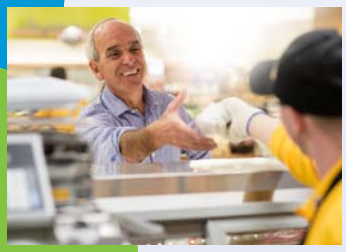
In 2010, we set a series of targets to 2015 for our priority areas, which we have now been reporting on for three years. In this section of the report, *Responsible retailing at Ahold: a summary*, you can read an overview of the context behind each priority area, plus some of our stories from the reporting year. In the sections that follow, you can read a detailed breakdown of our targets, progress, results and data for each priority area. In some cases, we refer to video content on our website, www.ahold.com, where you can watch examples of our responsible retailing strategy coming to life online.

Our promises

Our promises are helping us drive success, perform better and create greater value.

All three of our promises are interlinked – we need satisfied associates and a connection with the wider world our business impacts in order to build strong relationships with our customers. As retailers, our relationship with customers has always been at the center of everything we do. But in today's world, being a good retailer is also about creating a working environment where associates can be at their best and about ensuring we are always deeply connected with our communities.

Our promises are to be a better place to shop, a better place to work and a better neighbor everywhere we operate. These promises define how we will get better every day for our customers, our associates and our communities. Our promises run across all our businesses, but are applied locally at each of our banners according to their needs and priorities.



To see our promises come to life, watch our video case studies on www.ahold.com

Stakeholder engagement

Recognizing our stakeholders' needs

As an international retailing group operating businesses that are deeply rooted in their local communities, we have a wide range of stakeholders who impact or are impacted by our businesses in various ways.

Our stakeholders include our customers, associates, suppliers, communities (including governments, NGOs, academic / research institutes, and industry bodies), and shareholders. We engage and cooperate with our stakeholders in order both to gain insight into their expectations, and to share our progress with them. This enables us to better meet their needs over time. As an organization, we have identified five main stakeholder groups:

Customers

Our customers are central to our business. We are committed to offering our customers healthy choices and providing them with products that are made with respect for people, animals and the environment. In addition, we aim to offer competitive prices combined with high product quality and a great shopping experience. We regularly ask our customers what they think of our stores, assortment and service, including their perception of Ahold's brands as being healthy retailers. We receive feedback via third-party surveys, proprietary tracking studies and consumer panels as well as directly from customers in stores.

Associates

Extraordinary associates are at the heart of our success. Their hard work and dedication to customers help set us apart. We are committed to making sure our companies continue to be an even better place to work, every day. We strive to create workplaces built on fairness and mutual respect everywhere we operate. We maintain strong businesses to drive stable jobs and provide opportunities for great careers. We respect and protect the rights of associates; we are committed to the principles of equal employment opportunities, freedom of association, and respecting the legal rights to collective bargaining everywhere we do business. We strive to maintain an open and honest company culture, and carry out annual associate engagement surveys. In 2013, we aligned our surveys across Ahold, with over 170,000 associates participating globally.

Suppliers

The opportunity for collaboration with our suppliers is ever increasing. We engage with our suppliers in several ways, aiming to strengthen and improve the relationships we have with them. We hold supplier events to discuss various important topics, including company strategy, sustainability, supplier diversity, and food safety, with them. We work through the Albert Heijn Foundation in Africa to improve the livelihoods of Albert Heijn's African fruit and vegetable suppliers, their families and communities, as well as to secure our long-term supply chain.

Communities

The communities surrounding our stores are very important to us – they represent a serving area of more than 70 million people. Our companies are committed to being active and engaged members of their communities. We do this through initiatives, events and charitable contributions that help to improve the communities and neighborhoods in which we operate.

Shareholders

Our shareholders are crucial to our business; they put their trust in us by investing in the business financially. They monitor our company closely and challenge us on our strategy and how we manage the business. We meet with investors on a regular basis, including socially responsible investment (SRI) analysts, and work to broaden the investment community's understanding of our company by providing accurate and timely information on Ahold's performance and prospects.

Tackling the material issues

Rising to the challenges we see

Climate change, obesity, animal welfare, product integrity, aging populations – these are some of the challenges that we, and our stakeholders, see in the world around us. Our priority areas in our current responsible retailing strategy are based on a number of key issues that are the most material for Ahold and its stakeholders...

The importance of health

We recognize the social and financial impact of lifestyle-related diseases (such as diabetes related to obesity), and there is pressure on the food industry to take action on public health – both physical and social. At the same time, there is increasing customer interest in healthy products. As a food retailer with a huge reach, we have the opportunity to make a real difference to people's health and well-being. That's why our healthy living programs focus on making it easier for customers to choose healthy products, and offering in-store assistance to customers about leading a healthy lifestyle. We include children and our own associates, as these are two groups we can make a big impact on.

Contributing to our communities

There is increasing food insecurity, and many people in our markets are relying on community support and food donations to make ends meet. In Washington D.C., for instance, more than 15% of residents are food insecure[1]. In part due to the ongoing difficult economic climate, the pressure on government spending means that businesses are expected to – and need to – play a greater role when it comes to the community. This is why we make donations – both financial and in products – to food banks and charities that fit our strategic objectives on both continents. We also aim to play a social role, bringing together people in the communities in which we operate.

Workforce well-being

Without our associates, Ahold's businesses simply cannot operate. Diversity and inclusion are increasingly important both to us and our stakeholders, and research has shown that a diverse workforce is good for business.

Equally, healthy and fit associates are generally more engaged, more productive, and better ambassadors for Ahold and its brands. Supporting our associates to do this enables them to increase their own well-being, too.

Labor relations

Most employees at Ahold businesses are represented by unions or are covered by some form of collective bargaining agreement. In the U.S., nearly 80,000 Ahold employees – or 66.1% of all employees in the U.S. businesses – are members of unions. This is 10 times greater than the rate of union membership at U.S. companies overall. Over 99% of our Netherlands-based employees are covered by collective bargaining agreements ("CAOs").

In 2013, Ahold USA divisions reached new collective bargaining agreements with unions that represent approximately 64,000 employees – or about 80% of union-represented employees at Ahold USA companies. These contracts were reached without any strike or other work stoppage.

Over the past few years, as part of organized efforts to increase union membership, certain labor groups have worked hard to share their perspective on union representation – and our businesses – with employees of Ahold companies and other audiences in Europe and the U.S. We respect their right to do so. However, at times, these groups have used incomplete or misleading information to make their points. In these instances we set the record straight and, where appropriate, share our perspective to make sure that employees at our companies have the facts they need to make fully-informed decisions. Where employees have chosen union representation, Ahold companies work cooperatively with those unions. In operations where employees are non-union, our businesses have been open and transparent in conveying their preference to continue working directly with employees. For more information, visit www.ahold.com.

1 Capital Area Food Bank Fact Sheet

Tackling the material issues (continued)

Sustainable, available, traceable

Trust in the food industry is declining, while interest in food provenance is rapidly rising. Many companies are now producing tools to provide greater transparency in their supply chain. Ahold continues to work hard to map its own-brand suppliers (and where our products are made) at the last stage of production, so that we can ensure we're offering trusted products and optimally managing our supply chain. There is also increasing recognition of the link between sustainability and long-term availability – only by sourcing our products responsibly and with respect for people, animals and the environment can we ensure that we maintain a healthy, environmentally and animal-friendly supply chain for future generations.

Product integrity

In 2013, many European retailers were faced with the fact that they sold horse meat while the product label stated beef. This triggered a lot of questions from our stakeholders and caused a lack of trust in the food industry. At Ahold, we believe that there is no excuse for this. Customers need to have confidence that the information they read on a product label is correct. We are therefore working to strengthen the industry standards. At the end of February 2014, the Global Food Safety Initiative (GFSI) developed an approach against food fraud, to be implemented in the GFSI-recognized standards. Suppliers will have to add this to their food safety systems to gain certification. At Ahold, we require our suppliers to have GFSI certification and are encouraging uptake of GFSI in the U.S. For more information about GFSI, see the *Responsible products* section.

Animal welfare

Animal welfare is attracting increased attention from NGOs and customers. We aim to improve living conditions for animals, while also delivering safe, high-quality products. We respect local regulations on animal welfare and often implement even stricter controls. For more information on Albert Heijn's work on improving the poultry industry and Ahold USA's efforts to make their pork products more sustainable, see the *Responsible products* section.

An environmental imperative

Doing what's right for the environment – including reducing energy usage and CO_2 emissions – is no longer a "nice to have"; it is part of our license to operate. More and more attention is being paid to the waste stream in the food industry (both food and other waste, such as packaging), whether this waste happens at supplier, retailer or customer level. As of 2011, 1.3 billion tons of food (about one third of the global food production) are lost or wasted annually. Loss and wastage occurs along all steps in the food supply chain. In low-income countries, most loss occurs during production, while in developed countries much food is wasted at the consumption stage[2]. It is part of the role of the retailer to do as much as possible to reduce waste in our own operations, but also to facilitate a decrease in food waste at supplier and customer level where possible. Moreover, we support community hunger relief efforts through food banks.

2 Gustavson, Jenny; Cederberg, Christel; Sonesson, Ulf; van Otterdijk, Robert; Meybeck, Alexandre (2011). *Global Food Losses and Food Waste*. FAO.

Responsible retailing strategy

Looking to the future

Ahold has a long history of responsible retailing. In 2010, Ahold defined its 2011 – 2015 responsible retailing strategy, including qualitative and quantitative targets. In 2012, Ahold launched its "better every day" promises and embedded responsible retailing in all three promises with a focus on "better neighbor."

Significant progress has been made against our 2015 targets, but the world is changing and so are the responsible retailing risks and opportunities we face as a business. In addition, as many of the targets we set in 2010 have now been met, or will run out by 2015, the past year was the right time to take the next step in our journey to start developing our vision for responsible retailing.

We are now in the process of developing a responsible retailing strategy to 2020 that takes into account the current and emerging sustainability-related risks and opportunities that are relevant for Ahold and its stakeholders. The strategy will provide a framework for responsible retailing that enables a clear vision at global, continental and brand level that can be tailored to the needs of local stakeholders within our markets.

As part of the process, we conducted a thorough materiality analysis of the topics that are relevant to the food retail industry. Materiality is the point at which a topic becomes relevant both in the context of stakeholders' interest and Ahold's business. This allowed us to identify priorities and stakeholder expectations for our strategy. We conducted this analysis in 2013, and in 2014 we will assess the possibilities of further embedding responsible retailing into the Ahold organization as an integral part of day-to-day decision making and governance. In 2014, we will publish our new, updated responsible retailing strategy.

Healthy living

Healthy living

Our ambitions are to make healthy living choices easy, and to be recognized as a leading healthy retailer in all our markets.

More on our strategic progress in the *Priority areas: performance during 2013* section of this report on page 27

Healthy living (continued)

Why does it matter?

Food plays an integral part in health and well-being. Our industry has made affordable food available for many people. As a result, globally we are able to feed more people, hunger has decreased, people are healthier for longer, and life expectancy has increased. At the same time, various challenges and opportunities have arisen. Globally, we see an aging population. Non-communicable diseases (NCDs), including lifestyle-related illnesses such as diabetes[1], are the leading cause of death. Many of these illnesses are related to being overweight or obese, having a poor diet and lacking physical exercise. In the U.S., 63% of adults are overweight or obese, while in Europe, over 50% of adults are overweight or obese[2].

However, awareness about food and health is growing, and our customers are increasingly interested in buying and eating healthy food. As a food retailer with a huge reach, we have the chance to make a real difference to people's health, especially in relation to nutrition, by making it easier for our customers to make informed food choices.

1 NCHS Data Brief No. 82 January 2012; National Diabetes Fact Sheet 2011

2 Gallup-Healthways Well-Being Index; World Health Organization

To see more of Bob and Lisa's story, watch a video on www.ahold.com

> **I changed the way I eat and think about food, and have more energy as a result. Now that the program's over, I'm continuing to watch what I eat, going to the gym, cycling…**
>
> **Bob Moore**
> Martin's customer

Rising to the "Lose to Win" challenge at Ahold USA

The "Lose to Win" wellness challenge, which took place over 12 weeks in 2013, was a collaboration between a Martin's in-store nutritionist, a local hospital, and a local gym in the Giant Carlisle market area. The focus of the challenge was on healthier eating, exercise, stress management, and overall well-being. 20 participants took part.

Martin's in-store nutritionist Lisa Coleman said: "The grocery store is the perfect place to provide nutrition education at the point of choice where families are making decisions about what they're going to eat. We encourage participants to incorporate fruits and vegetables into their diet, replace salt with herbs and spices, and make their meals healthier. Each program is designed to increase customer loyalty and impact the health of our communities – I'm really proud that we are offering in-store nutrition programs supported by Ahold USA."

Bob Moore was one of the customers who took part in the challenge: "I'd been struggling with my weight for 30 years, and I was starting to suffer health issues as I got older. I saw the 'Lose to Win' challenge advertised, and decided to try a new approach. The first big change was really reading the labels on foods – choosing more fruits, vegetables and proteins, and eating food closer to the source." By the end of the program, Bob had lost 70 pounds (32 kilograms) and his blood sugar level had gone down over 30 points – reducing his risk of diabetes. "I changed the way I eat and think about food, and have more energy as a result. Now that the program's over, I'm continuing to watch what I eat, going to the gym, cycling… I've even got my family involved – my mother, father-in-law and granddaughters ask me questions about nutrition! I want to thank Lisa and Martin's for guiding me through this journey that's been a major lifestyle change."

Community well-being

Community well-being

Our ambition is to contribute to the well-being of our communities.

More on our strategic progress in the *Priority areas: performance during 2013* section of this report on page 31

Community well-being (continued)

Why does it matter?

Trends within the communities we operate in are diverse, local, and rapidly changing. Unemployment rates, especially among young people, are high. Due to globalization and migration, the ethnic composition of many European countries and the U.S. is changing, which requires a different approach to meet the changing needs of our (potential) customers. The number of one-person households is growing, leading to potential feelings of isolation. In addition, millions of households in our markets are supported by food banks every year.

All of these trends have implications for Ahold. Living in a clean, safe and social community; having a job and access to healthy, nutritious food – these are all basic human needs. Ahold supports these needs with over 3,000 stores and a serving area of almost 70 million people. With 222,000 associates, Ahold is a significant employer. Our business therefore plays a central role in the communities it serves.

We have a great opportunity to connect people in communities – with each other and with the food they eat. And this connection starts with children. As the customers and citizens of the future, it is important to educate children in leading a healthy and sustainable lifestyle, something we gladly contribute to. It's better for society and it's more sustainable for our business. We also have an opportunity to be a better neighbor by supporting food banks and other community needs.

Healthy Kids Summits contribute to childhood well-being

One of the key objectives of Ahold USA and its retail divisions is improving the quality of life for children throughout the communities we serve. Ahold USA's divisions host Healthy Kids Summits several times per year to educate children about leading a healthy lifestyle.

Each free event is open to local communities and has been held both within the produce section of our stores, and at local athletic facilities and health centers. The main focus of the summits is to make sure children are getting the nutrition and exercise their bodies need as they continue to grow both physically and mentally. It's also an opportunity for parents, teachers and the community to address the issue of childhood obesity by learning how to live healthier lifestyles.

Several of the summits have incorporated hands-on activities and exercise to get kids involved right there on the spot. Each summit features an interactive panel discussion; panelists have included local pediatricians, school lunch administrators, elected officials, health non-profits focused on youths, athletes, and our own in-store nutritionists. In 2013, a total of seven Healthy Kids Summits were held throughout the U.S. divisions with more than 1,200 kids, parents and community leaders attending. In 2013, Ahold USA's Healthy Kids Summit received a national Neighborhood Health Improvement award from the Food Marketing Institute for their leadership in engaging families with nutrition and exercise information.

Over 800,000 children globally educated in healthy living

Our people

Our people

Our ambitions are to provide a better place to work, and to support our associates in living healthy lives and driving sustainability.

More on our strategic progress in the *Priority areas: performance during 2013* section of this report on page 35

Our people (continued)

Why does it matter?

Our people are our most important asset. It is their hard work and commitment that drives Ahold to reshape retail. It is therefore crucial that we engage with them. Engaged, satisfied associates are known to perform better.

We are committed to providing our 222,000 associates a better place to work. Ahold companies provide stable jobs at our strong businesses, where associates can expect good working conditions, fairness and mutual respect, opportunities for career development, recognition for good performance from their managers, and respect for their rights.

Equally, healthy associates who feel supported with well-being and sustainability programs are more likely to feel good about working for our businesses, and this has a positive effect on the service we offer to customers. For more information, visit www.ahold.com.

Albert Heijn associate eats himself fit!

Bas Kaper is store manager for Albert Heijn's store in Schagen, with a long history at the company. Engagement with local communities is something that he values highly about Albert Heijn.

A year ago, he registered for the "Eet & Beweeg Je Fit" program – part of Ahold's "Fit & Fun" initiative in the Netherlands, aiming to encourage associates to get fit through diet and exercise. Over the course of 12 weeks, he kept a diary of what he ate, monitored the number of calories burned via a simple online system, and had contact with a sports coach and fitness specialist about his progress.

Having lost 12 kilograms, his next goal was to keep up his new lifestyle for the next year in order to be able to run the famous 16-kilometer "Dam tot Damloop" – an annual running race from Amsterdam to Zaandam. He joined a sports club and was able to pay for his subscription via Ahold's Fit & Fun program.

A year later, Bas is not only 17 kilograms lighter; he is also sharing his experiences with colleagues via Facebook and the company newsletter. In his store, he helped one of his associates who was ready to give up smoking, lose weight and get fitter.

> **A year ago I could not even have dreamed of running the Dam tot Damloop.**
>
> **Bas Kaper**
> Albert Heijn Store Manager

Responsible products

Responsible products

We source our products – including the packaging of those products – with respect for people, animals and the environment.

More on our strategic progress in the *Priority areas: performance during 2013* section of this report on page 40

Responsible products (continued)

Why does it matter?

Globally, there is increasing interest among many of our stakeholders in topics like animal welfare, product safety, food fraud, social accountability, deforestation and overpopulation. As a retailer selling millions of products every year, we have a role to play in the supply chain of our products. Part of responsible retailing is therefore about sourcing our own-brand products with respect for people, animals and the environment. We believe this is the right thing to do, and is crucial for the long-term sustainability of our company. Responsible sourcing includes managing potential risks related to the suppliers and communities from whom we source, and the natural resources on which we depend.

We understand the issues that customers, NGOs and other stakeholders raise with us about our products and our supply chains. Many of these issues cannot be solved by Ahold alone, and need a more holistic, often industry-wide approach. We therefore work with organizations including the Sustainability Consortium, Consumer Goods Forum, Food Marketing Institute and EuroCommerce, and NGOs including the World Wildlife Fund (WWF), New England Aquarium and Shedd Aquarium, on issues, such as deforestation, packaging, and animal welfare. We believe we can have a much broader impact by making supply chain improvements that are relevant for the whole (food) industry.

Albert Heijn has created a dedicated value chain for fresh fruit and vegetables built on long-term partnerships in which transparency, trust and sharing knowledge are key. We are proud to work with Albert Heijn on their commitment to make the fresh fruit and vegetable chain more sustainable.

Irénke Meekma
Managing Director Bakker Barendrecht

2010
Eel
Albert Heijn replaced endangered European eel with sustainable alternative "Zuiderling" eel from Madagascar.

2011
Seafood
Albert Heijn signed an agreement with the World Wildlife Fund to increase the sustainability of the entire own-brand seafood assortment, so that all seafood will be MSC / ASC certified by 2015.

2012
Paper and pulp
Albert Heijn signed an agreement with the World Wildlife Fund to source wood and pulp only from responsibly managed origins in all own-brand products containing these commodities by the end of 2015.

2013
Fruit and vegetables
Together with Wageningen University, Albert Heijn developed a benchmark for sustainable cultivation of fruit and vegetables. Cucumbers, cauliflowers, tomatoes, leeks and strawberries grown in the Netherlands are now cultivated in accordance with this benchmark.

Towards sustainable products at Albert Heijn

We feel responsible for all products in our stores. The primary focus of our sustainability policy at Albert Heijn is our over 10,000 own-brand products. For these products, we have been taking additional steps toward sustainability since 2009. We periodically map out the most relevant sustainability issues across our product categories. We examine all categories and look at the raw materials, packaging and production process.

By 2015, all our own-brand products at Albert Heijn should have taken at least one step on the sustainability ladder. In many cases, this requires cooperation throughout the value chain. We strive to create long-term relationships with our suppliers and the farmers behind them. For example, we have been working with one of our fruit and vegetable suppliers, Bakker Barendrecht, for over 50 years. These long-term partnerships increase transparency in the chain, and help suppliers improve the overall safety and quality of our products. Together with our partners, we continuously look for opportunities to make our products safer, healthier and more sustainable, step by step.

Care for the environment

Care for the environment

Our ambition is to reduce our environmental footprint.

More on our strategic progress in the *Priority areas: performance during 2013* section of this report on page 48

Care for the environment (continued)

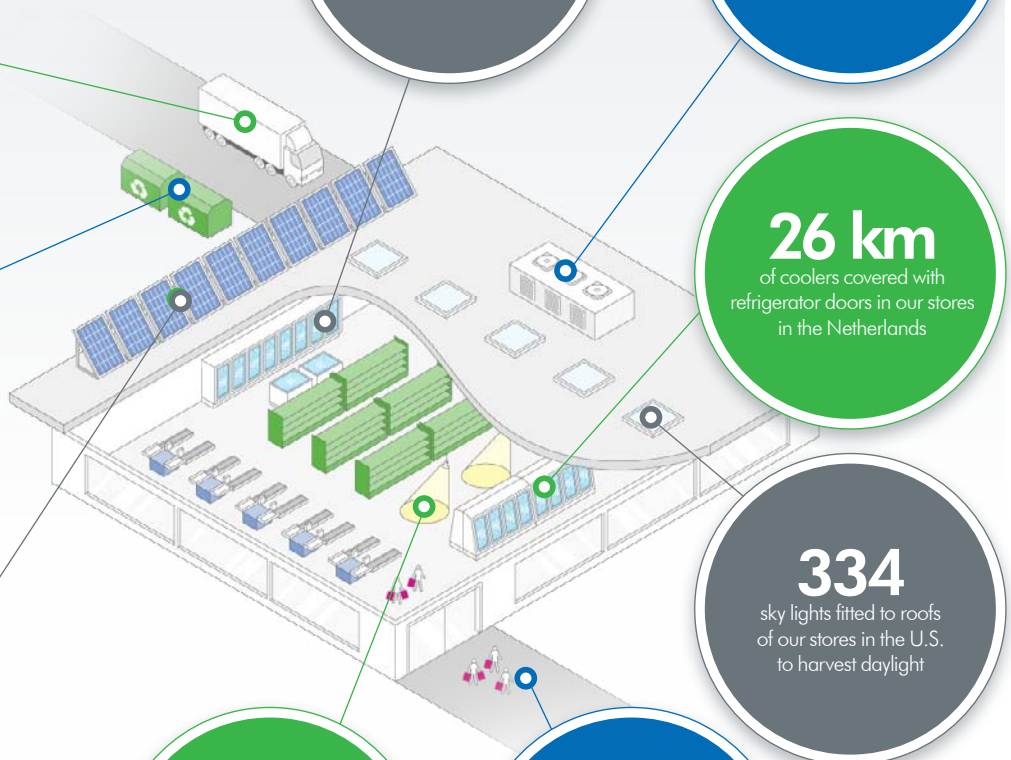
Why does it matter?

Climate change continues to be an important global concern. At the same time, waste is becoming an ever more important issue – and one that customers are increasingly recognizing.

Playing a role in caring for the environment is part of our license to operate – it is no longer a "nice to have"; it is fully embedded in our customers' expectations of us. But there is also a financial imperative – running our operations more efficiently from an environmental perspective is good for the bottom line, too.

As a food retailer in the middle of the value chain, our reach is further than just our own operations. When it comes to food waste, for instance, it can occur at many points in its lifecycle: from the crops left in the field, to the waste at manufacturer level, to unsold product in our stores, to the food that customers throw away.

Reducing our impact on the environment in stores



8% fuel efficiency improvement since 2010, through innovative transport technologies

122 leak detectors fitted to refrigeration systems in the U.S. in 2013, making a total of 613

262 stores in the Netherlands fitted with heat pumps to use waste heat for energy

>380 mln kg of organic waste separated for compost, livestock, energy or fermentation since 2008

26 km of coolers covered with refrigerator doors in our stores in the Netherlands

334 sky lights fitted to roofs of our stores in the U.S. to harvest daylight

>8,000 solar panels fitted on the roofs of our stores in the U.S. to generate energy

>45,000 lights switched into LED lighting in the U.S. in 2013

293 mln plastic bags saved in our stores in the U.S. since 2011

Priority areas: performance during 2013

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact.

In this section, you can read about our progress on our targets in these areas, short examples of initiatives that took place during the reporting year, and supporting data.

In this section:

Healthy living	27
Community well-being	31
Our people	35
Responsible products	40
Care for the environment	48

Priority areas: performance during 2013

Healthy living

Providing clear product information

Compared to 30 years ago, people are eating less fruits, vegetables and fiber, and more salt, sugar and fat. Since 1970, food portions have increased in size and now exceed national nutrition guidelines. These factors have resulted in rising obesity rates and an increase in lifestyle-related diseases. Eating healthily is an important factor in reducing obesity levels and minimizing the risk of NCDs, but food labeling is often considered confusing.

Clear product information helps our customers to make informed choices. To make it easier for our customers to choose healthy products, we have developed healthy-choice logos and shelf tags. Products featuring these logos and shelf tags comply with strict criteria that are developed by leading health authorities. The criteria are available on our company websites, accessible via www.ahold.com.

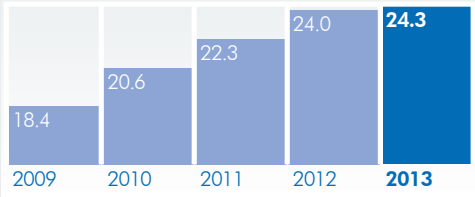
Our progress on our targets

To emphasize and increase the sales of healthy products, we set the following target:

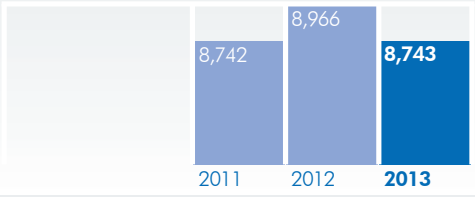
Increase the sale of healthy products (as defined by criteria from leading health authorities) to at least 25% of total food sales by 2015 across the Group

In 2013, sales of healthy products made up 24.3% of our total food sales – an increase of 0.3% compared to 2012. The number of products with a healthy logo or shelf tag decreased to 8,743 in 2013 (2012: 8,966). However, despite this our sales increased slightly due to our efforts in making our healthy products more attractive to our customers.

Sales of healthy products
percentage of total sales



Number of healthy products



> **We're committed to setting measurable targets, reporting on these transparently, and holding ourselves accountable.**

Dick Boer CEO

Read the full Health and Wellness Resolutions here

The Consumer Goods FORUM
The Global Network Serving Shopper & Consumer Needs

CGF Health and Wellness Resolutions

We work with the Consumer Goods Forum (CGF) to lead the industry. In 2013, Ahold contributed to the first edition of the Health and Wellness Resolutions Progress Report published by the CGF on the three resolutions that the members of the group agreed to. We are committed to setting measurable targets, reporting on these transparently, and holding ourselves accountable. The report showed that 100% of respondents have established policies and activated programs on at least one of the resolutions; 70% have established policies and activated programs on all three resolutions; 93% have communicated publicly about their health and wellness initiatives; and 53% have communicated their initiatives as part of a CEO statement / annual report to shareholders.

New policy for light products

In the Netherlands, Albert Heijn developed a policy for "light" products to make packaging labels clearer to customers. Under the new policy, instead of reducing just one nutrient by 30%, products can only be termed "light" if they have 30% fewer calories overall than their regular equivalents. In 2013, 48 own-brand light products met this criterion. All Albert Heijn own-brand light products will comply with this policy in 2014. Albert Heijn also has policies in place for reducing salt, fat and certain additives.

48
products with reduced salt and fat content across the assortment

Priority areas: performance during 2013 (continued)

Healthy living

Front-of-pack nutritional information

Ahold USA implemented a "Front of Pack" labeling initiative to provide clear guidance on nutritional attributes of foods, such as energy and other important dietary components, for many of its own-brand products. In the Netherlands, Albert Heijn will have energy information on all own brands and packaged products by the end of 2015.

Smurf mania promoting healthy products

From August 21 through September 24, 2013, Smurf mania erupted in Albert stores in the Czech Republic. Smurf figures were featured on 42 own-brand products, such as Albert Quality juices, sunflower seed bread and multigrain biscuits; cheese, turkey and chicken ham; corn crisps and fruit bars. All the products were evaluated using the strict "I know what I eat" healthy criteria. Albert is the first to bring a range of healthy products for children to the Czech market, and the Smurfs assortment will be in stores until at least end 2014.

To see more about the Smurfs campaign, watch a video on www.ahold.com

Over 5,500

gluten-free products in the assortment in 2013

Gluten-free labeling

The Ahold USA divisions launched easy-to-spot shelf labels for their range of gluten-free products in 2012. This makes it easier for customers who have celiac disease – or those simply wishing to follow a gluten-free diet for personal reasons – to choose suitable products. In 2013, the number of gluten-free products in the assortment increased to 5,658 from 4,800 in 2012.

Priority areas: performance during 2013 (continued)

Healthy living

Offering in-store assistance

Making choices about which products to buy can be difficult, especially when there are many factors to take into account: for instance, product quality, number of calories, ingredients, price, and convenience. All Ahold brands try to assist customers in making informed healthy choices.

Our progress on our targets

We have a metric in place which measures how we are doing in helping our customers make healthy choices:

Report on customers' perception of Ahold's businesses as leading healthy retailers

Customer perception as a leading healthy retailer

Position	1	2	3	4	5
Albert Heijn			Number 3		
Albert				Number 4	
Giant Carlisle	Number 1				
Giant Landover	Number 1				
Stop & Shop New England		Number 2			
Stop & Shop New York Metro		Number 2			

Customer perception scores are based on research by independent market research agencies that conduct surveys of both our brands and our main competitors in the regions in which we operate. In the Netherlands and Belgium, this is GfK Panel Services Benelux; in the Czech Republic, this is g82; and in the United States, this is SIRS, Inc.

In-store nutritionists

Our in-store assistance takes different forms. Three Ahold USA divisions have in-store nutritionists, who helped 2,411 customers to follow a balanced diet through individual consultations. At the end of 2013, there were 10 nutritionists, up from six in 2012.

Passport to Nutrition expanded

First introduced in 2010 and developed with the help of in-store nutritionists, Passport to Nutrition is a fun, interactive, web-based program that makes healthy eating exciting for kids while providing the necessary tools to educate on nutrition both at home and at school. Ahold USA and its retail divisions updated and expanded the Passport to Nutrition program in 2013: geared to children aged 8-12, the free Passport to Nutrition kit features 30 student workbooks and a teacher guide that provide lessons to inspire kids to make small changes for better health, including how to build a balanced plate using the new MyPlate guidelines, how to read food labels and understand portion sizes. A total of almost 9,000 Passport to Nutrition kits were distributed to educators, scout leaders, parents and others since its re-launch, and over 250,000 children were reached.

Over 250,000 children reached

Healthy inspiration

We also provide free magazines to our customers, which include healthy recipes and inspirational tips. In the Netherlands, Albert Heijn distributes almost five million free copies of *Allerhande* per year. In the spring of 2013, a special vegetable edition of *Allerhande* was issued to promote healthy meals and snacks. In the U.S., Ahold USA's divisions distribute one million copies of the *Healthy Ideas* magazine per quarter. The U.S. divisions also publish the *Kid Healthy Ideas* magazine on a quarterly basis to encourage children to lead a healthy lifestyle.

Priority areas: performance during 2013 (continued)

Healthy living

The data
Sales of healthy products

percentage of total food sales[1]	2013	2012[3]	2011	2010	2009[2]
Ahold USA	**24.8**	24.5	24.1	22.3	17.3
The Netherlands	**25.5**	25.3	21.5	20.5	23.0
Czech Republic	**11.4**	9.6	9.0	2.4	0.0
Total	**24.3**	24.0	22.3	20.6	18.2

1 Sales of healthy products at Ahold USA include the sale of labeled national brands. The sales data for the Netherlands and Czech Republic does not include national brands, as there was no uniform national labeling system.

2 2009 data has not been audited.

3 2012 healthy living sales have been re-stated as value added tax was incorrectly added in Q3 and Q4 data.

The data
Number of healthy products

	2013	2012	2011	2010	2009
Ahold USA[1]	**6,643**	7,126	7,008	NR	NR
The Netherlands	**1,564**	1,381	1,301	1,214	800
Czech Republic	**536**	459	433	509	4
Total	**8,743**	8,966	8,742	NR	NR

1 2009–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

Priority areas: performance during 2013 (continued)

Community well-being

Meeting community needs

With over 3,000 stores and a serving area of almost 70 million people, Ahold has a real opportunity to play a role in increasing well-being in the communities we serve. Knowing and meeting the needs of the neighborhoods surrounding our stores – whether through community events or through donations – can make a real difference to those communities. Forging good relationships with the members of our communities also improves our reputation as a retailer and makes us a better neighbor.

By communities, we refer to the people in the areas directly surrounding our stores. Different stores have different reach – from the smallest to-go stores to the largest superstores. The size of our community reach is also different in Europe compared to the United States.

Our progress on our targets

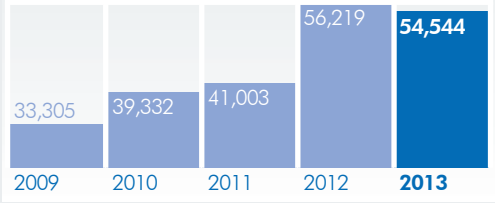
In order to meet community needs, we have committed to:

Measure and report on the number of stores participating in at least one community well-being event per year

Measure and report on our donations

In 2013, 1,243 of our supermarkets were involved in national community well-being events. We donated almost €55 million to a range of causes focusing on helping children and building healthy communities. This adds up to over €220 million over the past five years. Our total donations fell in 2013 due to exchange rate differences. For Ahold USA, donations included money from customers, suppliers and associates as well as directly from the company; we also use "Our Family Foundation" to support important local causes to strengthen the fabric of our communities.

Contributions and donations
€ thousand



Flood response

In the Czech Republic, heavy rains caused widespread flooding in June 2013, leading to several regions being declared to be in a state of emergency. In total, Albert had to close five stores in the northwestern part of the country temporarily. In Prague, where many Albert stores operate, the damage was extensive, but several stores in the city were kept open with a limited assortment. As a result of tremendous efforts by the teams at Albert, even while their own lives and families were affected by the flooding, they were able to open all the stores with a full assortment within a few days. Albert also gave support to the Red Cross, which was leading the emergency response efforts. The company donated bottled water, dry food and detergent to help those affected.

© Oranje Fonds, Bart Homburg

Royal donation

Ahold made a donation of €125,000 to the Oranje Fonds' program to give opportunities to young people, in the presence of Queen Máxima, patroness of the Oranje Fonds.

90 days of giving

In celebration of the Giant Carlisle division's 90th anniversary in 2013, the division expanded on its "Living Here, Giving Here" community support program with 90 days of giving. In the spirit of being a better neighbor, stores conducted at least one random act of kindness throughout the summer and into early fall. These acts focused on helping eradicate hunger, improving the lives of children, or building healthy communities. They included hosting an event to distribute free school supplies to children, providing water donations to local firemen and women, raising more than $3,000 to rebuild a local park destroyed by arson, donating supplies to a homeless shelter, and handing out healthy snacks at the grand re-opening of a park. A total of $81,000 was also donated to nine regional food bank partners towards ongoing hunger relief efforts.

Charitable Vendor Partnership

2013 marked the second year of Ahold USA's "Our Family Foundation" and the Charitable Vendor Partnership. Thanks to the support of our partners, the Foundation donated almost $13 million in 2013 – a record-breaking amount. These monies are funding cancer research and pediatric cancer hospitals, local Children's Miracle Network Hospitals, grassroots programs that support children's health and nutrition, and programs to alleviate child hunger by reaching more food insecure children with healthy meals throughout our U.S. operating areas. Special donations were also made this year to One Fund Boston to aid victims of the Boston Marathon and Washington, D.C. Navy Yard tragedies.

Our Family FOUNDATION

Priority areas: performance during 2013 (continued)

Community well-being

Fighting hunger

While many people in the areas where we operate have access to affordable, nutritious food, some still do not. The number of people making use of food banks is rising in the communities we serve. At the same time, food waste is an increasingly hot topic.

We have an opportunity to help fight hunger by making food donations to support our local communities. We also have a responsibility to minimize food waste – not only from an environmental perspective but also from a financial one. We therefore donate safe, leftover food from our distribution centers and stores to regional food banks.

Our progress on our targets

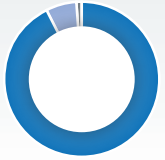
To support people who have difficulty in accessing food, and to reduce food waste from unsold products, we have committed to:

Measure and report on food donations to food banks

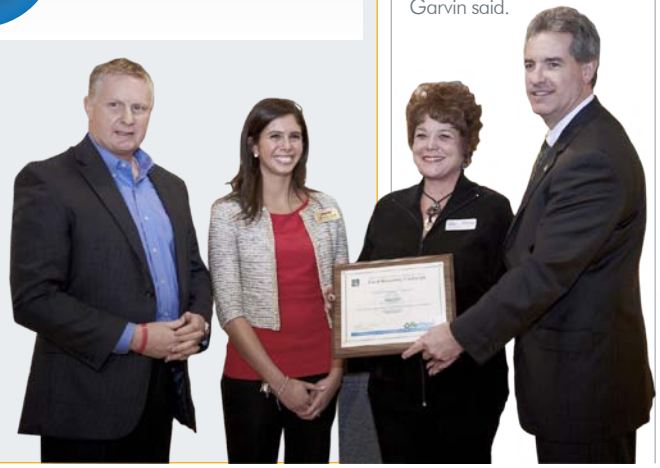
In 2013, we donated over €23 million worth of products to food banks – an increase of 8.1% compared to 2012.

Value of food donated to food banks

€ thousand



Ahold USA	21,378
The Netherlands	1,497
Czech Republic	199



Recognition for hunger relief in the U.S.

In November 2013, Ahold USA and its divisions were recognized by the U.S. Environmental Protection Agency (EPA) for food donations equivalent to more than 12 million meals in 2012. EPA has also recognized Ahold USA for its efforts to reduce food waste. "The Food Recovery Challenge benefits families in need, helps grocers reduce costs, supplies badly needed donations to organizations like the Central Pennsylvania Food Bank, and helps to create green jobs," EPA regional administrator Shawn Garvin said.

Over 8,500

kilograms of food donated through Albert's "Food Helps" initiative

National Food Collection in the Czech Republic

In November 2013, 100 grocery stores across the Czech Republic, including 25 Albert compact hypers, hosted National Food Collection events. National Food Collection is a pilot project from the "Food helps" initiative organized by Business for Society, a professional platform of companies with the aim to share and spread sustainable and responsible practices. The aim is to create discussion and find solutions to food shortage on the one hand, and food waste on the other. In stores, customers were able to buy food and directly donate it to help people in need in the community. Afterwards, the donated food was sent to food banks, where it is distributed to those in need – Albert donated 8,606 kilograms of food through the events.

Food bank support in the Netherlands

In the Netherlands, Albert Heijn makes regular donations to local food banks from its distribution centers – in 2013, this was over 800,000 products.

Priority areas: performance during 2013 (continued)

Community well-being

Educating children

Childhood obesity and malnutrition are increasing health issues. We have an opportunity to play a leading role in educating children about healthy eating and how to lead a healthy lifestyle.

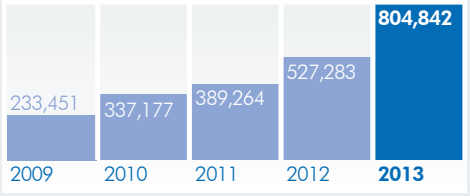
Our progress on our targets

To do this, we have committed to:

Measure and report on the number of children educated as part of our healthy living programs

In 2013, we educated over 800,000 children globally on healthy living – an increase of 53% compared to 2012.

Number of children educated in healthy living



Fighting Child Hunger grants

In 2013, Ahold USA launched a new three-year initiative to distribute $9 million in Fighting Child Hunger grants from its "Our Family Foundation." It aims to alleviate child hunger by reaching more food insecure children with healthy meals. As part of this initiative, grants were awarded to 21 regional food banks served by Ahold USA's Stop & Shop New England, Stop & Shop New York Metro and Giant Landover divisions. These grants target communities with significant need to provide healthy meals to children through child care, after school, mobile pantries and summer programs, as well as other innovative approaches. Among the recipients was Long Island Cares, Inc. – The Harry Chapin Food Bank in the Stop & Shop New York Metro division. With their Fighting Child Hunger grant, the organization has been able to expand its Kids Café program to provide more nutritious meals and snacks to children who have no safe after-school environment. The grant has provided Long Island Cares with much-needed kitchen equipment and other supplies to now serve meals, instead of only snacks.

$9 mln

in Fighting Child Hunger Grants distributed in three-year initiative

Recess Snack Week at Dutch schools

In May 2013, Albert Heijn's annual "Ik eet het beter" (I eat better) campaign kicked off in the Netherlands with various initiatives to encourage children to lead a healthy lifestyle. A total of 347,233 children took part overall. New for the 2013 program, one week in September was "Recess Snack Week" for almost 250,000 elementary school students. Albert Heijn provided healthy snacks for the new school year for the first four days of the week, and challenged students to come up with their own healthy snack on the fifth day.

To see more about "Ik eet het beter", watch a video on www.ahold.com

Cash for schools

For the 2012-2013 school year, Ahold USA's four retail divisions donated $7.5 million to more than 7,000 schools through its "A+ School Rewards" program, which allows local schools to earn cash for technology, scholarships, school programs, field trips, playgrounds, and other educational needs.

Healthy cookery competition

Albert's Healthy 5 program in the Czech Republic launched a new cookery competition called "Golden Coins in the Kitchen" in February 2013. The competition was designed for primary school pupils and children aged 11 and older from children's homes. Golden Coins in the Kitchen was the first in a series of talent shows organized by Healthy 5, aiming to raise children's interest in healthy food and the preparation of simple meals using healthy ingredients. 513 children took part in the competition during 2013.

Priority areas: performance during 2013 (continued)

Community well-being

The data
Contributions and donations[1]

€ thousand	2013	2012	2011	2010	2009
Ahold USA	**50,592**	52,181	37,098	36,283	30,961
The Netherlands	**3,255**	3,262	3,085	2,089	1,890
Czech Republic	**697**	776	820	960	454
Total	**54,544**	56,219	41,003	39,332	33,305

1 Including food bank donations.

The data
Value of food donated to food banks

€ thousand	2013	2012
Ahold USA	**21,378**	19,492
The Netherlands	**1,497**	1,781
Czech Republic	**199**	72
Total	**23,074**	21,345

The data
Number of children educated in healthy living[1]

	2013	2012	2011	2010	2009
Ahold USA	**310,369**	56,562	29,537	31,871	30,157
The Netherlands	**347,233**	374,283	305,139	297,306	200,000
Czech Republic	**147,240**	96,438	54,588	8,000	3,294
Total	**804,842**	527,283	389,264	337,177	233,451

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

Priority areas: performance during 2013 (continued)

Our people

Engaging our associates

Our businesses, if combined, would represent one of the world's largest employers. Globally, Ahold and its brands employ around 222,000 people, with almost 22,000 of our associates working at Ahold companies for 20 years or more. Every time a new supermarket opens in the U.S. or Europe, we create over 100 jobs, bringing positive economic impact to the communities around our stores.

Our people are our most important asset. It is their hard work and commitment that drives Ahold to succeed in reshaping retail. It's therefore crucial that we engage with them. Engaged, satisfied associates are known to perform better. We therefore seek out and value feedback from associates.

Our progress on our targets

To do this, we committed to:

Report on our progress on associate engagement

In 2013, all of our businesses conducted one consistently aligned associate engagement survey that reached all 222,000 of our associates. The purpose of the survey was to measure engagement against multiple dimensions, including our Group-wide "better every day" promises, and how we can improve in the future by sharing and acting on these results.

Globally, 170,640 associates participated in our engagement survey, with an overall engagement rate of 67%. Across the company, we distributed posters to stores and distribution centers showing the main results of the survey, including the three highest scoring questions and the three lowest scoring questions. Associates participated in a process to create action plans across stores, distribution centers and support office departments globally.

Potential points for improvement came out of the surveys, including working on development opportunities for our associates.

SuccessFactors Better every day.

Career development and talent monitoring tool

During the reporting year, we rolled out a new performance management system across the entire Ahold Group. The tool facilitates career development for our associates, and enables them to focus on their talents so they can reach their full potential.

67% of associates engaged

Priority areas: performance during 2013 (continued)

Our people

Providing a better place to work

We constantly strive to be a better place to work for our associates. We aim to create workplaces built on fairness, respect and safety, and we value diversity at all levels in the organization. Just as importantly, we encourage our associates to lead healthier, more sustainable lifestyles

Respecting each other

Ahold's global Code of Conduct reflects our commitment to workplaces characterized by mutual respect, equal opportunities, and freedom from discrimination and harassment. Local toll-free ethics helplines are available for associates to report any concerns about possible violations of the Code or improper behavior, and Ahold companies commit to investigating such reports and taking appropriate action.

We respect associates' legal rights, including the rights of associates to bargain collectively, and standards regarding freedom of association outlined in the United Nations Global Compact. For information about Ahold's relations with labor unions, see the *Tackling the material issues* section.

A diverse workforce is important for Ahold companies to create successful teams, and we implement programs that support inclusion. We work to foster an environment where all associates can demonstrate their abilities, skills and experiences.

Providing good working conditions

Healthy associates are likely to have more energy, have lower absenteeism, and are likely to be better able to meet our strategic objectives. We therefore encourage our associates to lead healthier lifestyles by putting in place healthy living programs.

Creating opportunities to develop

Managers at Ahold endeavor to understand the career interests of their associates, and offer constructive advice and feedback. We offer training and education to promote growth and career development.

Supporting our associates

Ahold's managers strive to coach and support their associates to make our businesses better places to work. Associates are also potential ambassadors for responsible retailing. They are the ones who are directly talking to the customers, colleagues and communities where they work. So it's important that we involve them in sustainability programs in our stores, distribution centers and offices, too.

Recognizing performance

We aim to create an environment where performance is measured, recognized and encouraged, so that our associates are able to perform to the best of their abilities and meet their potential.

Free homework classes

An Albert Heijn store in Amsterdam has been offering free homework classes for its associates since late 2011 to support young people in successfully completing their school work alongside having a part-time job. Following the success of the pilot, the number of participating stores rose to 19 in 2013, and from January 2014 no less than 25 stores in Amsterdam are offering homework help.

Learning and working go hand-in-hand

Around 1,500 young people are following Albert Heijn's vocational learning program, available at four different levels. Another 1,500 young people are taking the opportunity to develop themselves in an internship at Albert Heijn.

To see more about our homework classes and Ahold's academies, watch our videos on www.ahold.com

Wajongers target reached

In March 2013, Albert Heijn reached its target to employ at least one "Wajonger" (young person with a disability) in all company-owned stores in the Netherlands. At the end of the reporting year, there were over 600 Wajongers active.

Helping operations managers become better leaders

Ahold's academies help district and store managers gain the knowledge they need to be better leaders. In 2013, European operations managers participated in our U.S. academies to stimulate the exchange of best practices across the continents, and knowledge was shared among all three programs in the U.S., the Netherlands and the Czech Republic. Close to 200 district and store managers went through these leadership training programs during the year.

Priority areas: performance during 2013 (continued)

Our people

Our progress on our targets

In order to provide a better place to work, we committed to:

Report on our progress on associate participation in healthy living programs

Report on our progress on rolling out sustainability programs

During 2013, over 27,000 participants across all our businesses took part in healthy living programs. In the Netherlands, this is via the Fit & Fun program (see *case study*), and in the U.S. via the Healthy Ideas for Associates program. We continued to make progress on our sustainability programs for associates, including the Green Captains program in the U.S. and the energy saving at work program in the Czech Republic.

Green Captains program

At the Ahold USA divisions, the Green Captains program continued to champion and drive responsible retailing activities at store level. The contributions of our store associates were among the factors that led to recognition by the U.S. Environmental Protection Agency (EPA) for our efforts to donate consumable food and reduce food waste. The Green Captains program is continuously refreshed to ensure responsible retailing is part of our daily operations.

Energy saving at work

In the Czech Republic, Albert introduced an energy-saving information campaign, called "At work as at home," to encourage all associates to save energy and decrease CO_2 emissions. At stores, distribution centers and the support office, posters inform associates of "Albert's energy 10 commandments" with rules and examples. These include turning off the lights (saving stores a potential CZK 2,000 a month) and closing doors on coolers (saving stores a potential CZK 3,000 a month).

Running to fight cancer

In October 2013, Ahold associates in the Netherlands participated in the Amsterdam Marathon to raise money for the VUmc Cancer Center Amsterdam (CCA). The participants were sponsored by their families and friends and raised a total of €5,979. Around 65 of Albert Heijn's supplier partners also generously sponsored the marathon, collectively donating over €50,000. In total, Ahold presented a check for €57,349 to the VUmc CCA to support the battle against cancer.

Associate Volunteer Program

Ahold USA launched an Associate Volunteer Program in March 2013, distributing grants that support eligible hunger relief programs based on associate volunteerism. By the simple act of volunteering, either individually or as a team, associates can help a food bank / affiliate organization receive a grant from the Our Family Foundation to fight child hunger. Donations of $150 for 10 hours of voluntary service are made directly to the regional food bank partner. In 2013, more than 200 associates participated in the Associate Volunteer Program.

Priority areas: performance during 2013 (continued)

Our people

The data
Number of employees

thousands	2013	2012	2011	2010	2009
Ahold USA[1]	**117**	121	117	116	113
The Netherlands[2]	**94**	93	89	84	80
Czech Republic and Slovakia	**11**	11	12	12	13
Total	**222**	225	218	213	206

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and the Ahold USA support organization.

2 Includes Albert Heijn, Etos, Gall & Gall, bol.com and the European support offices.

The data
Percentage of workforce by contract type[1]

	2013		2012		2011		2010		2009	
	Full-time	**Part-time**	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Ahold USA[2]	**28**	**72**	28	72	29	71	30	70	30	70
The Netherlands[3]	**13**	**87**	13	87	14	86	14	86	16	84
Czech Republic[4]	**53**	**47**	68	32	67	33	74	26	73	27

1 Contract type based on local definition.

2 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

3 Includes Albert Heijn, Etos and Gall & Gall.

4 2008–2012 figures include Slovakia.

The data
Percentage of workforce by gender

	2013		2012		2011		2010		2009	
	Female	**Male**	Female	Male	Female	Male	Female	Male	Female	Male
Ahold USA[1]	**47**	**53**	47	53	47	53	47	53	47	53
The Netherlands[2]	**53**	**47**	53	47	53	47	53	47	53	47
Czech Republic[3]	**81**	**19**	81	19	80	20	80	20	80	20

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

2 Includes Albert Heijn, Etos and Gall & Gall.

3 2008–2012 figures include Slovakia.

Priority areas: performance during 2013 (continued)

Our people

The data

Percentage of workforce by age

	2013					2012					2011					2010					2009				
	<19	**20>29**	**30>39**	**40>49**	**50+**	<19	20>29	30>39	40>49	50+	<19	20>29	30>39	40>49	50+	<19	20>29	30>39	40>49	50+	<19	20>29	30>39	40>49	50+
Ahold USA[1]	**12**	**29**	**13**	**16**	**30**	16	28	13	16	27	14	28	13	17	28	16	26	13	18	27	17	25	14	18	26
The Netherlands[2]	**56**	**23**	**6**	**8**	**7**	57	22	7	8	6	57	21	8	8	6	58	20	8	8	6	58	19	8	9	6
Czech Republic[3]	**1**	**23**	**30**	**25**	**21**	7	28	25	21	19	1	23	30	24	22	1	23	30	24	22	1	23	29	24	23

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

2 Includes Albert Heijn, Etos and Gall & Gall.

3 2008–2012 figures include Slovakia.

The data

Composition of Ahold's leadership

	2013		2012		2011		2010		2009	
	Female	**Male**	Female	Male	Female	Male	Female	Male	Female	Male
Executive Committee	**2**	**5**	0	4	0	4	1	4	1	4
Supervisory Board	**2**	**5**	2	6	2	6	3	5	3	5
Total	**4**	**10**	2	10	2	10	4	9	4	9

Priority areas: performance during 2013 (continued)

Responsible products

Understanding our supply chain

At Ahold, we believe it is important to understand our supply chain in order to ensure our own-brand products are safe, and are produced with respect for people, animals and the environment.

Understanding our supply chain is a complex task, as we sell a wide range of own-brand products in which thousands of suppliers and related production sites are involved. At the end of 2013, we estimated that almost 100% of our last-stage production sites had been mapped. By this, we mean the last stage in our supply chain where our own-brand products are manufactured or produced.

Ensuring product safety

Food and non-food safety is critically important to Ahold. We therefore require our food suppliers to comply with standards beyond those that are legally required. Our food suppliers are expected to be Global Food Safety Initiative (GFSI) certified. For our non-food suppliers, we take a different, risk-based approach. For suppliers of high-risk products, we require a third-party audit or certification. For suppliers of low- and medium-risk products, we request safety assurance in the form of product laboratory tests and product inspection reports confirming legal compliance and specific additional Ahold safety requirements.

Our progress on our targets

To ensure food safety, we have set the following global target:

Ensure that 80% of our own-brand food suppliers are certified against Global Food Safety Initiative (GFSI) recognized standards by 2012

At the end of 2013, 93% of our own-brand food suppliers in Europe had been certified against a GFSI-recognized standard – an increase of 9% compared to 2012. In the U.S., 81% of our own-brand food sales came from suppliers that had been certified against a GFSI-recognized standard – an increase of 11% compared to 2012.

Food safety (GFSI)

percentage of own-brand food suppliers GFSI certified

Working with local produce suppliers

Ahold USA has long-standing relationships with local produce suppliers in the communities they serve. As part of this relationship, in 2013 Ahold USA trained 114 local produce suppliers and 33 general suppliers to promote continuous awareness, and to reinforce our expectation, of compliance with GFSI-recognized standards.

114
local produce suppliers trained

Priority areas: performance during 2013 (continued)

Responsible products

Improving social compliance

The International Labour Organization (ILO) conventions set out international requirements relating to child labor, forced labor, discrimination, compensation, working hours, and other labor conditions.

As an international retailer, we play a role in improving working conditions in the supply chain of our products. We therefore have Standards of Engagement in place for all our suppliers, which are publicly available on our website, www.ahold.com. In addition, we require our own-brand suppliers in high-risk countries[1], to be audited on social compliance to ensure acceptable working conditions.

1 The classification of a high-risk country is based on the Human Development Index of the United Nations and the Corruption Perceptions Index of Transparency International.

Our progress on our targets

To make sure our products are produced with respect for people, we have set the following target:

Ensure that 100% of our own-brand suppliers in high-risk countries are audited on social compliance by 2012

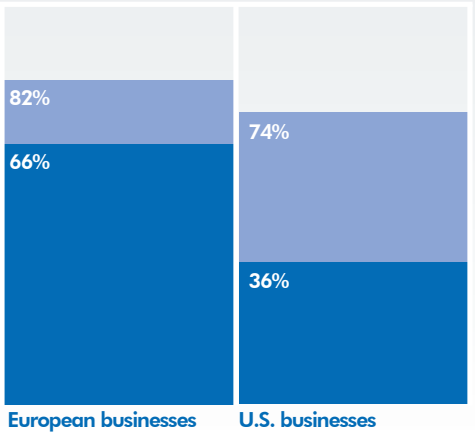
In order to meet this target, the production sites of these suppliers are required to undergo a social audit according to the Business Social Compliance Initiative (BSCI) or an equivalent standard developed on the basis of the ILO conventions. If breaches in the BSCI's code of conduct are reported by an auditor, we require an improvement program from the supplier, and trade with that supplier may be suspended until the issues are remedied, depending on the severity of the breaches.

For more information on BSCI, including their code of conduct against which suppliers are audited, visit **www.bsci-intl.org**

At the end of 2013, for Europe, 66% of our last-stage production sites in high-risk countries had been audited against BSCI or equivalent standards – an increase of 18% compared to 2012. For the U.S., 36% of our last-stage production sites in high-risk countries had been audited against BSCI or equivalent standards – an increase of 14% compared to 2012.

Many suppliers comply with social standards that are not BSCI-compliant; Ahold considers these to be an interim step. When taking into account these social compliance standards, the percentage of last-stage production sites that have been audited is 82% for Europe (up 21% compared to 2012) and 74% for the U.S. (up 13% compared to 2012).

Social compliance percentage of suppliers in high-risk countries audited on social compliance



Albert Heijn Foundation

The Albert Heijn Foundation aims to improve the livelihoods of, and relationships with, Albert Heijn's African fruit and vegetable suppliers, their families and communities. The Foundation's focus is on improving social and labor conditions at our supplier sites, as well as investing funds in local projects in education, housing and medical care. Currently, 13 suppliers from six countries, making up 35% of the volume of fruit and vegetables we source from Africa, are involved in the Foundation. In 2014 and 2015, we intend to expand the program with new suppliers in existing and new African countries.

For more information, read the AH Foundation Report (in Dutch)

Priority areas: performance during 2013 (continued)

Responsible products

Focusing on critical commodities

In improving the sustainability of our own-brand products, we pay particular attention to six critical commodities, namely: coffee, tea, cocoa, soy, palm oil, and seafood.

These are basic ingredients or generic products that potentially have an adverse impact on several sustainability issues at the beginning of the supply chain, including deforestation, soil erosion, poor labor conditions, loss of natural habitats, degradation of water quality, agro-chemical use, pesticide use and loss of biodiversity.

Standards we accept (as well as their equivalents) for each critical commodity include those shown in the following table:

	UTZ Certified	Fairtrade	Rainforest Alliance	MSC	ASC	RSPO	RTRS
Coffee	X	X	X				
Tea	X	X	X				
Cocoa	X	X	X				
Soy							X
Palm oil						X	
Seafood				X	X		

Ahold is a member of the Roundtable for Sustainable Palm Oil (RSPO). While in the past, we have offset all palm oil used in our own-brand products through purchasing GreenPalm certificates, we are now trying to encourage our suppliers to move to segregated certified sustainable palm oil so that we can be assured that the certified oil is actually used in our products. This effort is not yet reflected in this report, as we cannot yet directly link the amount of segregated palm oil to products with 100% accuracy.

Currently, therefore, 100% of our estimated palm oil use (in 2013, 4,000 tons) is offset using GreenPalm certificates.

Ahold is a member of the Round Table on Responsible Soy (RTRS), which supports the responsible production and trade of soy. In the Netherlands, the supply chains of animal-derived products have agreed on a transition plan towards certified sustainable soy, so that all the soy for our own-brand products in the Netherlands will be sustainable by 2015.

Our progress on our targets

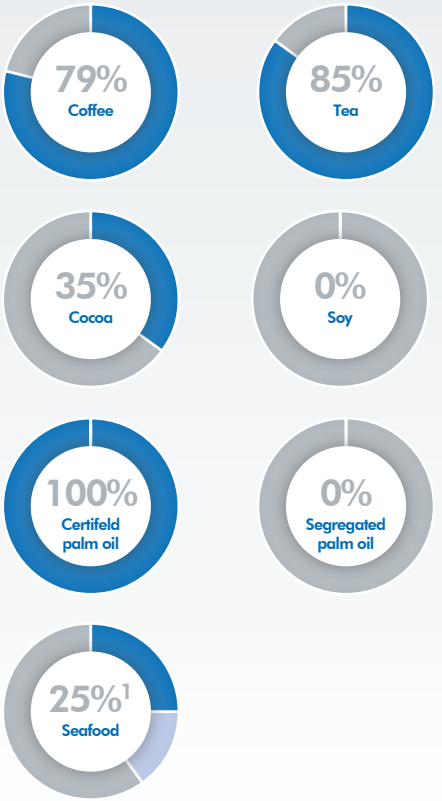
To ensure that the critical commodities we use in our own-brand products are produced with respect for people, animals and the environment, we have set the following target:

Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015

At the end of 2013, 79% coffee, 85% tea, 35% cocoa, 0% soy, 0% palm oil, and 25% seafood were sourced according to accepted industry certification standards. All percentages are based on sales of our own brands.

When taking into account seafood standards other than Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC), the percentage of sustainable seafood sales is 33% for Europe (up 15% compared to 2012) and 48% for the U.S. (up 25% compared to 2012). Ahold is implementing the Global Seafood Sustainability Initiative (GSSI) to increase transparency among the variety of seafood certification programs for wild and farmed seafood products.

Percentage of own-brand sales with certified commodities



[1] When taking into account seafood standards other than MSC and ASC, the percentage of certified seafood sales rises to 39%.

Priority areas: performance during 2013 (continued)

Responsible products

"Over the last seven years, the Rainforest Alliance has been working with tea farmers large and small to improve their social and environmental management practices. We're thrilled that Ahold USA has become a leader in sustainable tea sourcing among retailers in the U.S. with its own brands."
Alex Morgan, sr. manager sustainable agriculture, Rainforest Alliance

Deforestation resolution

Ahold supports the Consumer Goods Forum's (CGF) resolution on deforestation. The farming of commodities like soy and palm oil, and the production of paper, can result in deforestation. By sourcing these commodities and products more sustainably, the members of the board of the CGF pledged to work together to help achieve zero net deforestation by 2020.

Certified coffee and tea in the U.S.

The Ahold USA divisions are the first retailers in the U.S. to offer own-brand teas featuring the Rainforest Alliance certified seal. They are also pioneering in the country to offer UTZ Certified coffee in their own-brand product ranges.

"We are excited to welcome Ahold USA as part of the UTZ Certified coffee program. With the commitment of Ahold USA, UTZ Certified reaches a new milestone, endorsing the sustainability efforts of this quality supermarket chain in the U.S., and creating opportunities for coffee producers worldwide to better market their product and improve their livelihoods."
Juliette Caulkins, managing director business development Americas, UTZ Certified sustainability program

Priority areas: performance during 2013 (continued)

Responsible products

Analyzing risks to ensure more sustainable products

In addition to the critical commodities, in 2013 we reviewed our own-brand products for the social, environmental and animal welfare risks involved in their production.

Our progress on our targets

To ensure more sustainable products, we set the following target:

Map the environmental footprint of 50% of our own-brand suppliers and their supply chains by 2015

When this target was set, we were looking at ways to map the footprint of our suppliers in detail. We have recognized that we can have a greater impact if we focus on so-called "hot spots" linked not only to environmental but also to social and animal welfare issues. We therefore no longer report on this target. Instead, our U.S. and European businesses made an analysis of their own-brand assortment in order to identify the potential risks linked to environmental, social and animal-welfare issues in our own-brand product supply chain. This analysis helps to set policies and improve the sustainability for those products.

At Ahold, we are concerned about the well-being of the animals involved in the production of our products. At a minimum, we require local laws and regulations concerning the treatment of animals to be met, and we are working with the industry to raise the level of animal welfare above what is legally required.

Animal welfare agreement on chicken

In the Netherlands, Albert Heijn's meat range carries (where applicable) the "Beter Leven" (better life) label from the Dierenbescherming (Dutch animal welfare society) denoting how animal-friendly the meat is, by using a three-star system. In 2012, concerns were raised about the way regular chicken is produced. In 2013, all links in the poultry chain, from farmers to supermarkets, reached an agreement to improve animal welfare and living conditions for all regular chickens that are sold in Dutch supermarkets, including Albert Heijn. For more information, visit the Albert Heijn website.

Towards sustainable pork products

Ahold USA conducted a review of the issue of gestation crates versus open-pen housing for pregnant sows over the course of several months during the reporting year. Ahold USA encourages its suppliers to move from the daily use of gestation crates to open housing by 2022. The timeframe will vary from farm to farm.

Priority areas: performance during 2013 (continued)

Responsible products

Improving packaging sustainability

Packaging is a key component of our own-brand products and fulfils several functions, one of which is to deliver the products in optimal condition to our customers, while reducing waste in the supply chain and improving shelf life.

We want to minimize the environmental impact of our own-brand packaging throughout its entire lifecycle – from raw material to disposal – without harming the protective function of the packaging. In 2012, we therefore developed a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each business. Starting in 2013, new and updated own-brand products are measured against our "4R" packaging guidelines:

- Reduce: our first priority is to reduce the weight and volume of packaging without negatively affecting the quality of the product. It also includes reducing food waste by developing packaging that increases shelf life and avoids losses during transport.
- Re-use: our second priority is to make our packaging re-usable, re-fillable or re-closable, where possible, to reduce waste.
- Recycle: our third priority is to use recycled material in packaging as much as possible, as well as to make it easier to recycle the packaging used. This includes using single-material packaging instead of multiple materials, or ensuring that materials are easy to separate.
- Renew: finally, we use renewable and certified-sustainable materials where possible, such as Forestry Stewardship Council (FSC) certified paper, when recycled materials are not feasible or available.

Our progress on our targets

We therefore committed to:

Report on the number of products reviewed against our 4R packaging guidelines

During the reporting year, we reviewed 582 products against these guidelines.

Making packaging lighter

In 2013, Ahold USA's Own Brands Sourcing team worked with their supplier partner, Clement Pappas, to reduce the packaging of their own-brand range of juices. In accordance with the 4R packaging guidelines, the products were made lighter by 12% across the bottle and cap. The new packaging began being phased in from September 2013 onward.

Priority areas: performance during 2013 (continued)

Responsible products

The data
Food safety (GFSI)

percentage of own-brand food suppliers GFSI certified	2013	2012
U.S. businesses[1]	**81**	70
European businesses[2]	**93**	84

1 For our U.S. businesses, the percentage is calculated as a percentage of sales.

2 For our European businesses, the percentage is calculated as a percentage of suppliers.

The data
Social compliance

percentage of suppliers in high-risk countries audited on social compliance	2013[1]	2012
U.S. businesses	**36**	22
European businesses	**66**	48

1 When taking into account social standards other than BSCI, equivalent or recently expired programs, the percentage of suppliers that have been audited rises to 74% for our U.S. businesses and 82% for our European businesses.

The data
Critical commodities

percentage of sales certified against industry standards[1]	2013	2012
Coffee	**79**	83
Tea	**85**	82
Cocoa	**35**	32
Palm oil	**0**	0
Soy	**0**	0
Seafood[2]	**25**	14

1 The percentage of each critical commodity that is sustainably sourced is the percentage of sales that have been certified based on key products within selected categories in the Netherlands, Czech Republic and Ahold USA. See *Reporting process* for the list of key products and associated categories.

2 When taking into account seafood standards other than Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC), the percentage of certified seafood sales rises to 39%.

Priority areas: performance during 2013 (continued)

Responsible products

The data

Number of Fairtrade-certified products at year-end

	2013	2012	2011	2010	2009
Ahold USA[1]	**272**	251	160	NR	NR
The Netherlands	**134**	127	141	96	67
Czech Republic	**12**	4	0	0	0
Total	**418**	382	301	NR	NR

1 2009–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

The data

Number of certified organic products at year-end

	2013	2012	2011	2010	2009
Ahold USA[1]	**4,333**	3,821	2,916	NR	NR
The Netherlands	**500**	526	447	407	304
Czech Republic	**284**	262	299	332	462
Total	**5,117**	4,609	3,662	NR	NR

1 2009–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

Priority areas: performance during 2013 (continued)

Care for the environment

Reducing CO_2 emissions

Climate change remains an important global issue. As an international retailer, we not only have a responsibility for our own operations, but there is also an opportunity to encourage customers and suppliers to play their part. Reducing our CO_2 emissions is good for the environment as well as having financial benefits for our company. Using less energy results in lower operational costs.

Our progress on our targets

We have therefore set the following target in relation to our energy consumption:

Reduce CO_2 per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline

At the end of 2013, we have achieved a 16.8% reduction in CO_2 emissions at Ahold businesses since 2008 – 159,000 metric tons.

CO_2 emissions

kg per sq. m. of sales area

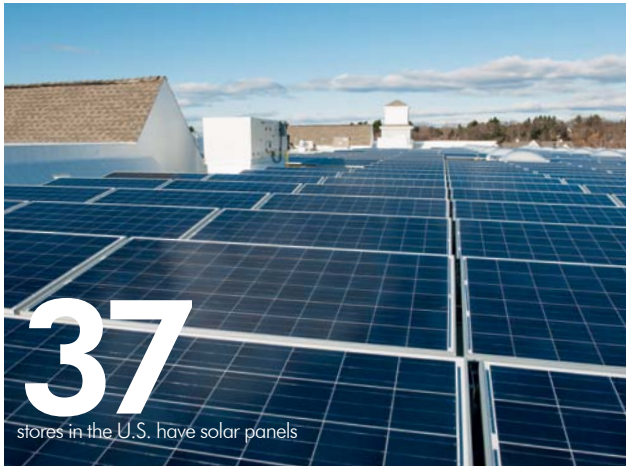
Ahold USA	514
The Netherlands	281
Czech Republic	553

Cooling, heating and lighting

Electricity consumption is the biggest contributor to our CO_2 emissions, forming 52% of our total emissions. Reducing our electricity consumption is one of the main drivers in reducing our CO_2 emissions. In 2013, our electricity consumption was 644 kWh per square meter – a decrease of 2.3% compared to 2012.

Electricity efficiency

kWh per sq. m. of sales area

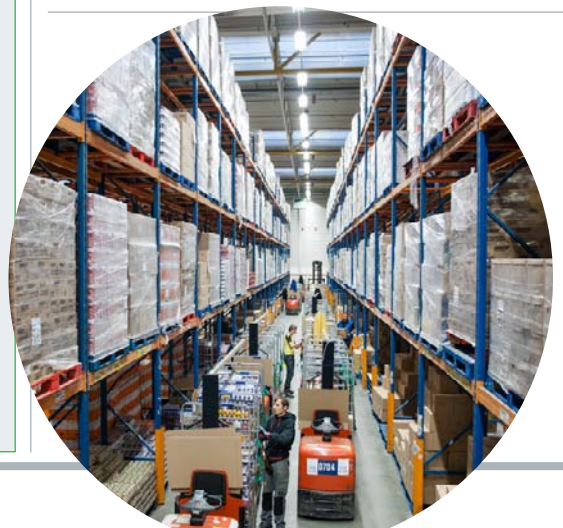


Solar energy

At the end of 2013, 37 of our stores in the U.S. have solar panels to generate renewable solar energy and reduce regular electricity usage from fossil fuels, up from 30 in 2012.

LEED-ing the way

Ahold USA continues to lead the way among grocery retailers in building greener stores, with a total of 60 of its retail division stores that have Leadership in Energy and Environmental Design (LEED) certification. Awarded by the U.S. Green Building Council (USGBC), the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings, Ahold USA has more LEED-certified stores than any grocer in the United States.



LED lighting at distribution centers

During the reporting year, the lighting at almost all our distribution centers (DCs) in the Netherlands (excluding the Zaandam DC) was replaced with LED lighting. This saved almost one million kWh in 2013, and is expected to save around eight million kWh per year going forward. At Ahold USA, LED lighting both inside and outside the stores is in the process of being implemented.

8 million kWh per year expected to be saved at our distribution centers in the Netherlands by using LED lighting

Priority areas: performance during 2013 (continued)

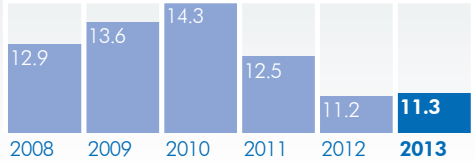
Care for the environment

Refrigerant leakage

Refrigerant leakage contributes to approximately 26% of our total CO_2 emissions. In 2013, our leakage was 11.3% – an increase of 0.1% compared to 2012, due to some significant unforeseen leaks in the U.S.

Refrigerant leakage

percentage of high GWP substances

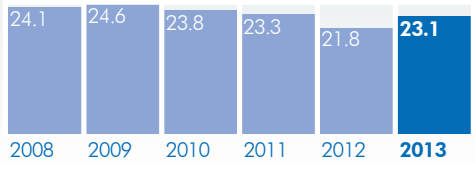


Gas

Gas consumption contributes to approximately 10% of our total CO_2 emissions. We use gas for heating our stores and distribution centers. In 2013, our gas consumption was 23.1 cubic meters per square meter – an increase of 6.0% compared to 2012, due to the cold weather conditions during the reporting year.

Gas consumption

cubic meters per sq. m. of sales area

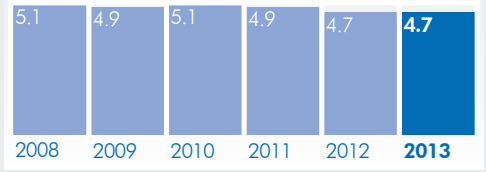


Fuel

Fuel consumption contributes to approximately 11% of our total CO_2 emissions. Fuel consumption is influenced by the distance traveled by, and the efficiency of, our delivery trucks. We therefore use sophisticated tools to plan our daily store deliveries. This includes both the routes our trucks take and the load factor of the trucks. In 2013, our average fuel consumption was 4.7 liters per 1,000 products sold – equal to 2012.

Fuel consumption

liters per 1,000 products sold



Improving our refrigeration systems

To manage our refrigerant leakage, we take both preventive and diagnostic measures. Albert Heijn is piloting trans-critical systems, using CO_2 as a natural alternative refrigerant substance. There are currently three stores piloting these systems in the Netherlands.

Ahold USA has installed single-loop systems in six new stores in 2013 to prevent refrigerant leakage, which decreases the amount of substance used from an average of 3,500 pounds into an average of 1,500 pounds. Our U.S. stores are also installing leak detectors to identify leaks as quickly as possible, and plan to pilot a trans-critical system in 2014. Ahold USA is also looking for more environmentally friendly solutions for the refrigerants used in the currently installed systems.

Healthy Homes Program saves energy

In collaboration with Next Step Living, the Stop & Shop New England division set up information stands in 88 stores, which resulted in over 8,000 customers signing up for the Healthy Homes Program. This free program helps families in Massachusetts reduce energy usage at home, provides free products to help families save money, and includes a whole house energy assessment and health and safety inspection of the home.

Integrated cooling, freezing and heating system

In the Netherlands, new and remodeled Albert Heijn stores are fitted with an integrated cooling, freezing and heating system, which means that no gas is needed in these stores at all. The system uses CO_2 as a refrigerant substance for freezing. It also uses waste heat produced during the refrigeration cycle to heat the store. At the end of 2013, the system was in place at 262 stores (2012: 222 stores).

Truck-fleet innovations

In the Netherlands, the truck fleet used for making deliveries has energy-efficient engines and aerodynamic skirts. In the case of some journeys, electric trucks are used.

Priority areas: performance during 2013 (continued)

Care for the environment

Reducing waste

It is estimated that about one third of the total global food production is wasted. At the same time, many people do not have access to affordable, nutritious food. We therefore have an opportunity to try to reduce waste from two perspectives – caring for the environment and contributing to the community.

Food waste

Food waste is an inevitable side effect of our business, and we strive to produce as little food waste as possible. However, there is always a balance to be struck between product availability, shelf life and changing customer demand. Although the impact that supermarkets themselves have on waste in the supply chain is limited, we recognize the role we can play in helping our customers save money and reduce their environmental impact.

Our progress on our targets

In 2012 we, developed a Group metric to measure food waste, and we continued to improve the accuracy of this measurement in 2013. Our total food waste was between 1 and 2% of total sales in 2013.

Plastic bags

Reducing plastic bag usage is one of the best ways in which we can encourage customers to waste less plastic. In all our European brands, we have eliminated free disposable bags at the checkout.

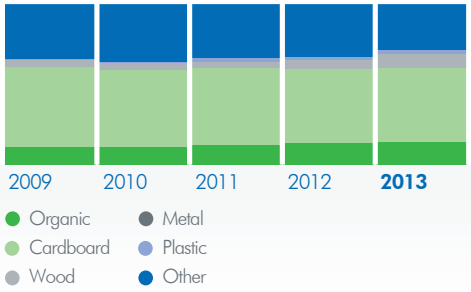
Our progress on our targets

For Ahold USA, we have set the following target:

Reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015

In 2013, the Ahold USA divisions reduced the number of disposable bags by 293 million bags compared to the 2011 baseline.

Total waste by type
percentage of total waste



Meat donations to U.S. food banks

In 2012, Ahold USA's divisions set up a Consumable Food Taskforce to redirect unsold, consumable food to regional food bank partners to help fight hunger. Giant Carlisle stores piloted the "Meat the Needs" program to donate much-needed frozen meat. Using the findings from this pilot, they conducted a thorough analysis of the cost of the unsold product, mileage and labor. In its first year, the Meat the Needs program at Giant Carlisle cost an estimated $200,000. By comparison, that investment translated into a $15 million donation in meat. At the end of 2013, all four divisions now participate in the "Meat the Needs" program, with regional food banks receiving meat donations on a weekly basis. In 2013, they donated more than $28 million in food products from stores that would have otherwise been thrown away.

To see more about our meat donation program, watch a video on www.ahold.com

>$28 mln

donated in food products from stores that would have otherwise been thrown away in 2013

Good for food waste, waistlines and wallets

During the reporting year, Albert Heijn worked together with the Voedingscentrum (Dutch food center) to find a solution to the issue of food waste during cooking. As a result, during one week in February 2014, customers buying own-brand pasta or rice from Albert Heijn were given a free measuring cup to make it easier to prepare and eat the right amount of pasta or rice. Albert Heijn distributed one million measuring cups during the campaign, enabling customers to cook more efficiently for their wallets, their waistlines, and their waste levels.

Priority areas: performance during 2013 (continued)

Care for the environment

Customer communications

During the reporting year, we focused on customer communications about reducing waste.

Our progress on our targets

To encourage our customers to reduce their own waste production, we have set the following target:

Ensure that all businesses have implemented a communication policy to encourage customers to reduce, re-use and recycle by 2013

In addition to our efforts in our supply chains and our own operations, our businesses' packaging policies and food waste reduction programs include communication initiatives to our customers to help them to reduce their environmental impact. In 2013, all our businesses executed initiatives under these programs. In the Netherlands and Czech Republic, these focused on reducing food waste, while in the U.S. these focused on reducing the use of plastic bags and returning used plastic bags to our stores for recycling.

Landfill

The waste we produce needs to be disposed of, and we strive to do this in as environmentally friendly a way as possible. The methods we use to dispose of our waste are re-using, recycling, recovering, fermenting, composting, incinerating and sending our waste to landfill facilities. Landfill is the most harmful waste disposal method for the environment.

Our progress on our targets

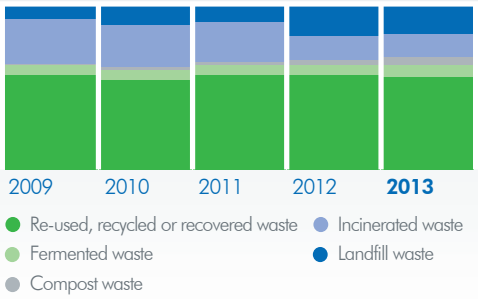
We therefore set the following target:

Eliminate landfill as a disposal method by 2020

In 2013, 58% of our waste was re-used, recycled, or recovered, while 17% went to landfill. We have reduced the amount of waste going to landfill by 2% compared to 2012.

Total waste by disposal method

percentage of total waste



Waste recycling programs

Ahold USA has taken further steps in 2013 to better separate different types of waste, enabling them to send the various waste streams to different disposal facilities. At the end of 2013, 758 stores were part of the organic recycling program. The "Single Stream Recycling" program for aluminum cans, glass bottles and jars, plastic bottles and containers, and mixed papers is now in place at 17 Giant Carlisle stores, 30 Giant Landover stores, three Stop & Shop New England stores, and two Stop & Shop New York Metro stores. The intention is to roll out the program to all stores in 2014. The entire Stop & Shop New England division has rolled out a wax cardboard recycling program, which is also being piloted at the Giant Carlisle division.

Waste separation in the Czech Republic

In the Czech Republic, Albert participates in the "Responsible Company" project that seeks to promote corporate responsibility when it comes to waste separation. In 2012, Albert supported the take-back and recycling of 4,073 tons of packaging waste. Through operating and servicing 2,691 containers for waste paper, glass, plastic and beverage cartons, as well as 19 collection points for metal packaging, Albert made waste separation possible for over 132,000 customers.

Managing our water consumption

In the areas where we operate stores, water availability is not yet a big concern. However, we expect water to become a more important issue in the future. In addition, water is an important topic for some of our suppliers. We have therefore included water as an indicator in our risk analysis for responsible products, and have identified hotspots in our supply chain for water usage.

Albert Heijn launched the Voedingscentrum's guide for customers, containing tips on how to conserve food and reduce waste.

Priority areas: performance during 2013 (continued)

Care for the environment

The data
CO_2 emissions[1,2,3]

	Volume (thousands of metric tons)						Efficiency (kg per sq. m. of sales area)					
	2013	2012	2011	2010	2009	2008	**2013**	2012	2011	2010	2009[4]	2008
Ahold USA	**1,520**	1,501	1,569	1,622	1,592	1,569	**514**	511	547	580	587	600
The Netherlands	**310**	314	322	345	427	389	**281**	295	311	340	420	419
Czech Republic	**216**	231	219	236	256	247	**553**	594	568	614	602	553
Total	**2,046**	2,046	2,110	2,203	2,275	2,205	**460**	466	492	525	548	553

1 CO_2 emissions comprise electricity, leakage of refrigerant substances, gas, fuel and district heating. Given the limited impact of district heating, we do not report on this separately.
2 Since the consumption of all elements is not measured in CO_2 kilograms, conversion factors are used. Historical data are corrected for the change in conversion factor. See *CO_2 conversion factors* section for more details on the methodology applied.
3 372 GWh of the electricity consumed have a zero conversion factor, as green energy certificates were purchased in 2013 for this quantity.
4 The 2009 efficiency measures are adjusted to a 52-week period in order to be consistent with 2008, 2010, 2011, 2012 and 2013. This applies to all tables with an efficiency per square meter of sales area.

The data
Electricity consumption

	Volume (millions of kWh)						Efficiency (kWh per sq. m. of sales area)					
	2013	2012	2011	2010	2009	2008	**2013**	2012	2011	2010	2009	2008
Ahold USA	**2,083**	2,110	2,109	2,128	2,083	2,133	**705**	719	736	761	768	816
The Netherlands	**562**	551	553	544	552	500	**508**	518	534	535	544	539
Czech Republic	**223**	234	242	236	262	256	**570**	600	626	615	614	573
Total	**2,868**	2,895	2,904	2,908	2,897	2,889	**644**	659	677	693	697	724

The data
Leakage of refrigerant substances[1]

	Volume (metric tons)						Efficiency (as percentage of total refrigerants)					
	2013	2012	2011	2010	2009	2008	**2013**	2012	2011	2010	2009	2008
Ahold USA	**166**	160	182	204	179	171	**12.9**	12.2	14.2	16.0	14.7	14.3
The Netherlands	**22**	24	23	27	27	22	**5.8**	6.6	6.9	8.3	9.0	7.7
Czech Republic	**11**	14	9	11	13	11	**11.3**	13.8	9.6	11.8	13.8	11.1
Total	**199**	198	214	243	219	205	**11.3**	11.2	12.5	14.3	13.6	12.9

1 Refrigerants measured include CFCs, HCFCs and HFCs.

Priority areas: performance during 2013 (continued)

Care for the environment

The data
Fuel consumption

	Volume (thousands of liters)						Efficiency (liters per 1,000 products sold)					
	2013	2012	2011	2010	2009	2008	**2013**	2012	2011	2010	2009	2008
Ahold USA	**48,392**	49,350	51,024	49,588	46,368	45,242	**6.0**	6.2	6.4	6.5	6.2	6.5
The Netherlands	**24,241**	24,620	26,019	27,266	25,799	24,186	**3.6**	3.6	3.9	4.1	4.0	4.1
Czech Republic	**6,133**	6,162	6,471	6,411	6,122	6,260	**2.9**	2.8	2.9	3.0	2.8	3.1
Total	**78,766**	80,132	83,514	83,265	78,289	75,688	**4.7**	4.7	4.9	5.1	4.9	5.1

The data
Natural gas consumption

	Volume (thousands of cubic meters)						Efficiency (cubic meters per sq. m. of sales area)					
	2013	2012	2011	2010	2009	2008	**2013**	2012	2011	2010	2009	2008
Ahold USA	**78,134**	70,446	73,790	69,963	71,552	65,420	**26.4**	24.0	25.7	25.0	26.4	25.0
The Netherlands	**20,054**	20,403	20,903	24,220	23,809	24,129	**18.1**	19.2	20.2	23.8	23.4	26.0
Czech Republic	**4,694**	4,883	5,080	5,676	6,892	6,419	**12.0**	12.5	13.2	14.8	16.2	14.4
Total	**102,882**	95,732	99,773	99,859	102,255	95,968	**23.1**	21.8	23.3	23.8	24.6	24.1

The data
Waste production

	Volume (millions of kg)					Efficiency (kg per sq. m. of sales area)				
	2013	2012	2011	2010	2009	**2013**	2012	2011	2010	2009
Ahold USA	**424**	430	420	428	390	**144**	146	147	153	144
The Netherlands	**125**	118	118	118	117	**113**	111	114	117	115
Czech Republic	**33**	35	36	35	36	**89**	89	94	92	85
Total	**582**	583	574	581	543	**131**	133	134	139	131

Priority areas: performance during 2013 (continued)

Care for the environment

The data
Waste by type

percentage of waste	Ahold USA					The Netherlands					Czech Republic					Total				
	2013	2012	2011	2010	2009	**2013**	2012	2011	2010	2009	**2013**	2012	2011	2010	2009	**2013**	2012	2011	2010	2009
Organic	**13**	9	7	6	5	**28**	27	27	27	28	**8**	18	20	20	20	**16**	13	12	11	11
Cardboard	**45**	44	45	44	47	**54**	56	55	55	54	**42**	42	41	41	40	**45**	46	47	47	49
Wood	**6**	6	6	5	6	**0**	0	0	0	0	**1**	1	1	1	1	**5**	5	4	4	4
Metal	**0**	0	0	0	0	**0**	0	0	0	0	**0**	0	0	0	0	**0**	0	0	0	0
Plastic	**1**	1	1	1	1	**3**	3	3	3	3	**3**	3	3	3	3	**2**	2	2	1	1
Other	**35**	40	41	44	41	**15**	14	15	15	15	**46**	36	35	35	36	**32**	34	35	37	35
Total waste	**100**	100	100	100	100	**100**	100	100	100	100	**100**	100	100	100	100	**100**	100	100	100	100

The data
Waste by disposal method

percentage of waste	Ahold USA					The Netherlands					Czech Republic					Total				
	2013	2012	2011	2010	2009	**2013**	2012	2011	2010	2009	**2013**	2012	2011	2010	2009	**2013**	2012	2011	2010	2009
Re-used, recycled or recovered waste	**59**	56	57	54	58	**57**	60	61	58	57	**45**	46	44	44	43	**58**	57	57	54	57
Fermented waste	**0**	0	0	0	0	**28**	27	27	27	28	**5**	4	3	3	0	**6**	6	6	6	6
Compost waste	**5**	4	2	2	1	**0**	0	0	0	0	**6**	7	8	8	8	**4**	3	2	2	1
Incinerated waste	**16**	16	29	29	32	**15**	13	12	15	15	**7**	11	11	11	12	**15**	15	24	25	27
Landfill waste	**20**	24	12	15	9	**0**	0	0	0	0	**37**	32	34	34	37	**17**	19	11	13	9
Total waste	**100**	100	100	100	100	**100**	100	100	100	100	**100**	100	100	100	100	**100**	100	100	100	100

The data
Water consumption

	Volume (millions of liters)					Efficiency (liters per sq. m. of sales area)				
	2013	2012	2011	2010	2009	**2013**	2012	2011	2010	2009
Ahold USA	**3,623**	3,459	3,139	3,252	3,363	**1,226**	1,179	1,095	1,163	1,240
The Netherlands	**467**	442	465	456	483	**422**	415	448	449	476
Czech Republic	**310**	NR	NR	NR	NR	**793**	NR	NR	NR	NR
Total	**4,400**	NR	NR	NR	NR	**988**	NR	NR	NR	NR

Behind our strategic priorities

Responsible retailing at Ahold is managed at all levels of the organization. Find out more about our governance structure in this section, as well as some of the recognition we've received from external third parties for our efforts in responsible retailing.

In this section:

Our governance structure	56
Awards and rankings 2013	57
Scope of reporting	58
Reporting process	61
CO_2 conversion factors	61
Data revisions	62
Global Reporting Initiative	63
Global Compact	68
External assurance report	69

Our governance structure

The governance of Ahold's responsible retailing (RR) activities applies to all Ahold's financially consolidated operations in both Europe and the United States, as defined in our *Scope of reporting*. RR at Ahold is managed at all levels of the organization, from a designated Executive Committee (ExCo) member to individual leads for each priority area at each of our businesses.

Within the ExCo, Chief Corporate Governance Counsel (CCGC) Lodewijk Hijmans van den Bergh is responsible for RR and Product Integrity (PI), including their strategy, ambitions and targets. The Vice President Responsible Retailing (VP RR) oversees Ahold's Group-wide RR strategy, which is implemented in the businesses. The VP RR is also responsible for reporting on progress against Ahold's RR strategy internally and externally, for engaging external stakeholders on Ahold's RR strategy and for monitoring RR-related trends and managing RR-related issues and risks. The Vice President Product Integrity (VP PI) is responsible for product safety and our responsible products activities.

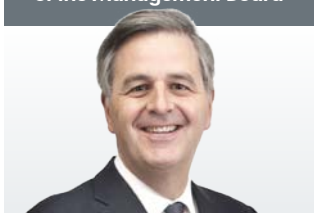
Within our businesses, the CEO / General Manager / Division President is responsible for meeting the targets and for accurate reporting. The reporting process is managed by our finance function both globally and continentally; at each level (global, continental and brand), we have designated reporting leads.

Each continent and business has an employee with overall responsibility for RR and an employee responsible for each priority area. Ahold governs RR at a Group level via its RR Steering Committee. This committee meets four times a year to review progress against the targets, to review any proposed revisions to the strategy, including new or modified targets, and to provide recommendations to the ExCo. It is chaired by the CCGC, and includes the VP RR, VP PI, continental and brand leads, and commercial representatives. In addition, in 2013 Ahold has strengthened its governance of product safety and responsibility by introducing a Product Integrity Steering Committee. This committee meets twice yearly to review product-related policies, and to provide recommendations to the ExCo. It is chaired by the CCGC, and includes the VP PI, VP RR, continental and brand leads, and commercial representatives.

Supervisory Board

Executive Committee

Dick Boer	Jeff Carr	James McCann	Sander van der Laan
President and Chief Executive Officer; Chairman of the Management Board	**Executive Vice President and Chief Financial Officer; Member of the Management Board**	**Executive Vice President and Chief Operating Officer, Ahold USA; Member of the Management Board**	**Chief Operating Officer, Ahold Netherlands and Chief Executive Officer, Albert Heijn**

Lodewijk Hijmans van den Bergh	Hanneke Faber	Abbe Luersman
Executive Vice President and Chief Corporate Governance Counsel; Member of the Management Board	**Chief Commerical Officer**	**Chief Human Resources Officer**
		

Responsible Retailing Steering Committee

Chief Corporate Governance Counsel – chair	Vice President Responsible Retailing	Vice President Product Integrity	Continental and brand responsible retailing leads	U.S. commercial representative	European commercial representative

Awards and rankings 2013

- Ahold scored an average of 74 (out of 100) in the Dow Jones Sustainability Index's World rating – a 9% increase on our 2012 score and only three points lower than the sector leader
- Ahold highlighted as "Green Cooling Leader" by Environmental Investigation Agency for efforts in reducing refrigerant leakage, phasing our harmful HFCs and covering cooling cabinets
- Ahold in the Netherlands recognized as "Top Employer 2013" for the fifth consecutive year by the Corporate Research Foundation (CRF) Institute
- Ahold in the Netherlands ranked eighth in Top 100 Best Employers by Effectory and Intermediair
- Albert Heijn named most popular employer for part-time work, according to research by the Intelligence Group
- Albert Heijn won "Rank a Brand" Supermarket Award for being the most sustainable supermarket in the Netherlands
- Albert Heijn's XL format ranked most popular among Dutch customers according to GfK's Summer Report
- Albert in the Czech Republic ranked third in the responsible retailer category of the 10th edition of the TOP Responsible Company competition by "Business for Society" organization
- At Ahold USA, 27 women honored as *Progressive Grocer*'s 2013 "Top Women in Grocery"
- Ahold USA named among top supplier diversity programs for women by *Professional Woman's Magazine*
- Ahold USA recognized by U.S. Environmental Protection Agency (EPA) for outstanding contributions to the EPA's s Food Recovery Challenge
- Giant Carlisle division awarded Simply the Best award by *Harrisburg* magazine for the 15th year in a row

Scope of reporting

Included in reporting | Excluded due to non-materiality | Excluded due to accurate or complete data not being available

This 2013 report covers Ahold's responsible retailing (RR) strategy, practices and performance during the period from December 31, 2012 to December 29, 2013.

Ahold reports progress on the targets it has set for each of its five RR priority areas: healthy living, community well-being, our people, responsible products, and care for the environment. The standards that are used follow the Global Reporting Initiative (GRI G3.0, including relevant aspects of the food processing sector supplement) protocol, and Ahold qualifies for application level B+ according to GRI indicators. Ahold has been publishing RR Reports since 1998, and has been doing so annually since 2007.

The scope of the 2013 report has been determined based on Ahold's RR priority areas and the principles of materiality and completeness. Our priority areas were selected on the basis of their relevance to Ahold's business model, to its stakeholders, and to those areas where Ahold can make a meaningful difference. The sustainability issues that are covered are based on ongoing interaction with our businesses, stakeholders, and involvement in international associations and roundtables.

The RR reporting scope excludes results from Ahold's joint venture with JMR. The shareholders' agreement is that Ahold does not have unilateral decision-making authority over JMR, including decisions on the strategic, financial and operational direction of the companies. JMR delivers its own report, including references to their corporate and social responsibility strategies and policies.

Information relating to our RR strategy and our progress against its targets is reviewed for significance and materiality from an economic, environmental, and social perspective. The report features information that is material in relation to our total revenue, environmental footprint, and in terms of social impact and sustainability issues.

When reporting on our targets, the inclusion (or exclusion) of specific businesses is based on a materiality assessment of the companies, with all excluded companies (per reported account) producing less than 2% of Ahold's total sales.

The RR reporting structure follows the segment consolidation that is also applied in the Annual Report. The reported segments are Ahold USA (Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro), the Netherlands (Albert Heijn, Etos, Gall & Gall, albert.nl, bol.com and Ahold Coffee Company) and Czech Republic (Albert).

From an operational scope perspective, the RR Report includes the following parts of the business:

- All stores, irrespective of whether the stores are owned by Ahold or franchised
- Ahold-owned distribution centers; all transportation from distribution centers to stores, irrespective of whether they are owned by Ahold or outsourced

The scope of this RR Report excludes:

- Direct store deliveries, business travel and offices, due to their limited materiality to our overall performance in our care for the environment priority area
- Outsourced distribution centers, which do not qualify for inclusion according to the GRI criteria of control, influence and impact

In 2013, we reviewed the materiality and relevance of each of our priority areas for each of our businesses (see tables following). The scope of reporting follows this assessment.

Healthy living

	Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group	Report on customers' perception of Ahold's businesses as leading healthy retailers
Ahold USA (excluding Peapod)	●	●
Peapod	●	●
Albert Heijn	●	●
Etos	●	●
Gall & Gall	●	●
albert.nl	●	●
bol.com	●	●
Ahold Coffee Company	●	●
Albert, Czech Republic	●	●

Scope of reporting (continued)

Included in reporting | Excluded due to non-materiality | Excluded due to accurate or complete data not being available

Community well-being

	Measure and report on the number of stores participating in at least one community well-being event	Measure and report on our donations	Measure and report on food donations to food banks	Measure and report on the number of children educated as part of our healthy living programs
Ahold USA (excluding Peapod)	●	●	●	●
Peapod	●	●	●	●
Albert Heijn	●	●	●	●
Etos	●	●	●	●
Gall & Gall	●	●	●	●
albert.nl	●	●	●	●
bol.com	●	●	●	●
Ahold Coffee Company	●	●	●	●
Albert, Czech Republic	●	●	●	●

Our people

	Report on our progress on associate engagement	Report on our progress on associate participation in healthy living programs	Report on our progress on rolling out sustainability programs
Ahold USA (excluding Peapod)	●	●	●
Peapod	●	●	●
Albert Heijn	●	●	●
Etos	●	●	●
Gall & Gall	●	●	●
albert.nl	●	●	●
bol.com	●	●	●
Ahold Coffee Company	●	●	●
Albert, Czech Republic	●	●	●

Scope of reporting (continued)

Included in reporting | Excluded due to non-materiality | Excluded due to accurate or complete data not being available

Responsible products

	Ensure that 80% of our own-brand food suppliers are certified against GFSI recognized standards by 2012	Ensure that 100% of our own-brand suppliers in high-risk countries are audited on social compliance by 2012	Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015	Map the environmental footprint of 50% of our own-brand suppliers and their supply chains by 2015	Report on the number of products reviewed against our 4R packaging guidelines
Ahold USA (excluding Peapod)	●	●	●	●	●
Peapod	●	●	●	●	●
Albert Heijn	●	●	●	●	●
Etos	●	●	●	●	●
Gall & Gall	●	●	●	●	●
albert.nl	●	●	●	●	●
bol.com	●	●	●	●	●
Ahold Coffee Company	●	●	●	●	●
Albert, Czech Republic	●	●	●	●	●

Care for the environment

	Reduce CO_2 per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline	Report on the percentage of food waste compared to total food sales	Reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015	Eliminate landfill as a disposal method by 2020	Ensure that all businesses have implemented a communication policy to encourage customers to reduce, re-use and recycle by 2013
Ahold USA (excluding Peapod)	●	●	●	●	●
Peapod	●	●	●	●	●
Albert Heijn	●	●	●	●	●
Etos	●	●	●	●	●
Gall & Gall	●	●	●	●	●
albert.nl	●	●	●	●	●
bol.com	●	●	●	●	●
Ahold Coffee Company	●	●	●	●	●
Albert, Czech Republic	●	●	●	●	●

Reporting process

Ahold's 2013 RR Report was reviewed by our recently appointed external auditor PricewaterhouseCoopers Accountants N.V. ("PwC"). Our RR Reports between 2009 and 2012 were reviewed by our former external auditor Deloitte Accountants B.V. No external review was performed of Ahold's 2008 Report.

The following conditions per priority area apply to the data in this report.

Healthy living

Ahold measures sales of healthy products as a percentage of the total food sales. The decision to exclude non-food sales was taken to avoid distortion from category changes that have no influence on Ahold's performance as a healthy retailer. For the healthy sales and product data, 100% completeness and accuracy cannot be guaranteed due to the manual data gathering process. The percentage of healthy sales in 2009 was reviewed by our former external auditors. 2012 healthy living sales have been re-stated as value added tax was incorrectly included in Q3 and Q4 data.

Community well-being

100% completeness on the contributions and donations cannot be guaranteed due to the manual data gathering process.

Responsible products

All data provided is for production sites that have been mapped as part of the process of mapping our own-brand supply chain. GFSI percentages are reported as a percentage of sales for Ahold USA, and as a percentage of suppliers for our European businesses. For all own-brand products, 100% completeness and accuracy cannot be guaranteed due to the manual data gathering process.

In critical commodities, the percentage of sales of each commodity in our own-brand products that is sustainably sourced is based on the key product categories for which these commodities are relevant. The product categories included are:

- coffee: all coffee
- tea: black tea, green tea and red bush tea
- cocoa:
  - chocolate bars, tablets and candies
  - seasonal products: Easter, Christmas and Sinterklaas
  - bakery: chocolate muffins
- seafood: fresh and frozen seafood
- palm oil: reporting on segregated palm oil is excluded from the baseline review, as we currently cannot directly link the amount of segregated palm oil to products with 100% accuracy
- soy: reporting on certified soy is excluded from the baseline review, as we cannot directly link the amount of certified soy in our products' supply chains with 100% completeness

Care for the environment

In relation to our CO_2 reduction target, the majority of the data reflect actual consumption. Where possible, this is an automated process, but in some cases, such as gas, fuel, district heating, electricity and water consumption, they are a combination of actual consumption and extrapolation based on sample stores. In other cases, where actuals and extrapolations could not be applied, best estimates were used. To report on leakage of refrigerant substances, waste types and waste disposal methods, data has been provided by third-party service providers, which was only partly audited. Food waste data includes extrapolations from one division to the total Ahold USA data.

CO_2 conversion factors

The total CO_2 emission calculation is the sum of the CO_2 emissions of fuel, electricity, district heating, gas and leakage of refrigerant substances. Since the consumption of those elements is not measured in CO_2 kilograms, conversion factors from other units of measurement are applied.

For electricity, each country has its own conversion factor, which is updated each year. The sources of the electricity conversion factors are the International Energy Agency for Europe and the Environmental Protection Agency for the United States. Each year, the 2008 baseline year is re-calculated using the latest electricity CO_2 conversion factors. Sources for conversion factors are from the 2013 Defra report.

- Sources for converting fuel and gas: July 2012 Guidelines for Defra Greenhouse Gas Conversion Factors for Company Reporting and Handboek CO_2 prestatieladder 2.1.
- Sources for converting electricity: International Energy Agency (IEA), 2009, and Environmental Protection Agency (EPA) eGrid2012, version 1.0.
- Source for converting refrigerant substances: Climate Change 2007 – The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel Climate Change (IPCC).

Data revisions

The historic CO_2 data have been adjusted based on the updated conversion factors as mentioned in the previous section. The following table shows the impact of the changes.

CO_2 emissions

	2012			2011			2010			2009			2008		
thousands of metric tons	Before	After	Impact	Before	After	Impact	Before	After	Impact	Before	After	Impact	Before	After	Impact
Ahold USA	1,584	1,501	–5%	1,653	1,569	–5%	1,708	1,622	–5%	1,682	1,592	–5%	1,661	1,569	–6%
The Netherlands	287	314	9%	294	322	10%	316	345	9%	391	427	9%	356	389	9%
Czech Republic	208	231	11%	195	219	12%	211	236	12%	229	256	12%	221	247	12%
Total Group	**2,079**	**2,046**	**–2%**	**2,142**	**2,110**	**–1%**	**2,235**	**2,203**	**–1%**	**2,302**	**2,275**	**–1%**	**2,238**	**2,205**	**–1%**

2012 healthy living sales have been re-stated as value added tax was incorrectly included in Q3 and Q4 data.

Healthy living

percentage of total food sales	Before	After	Impact
Ahold USA	24.5	24.5	0.0
The Netherlands	26.3	25.3	–1.0
Czech Republic	9.6	9.6	0.0
Total	**24.3**	**24.0**	**–0.3**

In November 2013, Ahold reached an agreement to sell our business in Slovakia, where we formerly operated 24 stores. In this report, we have considered Slovakia to be a discontinued operation, and have not included it in our reported figures. We have performed an impact analysis of the contribution of Slovakia to our figures, and concluded that for all indicators the impact of Slovakia is below 2% of our total business.

Global Reporting Initiative

The Global Reporting Initiative (GRI) is a global, multi-stakeholder network of business professionals, representatives from labor organizations, investors, accountants and others, who work together to develop an internationally accepted standard for sustainability reporting. Ahold has been reporting according to GRI guidelines since 2006, because they are recognized as the most representative reporting standard for sustainability issues.

The guidelines recognize issues relating to environmental and social priorities, the running of the business and the products sold. Ahold's RR Report includes a selection of indicators that are the most relevant and material to our priority areas, and therefore to our business and stakeholders. We have also benchmarked these indicators against our peers and competitors. Every year, we review the indicators selected, and we are continually working to improve our data collection processes.

The GRI framework outlines several levels of reporting compliance, depending on a company's capabilities and ambitions. A summary of our compliance is included in the GRI cross-reference table below. In 2013, we reported according to the GRI G3.0 Guidelines (including relevant aspects of the food processing sector supplement), complying with level B. Our RR Report 2013 has been reviewed by Ahold's external auditor, PricewaterhouseCoopers, which has provided limited assurance. This has enabled us to achieve application level B+ again this year.

GRI indicator		Included	Page
1. Strategy and analysis	1.1	Yes	6-7
	1.2	Yes	6-7, 10-11, AR[1] (17-32, 62-67)
2. Organizational profile	2.1	Yes	Title page, 73
	2.2	Yes	5
	2.3	Yes	3, 5, AR (2-15)
	2.4	Yes	73
	2.5	Yes	5, AR(2-15)
	2.6	Yes	AR (116-117)
	2.7	Yes	3, 5, AR (5)
	2.8	Yes	38-39, AR (2-15, 33-47, 76, 79-156)
	2.9	Yes	AR (116-117, 79-156)
	2.10	Yes	57

1 AR refers to Ahold's 2013 Annual Report

Global Reporting Initiative (continued)

GRI indicator		Included	Page
3. Report parameters			
Report profile	3.1	Yes	58
	3.2	Yes	58 www.ahold.com/CR-Reports
	3.3	Yes	58
	3.4	Yes	73
Report scope and boundary	3.5	Yes	10-11,12, 58-60, 61
	3.6	Yes	58-60, 61
	3.7	Yes	58-60, 61
	3.8	Yes	58-60, 61
	3.9	Yes	61
	3.10	Yes	61, 62
	3.11	Yes	58-60, 61, 62
GRI content index	3.12	Yes	63-67, 68
Assurance	3.13	Yes	61, 63-67, 68,69
4. Governance, commitments and engagement			
Governance	4.1	Yes	AR (49-52, 53-57)
	4.2	Yes	AR (49-52, 53-57, 58-61)
	4.3	Yes	Ahold does not have a unitary board. It is governed based on a two-tier model.
	4.4	Yes	73, AR (54-55, 182-183) www.ahold.com/Corp-gov/Documentation
	4.5	Yes	AR (53-57, 68-71)
	4.6	Yes	AR (53-57)
	4.7	Yes	AR (49-52, 53-57)
	4.8	Yes	AR (62-67) www.ahold.com/Corp-gov/Documentation
	4.9	Yes	56, AR (53-57, 58-61, 62-67)
	4.10	Yes	AR (68-71)

Global Reporting Initiative (continued)

GRI indicator		Included	Page
4. Governance, commitments and engagement (continued)			
Commitments to external initiatives	4.11	Yes	AR (62-67)
	4.12	Yes	12-14
	4.13	Yes	12-14, 40-45 www.ahold.com/Stakeholders
Stakeholder engagement	4.14	Yes	12
	4.15	Yes	12
	4.16	Yes	12
	4.17	Yes	6-7, 10-11, 12-15
Economic performance indicators	Management approach to economic responsibility	Yes	18-19, 31-33, 56 AR (5, 16-32, 62-67, 74-78, 79-156)
Economic performance	EC1	Yes	31, AR (74-78)
	EC2	Yes	48-51, AR (62-67)
	EC3	Yes	AR (121-130)
	EC4	Yes	No significant financial assistance received from government.
Market presence	EC6	Partially	www.ahold.com/Stakeholders
Indirect economic impacts	EC9	Yes	31-33, 40-45
Environmental performance indicators	Management approach on environmental responsibility	Yes	10-11, 20-21, 24-25, 35-37, 48-51, 56, 69 www.ahold.com/Care-environment
Energy	EN3	Yes	53
	EN4	Yes	52
	EN5	Yes	48-51, 52, 53
	EN6	Yes	48-51
	EN7	Partially	48-51
Water	EN8	Yes	54
	EN9	Yes	We do not currently operate in water-stressed areas.

Global Reporting Initiative (continued)

GRI indicator		Included	Page
Emissions, effluents and waste	EN16	Yes	52
	EN18	Yes	48-51
	EN19	Partially	52
	EN22	Yes	53-54
Products and services	EN26	Partially	40-45, 48-51
Transport	EN29	Partially	48-51, 53
Social performance indicators: Labor practices and decent work	Management approach on labor and work responsibility	Yes	35-37, AR (62-67) www.ahold.com/Stakeholders
Employment	LA1	Yes	38
Diversity and equal opportunity	LA13	Yes	38-39, AR (49-52)
Social performance indicators: Human rights	Management approach on human rights responsibility	Yes	22-23, 40-45, 56 www.ahold.com/Stakeholders
Investment and procurement practices	HR1	Partially	22-23, 40-45
	HR2	Partially	22-23, 40-45, 46-47
Freedom of association and collective bargaining	HR5	Yes	40-45, AR (62-67) www.ahold.com/Corp-gov/Documentation
Child labor	HR6	Yes	40-45, AR (62-67) www.ahold.com/Corp-gov/Documentation
Forced and compulsory labor	HR7	Yes	40-45, AR (62-67) www.ahold.com/Corp-gov/Documentation
Social performance indicators: Society	Management approach on societal responsibility	Yes	16-17, 18-19 ,27-29, 31-33, 56, AR (62-67, 79-156) www.ahold.com/Corp-gov/Documentation
Community	FP4	Yes	27-29, 30, 31-33, 34
	SO3	Partially	www.ahold.com/Corp-gov/Documentation
	SO5	Yes	12-14, 27-29, 40-45

Global Reporting Initiative (continued)

GRI indicator		Included	Page
Social performance indicators: Product responsibility	Management approach on product responsibility	Yes	22-23, 40-45, 56 www.ahold.com/Corp-gov/Documentation www.ahold.com/Privacy-policy
Customer health and safety	PR1	Yes	40-45, 48-51
	FP5	Yes	40-45
	FP6	Partially	27-29, 30
	FP7	Partially	27-29, 30
Product and service labeling	PR3	Partially	12, 40-45, 47, 48-51
	FP8	Partially	27-29
Marketing communications	PR6	Partially	12, 16-17, 27-29 www.ahold.com/Corp-gov/Documentation
Sourcing performance indicators	Management approach on sourcing	Yes	22-23, 40-45 www.ahold.com/Responsible-products
Across all aspects of sourcing	FP1	Partially	40-45 www.ahold.com/Responsible-products
	FP2	Partially	40-45, 47

Global Compact

The United Nations Global Compact is an initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Ahold's own principles align with those of the Global Compact, and we have been striving for high standards against these principles for some time. We signed the Global Compact in 2010, and continue to report on our own operations and strategies in relation to these principles annually.

Global Compact principles

Issue areas	Global Compact principles	Page
Human rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	20-21, 22-23, 35-37, 40-45 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
	Principle 2 – Businesses should make sure that they are not complicit in human abuses.	20-21, 22-23, 35-37, 40-45 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
Labor	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	20-21, 22-23, 35-37, 40-45 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	20-21, 22-23, 35-37, 40-45 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
	Principle 5 – Businesses should uphold the effective abolition of child labor.	22-23, 40-45 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	20-21, 35-37 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders
Environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	24-25, 48-51
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	22-23, 24-25, 40-45, 48-51
	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	24-25, 48-51
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	www.ahold.com/Corp-gov/Documentation

External assurance report

To: the Management Board of Koninklijke Ahold N.V.

Report on the Responsible Retailing Report

Our conclusion

Our engagement consisted of review procedures. For a correct understanding of our conclusion you have to read our complete assurance report.

Based on our review procedures, we conclude that nothing has come to our attention that would cause us to believe that the Responsible Retailing Report 2013, in all material respects, does not provide a reliable and adequate presentation of the policy of Koninklijke Ahold N.V. for sustainable development, or of the activities, events and performance of the organization relating to sustainable development during the reporting year, in accordance with the Ahold reporting criteria.

What we have reviewed

We have reviewed the content of the Responsible Retailing Report of Koninklijke Ahold N.V., Zaandam ("Ahold") in which Ahold renders account of the performance related to sustainability in 2013.

We do not provide any assurance on the assumptions and feasibility of prospective information, such as targets, expectations and ambitions, included in the Responsible Retailing Report.

The Ahold reporting criteria

Ahold developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) as disclosed on pages 58 – 61, *Scope of reporting* and *Reporting* process. These reporting criteria contain certain inherent limitations which may influence the reliability of the information. The Responsible Retailing Report does not cover the information for all entities of Ahold as the Responsible Retailing Report only includes data from the entities disclosed on page 58-60, *Scope of reporting*. We consider the reporting criteria to be relevant and appropriate for our examination.

The basis for our conclusion

We planned and performed our work in accordance with Dutch law, including Standard 3410N "Assurance engagements relating to sustainability reports."

Review procedures focus on obtaining limited assurance, which does not require exhaustive gathering of evidence as in audit engagements. Consequently, a review engagement provides less assurance than an audit.

Our most important review procedures were:

- Performing an external environment analysis and obtaining insight into the branch, relevant social issues, relevant laws and regulations and the characteristics of the organization
- Assessing the acceptability of the reporting policies and consistent application of this, such as assessment of the outcomes of the stakeholder dialogue and the process for determining the material subjects, the reasonableness of estimates made by management, as well as evaluating the overall presentation of the Responsible Retailing Report
- Reviewing the systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the Responsible Retailing Report
- Reviewing internal and external documentation to determine whether the information presented in the Responsible Retailing Report is substantiated adequately
- Assessing the consistency of the Responsible Retailing Report and the information in the Annual Report 2013
- Reviewing the application level according to the G3 Guidelines of GRI

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

Our responsibilities and the responsibilities of the board of management

The Management Board of Ahold is responsible for the preparation of the Responsible Retailing Report in accordance with the Ahold reporting criteria.

We are responsible for providing an assurance report on the Responsible Retailing Report, based on our review procedures.

Amsterdam, February 26, 2014
PricewaterhouseCoopers Accountants N.V.

P. van Mierlo RA

Other information

In this section:

Glossary	71
Contact us	73
Cautionary notice	73

Glossary

ASC
Aquaculture Stewardship Council.
A certification program with a consumer label for sustainable aquaculture.

Audit program
A program to evaluate supplier compliance against a set of a specific requirements (a standard).

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

Brand
For a list of Ahold's brands, see the *Our brands and how we operate* section of the Annual Report.

BSCI
Business Social Compliance Initiative. A non-profit organization, supporting 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.

Carbon footprint
The total set of greenhouse gas emissions caused directly and indirectly by an individual, organization, event or product. A carbon footprint is measured by undertaking a greenhouse gas emissions assessment.

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

CGF
Consumer Goods Forum. An independent, global, parity-based platform focused on improving non-competitive collaboration. It brings together the CEOs and senior management of over 400 retailers, manufacturers, service providers and other stakeholders from the consumer goods sector across 70 countries.

CO_2
Carbon dioxide. A greenhouse gas.

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

DC
Distribution center.

Dierenbescherming
Dutch animal welfare society.

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

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

EuroCommerce
A representative body for the retail, wholesale and international trade sectors in Europe.

Fairtrade
A certification program with a consumer label that contributes to sustainable development by offering better trading conditions to disadvantaged producers (often in countries in developing nations), and by protecting their rights.

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

FMI
Food Marketing Institute. The trade association for the U.S. retail industry.

Food waste
The food component of shrink (stores and warehouses), which is discarded, as a percentage of total sales. In contrast to shrink, this food waste percentage excludes theft, food bank donations, cash shortages and other product losses.

FSC
Forest Stewardship Council. FSC is an independent, non-governmental, non-profit organization established to promote the responsible management of the world's forests.

GFSI
Global Food Safety Initiative. A CGF activity that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs.

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

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

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

GRI
Global Reporting Initiative. An international, multi-stakeholder initiative that provides a standard for environmental and social sustainability reporting.

Group
All brands that are in scope of this report as defined in the *Scope of reporting* section of this report.

GSSI
Global Seafood Sustainability Initiative. A global initiative that aims to assess the compliance of seafood sustainability programs against internationally accepted Food and Agriculture Organization (FAO) Guidelines for Seafood Eco-labeling.

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

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

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

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

ILO
International Labour Organization. A United Nations agency dealing with labor issues, particularly international labor standards and decent work for all.

Incineration
The burning of trash and garbage.

IEA
International Energy Agency. An autonomous intergovernmental organization working on energy research, forecasts, publications and statistics on four focus areas: energy security, economic development, environmental awareness, and engagement worldwide.

Glossary (continued)

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

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

Last-stage of production sites
The suppliers at the stage in our supply chain where our products are manufactured or produced.

LED
Light-emitting diode. LEDs produce more light per watt than incandescent bulbs.

LEED
Leadership in Energy and Environmental Design. LEED consists of a suite of rating systems for the design, construction and operation of high-performance green buildings, homes and neighborhoods.

Materiality
The point at which a topic becomes relevant both in the context of a company's business and its stakeholders' interests.

MSC
Marine Stewardship Council. A certification program with a consumer label for well managed, sustainable fishing.

MWh
Megawatt hour. This is a unit of energy.

MyPlate
Nutrition guide published by the U.S. Department of Agriculture, depicting a place setting with a plate and glass divided into five food groups. It replaced the previous MyPyramid guide in 2011.

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

NGO
Non-governmental organization.

NCDs
Non-communicable diseases. A medical condition or chronic disease, which by definition is non-infectious and non-transmissible among people. Such diseases may result from genetic or lifestyle factors.

NCHS
National Center for Health Statistics. A principal agency of the U.S. Federal Statistical System which provides information to guide actions and policies to improve health.

NR
Not reported.

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

Own brand
Own-brand products include store brands, exclusive brands and non-branded products, including fruit and vegetables, meat, seafood and dairy.

Rainforest Alliance
A certification program with a consumer label that aims to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior.

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

RR
Responsible retailing. A pillar of the Reshaping Retail at Ahold strategy.

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

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

Shrink
All product losses in our stores as a percentage of total sales. This includes all forms of losses such as theft, food bank donations, stock differences, expired products, markdowns, unsalable discontinued items, damages and cash shortages.

SRI
Socially responsible investment. Any investment strategy which seeks to consider both financial return and social good.

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

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

TSC
The Sustainability Consortium. A global platform that drives scientific research and collaboration to develop global science-based measurement and reporting systems and standards for more sustainable products and processes.

USGBC
United States Green Building Council. A private, membership-based non-profit organization that promotes sustainability in how buildings are designed, built, and operated. USGBC is best known for its development of the LEED green building rating systems .

USDA
United States Department of Agriculture.

UTZ Certified
A certification program with a consumer label for responsibly produced and sourced coffee, tea and cocoa, which aims to achieve sustainable agricultural supply chains.

Voedingscentrum
Dutch food center. The authority providing Dutch consumers with evidence-based and independent information about choosing healthy, safe and more sustainable food.

WNF / WWF
The Dutch branch of the World Wildlife Fund. An independent conservation organization, whose mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature.

Zero waste
Zero waste means designing and managing products and processes to systematically avoid and eliminate the volume and toxicity of waste and materials, conserve and recover all resources, and not burn or bury them. Implementing zero waste will eliminate all discharges to land, water or air that are a threat to planetary, human, animal or plant health. Business and communities that achieve over 90% diversion of waste from landfills and incinerators are considered to be successful in achieving zero waste.

Contact us

In order to help us get better every day – especially in terms of responsible retailing and being a better neighbor – we invite dialogue with our stakeholders. We therefore welcome your feedback on this Responsible Retailing Report and on our responsible retailing strategy and targets in general.

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You can also find details of specific members of the Responsible Retailing and Product Integrity teams at Ahold on our website, www.ahold.com.

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