strategic report

our business

Group highlights

Net sales

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

2023	88.7
2024	89.4

Free cash flow[1]

€2.5bn €0.1bn

2023	2.4
2024	2.5

Online sales

€9.2bn 3.4% (+3.5% at constant rates)

2023	8.9
2024	9.2

Dividend per common share

€1.17 €0.07 (46% of net profit)

2023	1.10
2024	1.17

Net income

€1.8bn (5.9)%

2023: €1.9bn

Underlying operating income

€3.6bn 0.1%

2023: €3.6bn

Underlying operating income margin

4.0% 0.0pp

2023: 4.1%

Diluted income per share from continuing operations

€1.89 (2.6)%

2023: €1.94

Diluted underlying income per share from continuing operations

€2.54 0.1%

2023: €2.54

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

Group highlights continued

Own-brand food sales from healthy products

52.4% ↓ 2.4 pp

2024 on the same basis as 2023 (excluding Nutri-Score 2.0 impact):

55.7%

(+0.9pp)

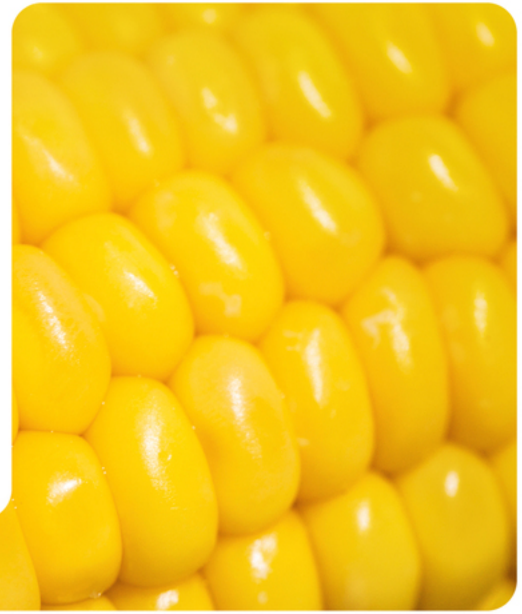
2023	54.8%
2024	52.4%

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

36% ↑ 2 pp

2024: 2,584 kt

2023	34%
2024	36%



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

35% – pp

2023: 35%

Associate engagement

78% –pp

2023: 78%

Industry benchmark: 78%

MSCI index

AA ↓ 1 rating

2023: AAA

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

Message from our CEO

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

Frans Muller
President and CEO of Ahold Delhaize

Read more about our Growing Together strategy on page 17.

Dear readers,

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

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

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

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

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

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

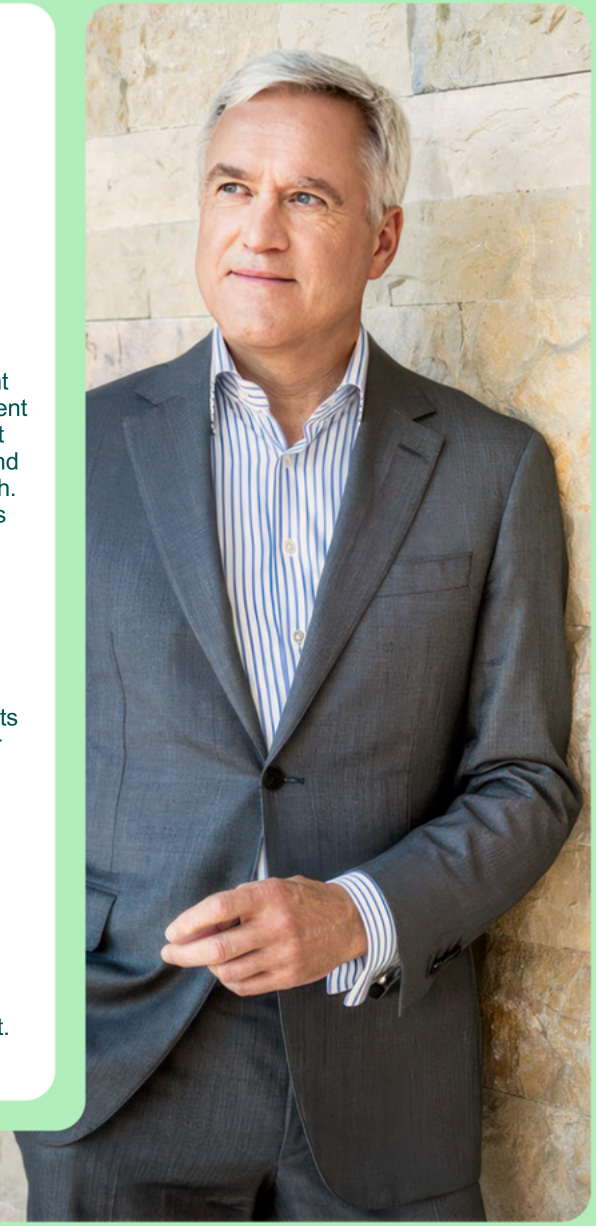
Omnichannel remains key

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

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

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

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



Message from our CEO continued

Healthy communities & planet

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

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

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

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

Lowering costs to innovate

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

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

Meeting our financial goals

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

Our new Growing Together strategy

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

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

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

Looking toward 2025

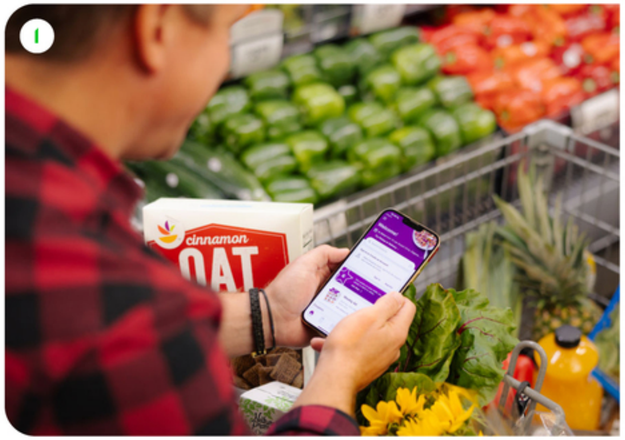
2025 is going to be an important year for Ahold Delhaize, as it marks the first year of our new Growing Together strategy. We have identified business targets for the six priorities within our strategy, to fuel the growth model. Focusing on our financial expectations, Ahold Delhaize aims to deliver both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

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

Frans Muller
President and CEO

Year in review

First quarter



Streamlined support ①

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

Quarter century of success ②

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

25

years

Speedy delivery ③

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

Shedding light on menopause

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

Climate hubs

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

8

climate hubs

Green funding

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

Second quarter

Growing Together launch ④

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

Partnering for progress

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

Affordable own brands ⑤

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

7,700

Price Favorite products

Premium loyalty

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

Year in review continued

Third quarter

Positioning for growth 6

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

Committed to respecting human rights 7

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

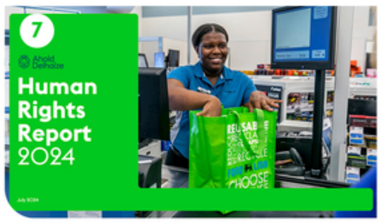
See our *website* for more stories and news.

Working together for better customer apps 8

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

6

unified apps launched



Fourth quarter

Neighborly support 9

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

$4 million

disaster relief

Green power 10

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

Wallet-friendly prices 11

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

Fit for the future

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

From a to B Corp

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

Our great local brands

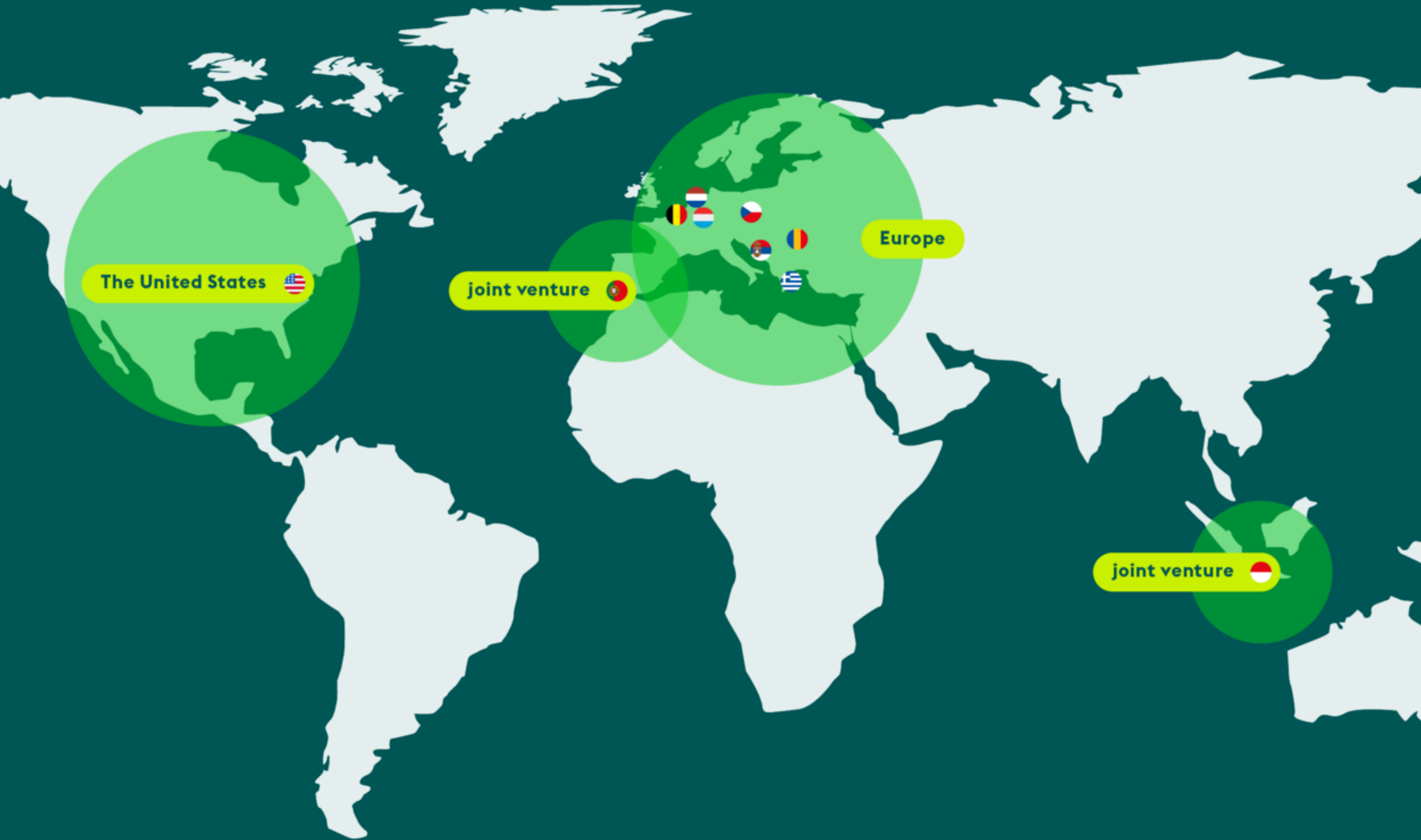
388,000
associates[1]

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

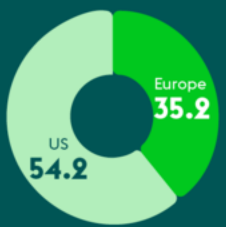
16
great local consumer-facing brands[2]

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

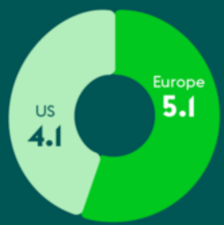
1. Excluding our joint venture brands' associates
2. Excluding joint venture brand with minority stake and Profi (acquisition closed January 2025)
3. Excluding our joint venture brands' stores



net sales
€89.4bn



online sales
€9.2bn



Our great local brands continued

The United States

read more on page 14

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

2,017 -31
stores
2023: 2,048

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

Food Lion

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

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

1,109 +1
stores

760 +96
pick-up points

Stop & Shop

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

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

362 -33
stores

354 -24
pick-up points

The GIANT Company

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

Market area: Maryland, Pennsylvania, Virginia and West Virginia

193 –
stores

187 -2
pick-up points

Hannaford

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

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

189 +2
stores

172 +1
pick-up points

Giant

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

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

164 -1
stores

162 –
pick-up points

Our great local brands continued

Europe

read more on page 14

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

5,748 +80
stores
2023: 5,668

276 +7
pick-up points
2023: 269

Albert Heijn

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

Market area:
The Netherlands and Belgium

1,276 +8
stores

59 –
pick-up points

bol.

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

Market area:
The Netherlands and Belgium

47,000
approximate number of partners

Etos

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

Market area:
The Netherlands

510 -13
stores

Gall & Gall

SINDS 1884

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

Market area: The Netherlands

629 +1
stores

Delhaize

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

Market area: Belgium and Luxembourg

818 –
stores

120 –
pick-up points

albert

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

Market area:
Czech Republic

347 +7
stores

Our great local brands continued

Europe continued

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

Market area: Greece

613 +42
stores

97 +7
pick-up points

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

Market area: Greece

14 –
stores

0 –
pick-up points

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

Market area: Romania

985 +8
stores

0 –
pick-up points

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

Market area: Serbia

556 +27
stores

0 –
pick-up points

joint ventures

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

Market area: Indonesia

1997
established

51%
ownership

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

Market area: Portugal

1992
established

49%
ownership

Our great local brands continued

Service brands

Ahold Delhaize USA

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

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

Ahold Delhaize EU&I

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

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

Supporting brand and retail media networks

AD/01

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

Ad Retail Media (EU)

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

AD Retail Media (U.S.)

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

Acquired in 2025

Profi

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

our growing together strategy

Introducing our Growing Together strategy

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

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

External structural shifts are expected to impact our core business

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

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

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

Omnichannel is essential

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

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

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

Evolving consumer preferences

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

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

Technological shifts

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

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

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

Sustainability transformation

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

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

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

Introducing our Growing Together strategy continued

our growing together strategy

our purpose

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

our vision

together, we are your trusted local food retailer

our values

teamwork
Together, we take ownership, collaborate and win.

integrity
We do the right thing and earn customers' trust.

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

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

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

strategic priorities

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

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

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

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

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

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

Introducing our Growing Together strategy continued

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

our growth model

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

our strategic priorities

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

Introducing our Growing Together strategy continued

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

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

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

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

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

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

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

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

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

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

Our strategic priorities

thriving people

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

aspirations

#1 or 2
employer of choice

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

Our strategic priorities continued
Thriving people continued

Why is this a strategic priority?

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

What are we doing about it?

Local

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

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

Future-proof

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

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

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

Inclusive

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

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

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

Giving associates a voice in the boardroom

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

NextCo members

Our strategic priorities continued

healthy communities & planet

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

ambitions 2025-2028

net zero
across our value chain by 2050

grow
healthy sales

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

Our strategic priorities continued
Healthy communities & planet continued

How local partnerships contribute to system change

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

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

Why is this a strategic priority?

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

What are we doing about it?

Healthy communities

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

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

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

Healthy planet

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

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

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

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

Our strategic priorities continued

vibrant customer experiences

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

ambitions 2025-2028

~30m
monthly active app users

80%
omnichannel loyalty sales

Our strategic priorities continued
Vibrant customer experiences continued

Why is this a strategic priority?

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

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

What are we doing about it?

Driving omnichannel engagement

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

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

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

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

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

Growing personalization and loyalty

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

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

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

Enhancing the customer shopping experience

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

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

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

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

Our strategic priorities continued

trusted product

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

ambitions 2025-2028

enhance
price position

~45%
own-brand food share

Our strategic priorities continued
Trusted product continued

Thinking big and using scale to improve value locally

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

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

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

Why is this a strategic priority?

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

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

What are we doing about it?

Driving price, value and assortment

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

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

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

Own brands

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

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

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

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

Our strategic priorities continued

driving customer innovation

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

ambitions 2025-2028

€3bn
complementary income streams

accelerate
innovation

Our strategic priorities continued
Driving customer innovation continued

Why is this a strategic priority?

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

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

What are we doing about it?

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

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

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

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

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

We will accelerate complementary income streams across:

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

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

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

Less food waste with more AI

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

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

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

Our strategic priorities continued

portfolio & operational excellence

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

ambitions 2025-2028

differentially **invest & grow**

€5bn Save for Our Customers

Our strategic priorities continued
Portfolio & operational excellence continued

Strengthening local connections to grow market share

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

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

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

Why is this a strategic priority?

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

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

What are we doing about it?

Portfolio excellence

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

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

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

Operational excellence

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

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

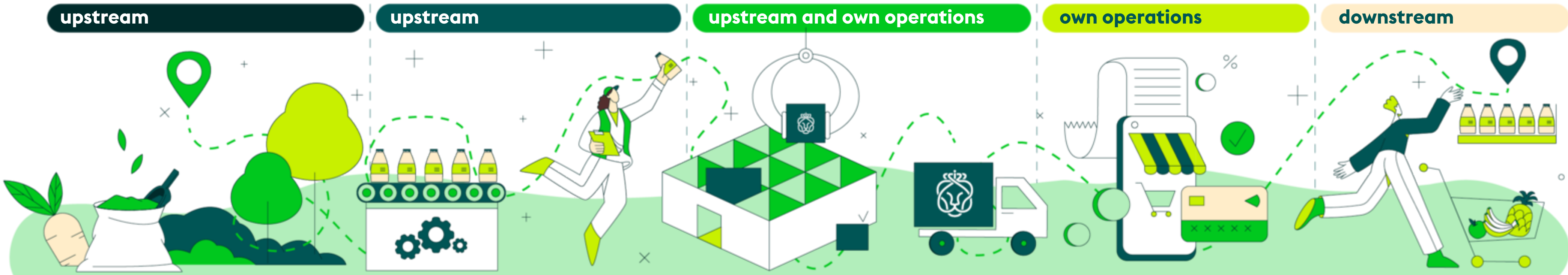
We invest in the tech that powers our supply chain – such as developing the infrastructure the U.S. DCs operate on. We deliver better customer experiences through tech-powered investments in our brands' stores, such as electronic shelf labels in Europe and handheld technology that frees associates to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

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

Save for Our Customers

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

Our value chain



value chain

raw materials

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

production and transport

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

warehouse and distribution

Vendors deliver products to our brands' DCs.

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

retail

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

customer experience

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

stakeholders*

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

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

Our value creation model

Inputs

(In)tangible capital

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

16 great local brands

Our brands operate **7,765** stores

Human capital

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

Our brands employ **388 thousand** associates worldwide

81% inclusion (2023: 81%)

Natural capital

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

Fresh food **45%** of total sales

96% certified palm oil in own-brand products

Financial capital

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

€500 million green bond issued

Free cash flow **€2.5bn**

Outputs

Our customers

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

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

Our associates

78% associate engagement (2023: 78%)

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

Our communities

2.6 Mt CO_2-equivalent scope 1 and 2 emissions

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

Our shareholders

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

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

Outcomes

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

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

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

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

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

performance review

Targets and results

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

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

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

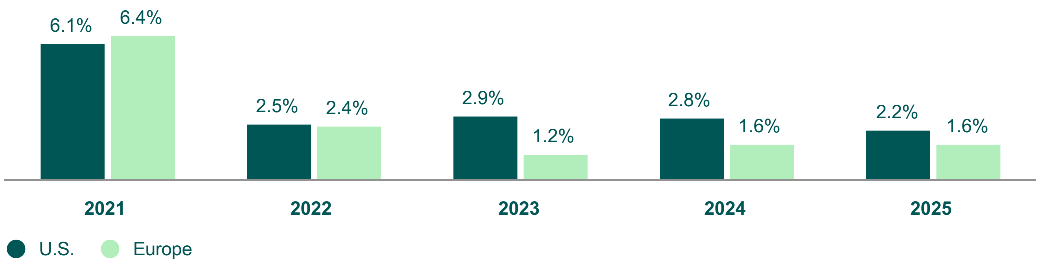
Financial group review
Macroeconomic trends

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

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

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

Real GDP growth[3] (%)



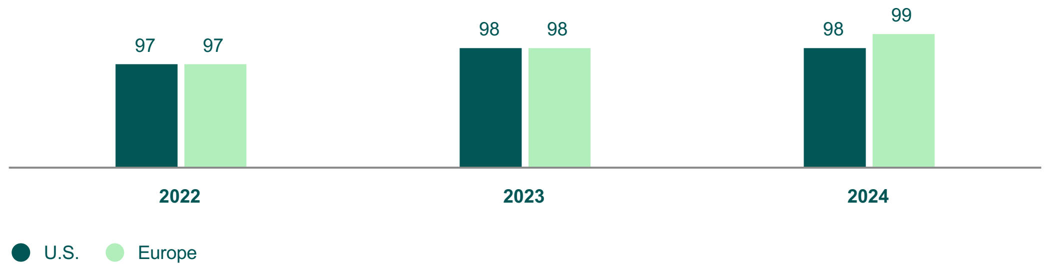
1. Source: "Data mapper," International Monetary Fund (IMF)
2. Source: "Economic Outlook," Organization for Economic Co-operation Development (OECD)
3. Real GDP represents the total value at constant prices of final goods and services produced in a country within a specific time period. 2025 reflects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

Consumer confidence improved marginally

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

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

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



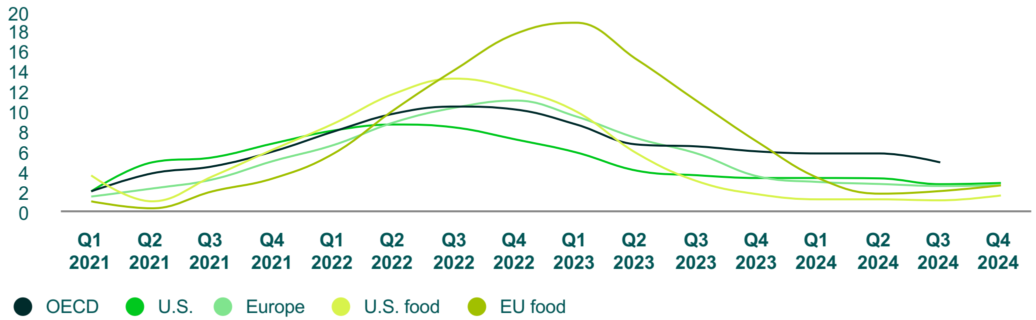
Source: OECD: Main Economic Indicators; Calculation method: CCI, Amplitude adjusted, Long-term average = 100, yearly average change

Declining inflation continued in 2024

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

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

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



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

Financial group review continued
Macroeconomic trends continued

Grocery spending divergence per region

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

Source: Flywheel Retail Insights

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

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

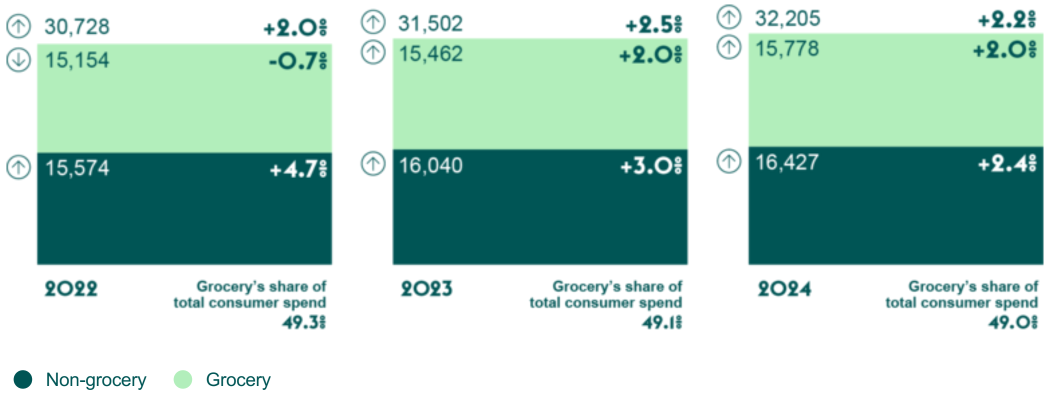
2024 was another year of macroeconomic uncertainty, although some recovery of consumer behavior can be identified. The main trends included a weakening of brand loyalty, more frequent purchasing of private-label products, prioritization of price, and focus on wellness and fitness, including an increased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

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

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

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

Global consumer spending development
(grocery and non-grocery)



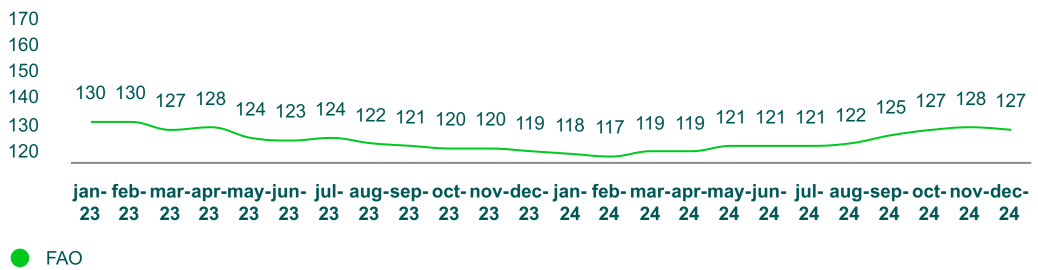
Source: Flywheel Retail Insights (Market – Global Consumer Trends in USD at 2024 exchange rate; the values for 2022-2023 have been restated by Flywheel; new methodology excludes services and B2B).

Food commodity prices increased

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

Source: FAO

FAO food price index
(2014-2016 = 100)



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

Financial group review continued
Macroeconomic trends continued

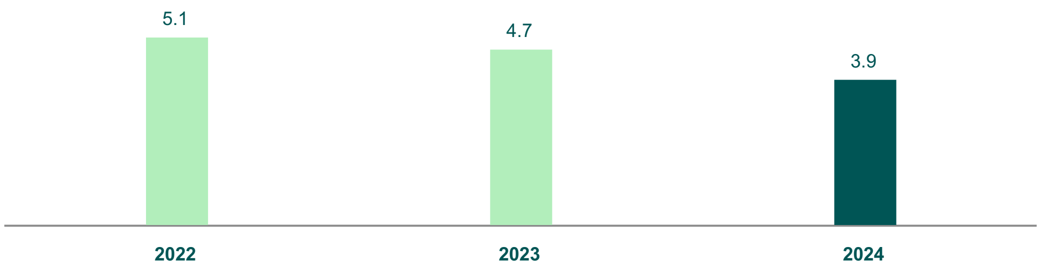
Nominal wages continued to increase in 2024

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

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

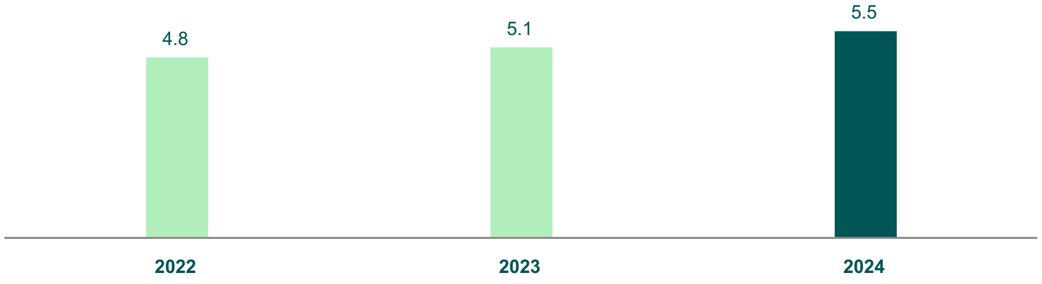
1. Source: U.S. Bureau of Labor Statistics, news release on Employment Cost Index, October 2024
2. Source: U.S. Bureau of Labor Statistics
3. Source: "Euro indicators," Eurostat
4. Source: "Labour market and wage developments in Europe 2024," Eurostat – EU commission

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



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

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

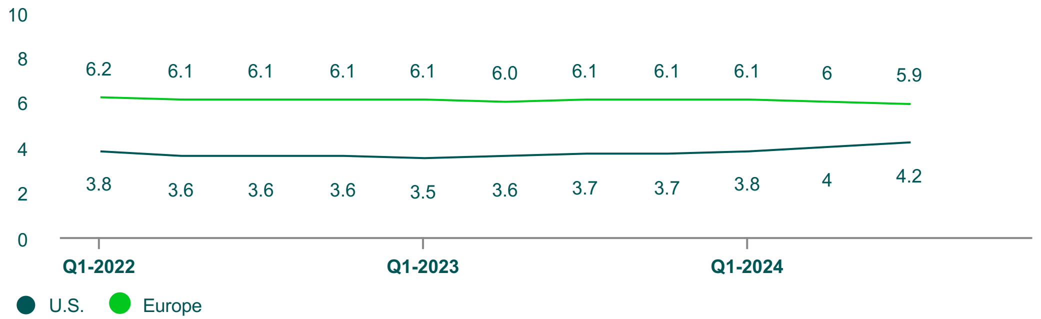


Source: Eurostat (Labor cost index); data for prior years has been restated by the Eurostat; 2024 is average Q1-Q3.

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

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

Monthly unemployment rates
(%)



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

Financial group review continued
Macroeconomic trends continued

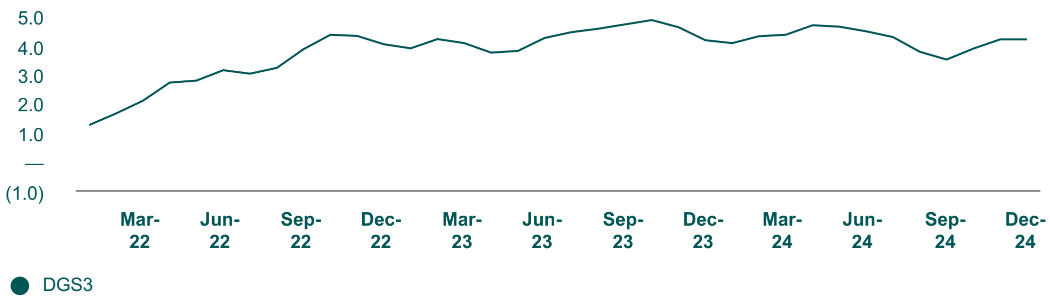
Interest rates

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

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

Source: Federal Reserve Bank of St. Louis

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



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

Foreign exchange rate volatility

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

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

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

Source: Average exchange rates 2023-2024, Bloomberg

Financial group review continued
Group key financial indicators

Net sales
€89.4bn 0.9%*
0.7% vs. 2023

Comparable sales growth (excluding gasoline sales)
1.2%

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

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

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

Free cash flow
€2.5bn €0.1bn

*At constant rates.

Group performance

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

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

Financial group review continued
Group performance

Shareholders

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

Other information

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

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

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

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

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

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

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

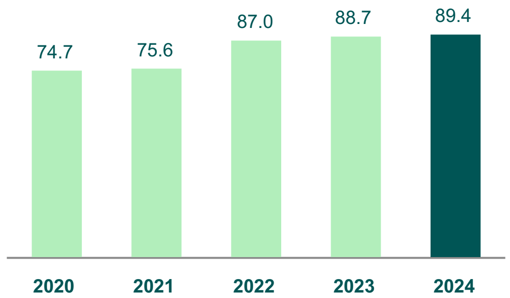
Although cost of sales increased slightly, other expenses remained in line with 2023, driven by tight cost management and our Save for Our Customers cost-savings program. This, in addition to the strong sales performance and performance recovery in Belgium as a result of the Belgium Future Plan, resulted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

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

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

Financial group review continued
Group performance continued

Net sales over time
(€ billion)



Net sales contribution by segment

The United States	60.7%
Europe	39.3%

Increase in net sales in the face of portfolio updates

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

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

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

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

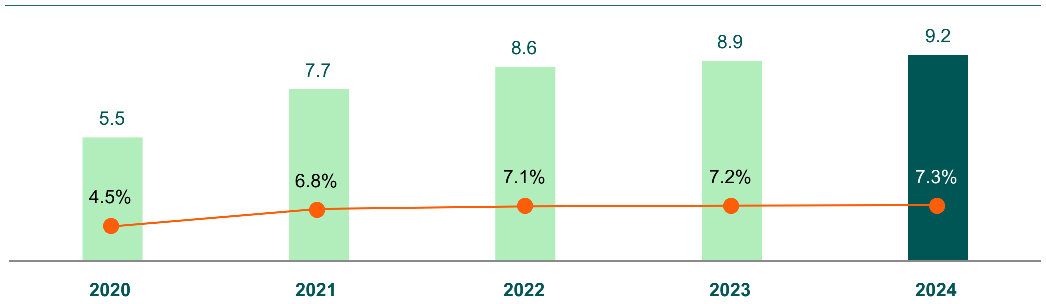
Net sales split by category

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

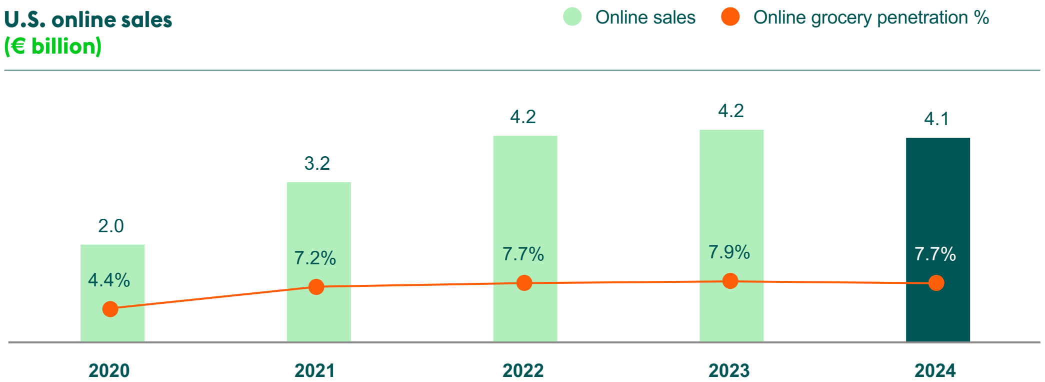
1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

Financial group review continued
Group performance continued

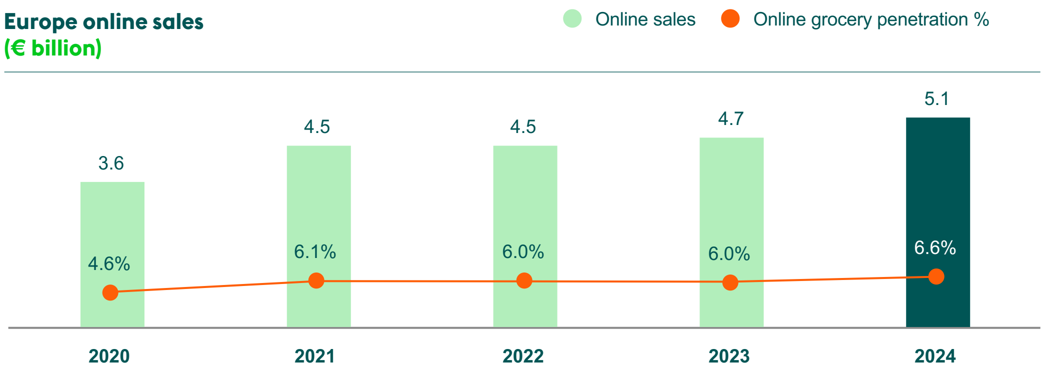
Online sales (Group)
(€ billion)



U.S. online sales
(€ billion)



Europe online sales
(€ billion)



Strong online sales growth

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

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

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

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

Financial group review continued
Group performance continued

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

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

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

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

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

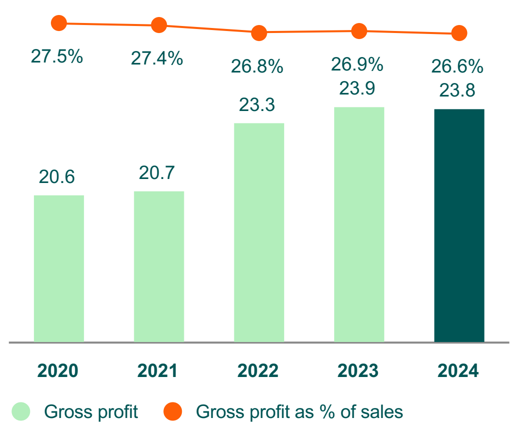
To continue making progress on our successful digital advertising business, in 2024, Albert Heijn, bol and Delhaize again launched new features, with Albert Heijn proclaimed the "most innovative media player of the year" in the Netherlands.

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

Stable gross profit

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

Gross profit
(€ billion)

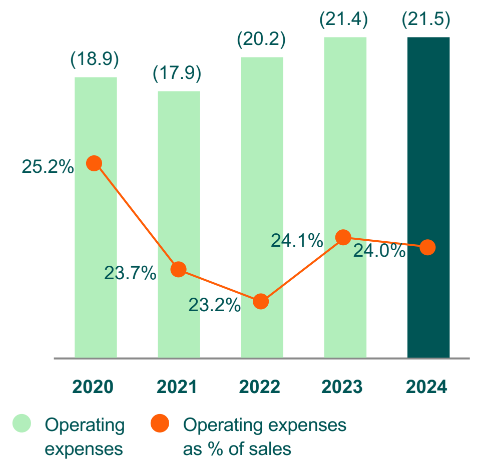


Operating expenses

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

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

Operating expenses
(€ billion)



Financial group review continued
Group performance continued

Impairment losses and reversals – net

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

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

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

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

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

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

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

Restructuring and related charges and other items

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

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

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

Operating income

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

Net financial expenses

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

Income taxes

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

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

Share in income of joint ventures and associates

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

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

Financial group review continued
Group performance continued

Underlying operating income and underlying operating income margin

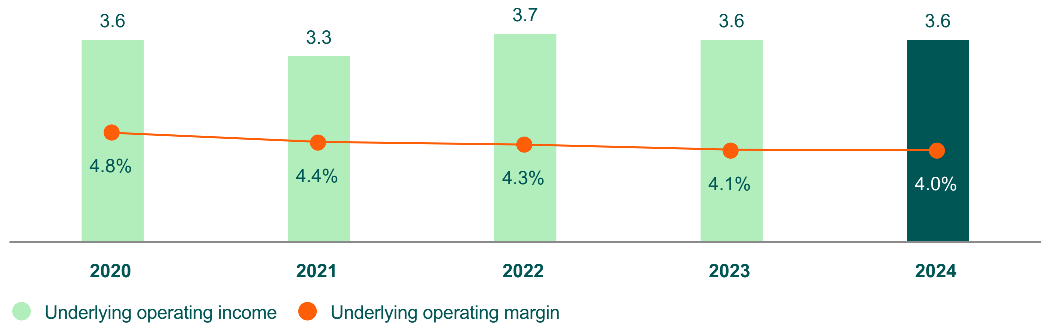
Underlying operating income was €3,608 million in 2024, up €4 million, or 0.1%, versus €3,604 million in 2023. At constant exchange rates, underlying operating income increased by 0.2%, compared to 2023. The contribution by segment was 64% by the U.S., and 36% by Europe. Underlying operating income margin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

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

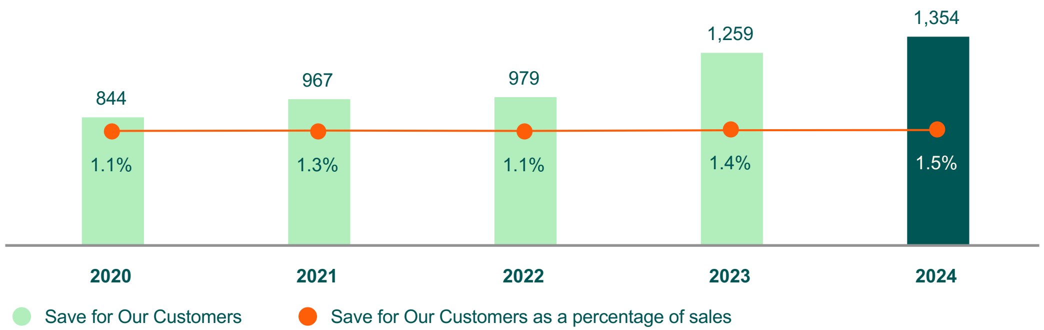
Our Save for Our Customers program achieved a record high level in 2024, delivering €1,354 million and positively impacting our gross profit and operating expenses. This result is due to the cost-savings initiatives in Europe and the U.S. that were initiated over the past 12 months.

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

Underlying operating income (€ billion)



Save for Our Customers (€ million)



Financial group review continued
Financial position

Financial position

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

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

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

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

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

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

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

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

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

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

Financial group review continued
Debt

Debt

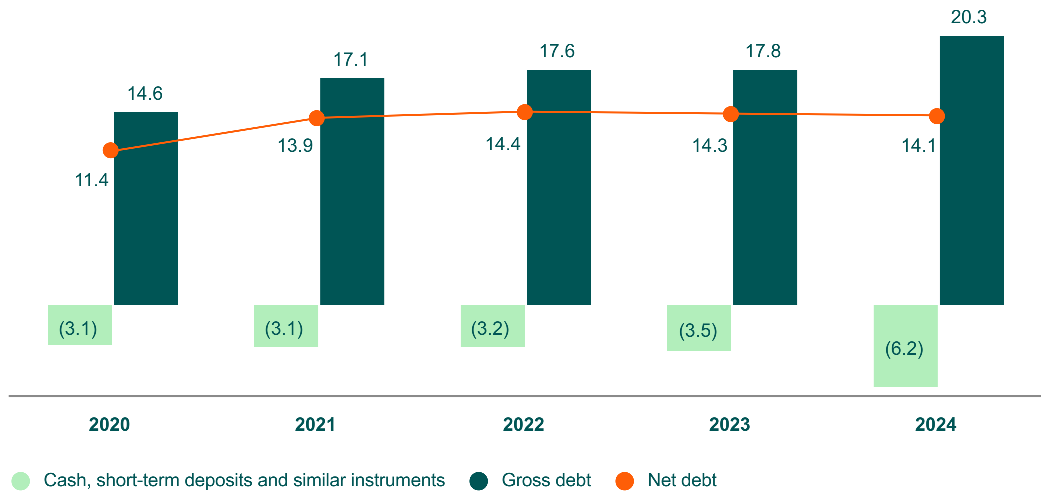
€ million	December 29, 2024	December 31, 2023
Loans	**5,175**	4,137
Lease liabilities	**10,809**	10,545
Non-current portion of long-term debt	**15,985**	14,682
Short-term borrowings and current portion of long-term debt[1]	**4,330**	3,085
Gross debt	**20,315**	17,766
Less: cash, cash equivalents, short-term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

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

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

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

Gross and net debt
(€ billion)



Financial group review continued
Liquidity position

Liquidity position

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

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

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

Group credit facility

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

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

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

Credit ratings

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

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

Financial group review continued
Cash flows

Consolidated cash flows

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

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

Free cash flow

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

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

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

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

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

Financial group review continued
Capital investments and property overview

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

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

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

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

Capital expenditures

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

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

Financial group review continued
Capital investments and property overview continued

Number of stores

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial group review continued
Tax transparency and responsibility

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

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

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

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

Transparency

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

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

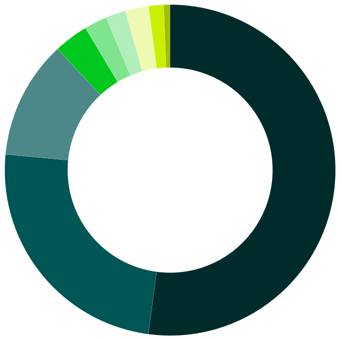
The total tax contribution and corporate income tax payments that were reported per country are summarized below.

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

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

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

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



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

Financial group review continued
Tax transparency and responsibility continued

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

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

Tax incentives

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

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

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

Wage tax credits

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

Capital investment credits

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

Research and development (R&D) incentives

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

Accountability and governance

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

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

Tax in control statement

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

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

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

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

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

Financial group review continued
Tax transparency and responsibility continued

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

Compliance

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

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

Relationships with tax authorities

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

Stakeholder engagement

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

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

Business structure

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

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

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

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

Financial group review continued
Earnings and dividend per share

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

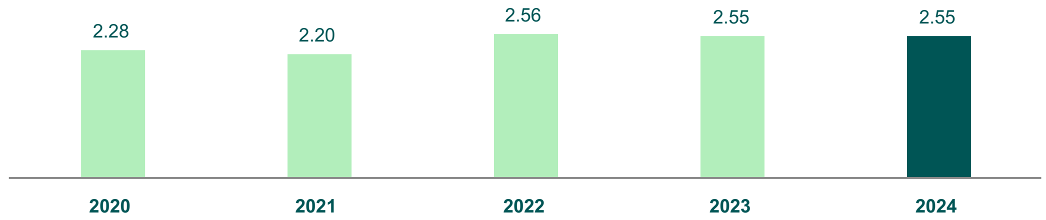
Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to €2,370 million in 2024 and €2,451 million in 2023. As part of our dividend policy, we adjusted income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

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

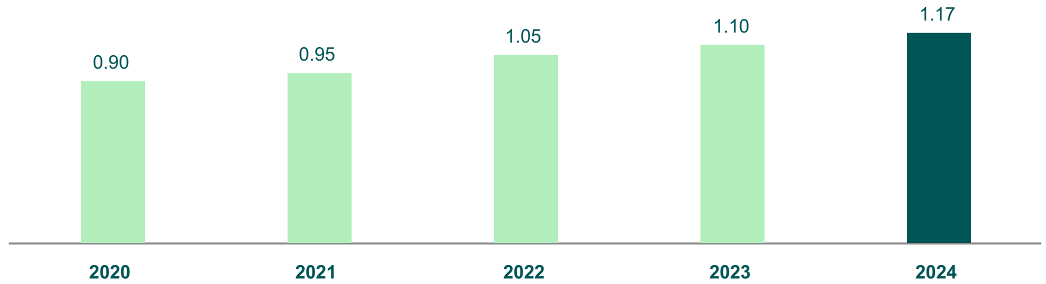
If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024. In 2024, dividend payments totaled €1,037 million (vs. €1,044 million in 2023).

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

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



Dividend per common share, amounts in €



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

Financial review by segment

Key financial and non-financial information

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

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

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

Financial review by segment continued
United States

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

Comparable sales growth (excluding gasoline sales)
0.8%

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

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

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

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

*At constant rates.

The United States segment

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

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

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

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

Financial review by segment continued
United States continued

Own-brand food sales

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

Net sales by category

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

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

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

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

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

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

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

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

Financial review by segment continued
Europe

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

Comparable sales growth (excluding gasoline sales)
2.0%

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

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

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

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

*At constant rates.

Europe segment

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

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

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

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

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

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

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

Financial review by segment continued
Europe continued

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

Own-brand food sales

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

Net sales by category

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

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

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

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

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

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

Financial review by segment continued
Ahold Delhaize Group

Ahold Delhaize Group

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

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

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

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

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

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

Outlook

Summary

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

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

Changes to our strategy

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

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

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

Noteworthy changes to our business to come in 2025

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

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

Overall market conditions and differences between regions

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

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

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

Sales growth in 2025

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

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

Outlook continued

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

Maintaining healthy margins in 2025

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

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

Saving for our customers

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

Gross capital expenditure of around 2.7 billion[1]

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

1. Excludes M&A

Sustained strong free cash flow generation

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

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

Returning capital to shareholders continues

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

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

Focus on our people

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

Healthy communities & planet

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

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

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

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

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

Information about Ahold Delhaize shares

Shares and listings

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

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

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

Structure: Sponsored Level I ADR

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

Share performance in 2024

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

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

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

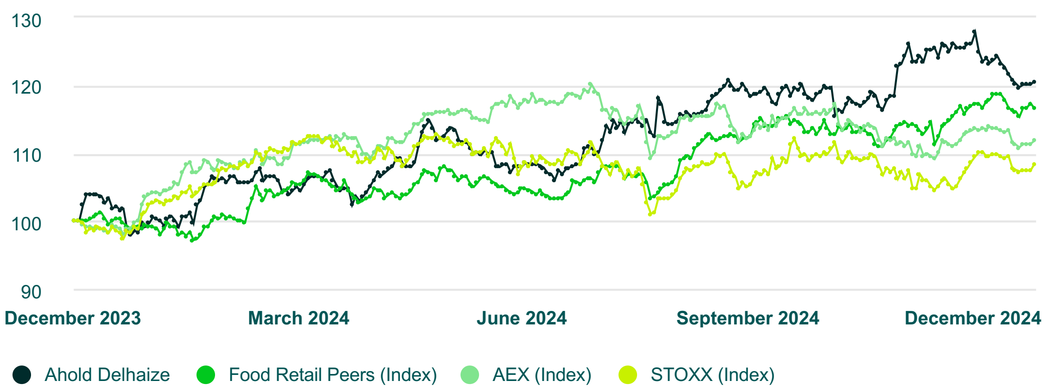
On December 27, 2024, the closing price of Ahold Delhaize's ADR was $32.75, 14.0% higher than the closing price on December 29, 2023 ($28.74). In the same period, the Dow Jones Index increased by 12.9% and the S&P 500 increased by 23.3%. In 2024, the average daily trading volume of Ahold Delhaize ADRs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

Performance of Ahold Delhaize's common shares on Euronext Amsterdam

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

Source: Bloomberg

Ahold Delhaize share price performance



Ahold Delhaize share price (€)

Information about Ahold Delhaize shares continued

Earnings per share

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

Share capital

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

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

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

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

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

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

Distribution of shares

Shareholders by region[1]

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

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

Significant ownership of voting shares

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

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

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

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

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

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

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

Shareholder returns

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

Information about Ahold Delhaize shares continued

Shareholders KPIs 2020-2024

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

1. 2024 dividend subject to the approval of the AGM

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

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

Share buyback

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

Multiple year overview

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

Results, cash flow and other information

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

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

Multiple year overview continued

Balance sheet and other information

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

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

risks and opportunities

ERM principal risk profile

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

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

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

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

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

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

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

Strategic risks

- Competitive environment
- Omnichannel and digital growth

Operational risks

- Supply chain and business continuity
- Cybersecurity
- Organized labor
- People

Compliance risks

- Data privacy
- Regulatory environment
- Product safety

Financial risks

- Macroeconomic and sociopolitical developments

Sustainability risks

- Climate and nature-related risks
- Stakeholder expectations on material sustainability matters

The 2024 risk trend is defined as follows:

Increasing | Flat | Decreasing

ERM principal risk profile continued

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

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

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

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

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

See *Our Growing Together strategy* for more information.

Opportunities

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

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

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

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

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

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

Principal risks and uncertainties

Strategic risks

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Operational risks

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Operational risks

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Compliance risks

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Compliance risks

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Financial risks

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

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

Risk trend
- Increasing
- Flat
- Decreasing

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

Principal risks and uncertainties continued

Sustainability risks

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

Risk trend
- Increasing
- Flat
- Decreasing

Strategic priorities
- Thriving people
- Healthy communities & planet
- Vibrant customer experiences
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Principal risks and uncertainties continued

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

Additional risks and uncertainties

Pensions and other post-employment benefits

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

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

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

Other financial risks

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

Insurance

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

Artificial intelligence

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

Principal risks and uncertainties continued

Sensitivity analysis

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

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

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

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