

# Sustainability Policy

Business / functional owner:	Sustainability Leadership Team (SLT)
ExCo / Management Board owner:	Chief Sustainability Officer (CSO)
Approved by:	Executive Committee (ExCo)
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## Introduction

This policy provides a common foundation that enables Ahold Delhaize and its brands to lead the transition to a healthy and sustainable food system. It describes the purpose and guidelines for Ahold Delhaize's global Sustainability and Environmental, Social and Governance (ESG) topics.

The topics in this policy are based on Ahold Delhaize's Leading Together strategy including its Health & Sustainability and Best Talent growth drivers. This policy includes information on the key Sustainability and ESG topics for Ahold Delhaize, at the same time Ahold Delhaize has stand-alone policies in place for several other topics like remuneration or corporate governance elements. Each year a review of this policy will be conducted, and topics will be added or updated where relevant. The updated policy will be reviewed and approved by the Executive Committee.

## Our ambition

At Ahold Delhaize and its brands, health and sustainability is "[Grounded in Goodness](#)," which means making healthy and sustainable choices accessible and available to all. To deliver on our strategy, we focus on healthier people and a healthier planet and the belief that the world's health crisis and climate crisis are intrinsically connected. We believe that if we get it right for ourselves, we usually also get it right for the planet; and acting responsibly today is imperative to securing a better tomorrow for generations to come.

## Our approach to sustainability and ESG

Ahold Delhaize and its brands' approach to sustainability and ESG topics starts with our efforts to better understand the world we live in; the challenges we face in the short, medium and long term; and what our stakeholders expect of us. Using this knowledge, we determine the topics where we have, or can have, the most impact or that impact us the most. For more information on our approach to assessing impact, see our materiality assessment and our material topics which we publish yearly in our annual report.

Through the mapping of these external requirements to our strategy and growth drivers, we have made commitments and set targets, ambitions and aspirations in

several focus areas, such as reducing our carbon footprint and food waste, further increasing healthy sales of own-brand products, improving own-brand plastic product packaging and aiming for 100% diverse and inclusive workplaces.

## How we manage sustainability and ESG

The Executive Committee, supervised and advised by the Supervisory Board (and its Sustainability Committee), has accountability for setting strategy and driving performance. The Chief Sustainability Officer (CSO), who is a member of the Executive Committee, is accountable for the success of Ahold Delhaize's integral vision, strategy and goals relative to all aspects of environmental sustainability, healthy eating, social impact (including human rights, associate health, safety and well-being).

A cross-functional Sustainability Leadership Team (SLT), chaired by the CSO, represents the main dimensions of health and sustainability, social impact and related governance in the organization. It includes support functions such as Finance, Communications, Legal and Public Affairs.

The Global Support Office (GSO) Health & Sustainability function reports directly to the CSO, while the Chief Human Resources Officer (CHRO) remains functionally responsible for HR aspects, including diversity, equity and inclusion (DE&I) goals and ambitions.

Brand leadership is responsible for establishing and resourcing implementation plans and monitoring performance around locally relevant sustainability and ESG topics.

## Environmental

### Climate change

We are committed to addressing and reducing the direct and indirect greenhouse gas (GHG) emissions across our operations and value chain. We have identified short-term (interim) and long-term (net zero) targets, and priority opportunities across scope 1, 2 and 3. In establishing the interim and net zero target, we followed the methodology of the Science Based Target initiative, which is in line with a pathway to limiting temperature rise to 1.5C.

More information on how we are reducing carbon emissions in our own operations and across our value chain can be found in our [Climate Plan](#) and in the [climate impact](#) section on the Ahold Delhaize website.

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

We are committed to follow the guidance of the Taskforce Climate-related Financial Disclosures (TCFD). The TCFD divides climate-related risks into two major categories: risks related to the transition to a lower-carbon economy (transition risks) and risks related to the physical impacts of climate change (physical risks). We leverage our current risk management process and use scenario analysis to assess climate-related transition and physical risks to identify potential impact on our company.

More information on how we implement the TCFD guidance can be found in our [Annual Report](#).

### Food waste

Ahold Delhaize and its brands are committed to contribute to a food system that ensures everyone has access to nutritious food for generations to come. Our policy is based on the Food Recovery Hierarchy; We have a three-pronged approach to reducing food waste across our brands' operations, including stores, warehouses and transport. We divert surplus food to food banks and charities when possible and

we aim to send food no longer suitable for human consumption to other recycling methods, to divert it from landfill.

We have identified short-term and long-term targets for our food waste reduction. In establishing the long-term target for 2030, we aligned with Sustainable Development Goal 12.3. We measure and track our performance according to the Food Loss and Waste (FLW) protocol.

More information on how we work to reduce food waste can be found in our [Annual Report](#), and on the [food waste](#) section of the Ahold Delhaize website.

### **Sustainable packaging**

We are committed to move to a more circular system to reduce the negative impacts of plastic product packaging and our brands are focused on where we can have a direct impact.

We have identified targets to reduce the use of virgin plastic in our own brand primary product packaging. We follow the methodology of the Ellen McArthur Foundation (EMF) Global Commitment to assess the recyclability of own brand primary product packaging.

More information, including targets, progress and how we work to reduce the impact of plastic product packaging can be found in our [Annual Report](#), and on the [plastic waste](#) section of the Ahold Delhaize website.

### **Deforestation**

Ahold Delhaize and its brands aim to achieve zero deforestation and conversion through 100% sustainable sourcing of soy, palm oil, cocoa, coffee, tea and wood fiber for our own-brand products. We have specific policies taking the High Conservation Value approach and the No Deforestation, No Peat, and No Exploitation principle into account on soy, palm oil, wood fiber and beef. We use risk assessments to detect other forms of deforestation or conversion.

More information can be found on the [deforestation and conversion](#) section of the Ahold Delhaize website. More information on our performance on sustainable sourcing of soy, palm oil, cocoa, coffee, tea and wood fiber for our own-brand

products can be found on our [sustainable agriculture](#) section of the Ahold Delhaize website.

### **Sustainable agriculture**

Our brands source products from around the world and sell them outside their growing seasons. Bringing products to the stores from outside of local growing regions requires more energy and resources. As a top IO global food retailer, we have a seat at the table to provide input into how food production and sourcing will look in the future and how food can be produced sustainably, with respect to the environment and protecting biodiversity. With our own brand products, we can make an impact, directing what is sold, how it is produced and where.

Ahold Delhaize and its brands support farming approaches that use soil health and fertility as the entry point to regenerate. Therefore, Ahold Delhaize brands work with farmers that use good farming practice approaches and initiatives that have a positive contribution to regenerative agriculture like Global G.A.P., the SAI Platform Farm Sustainability Assessment and certifications like Rainforest Alliance. These approaches minimize soil erosion and compaction, and maintain or improve soil health, including stocks of soil organic matter.

More information can be found on the [sustainable agriculture](#) section of the Ahold Delhaize website.

### **Sustainable Aquaculture**

Ahold Delhaize and its brands are committed to ensuring that our own brand seafood is responsibly sourced. In practice, this means buying seafood with trustworthy certifications recognized by the Global Sustainable Seafood Initiative (GSSI), including the Marine Stewardship Council and Aquaculture Stewardship Council. Where certification is not available, our brands work with partners like WWF in Greece, ILVO in Belgium, or the Gulf of Maine Research Institute (GMRI) and the New England Aquarium (NEAQ) in the US to take a close and critical look at our seafood assortment and help us purchase only low risk seafood.

More information can be found on the [seafood](#) section of the Ahold Delhaize website.

### Animal welfare

Ahold Delhaize acknowledges animal consciousness, understanding they feel pain and experience emotions, and therefore embraces the globally recognized five freedoms of animal welfare as the basis of this approach:

- Freedom of hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behavior
- Freedom from fear or distress

Our approach covers Ahold Delhaize's ambitions for stronger animal welfare standards as they relate to own brand whole or single ingredient products derived from farm animals globally.

Ahold Delhaize does not support the testing of own brand food, pharmaceutical or cosmetic products and their ingredients on animals, nor do we ask suppliers of our own brand products to conduct animal testing on our behalf, unless we have a legal obligation to do so.

More information can be found on the [animal welfare](#) section of the Ahold Delhaize website.

## Social

### Healthy products

Our commitment to healthier people begins with empowering customers and associates and working to develop healthier and more sustainable product assortments.

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

We have set a target to increase the percentage of healthy own-brand food sales as a proportion of total own-brand food sales. More information on our commitments and approach to healthier products can be found in our [Annual Report](#).

### Diversity, Equity and Inclusion (DE&I)

As an international company, our DE&I strategy ensures our approach is relevant to our local brands. Globally, we have a common focus on gender and inclusion; locally, our brands implement and drive DE&I strategies tailored to the communities in which they live, work, and serve. Our Global DE&I strategy includes three pillars critical to advancing this work: our people, our culture, and our communities

#### Our people

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

#### Our culture

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



### **Our communities**

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

Ahold Delhaize and each of its brands recognize and support the right of every individual to receive equitable compensation for their work. We believe that the total value proposition for an associate is more than the wages and benefits they receive. It includes other factors such as working conditions, opportunities to learn and refine skills, safety and the diversity and inclusiveness of the workforce. All of these aspects are important to associates' well-being, and appreciation of their overall working experience

Achieving pay equity is an important mission for each brand and supports our DE&I ambition. Ahold Delhaize and each of its brands have adopted the following six overarching principles to guide equitable compensation:

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

More information on Ahold Delhaize's Diversity, Equity and Inclusion approach can be found in our [Annual Report](#) and on the [Diversity, Equity and Inclusion](#) section on the Ahold Delhaize website.

### **Human rights**

Ahold Delhaize and each of its brands share a set of values and ethical principles that support an ethical culture and that are the foundation of our commitment to conduct our business the right way, every day.

Each of the countries in which Ahold Delhaize and its brands operate maintain basic legal recognition and protection of human rights. We always comply with these legal requirements and we often exceed them. Our commitment to do what is right is based on our collective belief that all people should be treated with dignity and respect and is based on our own ethical principles.

Our commitment to human rights is drafted in accordance with the UN Guiding Principles on Business and Human Rights and further informed by the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. We are a signatory to the United Nations Global Compact and to the Women's Empowerment Principles. In addition, we reference other relevant frameworks to prioritize our Healthy & Sustainable ambitions, including the UN Sustainable Development Goals (SDGs).

We will continue to report on operations and strategies in relation to these principles and goals. Our commitment to human rights is not limited to our own operations. We believe that we have the opportunity to create positive change that extends to the communities we serve and the supply chains that our brands depend upon. Ahold Delhaize and its brands strive to proactively speak up for human rights and create positive impact beyond our own operations and supply chains.

More information on our commitments towards human rights in our own operations and in our value chain can be found in our [Position on Human Rights](#) and in our [Human Rights Report](#).

## Governance

### Data privacy and security

Customers, associates and business partners entrust our brands with their personal data and we must safeguard this information at all times. At Ahold Delhaize and its brands, we strive to use customer data to benefit customers, whether it is checking their home address for grocery deliveries, accessing their shopping history to receive personalized benefits or confirming account details for online orders.

We have established five principles that guide how Ahold Delhaize and its brands manage personal data:

1. We are committed to protecting the personal data of customers, associates, business partners and service providers.
2. We maintain personal data for legitimate business purposes only and are transparent about when and how personal data is collected, used, or shared.
3. We provide customers with reasonable notice and control over their data.
4. We strive to use customer data to benefit customers.
5. We are committed to complying with legal and regulatory obligations everywhere we do business.

### **Business ethics**

Our shared values support an ethical culture and are the foundation of our commitment to conduct our business by doing what's right, every day. Our Code of Ethics supports this commitment by outlining **four ethical principles** that can be applied in our everyday work.

- We respect each other
- We follow the law
- We act ethically in all our relationships
- We have the courage to speak up

More information on our commitments towards business ethics can be found in our [Code of Ethics](#).

### **Product safety**

Ahold Delhaize and its brands take responsibility to maintain the highest levels of safety for our products, with a focus on our own brand products. We work to ensure they are safe and produced in clean, efficient facilities.

We have implemented product safety policies, control frameworks and standard operating procedures at all of our brands.

Our brands perform a variety of quality assurance reviews and audits in stores, distribution centers, and at key suppliers and preferred alternative suppliers.

More information can be found on the '[product safety and sustainability](#)' section of the Ahold Delhaize website.

### **Supply chain management**

We are committed to offering high quality products at a good value to millions of our brands customers. Ahold Delhaize and each of its local Brands are also committed to (i) complying with all applicable laws and regulations in each of the countries in which we operate, (ii) ensuring that the parties that supply Ahold Delhaize and its brands with goods and services (each a “Supplier”) do the same, (iii) validating the origin of goods offered for sale by Ahold Delhaize and its brands, and (iv) maintaining a high standard of business ethics and regard for human rights throughout their supply chain. Therefore, we have created Standards of Engagement to set minimum standards for suppliers.

These [standards of engagement](#) are available on our corporate website.

### **Stakeholder engagement**

As leading global retailers, Ahold Delhaize and its brands are committed to consult with stakeholders on environmental, social and governance topics, and take into account the needs of many different stakeholder groups in our day-to-day business. We define stakeholders as individuals, groups or organizations that can affect or can be affected by our business. The four most impactful stakeholder groups to Ahold Delhaize are customers, associates, shareholders and communities.

The value we create for them depends not only on our own efforts at Ahold Delhaize and the brands, but also by factors in the external environment, market developments and the relationships we build with our stakeholders. They make us better by challenging us, sharing insights into their concerns, offering feedback on how we are doing and collaborating with us to solve problems.

We are committed to transparency and high integrity with everyone who has an interest in our company. We proactively manage relationships to foster open dialogue with, and capture feedback from, our stakeholders in both formal and informal ways throughout the year. Their feedback identifies the areas that are important to them and where they believe we can make an impact. This helps us to

ensure that our ESG strategy and reporting are in line with their expectations and our most significant impacts.

For more information on our stakeholders' expectations, how we engage with them and what we discuss, see our [annual report](#).

### **Sustainability Reporting**

We are committed to monitor ESG and sustainability performance and report progress on commitments stated on an annual basis through the Ahold Delhaize Annual Report or on our global website. This will include both qualitative updates on the actions taken by Ahold Delhaize and its brands to support the commitments made and quantitative information on how Ahold Delhaize performed against its ESG targets and ambitions.