

Second-Party Opinion

Ahold Delhaize Sustainability Bond

Evaluation Summary

Sustainalytics is of the opinion that the Ahold Delhaize Sustainability Bond Framework is credible and impactful and aligns with the Green Bond Principles 2018, Social Bond Principles 2018 and Sustainability Bond Guidelines 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics views investments into the procurement of sustainable products, climate impact and promotion of healthier food to have positive environmental or social impacts and to advance the following UN Sustainable Development Goals: (2) Zero Hunger, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (12) Responsible Consumption and Production and (14) Life Below Water.



PROJECT EVALUATION / SELECTION Ahold Delhaize's internal process in evaluating and selecting projects is aligned with market practice. The company will establish a Sustainability Bond Committee to facilitate the project evaluation and selection process. The Committee includes the Vice President of Sustainable Retailing and the Senior Vice President of Treasury. The Sustainable Retailing team conducts the first screen of potential projects and provides its recommendation to the Committee, who makes the final approval.



MANAGEMENT OF PROCEEDS Ahold Delhaize's processes for management of proceeds is aligned with market practice. The Sustainability Bond Committee will be responsible for tracking the allocation of proceeds to eligible projects and expenditures. Pending full allocation, Ahold Delhaize will hold the balance of unallocated proceeds within its treasury, invested at its discretion in money market instruments or to repay commercial paper. Projects will be periodically assessed for eligibility and ineligible projects will be removed from the project portfolio.



REPORTING Ahold Delhaize intends to report allocation proceeds and relevant impact metrics on an annual basis on the company's website. Sustainalytics views Ahold Delhaize's allocation and impact reporting as aligned with market practice.

Evaluation date	June 2019
Issuer Location	Zaandam, Netherlands

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For inquiries, contact the Sustainable Finance Solutions project team:

Ankita Shukla (New York)
Project Manager
ankita.shukla@sustainalytics.com
(+1) 617 603 3329

Evan Bruner (Amsterdam)
Project Support
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Paramjot Kaur (New York)
Client Relations
susfinance.americas@sustainalytics.com
(+1) 646 518 0184

Introduction

Ahold Delhaize is a Dutch food retail company operating supermarket and e-commerce businesses in 11 different countries across the globe. One of the world's largest food retailers, the company serves more than 50 million customers per week across the globe.

Ahold Delhaize has developed the Ahold Delhaize Sustainability Bond Framework (the "Framework") under which it intends to issue sustainability bonds and use the proceeds to finance/refinance, in whole or in part, existing/future projects that contribute to increased supply chain sustainability, reduce carbon emissions, reduce food waste and provide customers with access to healthy food. The Framework defines eligibility criteria in the following six Eligible Project Categories:

Procurement of sustainably-produced products

1. Environmentally Sustainable Management of Living Natural Resources and Land Use

Climate impact

2. Renewable Energy
3. Energy Efficiency
4. Green Buildings
5. Pollution Prevention and Control

Promote healthier eating

6. Access to Healthy Food

Ahold Delhaize engaged Sustainalytics to review the Ahold Delhaize Sustainability Bond Framework, dated June 2019, and provide a second-party opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2018 (SBG).¹ This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of Ahold Delhaize's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Ahold Delhaize's sustainability bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Ahold Delhaize Sustainability Bond Framework and should be read in conjunction with that Framework.

¹ The Sustainability Bond Guidelines are administered by the International Capital Market Association: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The Ahold Delhaize Sustainability Bond Framework is available on Ahold Delhaize's website: <https://www.aholddelhaize.com/en/investors/bond-information/sustainability-bonds/>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Ahold Delhaize Sustainability Bond Framework

Sustainalytics is of the opinion that the Ahold Delhaize Sustainability Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. Sustainalytics highlights the following elements of the Ahold Delhaize Sustainability Bond Framework:

- Use of Proceeds:
 - The six use of proceeds categories are recognized as impactful by the SBG which adheres to the GBP 2018 and the SBP 2018. Proceeds will be used to finance or refinance eligible projects during the past 24 months preceding the issue date through to the maturity date of the Sustainability Bond. Ahold Delhaize intends to allocate expenditures related to procurement of sustainable resources in the year of bond issuance.
 - Some proceeds will be used to finance operational expenditures (OPEX), namely sustainable cocoa, coffee, tea and seafood sourcing. Sustainalytics believes that such expenditures will be important to contribute to positive environmental impacts through Ahold Delhaize's supply chain. Ahold Delhaize is monitoring expenditures for sustainably sourced products per certification and can allocate and match these expenditures specifically to the bond proceeds, verifying that OPEX is directly tied to eligible certification schemes.
 - Ahold Delhaize will source from a number of schemes.³ Sustainalytics recognizes that these third-party certification schemes differ in their standards, application and scale of impact. Schemes like UTZ, Rainforest Alliance, Fairtrade, Aquaculture Stewardship Council (ASC) and Marine Stewardship Council (MSC) have been assessed by Sustainalytics and are viewed as credible and impactful. Ahold Delhaize intends to source seafood from all certification schemes that have been formally recognized by the Global Sustainable Seafood Initiative (GSSI). GSSI has been assessed, along with the other certification schemes, in Appendix 1. Sustainalytics notes that the GSSI criteria do not cover social sustainability criteria; issues related to working conditions and slavery are not covered by the benchmark. The GSSI criteria are based on several credible reference documents⁴ which Sustainalytics recognizes as credible and impactful, however the limitations regarding social sustainability criteria are also acknowledged.
 - Expenditures related to the installation of an "Urban Farm"⁵ will include the development of a rooftop garden that is used to grow vegetables on-site, thereby contributing to providing locally grown vegetables and reducing carbon emissions from distribution. The farm will also be used to provide educational programs and workshops for schools. Sustainalytics has a positive view on this use of proceed and believes that such initiatives may encourage further innovation and create more efficient use of rooftops in the food retail industry.
 - The company will invest in renewable energy infrastructure including solar technology and bio-digesters. The company has specified in their Framework that feedstocks for bio-digestion will come from waste sources.
 - The company will invest in energy efficiency technology including refrigeration projects such as using eco-friendly refrigerants and improving refrigerating technology. As supermarkets are facilities that can consume large amounts of energy,⁶ Sustainalytics views this use of proceeds

³ Ahold Delhaize will use the following certification schemes for the purchasing of tea, coffee and cocoa: UTZ, Rainforest Alliance and Fairtrade. The company will use the following seafood certification schemes, which have been endorsed by the Global Sustainable Seafood Initiative (GSSI): Alaska Responsible Fisheries Management Certification Program, Iceland Responsible Fisheries Management Certification Programme, Marine Stewardship Council, Best Aquaculture Practices Certification, GLOBALG.A.P. Aquaculture Certification System, Aquaculture Stewardship Council Certification, and Audubon G.U.L.F RFM Certification Program.

⁴ FAO Code of Conduct for Responsible Fisheries (CCRF), the FAO Guidelines for Ecolabelling of Fish and Fishery Products from Marine/Inland Capture Fisheries and the FAO Technical Guidelines for Aquaculture Certification (FAO Guidelines).

⁵ Ahold Delhaize, "Delhaize opens first store rooftop farm in Belgium", (2017), at: <https://www.aholddelhaize.com/en/media/latest/media-releases/delhaize-opens-first-store-rooftop-farm-in-belgium/>

⁶ SME Energy CheckUp (2013), at: http://energycheckup.eu/uploads/media/PL-SoA_Retail.pdf

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as credible and impactful. While noting that energy efficiency improvements generate an overall positive impact, Sustainalytics encourages Ahold Delhaize to specify minimum improvement thresholds for energy efficiency improvement projects in order to ensure a significant impact is made.

- Proceeds will be used to finance operational improvements to reduce food waste, improve waste recycling and optimize package design. Regarding food waste, proceeds will be used to help hunger relief charities with transportation, storage, and distribution of unsold food. Sustainalytics has a positive view of initiatives to reduce food waste and packaging requirements in the food retail industry.
- Ahold Delhaize will finance costs related to LEED or BREEAM green building certifications. Ahold Delhaize has committed to only using proceeds on LEED Gold or Platinum and BREEAM Excellent and Outstanding Certification. Based on Sustainalytics assessment of these certifications, this use of proceeds is recognized as credible and impactful. For additional information on Sustainalytics assessment of LEED and BREEAM, see Appendix 2.
- Ahold Delhaize will finance expenditures related to the implementation and expansion of its healthier eating initiatives, including the reformulation of own brand products and the maintenance and improvement of nutritional guidance programmes.⁷ The company will make use of the US Guiding Stars programme, the Nutri-Score label and the Choices International Programme. For an overview of these programs, see Appendix 3. Though each of these programmes have varying methodologies, levels of transparency and labelling schemes, Sustainalytics views these programmes as contributing positively to guiding consumers to healthier food choices. Sustainalytics believes Ahold Delhaize is going beyond business-as-usual through its healthier eating initiatives and Sustainalytics has a positive assessment on these programmes given the following:
 - The guidance programmes are credible considering that the nutritional scores are science-based and rely on recommendations from credible bodies such as World Health Organisation, Food and Drug Administration, US Department of Agriculture and the French government.
 - The guidance programmes are transparent and easy for consumers to interpret based on logos and the level of rating achieved.
 - Ahold Delhaize has confirmed to Sustainalytics that it has a target to rate all of its own-brand products. Sustainalytics believes that this will ensure that this increases consistency and transparency for consumers to make healthier decisions. The company currently rates all its own-brand products with Guiding Stars and Choices; rating products with Nutri-Score is currently in progress.
 - Ahold Delhaize has confirmed to Sustainalytics that it will not increase the price of highly rated or reformulated products in order to ensure that nutritious products remain priced fairly and accessible to all consumers.
- Project Evaluation and Selection:
 - Ahold Delhaize will establish a Sustainability Bond Committee to be responsible for the oversight of the Sustainability Bond Framework and will manage the allocation and selection process. The Committee is expected to be comprised of representatives from the treasury department and sustainable retailing team. The sustainable retailing team will recommend the allocation of eligible projects for approval by the Vice President of Sustainable Retailing and the Senior Vice President of Treasury.
- Management of Proceeds:
 - Ahold Delhaize will establish an internal tracking system to monitor and account for the allocation of the proceeds from the Framework. Pending full allocation, Ahold Delhaize will hold the balance of proceeds not yet allocated to eligible green and social projects within its treasury. Unallocated funds will be invested in money market instruments or to repay commercial paper.
- Reporting:
 - Ahold Delhaize will annually report on the proceeds, until full allocation. Annual updates will be included on the company website for investors and will include the amount of net proceeds

⁷ The Choices Programme (2019), at: <https://www.choicesprogramme.org/what-we-do/the-choices-programme/>

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allocated to each eligible project category, and the outstanding amount of proceeds yet to be allocated. In addition, Ahold Delhaize has indicated an extensive list of potential impact metrics associated with project activities, such as annual GHG emissions saved, annual energy savings, percentage of sales from healthier and sustainably sourced own-brand products, percentage of food waste recycled, total food waste and total tonnes of waste recycled. For a full list of indicators, please refer to Appendix 4, Section 3.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the Ahold Delhaize's Sustainability Bond proceeds align with the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. For detailed information please refer to Appendix 4: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of Framework to Issuer's sustainability strategy

In 2019, the Dow Jones Sustainability World Index ranked Ahold Delhaize among industry leaders in the food and staples retail sector. The company was given a score of 72 (out of 100), which is well above the sector average score of 35.⁸ Ahold Delhaize's Sustainability Bond Framework is directly tied to the company's sustainability strategy. There are three primary focus areas for the company: (1) Promote healthier eating, (2) Reduce food waste and (3) Create an inclusive and healthy workplace. This Sustainability Bond will be used to contribute to sustainability goals of the first two focus areas.

Regarding "Promote healthier eating" the company has established the following 2020 targets;¹¹

- 50% of own-brand sales coming from nutritious products in 2020. In 2018, 47% was achieved;
- 100% of own-brand products carry 'Front of Pack' labeling by 2020. In 2018, 88% was achieved.

The following targets have been established for "Reduce food waste";¹¹

- Recycle 90% of food waste by 2020. In 2018, 77% was achieved;
- Reduce food waste per food sales 20% by 2020, compared to 2016 baseline.

This sustainability bond will fund activities that support these broader goals and beyond. Activities that will contribute to the healthier eating goals above include expenditures related to the implementation and expansion of healthier eating, including the reformulation of products, development, maintenance and improvement of nutritional guidance and rating systems. Activities that will contribute to the reduction of food waste goals include operational expenditures and improvements such as donation of food to food banks and charities, food waste recycling and improving the collection and recycling of packaging with the company's operational boundaries. Ahold Delhaize's stakeholders identified plastic waste as a concern and the company has made commitments to optimize packaging and improve recycling.⁹

Ahold Delhaize is a signatory of the New Plastics Economy Global Commitment, which is an initiative of the Ellen MacArthur Foundation in collaboration with the UN Environment and focuses on eliminating problematic and unnecessary plastic packaging, encourages innovated to ensure 100% of plastic can be recycled, reused or composted and circulate the plastic produced, by significantly increasing plastic reuse and recycling. Ahold Delhaize will finance the optimization of replenishment processes, ordering and stock management to reduce shrink. Additionally, the company will aim to increase the recyclability and compostability of packaging, increase the percentage of recycled content in packaging and improving the operational collection of packaging and waste.

Beyond these activities, the sustainability bond will provide financing to other sustainability efforts including the procurement of sustainable products,¹⁰ development of on-site renewable energy generation, retrofitting facilities with energy efficient technology, and achievement of green building certification. These activities

⁸ Ahold Delhaize, "Ranked among sector leaders in Dow Jones Sustainability World Index", (2018), at: <https://www.aholddelhaize.com/en/media/latest/media-releases/ahold-delhaize-ranked-among-sector-leaders-in-dow-jones-sustainability-world-index/>

⁹ Ahold Delhaize, "Reducing plastic packaging and single-use plastics", (2018), at: <https://www.aholddelhaize.com/en/about-us/stakeholder-interests/plastic-waste/>

¹⁰ Coffee, tea, cocoa and seafood.

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will contribute to the company's overall sustainability goals as well as to the broader UN SDGs. Sustainalytics recognizes the importance of establishing quantitative, time-bound sustainability targets and views these activities to be well aligned with the company's sustainability strategy.

Well positioned to address common environmental and social risks associated with the projects

It is recognized by Sustainalytics that the use of proceeds is well aligned with eligible project categories and will, in general, have an overall positive impact and drive sustainability. However, it is important to acknowledge potential risks that may be associated with project activities and ensure that Ahold Delhaize has adequate risk mitigation measures in place to prevent any unforeseen negative consequences. For example, worker health and safety issues could arise during construction and improvement projects and stakeholder issues could arise as a result of new project developments. Regarding worker health and safety, Ahold Delhaize has been ranked as an industry leader by the DJSI World, particularly for their occupational health and safety procedures.¹¹ The company has increased its score by five percentage points over the past three years and has achieved an overall score of 72/100, compared to the industry average of 35/100.¹¹

As a global company with a wide range of stakeholders, Ahold Delhaize recognizes the importance of ensuring robust stakeholder engagement and is committed to transparency and a high level of integrity with all stakeholders.¹¹ For example, in 2018 the company invited key stakeholders to provide the company with feedback on their economic, social and environmental impacts.¹¹ The company synthesized these results and included them in their materiality matrix as a part of their annual report titled *Our response to stakeholder needs*. Beyond this the company makes a strong effort to engage with customers and garner feedback that will continuously improve their stakeholder relations.¹¹

Based on the above, Sustainalytics is of the opinion that Ahold Delhaize is well-positioned to mitigate the potential environmental and social risks associated with the development of the projects included in this Framework.

Section 3: Impact of Use of Proceeds

All six use of proceeds categories are recognized as impactful by GBP and SBP. Sustainalytics has focused on three below where the impact is specifically relevant in the food retail industry.

Sustainable procurement

Ahold Delhaize sources thousands of products across many different supply chains. As a company that serves 50 million customers per week across the globe, Ahold Delhaize has the power to influence suppliers to adopt sustainable social and environmental practices. Supply chains can be associated with numerous negative social and environmental impacts including slavery, land use change, deforestation, pollution and other social and environmental impacts. One of the most common mechanisms for improving sustainability of supply chains is procurement of certified goods. Certification provides assurance to purchasers that the products they are purchasing come from sustainable sources. However, not all certification schemes are equal, and it is important to ensure a good understanding of a certification standard before relying on it. Ahold Delhaize will use a variety of certification schemes³ that contribute to positive changes at the farm or fisheries level.¹²

Reducing operational carbon emissions, eliminating food waste and increasing recycling

A significant portion of food retailer's environmental footprint comes from stores. Lighting, heating, cooling, ventilation, refrigeration, and food waste are all sources of carbon emissions.¹³ A study from Climate Smart found that some of the key contributors are refrigerants, which can account for up to 90% of emissions for some businesses; food waste, which can be easily diverted via composting or donation; and electricity.¹⁴ A

¹¹ Ahold Delhaize, "2018 Annual Report", (2018), at: <https://www.aholddelhaize.com/media/8833/ahold-delhaize-2018-annual-report.pdf>

¹² ISEAL, "Beyond certification: the systemic impacts of sustainability standards", (2018), at: <https://www.isealliance.org/sustainability-news/beyond-certification-systemic-impacts-sustainability-standards>

¹³ EU, "Measurement and reduction of carbon footprint of stores", (2011), at: <http://ec.europa.eu/environment/industry/retail/pdf/Issue%20Paper%206.pdf>

¹⁴ ClimateSmart, "Carbon emissions in the food and beverage sector", (2014), at: <https://climatesmartbusiness.com/wp-content/uploads/2014/06/CS-Food-and-Beverage-Sector-Industry-Brief-digital.pdf>

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self-assessment conducted by Ahold Delhaize found that 60% of operational CO₂ emissions came from electricity, 31% from cooling devices (e.g. refrigerants) and 9% from transport.¹⁵ Ahold Delhaize has consistently reduced its total carbon emissions since 2009 and has established quantitative and time-bound targets for the reduction of carbon emissions.¹⁶ The company aims to reduce carbon emissions by 30% by 2020 compared to the 2008 baseline. As of 2018 the company had achieved a 28% reduction.¹¹ In order to achieve this goal, the company will be taking a multi-pronged approach that includes installation of renewable energy at on-site operations, investments into more efficient LED lighting and other energy efficient technology ranging from HVAC to doors. The company will continue to transition towards environmentally-friendly refrigerants and invest into more efficient refrigeration technology. Additionally, Ahold Delhaize will seek to obtain green building certification (LEED or BREEAM) for stores, offices and warehouses.

Up to one-third of all plastic packaging used in supermarkets “is very difficult to recycle or can't be recycled at all” according to a study in the UK¹⁷ and supermarkets can create nearly 1 million tonnes of plastic waste.¹⁸ Additionally, in the United States, it has been estimated that 10% of all food waste comes from supermarkets.¹⁹ By focusing efforts on optimizing packaging, donating unsold food to charities and improving operational handling of waste and packaging, Ahold Delhaize is able to make an impact on the reduction of food waste and packaging.

Beyond the above-mentioned activities, Sustainalytics is of the opinion that Ahold Delhaize's efforts to improve energy efficiency, eliminating food waste and increase will recycling will positively contribute to the company's sustainability goals and the broader UN SDGs.

Importance of promoting healthier food choices

The importance of having clear, nutritional navigation on food products has been established by numerous studies.²⁰ Food labels are considered to be a critical aspect to combatting unhealthy diets and obesity.²⁰ In places like the United States there has been an ongoing battle between consumers and industry on food labelling, for example with GMO's and Country of Origin Labeling, there has been a staunch effort from the industry to prevent such requirements.^{21,22} Similarly, in Britain, an effort to implement a “traffic-light” labelling requirement for food manufacturers was heavily impacted by the food lobby, which spent around a billion euros to prevent a compulsory labelling system for fat, sugar and salt.²³ As a result, consumer trust has been eroded and studies have found that, in places like the Netherlands and Germany, more than 80% of consumers do not trust food labelling,²⁴ and 75% of US consumers do not trust food labelling.²⁵ As a result, there is a clear need for leadership among food retailers to make an effort towards improved nutritional labelling for consumers. In fall 2018, Ahold Delhaize became the first Belgian retailer to introduce the Nutri-Score label²⁶ and now offers the Guiding Stars nutritional label on all USA brands²⁷, providing consumers with a quick snapshot of food nutritional information. Ahold Delhaize has established several commitments to increasing its share of nutritional products, providing consumers with clear and transparent nutritional information and innovating to make healthier eating more affordable and more fun.^{Error! Bookmark not defined.} S

¹⁵ Ahold Delhaize, “Supplementary Report on Sustainable Retailing Performance”, (2016), at:

<https://www.aholddelhaize.com/media/3984/supplementary-report-on-sustainable-retailing-performance-2016.pdf>

¹⁶ Lukic, R. et al. (2018) “Carbon dioxide emissions in retail food”, at:

https://www.researchgate.net/publication/327190586_Carbon_dioxide_emissions_in_retail_food

¹⁷ BBC, “Plastic packaging: Which supermarkets are making it harder to recycle?”, (2018), at: <https://www.bbc.co.uk/newsround/44882801>

¹⁸ Laville, S. et al. (2018), “Nearly 1m tonnes every year: supermarkets shamed for plastic packaging”, The Guardian, at:

<https://www.theguardian.com/environment/2018/jan/17/nearly-1m-tonnes-every-year-supermarkets-shamed-for-plastic-packaging>

¹⁹ Jacobs, H. (2014), “Why grocery stores throw out so much food?” Business Insider, at: <https://www.businessinsider.com/why-grocery-stores-throw-out-so-much-food-2014-10?international=true&r=US&IR=T>

²⁰ Reichel, C. (2018), “Food labels and their effects on consumers” Journalist's Resource, at:

<https://journalistsresource.org/studies/environment/food-agriculture/food-labels-junk-nafta-obesity/>

²¹ Duhaime-Ross, A. (2016), “New US food guidelines show the power of lobbying, not science” The Verge, at:

<https://www.theverge.com/2016/1/7/10726606/2015-us-dietary-guidelines-meat-and-soda-lobbying-power>

²² Coleman, R. (2016), “Food Lobby spends \$101 million in 2015 to avert GMO labelling” Environmental Working Group, at:

<https://www.ewg.org/research/lobbying-anti-labeling-groups-tops-100m>

²³ FoodWatch, “How the food lobby watered down the British traffic-light labelling”, at: <https://www.foodwatch.org/en/what-we-do/topics/sugar-fat-and-salt/more-information/lobby-activities-against-traffic-lights/>

²⁴ Boztas, S. (2018), “Food labels? European consumers misled by inaccurate food packaging, says new study”, at:

<https://www.dutchnews.nl/news/2018/06/fool-labels-european-consumers-misled-by-inaccurate-food-packaging-says-new-study/>

²⁵ Store Brands (2016), “Seventy-five percent of consumers do not trust food labels”, at: <https://storebrands.com/seventy-five-percent-consumers-do-not-trust-food-labels>

²⁶ Ahold Delhaize, “Nutritional guidance: Delhaize introduces Nutri-Score label”, (2018), at: <https://www.aholddelhaize.com/en/media/latest/media-releases/nutritional-guidance-delhaize-introduces-nutri-score-label/>

²⁷ Ahold Delhaize, “USA brands all now offer Guiding Stars”, (2018), at: <https://www.aholddelhaize.com/en/sustainable-retailing/in-action/promote-healthier-eating/ahold-delhaize-usa-brands-all-now-offer-guiding-stars/>

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ustainability recognizes the importance of this leadership in the food retailing spaces and views Ahold Delhaize as well-positioned to deliver impact through improved nutritional labelling across its food retail brands.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Environmentally sustainable management of living natural resources and land use	2. No poverty	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
	14. Life below water	14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and clean energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities
Green Buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities
Pollution Prevention and Control	12. Responsible consumption and production	12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
Promote Access to Healthy Food	2. Zero Hunger	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

Conclusion





Ahold Delhaize's Sustainability Bond Framework will contribute to the company's overarching sustainability goals to promote healthier eating and reduce food waste. With a focus on improving nutritional labelling and helping consumers make healthier choices at the supermarket, Ahold Delhaize will have a direct impact on food consumption behavior and can guide consumers to make decisions that are best for their health. The company's projects will also help to improve operational handling of food to reduce food waste and to coordinate with local charities and food banks to ensure that good food does not go to waste. Beyond that, the procurement and project activities that will be funded by the bond will contribute to increased energy efficiency, green buildings and sustainable resource management, all of which will help to reduce the company's overall carbon footprint. In addition to supporting the company's internal sustainability goals, these activities will further contribute to SDG's mentioned above. As the first retailer to enter the sustainability bond market, Sustainalytics acknowledges the leadership that is being taken by Ahold Delhaize.

In conclusion, Sustainalytics is of the opinion that Ahold Delhaize is well-positioned to issue a sustainability bond and that the Ahold Delhaize Sustainability Bond Framework is credible, impactful and aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.



Appendices

Appendix 1: Raw Material Sourcing Initiatives Overview

	Rainforest Alliance	UTZ	FAIRTRADE	GSSI
Background	The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization's standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.	The UTZ Label is a global certification system for coffee, cocoa, tea and hazelnuts. The UTZ certification incorporates environmental, social, farm management and farming practices considerations. UTZ merged with Rainforest Alliance in January 2018.	The FAIRTRADE Mark is a global certification system that seeks to address power imbalances in trading relationships. Organizations certified to Fairtrade standards must meet general, trade, product and business development requirements.	The Global Sustainable Seafood Initiative (GSSI) was created to fill the need for a globally accepted tool to provide an objective and transparent assessment of the performance and provide recognition of credible and responsible seafood certification schemes.
Clear positive impact	Promoting sustainable practices in agriculture, forestry and tourism.	Promoting sustainable practices in Coffee, Cocoa Tea and Hazelnut farming and trading.	Promoting sustainable practices for agricultural products, consumer goods and gold.	Promoting credible and impactful seafood certification programs.
Minimum standards	Rainforest alliance establishes a minimum threshold for impact through critical criteria and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria.	UTZ establishes a minimum threshold for impact through mandatory points and additional points and requires farmers to go beyond by demonstrating compliance with an increasingly large proportion of both mandatory and additional points.	Fairtrade has a set of core requirements that must be met and development requirements that are intended to foster continuous improvement and which certified producers must make progress on.	Through its Global Benchmark Tool, GSSI provides formal recognition to credible certification schemes with demonstrated responsible practices by evaluating governance criteria and operational management criteria. The benchmark covers both fisheries and aquaculture.
Directly addressing social and environmental risk	Rainforest alliance addresses key risks such as human rights, child labour, pesticide use, and biodiversity use through its criteria.	UTZ addresses key risks such as human rights, child labour, pesticide use, and biodiversity use through its criteria.	Fairtrade addresses key risks through its requirements, including child labour, forced labour and pesticide use.	GSSI addresses key risks through its benchmarking, including stakeholder engagement, antibiotic use, animal health and impacts on local habitat and water resources.

Verification of standards and risk mitigation	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.	Certified entities undergo audits to ensure compliance with criteria and continuous improvement.	Formal recognition is provided to certification schemes that undergo assessments to ensure compliance with criteria.
Third party expertise and multi-stakeholder process	Standard setting is aligned with the ISEAL Standard Setting Code.	Standard setting is aligned with the ISEAL Standard Setting Code.	Standard setting is aligned with the ISEAL Standard Setting Code.	GSSI delivers recognition of seafood certification schemes aligned with the FAO Guidelines.
Performance Display				
Accreditation	<ul style="list-style-type: none"> • Africert • Conservacion y Desarrollo Certified S.A. • Imafloa • IMO India • CERES • IBD • Indocert • NaturaCert • Productos y Procesos Sostenables, A.C. • NEPCon 	<ul style="list-style-type: none"> • 60 UTZ approved certification bodies split by country and by relevant commodity (coffee, cocoa, tea, hazelnut, herbals. Rooibos) 	<ul style="list-style-type: none"> • FLO-CERT GmbH. FLO-CERT is the largest certifier for Fairtrade, responsible for the certification of all producers and most traders. 	Recognition is provided through a 7-step benchmark process that is carried out by a independent experts, the GSSI steering board, the benchmark committee and the GSSI secretariat.
Qualitative considerations	Global recognition across 76 countries around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people which have conducted training, certification and verification under the Rainforest Alliance standard. Rigorous on the enforcement of minimum standards and strong governance over the implementaton of social and environmental mitigation processes.	Global recognition across 131 countries around the world. There are 987,000 UTZ Certified farmers in the UTZ programme with more than 368,000 workers on the UTZ certified farms in 41 producing countries and more than 3.4 million hectares of UTZ certified crops. The UTZ name or label is present on more than 15,000 products in 131 countries worlwide. Rigorous on the enforcement of minimum standards and strong governance over the implementaton of social and environmental mitigation processes.	Global recognition across 74 countries present in the Fairtrade System. The system covers 1.4 million farmers and workers in 1,140 producer organizations. The Fairtrade certification scheme is less strict on the scope of the environmental and social requirements as it does not cover human rights issues and impact on biodiversity.	GSSI has provided formal recognition of 7 certification schemes including: Alaska Responsible Fisheries Management Certification Program, Iceland Responsible Fisheries Management Certification Programme, Marine Stewardship Council, Best Aquaculture Practices Certification, GLOBALG.A.P. Aquaculture Certification System, Aquaculture Stewardship Council Certification, and Audubon G.U.L.F RFM Certification Program.

Appendix 2: Comparison of Green Building Certification Schemes

	LEED	BREEAM
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.
Certification levels	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding
Areas of Assessment: Environmental Performance of the Building	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.
Areas of Assessment: Environmental Performance of the Building	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation
Requirements	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item ²⁸ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.
Performance display		

²⁸ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item.

Accreditation	Certification by an independent panel commissioned by the GBCA to review ratings.	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor
Qualitative considerations	Widely recognized internationally, and strong assurance of overall quality.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.

Appendix 3: Comparison of Nutritional Guidance Programmes

Program	Guiding Stars ^{29,30}	Nutri-Score ^{31,32}	Choices Programme ^{33,34}
Background	The Guiding Stars is an on-shelf nutrition rating system designed to provide simple, standardized nutrition guidance that support and inform healthier food choices. It is based on national (the US-based) and international dietary recommendations and aligns with the most current 2015 Dietary Guidelines for Americans (DGA) (or Canada's Food Guide for Canada). The rating system is separately designed for and available in the US and Canada.	The Nutri-Score labelling system is a graphical scale designed to inform consumers about the nutritional quality of food items. It complements the mandatory nutrition declaration set by European regulations. The Nutri-Score scale is developed based on the nutritional score calculations corresponding to the formula of the Food Standards Agency (FSA) in the UK with an adaptation for French market.	The Choices Programme defines sets of nutrition criteria for food and beverages, as a multi-stakeholder initiative that aims to inform consumers about healthy food choices and help prevent obesity and diet-related diseases. It is based on the international dietary guidelines from the World Health Organization (WHO) and developed by the International Scientific Committee of the Choices International Foundation. The criteria also intend serve as a benchmark for product reformulation. Several countries have developed their own national criteria for use based on the international criteria, such as the Netherlands, Belgium, and Czech Republic.
Levels	3 Guiding Stars (indicate the best nutritional value) 2 Guiding Stars (indicate better nutritional value) 1 Guiding Star (indicates good nutritional value)	A (Dark Green—highest label based on nutritional value) B (Light Green) C (Yellow) D (Orange) E (Dark Orange – lowest label based on nutritional value)	Not applicable (single logo) ³⁵
Scope & methodology of assessment	The system only includes nutrients with documented evidence on significant scientific consensus regarding health promotion and/or reduced risks of chronic diseases, and established recommendations by a key scientific body. The Guiding Stars Scientific Advisory Panel (SAP) reviews national and international nutrition policies to revise the algorithm, if needed. The algorithm is designed for (i) general foods and beverages;	The calculation and methodology for determining Nutri-Score classification thresholds are publicly available to bring transparency and reproducibility. The nutritional score, as distinct from Nutri-Score, derives an estimated value of the nutritional quality of food item on a scale of “negative fifteen” (more nutritious) to “positive forty” (less nutritious) by using nutrients and ingredients within food item with significant negative impact on health. The Nutri-Score divides the	Two types of product groups have been identified within the criteria: (i) basic product groups (that contribute significantly to the daily intakes of essential nutrients); and (ii) non-basic product groups (that do not contribute substantially to the intake of essential nutrients but provide a great innovation potential). The criteria are determined for food products within these groups, including on saturated fatty acids (SAFA), trans fatty acids (TFA), sodium and added/total sugars. Additional criteria are

²⁹ Guiding Stars, Understanding the Science behind Guiding Stars: http://guidingstars.com/wp-content/uploads/2018/02/Guiding-Stars-White-Paper_US-Version_revised-final-2-1-2018-1.pdf

³⁰ The Milbank Quarterly, Consumers' Response to an On-Shelf Nutrition Labelling System in Supermarkets: https://www.milbank.org/wp-content/uploads/2017/10/HOBIN_et_al-2017-The_Milbank_Quarterly.pdf




³¹ Santé Publique France, Nutri-Score: https://www.santepubliquefrance.fr/Media/Files/NUTRISCORE/Questions_reponses_EN

³² Open Food Facts- World, Nutri-Score Nutritional Score and Color grades: <https://world.openfoodfacts.org/nutriscore>

³³ Choices Programme, Choices Brochure 2016: https://www.choicesprogramme.org/uploads/PDF/choices_government_folder_def.pdf

³⁴ Choices Programme, International Product Criteria: https://www.choicesprogramme.org/uploads/CRIT_added_total_2018_DEF_Feb_18.pdf

³⁵ The Choices Logo labelling may differ based on the national criteria. For example, the Dutch Choices logo are of two types: (i) logo with green circle for products categorized under “basic foods”, and (ii) logo with blue circle for products categorized under “non-basic foods”.

	<p>(ii) meats / poultry / seafood / dairy / nuts; (iii) fats and oils; and (iv) infant and toddler foods.</p> <p>The nutrition data is taken from the Nutrition Facts Panel, the ingredient list on product packaging, or the USDA National Nutrient database (or the Canadian Nutrient File / "CNF" database in Canada). All foods are standardized to a 100-kcal serving size (to compare products side-by-side) having adjusted the variations arising from food packaging and water weight.</p> <p>The algorithm³⁶ evaluates based on the FDA's Daily Values (DV) for nutrients such as saturated fat, cholesterol, vitamins & minerals, omega-3 fatty acids, sodium, whole grain and fiber, and specifies the maximum and minimum thresholds with cutoff limits, bonus and penalty points for certain ingredients such as added sugar, sodium and artificial colors.</p>	<p>estimated nutritional score into 5 classes as expressed by a color and a letter (mentioned above in 'Levels' section).</p> <p>The nutritional score is calculated based on the data for 100 grams of each product, as sold, based on their contents such as nutrients and foods to promote (pulses, vegetables, fruits, nuts, fiber and protein) and set limits for energy, saturated fat, sugars and salt. The overall score is found by subtracting the total number of favorable points from the total number of unfavorable points.</p>	<p>drawn based on essential or useful nutrients in food items (such as fiber).</p>
<p>Performance display</p>			

³⁶ The Guiding Stars algorithm based on FDA's Daily Values (DV) applies exclusively to the US. The Guiding Stars algorithm applicable in Canada aligns with the Canada's Food Guide established by Health Canada and implemented by the Canadian Food Inspection Agency (CFIA).

Appendix 4: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Ahold Delhaize
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Ahold Delhaize Sustainability Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	06/06/19
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs and SBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible category for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics views investments into the procurement of sustainable products, climate impact and promotion of healthier food to have positive environmental or social impacts and to advance the following UN Sustainable Development Goals: (2) Zero Hunger, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (12) Responsible Consumption and Production and (14) Life Below Water.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input checked="" type="checkbox"/> Other (please specify): Access to Healthy Food |

If applicable please specify the social taxonomy, if other than SBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Ahold Delhaize will establish a Sustainability Bond Committee to be responsible for the oversight of the Sustainability Bond Framework and will manage the allocation and selection process. The Committee is expected to be comprised of representatives from the treasury department and sustainable retailing team. The sustainable retailing team will recommend the allocation of eligible projects for approval by the Vice President of Sustainable Retailing and the Senior Vice President of Treasury.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Ahold Delhaize will establish an internal tracking system to monitor and account for the allocation of the proceeds from the Framework. Pending full allocation, Ahold Delhaize will hold the balance of proceeds not yet allocated to eligible green and social projects within its treasury. Unallocated funds will be invested in money market instruments or to repay commercial paper.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
|---|---|

- | | |
|---|--|
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Ahold Delhaize intends to report allocation proceeds and relevant impact metrics on an annual basis on the company's website. Sustainalytics views Ahold Delhaize's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Number of beneficiaries |
| <input type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): |

Ahold Delhaize Sustainability Bond

Eligible projects	Expected KPIs
Certified seafood	% of sales from sustainability sourced own-brand products
Certified tea, coffee, cocoa	% of sales from sustainability sourced own-brand products
Urban farm	% of sales from sustainability sourced own-brand products
Solar, bio-digesters	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Energy efficiency projects	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Refrigeration projects	Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Green buildings	LEED, BREEAM, or equivalent environmental certification scores
Optimizing replenishment processes, ordering, and stock management to reduce shrink; offering unsold food to hunger relief charities	% of total food waste recycled Tonnes of food waste reduced Tonnes of waste recycled
Packaging changes to meet our New Plastics Economy Global Commitment	Tonnes of plastic reduced
Improving collection and recycling of packaging and other operational waste within company's operational boundaries	Tonnes of waste recycled
Product reformulation	% sales from healthier products
Guiding Stars	% sales from healthier products
Choices International	% sales from healthier products
Nutri-Score	% sales from healthier products

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
 Information published in ad hoc documents
 Other (please specify):
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://results.aholddelhaize.com/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
 Certification
 Verification / Audit
 Rating
 Other (please specify):

Review provider(s): Sustainalytics

Date of publication: April 2019

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- i. **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental and social sustainability or other aspects of the issuance of a Sustainability Bond, such as the establishment/review of an issuer's Sustainability Bond framework. "Second Party Opinions" may fall into this category.
- ii. **Verification:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally and socially sustainable features of underlying assets may be termed verification and may reference external criteria.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against an external green and social assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- iv. **Rating:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework rated by qualified third parties, such as specialized research providers or rating agencies. Sustainability Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Sustainability Bond frameworks / programmes.

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Sustainalytics

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For more information, visit www.sustainalytics.com

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