



## **DEFINITIONS AND ABBREVIATIONS**

# DEFINITIONS AND ABBREVIATIONS

## FINANCIAL PERFORMANCE MEASURES

The financial information included in this Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as explained in *Note 2* and *Note 3* to the consolidated financial statements as well as in the individual footnotes, unless otherwise indicated.

This Annual Report also includes alternative performance measures (also known as non-GAAP measures). The definitions of these financial and non-financial alternative performance measures can be found below.

## FINANCIAL ALTERNATIVE PERFORMANCE MEASURES

Management believes that financial alternative performance (non-GAAP) measures allow for a better understanding of Ahold Delhaize's operating and financial performance. These alternative performance measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

### Basic and diluted underlying income per share from continuing operations

Underlying income per share from continuing operations is calculated as underlying income from continuing operations, divided by the weighted average number of shares outstanding, also referred to as "underlying earnings per share" or "underlying EPS."

### Comparable sales

Comparable sales are net sales, in local currency, from exactly the same stores – including remodeled stores and stores that are replaced within the same market area – and online sales in existing market areas for the most recent comparable period. Ahold Delhaize measures a store for comparable sales after it is open for a full

56 weeks. Comparable stores are locations that were open for both the full time period being reported on and the full comparable time period in the preceding year. In 2021, comparable sales growth is calculated by adjusting 2020 to a 52-week period.

Stores that are transferred from the integrated store network to franchise (or vice versa) are excluded from the comparable store base.

For markets that sell gasoline, Ahold Delhaize also calculates the comparable sales excluding gasoline sales, to eliminate gasoline price volatility in the comparison.

Comparable sales and comparable sales excluding gasoline sales are not reflected in Ahold Delhaize's financial statements. However, the Company believes that disclosing comparable sales and comparable sales excluding gasoline sales provides additional useful analytical information to investors regarding the operating performance of Ahold Delhaize, as it neutralizes the impact of, for example, newly acquired stores, in the calculation of sales growth.

Comparable sales excludes value-added tax (VAT).

### Comparable sales growth excluding weather and calendar impacts

Comparable sales (as described under "Comparable sales"), adjusting for significant impacts driven by weather and calendar changes:

**Weather:** Changes to year-over-year comparable sales influenced by extreme weather conditions (e.g., (snow)storms and hurricanes).

**Calendar:** Comparable sales to be reported due to changes in the reporting calendar. For instance, year-over-year timing of public holidays, or number of trading days for companies that report on a monthly basis.

## Complementary revenue streams

Complementary revenue streams is the sum of income through commercial services, B2B commercialization and gross monetization income.

Commercial services is defined as fee income or commission from selling products or services where Ahold Delhaize acts as an agent or where the product or service is sold to the customer in exchange of a standard fee. B2B commercialization is defined as fee income received by the platform by a third-party seller for products or services provided by the platform to the third-party seller. Gross monetization income is derived from advertising and data insights activities in collaboration with suppliers and/or third parties who fund these activities in our omnichannel retail landscape.

## Constant exchange rates

At constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. Ahold Delhaize's management believes this measure provides a better insight into the operating performance of Ahold Delhaize's foreign subsidiaries or joint ventures. When we use a constant exchange rate instead of the actual exchange rate for a performance measure, we will indicate this for the applicable KPIs.

## Diluted underlying income per share

Diluted underlying income per share from continuing operations is calculated as diluted underlying income from continuing operations, divided by the diluted weighted average number of common shares outstanding, also referred to as "diluted underlying EPS."

## Earnings before interest, taxes, depreciation and amortization, or EBITDA

Ahold Delhaize defines EBITDA as operating income / (loss) plus depreciation and amortization. EBITDA is considered to be a useful measure for investors to analyze profitability by eliminating the effects of financing (i.e., net financial expense), capital investments and the impact of the purchase price allocation (i.e., depreciation and amortization).

## E-commerce penetration

E-commerce penetration is a calculation that shows the portion of online sales relative to total net sales.

## Food sales

Food sales contains all net sales, excluding the following categories: pet food, flowers and plants, tobacco, and non-food products including health and beauty and cleaning products. Sales taxes and value-added taxes are excluded from food sales reported in the ESG statements.

## Free cash flow

Ahold Delhaize defines free cash flow as operating cash flows from continuing operations minus net capital expenditures, net repayment of lease liabilities and receivables (both interest and principal portions) and net interest paid plus dividends received.

Ahold Delhaize has included free cash flow, as the Company believes it is a useful measure for investors, because it provides insight into the cash flows available to, among other things, reduce debt and pay dividends. Free cash flow is derived from the financial statements; however, this is not a measure calculated in accordance with IFRS and may not be comparable to similar measures presented by other companies. Accordingly, free cash flow should not be considered as an alternative to operating cash flow.

# DEFINITIONS AND ABBREVIATIONS

## Global Support Office costs

Global Support Office (GSO) costs relate to the responsibilities of the Global Support Office, including Finance, Strategy, Mergers & Acquisitions, Internal Audit, Legal, Compliance, Human Resources, Information Technology, Insurance, Tax, Treasury, Communications, Investor Relations, Health and Sustainability and the majority of the Executive Committee. GSO costs also include results from other activities coordinated centrally but not allocated to any subsidiary. Underlying GSO costs exclude impairments of non-current assets, gains (losses) on leases and the sale of assets, and restructuring and related charges and other items, including business acquisition transaction costs.

## Gross merchandise value (GMV)

Gross merchandise value is defined as online sales including first-party sales as well as third-party sales, via bol's partner platform. GMV excludes VAT, and does not take into account any shipping costs, discounts, returns and cancellations.

## Loyalty sales

Total third-party sales excluding VAT and generated by active addressable loyalty card holders. Active addressable loyalty card holders are the number of unique, active and addressable loyalty cards used in the reporting period. Active: cards used at least twice in the past 26 weeks (at the end of the reporting period), or at least one time in the reporting period. Addressable: from cardholders for whom we hold at least an address, phone number or email address.

## Net consumer online sales

Net consumer online sales is defined as online sales including sales of third parties via bol's partner platform and other initiatives, such as Ship2Me in the U.S. Net consumer online sales excludes VAT. Ahold Delhaize's management

believes that this measure provides more insight into the growth of our online businesses.

## Net capital expenditure

Total regular (gross) capital expenditure net of acquisitions; right-of-use assets; change in property, plant and equipment payables (and other non-cash adjustments); and divestment of assets/disposal groups held for sale.

## Net debt

Net debt is the difference between (i) the sum of loans, lease liabilities and short-term debt (i.e., gross debt) and (ii) cash, cash equivalents, current portion of investment in debt instruments, and short-term deposits and similar instruments. In management's view, because cash, cash equivalents, current portion of investments in debt instruments and short-term deposits and similar instruments can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure for investors to judge Ahold Delhaize's leverage. Net debt may include certain cash items that are not readily available for repaying debt.

## Net sales at constant exchange rates

Net sales at constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. Ahold Delhaize's management believes this measure provides a better insight into the operating performance of Ahold Delhaize's foreign subsidiaries or joint ventures.

## Net sales by category

Net sales are specified into predefined sales categories: perishable, non-perishable, non-food, gasoline and pharmacy.

Category definitions:

- Perishable includes: produce, dairy (fresh), meat, deli, bakery, seafood and frozen.

- Non-perishables include: grocery, dairy (long-life) and beer and wine.
- Non-food includes: floral, pet food, health and beauty care, kitchen and cookware, gardening tools, general merchandise articles, electronics, newspapers and magazines, tobacco, etc.
- Gasoline includes: gasoline sales only.
- Pharmacy includes: pharmacy sales only.

## Net sales grocery

Net sales grocery are net sales (see the definition above), excluding sales from gasoline, bol, Etos and Gall & Gall.

## Net sales growth

Net sales is a calculation of the following sales components excluding VAT: intercompany sales and total third party sales, which is a calculation consisting of other sales to third parties, wholesale sales, franchise sales, online sales and retail sales. Net sales growth is the percentage year-over-year change.

## Net sales in local currency

In certain instances, net sales are presented in local currency. Ahold Delhaize's management believes this measure provides a better insight into the operating performance of Ahold Delhaize's foreign subsidiaries.

## Online grocery penetration

Online grocery penetration is calculated as online sales as a percentage of net sales, excluding sales from gasoline, bol, Etos and Gall & Gall. Ahold Delhaize's management believes that this measure provides insights into the value of our online grocery business.

## Online sales

Online sales are net sales generated through electronic ordering by the final customer at the fair value of the consideration received or receivable.

Online sales includes both business-to-consumer and business-to-business sales as long as the purchaser is the end user, sales generated through third-party platforms (e.g., Instacart and eMag), delivery fee income, other income derived from online sales generated through third-party platforms (e.g., price markups), and fees and commissions when Ahold Delhaize acts as an agent.

Online sales excludes VAT.

## Online sales grocery

Online grocery sales are online sales (see the definition above), excluding online sales from bol, Etos and Gall & Gall.

## Operating income in local currency

In certain instances, operating income is presented in local currency. Ahold Delhaize's management believes this measure provides better insight into the operating performance of Ahold Delhaize's foreign subsidiaries.

## Operating margin

Operating margin is reported operating income (IFRS) divided by reported net sales (IFRS).

## Own-brand food sales

Net sales of own-brand food products. It follows the definitions of food sales and own-brand sales.

## Own-brand sales

Net sales of own-brand products, which include: private labels, fancy brands (proprietary private labels that are a fantasy name owned by Ahold Delhaize), exclusive brands (brands that are not international, national or regional brands), store-prepared products (in-store food preparation, even if derived from branded stock), non-branded products (such as bulk fruits and vegetables or no-name non-food products) and promotional items relating to the former. In short, every product that is not an international, national or regional brand is considered to be an own-brand product.

# DEFINITIONS AND ABBREVIATIONS

## Regular CapEx expenditure

The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude acquisition capital expenditure.

## Return on capital

Return on capital (RoC) is calculated as underlying operating income before depreciation and amortization divided by the annual rolling average of the sum of company-owned property, plant and equipment at purchase price, intangible assets (excluding goodwill) at purchase price, operating working capital components and repayment of lease liabilities, divided by 8%.

## Save for Our Customers

Save for Our Customers is a savings program to improve and optimize operational efficiency and buying conditions and reduce waste, focusing on optimizing cost price and volume efficiencies. These savings are based on the brands' improvement initiatives and efficiencies in the following areas: cost of goods sold (price, design and media monetization), transportation, logistics and distribution, and labor cost, as well as operating expenses (staff, general and administrative costs) in stores and headquarters. Save for Our Customers savings are intended to drive saving initiatives and improvements across the brands and are incremental to prior year savings. These savings should be reinvested, adding more value for the benefit of customers. Recorded savings are in compliance with the Save for Our Customers savings definitions included in Ahold Delhaize's Accounting and Procedures Manual. Recorded savings (Actuals) need to be sufficiently supported.

## Underlying earnings before interest, taxes, depreciation and amortization, or underlying EBITDA and margin

Ahold Delhaize defines EBITDA as operating income / (loss) plus depreciation and amortization. EBITDA is considered to be a useful measure for investors to analyze profitability by eliminating the effects of financing (i.e., net financial expense), capital investments and the impact of the purchase price allocation (i.e., depreciation and amortization). Underlying EBITDA margin is calculated as underlying EBITDA as a percentage of sales.

## Underlying income from continuing operations

Ahold Delhaize defines underlying income from continuing operations as income from continuing operations adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance, as well as material non-recurring finance costs and income tax expense, and the potential effect of income tax on all these items.

## Underlying operating income and margin

Underlying operating income is defined as total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

Ahold Delhaize's management believes this measure provides better insight into the underlying operating performance of the Company's operations. Underlying operating

income margin is calculated as underlying operating income as a percentage of net sales.

## NON-FINANCIAL ALTERNATIVE PERFORMANCE MEASURES

The specific definitions outlined below add context to our non-financial alternative performance measures and other metrics used in this report.

### Acceptable standards and certifications for commodities

Ahold Delhaize defines acceptable standards as multi-stakeholder initiatives or standards supported by multiple stakeholders. They include third-party verification and focus on mitigating the main environmental and/or social issues associated with a commodity's production. Acceptable standards are globally consistent and focus on continuously improving production and supply chain practices.

Acceptable standards for tea, coffee and cocoa include Rainforest Alliance/UTZ Fair Trade USA/Fairtrade/FLOCERT/Fairtrade Sourcing Program or equivalent standards. Acceptable standards for palm oil include RSPO Principles and Criteria and equivalent standards. Acceptable standards for wood fiber are the Forest Stewardship Council (FSC) Chain of Custody, Program for Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI) or equivalent standards. Acceptable standards for soy are the RTRS standard for Responsible Soy Production and ProTerra, or equivalent standards. The majority of credits we purchase are area-based RTRS credits from the Cerrado Region. Acceptable standards for seafood products include certification against a program that is recognized by the Global Sustainable Seafood Initiative (GSSI) and cover all Aquaculture Stewardship Council (ASC) farm standards.

## Associate

People with a legal contract or active pay status (U.S.-specific) with Ahold Delhaize or its brands. This excludes external associates and contingent workers and includes expats counted in their home country.

Associates include seasonal workers, student workers (including summer season students), part-time and full-time associates, both short-term and long-term contracted associates and associates with an active pay status (U.S.-specific), as well as associates whose contract is currently suspended (e.g., for time credit or long-term illness).

Associates who have an employment contract with independent operators of affiliated or franchised stores and students who are on a non-remunerated internship are excluded from the reported figures in this section.

## Associate engagement survey benchmarks

We use two global benchmarks for our associate engagement survey: Global Retail, which comprises companies in the 5300 Retail industry classification benchmark that operate in multiple countries and have both a brick-and-mortar and online presence, and High Performance Norm, which comprises companies in the top quartile (75th percentile) of the Perceptyx Global normative benchmark database.

## Associate engagement survey

Associate engagement is measured through an annual survey of all associates employed by Ahold Delhaize and its brands. A number of items in the survey are used to derive and calculate an associate engagement score:

- Healthy workplace: Associates are asked about the support they receive to have healthier lives.



# DEFINITIONS AND ABBREVIATIONS

- **Inclusive workplace:** Associates are asked about the support they receive to have a more inclusive workplace.
- **Associate development:** Associates are asked about the support they receive to develop their skills and careers with Ahold Delhaize. Our U.S. brands are excluded from this metric.
- **Engagement:** Associates are asked about how they feel about Ahold Delhaize.

## Associate turnover

This metric expresses the number of people lost through resignation, attrition and other means compared to the total number of people in the organization. It includes all turnover, regardless of reason, and is reported as a percentage. Associate turnover is defined as the number of people who left the company compared to the average number of associates during that time period. It includes all terminations regardless of reason.

## Associate turnover 30+ contract hours

Associate turnover with more than 30 contract hours is defined as the number of people who left the company compared to the average number of associates during that time period. It includes all terminations regardless of reason.

## Balanced candidate slates (50/50)

In a balanced candidate slate, 50% of the final candidates must be from a diverse/underrepresented population (female, person of color/ethnic/multinational) and at least two of the candidates in the final slate must be diverse.

## Brick and mortar

Existing as a physical building, rather than doing business only on the internet.

## Cash contributions

The monetary amount paid by a company in support of charitable donations in the form of direct cash donations or grants and payments for materials and services. It includes support of cultural institutions, matched employee giving, employee involvement costs, memberships and subscriptions to community-related organizations and cause-related marketing campaigns.

## Charitable donations

Donations of cash, products, services, equipment or other company resources to local, national and international charitable appeals, sponsorships that are not part of a marketing strategy, grants and costs of employee volunteering that fall outside of a core community strategy, company matching of employee donations and the costs of facilitating donations by customers and suppliers.

## CO<sub>2</sub> emissions/CO<sub>2</sub> equivalent (CO<sub>2</sub>e)

The CO<sub>2</sub> (carbon dioxide) emissions data we report consists of a calculated CO<sub>2</sub> equivalent: actual CO<sub>2</sub> emitted plus equivalent emissions from other greenhouse gases (such as CH<sub>4</sub>, N<sub>2</sub>O and F-gases). We report in reference to the Greenhouse Gas (GHG) Protocol Corporate Standard.

## Ethnicity representation by level (VP+, Director, Manager, Overall) U.S. ONLY

Associates identifying as American, Asian, Hispanic or Latino, African-American, Native Hawaiian/Other Pacific Islander, White, Other, Not Registered, Two or more races and Unknown. Within the U.S., this metric shows the representation within EEOC classifications, by organizational level.

## Food Loss and Waste Protocol

A multi-stakeholder effort to develop the global accounting and reporting standard (known as the FLW Standard) for quantifying food and associated inedible parts removed from the food

supply chain (referred to for simplicity's sake as "food loss and waste"). For more information, see [www.flwprotocol.org](http://www.flwprotocol.org).

## Food waste

As defined by the UN Food and Agriculture Organization (FAO), food waste is any removal of food from the food supply chain that is or was at some point fit for human consumption, but has been disposed of or has spoiled or expired, mainly as a result of economic behavior, poor stock management or neglect. In our calculations, in contrast to shrink, food waste excludes donations to hunger relief organizations, theft and cash shortages.

We measure food waste using the *Food Loss and Waste Protocol*. Food waste includes waste used for animal feed, bio-based materials, anaerobic digestion, composting/aerobic digestion, controlled combustion and landfill.

## Free from products

"Free from" products exclude certain ingredients, such as allergens, synthetic colors or artificial flavors. The excluded ingredients are normally referenced on the packaging or product marketing materials.

## Full time

Associates who work full time (= one FTE), as measured by contract hours/standard weekly working hours, are considered full time.

## Gen Z

Generation Z, also called Gen Z, is the generational cohort following millennials, born between 1997 and 2010.

## Global Reporting Initiative (GRI)

An independent international not-for-profit organization that developed the GRI Sustainability Reporting Standards and works to support their implementation.

## Global warming potential (GWP)

The GHG Protocol defines global warming potential as "a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO<sub>2</sub>." By using GWPs, GHG emissions can be standardized to a carbon-dioxide equivalent (CO<sub>2</sub>e), which allows expressing the emissions of different GHGs using carbon dioxide as a reference. For example, for a 100-year time horizon, the impact of one unit of methane is 28 times greater than one unit of CO<sub>2</sub> (according to IPCC's 6th assessment report). Hence, methane's global warming potential (GWP) is 28.

## Greenhouse gases (GHG)

Gases such as carbon dioxide or methane that contribute to climate change.

## Growth score

The associate Growth score is driven by the perception of opportunity for personal development and growth, opportunities for career growth, feeling their job makes good use of their skills and abilities, and support from their manager for skill and career development.

## Healthy products

Own-brand healthy food sales include all own-brand products that earn one, two or three Guiding Stars (in the U.S. market) or an A or B score from Nutri-Score (in Europe). Total own-brand food sales include food sales from company-operated stores as well as to franchise / affiliate stores.

More information on Guiding Stars can be found at [www.guidingstars.com](http://www.guidingstars.com).

# DEFINITIONS AND ABBREVIATIONS

## **Inclusive workplace: Associate perception**

Associates' perception of the inclusivity of their workplace

The metric shows the percentage of associates who strongly agree or agree with the following index statements in the associate engagement survey:

- At my company, diversity is valued.
- All associates, regardless of their differences, are treated fairly.
- I can be my authentic self at My Company.
- My manager treats all associates with respect.
- I am encouraged to share my ideas about improving our work environment.

## **Last stage of production (LSOP) unit**

The entity that performs the last stage of production or processing in the supply chain where food and non-food safety and/or working conditions are impacted. The LSOP is:

- For food safety: The location where the final consumer product (including packing) is handled.
- For non-food safety: The location where the final consumer product (excluding packing) is assembled.
- For social compliance: The location where labor is involved in producing or processing the final product, excluding (re-)packing in a non-high-risk country.

## **National brands**

Products that are distributed nationally under a brand name owned by the producer or distributor.

## **Number of injuries that result in lost days**

Number of injuries that result in days lost that are directly related to work-related accidents per 200,000 hours worked. The number of days lost are days scheduled to be worked according to each associate's schedule. An injury is a non-fatal or fatal injury arising in the course of work.

## **Organic food products**

Food that meets specific, governmental standards relative to the use of synthetic pesticides, fertilizers or any other chemicals and the way natural resources (soil, animals, energy and water) are treated in the production process. An "organic" product is a product that is certified as organic by a certifying body recognized by the government.

## **Own brands**

Own-brand products at Ahold Delhaize company-operated and franchise / affiliated stores include: private labels, fancy brands (proprietary private labels that are a fantasy name owned by Ahold Delhaize), exclusive brands (brands that are not international, national or regional brands), store-prepared products (in-store food preparation, even if derived from branded stock), non-branded products (such as bulk fruits and vegetables or no-name non-food products) and promotional items related to the non-branded products.

In short, every product that is not an international, national or regional brand is considered to be an own-brand product.

## **Ozone-friendly refrigerant**

A refrigerant that has no ozone depletion potential (ODP = 0), meaning there is no degradation to the ozone layer. The data are based on the 2015 report from United Nations Environment Programme (UNEP), "TOC Refrigeration, A/C and Heat Pumps Assessment Report 2015."

## **Part time**

Associates who work less than full time (< one FTE), as measured by contract hours/standard weekly working hours, are considered part time.

## **Pick-up point and click-and-collect points**

A pick-up point (PUP) is a location that serves as a point where customers can pick up groceries they have ordered online. PUPs exclude bol, Etos and Gall & Gall locations.

PUPs with pick-from-store (PFS) capability are also referred to as click-and-collect points.

## **Plastic packaging**

According to ISO 21067, packaging is a product to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods, from raw materials to processed goods, from the producer to the user or consumer, including processor, assembler or other intermediary. Plastic packaging is packaging of which the main structural element is made of plastic.

## **Private label products**

Private label products are a sub-set of Ahold Delhaize's own brands, consisting of products with a visible proprietary label from an Ahold Delhaize brand.

## **Sales area**

The sum of the store areas (in square meters or square footage) where products are sold and services provided, taken at the end of the year.

## **Scope 1 (direct GHG emissions)**

Emissions from sources that are owned or controlled by Ahold Delhaize. Scope 1 emissions include emissions from refrigerant leakages, owned trucking and on-site fuel usage (natural gas, propane and light fuel).

## **Scope 2 (indirect GHG emissions)**

Emissions from the generation of purchased electricity, heat or steam consumed by the Company. They are not "direct" emissions in that they arise from third-party installations but are attributed to the Company's operations as the end user of the electricity, heat or steam.

## **Scope 3 (indirect GHG emissions)**

Scope 3 emissions are the result of activities from assets not owned or controlled by our Group, but that indirectly impact our value chain. For example, this includes products our brands source from suppliers, and emissions generated when customers use them. Scope 3 emissions, also referred to as value chain emissions, represent the vast majority of total GHG emissions in food retail.

## **Stock-keeping unit (SKU)**

A stock-keeping unit (SKU) is a specific type of product, with attributes that distinguish it from other SKUs.

We include SKUs that were active only for a limited period of time during the reporting period; SKUs that were active at a certain point in time during the reporting period, even though not active anymore at the end of the reporting period or at the time of the data collection; seasonal products; and SKUs that are only sold in our franchise/affiliated stores. Excluded SKUs are SKUs that are sold in company-operated stores selling only wholesale, promotional products and secondary SKUs.

## **Sustainable Development Goals (SDGs)**

The United Nations SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 goals replace the Millennium Development Goals and are set on a 2016-2030 time frame.

# DEFINITIONS AND ABBREVIATIONS

## Tenure

Tenure, as disclosed for the Management Board, Executive Committee and Supervisory Board, is calculated as the length of time members have been members of the applicable bodies.

For members of the Supervisory Board, their tenure includes their tenure in the Board of Directors of the former Delhaize Group, prior to their appointment to the Supervisory Board of Ahold Delhaize.

## Tonnes of food waste donated

Includes only food products to feed people (excludes animal feed). It includes food donations to food banks and other food donations to feed people and excludes third-party donations (from customers, suppliers and associates).

## Waste

Includes all waste, regardless of the waste management method (recycling, incineration or landfill). It is broken down by percentage sent to landfill, recycled and sent to incinerators that produce energy. Waste data covers all types of facilities (stores, DCs and offices). Information about all waste disposal methods has been determined through information provided by the waste disposal contractors.

## Waste recycling

All methods that do not include sending waste to landfill or incineration. For food waste, this includes four methods: recycling through animal feed, recycling through biogas generation, composting and rendering. For other waste streams, such as cardboard, paper, plastic and other waste, recycling refers to applied methods for each specific waste type.

## TERMS AND ABBREVIATIONS

In addition to the non-financial alternative performance measures defined above, the following concepts or terminologies are used in our *ESG statements* and elsewhere in this report.

### amfori BSCI

The amfori Business Social Compliance Initiative (BSCI) is a non-profit organization that supports more than 1,000 international companies in the process of monitoring and improving working conditions in the global supply chain through its own auditing program.

### AMS

AMS is an Amsterdam-based, non-profit, strategic buying alliance that currently works on behalf of nine top European food retailers. Since 1988, the alliance has been initiating, managing and coordinating joint-buying activities for its shareholders and, later, for EURO SHOPPER™ distributor members as well.

### Biodiversity

The variety of plant and animal species on earth or as measured for a specific ecosystem. According to the Food and Agriculture Organization (FAO), biodiversity for food and agriculture is indispensable to food security and sustainable development. It supplies many vital ecosystem services, such as creating and maintaining healthy soils, pollinating plants, controlling pests and providing a habitat for wildlife, including for fish and other species that are vital to food production and agricultural livelihoods.

Deforestation and land conversion are closely linked to biodiversity.

### Business Resource Group (BRG)

A BRG is a group of associates who join together in their workplace based on shared characteristics, life experiences, etc., to provide support, enhance career development and

contribute to personal development and the feeling of belonging and inclusiveness in the work environment.

### CapEx

Capital expenditure.

### CDP

The Carbon Disclosure Project (CDP) is an international non-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

### CGF

The Consumer Goods Forum (CGF) is an organization that brings consumer goods retailers and manufacturers together globally to help them collaborate, alongside other stakeholders, to secure consumer trust and drive positive change, including greater efficiency.

### CSDDD

Corporate Sustainability Due Diligence Directive.

### CSRD

Corporate Sustainability Reporting Directive.

### Deforestation

Deforestation is a loss of natural forest as a result of:

- 1 Conversion to agriculture or other non-forest land use
- 2 Conversion to a tree plantation
- 3 Severe and sustained degradation

### Defra

The UK Department for Environment, Food and Rural Affairs is responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities in the United Kingdom.

## Eligible economic activity

An EU Taxonomy-eligible activity refers to activities that are described in the EU Taxonomy Delegated Acts adopted pursuant to the six environmental objectives of the EU Taxonomy, irrespective of whether those economic activities meet the relevant technical screening criteria as laid down in those Delegated Acts.

## ESG

The acronym stands for Environmental, Social and Governance.

## ESMA

The European Securities and Markets Authority is an independent European Union Authority, whose purpose is to improve investor protection and promote stable, orderly financial markets.

## EU Taxonomy for sustainable activities (EU Taxonomy)

The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities.

## Geofencing

Geofencing is a type of location-based marketing and advertising by using of GPS or RFID technology it can create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area.

## GFSI

The Global Food Safety Initiative is a Consumer Goods Forum Coalition of Action that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs.

# DEFINITIONS AND ABBREVIATIONS

## Global Support Office (GSO)

The name of Ahold Delhaize's headquarters, based in Zaandam, the Netherlands. The company also has regional offices in Brussels and Geneva, and some GSO associates work out of the U.S. brands.

## GRC

The acronym refers to Governance, Risk Management and Compliance, covering an organization's approach across these three practices.

## Greenhouse Gas (GHG) Protocol

The Greenhouse Gas (GHG) Protocol works with companies to develop standards and tools that help them measure, manage, report and reduce their emissions. The protocol covers the accounting and reporting of the six GHGs covered by the Kyoto Protocol and helps to increase the consistency and transparency in GHG accounting and reporting among various companies and GHG programs. For more information, see [ghgprotocol.org/corporate-standard](http://ghgprotocol.org/corporate-standard).

## IPCC

The Intergovernmental Panel on Climate Change was created to provide policymakers with regular scientific assessments on climate change, its impacts and future risks and options for adaptation and mitigation.

## JMR

The acronym refers to "JMR -Gestão de Empresas de Retalho, SGPS. S.A.," Ahold Delhaize's joint venture in Portugal operating stores under the Pingo Doce brand. The joint venture partner in JMR is Jerónimo Martins, SGPS, S.A.

## Land conversion

Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure or function.

- 1 Deforestation is one form of land conversion (conversion of natural forests).
- 2 Includes severe degradation from the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure or function.
- 3 Change to natural ecosystems that meets this definition is considered to be conversion, regardless of whether or not it is legal.

## LGBTQ+

LGBTQ+ is an acronym for lesbian, gay, bisexual, transgender, queer or questioning and others. These terms are used to describe a person's sexual orientation or gender identity.

## Location-based approach

The GHG Protocol scope 2 Guidance defines the location-based approach as "a method that reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)."

## Market-based approach

The GHG Protocol scope 2 Guidance defines the market-based approach as "a method that reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Markets differ as to what contractual instruments are commonly available or used by companies to

purchase energy or claim specific attributes about it, but they can include energy attribute certificates (RECs, GOs, etc.), direct contracts (for both low-carbon, renewable, or fossil fuel generation), supplier-specific emission rates and other default emission factors representing the untracked or unclaimed energy and emissions (termed the 'residual mix') if a company does not have other contractual information that meets the scope 2 Quality Criteria."

## Materiality assessment

A materiality assessment is a formal exercise aimed at engaging external stakeholders to determine which environmental, social and governance (ESG) topics are important to them.

## MEP

The acronym refers to multi-employer plan, which is a retirement savings plan adopted by two or more employers who are not related.

## NGO

The acronym stands for non-governmental organization.

## Non-eligible economic activity

A non-eligible economic activity means any economic activity that is not described in the EU Taxonomy Delegated Acts adopted pursuant to the six environmental objectives of the EU Taxonomy.

## Operations

Refers to business activities that are substantive and / or commercial activities.

## OpEx

Operating expenditure.

## Partner Platform network partners

Partner Platform network partners active on bol's platform, measured by the number of partners that have fulfilled at least one order in the last year, including orders followed by a cancellation.

## Power purchase agreement (PPA)

A power purchase agreement (PPA), or electricity power agreement, is a contract between two parties, one that generates electricity (the seller) and one that is looking to purchase electricity (the buyer). The PPA defines all of the commercial terms for the sale of electricity between the two parties.

## Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions-reduction targets in line with the latest climate science. It is focused on accelerating efforts by companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practices in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets; see [www.sciencebasedtargets.org](http://www.sciencebasedtargets.org).

It is the lead partner of the Business Ambition for 1.5°C campaign – an urgent call to action from a global coalition of UN agencies, business and industry leaders, mobilizing companies to set net-zero science-based targets in line with a 1.5°C future.

SBTi provides a framework to help specify how much and how quickly organizations need to reduce their GHG emissions to stay within the 1.5°C maximum rise in global temperature.



# DEFINITIONS AND ABBREVIATIONS

## **TCFD**

Acronym refers to the Task Force on Climate-related Financial Disclosures which has developed a framework to help public companies and other organizations disclose climate-related risks and opportunities.

## **World Business Council for Sustainable Development (WBCSD)**

WBCSD is a global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net-zero, nature-positive and more equitable future.

## **World Resources Institute (WRI)**

The WRI is a global research organization that works with governments, businesses, multilateral institutions and civil society groups to develop practical solutions that improve people's lives and ensure nature can thrive.

They organize their work around seven global challenges: Food, Forests, Water, Energy, Climate, the Ocean and Cities. They analyze these issues through the lenses of their four Centers of Excellence: Business, Economics, Finance and Equity.