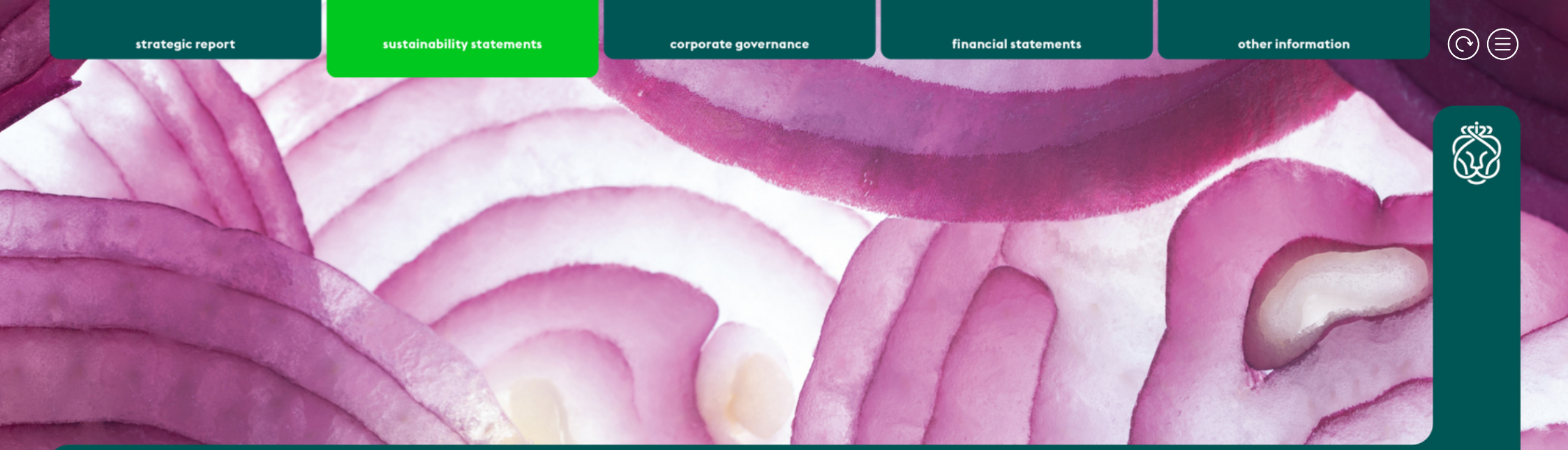


environmental information

For more information on our performance on these environmental topics, see *Sustainability notes – Environmental indicators*.

For brand examples related to environmental topics covered in this section, see *www.aholddelhaize.com/sustainability*.

Environmental information
Performance highlights

As part of our strategic priority *healthy communities & planet*, and informed by our DMA, we measure and manage our Company's environmental impacts using three pillars: climate, nature and circularity. The table below provides an overview of the targets or ambitions and our progress for 2024.

climate

Environmental topics	Measurable targets and ambitions[1, 2, 3]	Progress	Performance
climate change	**Scope 1 and 2 targets (2018 baseline):** • 2025: > 38% reduction against the 2018 baseline	On track	Scope 1 and 2 reduction of 36% against the 2018 baseline was achieved, a 2 percentage-point higher reduction than in 2023.
	• 2030: 50% reduction against the 2018 baseline	On track	
	• 2040: Net zero: 90% reduction and 10% removals against the 2018 baseline	On track	
	Scope 3 targets (2020 SBTi-methodology baseline):		
	Near term: 2030: Scope 3 targets (2020 baseline, submitted but not yet validated): • We commit to reduce absolute scope 3 forest, land and agriculture (FLAG) GHG emissions by 30.3% by 2030 from the 2020 SBTi baseline (for near-term target). • We commit to reduce absolute scope 3 Energy and Industrial (E&I) GHG emissions by 42.0% by 2030 from the 2020 SBTi baseline (for near-term target).	Area of focus	Our FLAG GHG emissions increased by 9.9% compared to the 2020 SBTi baseline, while the E&I GHG emissions increased 0.2% against the 2020 SBTi baseline. Against our restated 2020 full scope 3 baseline of 60.4 $MtCO_2e$, our full scope 3 footprint increased to 63.6 $MtCO_2e$ in 2024.
	Long term: 2050: Scope 3 targets (2020 baseline, submitted but not yet validated): • We commit to reduce absolute scope 3 FLAG GHG emissions by at least 72% by 2050 from the 2020 SBTi baseline (for long-term target). • We commit to reduce absolute scope 3 E&I GHG emissions by 90% by 2050 from the 2020 SBTi baseline (for long-term target).	Area of focus	
	Net zero:[4] • We commit to reach net-zero GHG emissions across our value chain by 2050.	Area of focus	

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information continued
Performance highlights continued

nature

Environmental topics	Measurable targets and ambitions[1, 2, 3]	Progress	Performance
water and marine resources: seafood	• By 2025, we aim to have 100% of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted Fishery/Aquaculture Improvement Projects (FIPs/AIPs).	On track	In 2024, 96.7% of own-brand seafood products were certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIRs/AIPs, compared to 96.9% in 2023.
biodiversity and ecosystems: critical commodities	By 2025, Ahold Delhaize and its brands aim to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber. We achieve this through:		
	• 100% of own-brand products containing coffee certified against an accepted standard	On track	In 2024, 97.4% of own-brand products containing coffee were certified against an acceptable standard, compared to 97.1% in 2023.
	• 100% of own-brand products containing cocoa certified against an accepted standard	Significant progress	In 2024, 96.5% of own-brand products containing over 5% cocoa were certified against an accepted standard compared to 91.8% in 2023.
	• 100% of own-brand products containing palm oil certified against an accepted standard	Significant progress	In 2024, 96.4% of own-brand products containing palm oil were certified against an acceptable standard compared to 93.7% in 2023.
	• 100% of own-brand products containing tea certified against an accepted standard	On track	In 2024, 99.5% of own-brand products containing tea were certified against an acceptable standard compared to 99.4% in 2023.
	• 100% of high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits	Achieved ahead of schedule	100% of high-risk soy volume in own-brand supply chain were covered by accepted physical certification or credits in both 2024 and 2023[7].
	• 100% of own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled	Area of focus	In 2024, 91.6% of own-brand wood fiber-based products and packaging were either certified against an acceptable standard or classified as low-risk or recycled, down 1.8% from 93.4% in 2023.
animal welfare	• All Ahold Delhaize brands have the ambition of being 100% cage free for own-brand and national-brand shell eggs by 2032[5].	Area of focus	47% of the total shell eggs sold were cage free, compared to 45% in 2023.
	• Our U.S. brands have the ambition to sell 100% pork products from group-housed swine by 2028[6]. Our European brands continue to ensure compliance with EU legislation that limits the use of gestation crates for swine for extended periods.	Area of focus	Reporting to commence in 2025.

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information continued
Performance highlights continued

Circularity

Environmental topics	Measurable targets[1, 2, 3]	Progress	Performance
waste	• Our target is >40% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2025.	On track	In 2024, we achieved a 35% reduction of total food waste per €1 million of food sales against the 2016 baseline, the same percentage reduction as reported in 2023.
	• By 2030: 50% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline	On track	
packaging	By 2025: • Our target is to reduce the use of virgin plastic in own-brand primary product packaging by 5% compared to 2021.	Achieved ahead of schedule	By 2024, we had reduced our virgin plastic packing by 10.3% compared to our 2021 baseline, a minimal improvement compared to last year's 10.2% decrease against the baseline.
	• Our target is to have 25% of our total own-brand primary plastic packaging weight made from recycled content.	Area of focus	15.7% of own-brand plastic product packaging is made of recycled content, compared to 14.8% in 2023.
	• Our target is for 100% of primary own-brand plastic packaging to be reusable, recyclable or compostable in practice and at scale.	Area of focus	33% of primary plastic own-brand product packaging is reusable, recyclable or compostable, compared to 28% in 2023, a 4.3 percentage-point increase.

1. Boundaries of the material sustainability matters are included in *Our material sustainability matters* overview.
2. See *Sustainability notes*, as well as individual ESRS disclosures, for more information on the KPIs and performance.
3. See *Sustainability statements* for more information on the targets or ambitions per material sustainability matter.
4. See *Definitions and abbreviations* for the definition of net zero. We plan to utilize removals to the extent permitted by the SBTi.
5. Our ambition relating to cage-free shell eggs was revised during December 2024, from the ambition to be 100% cage free by 2025 to 100% by 2032. See *Animal welfare* for more information.
6. The ambition for our U.S. brands was revised in December 2024, from the aim to eliminate gestation stalls by 2025 or sooner to the above. See *Animal welfare* for more information.
7. Includes credits purchased in the first quarter of the next financial year to offset volumes of the current financial year. See *Sustainability notes* for more information.

Progress key Do not achieve | On track | Significant progress | Achieved | Achieved ahead of schedule | Area of focus

Environmental information: climate
Climate change

climate

Climate and nature can be seen as two sides of the same coin. Climate change is a key driver of nature loss, while the degradation of nature contributes to climate change and undermines nature's ability to regulate emissions and adapt to weather events.

Our climate pillar includes the material sustainability matter climate change, which covers both our impact on climate change (mainly due to GHG emissions), including the impact on nature, and the impact of climate change on our organization (mainly physical and transition risks). In the Nature section of this report, we will focus on drivers of nature loss other than climate change.

in this section

climate change

Definition: Understanding and mitigating business impacts on climate change by reducing scope 1, 2 and 3 GHG emissions across the value chain. This includes our approach to mitigating and adapting to climate-related risks and the implications for our business, including physical and transition risks, as well as the identification of climate-related opportunities in the transition to a low-carbon economy.

The climate change material matter includes two sub-topics: climate change mitigation and energy and climate adaptation.

Governance

See *General information: Governance* in the sustainability statements for more information on the governance of sustainability.

Our approach to climate change is rolled out globally, with our brand leadership teams responsible for implementing actions within the brands. Every brand has dedicated teams working to reduce its climate impact from own operations and the value chain. These teams consist of associates from departments such as Store Development and Store Maintenance, as well as sourcing managers.

Because decarbonizing our business is such a high priority, we linked the achievement of our scope 1 and 2 GHG-emissions reduction targets to remuneration under our long-term, share-based incentive plan. In 2024, we further strengthened the connection between executive compensation and sustainability by updating our annual cash incentive plan to include, in the performance measures, having a detailed and approved scope 3 plan. We continue to keep our sustainability targets, ambitions and objectives, and their interrelation, including our GHG-emissions reduction targets, under review to ensure alignment with our overall strategy.

For more details on the integration of sustainability-related performance in incentive plans, see *Remuneration Policy for the Management Board*.

Environmental information: climate continued
Climate change continued

Strategy

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

A healthy planet is a key component of our *Healthy communities & planet* strategic priority, and our approach to addressing climate change in our Company focuses on both the impact of climate change on our business and how our business activities impact the climate. We aim to reduce our impact on the climate through our commitment to reach net-zero GHG emissions across our own operations by 2040 (scope 1 and 2) and become a net-zero business across the entire value chain, products and services no later than 2050 (scope 3).

For more information on our strategy and how it is linked to the material sustainability matters we have identified, see *Our material sustainability matters* section.

Transition plan

Our impact and overall approach

Climate change and the degradation of nature are global threats to the health of the planet and people's lives and livelihoods.

A range of issues – such as energy production, deforestation, burning of fossil fuels, agriculture and waste – contribute to the climate crisis and to the health and resilience of the planet, which underpins the well-being of everyone who inhabits it.

Through our activities, we are producing direct and indirect GHG emissions. This means we are impacting climate change in different ways. Examples range from the fossil fuels burned for heating and during transportation, the electricity consumed throughout our facilities or the refrigerants we use for cooling the products in our stores, to the way the products we source are produced, their usage by our brands' customers or how the waste is treated.

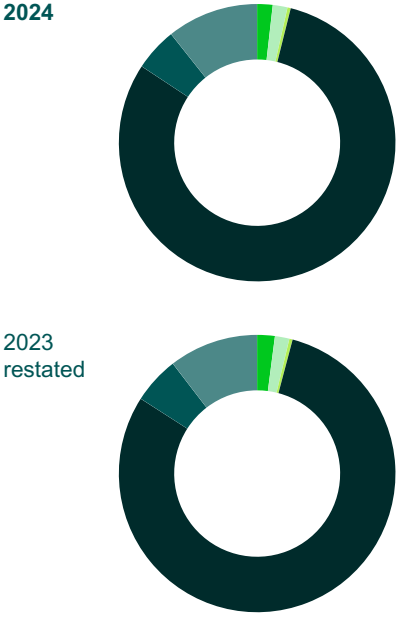
Of our total carbon footprint, refrigerants, electricity, heating and transport form our scope 1 and 2 footprint. The remaining emissions categories form our scope 3 footprint, representing around 96% of our total direct and indirect carbon footprint in 2024. See also *Sustainability notes* for a further breakdown of our GHG emissions.

To support our aim of becoming a net-zero business, we have set science-based emissions reduction targets for our own operations (scope 1 and 2) as well as our entire value chain (scope 3) (pending SBTi validation) with the objective of limiting global warming to 1.5 degrees Celsius in line with the Paris agreement.

We leveraged a 1.5 degree-aligned pathway to determine the levers and contributions for each scope and did not consider any other scenarios in the development.

Our transition plan is embedded in and aligned with our overall business strategy, as one of our strategic priorities is *healthy communities & planet*. To achieve a healthy planet, we are committed to lowering our GHG emissions, both in our brands' own operations and throughout our value chain.

Our total carbon footprint



	2024	2023 restated
Scope 1 and 2[1] ($MtCO_2e$)	**2.58**	**2.65**
Refrigerants[2]	1.8%	2.1%
Electricity, heating and cooling[2]	1.7%	1.7%
Transport[2]	0.4%	0.4%
Scope 3 ($MtCO_2e$)	**63.56**	**61.36**
Purchased goods and services[2]	80.4%	79.9%
Use of sold products[2]	5.0%	5.5%
Other scope 3[2]	10.7%	10.4%
Total GHG emissions[1] ($MtCO_2e$)	**66.14**	**64.01**

1. Includes market-based scope 2 GHG emissions
2. Calculated as percentage of total GHG emissions

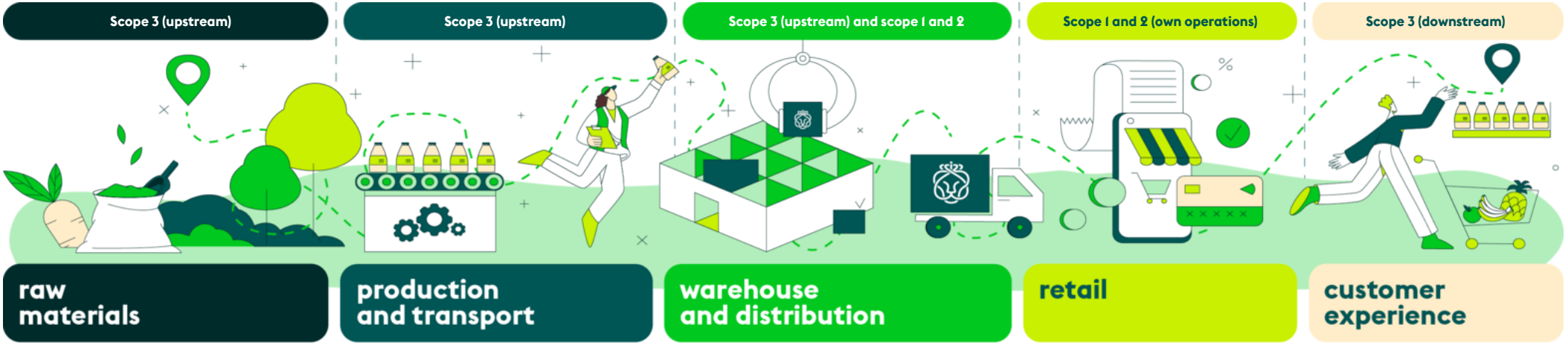
The funding required to implement the actions outlined in our transition plan for our brands' own operations (scope 1 and 2) is integrated into our financial planning for the strategic period through 2028. This ensures that our financial resources are allocated effectively to support our sustainability goals, reinforcing our commitment to a healthy planet.

There are locked-in emissions associated with the capital goods we procure, for example, refrigerant systems. These emissions are factored into our scope 1 and 2 transition plans. In addition, we have scope 3 locked-in emissions that are calculated in category 11 – use of sold products, which relate to electrical goods. We recognize the lifetime emissions of the electrical goods that we sell in our GHG inventory. We aim to reduce the emissions intensity of the goods we sell, and electrical goods are a component of this strategy. The majority of emissions in category 11 for electrical products occur within the Netherlands, in which the planned decarbonization of the grid is aligned to the achievement of our scope 3 reduction targets.

ESRS E1 requires companies to disclose whether they are excluded from the EU Paris-aligned benchmarks, in accordance with the exclusion criteria stated in the Climate Benchmark Standards Regulation[1]. This regulation requires administrators of EU Paris-aligned benchmarks to exclude from those benchmarks the companies that derive revenues over specified thresholds from certain activities (e.g., coal-, oil- or natural gas-related activities, or high-GHG-intensity electricity generation) and the companies found or estimated to significantly harm one or more of the EU Taxonomy environmental objectives. Ahold Delhaize does not meet any of the exclusion criteria and, therefore, is not excluded from the EU Paris-aligned benchmarks.

1. Climate Benchmark Standards Regulation

Environmental information: climate continued
Climate change continued

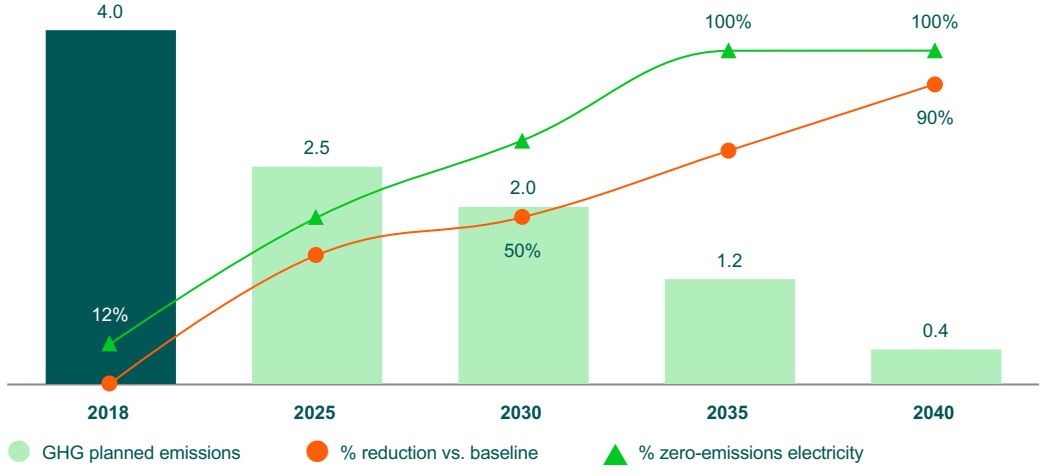


Own operations (scope 1 and 2)

Our first goal is to reduce emissions from our local brands' operations. This is a relatively smaller part of the emissions in our total value chain, but these are the emissions over which we have direct control and can have the biggest direct impact. In 2024, we focused on estimating potential emissions reduction in our own operations from each lever we have identified, and further worked to estimate the resources necessary to implement our mitigation actions.

The primary sources of our scope 1 and 2 CO_2e emissions are refrigerant leakage, electricity consumption, heating and transportation, with electricity consumption and refrigeration representing approximately 80% of total scope 1 and 2 emissions.

GHG planned emissions reduction
Scope 1 and 2 (in $MtCO_2e$)



Key levers

To address the emissions in our brands' operations, we have identified four key levers that will contribute the most in helping us reach our medium-term target of 2.0 $MtCO_2e$ emissions reduction, or a 50% reduction against the 2018 baseline of 4.0 $MtCO_2e$, and our long-term target of becoming net zero (90% reduction and 10% removals) by 2040, also against our 2018 baseline.

Reduction % versus 2018 baseline		
2025	2030	2040
> 38%	50%	≥ 90%

For more details on our scope 1 and 2 targets, see *How we measure our performance*.

The actions we take to reduce emissions from refrigerants, transportation and on-site heating directly influence our scope 1 emissions, while the transition to zero-emissions electricity and improving energy efficiency will reduce our scope 2 emissions. Electrifying our fleet and heating will also impact electricity use and, therefore, scope 2 emissions. However, as we increase the share of

Environmental information: climate continued
Climate change continued

zero-emissions electricity over time, the additional impact on scope 2 emissions will also reduce over time, eventually reaching zero. For Ahold Delhaize, zero-emissions electricity includes electricity from renewable sources and electricity from nuclear sources.

Transition to zero-emissions energy

In 2024, approximately 34% of our scope 1 and 2 emissions were caused by electricity consumption. Our total electricity consumption is forecasted to further increase due to the electrification of our transportation and heating systems, among other factors. We plan to reduce electricity emissions to zero by 2035.

We plan to achieve part of this by generating our own electricity through solar panels installed in both the U.S. and Europe. In 2024, we increased the electricity generated on-site through solar panels and used on-site by 9% compared to 2023. By 2035, we plan to source nearly all electricity, other than own-generated electricity, through virtual and direct PPAs in Europe, while in the U.S., a combination of PPAs, bundled supply contracts, unbundled renewable energy certificates (RECs) and nuclear energy purchases will be used, depending on the electric market rules. In 2024, we used 49% zero-emissions electricity.

We actively invest in renewable energy initiatives. Our solar projects include widespread photovoltaic installations. In Europe, we signed our first pan-European PPA, which is expected to start generating renewable energy in 2026.

Transition to low-GWP and natural refrigerants

Nearly half (46%) of our total scope 1 and 2 emissions come from our 2024 mix of refrigerant types and associated leakage. Our brands are aiming to reduce refrigerant emissions by executing local climate plans.

In order to achieve our net-zero plan, we need to replace or retrofit our refrigeration systems with low-climate-impact alternatives that can use natural or low-GWP refrigerants, minimize leakage and consume less energy. We aim to transition, year by year, to natural and low-GWP refrigerants. Natural refrigerants have significantly lower climate impact than chemical refrigerants and are more energy efficient.

Our U.S. businesses are planning to convert equipment for compatibility with low-GWP or natural refrigerants. By 2040, we aim to replace around 1,200 systems with low-GWP systems and fully convert approximately 2,800 systems to natural refrigerant systems. Refrigerant emissions are among the hardest to abate, because addressing them often requires replacing entire refrigeration systems. As such, they make up the largest part of the residual emissions for our U.S. businesses.

For our European brands, the current plan is to only convert systems to natural refrigerants. Of the total refrigerant systems, 40% are already using CO_2 refrigerants. By 2040, we intend to convert over 1,500 systems to natural refrigerants, representing more than 50% of the total refrigerant systems.

Transition from fossil fuels in heating and transportation

Our fossil fuel-related emissions come mainly from two sources: transport and heating. Transport by our own fleet includes distribution, to both stores and customers, and personnel cars. These activities account for 10% of our total scope 1 and 2 emissions. Our long-term vision is to achieve 100% fossil-fuel-free transport in both Europe and the U.S. by 2040.

This will require us to replace over 5,000 vehicles in the U.S. and over 4,000 in Europe with clean alternatives, such as electric or hydrogen vehicles.

Technological maturity plays an important role in how fast we can transition to cleaner energy sources. In the U.S., we face challenges in electrifying our fleets and equipment, especially for long-haul vehicles and charging infrastructure. The increased demand for electricity may also result in grid congestion, because the infrastructure is not ready, which could lead to disruptions in operations. Therefore, we continue to explore other options, such as hydrogen. Likewise, we will need to evaluate the viability of electrifying our fleets in Europe on a country-by-country basis.

Natural gas and propane used for heating comprise 9% of our scope 1 and 2 emissions today. Our aim is to gradually electrify our heating systems to eliminate fossil fuel use in both the U.S. and Europe by 2040. Our plans to transition stores from fossil fuels are subject to change, and there are currently no plans to transition certain stores away from district heating systems or to implement electrified heating in select northern U.S. locations, where severe winter conditions may limit its effectiveness.

Increase energy efficiency

Reduction of electricity consumption is the most direct way to reduce energy-related emissions. While Ahold Delhaize's total electricity consumption is set to increase as a result of overall decarbonization measures, energy efficiency remains a key lever in reducing environmental impact.

We are installing energy-efficient equipment, such as LED lights, doors on cabinets, heat recuperation, heat pumps, new refrigeration systems, improved insulation and new passive doors on freezers. Taking measures like these when remodeling is enabling our brands to create energy-efficient stores.

Scope 1 and 2 road to decarbonization

The farther in the future our plans are set to be executed, the less certain is the feasibility and achievability of our actions on key levers, as well as the costs of these actions. For actions scheduled to be executed from 2025 to 2028, we have built the plans from the brand level up and included the estimated CapEx necessary to execute them in our long-range plans. We have estimated the feasibility and reduction potential with a reasonable level of reliability, but the actual outcomes can still differ.

For the period 2029 to 2040, our plans are more high level and include more assumptions. As a result, we have a higher level of uncertainty around whether our estimated outcomes are achievable and the reductions will materialize as estimated.

Our current expectations are that, based upon the identified action plans and the progress we are making, we are on a positive trajectory to meet our targets of 50% reduction by 2030, subject to our estimates and assumptions as set out below.

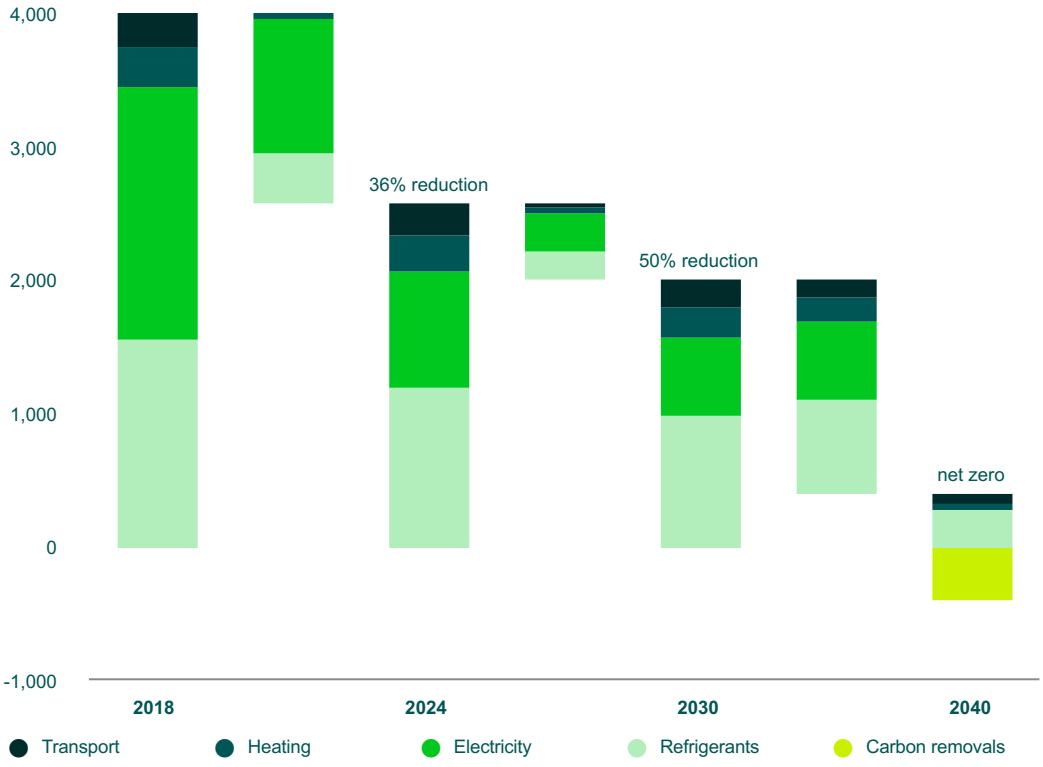
For the period 2030 to 2040, we will continue to make our high-level plans more concrete, taking into account available and developing technology and insights. We have made a lot of progress identifying the high-level plans and actions, and we now have a better view of what our road to net zero until 2040 looks like.

However, the high level of uncertainty, due to the longer-term nature of the actions, changing regulations and reliance on technology and infrastructure that is sometimes not yet fully operational or proven in practice, still leads to significant uncertainty and causes us to be dependent on various assumptions to provide more detail (see *Assumptions and estimates used in calculations* below).

To reach net zero in 2040, we will offset our residual emissions by sourcing carbon removal credits. Our current projection is that we will reduce 90% of scope 1 and 2 emissions and offset the remaining 10%. Based on our transition plan, we expect that our residual emissions will come from low-GWP refrigerants and fossil fuels for heating and transportation. For more details on our carbon removals, see section *GHG removals and carbon credits* below.

Environmental information: climate continued
Climate change continued

Scope 1 and 2 road to decarbonization: Expected reduction plan for scope 1 and 2 GHG emissions based upon our current best estimate for the period 2024 to 2040
(in $MtCO_2e$)



in $MtCO_2e$	Base year (2018)	Achieved reduction (2024)	2030	2040
Total GHG emissions	4.0	2.6	2.0	0.4
Refrigerant replacement and conversion		(0.4)	(0.2)	(0.7)
Electricity: Reach 100% zero-emissions electricity		(1.0)	(0.3)	(0.6)
Heating switch to fossil fuel-free heating		—	—	(0.2)
Transport switch to fossil fuel-free vehicles		—	—	(0.1)

Assumptions and estimates used in calculations
Our ability to achieve our GHG emissions reduction targets for scope 1 and 2 with the actions above is based on the following assumptions:

- Our European brands will use only natural refrigerants to replace the current refrigerant systems, while in the U.S., our brands will also use low-GWP refrigerants in the first years.
- The feasibility of the transition away from fossil fuels for our transportation is dependent on resolving challenges in infrastructure readiness.
- We are making the assumption that both regions will generate own energy by installing solar panels. Total electricity consumption is expected to increase due to the electrification of transport and heating.
- 100% zero-emissions energy can be acquired at close to parity with grid power.
- When determining the costs of abatement and reduction initiatives, we used current costs and we included costs associated with our leased assets (i.e., we did not assume cost reduction that may take place when technology scales and matures).

Investments and funding supporting the implementation of our transition plan

The implementation of our transition plan to achieve net-zero emissions will require significant investments in clean, low-emissions and zero-emissions technologies. These investments are covered in our Growing Together strategy, which includes a gross cash capital expenditure cadence of 3% of net sales. We have allocated the necessary financial resources to support our transition plan over the strategic period (until 2028), as this is the time horizon for financial planning and allocation. In our investment plans, we do not differentiate between regular replacement CapEx and incremental CapEx that directly contributes to our scope 1 and 2 reduction program.

As a consequence, we do not disclose the monetary amounts related to the incremental investments to reduce our scope 1 and scope 2 emissions. It is also important to note that the further we project into the future, the more uncertain these costs become. Factors such as advancements in technology could potentially reduce costs, while high demand might drive them up. In addition, the plans themselves are subject to change as new information and technologies emerge.

At the end of each year, we review our total CapEx spend to determine the portion that is eligible and aligned with the EU Taxonomy. While we anticipate that the CapEx spend eligible for the EU Taxonomy will increase in future years, driven by the increase in total CapEx spend for the transition plan, alignment is more difficult to predict, as not all investments will meet the EU Taxonomy alignment criteria. For instance, some investments in vehicles may not fully comply with the DNSH noise regulations, even though they help us in lowering GHG emissions.

Environmental information: climate continued
Climate change continued

In 2024, we spent:

- €896 million on EU Taxonomy-eligible but not aligned CapEx
- €118 million on EU Taxonomy-eligible and aligned CapEx

Of the EU Taxonomy-eligible and aligned CapEx, approximately €37 million is related to the actions mentioned in this transition plan, including refrigerants replacement, investments in fossil fuel-free transport and heating, solar panels and energy efficiency measures.

See *EU Taxonomy* for more information.

In 2024, Ahold Delhaize issued a new Green Financing Instrument in the form of a Green Bond for a total notional amount of €500 million. Part of the proceeds of the Green Bond are used to invest in the actions mentioned in this transition plan. The framework used to determine which investments can be considered green is broader than the EU Taxonomy, while being in line with the ICMA (International Capital Markets Association) guidelines and signed off by second-party opinion provider Sustainalytics. Therefore, we expect a larger portion of the total transition plan CapEx spend to align with our Green Finance Framework. Similar to the EU Taxonomy, we report the total CapEx spend that can be considered sustainable according to our Green Bond framework each year. This amount is also expected to increase over the years as we continue to invest more funds in our transition plan.

In 2024, we spent approximately €300 million on Green Bond CapEx, of which around €210 million is related to the actions mentioned in this transition plan.

This number is lower than the total Green Bond spend because investments in new buildings and investments such as bottle and can collectors and route optimization software, which are part of total Green Bond, are not linked to the transition plan.

Each year, we will track our progress by comparing actual emissions reductions against the expected emissions reduction in the transition plan and evaluating our actual investments against the planned investments.

The investments related to the transition plan consist of additions to the property, plant and equipment and right-of-use assets. See also *EU Taxonomy* note for a reconciliation of the additions included in the financial statements (*Note 11*, *Note 12*, *Note 13* and *Note 14* to the consolidated financial statements) to the total CapEx under the EU Taxonomy.

The operating expenses related to the transition plan measures consist mainly of costs related to electricity purchased, diesel/gasoline for transportation and fuels used for heating and cooling. These are fully integrated into the daily operations and are recorded as part of other operating expenses; see *Note 8* to the consolidated financial statements.

Value chain (scope 3)

The vast majority of our GHG emissions are scope 3, which are indirect emissions that take place across our value chain – for example, emissions generated through the production and manufacturing of the products we sell and the use of those products. Our value chain consists of thousands of suppliers, producers and farmers who supply hundreds of thousands of products that are sold to millions of customers across the U.S. and Europe each day.

Our scope 3 emissions are driven by purchased goods and services, use of sold products and other categories (e.g., business travel). The category “purchased goods and services” represented 80% of our total carbon footprint (scope 1, 2 and 3) or 84% of our scope 3 emissions in 2024.

For more details on our scope 3 targets, see *How we measure our performance*.

Challenges

With the vast majority of our value chain emissions falling outside of our direct control, to achieve our targets, we will need to promote societal change and collaborate across the industry; we cannot achieve our scope 3 targets without working closely with our brands’ suppliers and customers. For this reason, playing a part in wider society and cooperating across our brands’ value chains are integral parts of our plan.

Supplier action

Our ability to drive scope 3 emissions reduction depends on the efforts of our suppliers and customers. The size and diversity of our supplier network presents challenges as we seek to influence, scale and track decarbonization practices. In some of our local brands’ operating regions, industry bodies are not pursuing climate action until 2030; this inaction will create barriers to value chain decarbonization. Our local brands are encouraging suppliers to set science-based climate targets and engaging with them on specific decarbonization measures.

Customer action

Addressing the behavior-action gap is complex, as it requires a multi-layered approach and there are many individual and societal factors at play that are not within our direct circle of influence. Our brands’ 150 years of experience in engaging, inviting, nudging and encouraging consumers will help them facilitate this required change in behavior.

Key levers

To reduce GHG emissions within our supply chain, we have identified the following key priorities: engaging with our brands’ suppliers and farmers, providing an assortment with a lower carbon footprint, and encouraging customers to choose lower-emission products.

Engaging suppliers in setting science-based targets and implementing sustainable practices

Our brands encourage suppliers to set emissions reduction targets in line with the latest science. These commitments will accelerate improvements in livestock farming, raw material sourcing, processing, transport, packaging, deforestation and food waste reduction and could help address the majority of our scope 3 emissions by 2030.

As of January 2025, 61 of Ahold Delhaize’s top 100 suppliers have either set science-based targets or are committed to doing so (*SBTi Companies Taking Action*).

Actions being taken by suppliers include:

Livestock farming: GHG emissions from livestock can be reduced by focusing on enteric fermentation and manure management. This involves strategies such as improving animal feed formulas, using feed additives (including bovaer and red algae) to reduce methane emissions, harnessing biogas from liquid manure, and adjusting manure pH with sulfuric acid.

Processing: Encouraging suppliers to optimize their production processes through energy efficiency, new machines or switching to renewable energy sources.

Environmental information: climate continued
Climate change continued

Food loss and waste: We seek to combat food loss and waste throughout the value chain across all product categories. This includes losses in agriculture, such as those due to machine failure; post-harvest losses, including from quality defects; losses during processing; and operational waste within our brands' stores. We tackle food waste through various approaches, including maximizing product utilization, for example, through upcycling; refining product management, such as through enhanced demand planning; and enhancing product distribution, including through decreased transit times or optimized routes. See also *Waste*.

Deforestation-free supply chain**:** By 2025, Ahold Delhaize and its brands have the ambition to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber. See also *Biodiversity and ecosystems*.

Agricultural practices: Most of our products are agriculture based. Agriculture can have net positive or negative emissions, depending on the underlying practices used. Ahold Delhaize brands seek to engage with suppliers and farmers to reduce or sequester emissions by incentivizing sustainable change through longer-term contracts with concrete environmental requirements and through co-investments on farms. Activities under this lever include optimizing the use of fertilizers and pesticides; using regenerative agricultural methods, such as no-till farming and cover cropping; and taking measures related to agroforestry, afforestation and reforestation.

Low-carbon footprint products

Assortment of products: In collaboration with suppliers, our brands seek to reduce the carbon footprint of their local assortments. Our local brands remain committed to empowering customers to make environmentally conscious choices. This strategy varies across our different brands and can include promoting a health-focused and reduced-GHG-emissions product lineup, investing in product development, and transitioning from high-emission protein sources, such as red meat, to lower-emission sources, such as white meat or plant-based alternatives.

In Europe, the transition to plant-based proteins is one way we are working toward offering products with a lower carbon footprint. Our European brands agreed to a regional target of at least 50% plant-based sales by 2030. At the same time, this action also reinforces our dedication to a healthier and more sustainable food system and inspires our brands' customers to make healthier choices. See also *Customers' health and nutrition and access to healthy affordable products*.

Customer engagement

Proactively engaging with customers (unquantified impact): Our local brands encourage customers to shift toward lower-emission products. They continue to help customers understand the impact of their buying decisions and make choices that fit their needs, their tastes and their values.

They do this by stimulating and rewarding sustainable choices through loyalty programs and discounts, increasing product transparency through navigation systems and product labelling, improving assortments and products with more vegan and vegetarian choices, and increasing customers' knowledge of healthy lifestyles by giving them access to free dietitians and knowledge platforms.

Recognizing the challenges of behavior change, we focus on addressing the barriers customers have identified, facilitating easier, informed choices through accessible information, inspiration and incentives. We are committed to continuously improving our brands' product offerings, ensuring that affordable, healthy and sustainable options remain accessible.

Scope 3 road to decarbonization

Category 1 – Purchased goods and services is the largest scope 3 category. Therefore, when we started working on concrete plans for reducing scope 3 emissions, we prioritized this category. We identified six levers, plus an "other" category to be quantified.

Due to the high level of uncertainty around data accuracy and availability, we only report on the estimated reduction potential by 2030 and not up to our long-term and net-zero target date of 2050. Achieving our long-term revised scope 3 emissions targets and our net-zero target will require intense cooperation across the value chain.

We considered two scenarios in our analysis. The theoretical reduction potential of the levers remained the same across the scenarios; however, in the lower boundary, we assumed moderate achievability, while, in the upper boundary, we assumed accelerated achievability. We analyzed these two scenarios to understand what the outcomes may be with limited engagement and what would be possible with accelerated engagement.

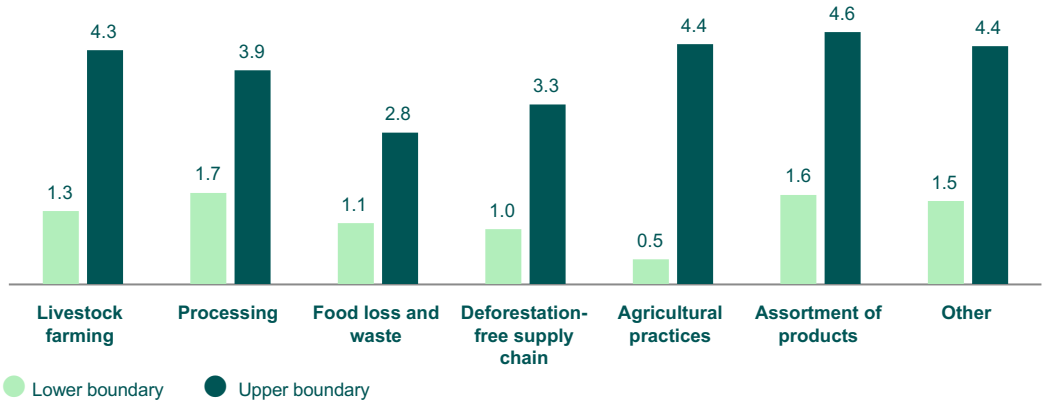
When we assessed the potential to achieve our targets, we took into consideration an assumption on annual growth rate. We anticipate shifts in customer preferences and demand as well as impacts from regulatory factors as we transition to a lower-carbon economy. As part of our transition plan, we aim to help customers choose lower-carbon products. See *IRO management* for further analysis on transition risks and opportunities.

Ahold Delhaize and its brands are currently working to build knowledge and create a broader level of commitment to science-based targets within our supply chain. In addition, we work in partnership with other players in our supply chain to understand the initiatives and levers that they are actioning to decarbonize, linking the GHG emission reduction quantification of the actions to monitor progress toward our collective GHG emissions reduction targets.

Based on the quantification of the levers, we believe that they have a cumulative estimated reduction potential of between 8.8 (lower boundary) and 27.6 $MtCO_2e$ (upper boundary) by 2030.

Environmental information: climate continued
Climate change continued

Cumulative estimated reduction potential of scope 3 decarbonization levers by 2030 (in $MtCO_2e$)



Our 2020 scope 3 emissions baseline (using SBTi methodology) amounts to 23.7 $MtCO_2e$ for E&I GHG emissions and 16.8 $MtCO_2e$ for FLAG GHG emissions. To reach our 2030 revised scope 3 emissions targets, we need to reduce 10.0 $MtCO_2e$ of E&I GHG emissions and 5.1 $MtCO_2e$ of FLAG GHG emissions, totaling 15.1 $MtCO_2e$[1]. The lower boundary would, therefore, not achieve sufficient reductions for us to meet our 2030 scope 3 targets, while the upper boundary suggests that with accelerated actions, our revised scope 3 emissions targets can be achieved.

1. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.

Scope 3 emissions is a rapidly evolving and critical topic, requiring significant innovation around financing, technology and accounting. While more work will be needed to enhance our scope 3 roadmap across our global supply chain, we are committed to continuing to stimulate progress and take action.

In 2024, we continued to refine how we work with suppliers on scope 3 emission reduction and through which levers. We calculated the estimated reduction potential in 2022 and this remains a preliminary view that we use to guide focus on GHG-emission reductions.

The top six levers remain our primary levers for action. In 2025, we will continue building our potential to realize emission reductions.

Due to our reliance on supplier action to realize scope 3 emission reduction, it is challenging to estimate the total OpEx and CapEx we will require for the transition, and therefore, we are not reporting a total cost estimate this year. We continue to work with our brands and suppliers to understand the overall costs of the transition and embed these costs in our strategy.

Assumptions used in scope 3 emission reduction calculations

Our ability to achieve our GHG emissions reduction targets with the actions above is based on the following assumptions:

- To a large extent, achieving our scope 3 targets will require specific actions by suppliers and farmers, to be driven by the suppliers and farmers independently.
- In order to enable cost-based prioritization across the Group, we will need further analyses to increase our confidence in our estimates of investment costs and the financial upside related to cost efficiency improvement or new value streams. These analyses might result in changes in how we prioritize activities and, therefore, reduce emissions over time.
- The reduction potential of some of the levers is driven by uncertain consumer behavior – for example, slow adoption of less carbon-intensive meat. Reduction potential is also limited or uncertain due to a lack of available solutions, high upfront costs and the upskilling required.
- We expect that new technology and enhancements to existing technology over the coming years will create new opportunities for reducing emissions and achieving our net-zero targets.

Material IROs and interaction with strategy and business model

Ahold Delhaize recognizes climate and nature-related risk as a principal risk that may impact our business – in varying degrees – in the short, medium and long term. See *Risk and opportunities* for more information on our principal risks.

Climate risks can be thought of in two categories: physical risks and transition risks.

Ahold Delhaize faces potential physical risks from event-driven (acute) or longer-term (chronic) shifts in climate patterns that may pose financial implications for our business. Impacts may vary depending on the interactions between hazards (triggered by climate trend or event), vulnerability (susceptibility to harm) and exposure (people, assets or ecosystems potentially impacted) (Intergovernmental Panel on Climate Change (IPCC), 2014).

Changing consumer preferences and future policy and regulation associated with the shift to a low-carbon economy present transition risks but also opportunities for our business. Depending on the nature, speed and focus of the changes related to the transition, the impact of financial, operational and reputational risks or opportunities for our business will vary.

Ahold Delhaize's business strategy provides a degree of resilience to some of these risks. For example, our diversified supply chain approach provides some resilience to the physical impacts of climate change on particular areas; and our large physical store footprint, widespread reach, continuity plans and multi-channel business provide some resilience to potential local flooding and hurricane hotspots. Our emission reduction commitments and the diversification of our product base to include a range of plant-based alternatives also helps to increase our business resilience as consumer preferences for lower-carbon products evolve.

For a definition of climate-related physical and transition risks, see *Note 2* to the consolidated financial statements. For further details on our identification of physical and transition risks, as well as the scope of the assessment and outcomes, see *Climate-related risks*. See our *2023 CDP response* for further detail on how we are responding to climate impacts.

Environmental information: climate continued
Climate change continued

IRO management

Process to identify and assess material climate change mitigation and adaptation-related IROs

See *Our material sustainability matters* for an overview of the sub-topics linked to climate change as well as the climate-related impacts and risks we have identified and assessed as material through our *DMA* process.

The impacts and risks identified during the DMA are the negative impacts on the environment due to scope 1, 2 and 3 GHG emissions (in the entire value chain) as well as physical risks in own operations and transition risks in own operations and upstream value chain.

Climate-related risks

Climate-related scenario analysis

In 2021, we identified six key climate-related physical and transition risks that have formed the basis of our climate risk reporting ever since. In 2023, we implemented a climate risk assessment tool that facilitates scenario analysis to better understand how our business may be exposed to some of these climate risks. We focused on physical risk analysis in 2023 and expanded the analysis to also include some transition risks in 2024.

The tool models the evolution of potential climate risks and opportunities across five future warming scenarios derived from the IPCC's Shared Socioeconomic Pathways (SSPs). Each SSP considers variables in development and economic growth, geopolitics, equality and other socioeconomic conditions to simulate different temperature outcomes by the end of the century (2100).

While all five SSP scenarios are included in the tool, our disclosure focuses on a more than 4°C No Policy (SSP5-8.5) scenario with the greatest potential physical impacts and a 1.5°C Paris Ambition (SSP1-1.9) scenario which is aligned with global climate-related policy efforts and presents the greatest potential transition impacts.

Scope of scenario analysis

The scope of our scenario analysis focuses on identifying and assessing the potential financial impacts of four climate-related physical and transition risks on our own operations, across three timeframes, using an outlook of five and 10 years from now as well as a prediction out to 2040. The nearer-term timeframes allow us to consider and incorporate the potential impact of climate-related risks and opportunities into our risk management and strategic planning, while the 2040 timeframe helps us consider potential climate impacts on asset lifetimes or impairments. See *Note 11* and *Note 14* to the consolidated financial statements for details.

Physical risk scenario analysis examines the potential for climate hazards to impact our own operations, through asset damage or revenue disruption. Although currently excluded, our upstream and downstream value chain is on our roadmap for inclusion in due course. In 2024, we expanded the coverage of our physical risk analysis to include all of our facilities (stores, DCs, offices and investment properties) for 15 brands. We excluded joint ventures from the analysis.

Our transition risk assessment examines the potential for policy and market-related transition factors, specifically changing consumer diets and carbon pricing, to impact product sales and gross margin. We used scope 3 category 1 data for own-brand and national-brand products to group products into different categories based on their GHG emission intensity for this assessment.

Our transition risk mitigation efforts focus on own-brand products, as our brands have the greatest scope to directly influence the composition and carbon intensity of these product ranges. However, as we source from a broad range of suppliers, we also engage with national brands to encourage them to apply sustainable practices and set emissions reduction targets.

Although carbon pricing could raise the prices our brands pay to suppliers, we expect our overall GHG emissions reductions efforts will mitigate our risk exposure as we decrease the level of emissions subject to carbon pricing. In our scenario analysis, we did not identify any assets or business activities that are considered to be incompatible with the climate transition set out at this moment.

We reviewed the scenario analysis outcomes by reference to the potential estimated impact on revenue and losses relative to materiality thresholds established in our ERM process.

Assumptions and limitations

Climate-related risks are highly uncertain and challenging to measure, due to uncertainties in the timing and magnitude of impacts. For this reason, we make several assumptions in climate scenario analysis to support the viability of the model.

The model presents the potential gross risk, not considering existing mitigation efforts. The results assume that Ahold Delhaize's operational footprint, portfolio of products and services, energy usage and emissions remain static across various time horizons. Because we assess each hazard individually, we do not consider the potential for certain hazards to exacerbate or compound the impact of others.

The transition risk modules assume that carbon emission pricing is accounted for on a production basis without border adjustments, upstream scope 3 emission costs incurred by suppliers are passed on in full to Ahold Delhaize, and no financial benefits can be derived from carbon pricing revenues (e.g., tax exemptions).

Environmental information: climate continued
Climate change continued

Ahold Delhaize identified six significant physical and transition risks. The outcomes of our tool-based scenario analysis is presented below, representing gross risk not accounting for any adaptation or mitigation efforts that have been put in place.

We categorize climate risk using a three-level impact scale, from low to high potential risk impact. The thresholds are based on different financial impacts, reflecting either a profit impact (e.g., direct loss or increased cost) or a revenue impact (e.g., reduction in net sales).

Material IRO (identified via DMA)	Key risk[1]	Type of risk	Type of impact	Tool-based scenario analysis performed?	Gross risk exposure per scenario and timeframe (outcomes of 2024 climate scenario analysis)			
					Paris Ambition (1.5°C)		No Policy (4°C)	
					Five-year outlook	2040 outlook	Five-year outlook	2040 outlook
Adaptation: Physical risks from climate change in own operations	Revenue losses resulting from disruption of stores and DCs (operations) due to climate events	**Physical**	Revenue	Yes	●	●	●	●
	Increased costs resulting from asset damage due to climate events	**Physical**	Profit	Yes	⬤	⬤	⬤	⬤
Transition risks from climate change in own operations	Regulatory risk: The impact of carbon pricing on gross margin	**Transition**	Profit	Yes	⬤	⬤	—	—
	Market risk: Changes in gross margin from changing customer diets	**Transition**	Revenue	Yes	●	⬤	○	○
	Market risk: The impact of climate change on energy costs	**Transition**	Profit	No	While this risk remains material, its impact is considered to be relatively lower than the other risks listed above, as our commitments and progress in this area provide a degree of resilience. The brands already implement several mitigation efforts, e.g., enhancing operational energy efficiency.			
Adaptation: Physical risks from climate change in the value chain	The impact of agricultural yield decreases and yield losses on revenue and gross margin	**Physical**	Profit Revenue	No – planned for future	Initially identified as a material climate-related risk in 2021. See our previous annual reports for full details. While our 2024 scenario analysis focused on physical risks to our own operations, we intend to augment our dataset and enhance our tooling capabilities to perform updated scenario analysis on this value chain risk in the coming years.			

⬤	**High**	Significant disruption requiring major resources and reprioritization of objectives to mitigate risk
●	**Moderate**	Moderate impact requiring some adjustments to objectives, resources, and timelines to manage risks
○	**Low**	Low impact, manageable with existing resources, causing limited disruption
—	**Neutral**	No impact expected

1. Six key risks identified in initial 2021 climate-risk analysis.

Environmental information: climate continued
Climate change continued

Physical risks outcomes

Our 2024 scenario analysis suggests that flash floods, riverine floods and tropical windstorms pose the greatest potential threat to our own operations across future time horizons, in both the Paris Ambition and No Policy scenarios. These results are consistent with our 2023 analysis, with the exception that tropical windstorms now display a higher threat to our brands' operations than heat waves (which we reported as a top risk in 2023). This change is due to the expansion of our analysis and the nature of the additional facilities included in our 2024 assessment.

As shown in the table above, when not considering existing mitigation or adaptation efforts, the model suggests that exposure to physical climate hazards may result in a moderate impact on revenue disruption and potentially a high impact of asset damage. Furthermore, exposure is set to increase by 2040 in both scenarios (albeit within the same risk impact ranges).

Although our modeling does not predict significant differences in physical risk exposure across scenarios, the potential for adverse (financial) impact is more pronounced in a No Policy scenario. This is because the Paris Ambition scenario assumes more ambitious climate policy action and mitigation efforts to curb the impacts of climate change and, therefore, reduced overall physical impacts.

During 2024, we already experienced operational disruption and asset damage as a result of climate-related events across the locations where our brands operate, including hurricane impact in the U.S. and flooding across Central and Eastern Europe.

It is worth noting that the modeled outcome represents a combined physical risk exposure across our many thousands of facilities. The geographical spread of our locations likely reduces the risk of any one event significantly impacting our business.

Our climate risk scenario assessment is ongoing, and we will continue to enhance our analysis. As noted, we have not yet come to a final conclusion about the potential financial value at risk as a result of the residual exposure to climate hazards, taking into account existing mitigation efforts such as site-level adaptation plans or insurance coverage.

The outcomes of the 2024 climate scenario analysis were considered in the "climate and nature-related" principal risk in our ERM profile.

Transition risk outcomes

The carbon pricing model analyzes how adjustments in carbon pricing might impact operational costs, such as the cost of power and utilities, and the prices we pay our suppliers.

Currently, in the jurisdictions where we operate, Ahold Delhaize is not subject to material policy requirements on carbon pricing, as the focus for GHG emission trading systems and certificates has been centered on energy-intensive sectors. In a No Policy scenario, the model assumes a roll-back of any and all existing carbon pricing systems.

The Paris Ambition scenario models a far-reaching adoption of increasing rates of carbon taxation, which could present a significant financial burden for our business if mitigating actions are not taken.

Whatever the scenario, as we recognize the need to incentivize decision-making to align with our climate-related targets, we apply internal carbon pricing to relevant CapEx investment decisions. See *Internal carbon pricing* for more details.

The significant differences identified in the potential exposure to transition risks between scenarios creates further incentives for us to mitigate transition risks by continuing to work toward achieving our emissions reduction targets to reach net zero by 2050, outlined in our Transition Plan sections above.

The consumer sentiment model examines the impact of consumers' sustainable buying habits on our sales. In a No Policy scenario, the model assumes limited to no uptake in products that are perceived as more sustainable, resulting in an expected low impact on our financial position.

To meet the Paris Ambition going forward, the model predicts a significant increase in the risk value as customer purchasing decisions are expected to shift drastically toward lower-carbon impact products. This shift could create a moderate unmitigated risk for our business within the next five years, moving to a high risk by 2040. See *Managing climate-related risks and opportunities* for details on our risk response. In the current context, although our brands' customers are becoming increasingly climate-aware, elements such as affordability and quality remain as the key drivers for purchasing decisions.

Opportunities

In our view, the impacts of climate change also offer opportunities. For example, by reducing our emissions and increasing our climate resilience, we believe we can increase operational cost efficiency and attract talented people who wish to work for a company that is actively addressing the impacts within its control and contributing to climate change mitigation.

Managing climate-related risks and opportunities

The modeling scenarios prepared in the climate risk assessment tool (and in the past) are useful for understanding the potential (financial) impacts of climate change on our business. Beyond that, it is valuable to look more broadly at the results and consider them in the context of our wider organizational risk management processes for further analysis.

Our actions and progress to address the impact of climate-related risks on our business (in addition to the scenario analysis work described above) are further explained below.

Physical risks

- We limit financial losses by procuring property damage and business interruption (PDBI) insurance against damage from natural catastrophes and weather-related events.
- Our Global Asset Protection function runs an extensive risk engineering program across all our brands to understand, quantify and mitigate a variety of hazards, including natural catastrophes. Risk engineering specialists visit our distribution network and HSCs on an annual rotation to perform risk assessments and provide actionable improvement recommendations. The results of those assessments assist site management and Global Asset Protection in implementing risk mitigation measures proactively and effectively, ensuring better resilience against physical risks.
- On a forward-looking basis, we leverage the expertise of the risk engineers for new building designs and construction projects to implement risk mitigation elements during the planning phase.
- Our brands implement various adaptation measures to protect the business from climate change impacts, for example, enhancing drainage and installing rainwater collection system to adapt to flood or drought risk.
- Our food retail brands are engaging with suppliers to implement sustainable agricultural practices to mitigate risks around product procurement and decreasing agricultural yields.

Environmental information: climate continued
Climate change continued

Transition risks: Regulatory risks

- We aim to reduce our carbon footprint by identifying and implementing ways of making equipment in use and buildings more energy efficient – see *Own operations (scope 1 and 2)*.
- We are mitigating regulatory risks through our work on sustainable packaging, food waste, sustainable sourcing, reformulation of own-brand products, product transparency and the expansion of our brands' ranges to include more low-carbon products.

Transition risks: Market risks

- Our brands are developing and diversifying their product offerings to provide customers with more plant-based meat and dairy alternatives, to ensure that our business model and product assortments remain competitive and compatible with changing customer demands.
- Our net-zero ambitions identify the use of renewable energy as a way to reduce our carbon footprint. While our brands continue to make use of opportunities to install more solar panels, they also actively pursue the acquisition of other sources of renewable energy, such as (virtual) PPAs for green energy.

Next steps

Based on the 2024 physical hazard assessment results, we are evaluating the adaptation solutions that have been implemented or may be available at facilities with elevated climate hazard exposure. To further understand the residual climate risk that these facilities may face, we will continue to consult with local teams to evaluate existing protection measures and resilience strategies, such as design standards, business continuity plans, local climate action plans and climate considerations in CapEx investment proposals. In addition, we plan to assess climate risks across our value chain in due course.

The transition insights we have gained provide further support for our transition plan and help us focus our efforts on achieving strategic, climate-related opportunities, for example, by informing more sustainable product decisions.

Policies

We have an overarching sustainability policy that covers our approach on climate and specific climate-related standards that provide further guidance to our brands. See also *General information: Governance*.

Within our climate approach, we are guided by the standards of the GHG Protocol. See *Climate change* in the *Sustainability notes* for more details on our methodology.

Our standard on renewable energy introduces the approach of Ahold Delhaize and its local brands to sourcing renewable energy and implementing energy efficiency measures, which are linked to the key levers identified in our transition plan. It concerns the sourcing of renewable energy to achieve net-zero emissions in the Company's market-based scope 2 footprint. It is applicable to our global operations and excludes renewable energy consumed outside our own operations, i.e., in the value chain, and energy carriers such as fuels. By adhering to these guidelines, we strive to achieve zero-emissions electricity by 2035.

Our standard on carbon offsets includes our approach on the use of offsets to achieve our net-zero goals. It covers the neutralization of residual emissions in Ahold Delhaize's own operations (scope 1 and 2) through carbon removal projects outside of the Company's own operations and value chain. The standard establishes a framework for purchasing high-integrity offsets that contribute to our net-zero targets, while remaining aligned with Ahold Delhaize's overall sustainability values. See also *GHG removals and carbon credits*.

Actions and resources

Our actions to reduce our negative impacts and mitigate risks are centered on the following topics:

GHG emissions and CCM

See *Transition plan* for an explanation of the key levers, the actions undertaken by the brands and the resources allocated.

Management of climate-related risks

See *Climate-related risks* for work done to assess climate-related risks, outcomes and next steps.

How we measure our performance

In order to ensure that measures are taken to reduce GHG emissions in our own operations and supply chain and to increase energy efficiency in our own operations, we have set the targets mentioned below.

In setting up our targets, we engaged with brands stakeholders as well as with senior leadership teams and the Executive Committee. As the SBTi is the only internationally recognized GHG-target setting body, our targets are aligned to their pathways and are pending validation, except for the scope 1 and 2 near-term target, which has been approved.

We currently have no additional targets set on climate-related risks and opportunities, CCA or transition risk mitigation. As we advance our work on climate, we will evaluate the need to define and update our targets.

Scope 1 and 2 targets

Timeline	Target
Scope 1 and 2 (market-based) (2018 baseline[1])	
Short term	>38% reduction by 2025
Near term	50% reduction by 2030[2]
Long term	Net zero: 90% reduction and 10% removals by 2040

Milestone	
Near term	We plan to reduce electricity emissions to zero by 2035.

1. The 2018 restated baseline is 4.0 $MtCO_2e$.
2. The SBTi has approved Ahold Delhaize's scope 1 and 2 near-term science-based emissions reduction targets. These targets are based on a 1.5-degree decarbonization pathway.

Ahold Delhaize developed science-based targets (SBTs) for scopes 1 and 2 (market-based) in 2019, and submitted targets to the SBTi for validation in 2020.

Our near-term emissions reduction targets for scope 1 and 2, set in 2019, have been formally approved by the SBTi. This means that the SBTi has assessed the targets against the emissions reduction pathways necessary for the world to limit global average temperature rise 1.5ºC above pre-industrial levels and found them to be consistent with that outcome.

In accordance with SBTi technical guidance on setting SBTs, 2018 was selected as the baseline year, since it was the most recent year with robust scope 1 and 2 footprint data. The 2018 (restated) baseline for SBTi target setting is 4.0 $MtCO_2e$; see *Sustainability notes* for further details.

Environmental information: climate continued
Climate change continued

Scope 3 targets

Timeline	Target
Scope 3 (2020 SBTi-methodology baseline)	
Short term	• Suppliers representing 70% of our footprint will be asked to commit to the SBTi by 2025. • All our suppliers will be asked to report on scope 3 by 2025.
Near term[1]	• We commit to reduce absolute scope 3 FLAG GHG emissions by 30.3% by 2030 from the 2020 SBTi baseline for near-term target (of 16.8 $MtCO_2e$)[1]. • We commit to reduce absolute scope 3 E&I GHG emissions by 42.0% by 2030 from the 2020 SBTi baseline for near-term target (of 23.7 $MtCO_2e$)[1].
Long term[2]	• We commit to reduce absolute scope 3 FLAG GHG emissions by at least 72% by 2050 from the 2020 SBTi baseline for long-term target (of 22.6 $MtCO_2e$)[2, 3]. • We commit to reduce absolute scope 3 E&I GHG emissions by 90% by 2050 from the 2020 SBTi baseline for long-term target (of 29.2 $MtCO_2e$)[2, 3].
Net zero	• We commit to reach net-zero GHG emissions across our value chain by 2050[3].

1. Committed, but not yet approved by the SBTi, the target is based on a 1.5-degree decarbonization pathway. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.
2. Ahold Delhaize has also committed to set long-term scope 3 emissions reduction and net-zero targets by 2050. These targets are submitted, but not yet validated by the SBTi. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more detail.
3. In the setting of our long-term and net-zero SBTi targets, we are planning to also make use of removals to the extent permitted by the SBTi guidance.

In 2023, in line with the SBTi guidance on land-related (forest, land and agriculture sector or FLAG) and non-land-related (Energy and Industrial sector or E&I), we replaced both our near-term and long-term scope 3 GHG emissions reduction targets with two reduction targets, FLAG and E&I sector targets. Both our near-term (2030) and our long-term (2050) scope 3 reduction targets are consistent with the SBTi methodology with the aim of maintaining the level of decarbonization required to keep the global temperature increase within 1.5°C of pre-industrial temperatures.

The estimated FLAG emissions make up 42% our total GHG footprint in 2024. In setting the target, we applied the SBTi FLAG Standard with a linear annual reduction of 3.03%. For the E&I sector emissions target, we consider the SBTi's 4.2% annual reduction. We submitted the scope 3 targets to the SBTi in October 2023 and they are pending validation. Conversations and responses to queries from the SBTi on our submitted scope 3 targets are ongoing.

We continue to use 2020 as our baseline year for scope 3, consistent with the prior submissions, given the improved quality and robustness of our local brands' data for that year.

The near-term (2030) reduction targets cover 67% of category 1 purchased goods and services emissions, 0% of categories 14 and 15 and 100% of emissions under the remaining scope 3 categories, while the long-term (2050) reduction targets cover 90% of category 1 purchased goods and services emissions, 0% of categories 14 and 15 and 100% of emissions under the remaining scope 3 categories. See table *Overview of the calculation of our SBTi-methodology baseline for scope 3* in the *Sustainability notes* for more details on the calculation.

For setting our long-term and net-zero SBTi targets, we are making use of removals to the extent permitted by the applicable SBTi guidance.

As a general rule, the use of carbon credits must not be counted as emissions reduction toward the progress of a company's near-term science-based targets. Carbon credits may only be considered an option for neutralizing residual emissions or to finance additional climate mitigation beyond the science-based emissions reduction targets. We follow this principle in our target setting. See *GHG removals and carbon credits* for more details on our approach to carbon credits.

Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward science-based targets.

Metrics

We are guided by the standards of the GHG Protocol, which defines a global standardized framework for the measurement and management of GHG emissions from the private and public sectors. Our carbon footprint methodology follows the guidelines of the World Business Council for Sustainable Development (WBCSD)/WRI and we report our GHG emissions data with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Our methodology, estimates and judgments around the metrics used are included in *Sustainability notes*.

Energy consumption and mix

For details on the energy consumption and mix and energy intensity, see *Climate change* in the *Sustainability notes*.

Gross scope 1, 2, 3 and total GHG emissions

For details on the GHG emissions and GHG intensity, see *Climate change* in the *Sustainability notes*.

Performance management

GHG emissions (scope 1 and 2)

	2024	2023 restated	Change vs. prior year	Target 2030
Absolute CO_2e emissions from own operations ($MtCO_2e$)	**2.58**	2.65	(0.07)	
% reduction in absolute CO_2e emissions from own operations against 2018 baseline[1]	**36%**	34%	2pp	50%

1. Compared to the 2018 restated baseline of 4.0 $MtCO_2e$

Compared to our 2018 baseline, GHG emissions decreased by 36% in 2024. The main driver for the higher reduction percentage compared to last year was our reduction in emissions coming from refrigerants, demonstrating that our investments in cleaner refrigerants are paying off.

GHG emissions from refrigerant leakages remained our largest source of emissions. In 2024, these emissions totaled 1,199 kilotonnes, compared to 1,323 kilotonnes in 2023. In 2024, we saw a slight decrease in our leak rate. Furthermore, because we replaced high-GWP refrigerants with low-GWP and natural refrigerants, the average GWP of these leakages decreased. Refrigerant emissions per square meter of sales area were 144 kilograms CO_2e compared to 153 kilograms CO_2e last year.

Environmental information: climate continued
Climate change continued

Emissions from electricity and heat consumption were 1,135 kilotonnes in 2024, compared to 1,074 kilotonnes in 2023 (restated). This includes emissions from electricity, fuels used for heating and imported heat and cooling. Emissions per square meter of sales area from these types of energy consumption in 2024 were 136 kilograms, compared to 124 kilograms in 2023 (restated). In 2024, 49% of electricity consumed came from zero-emissions sources, compared to 52% in 2023. Although lower than last year, we are still on-track to reach 100% zero-emissions electricity by 2035.

Total emissions from transportation declined to 250 kilotonnes compared to 252 kilotonnes in 2023, due to lower fuel (mainly diesel) consumption.

See *Sustainability notes* for detailed calculations.

For calculating category 1 GHG emissions, which have the highest impact on both FLAG and E&I performance, we use the Big Climate Database to assess our products' emissions. This results in an emissions profile that aligns with our Company's performance. Therefore, our scope 3 purchased goods and services emissions reflect our Company's sales.

The fluctuations we see in the ratio of FLAG and E&I emissions are due to changes in our brands' product assortment. Other scope 3 categories included in our SBTi E&I-related emissions demonstrated, in general, an improved performance in 2024 compared to 2023. However, this does not significantly affect the total E&I emissions, as the majority of emissions stem from category 1.

GHG emissions (scope 3)

	2024 SBTi methodology	2023 SBTi methodology	Change vs. prior year	Target 2030
FLAG-related emissions				
Absolute CO_2e emissions from the value chain ($MtCO_2e$) – using SBTi target methodology	**18.51**	17.84	0.66	
% reduction/(increase) in absolute CO_2e emissions from the value chain – against the 2020 SBTi methodology baseline[1]	**(9.9)%**	(6.0)%	(3.9)pp	30.3%
E&I-related emissions				
Absolute CO_2e emissions from the value chain ($MtCO_2e$) – using SBTi target methodology	**23.76**	23.32	0.44	
% reduction/(increase) in absolute CO_2e emissions from the value chain – against the 2020 SBTi methodology baseline[2]	**(0.2)%**	1.6%	(1.9)pp	42.0%

1. Compared to the restated 2020 SBTi FLAG baseline of 16.8 $MtCO_2e$
2. Compared to the restated 2020 SBTi E&I baseline of 23.7 $MtCO_2e$

We also note that, based on 2023 data, the vast majority of our top 20% of suppliers by emissions are reporting decreases in their scope 3 emissions. We continue to work with the Carbon Disclosure Project (CDP) and our suppliers to adapt our calculation methodology to account for these real reductions.

Regarding our scope 3 short-term targets, in 2024, our brands asked that at least their top 70% suppliers by emissions commit to SBTi and report their scope 3 emissions.

GHG removals and carbon credits

By setting net-zero targets, Ahold Delhaize has committed to neutralizing residual emissions by our net-zero target dates. Carbon removal solutions are therefore an essential component of our long-term net-zero planning. Our primary focus remains on reducing emissions to minimize residuals as much as possible.

For our scope 1 and 2 emissions, to achieve net zero by 2040, we will reduce at least 90% of our baseline emissions and neutralize up to 10% with carbon removals sourced outside of our value chain.

Currently, we are focused on emissions reductions and are not purchasing removals at scale. To prepare for future needs, we are developing a sourcing strategy with a portfolio of solutions to:

- Secure the supply of high-quality removals necessary to meet our net-zero goals
- Incentivize the development and scaling of removal technologies
- Ensure that removals align with the durability and integrity standards required for our residual emissions

Our net-zero strategy excludes the use of avoidance offsets, as they do not contribute to the neutralization of residual emissions. Instead, we focus solely on carbon removal solutions that actively remove carbon from the atmosphere and store it in alignment with the characteristics of our residual emissions. Specifically:

- Fossil-based residual emissions: We aim to neutralize these with removal solutions offering high-permanence storage.
- Nature-based and short-lived residual emissions: We use removal solutions with lower-permanence requirements, appropriate to the emission source.

For scope 3 residual emissions, our approach is still in development and reflects the complexity of addressing emissions across our value chain. Our approach involves engaging with suppliers, particularly those in agriculture, to explore applying nature-based solutions in their operations. For fossil-based residuals, we aim to support suppliers in identifying appropriate removal solutions.

As policies and regulations evolve, and as advancements in carbon removal technologies progress, we will continue refining our approach to ensure it both meets our commitments and contributes meaningfully to global climate goals.

In 2024, Delhaize Belgium made carbon neutrality claims for several products. The brand purchased carbon credits, covering 3,150 tCO_2e, supporting carbon reduction projects outside their value chain. Of the total carbon credits, 93% were verified by Verra and 7% by Gold Standard. The underlying projects were located in Chile, the Democratic Republic of the Congo and Eritrea. These carbon credits were not used to offset our scope 3 carbon footprint.

Environmental information: climate continued
Climate change continued

Internal carbon pricing

Our Company uses internal carbon pricing schemes to support decision-making and incentivize investments that align with our climate-related targets. When our brands plan to open new stores or DCs, or remodel existing stores, they must create an investment proposal to assess the return on investment. These proposals consider both financial information and the environmental impact of the investment.

For new stores or DCs, we evaluate electricity consumption, fossil fuel usage for heating and cooling, and the type of refrigerants used. Based on this evaluation, we estimate the annual GHG emissions that the investment will generate. We then apply an internal carbon price of $180/€150 per ton to these emissions, adding this cost to the overall investment. The internal carbon price was determined in 2021 by looking at the market price and comparing with our peers. The difference between the dollar and Euro amount is due to exchange rate factors at the time and rounding. We review the internal carbon price annually and change if necessary. This internal carbon pricing scheme functions as a shadow price applied to CapEx decisions.

By incorporating this carbon cost, we encourage investments in low-carbon technologies and practices, as these will result in lower costs and higher returns on investment. This approach helps us achieve our GHG emissions reduction targets.

Our internal carbon pricing scheme is applied across all brands in the U.S. and Europe.

This approach addresses scope 1 and scope 2 emissions, specifically refrigerants, heating and cooling, and electricity, which amounted to 2,321 ktCO_2e in 2024, representing approximately 90% of our total scope 1 and 2 emissions in the year. The approach does not cover our own transportation, business acquisitions and scope 3 emissions.

Environmental information: nature

nature

Around the world, nature is declining at unprecedented rates. On average, there has been an approximate 73% decline in the size of populations of mammals, birds, fish, reptiles and amphibians in just over 50 years. In addition, six of the nine planetary boundaries have now been crossed – including climate change, biodiversity loss and land-system change.

As food retailers, we depend on a healthy and productive natural environment to put high-quality and affordable products on our shelves. Most of the products that we sell are derived from biological resources, and are dependent on productive soils, healthy waterways and effective pollination, among other things.

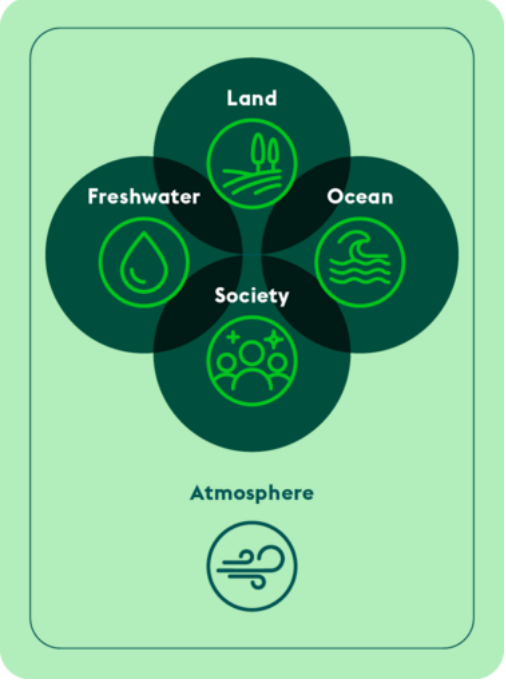
At the same time, food value chains place significant pressure on nature and biodiversity, through impacts such as ecosystem conversion and deforestation, water use, GHG emissions and pollution.

in this section

What is nature?

Nature refers to the natural world, emphasizing the diversity of living organisms, including people, and their interactions with each other and their environment. It comprises four realms: land, ocean, freshwater and atmosphere. The four realms provide an entry point for understanding how organizations and people depend upon and impact nature.

For the purposes of this report, climate change, as it relates to nature, is dealt with as part of the overall climate topic; see *Climate change*.



Source: Recommendations of the Taskforce on Nature-related Financial Disclosures – September 2023, with reference to Science Based Target Network (2022) SBTN Glossary. The inclusion of atmosphere reflects the importance of air quality and the close association between climate- and nature-related risks and opportunities, while acknowledging that links with climate mitigation and adaptation occur across all realms.

Governance

At Ahold Delhaize, governance on nature is integrated into our broader sustainability governance approach; see *General information – Governance*.

Our Executive Committee, which includes our CSO, has oversight of nature-related impacts, dependencies and risks and is engaged in the review and ongoing development of our updated approach to nature. In addition, updates to nature elements of our principal risk on *climate and nature-related risks*, as well as the related mitigation actions, are performed and reported bi-annually to the Management Board and Supervisory Board as part of the ERM process.

To support the implementation of our approach to nature at a brand level, in 2024, we established a Nature Working Group, comprising representatives from each of our brands with responsibility for nature. Over the course of the year, the group met several times, discussing topics that included regenerative agriculture, deforestation and land conversion, and the nature project.

Environmental information: nature continued

IRO management

Policies

We have an overarching sustainability policy that includes several nature-related topics, and is applicable to all Ahold Delhaize brands. In addition to the sustainability policy, we have a more detailed nature standard that provides guidance to our brands on specific nature-related topics including:

a. Land use change, including deforestation and conversion: For more detail, see Policies – deforestation and land conversion under *Biodiversity and ecosystems*.

b. Land degradation: For more detail, see Policies – Sustainable and regenerative agriculture under *Biodiversity and ecosystems.*

c. Sea use change: For more detail, see Policies – Marine resources under *Water and marine resources*.

d. Extraction and use of marine resources: For more detail, see Policies – Marine resources under *Water and marine resources*.

e. Direct exploitation: For more detail, see Policies – Marine resources and Water consumption and withdrawals under *Water and marine resources*.

The nature standard will be reviewed in the coming years as we strengthen our work on nature.

Process to identify and assess material IROs

In our DMA, we identified the following relevant sub-topics relating to nature.

With the exception of climate change, all of these relate to our upstream value chain and are set out below:

Pollution	Water and marine resources	Biodiversity and ecosystems
Air pollution[2]	Water withdrawal[2]	Land/water/sea use change[2]
Water pollution[2]	Water consumption[2]	Land degradation[2]
Soil pollution[2]	Marine resources	Direct exploitation
Microplastics		Impacts and dependencies on ecosystem services[2]
Pollution of food and living organisms		Climate change[1]

1. While climate change is also identified as a material sustainability matter under Biodiversity and ecosystems, it is addressed as part of our disclosures under *Climate change*.
2. These items were in scope of the nature project. See below for additional detail.

The 2024 nature project

Process

Building on the DMA process, we worked with an external advisor to conduct a more detailed impact, dependency, risk and opportunity assessment of our own operations and own-brand supply chain. This work, collectively referred to as the "nature project," has enabled us to better understand where in our supply chain these topics are most relevant, and how we might be able to respond.

In 2025, we will further evaluate the results of our nature project and seek input into the development of key priorities moving forward.

In addition, the results of the project will be used to inform the review and update of our global nature approach and other priorities.

The assessment drew upon guidance from the Taskforce on Nature-related Financial Disclosure's (TNFD's) LEAP approach and from ESRS. To a lesser extent, we also drew on some concepts from Science-Based Targets for Nature (SBTN), such as the list of High Impact Commodities (HICs), and the concept of pressure and the State of Nature.

We did not conduct specific community consultations as part of the nature assessment. See also *Community impacts* for more information, including Human Rights Impacts Assessments (HRIAs), which cover community impacts stemming from environmental impacts.

2024 nature project

Activities		Impact assessment: Science-based evaluation of the severity and location of impacts on nature	Dependency assessment: Assessment of reliance on specific ecosystem services	Risks and opportunities: Assessment of nature-related risks and opportunities	Wrap up: Consolidation of results, interpretation and next steps
Scope	Direct operations	✓		High-level scan	✓
	Upstream value chain	✓	✓	✓	✓

Environmental information: nature continued

Outcomes of the 2024 nature project

Through the project, we assessed potential impacts on nature and biodiversity in our upstream own-brand value chains, with a focus on 27 HICs[1]. In evaluating these impacts, we considered both the pressure these commodities place on nature and biodiversity, and the state of nature in the actual or estimated production location[2]. To assess pressure, we conducted life-cycle assessments over several nature pressure categories, including water use, water pollution, soil pollution, air pollution and land use. The State of Nature assessment included consideration of whether the value chain was likely to intersect with key biodiversity areas or ecologically sensitive areas.

1. The pressure assessment was conducted at the product level, rather than the ingredient level. While the approach varied across categories, this means weight was allocated to HICs based on assumptions.
2. In instances where the country of origin of select HICs was unknown, we utilized desk-based research and trade flow databases to identify likely sourcing countries. In these instances, and where sub-national information was not available, we utilized MapSPAM crop maps to identify likely sourcing locations within a country.

The assessment identified several high-impact value chains for additional exploration, set out below.

High-impact value chains for additional exploration	
Land use, soil, air and water pollution	Animal value chains such as beef, poultry, pigs and dairy (includes feed) in selected locations
Deforestation and conversion	Palm oil, soy, cocoa, coffee, tree nuts, pulp, banana, avocado and beef value chains in selected locations
Water use	Tree nut, cotton, cocoa, beef, dairy, rice and avocado value chains in selected locations

Our existing program of work on deforestation and conversion covers many of the value chains flagged for further exploration, including palm oil, soy, coffee, tea, cocoa and wood fiber. See *Biodiversity and ecosystems* for more information on our deforestation approach.

In the coming year, we plan to engage our brands, NGOs and value chain partners (where relevant) to validate the results of this assessment, investigate potential mitigation actions and further prioritize actions and value chains.

Dependency assessment

Food and agriculture value chains are highly dependent on ecosystem services. This year, we assessed the dependency of our brands' own-brand supply chains on four ecosystem services that are considered to have high or very high importance to the food and agriculture sector. The assessment drew on tools including ENCORE and the TNFD's Food and Agriculture Sector Guidance.

A summary of the results is as follows:

Ecosystem services	Relative dependency[2]	Related supply chains
Water supply and quality	●	The majority of our assortment is dependent on the provision of clean freshwater and fertile soil in order to support biomass supply. This includes animal products, broadacre crops, and fruits and vegetables.
Soil fertility and quality	●	
Biomass supply	●	
Pollination	●	Some products within our assortment have a high or very high[1] direct dependency on pollination. These include (but are not limited to) cocoa, melons, pumpkins and squash, tree nuts, avocados, cucumbers, berries, plums, pears, apples apricots and peaches. We also have an indirect reliance on pollinators through other value chains, e.g., pollination required to produce some crops in feed in animal value chains.

Level of dependency ● Very high ● High ● Medium

1. Very high dependency refers to crops that are expected to have a yield reduction of more than 90% without pollinators. High-dependency crops are those with an anticipated yield reduction of approximately 40-90% without pollinators.
2. Refers to the proportion of the assessed assortment that has a high or very high direct dependency on the ecosystem service

Nature risks and opportunities

Building on the risks and opportunities identified through the DMA, we conducted a more detailed risk and opportunity assessment, focusing on physical and transition risks in our upstream value chain.

We assessed the likelihood and magnitude of 21 risks and opportunities in our upstream value chain using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, the results of our impact and dependency assessments, and desk-based research.

The risks and opportunities assessed are set out in the table below, with those initially identified to be most severe underlined. We have included some additional detail on several risks, along with current mitigation where relevant.

This represents our first nature risk assessment, and we will continue to refine and build upon this work in years to come. As a first step, we will engage with our brands to validate the results, and will work to embed the learnings and outcomes of this process into our ERM risks on climate and nature, where applicable.

Environmental information: nature continued

We utilized scenario assessment to understand the way that six of the most severe risks might evolve under a pessimistic scenario. To do so, we drew upon the TNFD's critical uncertainties matrix, utilizing scenario #3, "sand in the gears." We did not explicitly consider systemic risk in this assessment.

Physical risks	• Water availability[1] • Water quality[1] • Soil quality • Invasive species[1] • Pollinator decline • Herbicide resistance[1] • Loss of genetic diversity[1] • Pests and diseases • Air pollution • Habitat loss	*Example* Reduction in the availability and flow of water could result in supply chain disruption, reduced availability or increased prices. Higher-risk value chains include fruit and vegetables from Spain. Ahold Delhaize and its brands are engaging with suppliers to mitigate risks around agricultural yields driven by nature and climate risk. See *Climate change: Process to identify and assess material climate change mitigation and adaptation-related IROs* paragraph for more information.
Transition risks	• Consumer preferences • Investor sentiment • Community and stakeholder conflict[1] • Adverse media and NGO attention • Policy and regulations[1] • Litigation and liability[1] • Monitoring[1] • Production systems	*Example* Increasing policy and regulations on nature and biodiversity can pose a transition risk. These regulations could also create exposure to litigation. We actively manage risks relating to new policies, litigation and regulations as part of our GRC framework. As an example of recent action on environmental regulations, this year we took significant steps to prepare the business for the EU Regulation on Deforestation Free Products (EUDR) introduction.
Opportunities	• Plant-based transition[1] • Investment in regenerative agriculture • Increase in organic assortment • Diversification of product portfolio to include the adoption of broader varieties	*Example* Increasing the sale of plant-based products has the potential to reduce pressure on nature and climate and to support positive health outcomes for our brands' customers. See *Climate change* for EU targets set in relation to the plant-based protein transition as part of scope 3 reduction activities.

1. The underlined topics were initially identified to be the most severe.

Updating our approach to nature

In 2024, we took several significant steps to better understand our relationship to nature and to build our thinking around an updated approach. Key actions this year included:

- Producing a detailed impact, dependency and risk assessment and identifying priority value chains (via the nature project).
- Performing an initial analysis of nature impacts in feed, national-brand and packaging value chains for one of our brands.
- Establishing a Nature Working Group to facilitate the education and cross-pollination of work on nature across our brands.
- Holding several education sessions on nature with our brands and with leadership groups, including our SLT and our H&S Leadership Community.
- Enhancing our disclosure of nature-related impacts, risks and opportunities. In this Annual Report, we included, for the first time, a *TNFD index* to demonstrate our initial work toward implementing the recommendations of the TNFD.

In the coming year, we will continue to build out our approach to nature, to determine whether we need to update our policies, allocate resources and set actions, metrics and targets.

Environmental information: nature continued

Pollution

pollution

Definition: The pollution of air, soil, water and living organisms and food resources through the emissions of pollutants including, but not limited to, nitrates, phosphates, pesticides, non-GHG air pollutants and microplastics, which may be harmful to human health and the environment. This occurs during the mining, cultivation, production or transport of products and services sold by Ahold Delhaize and its brands.

IRO management

Process to identify and assess material pollution-related IROs

See *Our material sustainability matters* for the pollution-related impacts and risk we have identified and assessed as material through our *DMA* process. Pollution was identified as a material sustainability matter for the first time in the 2024 DMA.

The material upstream impacts identified relate to negative effects on the environment due to air, soil, water and living organism pollution, and microplastics, and transition risks around microplastics.

In addition, see the description of work done as part of the *nature project*, which included a more detailed impact and dependency assessment on several material sub-topics, namely soil, water and air pollution.

Policies, actions and targets

The Company makes use of the transitional provision related to value chain topics to phase in the reporting on pollution.

We do not currently have a policy, any formal action plans or targets on pollution linked to our material impacts and risks. In addition, as of yet, we have no significant operating or capital expenditure allocated to the matter.

In the coming years, the Company will further analyze the pollutants in its upstream value chain and determine the next steps, building on the outcomes of the nature project.

See *Waste* and *Packaging* for policies, actions and targets on waste and packaging, which have indirect impacts on the pollution of water and soil.

Note that the impacts of the seven GHGs are out of scope of Pollution and are addressed in *Climate change*.

Environmental information: nature continued
Water and marine resources

water and marine resources

Definitions:
Water: Understanding and managing impacts, dependencies and risks linked to freshwater withdrawals and consumption in our upstream value chains. It is focused on water use in cultivation, production and processing of commodities and products sold by Ahold Delhaize and its brands.

Marine resources: Understanding and managing impacts, dependencies and risks linked to the harvesting of seafood from both wild catch and aquaculture operations in our upstream value chains.

IRO management

Process to identify and assess material water- and marine-related IROs

See *Our material sustainability matters* for the water and marine resource-related impacts and risks we have identified and assessed as material through our *DMA* process. The impacts identified as material are negative effects on the environment due to extraction and use of marine resources and water consumption and withdrawals. Both physical and transition risks have been identified for both water consumption and withdrawals, as marine resource extraction and use.

In addition, see the description of work done as part of the *nature project*, which included a more detailed impact, dependency and risk assessment of water in our upstream supply chains.

Policies

Marine resources

The identified impacts and risks relating to marine resources and seafood are covered in the global sustainability policy, with additional guidance included in our nature standard.

The objective of our policy is to manage our impacts and dependencies by increasing the proportion of seafood that is produced in an environmentally and socially responsible manner.

Consistent with other commodities, our approach is focused on own-brand seafood products, as this is where Ahold Delhaize can make the biggest direct impact. Our approach to prevent, reduce or mitigate negative impacts and manage risks is to source seafood for our own brands that has either been certified, assessed by a third party, or is in an improvement plan.

For all seafood products, including national-brand products, our Standards of Engagement set expectations for suppliers with regard to fish stock management and practices to protect fish species.

We also support collaboration across the value chain (both own brand and national brand) by participating in partnerships and initiatives to address the challenges faced by the seafood sector. Additional detail on these partnerships are set out in the actions below.

Water consumption and withdrawals

Water consumption and withdrawals are new sub-topics identified in the DMA. As such, we do not currently have policies on water consumption and withdrawals in our upstream value chain. In the coming years, as we update our approach to nature, we will identify additional policies as needed, building on the outcomes of the nature project.

We are making use of the transitional provision related to value chain topics on water consumption and withdrawals.

Actions and resources

Ahold Delhaize brands have dedicated H&S teams that address matters relating to seafood and marine resources, alongside other sustainability topics. Actions to implement the policy on seafood did not result in significant, separately identifiable operating or capital expenditure in 2024.

The process of complying with our sourcing requirements is also integrated into normal operations and, as such, not separable.

Marine resources

Standards of Engagement

In 2024, Ahold Delhaize started implementing version 4.0 of its Standards of Engagement. This latest version requires suppliers to comply with all applicable environmental legislation and maintain all relevant permits, including, but not limited to, fish stock species management, and utilize practices that protect fish stock species in line with local, national and international fisheries management regulations (e.g., U.S. Magnuson-Stevens Fishery Conservation and Management Act and International Regional Fishery Management Organization measures).

The new version of the Standards of Engagement applies to all suppliers, is rolled out as new contracts are entered into, and has an implementation period of three years.

Responsible sourcing of seafood

Our sourcing actions are centered on own-brand seafood and follow a three-pronged approach. By 2025, our aim is that all seafood purchased for our own-brand supply chains must comply with one of the following:

- Be certified against an accepted standard
- Be assessed by an accepted third party to be low or medium risk
- Be sourced from a supplier in an accepted Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP)

The requirements for accepted standards, third parties and improvement projects are set out in the *Sustainability notes*.

Our U.S. brands apply this three-pronged approach to all of their seafood sourcing, covering both own-brand and national-brand products.

Environmental information: nature continued
Water and marine resources continued

Many of the certification schemes that Ahold Delhaize accepts for seafood – the Global Sustainable Seafood Initiative (GSSI) recognized standards or Aquaculture Stewardship Council (ASC) standards – include controls relevant to:

- Direct exploitation of marine resources
- Habitats and conversion of marine ecosystems (sea-use change) – for example, caused by the establishment of new aquaculture sites, or the use of fishing methods that disturb the sea floor
- The environmental impacts associated with aquaculture feed (land-use change and direct exploitation) – for example, the risk of deforestation or unsustainable fishing practices linked to feed.

This action relate to the mitigation hierarchy layer of reducing the use of marine resources.

Partnerships and collaboration

Below is a summary of our seafood partnerships in 2024:

Multi-stakeholder collaboration	Focus
Global Tuna Alliance	An independent group of retailers and supply chain companies working to improve the social and environmental conditions in tuna supply chains.
Global Sustainable Seafood Initiative	A global multi-stakeholder initiative on sustainable seafood. Conducts benchmarking of certification schemes.
Seafood Task Force	Multi-stakeholder initiative on human rights in tuna and shrimp supply chains, with some focus on ecosystem conversion.
North Atlantic Pelagic Advocacy Group	Fishery Improvement Project in the North Atlantic Pelagic fishery, with relevance to our sourcing of mackerel and herring, and indirect sourcing of blue whiting via inclusion in salmon feed.

Water consumption and withdrawals

We do not currently have a global action plan for addressing the negative impacts and risks relating to water withdrawals and consumption. In the coming years, as we update our approach to nature, we will identify additional actions as needed, building on the outcomes of the nature project.

How we measure our performance

We do not have a target on upstream value chain material sustainability sub-topics relating to water consumption and water withdrawals yet and thus will make use of the transitional provisions on value chain topics.

We have the following ambition in place, focused on the sustainable sourcing of own-brand seafood products from our upstream value chain:

Timeline	Ambition
Short term	100% of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIP or AIP by 2025.

Our voluntary ambition was informed by participation in multi-stakeholder networks, such as those listed in the *Partnerships and collaboration* paragraph earlier in this chapter.

Currently, Ahold Delhaize has no targets linked to our material impacts and risks relating to water consumption and water withdrawals in the upstream value.

In the coming year, we will look at what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Metrics

We track our progress and performance through our use of certification for own-brand seafood products.

Performance management

	2024	2023	Change vs. prior year
Percentage of own-brand seafood products certified against an accepted standard, from sources assessed by an accepted third party, or from accepted FIPs or AIPs	**96.7%**	96.9%	(0.2)pp

The percentage of certified own-brand seafood products remained almost flat compared to 2023.

We are continuing to work toward achieving our sustainably sourced seafood ambition, but there are gaps relating to some species and/or markets. For example, some of the products our brands sell come from small local fisheries, for which certification is not always available. In these instances, we are looking at options to partner with local research organizations or NGOs to assess their sustainability.

Environmental information: nature continued
Biodiversity and ecosystems

biodiversity and ecosystems

Definition: Understanding and managing the business's impacts and dependencies on biodiversity and ecosystems in upstream value chains as well as the related risks. Includes consideration and mitigation of the business's connection to relevant material drivers of biodiversity loss, including climate change, pollution, ecosystem conversion (including deforestation) and direct exploitation through seafood sourcing.

Strategy

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As a food retailer, Ahold Delhaize is dependent on healthy ecosystems for the products its brands source from value chain actors upstream. Changes in the health of these ecosystems can result in both acute and chronic impacts to the food supply chains.

Ahold Delhaize brands' operations are spread over a number of countries in Europe and on the U.S. East Coast. The Company is not dependent on a small number of suppliers or sourcing locations; therefore, our strategy and business model is reasonably resilient.

In addition, Ahold Delhaize and its brands are engaging with suppliers to develop solutions to address risks around product procurement and decreasing agricultural yields. This includes working with producers and cooperatives that invest in greenhouse facilities that can support environmental conditions optimal for production or regenerative agricultural practices. See *Climate change* for more detail.

The Company makes use of the transitional provision related to value chain topics to phase in the reporting on biodiversity and ecosystems. See also further information about the *nature project* executed in 2024.

Material IROs and interaction with strategy and business model

The DMA identified a potential material negative impact relating to land degradation in the upstream value chain.

Land degradation is the result of human exploitation, and is driven by practices and events including extreme drought, deforestation and ecosystem conversion, soil pollution, overuse of fertilizers and pesticides, overgrazing and monocultures.

No material negative impacts relating to desertification or soil sealing were identified.

IRO management

Process to identify and assess material biodiversity and ecosystem-related IROs

See the description of work done as part of the *nature project*, which included a more detailed impact, dependency and risk assessment of biodiversity and ecosystems in our upstream supply chains.

See *Our material sustainability matters* for the biodiversity and ecosystem-related impacts and risks we have identified and assessed as material through our *DMA* process.

Ahold Delhaize and its brands have some sites (mainly stores) in or near biodiversity-sensitive areas. We are not aware of material impacts on biodiversity connected to these sites. Based on analysis conducted to date, we have concluded that it is not necessary to implement a program of biodiversity mitigation measures for our own operations.

For more information on policies, actions, targets and metrics for the climate change-related impact and risk, see *Climate change*, and for the pollution-related impact and risk, see *Pollution*.

Policies

Our global sustainability policy, supported by our nature standard, includes Ahold Delhaize's overall policy and approach to biodiversity and ecosystems.

Our policy is focused on three areas: deforestation and land conversion; sustainable and regenerative agriculture; and marine resources. As a result, it links material sub-topics including land-use change, sea-use change, land degradation, direct exploitation of marine resources, and also, partly, impacts and dependencies on ecosystem services. However, the policy and standard currently have gaps relating to water, pollution and water-use change, as addressed in *Water and marine resources*.

Deforestation and land conversion

We follow the guidance and definitions of the Accountability Framework Initiative (AFI), and use a cut-off date of December 31, 2020, or the date of the applicable certification, whichever is earlier.

As a retailer with a global footprint, we source several commodities that are considered to have a high risk of deforestation and/or land conversion. Our focus is on own-brand products that contain one of the following commodities: palm oil, soy, coffee, tea, cacao and wood fibers. We use verification and, where possible, certification programs to address and minimize deforestation and land conversion. Where certified material is not available, for example in the case of embedded soy coming from South America, we buy credits to directly support farmers producing certified soy.

Environmental information: nature continued
Biodiversity and ecosystems continued

We will use the results of the nature project to review and determine what the next steps will be. We currently focus on our own-brand supply chain, as this is where we have the greatest oversight and control over the way products are farmed, produced and packaged. Over time, we will continue to consider how we can better understand and address these issues within our national-brand supply chains.

In addition, the EU has legislation addressing deforestation: the EUDR. Ahold Delhaize and its European brands will comply with this regulation when it becomes applicable.

The EUDR entered into force in June 2023 and was initially scheduled to become applicable on December 30, 2024. However, the EU Parliament and the Council have recently agreed to the Commission's proposal to delay its application by one year to give companies and authorities more time to better prepare for its implementation. This legislation aims to minimize deforestation and forest degradation associated with certain commodities and relevant products placed on the EU market.

Sustainable and regenerative agriculture

Poor farming practices can have adverse impacts on soil, waterways and biodiversity. As well as resulting in environmental damage, these practices can also undermine the resilience and productivity of food supply chains, which has consequences for food security, communities and businesses alike.

We identified several of the topics impacted by unsustainable farming practices as material sub-sub-topics during the DMA: land degradation, climate change (see *Climate change*), pollution of air, soil and water (see *Pollution*), water consumption and withdrawals (see *Water and marine resources*), and impacts and dependencies on ecosystem services.

Ahold Delhaize currently does not have a policy on sustainable and regenerative agriculture and, as these are topics within the value chain, the transitional phase-in provisions will be utilized for reporting.

All brands are, however, encouraged to support these types of farming practices. The nature of this support will depend on the resources and capacity of the brand and the make-up and structure of its supply chain.

Actions and resources

Actions to implement the existing policies around biodiversity and ecosystems did not result in significant, separately identifiable operating or capital expenditure in 2024. Ahold Delhaize brands have dedicated Health and Sustainability teams that address matters relating to biodiversity alongside other sustainability topics.

In addition to the actions discussed below, many other elements of our healthy communities & planet approach also reduce our negative impacts on nature and biodiversity. This includes actions to reduce plastic packaging and food waste and lessen our climate impact, and efforts to lead the transition to sustainable protein.

We do not currently incorporate Indigenous knowledge into actions on biodiversity and ecosystems or use any biodiversity offsets.

Standards of Engagement

According to our Standards of Engagement 4.0, which is being rolled out over the coming years, we expect our suppliers to:

- Comply with all applicable environmental legislation and maintain all relevant permits, including, but not limited to, deforestation and/or land conversion (e.g., EU Regulation on deforestation-free products) and agro-chemical and pesticide storage, use and management
- Not source materials associated with deforestation or land conversion, in line with the respective cut-off dates prescribed by legislation and/or by relevant standards (e.g., Roundtable on Sustainable Palm Oil)

See also *Workers in the value chain* for more information about our Standards of Engagement.

Deforestation and land conversion

Ahold Delhaize and its brands aim to be 100% deforestation and land conversion free for own-brand products containing coffee, cocoa, palm oil, tea, soy and wood fiber by 2025. We achieve this by:

- Sourcing own-brand products containing coffee, cocoa, palm oil and tea that are, as much as possible, certified against an accepted standard
- Sourcing high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits
- Sourcing own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled

The requirements for accepted standards and credits are set out in the *Sustainability notes*.

Sustainable and regenerative agriculture

The Ahold Delhaize brands support sustainable and/or regenerative agriculture through multiple channels, including:

- Use of standards and certifications
- Establishment of brand-specific farming programs
- Partnerships with suppliers
- Support for NGOs and farming groups

Agriculture is a place-based science, which means that the most appropriate sustainable or regenerative practices will differ according to the local region, climate, crop and farm environment.

Many of our brands work with initiatives such as the GLOBALG.A.P. to contribute to sustainable agriculture in their upstream value chains.

Our brands are working to further integrate sustainable agriculture expectations into sourcing requirements. Many work directly with suppliers to adopt sustainable agriculture practices that include conserving natural resources, reducing land conversion and improving soil health.

In addition, this year, our U.S. and Belgian brands announced regenerative agriculture pilots in partnership with our suppliers. These pilots focused on commodities, such as wheat and oats. Following the completion of these pilots, we will identify key learnings and share them across the brands.

These activities relate to the mitigation hierarchy layers of avoiding, minimizing and regenerating nature.

Environmental information: nature continued
Biodiversity and ecosystems continued

More sustainable consumption patterns

We aim to encourage customers, for example, through our product offering, to increase their consumption of plant-based proteins, which, when produced sustainably, have fewer environmental impacts than animal-based proteins. See also *Climate change: scope 3 key levers* for the European activities around transitioning to more plant-based protein.

This action relates to the mitigation hierarchy layer of reducing the impact and risk of our supply chains on nature.

Annual risks assessments

Our brands conduct an annual sustainability risk assessment to identify social and environmental risks linked to our sourcing practices. This assessment considers environmental impacts such as land conversion, pesticide use and water use, as well as a range of social impacts. Our brands use its outputs to inform their ongoing work on these topics in their supply chains.

Multi-stakeholder partnerships

We know that transitioning to a more sustainable food system will require coordinated action from a variety of actors across governments and NGOs and within food and beverage value chains. For this reason, we are involved in several multi-stakeholder forums centered on critical social and environmental challenges and solutions linked to biodiversity and ecosystems.

Multi-stakeholder collaboration	Focus
To advocate progression in supply chains and promote system change:	
The Tropical Forest Alliance (TFA)	A multi-stakeholder partnership platform supporting companies in the global transition to deforestation-free supply chains for commodities like palm oil, soy, beef and paper/pulp.
The Roundtable on Sustainable Palm Oil (RSPO)	A global partnership promoting sustainable palm oil production, processing, trade and use through the development and implementation of global standards.
The Retailer Palm Oil Group (RPOG)	A non-competitive coalition of retail companies committed to using sustainable palm oil in their products, aiming to make sustainable palm oil the norm.
The Palm Oil Transparency Coalition (POTC)	A pre-competitive coalition working to remove deforestation and exploitation from palm oil production. Focuses on transparency, traceability and sustainability in palm oil supply chains through, for example, their annual trader assessment.

Multi-stakeholder collaboration	Focus
The Round Table for Responsible Soy (RTRS)	Promotes responsible soy production, processing, trade and use. Develops and implements global certification standards for sustainable soy.
The Retailer Soy Group (RSG)	A non-competitive group of retail companies committed to increasing the use of sustainable soy in their products, aiming to make sustainable soy the norm and increase transparency in the soy supply chains.
Transitioning farming systems:	
Sustainable Agriculture Initiative (SAI) Regenerating Together Group	Ahold Delhaize was a founding member of the SAI's "Regenerating Together" group and subsequent program. The working group has members spanning food value chains and supports the development of a regenerative agriculture framework.

How we measure our performance

To measure our performance, we have the following ambition in place addressing land conversion and deforestation, which is focused on the sourcing of own-brand critical commodities:

Timeline	Ambition
Short term	By 2025, Ahold Delhaize and its brands aim to be 100% deforestation- and land-conversion free for own-brand products containing soy, palm oil, cocoa, coffee, wood fiber and tea. We refer to no deforestation or land conversion as defined by the *Accountability Framework Initiative* or the *Forest Resources Assessment*. The cut-off date we use is December 31, 2020, or the date of the applicable certification, whichever is earlier. We achieve this by having: • 100% of own-brand products containing coffee, cocoa, palm oil and tea certified against an accepted standard • 100% of high-risk (South American) soy volume in own-brand supply chains covered by accepted physical certification or credits • 100% of own-brand wood fiber-based products and packaging either certified against an accepted standard, classified as low-risk or recycled

Environmental information: nature continued
Biodiversity and ecosystems continued

Our voluntary ambitions are broadly aligned with the aims of both the Kunming-Montreal Global Biodiversity Framework and the EU biodiversity strategy. We have not reviewed alignment with national-level policies and legislation.

Regarding the mitigation hierarchy, our ambition most closely related to attempting to “minimize” or “avoid” negative impacts. We did not apply ecological thresholds and allocations of impacts to Ahold Delhaize when setting our voluntary ambition.

Our ambitions were informed by participation in multi-stakeholder networks, such as those listed in the *Multi-stakeholder partnerships* paragraph earlier in this chapter.

Biodiversity offsets were not used in setting the above-mentioned ambition.

We do not have targets on all upstream value chain material sustainability sub-topics yet, and thus will make use of the transitional provisions on value chain topics.

We are on track to achieve our ambitions for tea and soy; however, certain commodities, like palm oil, continue to pose challenges. In the case of palm oil, the limited availability of certified palm kernel oil and its derivatives, most commonly used in non-food products, remains an obstacle. Wood fiber, coffee and palm oil are areas of focus.

In the coming year, we will review the ambition and will look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Our current ambitions have a time horizon up to the end of 2025. At the completion of our nature project, we will determine the most appropriate future ambitions and actions going forward, where applicable.

See also *Water and marine resources* for the ambition on sustainable sourcing of seafood.

Metrics

We track our progress and performance by certifying own-brand products, with a focus on the six critical commodities.

The methodology, data considerations and requirements for accepted standards are set out in the *Sustainability notes*.

Performance management

Performance indicator description	2024	2023	Change vs. prior year
Tea, coffee and cocoa			
% of own-brand products containing **tea** (as defined) certified against an accepted standard	**99.5%**	99.4%	0.1pp
% of own-brand products containing over 1% **coffee** by weight certified against an accepted standard	**97.4%**	97.1%	0.3pp
% of own-brand products containing over 5% **cocoa** certified against an accepted standard	**96.5%**	91.8%	4.7pp
Palm oil			
% of certified palm oil in own-brand products	**96.4%**	93.7%	2.7pp
Wood fiber			
% of own-brand wood-fiber based products either certified against an accepted standard, classified as low-risk or recycled	**91.6%**	93.4%	(1.8)pp
Soy			
% of high risk own-brand soy certified against acceptable standards or covered by accepted credits[1]	**100%**	100%	0.0pp

1. This also includes credits purchased in the first quarter of the next financial year. See *Sustainability notes: Biodiversity and ecosystems* for information.

We are on track to achieve our ambition of having 100% of coffee, tea and cocoa certified against an accepted standard. In 2024, we made good progress in increasing the percentage of certified cocoa.

The improvement in certified palm oil is mainly attributable to our U.S. brands achieving a higher certification compared to 2023. Future improvement in a number of European brands will be required to achieve the 2025 ambition.

The percentage of own-brand wood-fiber-based products certified against an accepted standard, classified as low-risk or recycled, decreased, due to fluctuations in certification by European brands.

Environmental information: nature continued
Animal welfare

animal welfare

Definition: Understanding and managing the business's actual and potential impacts on animal welfare in upstream value chains, considering the five domains of animal welfare: nutrition, physical environment, health, behavioral interactions and mental state.

Strategy

For more information on our strategy and how the material sustainability matters identified are linked with Ahold Delhaize's Growing Together strategy, see *Our material sustainability matters*.

Animal-derived proteins are still an important part of the human diet – predominantly eggs, chicken, pork, dairy and beef – but the economics of their production often has an inversely proportional relationship to the welfare of the animals. Higher animal welfare standards require investments in physical space, working hours and specialized equipment, which might not always be available in certain markets.

At the same time, farm animal welfare is connected to food safety, due to the close links between space provided to animals and their health. Higher stocking densities require a higher usage of antimicrobials to keep the animals healthy, which may lead to antibiotic-resistant pathogens for humans.

Ahold Delhaize and its brands support the welfare of animals and the provision of safe food, while, at the same time, preserving access to affordable, fresh products.

Our approach to animal welfare currently focuses on stronger animal welfare standards for own-brand and national-brand whole- or single-ingredient products derived from farm animals globally, as well as (aquaculture-farmed) seafood.

We support the internationally recognized Five Freedoms of animal welfare. However, the traditional approach of the Five Freedoms is increasingly found to be limited, as it assumes that the absence of negative experiences (or "freedoms" from negative states) alone ensures high welfare.

A more modern framework, the Five Domains model, is gaining prominence. This approach not only focuses on minimizing negative experiences but also on enhancing positive ones, aiming to ensure the highest level of welfare throughout an animal's life. As a result, Ahold Delhaize is transitioning to the Five Domains framework in our approach to animal welfare.

The five freedoms	The five domains
Freedom from hunger and thirst	**Nutrition:** Factors that involve the animal's access to sufficient, balanced, varied and clean food, and water.
Freedom from discomfort	**Physical environment:** Factors that enable comfort through temperature, substrate, space, air, odor, noise and predictability.
Freedom from pain, injury or disease	**Health:** Factors that enable good health through the absence of disease, injury and impairment with a good fitness level.
Freedom to express normal behavior	**Behavioral interactions:** Factors that provide varied, novel and engaging environmental challenges through sensory inputs, exploration, foraging, bonding, playing, retreating and others.
Freedom from fear or distress	**Mental state:** The mental state of the animal should benefit from predominantly positive states, such as pleasure, comfort or vitality, and fewer negative states, such as fear, frustration, hunger, pain or boredom.

The Five Domains model is context specific, and can be applied differently, depending on the role of a company within the value chain. For Ahold Delhaize, we use the following:

Nutrition domain: Ahold Delhaize wants each animal in its brands' supply chains to have access to the appropriate food in the appropriate quantity. This domain includes the topics of food and water quality, force feeding and starvation.

Physical environment domain: Ahold Delhaize wants each animal in its brands' supply chains to live in an environment that has adequate space for free movement and adequate lighting, noise and temperature. This domain includes limiting live animal transport times.

Health domain: Ahold Delhaize wants each animal in its brands' supply chains to live in good health, with limited disease, injury, functional impairment or routine mutilation. This domain includes the topic of beta-antagonists, which are sometimes used in livestock production to enhance growth and alter body composition, and antimicrobials.

We understand the significance of antimicrobials in both human and animal medicine and the threat from improper use in livestock supply chains. Some antimicrobials used in livestock supply chains are also used in human medicine and, if overused, can lead to increased antimicrobial resistance. We believe that antimicrobials used in animal medicine, when applied responsibly and under veterinarian oversight for treatment of disease or injury, promote good animal welfare; they should not be used unless the well-being of an animal is endangered. We don't support the prophylactic use of antimicrobials in animal farming, or their use as growth promoters.

Environmental information: nature continued
Animal welfare continued

Behavioral interactions domain: Ahold Delhaize wants each animal in its brands' supply chains to have agency when it comes to its behavior, through normal interaction with its environment, other animals and humans. This domain includes providing good living conditions to animals that are used for labor.

Mental state domain: Ahold Delhaize wants each animal in its brands' supply chains to experience a mental state of comfort, security and calmness. This domain includes the topic of pre-slaughter stunning: it is our aim that animal-based products come from farm animals that have been rendered unconscious and insensible to pain before harvest through effective stunning in a single attempt. To offer all customers a suitable choice, we accept alternative practices for religious slaughter.

IRO management

Process to identify and assess material animal welfare-related IROs

See *Our material sustainability matters* for the animal welfare-related impact we have identified and assessed as material through our *DMA* process: the negative impact on the well-being of animals through use of animals for food production, sourced from suppliers and sold by Ahold Delhaize brands.

Our current animal welfare approach addresses select species and industry practices. In 2025, we will conduct further analysis to refine priority topics and actions. Therefore, we will build out our animal welfare policy, action plans and metrics in the coming years. The Company makes use of the transitional provision related to value chain topics to phase in reporting on animal welfare.

Policies

We have an overarching sustainability policy that is applicable to all Ahold Delhaize brands. In addition to the sustainability policy, the Company also has a specific animal welfare standard that provides further guidance on our approach to animal welfare.

The animal welfare standard applies to both terrestrial farm animals and (aquaculture-farmed) seafood. The standard includes more information on terrestrial animals, including our interpretation of the Five Domains (our domain definitions) and guidance to brands, and, to a much lesser extent, guidance on seafood welfare. This is primarily due to the maturity of the supply chain, availability of data and practicality of confirming adherence. See *Water and marine resources* for more information on the responsible sourcing of seafood.

Actions and resources

Our local brands translate the guidance provided in our animal welfare standard into day-to-day decision making, taking into account local market conditions and local legislation. More information on specific brand approaches is available on the brand websites (see *www.aholddelhaize.com*).

This year, we updated our *Standards of Engagement* to incorporate our vision on animal welfare; besides complying with applicable legislation, we expect suppliers to commit to sound, science-based animal care practices and the elimination of animal cruelty, abuse and neglect. In addition, Ahold Delhaize expects suppliers to incorporate the Five Freedoms of animal welfare.

Ahold Delhaize is a member of several multi-stakeholder initiatives, such as SAI Beef (ERBS) and GLOBALG.A.P. (for pork and chicken). Key areas of action are antimicrobial use and mortality rates.

Each brand has one or more sustainability experts in-house, who also look after animal welfare topics. There are no specific, separately identifiable, dedicated resources allocated to the topic, but it is fully integrated into our sourcing of products where agreements are made with suppliers on animal welfare. Due to the activities being fully integrated into the daily operations, no significant operating expenses are identifiable and tracked.

As the activities are also aimed at improving animal welfare in the upstream value chain, no significant capital expenditure is incurred in relation to animal welfare.

In regions where consumer uptake of cage-free eggs is slower than expected, our brands work with consumer research and egg producer organizations to evaluate how in-store signage supports customer education and at-shelf purchase decisions.

We will continue to evaluate our animal welfare program and make modifications as necessary.

How we measure our performance

Consistent with the reporting in our Annual Report 2023, the rate of supplier transition and consumer uptake in some regions is slower than expected. Therefore, in 2024, we reviewed our ambition on cage-free eggs and revised it as indicated below.

It is important to note that to achieve this revised ambition, availability within the supply chain, demand among customers, legislation and regulatory compliance with programs like the U.S. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), are all critical factors.

Environmental information: nature continued
Animal welfare continued

We recognize that this work cannot be done alone. The transition to cage-free eggs will require strong collaboration and partnership among partners, farmers, suppliers and customers, and we look forward to bringing these stakeholders along this journey.

When it comes to pork, our original ambition was based on the assumption that the industry would transition to the complete removal of gestation crates, which are used to confine pregnant sows for most of their gestation period. While these systems simplify management and prevent aggression, they raise significant welfare concerns, including extreme restriction of movement, the inability to express natural behaviors and the potential for stress and frustration.

However, transitioning to fully crate-free systems has proven challenging and impractical due to space constraints, the need to manage sow aggression, and the higher costs and labor demands of such systems. In response, the industry has broadly shifted toward group housing, which addresses many welfare concerns by allowing sows greater freedom of movement, opportunities for social interaction and a more enriched environment, while balancing operational feasibility.

In 2024, we reviewed our pork animal welfare ambition to reflect evolving industry practices and the regulatory requirements in the EU. While EU legislation mandates that sows must be kept in groups for most of their gestation, they still permit the use of stalls during the initial four weeks of pregnancy for breeding and stabilization purposes.

Recognizing the impracticality of fully crate-free systems and the welfare improvements achievable with group housing, we have revised our ambition to align with this model, which reflects the prevailing trend in the U.S. and the intent of EU legislation to improve sow welfare while addressing operational realities.

Our voluntary ambitions were informed by consultations with international animal welfare organizations.

We do not have ambitions on upstream value chain material sustainability sub-topics relating to animal welfare beyond our current focus topics. We are currently evaluating the completeness of this and thus will make use of the transitional provisions on value chain topics.

As noted earlier, our current animal welfare approach addresses select species and industry practices and we will review these ambitions and look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Currently, we have defined the following updated ambitions, which are focused on improving the physical environment of swine and laying hens:

Timeline	Ambition
2032	All Ahold Delhaize brands have the ambition of being 100% cage free for own-brand and national-brand shell eggs by 2032[1].
2028	Our U.S. brands have the ambition to sell 100% pork products from group-housed swine by 2028. Our European brands continue to ensure compliance with EU legislation that limits the use of gestation crates for swine for extended periods, which is comparable to our ambition for our U.S. brands[2].

1. During 2024, the ambition was updated, following a review of the progress made and market circumstances. The previous ambition was that all European Ahold Delhaize brands, other than Albert Heijn and Delhaize Belgium, and all U.S. brands committed to being 100% cage-free for own-brand and national-brand shell eggs by 2025. Albert Heijn and Delhaize Belgium have already achieved 100% cage-free own-brand and national-brand eggs.
2. During 2024, we revised the U.S. brands' ambition from the aim to eliminate the use of gestation stalls by 2025 or sooner to the above.

Metrics

We currently only report on the cage-free eggs metric. The Company makes use of the transitional provision related to value chain topics to phase in reporting on animal welfare.

Performance management

	2024	2023	Change vs prior year
Percentage of shell eggs that are cage free	47%	45%	2pp

In 2024, our brands have continued to advance on the cage-free eggs ambition through supplier engagement and phasing out non-compliant items from their assortment.

Albert Heijn and Delhaize Belgium have already achieved 100% cage-free own-brand and national-brand eggs.

Environmental information: circularity
Packaging

circularity

Circularity refers to the practice of keeping resources in circulation for as long as possible, thereby minimizing waste. This approach encourages us to rethink the design and management of our products and operations.

At Ahold Delhaize, packaging and waste – especially food waste – are the most material sustainability matters linked to circularity, making them our primary focus areas. These topics are closely linked to our *Healthy communities & planet* strategic priority and serve as starting points for our efforts to manage resources more efficiently across the value chain.

in this section

packaging

Definition: Our brands are continuously improving product packaging by reducing virgin plastic use, incorporating more recycled content, and adopting recyclable or reusable materials in own-brand plastic packaging.

To achieve this, we measure the packaging we place on the market and concentrate our efforts on sourcing packaging that relies less on finite resources and is designed to retain its highest value for longer, preventing it from becoming waste.

IRO management

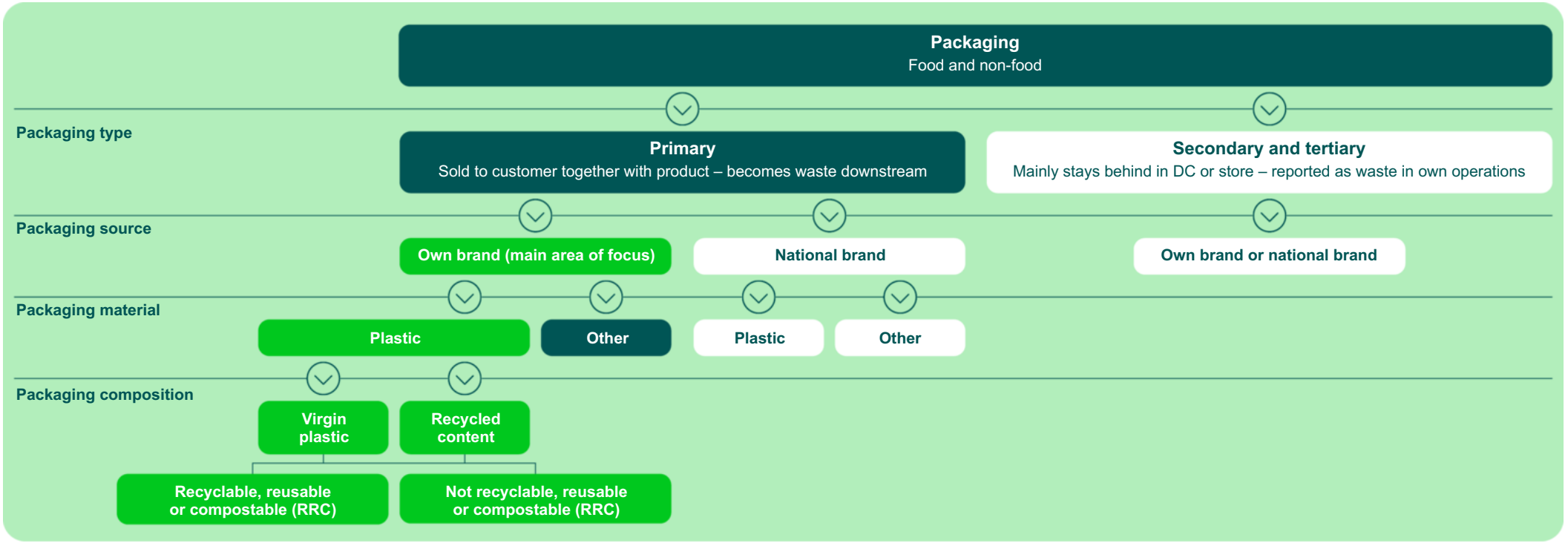
Process to identify and assess material packaging-related IROs

See *Our material sustainability matters* for the packaging-related impact and risk we have identified and assessed as material through our *DMA* process.

The impact around packaging we have identified as material is the negative impact on the environment through the production, use and disposal of (virgin) plastics, cardboard and other (non-)compostable primary and secondary packaging materials used and sold by Ahold Delhaize's brands. In addition, we have identified a transition risk around increased regulatory pressures. The IROs are upstream in the value chain.

In our business model, we mainly use packaging, such as plastics, for our own-brand products and through CPG suppliers that manufacture branded products delivered to our brands' own operations. Ahold Delhaize and its brands do not manufacture any packaging. Our approach and actions to address packaging-related impacts, risks and opportunities depend on the classification of the packaging. We aim to prioritize our policies and actions in the areas where we can maximize our impact and where we have more data available.

Environmental information: circularity continued
Packaging continued



1. **Packaging type:** Primary packaging is sold with the product to the customer and becomes waste downstream. In order to reduce the negative impacts on the environment, the aim is to eliminate or reduce primary packaging. Where that is not possible, we should aim to use packaging that is made from recycled content and designed for recycling. Secondary and tertiary packaging is mainly waste in our own operations, and as such, Ahold Delhaize and its brands deal with it according to the waste hierarchy explained under *Waste*.
2. **Packaging source**: From a product management perspective, we classify the products (and the related packaging) we sell as either own-brand products or national-brand products, since the level of involvement in product development, ingredients, packaging and market propositioning differs. This subsequently impacts the level of influence we have on managing the related impacts, risks and opportunities, and our actions related to it.

   For the definitions of own brand and national brand, see *Definitions and abbreviations: Non-financial performance measures*.
3. **Packaging material**: Different types of packaging, such as glass, paper, aluminum and plastic, are used to pack the products sold by Ahold Delhaize and its brands. The production, use and disposal of (virgin) plastics, cardboard and other packaging materials used and sold by our brands can have negative effects on environmental resources.
4. **Packaging composition**: From a circular economy and environmental perspective, our activities aim to reduce or eliminate the use of virgin plastics, replace them with recycled content where elimination is not possible, and work toward ensuring that plastic packaging is recyclable, reusable or compostable.

Environmental information: circularity continued
Packaging continued

We consider plastic to be the most problematic material type due to the following reasons, among others:

- It relies on fossil fuels (finite resources) and significantly contributes to GHG emissions.
- The existing recycling infrastructure is inefficient compared to materials like paper and glass, requiring both a concerted industry effort to improve recycling rates and a reduction in the inflow of plastic to the system.
- As a non-biodegradable material, it causes long-lasting environmental harm when mismanaged or improperly disposed of.
- It poses potential health risks due to chemicals of concern and microplastics.

Studies from organizations including the Ellen MacArthur Foundation (EMF), the World Economic Forum and UNEP broadly highlight these aspects. We will conduct further investigations to better understand the impacts of other packaging materials in the future.

Policies

Ahold Delhaize has an overarching sustainability policy that also includes topics related to circularity, and is applicable to all our brands. The Company makes use of the transitional provision related to value chain topics to phase in reporting on packaging.

In addition to the sustainability policy, the Company also has a plastic packaging standard that documents how plastic packaging is managed within our brands' own operations.

As a signatory to the New Plastics Economy Global Commitment ("The Global Commitment") and a supporter of the Business Coalition for a Global Plastics Treaty – both initiatives led by the EMF in collaboration with the UN Environment Program and WWF respectively – Ahold Delhaize has set plastic packaging-related targets for 2025.

In line with guidance from the EMF, we follow a framework designed to help us move toward a more circular system for own-brand product packaging, through:

1. Elimination
2. Shift to reusable
3. Shift to recyclable or compostable in practice and at scale
4. Decoupling the use of plastic from the consumption of finite (fossil) resources
5. Elimination of hazardous chemicals from plastic

Our policy on plastic packaging is focused on own-brand primary plastic packaging.

Our approach for branded products is to encourage CPG suppliers to become members of the EMF in order to unite more suppliers behind a common vision of a circular economy for plastics, and set reduction targets in line with the Foundation's guidance.

Our policies currently do not address packaging materials other than plastic.

Actions and resources

While each brand has one or more sustainability experts in-house, these specialists are not necessarily fully dedicated to (plastic) packaging. Management of this topic is also embedded in our brand teams' roles in product development, store operations and DC logistics. It does not require specific, separately identifiable, or dedicated resources to be allocated to the topic.

Primary plastic packaging

National brands

For national-brand products, we do not control the plastic consumption or usage within the value chain and we do not always receive detailed data on the types of plastics used in these products. We encourage our suppliers to become members of the EMF but do not explicitly monitor memberships.

Over 1,000 organizations from across the world, including businesses representing 20% of all plastic packaging produced globally and over 50 government signatories, have mobilized behind The Global Commitment's common vision of a circular economy for plastic.

Many of our significant suppliers have already made this commitment, including Nestlé, PepsiCo, The Coca-Cola Company, Unilever, Mars Incorporated and L'Oréal, along with major packaging producers like Amco, plastics producers such as Novamont and resource management specialist Veolia. These suppliers account for a significant portion of the branded products in our brands' operations.

We monitor progress made by signatories of The Global Commitment through the annual progress reports issued.

The progress report 2024 is available *here* and covers the 2023 reporting year. The report shows continued progress by signatories on virgin plastic production, post-consumer recycled (PCR) content and recyclability. Key findings included in the report are:

- Signatories decreased their total and virgin plastic packaging weight, with the virgin weight decrease being the greatest yearly reduction since 2018.
- For the sixth consecutive year, signatories continued to increase their use of PCR content.
- Between 2022 and 2023, signatories' recyclability in practice and at scale went up by 4 percentage points, mostly because the packaging category PP other rigids (pots, tubes, cups, etc.) is now recognized as recyclable. There is sufficient evidence that recycling rates have grown for this packaging type in multiple regions.
- With a large part of the plastic packaging industry not yet taking action, and signatories likely to miss key 2025 targets, the world is off track on eliminating plastic waste and pollution.

Own-brand

Our approach toward packaging is primarily focused on own-brand products and their primary plastic packaging, as we control the related processes within the value chain. Our brands continue to improve their own-brand product packaging by eliminating unnecessary plastic, switching to reusable and/or recyclable packaging, and increasing the use of recycled content in own-brand plastic packaging.

The vision behind the EMF guidance and framework is to help organizations progress to the target state all signatories seek over time, acknowledging that realizing it will require significant effort and investment, and recognizing the importance of taking a full life-cycle and systems perspective as we aim for better overall economic and environmental outcomes.

In line with guidance from the EMF, our actions are built on this framework, which is designed to help us move toward a more circular system for own-brand products, through the following steps:

1. Elimination

Eliminating problematic or unnecessary plastic packaging through redesign, innovation and new delivery models is a priority. To achieve a circular economy, we need to curb growth in the total amount of material that needs to be

Environmental information: circularity continued
Packaging continued

circulated. While plastics bring many benefits, there are some problematic items on the market that need to be eliminated to achieve a circular economy, and sometimes plastic packaging can be avoided altogether while maintaining utility. Elimination is about more than bans on straws and plastic bags – it is a broad opportunity for innovation.

By aiming to remove all unnecessary packaging and reduce the weight of the packaging as much as possible, we reduce the overall supply of plastic packaging.

2. Shift to reusable

The shift away from single-use toward reusable packaging is a critical part of reducing the negative impact of plastic usage. However, in order to have a real impact, reuse models need to be taken from niche to scale. The Global Commitment states in its 2023 Progress Report that strong policy measures will be crucial to enable the scaling of reuse, and unlock the significant benefits it can offer. In parallel, businesses should drive progress where they can.

Brands are encouraged to explore and implement reusable alternatives for single-use plastic.

3. Recyclable or compostable in practice and at scale

The recyclability of product packaging is complex, as it often comprises several different materials.

Designing packaging to be reusable, recyclable or compostable is an essential step, but a circular economy is only realized if packaging is actually reused, recycled or composted in practice. This requires the necessary systems to be in place to collect, sort and effectively reuse, recycle or compost the packaging.

"Recyclable" means different things to different people in different contexts. In the context of The Global Commitment, "technically recyclable" is not enough.

Recycling needs to not just work in a lab – it should be proven that packaging can be recycled in practice and at scale. See our *Sustainability notes – Packaging* for more information on how we assess recyclability.

For some packaging categories – such as most rigid plastic packaging – in some geographies, designing technically recyclable plastic packaging is a crucial first step in facilitating the scaling of the necessary infrastructure to collect, sort and recycle these packages in practice.

Design changes, such as removing undetectable carbon black pigment and removing or redesigning components such as caps, lids, pumps and trigger sprays, have the potential to not only increase overall recyclability but also stimulate the scaling of essential infrastructure.

Governments are, however, essential in setting up effective collection infrastructure, facilitating the establishment of related self-sustaining funding mechanisms, and providing an enabling regulatory and policy landscape.

Similar to how recyclability is defined, for compostability, The Global Commitment also moves beyond technical compostability (i.e., meeting relevant international compostability standards) to compostability proven to work in practice and at scale.

The "in practice and at scale" requirement and suggested threshold result in some signatories reporting low or moderate recyclability percentages today. The threshold also means that progress toward 2025 targets can be expected to follow a "lumpy" trajectory (e.g., if infrastructure to collect and recycle certain high-volume categories of packaging reached the threshold scale requirement, recyclability scores would increase significantly).

It should be noted that recyclability and compostability percentages reported as part of The Global Commitment are not comparable to assessments and claims of recyclability using different definitions or methodologies. The definitions of recyclability and compostability used in the context of The Global Commitment are designed to be applied at a global level and are not linked to any specific geographical area, local context, or regulations, or on-pack recyclability or compostability labels.

Our brands have developed packaging guidelines for suppliers, providing recommendations such as:

- Designing packaging to be recyclable according to local or regional design-for-recycling guidelines
- Increasing the use of post-consumer recycled content where possible
- Avoiding black plastic and colored PET because they hinder recyclability
- Delivering and protecting products with the least amount of material.

In 2024, Ahold Delhaize brands put 170 thousand tonnes (2023: 169 thousand tonnes) of own-brand primary plastic product packaging on the market, of which 33% (2023: 28%) is currently reusable, recyclable or compostable.

4. Decoupling the use of plastic from the consumption of finite (fossil) resources

Moving toward a circular economy for plastic packaging involves decoupling the use of plastic from the consumption of finite (fossil) resources. This is achieved, first and foremost, by reducing the need for virgin plastics through elimination, reuse and use of recycled content. Using recycled content is essential (where legally and technically possible) both to decouple from finite feedstocks and to stimulate demand for collection and recycling. Then, over time, any remaining virgin inputs must be switched to renewable feedstocks that are proven to come from responsibly managed sources and to be environmentally beneficial.

5. All plastic packaging is free of hazardous chemicals, and the health, safety, and rights of all people involved are respected

The use of hazardous chemicals in packaging and its manufacturing and recycling processes should be eliminated (if not done yet). It is essential to respect the health, safety and rights of the people involved in all parts of the plastics system, and particularly to improve worker conditions in informal (waste picker) sectors.

Since our primary plastic packaging touches food, strict rules are in place about the composition and use of other chemicals in the plastic. Our brands monitor and integrate legal requirements and regulations into their packaging guidelines to ensure compliance in the markets where they operate.

Other packaging materials

Secondary and tertiary packaging materials generally stay behind in DCs and stores and become waste. The main activity to reduce the impact of these materials is to ensure they are appropriately disposed of by separating them by type in the warehouse or store and ensuring our waste disposal contractors collect them separately and confirm they have been recycled. See also *Sustainability notes – Waste* for quantitative information about waste recycled and disposed.

Our online retail platform brand, bol, uses relatively more paper and cardboard packaging material as secondary packaging for shipment, but is working to reduce waste. For example, bol uses "multi-packing machines" that customize the packaging of orders consisting of multiple items. The multi-packing machine can scan the dimensions of multiple items at

Environmental information: circularity continued
Packaging continued

once and fold one cardboard box around them. Smarter, customized packaging means smaller packages, less packaging material and as little empty air as possible, and also a lower carbon footprint per delivered package.

Our brands support responsible forest management by using, as much as possible, 100% Forest Stewardship Council (FSC)- or Program for Endorsement of Forest Certification (PEFC)-certified paper and cardboard. See also the wood fiber critical commodity indicator included under *Biodiversity and ecosystems*.

To increase the recycling of different packaging materials, a number of our brands also offer recycling stations at their stores, where customers can deposit materials like glass, paper and batteries for recycling. Some of our brands also provide facilities to collect plastic and glass bottles, specifically in cases where there are deposits on the bottles, such as in the Netherlands.

The recently adopted EU Packaging and Packaging Waste Regulation will harmonize packaging rules across all the member states. Ahold Delhaize is developing a compliance plan to align with this. It will be applied to all packaging placed on the EU market and all packaging waste referenced in the regulation.

Partnerships

We also work with several umbrella organizations to find solutions for sustainable packaging. Some of our brands are members of national plastic pacts that are implementing solutions toward a circular economy for plastic. For example, Albert Heijn is a member of the Dutch Plastics Pact, while Ahold Delhaize USA is a member of the U.S. Plastics Pact and the Sustainable Packaging Coalition, a membership-based collaborative that believes in the power of industry to make packaging more sustainable.

How we measure our performance

Consistent with the disclosure in our Annual Report 2023, we expect that we will not achieve our targets related to RRC and recycled content, due to issues ranging from the scaling up of reusable packaging to the availability of a robust recycling infrastructure for certain plastic packaging categories within some of our brands' markets. See also the key findings from the The Global Commitment 2024 progress report above.

However, we have already surpassed our virgin plastic reduction target.

To measure our performance, we have the following targets in place:

Timeline	Target
Short term	100% of primary own-brand plastic packaging is reusable, recyclable or compostable in practice and at scale by 2025.
	By 2025, our brands aim to reduce the use of virgin plastic in their own-brand primary product packaging by 5% compared to the 2021 baseline.
	25% of our total own-brand primary plastic packaging weight will be made from recycled content by 2025.

Our targets are voluntary and have been informed by the partnership with the EMF New Plastics Economy Global Commitment, and the scientific resources made available by it.

Our current targets on packaging have a time horizon up to the end of 2025. In 2025, we will determine the most appropriate future targets or ambitions and actions going forward, where applicable.

We currently do not have targets in place to monitor the progress of our national-brand suppliers have made to reduce the negative environmental impacts of the production, use and disposal of (virgin) plastics, cardboard and other (non-)compostable primary and secondary packaging materials used and sold by Ahold Delhaize's brands, nor do we have targets on packaging materials other than own-brand primary plastic packaging. Therefore, we make use of the transitional provisions on these value chain topics.

Metrics

As discussed earlier in this section, our metrics are focusing on own-brand primary product packaging. In addition, see also our reporting on total waste in *Sustainability notes – Waste*, which includes reporting on other types of waste recycled, such as secondary and tertiary packaging materials.

The assessment methodology for recyclability follows the guidelines of the EMF New Plastics Economy Global Commitment regarding recyclability of plastic packaging, which means that actual, not technical, recycling is used for reporting. See *Sustainability notes – Packaging* for more information on our methodology.

In several of our brands' markets, and for several plastic packaging types, actual recycling infrastructure is not yet established, and, as such, the plastics are not reported as recyclable, even though they may technically be recyclable.

In the coming year, we will review these targets and look to identify what steps, if any, can be taken to close the gap while maintaining alignment with our overall strategy.

Performance management

Performance indicator description	2024	2023 restated	Change vs. prior year
% of own-brand primary plastic product packaging that is made from recycled content	**15.7%**	14.8%	0.9pp
% reduction/(increase) in own-brand primary virgin plastic product packaging against the 2021 baseline	**10.3%**	10.2%	0.02pp
% primary plastic own-brand product packaging that is reusable, recyclable or compostable	**32.7 %**	28.44 %	4.3pp

By 2024, we had reduced our virgin plastic packaging by 10.3% compared to our 2021 baseline, a minimal improvement compared to last year's 10.2% decrease against the baseline.

Total weight of virgin plastic packaging totaled 144 thousand tonnes, which is 38 tonnes lower than the previous year and, thus, basically equal to the 2023 number. This reduction in virgin plastic packaging was mostly realized due to a higher percentage of recycled content in plastic content as total plastic packaging volumes increased. In 2024, 15.7% of own-brand plastic product packaging is from recycled content, a 0.9 percentage-point improvement compared to 2023.

In 2024, 33% of our own-brand primary plastic packaging was reusable, recyclable or compostable, a 4.3 percentage-point improvement compared to 2023.

See *Sustainability notes – Packaging* for more information.

Environmental information: circularity continued

Waste

waste

Definitions: Our material sustainability topics around waste include the following:

Food waste: We promote the responsible handling of unsold food to reduce food waste and increase the reuse of unsold food and the recycling of food that is wasted along the supply chain, in distribution and operations as well as in customers' homes. Our aim is to contribute to a food system that is based upon the principles of the circular economy.

Other waste: This includes non-food waste from our brands' operations, such as secondary packaging materials and paper. These waste components present opportunities to refuse/avoid, reduce, reuse, repair or recycle, aiming to minimize negative environmental impacts.

IRO management

Process to identify and assess material waste-related IROs

See *Our material sustainability matters* for the waste-related impacts we have identified and assessed as material through our *DMA* process.

The impacts assessed as material relate to the negative impact on the environment and food security through the waste of food resources across the value chain and other waste generated in own operations and downstream by customers, through the use of packaging.

The own-brand products our brands sell are manufactured by third parties. With the exception of our coffee roasting facility in the Netherlands, we do not manufacture any products sold in our brands' stores or online. From a resource use and circular economy perspective, our focus is, first, to reduce waste generated within our brands' operations and, second, to improve resource efficiency in the sourcing of food products, thereby also reducing food waste.

Our brands continue to reduce the amount of food that is wasted as much as possible, in their supply chains and stores and at customers' homes. By reducing the amount of food waste at the source and donating surplus products to food banks, we can reduce our environmental impact while creating a positive social impact.

The reduction of waste is linked to our *Healthy communities & planet* strategic priority. The food waste reduction target is also part of remuneration; see *Remuneration Policy for the Management Board*.

For more information on waste, see *Sustainability notes – Waste*.

Waste generated by type in 2024

Food waste (recycled)	16%
Cardboard/paper (recycled)	47%
Plastic waste (recycled)	2%
Other waste (recycled)	9%
Percentage of recycled waste	**74%**
Food waste (sent to disposal)	5%
Other waste (sent to disposal)	21%
Percentage of non-recycled waste	**26%**

Policies

Ahold Delhaize has an overarching sustainability policy that also includes topics related to circularity, and is applicable to all our brands.

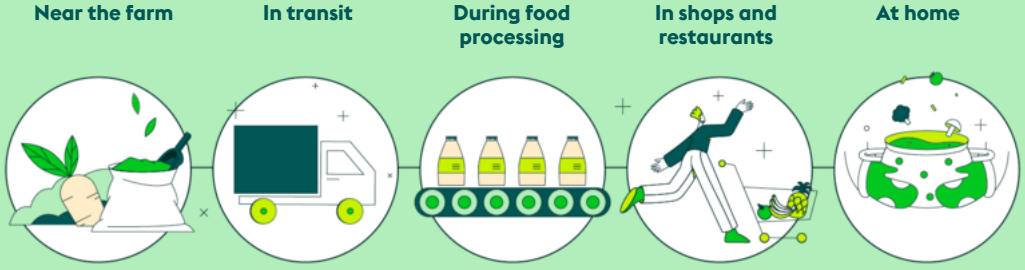
Food waste

In addition to our sustainability policy, we also have a specific food waste standard that documents the approach by which food waste is managed within our brands' own operations and in the value chain.

We focus on food waste because we believe it is the waste area where our actions can reduce negative environmental impacts the most. Food waste does not only negatively impact food security, it also fuels climate change. If food ends up in a landfill, it produces methane, a GHG that contributes to climate change. And when food is wasted, all the energy and water associated with growing, harvesting, transporting and packing the food are also wasted.

Environmental information: circularity continued
Waste continued

Drivers of food loss and waste throughout the value chain



- Inefficient harvesting practices resulting in spillage or no harvesting
- Out-of-date machinery
- Crop damage: cosmetic or damage from pests or animals

- Poor infrastructure leading to products not reaching the market, damage, spoilage and spillage
- Lack of or insufficient cold storage
- Inability to sell due to quality or size

- Ineffective planning, outdated equipment
- Trimming during processing and spillage
- Lack of measurement and data to show waste hotspots
- Insufficient food-handling skills and awareness

- Ineffective planning and stock management
- Past use/sell date and spoilage
- Lack of measurement to show hotspots
- Cosmetic damage
- Product recalls

- Lack of awareness of food waste issues
- Inefficient cooking, storage and portioning
- Poor planning; not using shopping lists and menu plans
- Poor understanding of use/sell by dates

We aim to contribute to a food system that ensures everyone has access to nutritious food for generations to come. There are different drivers of food loss and waste throughout the supply chain, as illustrated in the overview above, that build on an overview by the World Resources Institute. This overview is not exhaustive.

Our definition of food waste applies to both food that is intended for human consumption and its associated inedible parts that leave the human food supply chain. As a result, inedible parts, such as orange peels left over after making freshly squeezed orange juice sold in our brands' stores, count as food waste in our figures.

Ahold Delhaize's definition of food waste includes waste sent to animal feed, bio-based materials, anaerobic digestion, composting/aerobic digestion, controlled combustion and landfill, but excludes donations to hunger relief organizations.

This definition is stricter than that of the Champions 12.3 Guidance on Interpreting Sustainable Development Goal (SDG) Target 12.3, when it comes to the destinations that count as food waste. We report separately on food donated.

Our policy is based on the Food Recovery Hierarchy; we have a three-pronged approach to reducing food waste across our brands' operations, including stores, warehouses and transport, as follows:

1. Reducing food waste through prevention
2. Diverting surplus food
3. Recycling to divert from landfill

For more information on each of the topics, see *Actions and resources* below.

While we would like to do even more to reduce food waste, our efforts are sometimes limited by external factors, such as the infrastructure of hunger relief organizations in certain of the markets our brands serve.

Our approach

Our approach to food loss and waste aims to address food waste in all areas of the the value chain:

- Upstream farm food loss: We contribute to the prevention and reduction of food waste upstream through memberships in global initiatives and encourage actors within our value chain to also join these initiatives. We also work directly with suppliers on innovations that can be used to reduce food waste.
- In store/own operations food waste: Our brands implement projects that optimize sourcing, stocking and promotions so that food is sold, and where it is not possible, we maximize food donations.
- Downstream food waste: Our brands encourage customers to utilize food already in their homes with, for example, recipes and education.

Other waste

We do not currently have a policy, formal action plans or targets on other waste linked to our material impacts and risks. The Company makes use of the transitional provision related to value chain-related impacts to phase in reporting on waste.

For the negative environmental impact of waste generated by own operations and customers from the use of own-brand primary plastic packaging for products used and/or sold by Ahold Delhaize's brands, see our policies and actions in *Packaging*.

Actions and resources

Food waste

Our local brands are responsible for preparing plans to execute on our global strategy and policies. Specific actions can differ per brand, and each brand is held accountable for its food waste reduction efforts through annual internal target setting and performance management, with food waste reduction targets also included in our incentive plans; for more details, see *Remuneration*.

While each brand has one or more sustainability experts in-house, these specialists are not necessarily fully dedicated to food waste. Reduction of food waste is an operational topic where the impact is made on ground level every day. There are no specific, separately identifiable, dedicated resources allocated to the topic, but it is part of the way our brands run their stores and DCs.

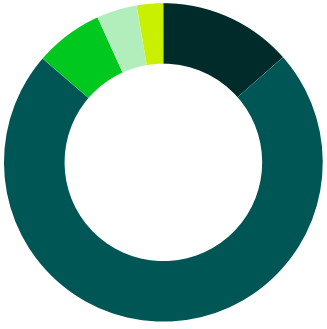
Environmental information: circularity continued
Waste continued

For the 56% food recycled, as a percentage of total unsold food, the recycling destinations are:

Application of unsold food

Unsold food donated to people	25%
Total tonnes of food recycled	56%
Total tonnes of food waste disposed (landfill or incineration)	19%
Total of unsold food (303 thousand tonnes)	100%

Destinations of food recycled



Animal feed	14%
Anaerobic (biogas)	73%
Aerobic (compost)	7%
Bio-based materials/biochemical processing (rendering)	4%
Recycling other (e.g., converted to biodiesel)	3%

Reducing food waste through prevention

We reduce food waste across our brands' operations, including stores, warehouses and transport. Specific actions, which can differ by brand and location, include working with suppliers to buy smarter; introducing discounts on almost-expired products; and using technology, such as dry misting in the fresh food department, electronic shelf pricing and AI. We use order algorithms to determine the optimal order sizes, taking into account inventory levels in stores and DCs, size of shelves, expirations dates and customer demand. With these considerations, our algorithms determine the optimal balance between availability and food waste. We are continuously working to make these algorithms more intelligent.

We also support innovations to reduce food waste in the upstream value chain by placing new products on the market that utilize food not necessarily suitable to be sold in supermarkets, such as processing "ugly" produce or damaged products into new products, for example, cauliflower rice. In addition, we also leverage opportunities to improve the shelf life of products.

Where possible, we also shorten our distribution chain. For example, by arranging for some of our fruit to be packed on farm level, ready for distribution to the stores and delivered directly to our DCs, our brands are able to get the products on the shelves quicker, increasing the shelf life and having fresher products in the stores.

To prevent food waste downstream in the value chain, our brands have different initiatives in place, such as providing ideas for using leftovers by offering recipes and education on better storage methods.

Diverting surplus food

We divert surplus food to food banks, charities and innovative operations, such as restaurants that cook with unsold food. In 2024, we donated 75 thousand tonnes of food waste or 25% of unsold food (2023: 76 thousand tonnes or 25%).

In 2024, Ahold Delhaize entered into a partnership with The Global FoodBanking Network (GFN), an international non-profit organization dedicated to alleviating food insecurity while reducing food loss and waste. GFN maintains strong relationship with its local partners: Feeding America and the European Food Banks Federation. During the first pilot year of this partnership, we provide support to different projects in our operating countries. All projects focus on strengthening and/ or expanding local food banks, with the aim to alleviate hunger and support local communities.

Recycling to divert from landfill

We send food no longer suitable for human consumption to other recycling destinations, to divert it from landfill. These methods can include animal feed production, green energy facilities or industrial uses. For the destinations of food recycled in 2024, see the graph *Destinations of food recycled* earlier in this chapter. Only 19% (2023: 17%) of unsold food was disposed of in 2024, either through incineration or landfill.

Environmental information: circularity continued
Waste continued

Our partnerships
Ahold Delhaize's brands enter into partnerships to reduce food waste, such as:

- U.S. Food Waste Pact: This national voluntary agreement was put forth by Ahold Delhaize USA's partners at ReFED – a national non-profit working to end food loss and waste across the food system – and the World Wildlife Fund, the world's leading conservation organization. The pact aims to assist Ahold Delhaize USA, and all food businesses, to make impactful progress on food waste reduction goals through pre-competitive collaboration.
- Ahold Delhaize is a founding member of the World Resources Institute 10x20x30 initiative, through which retailers partner with suppliers to root out food loss and waste in the food supply chain.
- Ahold Delhaize is a member of the CGF's Food Waste Coalition of Action, which is committed to contributing to the UN Sustainable Development Goals' efforts to halve per capita global food waste at the retail and consumer levels, and to reduce food loss along production and supply chains, including at the post-harvest stage, by 2030.

Other waste
The Ahold Delhaize brands are working to reduce other waste in operations, and, where reduction is not possible, we aim to recycle as much waste as possible. If recycling is not possible, waste is disposed of through incineration (with or without the generation of energy) and, only as a last resort, directed to landfill. Currently, approximately 21% of total waste generated is not recycled; see *Sustainability notes – Waste* for more information.

As part of our journey toward a circular economy, we explore ways to manage resources more efficiently. In addition to improving packaging (see *Packaging*), preventing and reducing food waste, and optimizing waste streams, some of our brands are also exploring circular approaches to store remodeling. While global policies and actions are not yet formalized, our brands are taking steps in this direction.

How we measure our performance
To measure our performance, we have the following targets in place, focused on food waste in our own operations:

Timeline	Target
Short term	We have a target of >40% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2025.
Medium term	We have a target of 50% reduction of total tonnes of food waste per €1 million of food sales against our 2016 baseline by 2030.

This target relates to the prevention and reuse layers of the waste hierarchy. The targets were informed by participation in multi-stakeholder networks, such as those listed in the *Our partnerships* paragraph earlier in this chapter.

In establishing the long-term target for 2030, we aligned with Sustainable Development Goal 12.3., but our targets are voluntary targets and not based upon conclusive scientific evidence.

We do not have reduction targets in place for waste other than food waste.

Metrics
We measure and track our performance on food waste according to the Food Loss and Waste Protocol (FLW Protocol), a multi-stakeholder effort to develop the global accounting and reporting standard for quantifying food and associated inedible parts removed from the supply chain.

We currently do not have metrics measuring our upstream and downstream-related impacts relating to food waste and other waste. See also the reporting on total waste as included in the *Sustainability notes – Waste*.

Performance management

	2024	2023 restated	Change vs previous year
Tonnes of food waste per food sales (t/€ million)	**3.17**	3.17	
% reduction in food waste per food sales (t/€ million)[1]	**35%**	35%	— pp

1. The reduction is measured against the restated 2016 baseline of 4.89 t/€ million. See *Sustainability notes – Waste* for more information.

In 2024, tonnes of food waste per food sales totaled 3.17, which equals a 35% reduction compared to the 2016 baseline, equal to last year.

Tonnes of food waste per food sales remained the same compared to the prior year, as our increased total tonnes of food waste were offset by higher food sales. The absolute figure for food waste in 2024 amounted to 228 thousand tonnes, an increase of 1.1% compared to last year. This increase is fully driven by an algorithm update improving reporting accuracy, which resulted in higher total food waste not recycled.

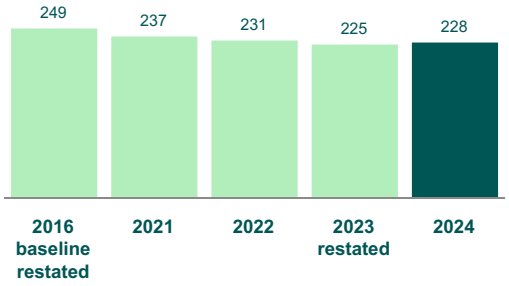
Excluding this update, total tonnes of food waste decreased by over 5% versus last year.

Food donations play an important part in decreasing our food waste. In 2024, we donated 25% of unsold food toward feeding those in need, in line with last year.

Along with increasing donations, our brands implemented measures to reduce food waste, such as offering discounts during late store hours or selling near-expired food from DCs.

See *Sustainability notes* for more information.

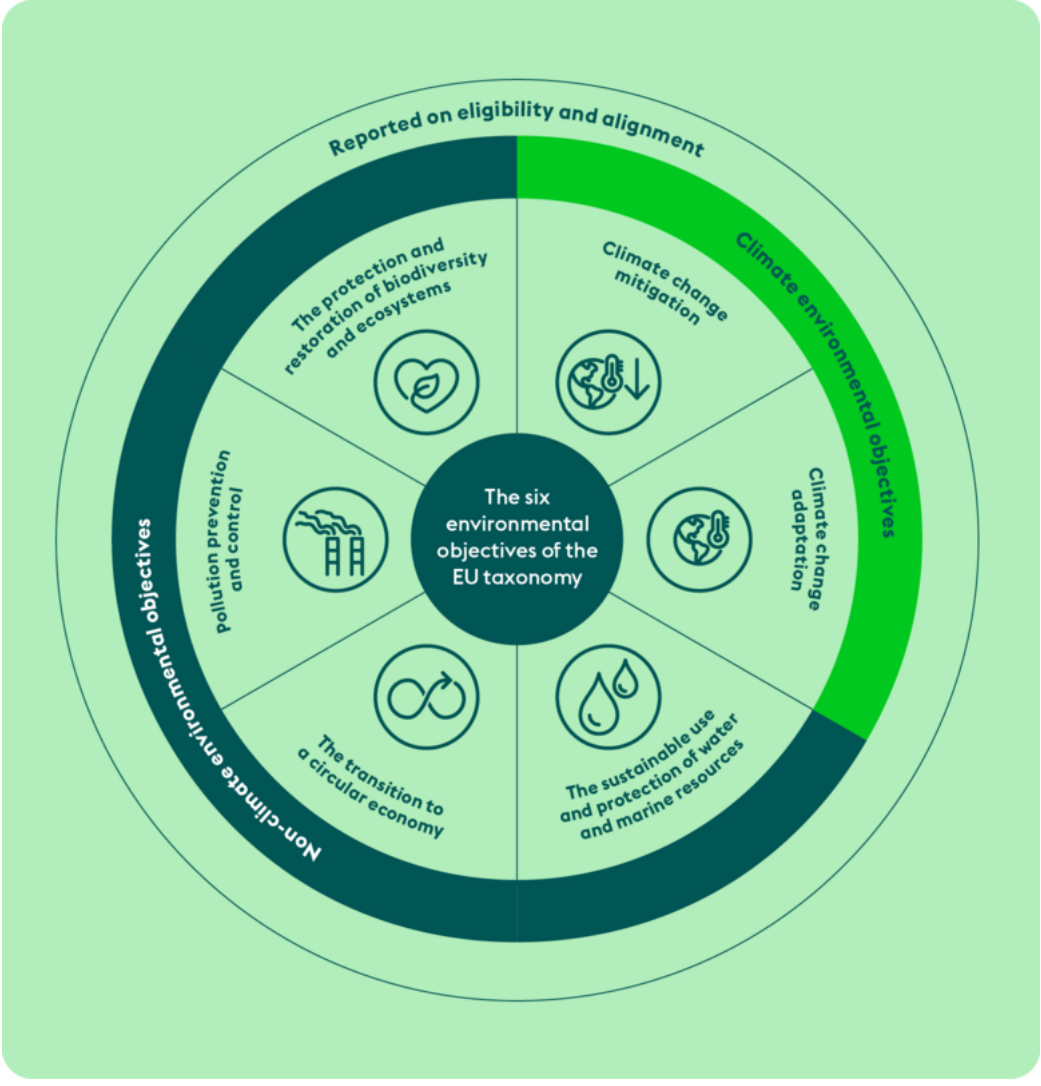
Absolute food waste (in thousands of tonnes)[1]



1. See *Sustainability notes – Waste* for more information.

Environmental information
EU Taxonomy

The European Taxonomy Regulation (EU 2020/852) and its supporting delegated acts provide a framework to help companies, investors and policymakers identify environmentally sustainable economic activities. It is a classification system that defines criteria for economic activities aligned with a net zero by 2050 trajectory and broader environmental goals other than climate.



The regulation outlines six environmental objectives that guide businesses in reporting their contributions to a sustainable economy. To claim alignment, an economic activity must meet the technical screening criteria (TSC), demonstrating a substantial contribution to one or more of these objectives. Additionally, it must ensure no significant harm (DNSH) to any of the other objectives while adhering to minimum safeguards.

In 2024, full reporting on the eligibility and alignment of economic activities across all six environmental objectives became mandatory.

Own operations and application of the EU Taxonomy

The EU Taxonomy, which initially focused on high-emission sectors, such as energy, manufacturing, transport and buildings, has expanded its reach in recent years. It now includes non-high-emitting sectors, such as disaster risk management, information and communication technology (ICT), and professional services, as well as more sectors focusing on where companies can make the most relevant contributions to environmental objectives. However, it still does not cover the food retail sector where Ahold Delhaize primarily operates. Our business operations are explained below:

Main activities: Ahold Delhaize's main economic activity is operating food retail stores and e-commerce (see also *Note 7* to the consolidated financial statements). Food retail currently does not match any eligible economic activities outlined in the Climate Delegated Act and the Environmental Delegated Act that classify economic activities as sustainable; therefore, the Company's main activities are out of scope.

Secondary activities: Ahold Delhaize also engages in other secondary economic activities that primarily support its retail activities. These include transporting goods from DCs to stores and owning and leasing real estate, including retail spaces, office buildings and DCs. A number of these supporting activities are recognized as economic activities under the EU Taxonomy regulation.

Environmental information continued
EU Taxonomy continued

KPIs under the EU Taxonomy

The EU Taxonomy requires companies to report the proportion of turnover, CapEx and OpEx aligned with the six environmental objectives.

Ahold Delhaize's reported KPIs remain consistent with last year, as the estimates and judgments remain unchanged and are applied throughout the Company and its brands.

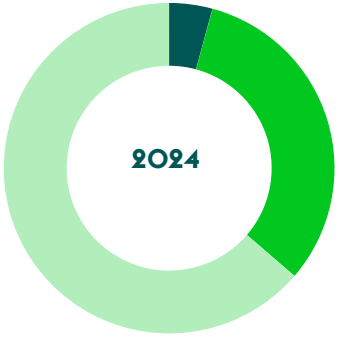
Our performance is summarized below.

Reporting summary of financial KPIs under the EU Taxonomy
(in million €)

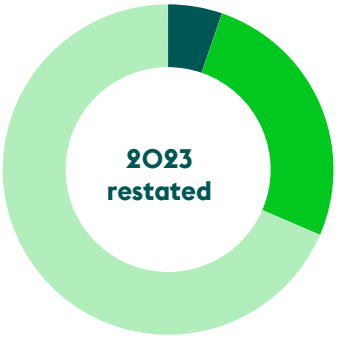
	Total		Taxonomy non-eligible activities		Taxonomy-eligible activities	
KPIs / Year	2024	2023 restated[1]	2024	2023	2024	2023 restated
Turnover	89,356	88,734	89,356	88,734	—	—
OpEx	642	711	642	711	—	—
CapEx	2,792	2,984	1,778	2,044	1,014	940
Of which:						
Taxonomy eligible and aligned					118	158
Taxonomy eligible but not aligned					896	782

1. See *Sustainability notes* for the restatement of 2023 figures.

Eligibility and alignment proportions of CapEx under the EU Taxonomy



Eligible and aligned CapEx	4%
Eligible but not aligned CapEx	32%
Non-eligible CapEx	64%



Eligible and aligned CapEx	5%
Eligible but not aligned CapEx	26%
Non-eligible CapEx	68%

For more information about our methodology as well as the estimates and judgments made, see the EU Taxonomy section in the *Sustainability notes*, which also includes the mandatory *disclosure tables*.

In 2024, Ahold Delhaize reported an eligibility percentage of 36.3%, up from 31.5% in 2023. This reflects newly identified economic activities under non-climate environmental objectives, specifically water supply, waste management and remediation. While gross eligibility is higher this year, aligned CapEx declined to 4.2% from 5.3% in the prior year. In the U.S., the reduction was driven by a CapEx shift from aligned LED investments to high-GWP refrigerant replacements, which are not aligned with the EU Taxonomy criteria. In the EU region, significant investments have not yet met alignment criteria. In addition, brands in the region had fewer store openings, and, for one brand, LED investments did not meet technical screening criteria.

See *Sustainability notes* and *CapEx disclosure table* for more detailed information on the economic activities under relevant environmental objectives.