



our growing together strategy

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Introducing our Growing Together strategy

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

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

External structural shifts are expected to impact our core business

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

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

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

Omnichannel is essential

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

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

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

Evolving consumer preferences

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

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

Technological shifts

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

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

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

Sustainability transformation

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

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

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

Introducing our Growing Together strategy continued

our growing together strategy

our purpose

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



our vision

together, we are your trusted local food retailer



our values

teamwork

Together, we take ownership, collaborate and win.

care

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

humor

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

integrity

We do the right thing and earn customers' trust.

courage

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



strategic priorities

thriving people

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

healthy communities & planet

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

vibrant customer experiences

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

trusted product

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

driving customer innovation

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

portfolio & operational excellence

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

Introducing our Growing Together strategy continued

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



our growth model

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

our strategic priorities

trusted product

vibrant customer experiences

healthy communities & planet

driving customer innovation

portfolio & operational excellence

thriving people



Introducing our Growing Together strategy continued

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

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

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

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

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

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

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

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

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

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

Our strategic priorities

thriving people

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

aspirations

#1 or 2
employer
of choice

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



**growing
together**
Food Lion
The United States



Our strategic priorities continued

Thriving people continued

Why is this a strategic priority?

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

What are we doing about it?

Local

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

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

Future-proof

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

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

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

Inclusive

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

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

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

Giving associates a voice in the boardroom

Our brands and businesses employ 388,000 associates from different countries, backgrounds and generations. To ensure broad representation in the boardroom, Ahold Delhaize has created an advisory board to the Executive Committee, called the "NextCo." It comprises associates from different brands and businesses, working in functions that span from Marketing to Store Operations to Distribution. They come together to provide strategic insights and practical feedback to the

decision-making progress by better reflecting the needs and aspirations of all associates. All eight NextCo associates, the last two assigned in 2024, are linked to an Executive Committee member in a two-way mentorship. During an 18 to 24-month tenure, the NextCo focuses on topics they select together with the Executive Committee, such as people development, well-being, the future of work, and health and sustainability. They aim for balanced representation of all offices and great local brands.



NextCo
members

Our strategic priorities continued

healthy communities & planet

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

ambitions 2025-2028

net zero

across our value chain by 2050

grow

healthy sales

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



Our strategic priorities continued

Healthy communities & planet continued

How local partnerships contribute to system change

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

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



Why is this a strategic priority?

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

What are we doing about it?

Healthy communities

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

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

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

Healthy planet

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

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

We have made important strides in our work toward a healthy planet. For more details, see [Environmental information](#).

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

Our strategic priorities continued

vibrant customer experiences

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

ambitions 2025-2028

~30m
monthly active
app users

80%
omnichannel
loyalty sales



growing
together

Albert Heijn
The Netherlands

Our strategic priorities continued

Vibrant customer experiences continued

Why is this a strategic priority?

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

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

What are we doing about it?

Driving omnichannel engagement

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

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

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

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

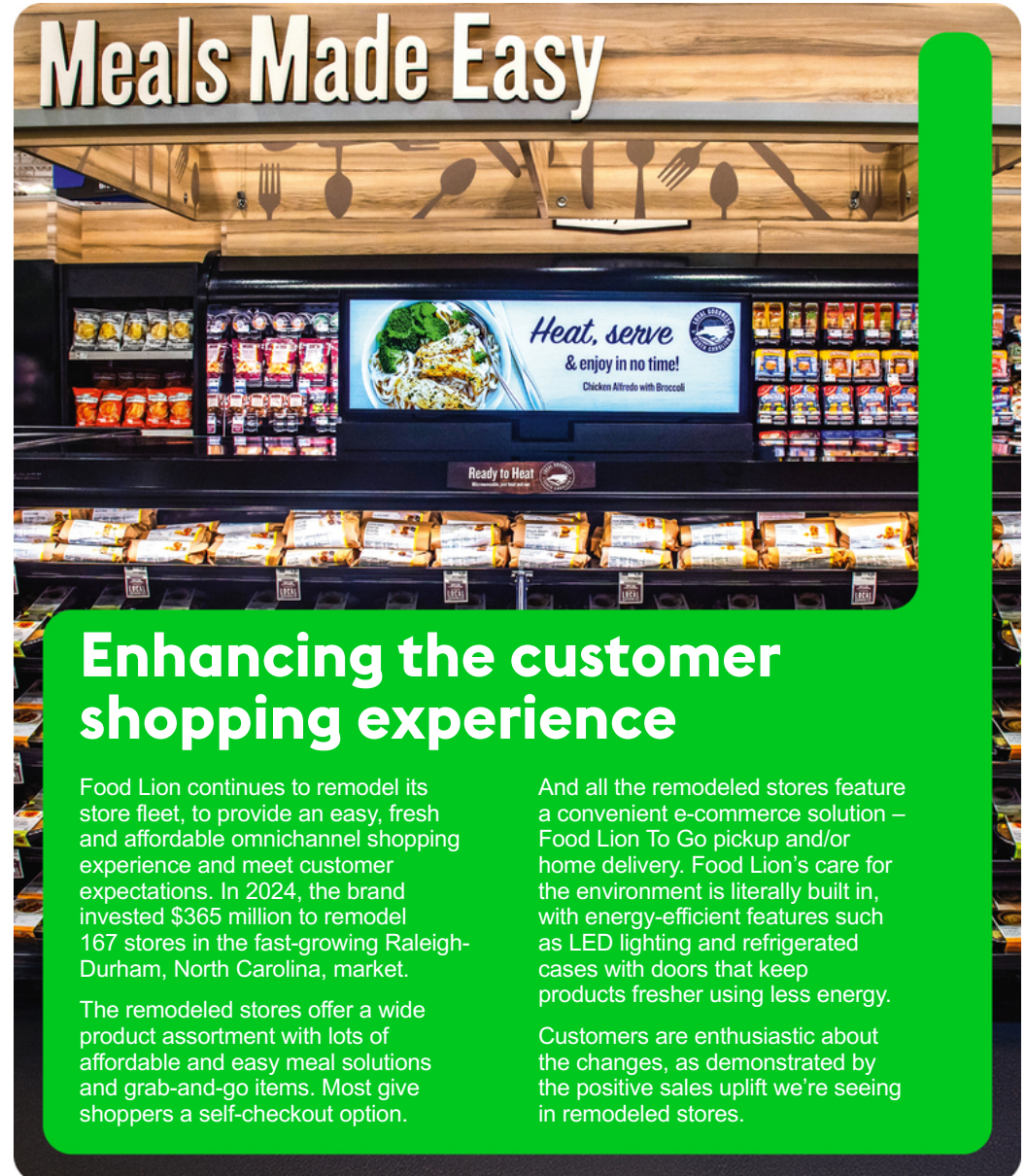
And our brands' stores are more than places to shop. They are at the center of their communities – some for more than 150 years. During both good times and bad, our brands' stores are “go-to” places for people to connect, celebrate and support each other.

Growing personalization and loyalty

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

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

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



Enhancing the customer shopping experience

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

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

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

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

Our strategic priorities continued

trusted product

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

ambitions 2025-2028

enhance
price position

~**45%**
own-brand food share



growing
together
The GIANT Company
The United States





Our strategic priorities continued

Trusted product continued



Thinking big and using scale to improve value locally

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

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

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

Why is this a strategic priority?

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

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

What are we doing about it?

Driving price, value and assortment

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

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

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

Own brands

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

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

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

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

Our strategic priorities continued

driving customer innovation

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

ambitions 2025-2028

€3bn
complementary
income streams

accelerate
innovation



growing
together
bol
The Netherlands

Our strategic priorities continued

Driving customer innovation continued

Why is this a strategic priority?

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

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

What are we doing about it?

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

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

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

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

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

We will accelerate complementary income streams across:

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

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

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

Less food waste with more AI

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

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

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



Our strategic priorities continued

portfolio & operational excellence

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

ambitions 2025-2028

differentially
**invest &
grow**

€5bn

Save for
Our Customers



**growing
together**

Alfa Beta
Greece



Our strategic priorities continued

Portfolio & operational excellence continued



Strengthening local connections to grow market share

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

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

the rest of its company-owned stores to a 100% affiliated model.

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

Why is this a strategic priority?

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

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

What are we doing about it?

Portfolio excellence

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

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

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

Operational excellence

We continuously work to deliver savings and unlock operational efficiencies. Our brands lower the cost of goods sold by building meaningful purchasing alliances in Europe with international peers, by growing scale

in own brands and by leveraging the power of data and analytics to build assortments and enhance procurement negotiations.

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

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

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

Save for Our Customers

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