



OUR VALUE CREATION MODEL

1 2 3 Inputs

Ahold Delhaize has a proud history of serving local customers, communities and associates with care. Our brands are an integral part of the communities they serve. And they work side by side with suppliers and other partners to serve customers and communities more sustainably. Our brands strive to provide healthy and affordable food, so that it's easier for customers to make healthy choices.



FINANCIAL CAPITAL

We maintain a sustainable mix of debt and equity investments and a sound financial position.

€89 billion

net sales

€2.4 billion

free cash flow

RAW MATERIALS

Our brands' products and operations rely on natural resources and raw materials from both local and global farms. The brands maintain long-standing strategic partnerships with farmers and local producers, carefully selecting the best partners to supply and process raw materials for high-quality own-brand products. They partner to drive down GHG emissions and protect, restore and sustain ecosystems, making it easier for customers to make sustainable choices while we build a more sustainable business.

by 2040

reach net-zero emissions across our own operations

by 2050

become a net-zero business across our value chain, products and services

PRODUCTION AND TRANSPORT

Own brand

Our brands develop, brand and market own-brand lines in-house to offer great value across different price points and a relevant local assortment. They partner to have them produced and packaged for sale. All our brands are reformulating own-brand recipes to reduce sugar, salt, colorants and additives while safeguarding product integrity and safety. Of our own-brand food production sites, 98% are Global Food Safety Initiative (GFSI)-certified or comply with an acceptable level of assurance standard. We aim to achieve 52.3% of own-brand sales from healthy products by 2025. Our brands are also working to reduce plastic and increase recyclable materials in own-brand packaging.



Consumer packaged goods (CPGs)

Various suppliers manufacture branded products that are delivered to our brands' DCs. These suppliers benefit from the unique customer insights our brands develop through their strong local presence and long experience in grocery retail. We also share expertise and scale with other food retailers through the Coopernic European Buying Alliance and AMS. In 2023, Ahold Delhaize joined EURELEC to address price differences between European markets.





OUR VALUE CREATION MODEL

1 2 3 Inputs continued

WAREHOUSE AND DISTRIBUTION

After products are delivered to our brands' DCs, they are prepared for transport to stores, e-commerce fulfillment centers, HSCs, pick-up points and customers' homes. We continuously adapt our supply chain to better serve customers – for example, through automated warehouses and fulfillment centers that enable faster delivery. We develop innovative proprietary technology solutions and contribute to a healthier planet – for example, by converting transportation fleets to zero-carbon alternatives and reducing energy use through route optimization technology and improved fill mechanisms.

85
hubs / DCs operated by our brands

1,833
pick-up points operated by our brands

7.2%
online grocery penetration

5.9%
net consumer online sales growth
(at constant rates)



RETAIL

Our well-known local brands serve 63 million customers weekly in more than 7,716 grocery, small-format and specialty stores and online, through our own and third-party apps and websites. Our brands include the top online retailer in the Benelux, bol. While the majority of our revenue comes from selling products to customers, growing complementary revenue streams driven by digital and in-store media allows us to save and reinvest across the value chain.

Our brands and businesses employ, in aggregate, 402 thousand associates worldwide, with 59% under collective labor agreements. These motivated and talented associates are key to our brands' success; they are committed to not only providing the best shopping experience, but also reducing its environmental impact – for example, by building and remodeling energy-efficient stores and replacing or retrofitting refrigerator systems with lower-GHG alternatives. Several of our brands already use renewable sources for a portion of their energy needs, and have plans to increase their renewable electricity use even further.



CUSTOMERS

Our value chain begins and ends with the customer. Ahold Delhaize has grown from two family-run grocery stores into an international family of local omnichannel brands. For over 150 years, our brands have been helping people eat well, and have remained grounded in service to customers and communities – which extend far beyond their own neighborhoods to families all around the world. As these communities have grown, so has our responsibility to protect people and the planet. Our brands are empowering customers to make better choices and help create a better world by providing more and more options, access to information on healthy living and well-being, making donations and partnering with others to create a better world. We aim to achieve a 5% reduction in primary virgin plastic in own-brand product packaging compared to our 2021 baseline by 2025 and to reduce food waste by 50% from 2016 to 2030.

71%
of net sales are generated by loyalty card members



~26.3 million
active loyalty card holders
(4.2% decrease from 2022)



OUR VALUE CREATION MODEL

1 2 3 Impacts across our value chain

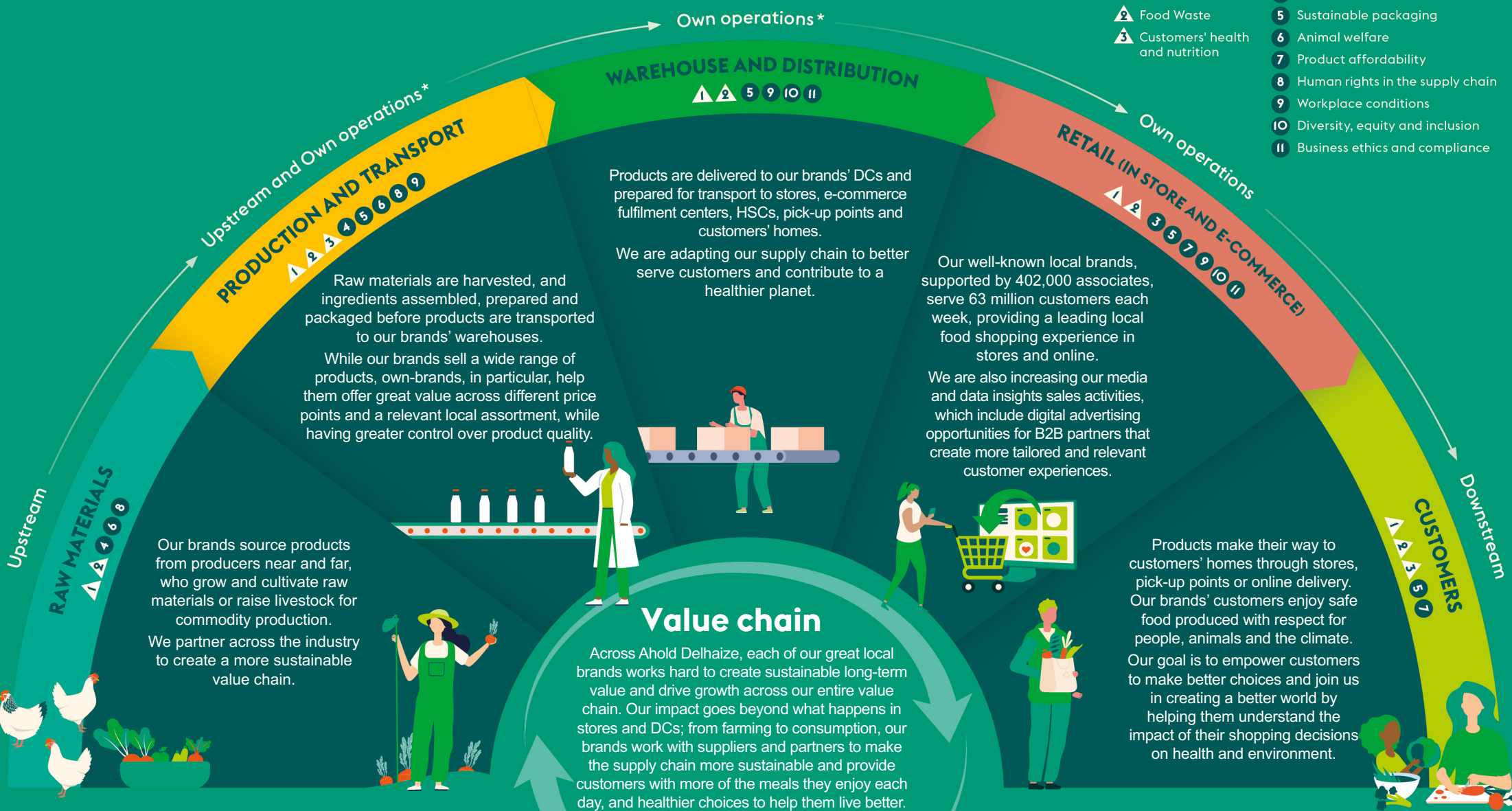
Material topics linked to our value chain

Tier 1

- ▲ 1 Climate change
- ▲ 2 Food Waste
- ▲ 3 Customers' health and nutrition

Tier 2

- ▲ 4 Sustainable products
- ▲ 5 Sustainable packaging
- ▲ 6 Animal welfare
- ▲ 7 Product affordability
- ▲ 8 Human rights in the supply chain
- ▲ 9 Workplace conditions
- ▲ 10 Diversity, equity and inclusion
- ▲ 11 Business ethics and compliance



Upstream

Downstream



1 In certain brands, we outsource our distribution and warehouse activities, which implies they are upstream instead of own operations.

2 Both tier 1 and 2 topics are materially important to Ahold Delhaize and our stakeholders, but tier 1 topics are also strategically important to Ahold Delhaize and linked to our remuneration incentives.



OUR VALUE CREATION MODEL

1 2 3 Value and impact created

The following explains how Ahold Delhaize and our brands create value. It lists the main outputs and outcomes that describe the economic, social and environmental value our activities create for our four main stakeholder groups.



OUR CUSTOMERS



96%

of net sales from markets where our brands have a #1 or #2 position

5.9%

of net consumer online sales growth in 2023 (at constant rates)

Outcomes

- Customers' ability to shop wherever and whenever they want
- Enhanced omnichannel presence and improved customer experience



OUR ASSOCIATES



78%

2023 associate engagement score (2022: 79%)

€13 billion

wages in 2023

52%

women in the workforce

5.2%

reduction in workplace injury absenteeism rate (number of injuries that result in lost days per 200,000 hours worked)

Outcomes

- Diverse, engaged and skilled workforce
- Safe place to work



OUR COMMUNITIES



76 thousand

tonnes of food donated in 2023

2.7 million

tonnes CO₂-equivalent scope 1 and 2 emissions (reduction of 212 thousand tonnes compared to 2022)

225 thousand

tonnes of food waste (2 percentage points decrease compared to 2022)

78%

of production sites of own-brand products in high-risk countries audited against an acceptable standard with a valid audit report or certificate and no noncompliance on deal-breakers in 2023

Outcomes

- Food donations
- Acting to reduce environmental footprint and waste

OUR SHAREHOLDERS



€1.10

per share dividend for 2023

€1 billion

returned to shareholders via share buyback program in 2023

Outcomes

- Strong balance sheet with attractive returns to shareholders through a sustainably growing dividend and the return of excess liquidity to shareholders
- Funding of growth in key retail and e-commerce channels – inorganic and organic
- Improved internal digital capabilities

