DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations

Financial alternative performance measures

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

Basic underlying income per share from continuing operations

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

Management believes this measure provides a better understanding of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance and, consequently, EPS.

Comparable sales

Comparable sales are net sales, in local currency, from exactly the same stores – including remodeled stores and stores that are replaced within the same market area – and online sales in existing market areas for the most recent comparable period. Ahold Delhaize measures a store for comparable sales after it is open for a full 56 weeks. Comparable stores are locations that were open for both the full time period being reported on and the full comparable time period in the preceding year.

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

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

Media sales derived from the company magazine or other advertising revenue and data sales are excluded from comparable sales.

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

Comparable sales excludes value-added tax (VAT).

Comparable sales growth excluding weather and calendar impacts

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

- Weather: Changes to year-over-year comparable sales influenced by extreme weather conditions (e.g., (snow)storms and hurricanes).
- Calendar: Comparable sales to be reported due to changes in the reporting calendar. For instance, year-over-year timing of public holidays, or number of trading days for companies that report on a monthly basis.

Management believes this measure provides better understanding and comparability of the Company's sales performance, as it excludes factors outside of Ahold Delhaize's control.

Complementary revenue streams

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

Commercial services is defined as fee income or commission from selling products or services where Ahold Delhaize acts as an agent or where the product or service is sold to the customer in exchange of a standard fee.

B2B commercialization is defined as fee income received from third-party sellers for products or services provided on the platform to the customer.

Gross monetization income is derived from advertising and data insights activities in collaboration with suppliers and/or third parties who fund these activities in our omnichannel retail landscape.

Management believes this measure provides useful information regarding the growth of Ahold Delhaize's complementary income streams.

Constant exchange rates

At constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. This is done by translating the prior period results to euros using the current period's exchange rates.

Management believes this measure provides useful insight into the operating performance of the Company as a whole, including its foreign subsidiaries or joint ventures, as this measure improves comparability. When we use a constant exchange rate instead of the actual exchange rate for a performance measure, we will indicate this for the applicable KPIs.

Diluted underlying income per share

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

Management believes this measure provides better understanding of the underlying performance of the Company as it excludes items considered not to be directly related to the underlying performance and consequently EPS.

Dividend payout ratio

The dividend payout ratio represents the percentage of underlying income from continuing operations that is (proposed to be) distributed to shareholders as dividends on a 52-week basis.

Management believes this provides useful information about the Company's dividend relative to the underlying performance.

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

Ahold Delhaize defines EBITDA as operating income / (loss) plus depreciation and amortization.

Definitions and abbreviations

Management believes it is a useful measure for investors to analyze profitability by eliminating the effects of financing (i.e., net financial expense), capital investments and the impact of the purchase price allocation (i.e., depreciation and amortization).

E-commerce penetration

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

Management believes this measure provides useful information about the performance of the Company's e-commerce business.

E-commerce profitability

E-commerce profitability on a fully allocated basis represents the operating income generated by our online operations after deducting all direct costs, as well as a fair allocation of shared and overhead costs (indirect costs) to operate the e-commerce business.

Management believes this measure provides useful information about the performance of the Company's e-commerce business.

Food sales

Food sales contains all net sales, excluding the following categories: pet food, flowers and plants, tobacco, and non-food products including health and beauty and cleaning products.

Sales taxes and value-added taxes are excluded from food sales reported in the sustainability statements.

Management believes this measure provides useful information about the Company's sales in the main product categories (food: non-perishable and food: perishable).

Free cash flow

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

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

Grocery online sales

Grocery online sales are online sales (see the definition below), excluding online sales from bol, Etos and Gall & Gall.

Management believes this measure provides useful information about the performance of the Company's grocery online sales.

Gross (cash) capital expenditure (CapEx)

Gross (cash) CapEx is defined as the purchase of non-current assets as presented in the cash flow statement.

Management believes this provides useful information about the Company's use of cash for CapExs.

Insurance results

Insurance results are the sum of all gains and costs related to self insurance and reinsurance activities within Ahold Delhaize Group.

Management believes this measure provides useful information about the costs related to the Company's insurance and reinsurance activities.

Loyalty sales

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

Management believes this measure provides useful information about the performance of the Company's loyalty programs.

Net cash capital expenditure (CapEx)

Net cash CapEx is total regular cash CapEx net of right-of-use assets; change in property, plant and equipment payables (and other non-cash adjustments); and divestment of assets/ disposal groups held for sale.

Management believes this measure provides useful information about the cash used for CapExs.

Net consumer online sales

Net consumer online sales is defined as online sales including sales of third parties via bol's partner platform and other initiatives. Net consumer online sales excludes VAT.

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

Net debt

Net debt is the difference between (i) the sum of loans, lease liabilities and short-term debt (i.e., gross debt) and (ii) cash, cash equivalents, short-term portion of investment in debt instruments, and short-term deposits and similar instruments.

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

Net sales at constant exchange rates

Net sales at constant exchange rates excludes the impact of using different currency exchange rates to translate the financial information of Ahold Delhaize subsidiaries or joint ventures to euros. This is done by translating the prior period results to euros using the current period's exchange rates.

Management believes this measure provides useful insight into the operating performance of the Company as a whole, including its foreign subsidiaries or joint ventures, as this measure improves comparability.

Net sales by category

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

Category definitions:

- Perishable includes: produce, dairy (fresh), meat, deli, bakery, seafood and frozen.
- Non-perishables include: grocery, dairy (long-life), beer and wine.

Definitions and abbreviations

- Non-food includes: floral, pet food, health and beauty care, kitchen and cookware, gardening tools, general merchandise articles, electronics, newspapers and magazines and tobacco, etc.
- Gasoline includes: gasoline sales only.
- Pharmacy includes: pharmacy sales only.

Management believes this measure provides useful information about the performance of the different product categories.

Net sales grocery

Net sales grocery are net sales excluding sales from gasoline, bol, Etos and Gall & Gall.

Management believes this measure provides useful information about the performance of the Company's core activities.

Net sales growth

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

Management believes this measure provides useful information about the performance of the Company's activities.

Net sales in local currency

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

Online grocery penetration

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

Online sales

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

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

Online sales excludes VAT.

Management believes this measure provides useful information about the performance of the Company's online sales.

Operating income in local currency

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

Operating margin

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

Management believes this measure provides useful information about the Company's operating performance.

Own-brand food sales

Own-brand food sales is defined as net sales of own-brand food products. It follows the definitions of food sales and own-brand sales.

Management believes this measure provides useful information about the performance of the Company's own brands.

Own-brand sales

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

Management believes this measure provides useful information about the performance of the Company's own brands.

Regular capital expenditure (CapEx)

Regular CapEx includes additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets and excludes business acquisition CapEx.

Management believes this measure provides useful information about the Company's CapEx.

Return on capital

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

Management believes this measure provides useful information about the Company's earnings relative to its capital employed.

Save for Our Customers

Save for Our Customers is a savings program to improve and optimize operational efficiency and buying conditions and reduce waste, focusing on optimizing cost price and volume efficiencies. Savings are recorded over a 12-month period, starting from the moment the initiative impacts the income statement. These savings are based on the brands' improvement initiatives and efficiencies in the following areas: cost of goods sold (price, design and media monetization), transportation, logistics and distribution, and labor costs, as well as operating expenses (staff, general and administrative costs) in stores and headquarters. Save for Our Customers savings are intended to drive saving initiatives and improvements across the brands and are incremental to prior-year savings. These savings should be reinvested, adding more value for the benefit of customers. Recorded savings are in compliance with the Save for Our Customers savings definitions included in Ahold Delhaize's Accounting and Procedures Manual; exceptions are agreed upon and documented to accommodate regional differences. Recorded savings (Actuals) need to be sufficiently supported.

Definitions and abbreviations

To calculate the savings related to cost of goods sold, we first calculate the difference between the current year's prices and reference prices and then multiply this difference by last year's volume, to come to the total savings related to cost of goods sold.

For OpEx, we calculate both rate savings and efficiency savings:

- OpEx rate savings are calculated by multiplying a rate difference by the number of units purchased in the current year, for example, the difference in wage rates compared to last year multiplied by labor hours purchased in the current year.
- OpEx efficiency savings are calculated by multiplying a unit's difference by the last year's rate, for example, the difference in kilometers driven compared to last year multiplied by last year's cost per kilometer.

Management believes this measure provides useful information about the Company's ability to absorb cost increases, invest in better customer propositions and keep shelf prices as low as possible in order to best serve customers and local communities.

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

Ahold Delhaize defines underlying EBITDA as EBITDA adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance. Underlying EBITDA margin is calculated as underlying EBITDA as a percentage of sales.

Management believes this provides a more comparable measure of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance of the Company's operations.

Underlying income from continuing operations

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

Management believes this provides a more comparable measure of the underlying performance of the Company, as it excludes items considered not to be directly related to the underlying performance of the Company's operations.

Underlying operating income and margin

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

Management believes this measure provides better insight into the underlying operating performance of the Company's operations. Underlying operating income margin is calculated as underlying operating income as a percentage of net sales.

Non-financial performance measures

The definitions of the non-financial performance measures are included in the *Sustainability notes* section in Ahold Delhaize's Annual Report 2025.

Terms and abbreviations

In addition to the (non-)financial alternative performance measures, the following concepts or terminologies are used.

Ahold Delhaize Group operating expense

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

Management believes this measure provides useful information about the costs of the Company's Group-wide support activities.

amfori BSCI

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

Associate

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

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

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

Associate Engagement Survey benchmarks

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

Definitions and abbreviations

Biodiversity

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

Deforestation and land conversion are closely linked to biodiversity loss.

Brick and mortar

Brick and mortar is defined as existing as a physical building, rather than doing business only on the internet.

Business Resource Group (BRG)

A BRG is a group of associates who join together in their workplace based on shared characteristics, life experiences, etc., to support commercial activities, enhance career development and contribute to personal development and the feeling of belonging and inclusiveness in the work environment.

CapEx

Capital expenditure

Cash contributions

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

CDP

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

CGF

The Consumer Goods Forum (CGF) is a CEO-led organization that brings consumer goods retailers and manufacturers together globally. It has over 400 members across 70 countries, with combined sales of €4.6 trillion and directly employing nearly 10 million people.

Charitable donations

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

CO_2 emissions/CO_2 equivalent (CO_2e)

The carbon dioxide (CO_2) emissions data we report consists of a calculated CO_2 equivalent: actual CO_2 emitted plus equivalent emissions from other greenhouse gases (such as CH4, N_2O and F-gases). We report in reference to the Greenhouse Gas (GHG) Protocol Corporate Standard.

Click-and-collect points

A click-and-collect point is a location that serves as a point where customers can pick up groceries they have ordered online. Click-and-collect points exclude bol, Etos and Gall & Gall locations.

CSDDD

Corporate Sustainability Due Diligence Directive.

CSRD

Corporate Sustainability Reporting Directive.

Deforestation

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

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

Defra

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

Double materiality

Double materiality has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion for double materiality if it is material from the impact perspective or the financial perspective or both.

Double materiality assessment (DMA)

A DMA is the process of determining material sustainability matters.

Eligible economic activity

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

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

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

ESG

Environmental, Social and Governance

EU Taxonomy for sustainable activities (EU Taxonomy)

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

Definitions and abbreviations

Food waste

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

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

Full time

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

Gen Z

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

GFSI

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

Global warming potential (GWP)

The GHG Protocol defines global warming potential as "a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO_2." By using GWPs, GHG emissions can be standardized to a carbon-dioxide equivalent (CO_2e), which allows the ability to express the emissions of different GHGs using carbon dioxide as a reference.

GRC

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

Greenhouse gases (GHG)

GHGs are gases, such as carbon dioxide or methane, that contribute to climate change.

Greenhouse Gas (GHG) Protocol

The GHG Protocol works with companies to develop standards and tools that help them measure, manage, report on and reduce their emissions. The Protocol covers the accounting and reporting of the six GHGs covered by the Kyoto Protocol and helps to increase the consistency and transparency in GHG accounting and reporting among various companies and GHG programs.

For more information, see *ghgprotocol.org/corporate-standard*.

Growth score: Associate perception

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

IPCC

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

JMR

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

Land conversion

Land conversion is loss of a natural ecosystem as a result of its replacement with agriculture or another land use or due to a profound change in a natural ecosystem's species composition, structure or function.

Deforestation is one form of land conversion (conversion of natural forests). Land conversion also includes severe and sustained degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's former species composition, structure or function. A change to natural ecosystems that meets this definition is considered to be conversion, regardless of whether or not it is legal.

LGBTQ+

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

Location-based approach

The GHG Protocol scope 2 Guidance (version 2015) defines the location-based approach as "a method that reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)."

Market-based approach

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

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

MEP

A multi-employer plan (MEP) is a retirement savings plan adopted by two or more employers who are not related.

National brands

National brands are products distributed nationally under a brand name owned by the producer or distributor.

Definitions and abbreviations

Net Promoter Score (NPS)

NPS is a survey-based market research metric that measures the probability of respondents recommending a certain brand.

Net zero

Net zero is a state of balance between anthropogenic GHG emissions and anthropogenic removals. Net zero GHG emissions must be achieved at the global level to stabilize temperature increase, and targets set using the Net-Zero Standard cover all UNFCCC/Kyoto GHG emissions.

The SBTi's Net-Zero Standard outlines what companies need to do to enable the global economy to achieve net zero. The Standard makes clear that corporate net-zero targets in line with keeping global warming to 1.5°C require rapid and deep emission reductions. Companies must take action to halve their emissions by around 2030.

Likewise, long-term deep emissions cuts of at least 90% before 2050 are crucial for net-zero (E&II) targets to align with science.

NGO

Non-governmental organization

Omnichannel

An omnichannel shopping experience integrates different methods of engaging with customers, such as online, in a physical store and using a mobile device.

Operations

Operations refers to business activities that are substantive and/or commercial activities.

OpEx

Operating expenditure

Organic food products

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

Own brands

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

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

Part time

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

Plastic packaging

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

Power purchase agreement

A power purchase agreement (PPA) is a long-term offtake agreement between a renewable energy developer and an electricity consumer (usually a company). Under a PPA, a certain income level is guaranteed to a developer for the electricity generated by the renewable energy installation. This allows a developer to secure financing for a project. By entering into a PPA, companies directly support the creation of renewable energy sources and, in this way, contribute to a cleaner energy grid.

In general, there are two type of PPAs: direct or virtual. Under a direct PPA, the buyer receives physical delivery of electricity from a nearby renewable energy project. In a virtual PPA, no physical electricity supply is transacted as part of the agreement, only renewable energy certificates.

Private label products

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

Recycled content

Recycled content is material diverted during a manufacturing process (PIR: Post-industrial recyclate, also sometimes called pre-consumer recyclate) or generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose (PCR: Post-consumer recyclate). Ahold Delhaize has a recycled content target in own-brand primary plastic packaging weight.

Reusable, Recyclable, and Compostable Packaging

In a circular economy, all (plastic) packaging should be designed to be recyclable, or, where relevant, compostable (or both), ideally after several reuse cycles. Reusable packaging is packaging that has been designed to accomplish or proves its ability to accomplish a minimum number of trips or rotations in a system for reuse.

Packaging is recyclable if there is evidence that recycling exists in practice (proven end-to-end system from consumer to recycled material that effectively recycles a significant share of all packaging of that type put on the market) and at scale (packaging achieves a 30% post-consumer recycling rate in multiple regions, collectively representing at least 400 million inhabitants).

Sales area

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

Science-based targets

Science-based targets provide a clearly-defined pathway for companies to reduce GHG emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. For more information please go to: *www.sciencebasedtargets.org*.

Definitions and abbreviations

Science Based Targets initiative (SBTi)

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

Scope 1 (direct GHG emissions)

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

Scope 2 (indirect GHG emissions)

Scope 2 emissions come from the generation of purchased electricity, heat or steam consumed by the Company. They are not "direct" emissions in that they arise from third-party installations but are attributed to the Company's operations as the end user of the electricity, heat or steam.

Scope 3 (indirect GHG emissions)

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

State of nature

The state of nature is the condition and extent of various components of nature, including, but not limited to: water availability, water quality, land degradation, land conversion, ecosystem integrity and species extinction risk.

Stock-keeping unit (SKU)

An SKU is a specific type of product, with attributes that distinguish it from other SKUs.

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

Supply chain

The supply chain is the full range of activities or processes carried out upstream from Ahold Delhaize that provide products or services that are used in our operations. This includes all upstream entities with which we have direct and indirect relationships.

Sustainable Development Goals (SDGs)

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

Tenure

Tenure, as disclosed for the Management Board, Executive Committee and Supervisory Board, is calculated as the length of time members have been members of the applicable bodies. For members of the Supervisory Board, their tenure includes their tenure in the Board of Directors of the former Delhaize Group, prior to their appointment to the Supervisory Board of Ahold Delhaize.

TNFD

The Task Force on Nature-related Financial Disclosures (TNFD) has developed a framework to help public companies and other organizations disclose nature-related risks and opportunities.

Tonnes of food waste donated

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

Value chain

The value chain is the full range of activities, resources and relationships related to Ahold Delhaize's business operations and the external environment in which we operate. The value chain encompasses all processes and actors we rely on to operate, both upstream and downstream, including the supply chain, sales, marketing and distribution channels, our own operations, consumption and end-of-life. It also includes the financing, geographical, geopolitical and regulatory environments in which we operate.

Virgin plastic

Virgin plastic is defined as plastic that has not been previously used or subjected to processing other than for its original production. In other words, plastic that is not produced from post-consumer or pre-consumer recycled material.

Waste

Waste includes all waste, regardless of the waste management method (recycling, incineration or landfill). It is broken down by percentage sent to landfill, recycled and sent to incinerators that produce energy.

Waste data covers all types of facilities (stores, DCs and offices). Information about all waste disposal methods has been determined through information provided by the waste disposal contractors.

Waste recycling

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

World Business Council for Sustainable Development (WBCSD)

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

World Resources Institute (WRI)

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

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