

Environmental, social and governance

IN FOCUS: DIVERSITY AND INCLUSION

Our ambition & aspiration



OUR AMBITION

At Ahold Delhaize, we reflect the markets we serve

Our voices are heard and valued

We find purpose in our work

We have equitable access to opportunities

We can grow and contribute to our fullest



OUR ASPIRATION

WORKFORCE

100% Gender balanced

A workforce that is 50/50 gender balanced at all levels

WORKFORCE

100% Reflective of our markets

A workforce that is 100% reflective of the markets our brands serve

WORKPLACE

100% Inclusive

A workplace that is 100% inclusive – where all voices are heard

MARKETPLACE

BUSINESS GROWTH

WHY D&I MATTERS

At Ahold Delhaize, we play a significant role in society. With a diverse group of stakeholders, including 55 million customers in stores and over 413,000 associates, we have a responsibility to set the right example on diversity and inclusion – and the potential to make a big impact. Each brand is committed to continually raising the bar on its aspirations in this area, to foster the growth of its business and people.

We know that diversity drives innovation and creates business growth. It is fundamental to every part of our Leading Together strategy. It helps our brands serve customers better, support communities and create a great place to work for associates. It is an important part of how we live our values. We also understand that the full value of diversity cannot be experienced without fostering equity and inclusion.

Our diversity and inclusion vision is to build brands and businesses where associates reflect the markets they serve, their voices are heard and valued, and they find purpose in their work, have equitable access to opportunities and can contribute and grow to their fullest. We want every associate to thrive, and every customer to feel a sense of belonging and community in our brands' stores.

OUR APPROACH TO D&I

In 2020, we established a bold aspiration for diversity and inclusion across Ahold Delhaize and all of the brands and businesses. We aspire to achieve 100% gender balance at all levels, to be 100% reflective of the markets we serve (as defined by each local brand), and to strive for 100% inclusion, every day.

We define diversity broadly, seeing it as inclusive of thoughts and skills, generational differences, LGBTQ+, gender, race and ethnicity, disabilities, nationalities and more, and we accept all people for who they are.

OUR DIVERSITY AND INCLUSION STRATEGY

To support our leaders in bringing this aspiration to life, we have developed a comprehensive diversity and inclusion strategic framework. The strategy consists of three pillars: workforce, workplace, and marketplace. Within each pillar, we have established priority focus areas.

Workforce

When we say “workforce,” we mean people: every person who works for Ahold Delhaize, whether it is in one of our local brands, the GSO or our leadership teams. We have two areas of focus:

BALANCED SLATES

We are committed to hiring from diverse slates of candidates and have implemented a policy requiring 50/50 diverse candidate and succession slates for all roles at the Director and above level.

LEADERSHIP ACCOUNTABILITY

Every leader plays a critical role in advancing our diversity and inclusion efforts by being active, visible advocates and allies. They help by allowing associates to be vulnerable; encouraging them to express and explore what they don't know, understand, or agree with; making sure team members lift each other up, especially when a perspective, identity or view is under-represented; and enabling every associate to grow, both individually and together.

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Strategic focus areas



Workplace

An inclusive workplace, where associates feel that they belong, is what makes people stay, and makes them happy to return to work each day. We believe that inclusion should be woven into the fabric of our culture – and this guides how we behave and treat each other and our customers. We believe in fostering a culture built on our shared values of courage, care, teamwork, integrity and humor, where everyone feels respected and a part of Ahold Delhaize.

INCLUSIVE LEADERSHIP

We believe that being equitable and inclusive drives business results and guides how we lead, act and treat each other and customers. This is why a large number of our brands conducted over 300 inclusive leadership training sessions in 2021, with more than 5,000 participants. This training provides current and future leaders the opportunity to learn, practice and apply the skills needed to lead more inclusively.

We value everyone for being who they are and bringing their true selves to work every day so we can best serve customers and enable people to eat well, save time and live better. We are seeing great initiatives taking place at the Ahold Delhaize brands and businesses to foster this behavior. For example, Retail Business Services in the U.S. introduced a new Diversity, Equity and Inclusion Council. ADUSA Supply Chain launched a diversity strategy called "Thrive" in October and Hannaford has expanded its commitment to diversity by enabling associates to include their chosen pronouns on their name tags. Albert introduced its D&I agenda to its top 50 leaders through a session leveraging hired actors who role played as students, acting out behaviors of introversion, extroversion, and diversity biases tied to the workplace. At the end of the exercise, leaders were asked to hire these "students" for particular roles, creating a discussion around potential outcomes. Bol.com further integrated diversity and inclusion through its onboarding and leadership programs, trainings on intercultural awareness and unconscious bias, an inclusion toolkit, and its internal communication strategy.

PAY EQUITY

Ensuring pay equity is an important mission for us, in line with our diversity and inclusion aspirations.

Pay equity principles

Ahold Delhaize published its inaugural Human Rights Report in June 2020. An integral part of this report is an outline of the compensation commitments by Ahold Delhaize and each of the brands. We know that the broader offer we make as employers, such as health benefits, working conditions and the diversity and inclusiveness of the workforce, are of critical importance to associates' appreciation of their overall working experience. Ahold Delhaize and each of its brands have adopted the following six overarching principles to guide fair compensation:

1. A solid base for comparing roles
2. Market-based compensation
3. Compensation in compliance with the law
4. Equal pay for equal work
5. Compensation aligned with individual performance and brand business strategy
6. Compensation that is transparent, consistent and explainable for the individual associate

Within our brands and businesses, we consider these principles the basis for fairness in resolving disputes, or "procedural justice." The majority of associates in our brands fall under collective labor agreements (CLAs). For associates outside of the CLAs, each of our brands has adopted an independent job evaluation methodology (Korn Ferry Hay), and has policies and frameworks in place for determining job levels and titles, pay grades and bands, performance evaluation and salary increases.

These frameworks are strictly governed within Ahold Delhaize and each of its brands, and personnel changes are subject to designated approvals. The job evaluation, appointment, promotion, position changes and termination of employment of top management positions (SVP+) at any brand or business requires the prior approval of Ahold Delhaize's Chief Human Resources Officer. All other appointments, promotions, position changes and terminations of employment at the brands and businesses are governed by employment, human resources and labor policies developed and applied locally. These approvals are described in the Koninklijke Ahold Delhaize Bill of Authority (BOA) and/or local BOA.

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Pay equity studies

We realize that creating policies, frameworks and governance documents is a critically important step and that it is equally important to measure the outcome of these practices to ensure pay equity within each of our brands and businesses. To this end, each brand has implemented a methodology to measure pay equity within its workforce. At the end of 2021, the majority of Ahold Delhaize brands conducted (or were in the process of conducting) gender pay studies and/or equal pay analyses and put action plans in place to remediate any gaps that were identified. In total, 14 of our brands performed a gender pay-equity study, covering 286,000 associates.

The brands will continue to perform pay equity analyses in 2022 to identify areas of focus and ensure pay is equitable. They will also review differences in average pay between men and women in order to identify additional focus areas and we will publish a gender pay difference in our 2022 Annual Report.

Marketplace

D&I goes beyond providing a great place to work. It's also about building communities.

EXTERNAL PARTNERSHIPS

As part of our strong commitment to diversity and inclusion, we proudly support external diversity and inclusion organizations, both through global partnerships as well as local partnerships that are managed by the Ahold Delhaize brands and businesses. We also derive great value from the Business Resource Groups within our own company. See *Partnering across the industry* below for details.

COMMUNITY ENGAGEMENT

Ensuring that all of our associates understand our D&I aspiration and their role in creating an inclusive work environment is critical to advance in this space. In 2021, we committed to more transparency in communicating our D&I strategic priorities by sharing the progress we've made against our aspiration and the road forward.

Supporting racial equity

In 2021, the Ahold Delhaize USA brands made a \$5 million commitment to support racial equity and are working with associates and community partners to support education, advocacy and business development within the Black and African American community.

For example, in 2021, Stop & Shop presented \$50,000 to the University of New Haven in Connecticut to establish the "Stop & Shop Diversity in Nutrition & Dietetics Scholarship," which will provide financial assistance to students working to become nutritionists or registered dietitians. According to the Academy of Nutrition and Dietetics' Commission on Dietetic Registration, more than 71% of the 106,000 registered dietitians in the U.S. are non-Hispanic white – and only 3% are African American. Stop & Shop is partnering in this effort because it wants to recruit and retain students of color and to drive more diversity in this profession. The GIANT Company's Diversity and Inclusion team is finding new ways to connect families for a better future in the neighborhoods it calls home. The brand contributed \$100,000 to build a new basketball court, as part of racial equity efforts to provide community members with places to gather and play.

Supplier diversity

In 2021, we made great strides in engaging diverse-owned suppliers. For example, Peapod Digital Labs (PDL) launched an Accelerator program, designed to share knowledge from Ahold Delhaize USA's brands and businesses with their networks of certified, diverse-owned suppliers. A total of 11 companies participated this year in this program that promotes stronger partnerships with suppliers and creates a sustainable supplier diversity program for the future. PDL provided graduates of its first Accelerator with \$10,000 stipends to support further business development and growth. They awarded Harbar, a National Minority Supplier Development Council (NMSDC)-certified, Hispanic-owned business, an enhanced stipend of \$20,000 for being the participating supplier with the freshest perspective.

Retail Business Services offered scholarships to 20 National Minority Supplier Development Council (NMSDC)-certified, Black-owned suppliers to enroll in upcoming Tuck Diversity Business Programs, an executive education opportunity for entrepreneurs.

Performance toward our aspiration

We are committed to increasing the transparency with which we report our progress on diversity and inclusion. While we have advanced in many areas of our aspiration, we are passionate about making continued strides across all representation and culture metrics, including by developing our analytics. We created a new dashboard in 2021 that helps us better understand trends in our brands' workforces. Our next step will be to make better analytical predictions, to anticipate future developments on topics like succession, turnover and balanced slates, particularly in our key focus areas:

100% GENDER BALANCED

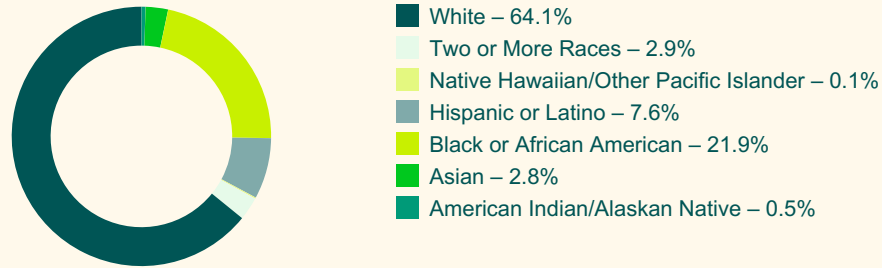
Our aspiration is to have a workforce that is 50/50 gender balanced at all levels. We have increased the proportion of women in management positions from 39% in 2020 to 40% in 2021, while our Director-level representation has remained the same. These are important feeder pools into our senior leadership positions, which we need to grow further. See table *Our D&I metrics*.

100% REFLECTIVE OF OUR MARKETS

Our aspiration is to have a workforce that is reflective of the markets we serve. In addition to tracking our progress on gender balance globally, we are also tracking progress on racial and ethnic diversity in the U.S. While we recognize we have room for improvement, we have increased representation in the U.S. leadership teams from 10% in 2020 to 17% in 2021. This includes an increase of 7%, from 12% to 19%, at Director level (see table: *Our D&I metrics*). Each U.S. brand determines its own aspiration for representation of racially/ethnically underrepresented groups based on the available local labor markets. The graph on the next page shows the proportion of racially/ethnically underrepresented groups within the U.S. brands. This is based on all associates regardless of job level.

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U.S. associates: racial and ethnic diversity



1 Aggregation of data from each U.S. brand. Racial/ethnic diversity is based on self-identification; data where identification is missing is not included in the analysis.

This year, we began focusing on additional dimensions of diversity by having each local brand choose one to two additional dimensions of diversity that are relevant to their local context. Examples include Albert's dedicated focus to generational diversity and Hannaford's focused efforts to support LGBTQ+ associates. We also implemented a reflective of local markets index, which measures associate perceptions related to our success in this area and found that 81% of associates feel they are part of a diverse team, that the company recruits from diverse talent pools, and that promotions are fair and balanced. See table *Our D&I metrics*.

100% INCLUSIVE

We measure the cultural aspects of inclusion through an inclusive workplace index that is part of our annual associate survey. This year, we received a score of 79% on this index, which measures respect, career opportunities, and feeling heard. See table *Our D&I metrics*.

Our D&I metrics

We measure progress based on data from the brands. The following table outlines performance towards our D&I aspirations.

| | 2021 | 2020 |
|--|------|------|
| 100% Gender balanced | | |
| Female at VP+ level | 27% | 27% |
| Female at director level | 34% | 34% |
| Female at manager level | 40% | 39% |
| Female below manager level | 54% | 54% |
| Female: total Ahold Delhaize | 53% | 54% |
| 100% Reflective of markets | | |
| Racially/ethnically underrepresented at VP+ level (U.S.) ¹ | 17% | 10% |
| Racially/ethnically underrepresented at director level (U.S.) ¹ | 19% | 12% |
| Racially/ethnically underrepresented at manager level (U.S.) ¹ | 22% | 15% |
| Racially/ethnically underrepresented below manager level (U.S.) ¹ | 37% | 34% |
| Associate perception of diverse teams that represent market ² | 81% | n/a |
| 100% Inclusive | | |
| Inclusive workplace index ² | 79% | 79% |

1 Figures are for associates in the U.S. only and exclude associates in Europe due to legal restrictions in Europe. The term "racially/ethnically underrepresented" refers to racial/ethnic groups that are underrepresented in the U.S. workforce generally (Black or African American, Asian, Native American or Alaska Native, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races). Reported associate racial/ethnic categories in the U.S. are based on voluntary self-identification; associates with a missing racial/ethnic category are not included in the figures above. Each U.S. brand has adopted its own D&I strategy to reflect our D&I ambitions, and these figures represent an aggregation of the data of each brand.

2 Annual associate engagement survey results, see [Glossary](#) for definitions.

HOW WE SUPPORT D&I

Partnering across the industry

As part of our strong commitment to diversity and inclusion, we proudly support external diversity and inclusion organizations, both through global partnerships as well as local partnerships that are managed by the Ahold Delhaize brands and businesses.

Global partnerships

We work closely with the following global partners on issues around D&I. For example, we have worked for eight years with the LEAD Network (Leading Executives Advancing Diversity), which has a mission to attract, retain and advance women in the Consumer Goods and Retail sector in Europe through education, leadership and business development.

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Business Resource Groups

We derive great value from the Business Resource Groups (BRGs) within our own company. All the brands leverage BRGs to support associate needs and advance local D&I strategies – and they are growing in number. These groups connect people across the brands, offering activities and initiatives throughout the year that support inclusion and education around topics relevant to diverse associates.

In 2021, Hannaford's Retail BRG organized book talks and presentations on belonging at work. Its Hispanic BRG celebrated Hispanic Heritage month by marketing an associate's recipe and unique story to inspire customers. Giant Food developed its PRIDE BRG to build a community for LGBTQ+ people. Its Thrive: People of Color BRG educates associates on topics important to its members, for example, awareness around Ramadan (Muslim holy month). Retail Business Services assessed and relaunched their current BRGs to be even more relevant to associates, rolling out Chair and Sponsor training and holding a membership drive. The European brands launched local branches of Young Ahold Delhaize; the Delhaize Serbia branch already connects around 140 young associates from stores, distribution centers and the support office, offering events and activities to help them get to know each other, share knowledge and make work fun. Albert also launched Experienced Albert, to further support age diversity and make associates feel included.

EXTERNAL COMMITMENTS AND RECOGNITION

We are proud to show our support for D&I through external commitments and appreciate the external recognition our brands and businesses receive for the work we do.

LEAD Network CEO Pledge

Through the LEAD Network CEO Pledge, CEOs in Europe are committing to accelerate gender parity and drive inclusion within the retail and Consumer Packaged Goods industry. Ahold Delhaize was the original sponsor of the Pledge and our CEO Frans Muller the first signatory; since its inception, 42 CEOs of leading industry companies have signed. The pledge calls for leaders to commit to creating truly inclusive cultures; coaching, mentoring and sponsoring female and diverse employees; building fair and equitable recruiting strategies; reducing bias; and more.

Human Rights Campaign Foundation Corporate Equality Index

All Ahold Delhaize USA brands were recognized as Best Places to Work for LGBTQ+ Equality in 2021, receiving a perfect score for the second year on the Human Rights Campaign Foundation's Corporate Equality Index. This index is the U.S. benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer associates.



Shelby Report Diversity award

Ahold Delhaize won the 2021 Shelby Publishing Diversity, Equity and Inclusion Award for our brands' continued work to advance and uphold diversity, equity and inclusion in the U.S. grocery industry by removing barriers and creating an environment where individuals can thrive as their authentic selves. The Shelby Report is a U.S. publication that delivers supermarket and grocery news and insights to the retail food trade nationwide.

The Association for Women in Communications (AWC)

Stop & Shop was awarded a Clarion for its efforts during the COVID-19 pandemic — in particular, its crisis communications response, which included communications around safety, driving awareness of designated shopping hours for those most vulnerable to COVID-19 and a partnership with Uber to provide discounted rides to customers shopping during these dedicated hours.

Leaders in Diversity

Ahold Delhaize Europe was recognized by the *Financial Times* as a Diversity Leader 2022. The Diversity Leaders were identified between April and August 2021 through an independent survey across 16 European countries.



LOCAL HEROES

GIVING DIVERSE ASSOCIATES A PATH TO GROWTH

Region Director Steve Harfield and Talent Acquisition Manager Kelsey Sloan had big dreams and much success in launching The GIANT Company's first "Diversity Cohort."

It is aimed at providing one-of-a-kind development, training, and mentorship opportunities for diverse team members.

First, they challenged store managers in Steve's region to identify one diverse associate with the potential to lead. Then they developed a four-month training program to help the associates achieve their aspirations while ensuring GIANT has diverse internal candidates to fill future leadership positions.

And it's having an impact, not just for the participants, who say they better understand their career opportunities after the program, but for the region, which has shown engagement scores that beat the brand average.

Now other GIANT region directors have been inspired to adopt the program, with similar success.



I finally see what others see in me. I was never sure if I wanted to move up or not, but now I know for certain I do."

Jonathan Houston, program participant and Meat Team Member

