STRATEGIC REPORT

PERFORMANCE REVIEW

Performance review

GROUP REVIEW

KEY FINANCIAL TARGETS	TARGET 2021	RESULTS IN 2021	TARGET 2022
GROUP UNDERLYING OPERATING MARGIN	≥ 4.0%	**4.4%**	≥ 4.0%
DILUTED UNDERLYING EPS GROWTH[1]	Mid- to high-single-digit % growth vs. 2019	**28.8%**	Mid- to low-single-digit % decline vs. 2021
NET CAPITAL EXPENDITURES	~ €2.2 billion	**€2.3 billion**	~ €2.5 billion
FREE CASH FLOW[2]	~ €1.6 billion	**€1.6 billion**	~ €1.7 billion
DIVIDEND PAYOUT RATIO[3]	40-50% and year-over-year increase in dividend per share	**42%**	40-50% and year-over-year increase in dividend per share
SHARE BUYBACK[3]	€1 billion	**€1 billion**	€1 billion

1 At current rates.
2 Target excludes M&A.
3 Management remains committed to the share buyback and dividend program, but, given the uncertainty caused by COVID-19, they will continue to monitor macro-economic developments. The program is also subject to changes in corporate activities, such as material M&A activity. The dividend payout ratio for results in 2021 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.

Note: Targets are based on the previous year's full year results unless stated otherwise.

Performance review
GROUP REVIEW

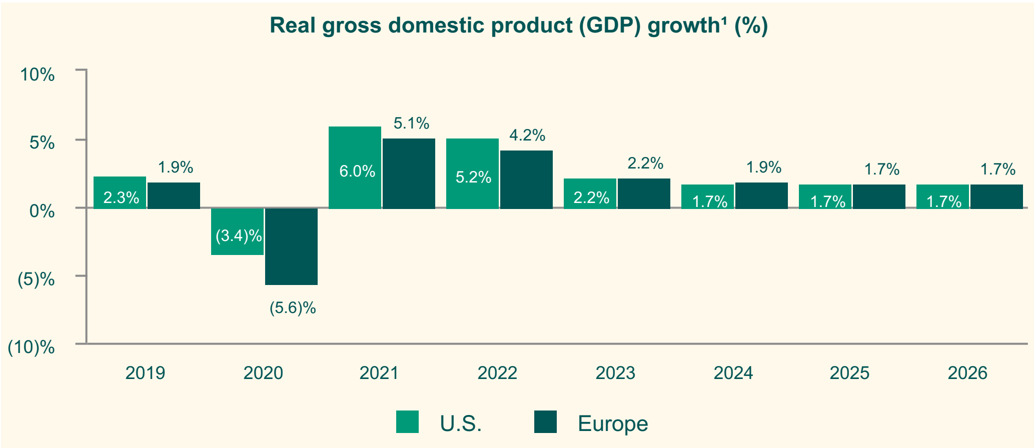
DRIVE OMNICHANNEL GROWTH		TARGET 2021	RESULTS IN 2021	TARGET 2022
	Net consumer online sales growth / U.S. online sales growth[1]	≥ 30% / ≥ 60%	+41.5%/+73.7%	≥ 15%
	Stop & Shop store remodels	~ 60	55	~ 40
	Complementary revenue streams	–	€355 million	≥ 20%
ELEVATE HEALTHY AND SUSTAINABLE				
	Healthy own-brand sales of (%)[2]	50.5%	53.6%	54.2%
	Food waste reduction (%)[3]	16%	18%	18%
	CO_2 emission reduction (%)[4]	17%	31%	Net zero by 2040
CULTIVATE BEST TALENT[5]				
	Associate engagement score (%)	≥ 81%	79%	≥ 80%
	Inclusive workplace score (%)	≥ 79%	79%	≥ 79%
STRENGTHEN OPERATIONAL EXCELLENCE				
	Save for Our Customers savings	≥ €750 million	€967 million	≥ €850 million
	Supply chain initiatives	Transition of five facilities into the integrated network	Five facilities transitioned from C&S into our integrated supply chain network	U.S. network transformed to 85% in-house full self-distribution and two fully automated frozen facilities live by the end of 2022
	In-store initiatives	≥ 50% of the European brands' grocery stores with electronic shelf labelling	Rolled out electronic shelf labelling to >50% of European brands' grocery stores, including almost 100% of owned Benelux supermarkets	≥ 80% of European grocery stores with electronic shelf labelling
	Improving online productivity	Launching U.S. Autostore/Swisslog micro-fulfillment center and increasing automated capacity at bol.com	AutoStore/Swisslog micro-fulfillment center launched in Q4 and automated capacity at bol.com further increased	Continued semi-automated capacity expansion at bol.com and facility expansion in Europe. Ramping up micro-fulfillment center in Philadelphia in U.S.

1 U.S. online sales include FreshDirect sales starting in 2021. Targets are based on the previous year's full year results unless stated otherwise. Sales growth is calculated at constant rates. Sales growth targets and results for 2021 are calculated adjusting 2020 to 52 weeks.
2 Healthy sales percentage for 2021 is impacted by the transition to the Nutri-Score methodology instead of Choices in our European brands. See *ESG statements* for more information.
3 Reduction is shown against a 2016 baseline of 5.48 t/€ million.
4 % reduction is based on the cumulative trajectory towards the 50% reduction of absolute scope 1 and 2 CO_2-equivalent emissions by 2030 compared to our 2018 baseline.
5 Over the course of 2022, we will adapt the associate engagement indices to fall more in line with the brands' needs. Going forward, we will report on eNPS, engagement and inclusive workplace.

Group review

MACRO-ECONOMIC TRENDS

2021 was another year of strong financial and operational performance for Ahold Delhaize despite the challenges of pandemic recovery globally. Our business continued to be impacted by a number of specific, localized market trends (see *Evolving market trends*) and also by the following general macro-economic trends:



Source: IMF (GDP reports 2021)

1 GDP represents the total value at constant prices of final goods and services produced within a country within a specific time period.

After a contraction of 3.5% in global real GDP in 2020, the deepest decline in decades, we saw a strengthening of economies in the U.S. and Europe in 2021. This was illustrated by real GDP growth of 6% in the U.S. and 5.1% in Europe.

Both the U.S. and European economies expanded this year, leading to higher personal consumption, which positively affected our sales. In 2022, real GDP growth is expected to continue at a strong rate for both the U.S. and Europe. However, the expectations beyond 2022 remain less positive, due to risks and uncertainties arising from higher inflation, supply chain disruptions, rising energy prices, and labor shortages (source: McKinsey).

Foreign exchange rates

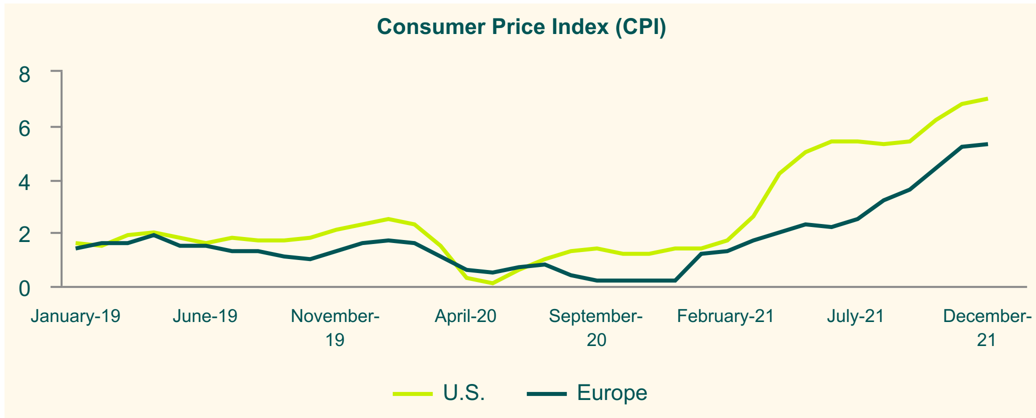
AVERAGE EXCHANGE RATES 2021-2020

Currency		2021	2020	Change in the average annual value of the currency
U.S. dollar	USD/EUR	**0.8461**	0.8770	(3.5)%
Czech crown	CZK/EUR	**0.0390**	0.0378	3.1%
Romanian leu	RON/EUR	**0.2032**	0.2067	(1.7)%
Serbian dinar	RSD/EUR	**0.0085**	0.0085	—%

Source: Bloomberg

The majority of Ahold Delhaize's brands' operations are located in the United States and denominated in U.S. dollars. The U.S. dollar developed in an unfavorable direction especially in the first three quarters, devaluing in strength relative to the euro by 3.5% in 2021, which weakened our consolidated results. Although the dollar has been appreciating since the end of October 2021, and the U.S. economy is expected to fully recover to a pre-pandemic level in 2022, going forward, currency risks remain due to possible COVID-19 impact and supply chain disruptions in 2022 (source: U.S. Department of Treasury). For more information, see *Note 2* to the consolidated financial statements.

As the world economy recovered after the pandemic, inflation picked up in 2021, driven by global supply chain challenges and labor constraints, among others. On average, globally, year-on-year prices for goods and services rose by 3.5% in 2021, the highest inflation rate seen in the last five years (source: Economist Intelligence Unit). In Europe, inflation started rising in January and continued to climb throughout the year, reaching 5.3% in December 2021. The U.S. Consumer Price Index has been rising since mid-2020 and reached beyond 7% in December 2021.

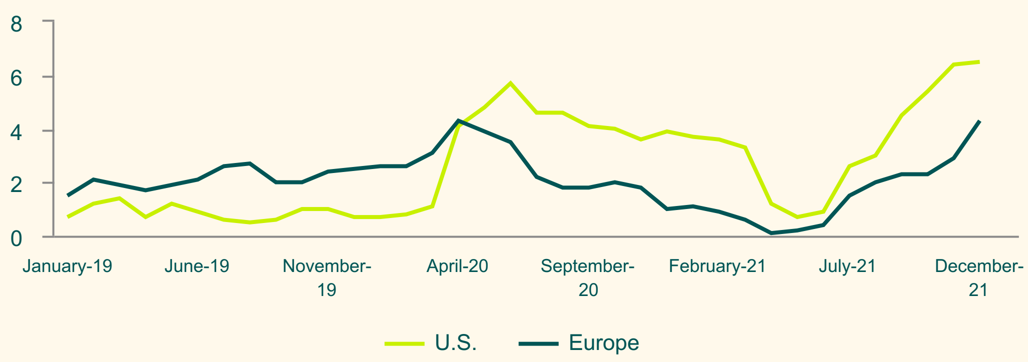


Source: OECD (CPI reports in 2021)

Group review
MACRO-ECONOMIC TRENDS

In line with the economic recovery, the CPI for food and beverages in our brands' markets moderated in the spring, but, as of summer, started rising steadily, approaching 6.5% in the U.S. and 4.3% in Europe by December 2021. Shipping disruptions, labor shortages, factory closures and political tensions pushed prices up.

Consumer Price Index | Food and non-alcoholic beverages



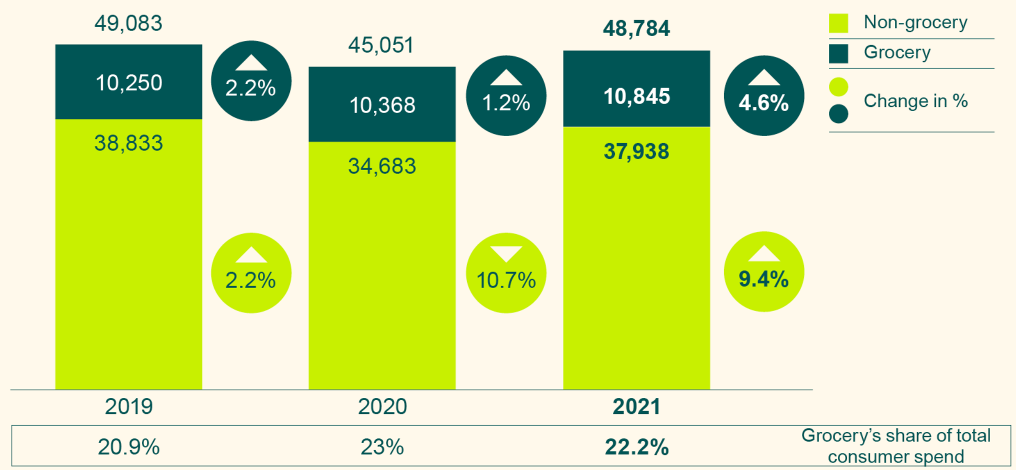
Source: OECD (CPI reports in 2021)

The introduction of vaccines, labor market recovery and governmental measures (for instance, the U.S. government spending trillions of dollars on COVID-19 stimulus and relief packages) positively affected consumer confidence and spending, including spending in the food and beverages services sector.

Consumer spending grew steadily throughout 2021, reaching $48.8 trillion globally compared to $45.1 trillion in 2020. In terms of global consumer and grocery market spending, we saw significant growth of 9.4% in the non-grocery sector, which rebounded following a soft 2020. Meanwhile, grocery consumer spending posted strong growth of 4.6% in 2021 versus elevated 2020 sales levels. Grocery's share of total global consumer spending decreased by 0.8% from 23.0% in 2020 to 22.2% in 2021.

The rise in consumer spending resulted from multiple factors, including the introduction of vaccines in 2021, which reduced consumer anxiety and total infection cases, and labor market recovery, along with increased employment and earnings. Additional grocery retail trends continued to develop in 2021, such as the further growth of e-commerce trade and a focus on healthy eating and nutrition (source: McKinsey). In the upcoming year, consumer spending is expected to keep increasing (source: Deloitte).

Global consumer and grocery market spending development[1]



Source: Edge Retail Insight by Ascential (various reports in 2021)

1 Grocery sales measures the total consumer spend on edible groceries (food, drink and tobacco), household and petcare and health and beauty. It excludes spending on wholesale and food service.

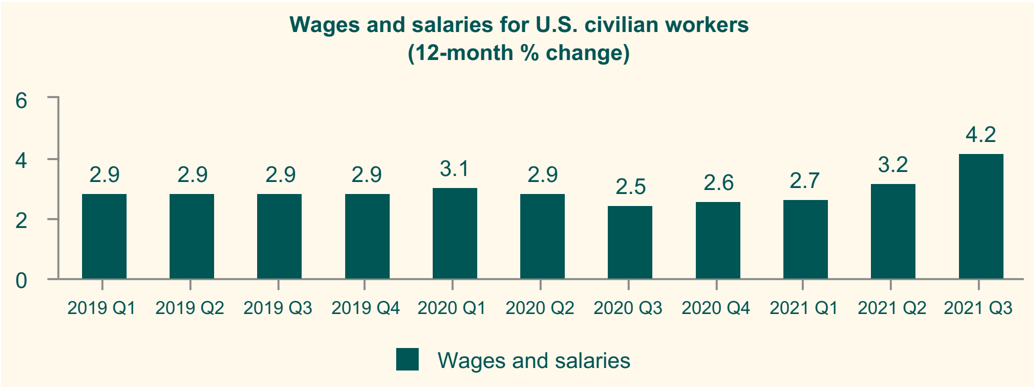
CONSUMER SPENDING SPLIT 2021-2019

	2021	2020	2019
World			
Growth grocery spending	**4.6%**	1.2%	2.2%
Grocery as % of total consumer spending	**22.2%**	23.0%	20.9%
United States			
Growth grocery spending	**0.4%**	7.8%	3.3%
Grocery as % of total consumer spending	**10.4%**	10.8%	9.5%
Europe			
Growth grocery spending	**9.1%**	3.1%	(1.6)%
Grocery as % of total consumer spending	**18.4%**	19.2%	17.3%

Source: Edge Retail Insight by Ascential (various reports in 2021; the data for 2020 and 2019 has been re-calculated by Ascential)

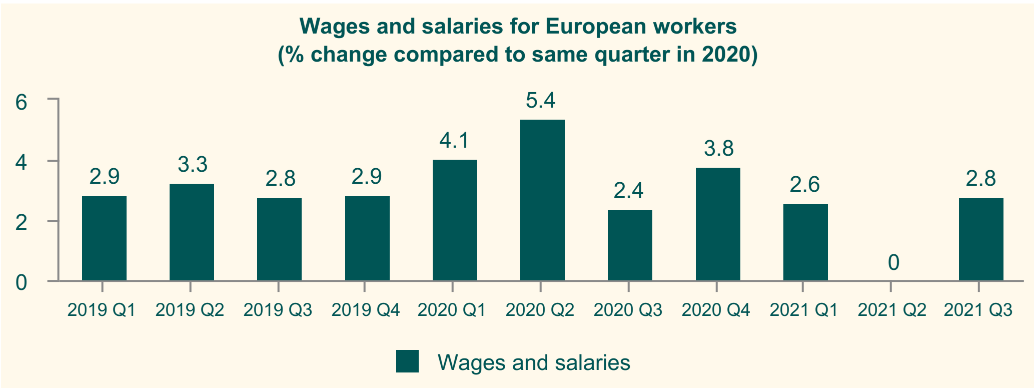
Group review
MACRO-ECONOMIC TRENDS

Rising global demand has driven commodity prices higher, resulting in higher costs to producers and consumers. In addition, a shortage of workers is pushing wages higher. In the U.S., wages went up to 4.2% in Q3 2021 on a year-on-year basis, the largest rise since the fourth quarter of 2004, after increasing to 3.2% in the second quarter of 2021. With rising U.S. wage inflation, Ahold Delhaize relies on increasing productivity gains and cost savings initiatives to manage its business and keep prices competitive for consumers.



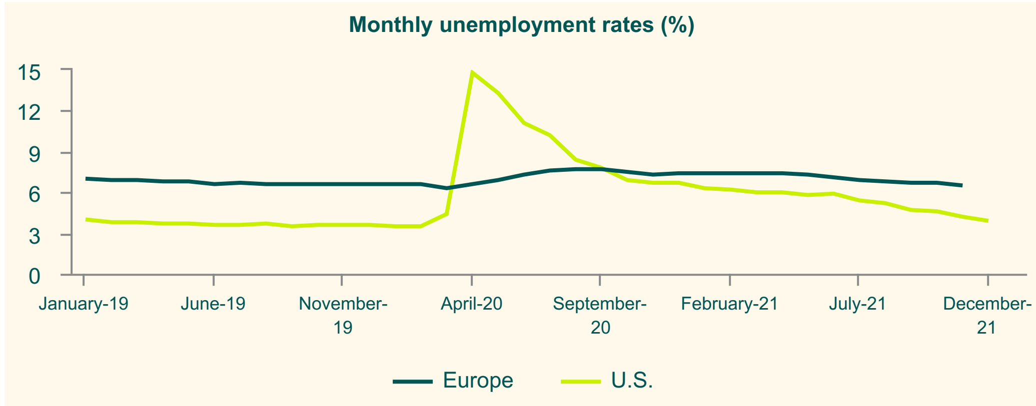
Source: U.S. Bureau of Labor Statistics (Charts related to the latest "Employment Cost Index" news release)

Wages in Europe are growing at a far slower pace than in the U.S. The highest growth per quarter in 2021 was in Q3, when wages in Europe went up by 2.8% on a year-on-year basis. The difference between the U.S. and Europe can be explained by the fact that European workers' unions are prioritizing non-wage benefits, such as job security and more leisure time, versus higher pay, especially during the pandemic (source: Reuters).



Source: Eurostat (Labor cost index)

In 2020, the world suffered from a surge in unemployment due to the COVID-19 crisis, especially in the U.S., where the monthly unemployment rate reached 14.8%. In 2021, the U.S. saw a high rate of people voluntarily quitting their jobs and record job openings. The unemployment rate in the U.S. declined throughout the year, reaching a record low of 3.9% in December 2021. Between April 2020 and October 2021, a total of 18.2 million jobs were recovered, which represents 81% of the jobs lost during the first two months of the economic shutdown (source: U.S. Department of Treasury).



Source: OECD (Labor market statistics 2021; the data for the European Union is not published for December yet)

In Europe, unemployment declined throughout 2021 and reached pre-pandemic rates in autumn 2021. Labor market conditions improved in the second quarter of 2021 with the creation of about 1.5 million jobs and a swift rebound in hours worked, as many workers also exited job retention schemes. Labor shortages are emerging, in particular, in segments where activity is surging the most. As economic recovery continues, the labor market is expected to fully rebound next year, bringing the unemployment rate in the EU down to 6.5% in 2023 (source: European Commission).

Group review

GROUP PERFORMANCE

Net sales

€75.6bn

1.2% vs. 2020

3.3%[1]

Comparable sales growth (excluding gasoline sales)

2.3%

Operating income

€3,320mln

51.5% vs. 2020

62.2%[1]

Underlying operating income

€3,331mln

(7.3)% vs. 2020

(4.5)%[1]

Underlying operating margin

4.4%

(0.4) pp vs. 2020

(0.4) pp[1]

Free cash flow

€1.6bn

1 At constant rates.

€ million	2021	2020[2]	Change	% change
Net sales	**75,601**	74,736	865	1.2%
Of which: online sales	**7,704**	5,547	2,157	38.9%
Cost of sales	**(54,916)**	(54,160)	(756)	1.4%
Gross profit	**20,685**	20,575	110	0.5%
Other income	**531**	470	61	12.9%
Operating expenses	**(17,896)**	(18,855)	959	(5.1)%
Operating income	**3,320**	2,191	1,129	51.5%
Net financial expense	**(517)**	(485)	(32)	6.6%
Income before income taxes	**2,803**	1,706	1,097	64.3%
Income taxes	**(591)**	(331)	(260)	78.5%
Share in income of joint ventures	**33**	22	12	53.5%
Income from continuing operations	**2,246**	1,397	849	60.8%
Income (loss) from discontinued operations	**0**	0	0	98.6%
Net income	**2,246**	1,397	849	60.8%
Operating income	**3,320**	2,191	1,129	51.5%
Adjusted for:				
Impairment losses and reversals – net	**61**	48	13	
(Gains) losses on leases and the sale of assets – net	**(76)**	(57)	(19)	
Restructuring and related charges and other items	**26**	1,413	(1,387)	
Underlying operating income	**3,331**	3,594	(263)	(7.3)%
Underlying operating income margin	**4.4%**	4.8%	(0.4) pp	
Underlying EBITDA[1]	**6,335**	6,435	(100)	(1.6)%
Underlying EBITDA margin[1]	**8.4%**	8.6%	(0.2) pp	

1 Underlying operating income was adjusted for depreciation and amortization in the amount of €3,004 million for 2021 and €2,840 million for 2020. The difference between the total amount of depreciation and amortization for 2021 of €3,007 million (2020: €2,844 million) and the €3,004 million (2020: €2,840 million) mentioned here relates to items that were excluded from underlying operating income.

2 Comparative figures have been restated to conform to the current year's presentation (see *Note 8*).

Group review
GROUP PERFORMANCE

SHAREHOLDERS

€ unless otherwise indicated	2021	2020	% change
Net income per share attributable to common shareholders (basic)	**2.18**	1.31	66.8%
Underlying income per share from continuing operations	**2.20**	2.28	(3.3)%
Dividend payout ratio	**42%**	40%	2.0 pp
Dividend per common share	**0.95**	0.90	5.6%

OTHER INFORMATION

€ million unless otherwise indicated	2021	2020	Change
Net debt[1]	**13,946**	11,434	22.0%
Free cash flow[2]	**1,618**	2,199	(26.4)%
Capital expenditures included in cash flow statement (excluding acquisitions)	**2,371**	2,659	(10.8)%
Number of employees (in thousands)	**413**	414	(0.2)%
Credit rating/outlook Standard & Poor's	**BBB / stable**	BBB / stable	—
Credit rating/outlook Moody's	**Baa1 / stable**	Baa1 / stable	—

Certain key performance indicators contain alternative performance measures. The definitions of these measures are described in the *Glossary* section of this Annual Report.

1 For reconciliation of net debt, see *Financial position* in this report.
2 For reconciliation of free cash flow, see *Cash flows* in this report.

Week 53

Our financial year normally consists of 52 weeks and ends on the Sunday nearest to December 31. Every five years, our financial year consists of 53 weeks.

Ahold Delhaize's 2021 financial year consisted of 52 weeks and ended on January 2, 2022, while financial year 2020 consisted of 53 weeks.

Net sales in 2020 were positively impacted by the additional week, while the impact on operating margin was negligible. In some of the discussions below, we have included comparisons of the 52 weeks of 2021 with a 52-week period of 2020, which consists of the 53 weeks excluding the last week of 2020 (referred to as pro-forma 2020).

COVID-19 pandemic

Our 2021 results continued to be positively impacted by COVID-19, as the pandemic drove an enhanced shift towards more food-at-home consumption. Not only did we see a sustained increase in our brick-and-mortar sales, but a further acceleration of net consumer online sales growth, as more consumers shifted to online shopping during the continuation of the pandemic.

To accommodate higher demand, our brands continued expanding capacity in 2021, opening 270 click-and-collect points in the United States and new e-commerce distribution centers in the United States, the Netherlands and the Czech Republic.

The operational execution, driven by teams across the brands, positively impacted our group underlying operating margin. This was related to higher operating leverage, due to higher COVID-19-related sales trends.

These results were offset, in part, by significant costs related to COVID-19. Investments in safety and preventative measures (including sanitation and protective equipment) in stores and distribution centers and donations to communities resulted in approximately €364 million in COVID-19-related costs for the year.

The pandemic caused continued zoning and permit-related challenges, which delayed our store development projects, impacting our capital expenditure. Despite these challenges, we spent €2.4 billion of gross capital expenditure by promptly responding to the pandemic and prioritizing investments in vertical integration and our omnichannel offering to respond to changing consumer needs.

Our Save for Our Customers program remained solid. It further benefited by leveraging higher sales to achieve greater efficiencies, resulting in over-achievement of our 2021 target of €750 million in savings.

While there was government assistance available to companies in several countries where our brands operate, we did not apply for any government assistance.

The COVID-19 pandemic did not trigger any asset impairments.

Group review
GROUP PERFORMANCE

NET SALES

Net sales for the financial year ending on January 2, 2022, were €75,601 million, an increase of €865 million, or 1.2%, compared to net sales of €74,736 million for the financial year ending on January 3, 2021. At constant exchange rates, net sales were up by €2,382 million or 3.3%.

€ million	2021	2020	Change versus prior year	% change	Change versus prior year at constant exchange rates	% change at constant exchange rates
Net sales	**75,601**	74,736	865	1.2%	2,382	3.3%
Of which gasoline sales	**901**	667	234	35.1%	256	39.6%
Net sales excluding gasoline	**74,700**	74,069	631	0.9%	2,127	2.9%
Of which online sales	**7,704**	5,547	2,157	38.9%	2,204	40.1%
Net consumer online sales	**10,401**	7,576	2,825	37.3%	2,872	38.2%

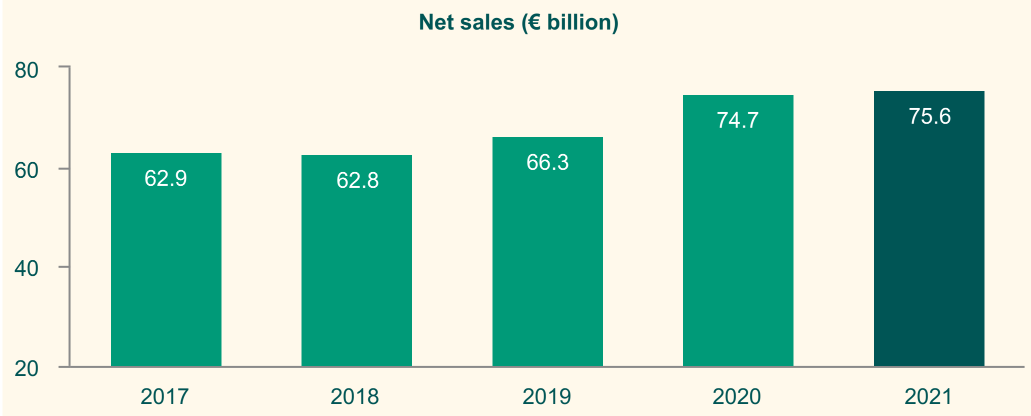
Gasoline sales increased by 35.1% in 2021 to €901 million. At constant exchange rates, gasoline sales increased by 39.6%, driven by a reduction in pandemic measures during the year leading to an increase in gasoline volumes. In addition, gasoline prices increased considerably worldwide in 2021.

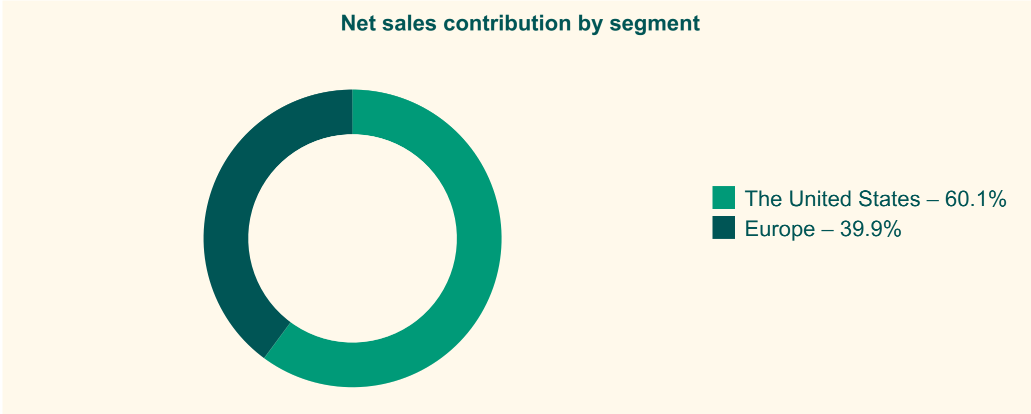
Net sales excluding gasoline increased in 2021 by €631 million, or 0.9%, compared to 2020. At constant exchanges rates, net sales excluding gasoline increased in 2021 by €2,127 million, or 2.9%, compared to 2020. Sales growth continued to be elevated by demand related to COVID-19, yet was also fueled by improvements in our brands' business models, including online, and the acquisition of FreshDirect, 71 stores from Southeastern Grocers at Food Lion and 38 stores from DEEN in the Netherlands.

NET SALES OVERVIEW ON A PRO FORMA BASIS

€ million	2021 (52 weeks)	2020 (52 weeks)	Change versus prior year	% change	Change versus prior year at constant exchange rates	% change at constant exchange rates
Ahold Delhaize	**75,601**	73,551	2,050	2.8%	3,626	5.0%

Compared to the pro forma 2020 sales based on 52 weeks and at constant exchange rates, net sales increased in 2020 by €3,626 million, or 5.0% at constant exchange rates.





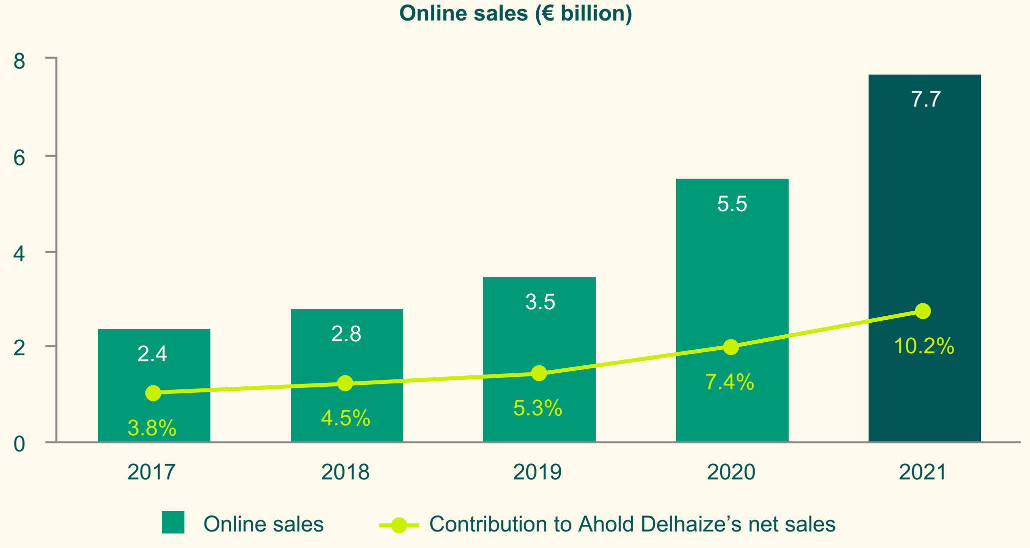
In addition, when we look at comparable sales growth excluding gasoline sales over 2021, we see a growth of 2.3%. The two-year stack increased by 14.8% in 2021.

Group review

GROUP PERFORMANCE

Online sales

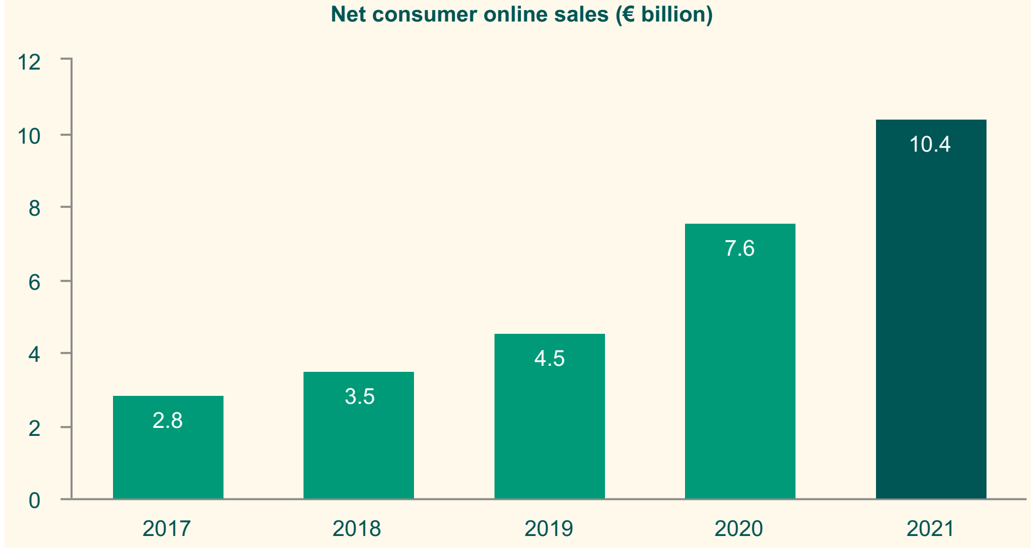
We continued to see strong sales growth in our online businesses, which contributed €7,704 million to net sales in 2021 (2020: €5,547 million). Net consumer online sales amounted to €10,401 million and increased in 2021 by 38.2% at constant exchange rates. On a comparable 52-week basis, net consumer online sales grew by 41.5% in 2021, at constant exchange rates.



With the launch of online shopping at Albert in the Czech Republic, all our brands now have online operations. The continued increase in online sales was driven by the impact of COVID-19 and consumers shifting to online shopping, as we also saw in 2020. We saw continued positive trends across all the brands with online acceleration in the U.S. supported by more click-and-collect points, third-party delivery and the acquisition of FreshDirect in 2021, and growth in Europe that was mainly driven by the bol.com and ah.nl online brands.

	2021	2020	Change vs. previous year
% of online grocery penetration[1]	**6.8%**	4.5%	2.3 pp

1 See the *Glossary* for more information on how this is calculated.



Group review
GROUP PERFORMANCE

Healthy sales

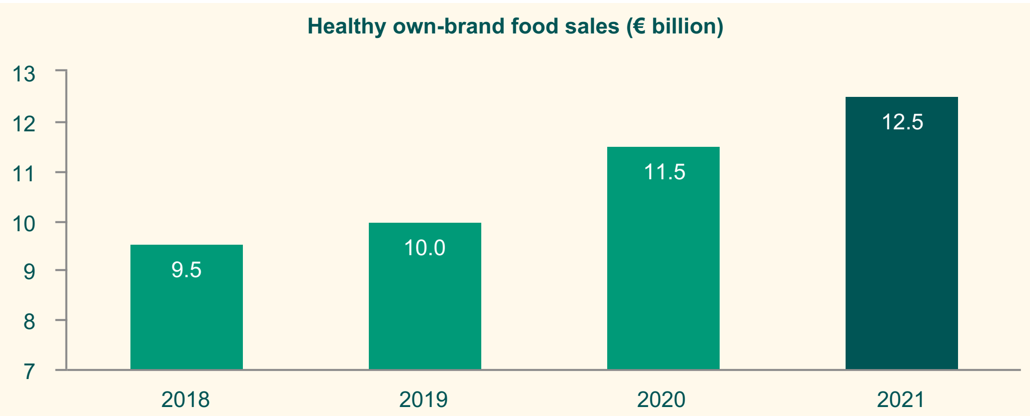
	2021	2020	2025 target
% of healthy own-brand food sales as a proportion of total own-brand food sales[1]	**53.6%**	49.8%	>55%

1 Healthy sales percentage for 2021 is impacted by 3.0 percentage points from the transition to the Nutri-Score methodology instead of Choices in our European brands. See *ESG statements* for more information.

During 2021, we further increased the sale of healthy own-brand products as a proportion of total own-brand food sales to 53.6%. This increase resulted from the introduction of Nutri-Score in our European brands and the U.S. brands' continuous effort to reformulate own-brand products. Our performance was also supported by the brands' increased focus on driving healthy own-brand sales.

In addition, we have seen that the fresh product category is the fastest growing segment at Food Lion and Delhaize keeps benefiting from its SuperPlus loyalty program, which gives higher discounts on products with a Nutri-Score of A or B.

See *ESG statements* for more information on how we measure the percentage of healthy own-brand sales.



GROSS PROFIT

Gross profit was up by €110 million, or 0.5%, compared to 2020. At constant exchange rates, gross profit increased by €471 million, or 2.3%. Gross profit margin (gross profit as a percentage of net sales) for 2021 was 27.5%, a decrease of 14 basis points compared to 27.7% in 2020, affected mainly by an increase in logistics and distribution costs, driven by overall U.S. labor market staffing challenges resulting in heavier usage of third-party labor, increased contract labor and usage of third-party carriers.

Food waste

	2021	2020	2030 target
Tonnes of food waste per food sales (t/€ million)	**4.48**	4.53	2.74
% reduction in food waste per food sales (t/€ million)[1]	**18%**	17%	50%

1 The reduction is measured against the 2016 baseline of 5.48 t/€ million. See *ESG statements* for more information.

In contrast to shrink, we calculate food waste as excluding donations to hunger relief organizations, theft and cash shortages but including food that is used for animal feed or biogas, incinerated or sent to landfill facilities.

During 2021, absolute food waste remained stable at 259 thousand tonnes. One way our brands reduce food waste is through food donations. In 2021, our brands donated 19% of unsold food to feed people compared to 16% in 2020.

During 2021, our brands continued to find innovative ways to reduce food waste. For example, The GIANT Company's chain-wide rollout of Flashfood – an app-based digital marketplace giving shoppers savings on foods approaching their expiration dates – to its stores this year contributed to the brand's waste reduction strategy. See *Working together to keep shelves stocked*, *Hannaford leads the way to zero food waste to landfills* and *Albert Heijn fights food waste with "yesterday's bread"* for more examples of how our brands are reducing food waste.

See also *ESG statements* for more information on how we measure our performance on food waste.

OPERATING EXPENSES

In 2021, operating expenses decreased by €959 million, or 5.1%, to €17,896 million, compared to €18,855 million in 2020. At constant exchange rates, operating expenses decreased by €625 million, or 3.4%. As a percentage of net sales, operating expenses decreased by 1.6 percentage points to 23.7%, compared to 25.2% in 2020. Excluding gasoline sales and at constant exchange rates, operating expenses as a percentage of net sales decreased by 1.6 percentage points. Operating expenses were significantly lower due to lower costs related to COVID-19 and last year's one-off charges related to the U.S. multi-employer pension plan withdrawal and settlement agreements, partially offset by increasing inflationary pressures.

Operating expenses include impairments, gains (losses) on leases and the sale of assets, restructuring and related charges, and other items that management believes can distort an understanding of the trend related to the development of our underlying business. Impairment losses and reversals , gains (losses) on leases and the sale of assets – net, and restructuring and related charges are summarized below.

Carbon emissions

	2021	2020	2030 target
Absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes)[1,2,3,4,5]	**2,827**	3,148	2,036
% reduction in absolute CO_2-equivalent emissions from own operations (scope 1 and 2)[1,2,3,4,5]	**31%**	23%	50%

1 Reduction is from a 2018 baseline of 4,073 thousand tonnes CO_2-equivalent emissions.
2 2018 baseline has been restated due to acquisitions, inclusion of last-mile delivery and updated conversion factors for refrigerants from IPCC.
3 2020 absolute CO_2-equivalent emissions has been restated due to updated conversion factors for refrigerants from IPCC.
4 2021 absolute CO_2-equivalent emissions include impact from acquisitions and last-mile delivery, resulting in a 5% impact compared to 2020.
5 2020 and 2021 figures include Etos, Gall & Gall and bol.com.

Our scope 1 and 2 CO_2-equivalent emissions are mainly driven by energy consumption, refrigerant leakage and transport. In 2021, CO_2-equivalent emissions decreased by 31% compared to our 2018 baseline. The main drivers for this reduction were related to the increased amount of renewable energy consumed and more efficient refrigeration systems. CO_2-equivalent emissions from transport increased.

Carbon emissions from energy consumption were 1,382 thousand tonnes compared to 1,646 thousand tonnes in 2020. During 2021, 315 stores were added to our portfolio, for example, through the acquisition of stores from Southeastern Grocers at Food Lion and DEEN in the Netherlands. We continued to source more green energy through power purchase agreements (PPAs). In 2021, 21% of the energy consumed came from renewable sources compared to 12% in 2020. Initiatives that contributed to the increase included Albert Heijn's switch to sourcing 100% wind energy during 2021 and other brands, including The GIANT Company and Delhaize Serbia, sourcing more green energy.

Carbon emissions from refrigerant leakage was 1,182 thousand tonnes compared to 1,257 thousand tonnes in 2020. This was driven by our brands using refrigerants with a lower Global Warming Potential (GWP) and having fewer leakages. Our brands continue to install refrigeration systems with a lower GWP, or even natural refrigerants, when they remodel stores. At Albert Heijn, over 50% of stores now run on natural refrigeration systems and our U.S. brands continue to roll out programs for more efficient and climate-friendly refrigeration systems.

Carbon emissions from fuel consumption of owned trucks increased to 262 thousand tonnes compared to 244 thousand tonnes in 2020.

See also *ESG statements* for more information on how we measure carbon emissions for scope 1 and 2 as well as for scope 3.

IMPAIRMENT LOSSES AND REVERSALS – NET

Ahold Delhaize recorded the following impairments and reversals of impairments of assets – net in 2021 and 2020:

€ million	2021	2020
The United States	**(48)**	(27)
Europe	**(13)**	(21)
Total	**(61)**	(48)

Impairment charges in 2021 were €61 million, up by €13 million compared to 2020. The increase is related to investment properties at Stop & Shop and The GIANT Company, as well as Stop & Shop operating locations in the United States.

GAINS (LOSSES) ON LEASES AND THE SALE OF ASSETS – NET

Ahold Delhaize recorded the following gains (losses) on leases and the sale of assets – net in 2021 and 2020:

€ million	2021	2020
The United States	**49**	20
Europe	**21**	37
Global support office	**6**	—
Total	**76**	57

The gains (losses) in 2021 were €76 million, which was €19 million higher than 2020, due to the €29 million increase in the United States, driven mainly by the gain on sale of land in Massachusetts, only partially offset by a €16 million decrease in Europe.

Group review
GROUP PERFORMANCE

RESTRUCTURING AND RELATED CHARGES AND OTHER ITEMS

Restructuring and related charges and other items in 2021 and 2020 were as follows:

€ million	2021	2020
The United States	**80**	(1,454)
Europe	**(106)**	39
Global Support Office	**—**	2
Total	**(26)**	(1,413)

Restructuring and related charges and other items in 2021 were €26 million, down by €1,387 million compared to 2020. In 2020, the restructuring and related charges in the U.S. mainly included the €676 million settlement agreement for FELRA and MAP at Giant Food, €183 million for Stop & Shop's withdrawals from the 1500 Plan, and €559 million for withdrawal from the National Plan. In 2021, the income mainly related to a partial release of the defined benefit obligation of the FELRA and MAP benefit related to the American Rescue Plan Act (see *Note 24*). This was partly offset by other main charges, which are related to the acquisition of FreshDirect, and to transaction costs of the acquisition of 71 stores from Southeastern Grocers (SEG). In Europe, the charges mainly related to claims and disputes, and the restructuring costs related to the DEEN acquisition.

OPERATING INCOME

Operating income in 2021 went up by €1,129 million, or 51.5%, to €3,320 million compared to €2,191 million in 2020. The increase of €1,129 million is mainly explained by the changes in gross profit and operating expenses, which are explained above. At constant exchange rates, operating income was up €1,274 million, or 62.2%.

NET FINANCIAL EXPENSES

Net financial expenses in 2021 were up by €32 million, or 6.6%, to €517 million, compared to €485 million in 2020. The increase was primarily due to an additional €40 million of interest accretions related to the multi-employer plan withdrawals at the end of last year, and related to the minority interest liability in FreshDirect. This was partly offset by the weakening of the U.S. dollar against the euro, leading to €12 million lower interest on U.S. dollar debt.

INCOME TAXES

In 2021, income tax expense was €591 million, up by €260 million, compared to €331 million in 2020. The main reason for the increase in income tax expense is the higher income before income tax.

The effective tax rate, calculated as a percentage of income before income tax, was 21.1% in 2021 (2020: 19.4%). In 2020, Ahold Delhaize booked a €1.4 billion tax-deductible expense for incremental pension liabilities in the U.S., impacting the effective tax rate (see *Note 24*). Excluding this expense, the 2020 reported effective tax rate would increase from 19.4% to 23.0% on a pro forma basis.

SHARE IN INCOME OF JOINT VENTURES

Ahold Delhaize's share in income of joint ventures was €33 million in 2021, or €12 million higher than last year. This increase is mainly explained by our 49% shareholding in JMR. Our share of JMR results increased by €11 million compared to last year which was negatively impacted by COVID-19-related government restrictions and lack of tourists reducing traffic at smaller, high-frequency stores in Portugal. During 2021 the restrictions were gradually eased. Our share of individually immaterial joint ventures increased by €3 million compared to last year. The increase was partly offset by the impact of the 51% share in Super Indo. Our share of Super Indo's results decreased by €3 million compared to last year. For further information about joint ventures, see *Note 15* to the consolidated financial statements.

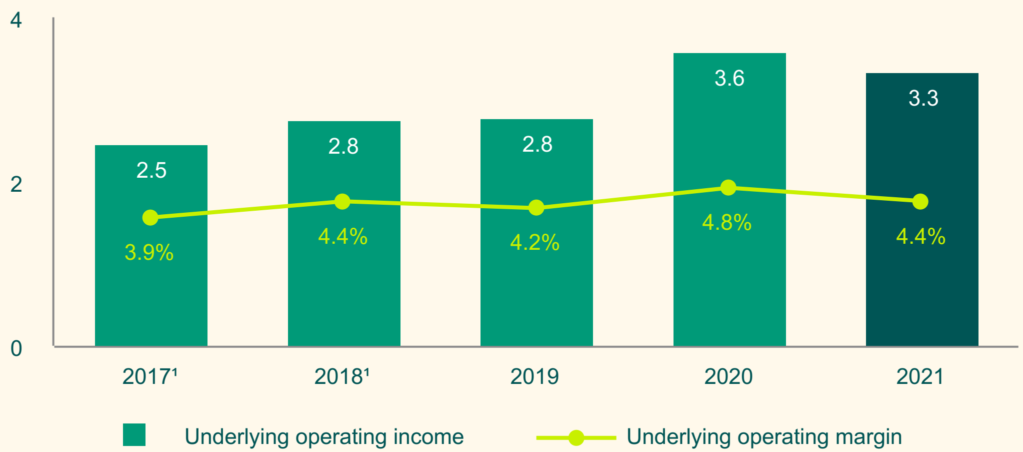
Group review
GROUP PERFORMANCE

UNDERLYING OPERATING INCOME AND UNDERLYING OPERATING INCOME MARGIN

Underlying operating income was €3,331 million in 2021, down €263 million, or 7.3%, versus €3,594 million in 2020. Underlying operating income margin in 2021 was 4.4%, compared to 4.8% in 2020. At constant exchange rates, underlying operating income was down by €157 million, or 4.5%, compared to 2020. Our 2021 results were mainly impacted by higher logistics and distribution costs, operational expenses, advertising costs and depreciation and rent, driven by supply chain challenges in the U.S. and incremental omnichannel investments accelerating our online business.

Tight cost management remains a core objective of our business model. Our Save for Our Customers program delivered €967 million this year, positively impacting our gross profit and operating expenses. Through this program, we drive efforts to provide our businesses with optimized store processes and improved sourcing conditions, enabling us to continue to invest in our customer proposition.

Underlying operating income (€ billion)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

Underlying operating income contribution by segment[1]

1 Before Global Support Office costs.

Group review

FINANCIAL POSITION

Ahold Delhaize's consolidated balance sheets as of January 2, 2022, and January 3, 2021, are summarized as follows:

€ million	January 2, 2022	% of total	January 3, 2021	% of total
Property, plant and equipment	**11,838**	**25.9%**	10,696	26.3%
Right-of-use asset	**9,010**	**19.7%**	7,455	18.3%
Intangible assets	**12,770**	**27.9%**	11,565	28.4%
Pension assets	**71**	**0.2%**	78	0.2%
Other non-current assets	**2,439**	**5.3%**	1,970	4.8%
Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments[1]	**3,143**	**6.9%**	3,119	7.7%
Inventories	**3,728**	**8.2%**	3,245	8.0%
Other current assets	**2,713**	**5.9%**	2,563	6.3%
Total assets	**45,712**	**100.0%**	40,692	100.0%
Group equity	**13,721**	**30.0%**	12,432	30.6%
Non-current portion of long-term debt	**14,739**	**32.2%**	12,305	30.2%
Pensions and other post-employment benefits	**1,107**	**2.4%**	1,235	3.0%
Other non-current liabilities	**1,966**	**4.3%**	1,908	4.7%
Short-term borrowings and current portion of long-term debt and lease liabilities[1]	**2,350**	**5.1%**	2,249	5.5%
Payables	**7,563**	**16.5%**	6,795	16.7%
Other current liabilities	**4,266**	**9.3%**	3,768	9.3%
Total equity and liabilities	**45,712**	**100.0%**	40,692	100.0%

1 See footnotes to next table (on the next page) for a reconciliation of amounts to the figures included in the consolidated financial statements.

Total assets increased by €5,019 million. Property, plant and equipment increased by €1,141 million, primarily driven by regular capital expenditures surpassing depreciation charges and, to a lesser extent, by assets brought in through acquisitions and by the appreciation of the U.S. dollar relative to the euro. For more information, see *Note 11* to the consolidated financial statements.

Right-of-use assets increased by €1,554 million. Similar to the changes in company-owned fixed assets, higher right-of-use balances in 2021 were primarily driven by investments, reassessments and modifications to leases being higher than depreciation, by assets brought in through acquisitions and by the appreciation of the U.S. dollar. For more information, see *Note 12* to the consolidated financial statements.

Intangible assets increased by €1,205 million. The higher balances in 2021 were almost entirely due to higher goodwill, driven by acquisitions and the appreciation of the U.S. dollar relative to the euro. For more information, see *Note 14* to the consolidated financial statements.

Inventories increased by €483 million to €3,728 million, also reflecting a significant part of the increase in payables. A key driver for this was the initiative to transform our U.S. logistics network to full self-distribution and it was partly driven by the DEEN acquisition and the accelerated growth of our bol.com business.

Other current liabilities increased by €497 million, mainly due to an increase in accrued expenses, driven by a growth in sales of Plaza partners at bol.com, and higher short-term provisions (see *Note 27*).

Our pension and other post-employment benefits decreased by €128 million to €1,107 million, for more information see *Note 24*.

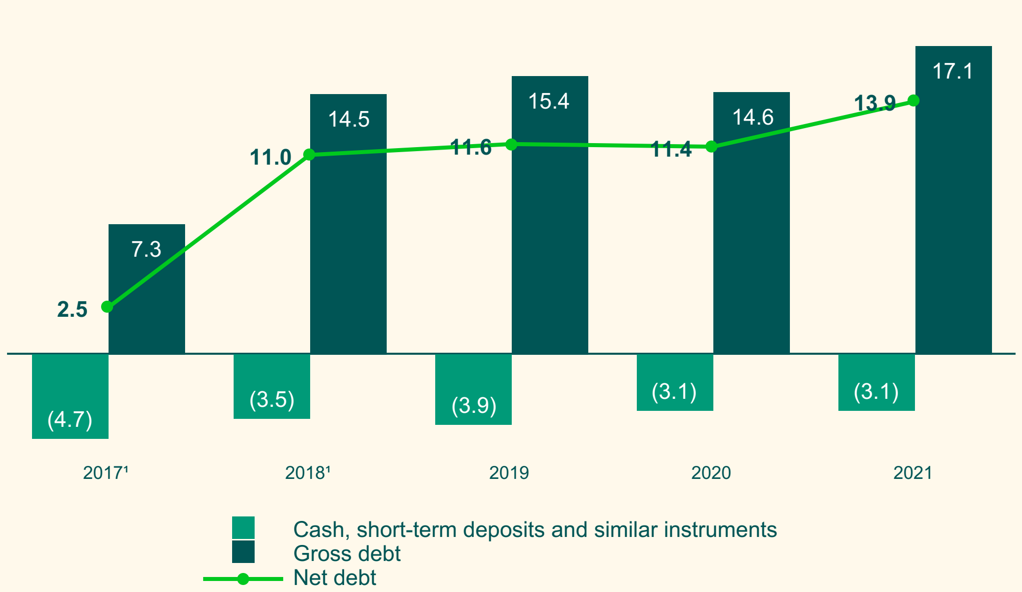
Group review
FINANCIAL POSITION

In 2021, gross debt increased by €2,535 million to €17,089 million, primarily due to an increase in leases and exchange rate movements on the U.S. dollar. Other gross debt changes included the issuance in March of the €600 million sustainability-linked fixed rate bonds maturing in 2031 and €250 million drawing under a bilateral credit facility, partially offset by the repayment of the €300 million floating rate bonds that matured in 2021.

€ million	**January 2, 2022**	January 3, 2021
Loans	**4,678**	3,863
Lease liabilities	**10,061**	8,442
Non-current portion of long-term debt	**14,739**	12,305
Short-term borrowings and current portion of long-term debt[1]	**2,350**	2,249
Gross debt	**17,089**	14,554
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments[2, 3, 4, 5]	**3,143**	3,119
Net debt	**13,946**	11,434

1 Short-term borrowings and current portion of long-term debt comprise €1,201 million lease liabilities, €145 million short-term borrowings, €807 million bank overdrafts and €197 million current portion loans (for more information see *Note 26* to the consolidated financial statements).
2 Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at January 2, 2022, was €15 million (January 3, 2021: €58 million) and is presented within Other current financial assets in the consolidated balance sheet.
3 Included in the short-term portion of investments in debt instruments is a U.S. treasury investment fund in the amount of €135 million (January 3, 2021: €129 million).
4 Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. This balance at January 2, 2022, was €397 million (January 3, 2021: €441 million).
5 Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €807 million (January 3, 2021: €681 million). This cash amount is fully offset by an identical amount included under short-term borrowings and current portion of long-term debt.

Gross and net debt (€ billion)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

Ahold Delhaize's net debt was €13,946 million as of January 2, 2022 – an increase of €2,511 million from January 3, 2021. The increase in net debt was mainly the result of an increase in leases, exchange rate movements on the U.S. dollar, the payment of the common stock dividend (€856 million) and the completion of the €1 billion share buyback program, partly offset by free cash flow generation (€1,618 million).

Group review

LIQUIDITY

€ million	January 2, 2022	January 3, 2021
Total cash and cash equivalents (*Note 20*)	**2,993**	2,933
Short-term deposits and similar instruments (*Note 19*)	**15**	58
Investments in debt instruments (FVPL) – current portion (*Note 19*)	**135**	129
Cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments	**3,143**	3,119
Less: Notional cash pooling arrangement (short-term borrowings)	**807**	681
Liquidity position	**2,336**	2,438

Ahold Delhaize views available cash balances and funds from operating activities as its primary sources of liquidity, complemented by external sources of funds when deemed to be required. Ahold Delhaize manages short-term liquidity based on projected cash flows. As of January 2, 2022, the Company's liquidity position primarily consisted of €2,336 million of cash (including short-term deposits and similar instruments and current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the undrawn portion of the €1 billion revolving credit facility.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities, the available cash balances and the undrawn portion of the revolving credit facility will be sufficient to fund working capital needs, capital expenditures, interest payments, dividends, the announced €1 billion share buyback program, and scheduled debt repayments for the next 12 months. In addition, the Company has access to the debt capital markets based on its current credit ratings.

Group credit facility

Ahold Delhaize has access to a €1 billion committed, unsecured, multi-currency and syndicated revolving credit facility. On December 10, 2020, the Company closed a three-year €1 billion sustainability-linked revolving credit facility including two one-year extension options, refinancing the 2015-dated €1 billion facility with a maturity in December 2023 and including two one-year extension options. This facility reinforces the alignment of the funding strategy and the commitments laid out in the Healthy and Sustainable strategy. In 2021, the Company successfully agreed on the first extension with the lenders, bringing the maturity to December 2024.

The credit facility contains customary covenants and a financial covenant that requires Ahold Delhaize, in the event that its corporate rating from Standard & Poor's and Moody's is lower than BBB / Baa2 respectively, not to exceed a maximum leverage ratio of 5.5:1. The maximum leverage ratio was unchanged compared to the prior credit facility, dated 2015.

During 2021 and 2020, the Company was in compliance with these covenants. However, it was not required to test the financial covenant, due to its credit rating. As of January 2, 2022, there were no outstanding borrowings under the facility.

Credit ratings

Maintaining investment grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to a variety of lenders and markets. Ahold Delhaize's current credit ratings from the solicited rating agencies remained unchanged in 2021:

- Standard & Poor's: corporate credit rating BBB, with a stable outlook since June 2009 (previous rating BBB- assigned in 2007).
- Moody's: issuer credit rating Baa1, with a stable outlook since February 2018 (previous rating Baa2 assigned in August 2015).

Group review
CASH FLOWS

Ahold Delhaize's consolidated cash flows for 2021 and 2020 are as follows:

€ million	2021	2020
Operating cash flows from continuing operations	**5,468**	6,343
Purchase of non-current assets (cash capital expenditure)	**(2,371)**	(2,659)
Divestment of assets/disposal groups held for sale	**82**	108
Dividends received from joint ventures	**28**	16
Interest received	**16**	24
Lease payments received on lease receivables	**103**	99
Interest paid	**(138)**	(149)
Repayments of lease liabilities	**(1,569)**	(1,584)
Free cash flow	**1,618**	2,199
Proceeds from long-term debt	**848**	507
Repayments of loans	**(427)**	(438)
Changes in short-term loans	**90**	(556)
Changes in short-term deposits and similar instruments	**44**	(60)
Dividends paid on common shares	**(856)**	(1,026)
Share buyback	**(994)**	(1,001)
Acquisition/(divestments) of businesses, net of cash	**(534)**	(7)
Other cash flows from derivatives	**—**	2
Other	**(7)**	(3)
Net cash from operating, investing and financing activities	**(218)**	(383)

Operating cash flows from continuing operations were lower by €874 million. At constant exchange rates, operating cash flows from continuing operations were lower by €666 million, or (10.9)%. The purchase of non-current assets was lower by €288 million, or €244 million at constant exchange rates.

Free cash flow

Free cash flow, at €1,618 million, decreased by €580 million compared to 2020, driven by lower gains from working capital inflow of €675 million and higher income taxes paid of €446 million compared to last year, partially offset by lower net investments of €261 million and higher operating cash flow of €246 million. The increase in income taxes paid mainly relates to the payment of an additional assessment notice of approximately €380 million that our subsidiary Delhaize Le Lion/De Leeuw SCA received and that was paid in order to avoid an interest charge of 4% per annum on the amount due and adverse tax consequences, as well as other timings of payments (see *Note 34* to the consolidated financial statements for more information on this additional assessment notice).

In 2021, the main uses of free cash flow included:

- Share buyback program, for a total amount of €994 million.
- Common stock final dividend of €0.40 per share for 2020, paid in 2021, and common stock interim dividend of €0.43 per share for 2021, resulting in a total cash outflow of €856 million.

Group review

CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

Capital expenditure (CapEx), including acquisitions and additions to right-of-use assets, amounted to €5,776 million in 2021 and €4,456 million in 2020. Total cash CapEx for the year amounted to €2,371 million in 2021, a reduction of €288 million compared to the previous year.

€ million	2021	2020	Change versus prior year	% of sales
The United States	**2,235**	2,621	(386)	4.9%
Europe	**1,925**	1,802	123	6.4%
Global Support Office	**28**	25	3	
Total regular capital expenditures	**4,187**	4,448	(261)	5.5%
Acquisition capital expenditures	**1,589**	8	1,581	2.1%
Total capital expenditures	**5,776**	4,456	1,320	7.6%
Total regular capital expenditures	**4,187**	4,448	(261)	5.5%
Right-of-use assets[1]	**(1,748)**	(1,756)	8	(2.3)%
Change in property, plant and equipment payables (and other non-cash adjustments)	**(68)**	(33)	(35)	(0.1)%
Total cash CapEx (cash capital expenditure)	**2,371**	2,659	(288)	3.1%
Divestment of assets/disposal groups held for sale	**(82)**	(108)	27	(0.1)%
Net capital expenditure	**2,289**	2,550	(261)	3.0%

1 Right-of-use assets comprises additions (€726 million), reassessments and modifications to leases (€1,012 million) (for more information see Note 12 to the consolidated financial statements) as well as additions (€2 million) and reassessments and modifications to leases (€7 million) relating to right-of-use assets included within investment properties (for more information see Note 13 to the consolidated financial statements).

Capital investments were primarily related the construction, remodeling and expansion of our brands' stores, the expansion of the brands' online channel, improvements in technology and development of digital capabilities, in addition to investments in our supply chain and IT infrastructure improvements. The decrease in total regular CapEx compared to last year can mainly be explained by approximately $300 million of investments in the U.S. supply chain in 2020. This was the largest outlay of a three-year program, through which Ahold Delhaize aims to invest an estimated $480 million to acquire warehouse facilities and fully integrate them into a self-distribution model.

At the end of 2021, Ahold Delhaize brands operated 7,452 stores. These include 71 stores acquired from Southeastern Grocers in the U.S. and 38 stores acquired from DEEN in the Netherlands. The Company's total sales area amounted to 9.7 million square meters in 2021, an increase of 2.1% over the prior year.

The total number of stores (including stores operated by franchisees) is as follows:

	Opening balance	Opened/ acquired	Closed/sold	Closing balance
The United States	1,970	80	(2)	**2,048**
Europe	5,167	278	(41)	**5,404**
Total number of stores	7,137	358	(43)	**7,452**

	2021	2020	Change versus prior year
Number of stores operated by Ahold Delhaize	**5,553**	5,344	209
Number of stores operated by franchisees	**1,899**	1,793	106
Number of stores operated	**7,452**	7,137	315

Franchisees operated 1,899 stores in the Netherlands, Belgium, Luxembourg and Greece.

The total number of pick-up points is as follows:

	2021	2020	Change versus prior year
The United States	**1,389**	1,121	268
Of which: click and collect	**1,386**	1,116	270
Europe	**253**	298	(45)
Total	**1,642**	1,419	223

At the end of 2021, Ahold Delhaize operated 1,642 pick-up points, which was 223 more than in 2020. These are either stand-alone, in-store or office-based, and include 1,386 click-and-collect points in the United States.

Group review
CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

Ahold Delhaize also operated the following other properties as of January 2, 2022:

Warehouse/distribution centers/production facilities/offices	**168**
Properties under construction/development	**126**
Investment properties	**746**
Total	**1,040**

The investment properties consist of buildings and land. The vast majority of these properties were subleased to third parties. Of these, the majority consisted of shopping centers containing one or more Ahold Delhaize stores and third-party retail units generating rental income.

The total number of retail locations owned or leased by Ahold Delhaize was 6,180 in 2021. This total includes 614 stores sub-leased to franchisees and 13 pick-up points in stand-alone locations. Ahold Delhaize also operates 223 gas stations in the premises of some of the group's stores. The total number of retail locations owned or leased increased by 278 compared to 2020.

The following table breaks down the ownership structure of our 6,180 retail locations (inclusive of stores subleased to franchisees) and 1,040 other properties as of January 2, 2022.

	Retail locations	Other properties
Company owned % of total	20%	51%
Leased % of total	80%	49%

Group review

EARNINGS AND DIVIDEND PER SHARE

Income from continuing operations per common share (basic) was €2.18, an increase of €0.87, or 66.8% compared to 2020. The main driver of this increase was the restructuring charges incurred in 2020 due to the withdrawal and settlement agreements relating to U.S. multi-employer pension plans. The decrease in the number of outstanding shares as a result of a €1 billion share buyback program carried out in 2021 provided a further contribution (see *Note 21* to the consolidated financial statements for more information on the share movements). Underlying income from continuing operations per common share (diluted) was €2.19, a decrease of €0.08, or 3.4%, compared to 2020, driven by a lower underlying operating margin.

Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to an estimated €2,262 million in 2021 and €2,358 million in 2020 (or €2,427 on a 53-week basis in 2020). As part of our dividend policy, we adjust income from continuing operations as follows:

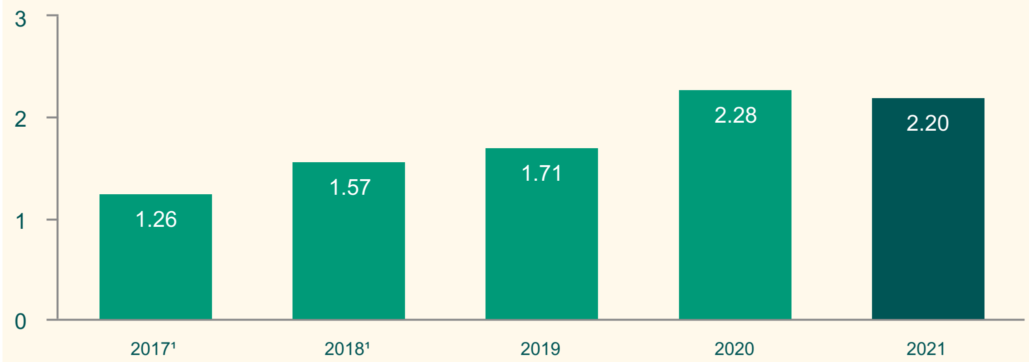
€ million	**2021 (based on 52-weeks)**	2020 (based on 53-weeks)
Income from continuing operations	**2,246**	1,397
Adjusted for:		
Impairment losses and reversals – net	**61**	48
(Gains) losses on leases and the sale of assets – net	**(76)**	(57)
Restructuring and related charges and other items	**26**	1,413
Unusual items in net financial expense	**—**	—
Tax effect on adjusted and unusual items	**6**	(373)
Underlying income from continuing operations	**2,262**	2,427
Income from continuing operations per share attributable to common shareholders	**2.18**	1.31
Underlying income from continuing operations per share attributable to common shareholders	**2.20**	2.28
Diluted underlying income per share from continuing operations	**2.19**	2.26

We propose a cash dividend of €0.95 per share for the financial year 2021, an increase of 5.6% compared to 2020, reflecting our ambition of sustainable growth of the dividend per share. This represents a payout ratio of 42% of underlying net income from continuing operations for 52 weeks.

If approved by the General Meeting of Shareholders, a final dividend of €0.52 per share will be paid in April 2022. This is in addition to the interim dividend of €0.43 per share, which was paid in September 2021. The estimated total dividend payment for the full year 2021 would, therefore, total €961 million.

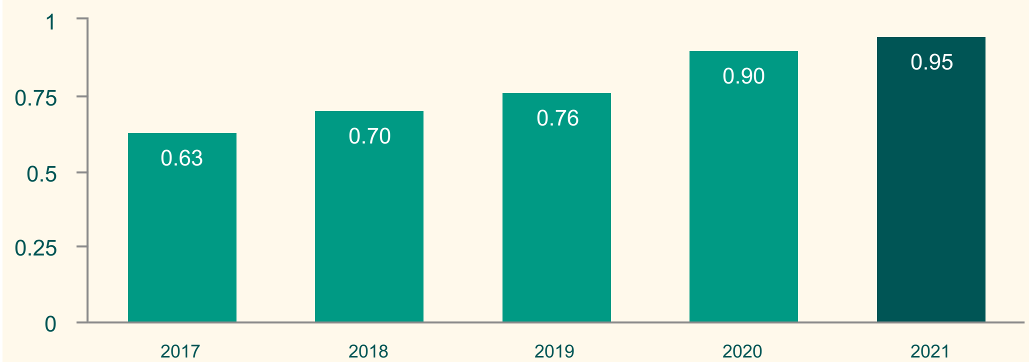
See *Information about Ahold Delhaize shares* for further details.

Underlying income from continuing operations per common share (basic)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

Dividend per common share



Group review

FINANCIAL REVIEW BY SEGMENT

KEY FINANCIAL AND NON-FINANCIAL INFORMATION

The key financial and non-financial information per region for 2021, 2020, 2019 and 2018 is presented below:

	The United States				Europe			
	2021	2020	2019	2018 restated[4]	**2021**	2020	2019	2018 restated[4]
Net sales (€ millions)	**45,455**	45,470	40,066	37,460	**30,147**	29,266	26,194	25,331
Net sales ($ millions)	**53,699**	51,838	44,841	44,174				
Of which: online sales (€ millions)	**3,228**	1,968	985	751	**4,477**	3,579	2,508	2,066
Of which: online sales ($ millions)	**3,814**	2,259	1,101	866				
Net sales growth in local currency	**3.6%**	15.6%	1.5%	1.9%	**2.8%**	12.1%	3.5%	3.4%
Comparable sales growth[1]	**2.6%**	13.3%	1.1%	2.3%	**2.8%**	9.5%	2.7%	2.8%
Comparable sales growth (excluding gasoline sales)[1]	**1.9%**	14.4%	1.4%	2.1%	**2.8%**	9.6%	2.7%	2.8%
Net consumer online sales (€ millions)	**3,228**	1,968	985	751	**7,173**	5,608	3,562	2,743
Net consumer online sales ($ millions)	**3,814**	2,259	1,101	886				
Operating income (€ millions)	**2,231**	1,006	1,668	1,633	**1,209**	1,380	1,140	1,123
Operating income ($ millions)	**2,631**	1,064	1,867	1,924				
Underlying operating income (€ millions)	**2,150**	2,466	1,712	1,699	**1,306**	1,325	1,205	1,164
Underlying operating income ($ millions)	**2,543**	2,789	1,916	2,002				
Underlying operating margin	**4.7%**	5.4%	4.3%	4.5%	**4.3%**	4.5%	4.6%	4.6%
Number of employees/headcount (at year-end in thousands)	**239**	239	215	207	**174**	175	165	165
Number of employees/FTEs (at year-end in thousands)[2]	**160**	158	143	136	**99**	91	88	88
Contribution to Ahold Delhaize net sales	**60.1%**	60.8%	60.5%	59.7%	**39.9%**	39.2%	39.5%	40.3%
Contribution to Ahold Delhaize underlying operating income[3]	**62.2%**	65.0%	58.7%	59.3%	**37.8%**	35.0%	41.3%	40.6%

1 For the year 2021, comparable sales growth is presented on a comparable 52-week basis. In the year 2020, comparable sales growth is presented on a 53-week basis.
2 Included in the 99,000 FTEs in Europe in 2021 (2020: 91,000; 2019: 88,000; 2018: 88,000) are 40,000 FTEs in the Netherlands (2020: 32,000; 2019: 31,000; 2018: 32,000 FTEs).
3 Before Global Support Office costs.
4 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases.

Financial review by segment

THE UNITED STATES

Net sales

€45.5bn

2020: €45.5bn 0.0% vs. 2020

3.6%[1]

Comparable sales growth (excluding gasoline sales)

1.9%

Operating income

€2,231mln

2020: €1,006mln 121.8% vs. 2020

147.4%[1]

Underlying operating income

€2,150mln

2020: €2,466mln (12.8)% vs. 2020

(8.8)%[1]

Underlying operating margin

4.7%

(0.6) pp[1]

2020: 5.4% (0.7) pp vs. 2020

Net consumer online sales

€3,228mln

2020: €1,968mln 64.0% vs 2020

68.9%[1]

1 At constant rates.

€ million	2021	2020	Change versus prior year	% change	% change at constant rates
Net sales	**45,455**	45,470	**(15)**	0.0%	**3.6%**
Of which online sales	**3,228**	1,968	**1,260**	64.0%	**68.9%**
Comparable sales growth	**2.6%**	13.3%			
Comparable sales growth excluding gasoline	**1.9%**	14.4%			
Operating income	**2,231**	1,006	**1,225**	121.8%	**147.4%**
Adjusted for:					
Impairment losses and reversals – net	**48**	27	**21**		
(Gains) losses on leases and the sale of assets – net	**(49)**	(20)	**(29)**		
Restructuring and related charges and other items	**(80)**	1,454	**(1,534)**		
Underlying operating income	**2,150**	2,466	**(316)**	(12.8)%	**(8.8)%**
Underlying operating income margin	**4.7%**	5.4%			

Net sales overview on a pro forma basis	2021	2020	Change versus prior year	% change	% change at constant exchange rates
€ million	**(52 weeks)**	(52 weeks)			
The United States	**45,455**	44,673	**782**	1.7%	**5.6%**

Financial year 2021 consisted of 52 weeks, while 2020 consisted of 53 weeks. Net sales in 2020 were positively impacted by the additional week, while the impact on operating margin was negligible.

In 2021, net sales were €45,455 million, down by €15 million or 0.0% compared to 2020. At constant exchange rates, net sales were up by 3.6%. Sales growth was positively impacted the acquisitions of FreshDirect and 71 stores from Southeastern Grocers, COVID-19 and inflation, and negatively affected by one fewer week of sales in 2021 compared to 2020. The additional week of sales in 2020 amounted to €798 million.

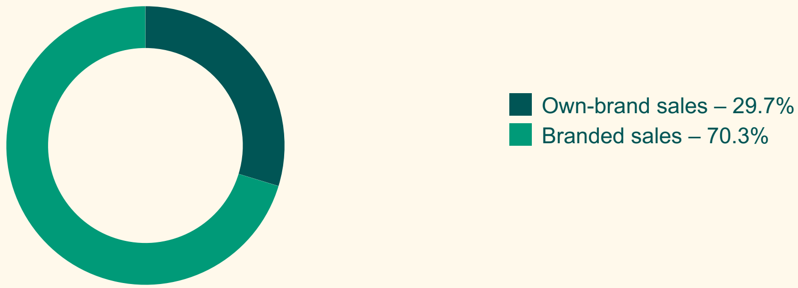
Online sales were €3,228 million, up by 68.9% compared to the prior year at constant exchange rates. On a comparable 52-week basis, online sales grew by 73.7% in 2021, at constant exchange rates. The increase versus last year was primarily driven by the pandemic, as consumers' intent to shop online continued to increase. The launch of 270 additional click-and-collect points helped the brands capture sales from this channel, along with a further strengthening of partnerships with third-party delivery services, the acquisition of the FreshDirect online grocery delivery service and the expansion of e-commerce offerings across the U.S. brands.

Financial review by segment

THE UNITED STATES

The Ahold Delhaize USA brands are enhancing their strong value propositions by leveraging their leading own-brand offerings. In 2021, own-brand sales as a percentage of total sales was 29.7%.

Own-brand sales



Within the different overall sales categories, the relative share of fresh, pharmacy and gas in the total sales increased, while the share of non-perishable and non-food decreased.

Net sales by category

Comparable sales excluding gasoline for the segment increased by 1.9%, with much of the growth attributed to COVID-19 and increased pandemic-related governmental aid, such as the Supplemental Nutrition Assistance Program (SNAP), which shifted volume from the out-of-home channel to grocery. In addition, sales in the U.S. benefited this year from the continuous growth of Food Lion, including the additional 71 stores acquired from Southeastern Grocers, as well as the acquisition of FreshDirect. Two-year stack comparable sales for Ahold Delhaize USA grew by 16.3% in 2021.

Operating income increased by €1,225 million, or 121.8%, compared to 2020. Underlying operating income was €2,150 million and is adjusted for the following items, which impacted operating income:

- Impairment losses and reversals – net: in 2021, impairment charges amounted to €48 million, versus €27 million in 2020. In 2021, the impairments related primarily to investment properties and underperforming stores at Stop & Shop. The impairments in 2020 related primarily to Stop & Shop's and Food Lion's underperforming stores and investment properties at Giant Food.
- (Gains) losses on leases and the sale of assets – net: In 2021, this total net gain was €49 million, mainly related to the sale of land (in Allston, Massachusetts), the sale of pharmacy scripts, lease terminations (location in the Bronx) and new subleases. In 2020, gains were recorded from sublease activity and the sale of investment property and miscellaneous equipment.
- Restructuring and related charges and other items: in 2021 we incurred income of €80 million. The income resulted from a partial release of the defined benefit obligation of the FELRA and MAP related to the American Rescue Plan Act (see *Note 24*). It was partly offset by the costs related to the acquisition of stores from Southeastern Grocers and FreshDirect, additional costs related to Hurricane Ida and charges related to Stop & Shop's early retirement incentive offered to employees. In 2020, these charges mainly related to Stop & Shop's and Giant Food's withdrawal and settlement agreements from multi-employer plans.

In 2021, underlying operating income was €2,150 million, down by €316 million or 12.8% compared to last year. At constant exchange rates, underlying operating income decreased by 8.8%.

The United States' underlying operating income margin in 2021 was 4.7%, down 0.7 percentage points compared to 2020. The 2021 sales were positively affected by COVID-19, while supply chain costs were impacted negatively by supply chain challenges in the U.S. Operating income was further affected by inflationary pressure, lower labor productivity and higher facility transition costs from C&S to our integrated supply chain network.

Financial review by segment
THE UNITED STATES

Growth drivers in action

Drive omnichannel growth

The Ahold Delhaize USA brands continue to invest into omnichannel development and expand their geographic coverage. Ahold Delhaize completed the FreshDirect acquisition this year; adding this leading local online brand will help us reach additional customers in the New York trade area and further propel our omnichannel evolution. We also finalized the acquisition of 71 stores from Southeastern Grocers, helping us maintain our leading position in Food Lion's market area. Stop & Shop and Food Lion are progressing with store remodeling programs and our U.S. brands continue to focus on local supplier partnerships and loyalty programs.

Our brands keep investing in infrastructure to support the growth of e-commerce. Ahold Delhaize USA's supply chain transformation program will help accommodate increasing demand and leverage scale. This year, our U.S. brands reached close to 1,400 click-and-collect points and plan to expand to 1,500 click-and-collect points by the end of 2022.

The U.S. brands leveraged their "connected customer" strategy, utilizing technology and making shopping faster, more convenient and personalized. They achieved +56% growth in digital customers and 69% online sales growth in 2021. The GIANT Company also rolled out the Flashfood app across all stores.

Elevate healthy and sustainable

During the year, the U.S. brands unveiled new health and sustainability goals as part of a purpose-driven strategy to enable customers to make healthier choices, create greater product transparency, eliminate waste and take bold climate action, in support of developing a more sustainable food supply chain.

As part of this, the brands partnered with HowGood to bring customers an easy-to-use environmental and social impact rating system.

The brands continued to focus on eliminating hunger and food waste through partnerships with Feeding America, together committing to donate two billion meals through food rescue programs and donations.

Hannaford became the first large-scale supermarket chain in the northeast United States to achieve zero food waste to landfills.

The U.S. brands also continued to implement energy efficiency measures, such as LED lighting and improved refrigeration systems. They installed electric vehicle charging stations at several stores and plan to increase the number of these stations in coming years.

Cultivate best talent

With a focus on our D&I aspiration: 100% Gender Balanced, 100% Reflective of Markets, 100% Inclusive, our great local brands made remarkable steps on this journey during 2021.

For example, ADUSA Supply Chain is putting a renewed focus on the people at the heart of their businesses and how they cultivate a diverse, equitable and inclusive environment where all associates can thrive.

They leveraged a diversity, equity and inclusion (DE&I) maturity model to craft their strategy and anticipate progress towards more mature positions over the next three years. Leaders are actively engaged in DE&I work and engaging associates in discussion around these topics. In addition, ADUSA Supply Chain has robust sponsorship and mentorship programs in place and is leveraging DE&I data to drive progress.

In addition, the U.S. brands transitioned over 131,000 associates to SAP SuccessFactors 2, a unified HR and payroll platform during the year. They follow our businesses in the Netherlands, which transferred around 100,000 associates onto a unified platform in 2020.

Strengthen operational excellence

Ahold Delhaize USA is nearing the end of its three-year supply chain transformation journey. The network is now 65% self-managed, compared to 40% in 2019, and the team is on schedule to reach 85% in 2022. Ahold Delhaize USA is also building new facilities in key geographies to support the brands efficiently and effectively. By the end of 2022, the network will include 25 distribution centers and food processing facilities, 28 e-commerce fulfillment centers and 1,500 click-and-collect locations.

Highlights in 2021 were the opening of a state-of-the-art e-commerce fulfillment center by The GIANT Company and the opening of a one-million-square-foot distribution center in Connecticut that will enhance the supply to more than 450 Stop & Shop stores and e-commerce centers. The U.S. brands are on track to open two new fully automated frozen facilities next year.

As the U.S. brands expand, they deploy key technology capabilities, including robotics, machine learning, vertical integration and other technology solutions that boost efficiency and ultimately result in the faster delivery of fresher products to customers.

Financial review by segment

EUROPE

Net sales

€30.1bn

2020: €29.3bn 3.0% vs. 2020

2.8%[1]

Comparable sales growth (excluding gasoline sales)

2.8%

Operating income

€1,209mln

2020: €1,380mln (12.4)% vs. 2020

(12.6)%[1]

Underlying operating income

€1,306mln

2020: €1,325mln (1.4)% vs. 2020

(1.5)%[1]

Underlying operating margin

4.3%

(0.2) pp[1]

2020: 4.5% (0.2) pp vs. 2020

Net consumer online sales

€7.2bn

2020: €5.6bn 27.9% vs. 2020

27.9%[1]

1 At constant rates.

€ million	2021	2020	Change versus prior year	% change	% change at constant rates
Net sales	**30,147**	29,266	**881**	3.0%	**2.8%**
Of which online sales	**4,477**	3,579	**898**	25.1%	**25.1%**
Net consumer online sales	**7,173**	5,608	**1,565**	27.9%	**27.9%**
Comparable sales growth	**2.8%**	9.5%			
Comparable sales growth excluding gasoline	**2.8%**	9.6%			
Operating income	**1,209**	1,380	**(171)**	(12.4)%	**(12.6)%**
Adjusted for:					
Impairment losses and reversals – net	**13**	21	**(8)**		
(Gains) losses on leases and the sale of assets – net	**(21)**	(37)	**16**		
Restructuring and related charges and other items	**106**	(39)	**145**		
Underlying operating income	**1,306**	1,325	**(19)**	(1.4)%	**(1.5)%**
Underlying operating income margin	**4.3%**	4.5%			

Net sales overview on a pro forma basis	2021	2020	Change versus prior year	% change	% change at constant exchange rates
€ million	**(52 weeks)**	(52 weeks)			
Europe	**30,147**	28,879	1,268	4.4%	4.2%

Financial year 2021 consisted of 52 weeks, while 2020 consisted of 53 weeks. Net sales in 2020 were positively impacted by the additional week, while the impact on the operating margin was negligible. The additional week of sales in 2020 amounted to €387 million.

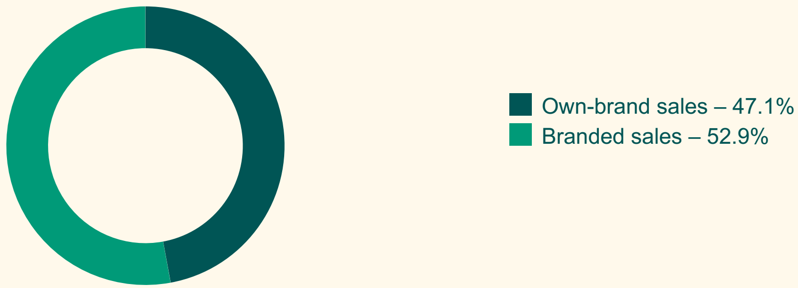
Net sales in 2021 were €30,147 million, up by €881 million or 3.0% compared to 2020. At constant exchange rates, net sales were up by 2.8%. Sales growth was driven by the increased demand related to COVID-19, the acquisition of 38 DEEN stores in the Netherlands and by strong execution of our distribution and store operations. In Europe, the pandemic has had a more mixed impact on the different brands compared to our brands in the United States, and the effect of COVID-19 has been more balanced, with additional sales matching the related costs.

Online sales were €4,477, up by 25.1% compared to last year, mainly driven by the strong performance of our online brands, bol.com and ah.nl. Bol.com experienced strong net consumer online sales growth of 26.6% in 2021. This growth comes on top of the very high growth of 56.8% in 2020. The brand's business in Belgium and its third-party platform – which currently offers a marketplace to more than 48,500 Plaza partners in the Netherlands and Belgium – remain important growth drivers. Other brands also saw a rapid growth in online sales, partially driven by higher demand due to COVID-19, complementing the total online sales growth.

Financial review by segment
EUROPE

We have a relatively high own-brand share across Europe, which has enabled our brands to offer value to customers during the current period of heightened insecurity, characterized by higher unemployment and tightening consumer wallets. In 2021, own-brand sales comprised 47.1% of total sales.

Own-brand sales



Within the different overall sales categories, the relative share of non-perishables and non-food increased, the share of gas remained the same, and the share of fresh food decreased as a percentage of total sales.

Comparable sales excluding gasoline increased by 2.8%, mainly driven by higher volumes related to COVID-19 and strong online sales. Across Europe, we saw strong comparable sales growth excluding gasoline, with bol.com, Albert Heijn and the Czech Republic as the largest contributors. Two-year stack comparable sales for our Europe segment grew by 12.3% in 2021.

Net sales by category

Operating income decreased by €171 million, or 12.4%, to €1,209 million, affected by the following items that Ahold Delhaize adjusts to arrive at underlying operating income:

- Impairment losses and reversals – net: In 2021, impairment charges amounted to €13 million, mainly related to underperforming stores in Greece, the Czech Republic, and the Netherlands. In 2020, impairment charges were mainly related to underperforming stores in the Czech Republic, Greece and Romania.
- (Gains) losses on leases and the sale of assets – net: In 2021, this total net gain was €21 million, mainly related to the Netherlands (€8 million) and the Czech Republic (€8 million). In 2020, results were mainly related to a sale and partial leaseback in Belgium (€18 million) and the Czech Republic (€17 million).
- Restructuring and related charges and other items: In 2021, the charges amounted to €106 million, and included one-off items mainly related to restructuring and settlements in the Netherlands (€36 million) and in Belgium (€66 million). In 2020, charges included one-off items at various brands mainly related to restructurings and settlements and were more than offset by a €105 million income related to the pension plan amendment in the Netherlands.

In 2021, underlying operating income in Europe was €1,306 million, down by €19 million, or 1.4%, compared to 2020. Underlying operating margin in Europe was 4.3% in 2021, down 0.2 percentage points compared to 2020. In Europe, some of our brands, including those in Romania and our brands' convenience formats (Albert Heijn to go and Shop & Go), were negatively impacted by COVID-19 to a greater extent, suffering from decreased traffic, the absence of tourists and the trend of people moving from the city to the countryside during lockdown periods. Margins were mainly impacted by higher underlying operating expenses, particularly driven by higher labor, operational and administrative expenses related to COVID-19. To a lesser extent, margins were negatively impacted by the floods in Belgium. This was partly offset by better gross margins driven by lower cost of product and savings from our Save for Our Customers program.

Our net sales in Europe consist of sales to consumers and to franchise stores. Franchise stores operate under the same format as Ahold Delhaize-operated stores. Franchisees purchase merchandise primarily from Ahold Delhaize, pay a franchise fee and receive support services.

Financial review by segment
EUROPE

Growth drivers in action

Drive omnichannel growth

Our European brands are leveraging technology to strengthen their ecosystem, accelerate the personalized omnichannel experience to increase customer loyalty, and provide growth opportunities and new income streams.

We are offering innovative loyalty programs throughout our European brands; for example, SuperPlus at Delhaize, through which more than two million consumers get discounts and rewards when buying healthy products and Albert Heijn's new premium subscription program.

We are making great progress in expanding our delivery services. For example, Albert Heijn rolled out its no-fee home delivery "Compact" service to additional markets, and Mega Image and Alfa Beta are piloting fast delivery.

Albert Heijn completed the acquisition of 38 DEEN stores and remodeled approximately 60 stores to its new fresh and technology-focused format. In addition, bol.com added roughly 7,500 merchants in 2021, bringing the total to more than 48,500 merchant partners.

Elevate healthy and sustainable

We have made great progress in elevating healthy and sustainable throughout our European brands in 2021.

For example, according to the Sustainable Brand Index™, Albert Heijn was named the most sustainable supermarket chain in the Netherlands for the fifth time in a row. In the Czech Republic, Albert was recognized as the market leader for its wide range of organic products.

To minimize product packaging, the Albert store in Chodov gives customers the choice to use reusable, smart, closable containers for purchasing unwrapped drugstore items and toiletries, such as soap, shampoo, washing powder, baking soda, detergents and several different cleaning agents.

Alfa Beta installed more than 350 charging stations at its stores so customers can charge their electric cars while doing their grocery shopping.

Lastly, bol.com began utilizing a multi-packaging machine that saves packaging material, leading to fewer delivery trips and reducing the brand's overall CO_2 emissions.

Cultivate best talent

The acquisition of DEEN led to the expansion of Albert Heijn and welcomed 4,700 new associates in the Netherlands. Colleagues across functions worked hard to ensure a smooth onboarding of new associates by working on contracts, organizing master classes, making technical changes to the system, and much more – all in addition to handling the regular onboarding of associates within the brand.

To create a more welcoming and inclusive workplace, several European brands rolled out the Young Ahold Delhaize Business Resource Group to inspire and promote fun events that contribute to the development of young team members. For example, AB in Greece launched the Young Alfa Beta group, which already has about 200 members. This Business Resource Group is aimed at building a network for young associates to encourage engagement and empowerment, generate fresh ideas and innovations, empower diversity and inclusion, support the development of key skills and mindsets, enable members to engage with leaders, and hopefully become a magnet for recruiting new talent.

Strengthen operational excellence

Our brands are continuously exploring opportunities to drive synergies and scale across Europe. For example, in 2021, our Benelux brands rolled out four sourcing partnerships in fresh categories that will lead to around €18 million of savings per year.

The European brands have strategic initiatives in place to gain more scale benefits from sourcing through joint negotiations and (regional) own-brand ranges.

To continuously simplify and improve operational processes, the brands rolled out more than 400 Robotics Process Automation units (RPAs), launched chat bots, experimented with native language generation and piloted automated cleaning technologies in stores and warehouses.

The brands are improving productivity through automation and standardization. For example, they have activated a harmonized merchandising optimization program, focused on standardizing commercial tooling and insights within our European brands. They are further standardizing back-office processes and procurement of not-for-resale products.

Our brands continue to share best practices; for example, Alfa Beta implemented Albert Heijn's dry misting solution to keep produce fresh in its stores.

Financial review by segment

GLOBAL SUPPORT OFFICE

€ million	2021	2020	Change versus prior year	% change
Global Support Office costs	**(119)**	(195)	76	(39.0)%
(Gains) losses on leases and the sale of assets – net	**6**	—	6	NM
Restructuring and related charges and other items	**—**	2	(2)	NM
Underlying Global Support Office costs	**(125)**	(197)	72	(36.5)%
of which related to self-insurance activities	**35**	(39)	74	NM
Underlying Global Support Office costs excluding self-insurance	**(160)**	(158)	(2)	1.1%

Global Support Office costs in 2021 were €119 million, down €76 million compared to the prior year, driven by a better insurance result of €74 million. Due to COVID-19, there was a significant drop in the discount rates as of March 2020. In 2021, the discount rates are slowly recovering to pre-COVID-19 levels.

Underlying Global Support Office costs were €125 million, €72 million lower than 2020. The €74 million increase in self-insurance activities was the result of a significant increase in discount rates. Underlying Global Support Office costs excluding self-insurance were €160 million, up €2 million versus last year.

Financial review by segment

GLOBAL SUPPORT OFFICE

Growth drivers in action

Drive omnichannel growth

In 2021, we built capabilities to support our brands in building a better omnichannel customer experience, optimizing the businesses and unlocking additional income streams. This will create a virtuous circle that keeps improving our brands' proposition to customers. As we continue our omnichannel and digital transformation, these capabilities will unlock significant new opportunities in areas like automation, loyalty, personalization, and new services and increased relevancy for the brands' customers.

In addition, to deliver towards our long-term e-commerce ambition, in 2021, we moved from an incremental view of e-commerce profitability to a fully allocated one, with a global standard profit and loss statement across all the brands for full comparability, best-practice sharing and a clear roadmap towards our ambitious goal.

Elevate healthy and sustainable

During 2021, we continued to increase our focus on environmental, social and governance topics. We updated our Healthy and Sustainable strategy, working towards healthier people and a healthier planet. We announced plans to reduce our carbon emissions further and become net zero for scope 1 and 2 by 2040 and for scope 3 by 2050. We increased our ambition on healthy own-brand sales to over 55% by 2025 and remain focused on further reducing food waste and increasing the percentage of recyclable, re-usable and / or compostable own-brand plastic product packaging.

To make sure we are able to measure performance on our targets and commitments in an effective and efficient way, we investigated how we can improve the data collection processes within our brands and at group level. We held several workshops with the brands to identify improvements on KPI level, with the goal to ensure Ahold Delhaize and each brand can better steer and further improve ESG performance.

In the coming years, we will continue to implement the opportunities for improvement we have identified.

Cultivate best talent

Within the Ahold Delhaize brands and businesses, 41% of the workforce is part of Gen Z, and there is a lot to learn from this generation. As leaders, we are striving to support our Gen Z associates and involve them more in our decision-making processes.

We recently invited Dr. Eveline Crone, thought leader on Gen Z, to be a keynote speaker at our Ahold Delhaize Leadership event. She shared insights on this generation that we transformed into actionable steps. At the Global Support Office, we started a pilot that aims to train and equip our leaders to feel comfortable having conversations about mental well-being with their teams, while helping associates to get further insights into their own mental health through a self-screening tool. See more information in *COVID-19: Impact and our response*.

Strengthen operational excellence

In 2021, our Global Technology Sourcing & Vendor Management team leveraged Ahold Delhaize's scale through synergies on technology-related purchases across our brands and businesses.

The team achieved significant cost reduction by eliminating the duplication of maintenance and support costs across different enterprise technology vendor portfolios.

They were also able to drive down costs during the year by pursuing improved discounts, particularly in our cloud infrastructure footprint.

Performance review
OUTLOOK

SUMMARY

Below is a summary of the full-year outlook for 2022:

Performance measure	Outlook 2022
Underlying operating margin	At least 4%
Diluted underlying EPS growth	low- to mid-single-digit decline versus 2021
Save for Our Customers	>€850 million
Capital expenditures	~ €2.5 billion
Free cash flow[1]	~ €1.7 billion
Dividend payout ratio[2, 3]	40-50% and year-over-year increase in dividend per share
Share buyback[4]	€1 billion

1 Excludes M&A.
2 Calculated as a percentage of underlying income from continuing operations.
3 Management remains committed to the share buyback and dividend program, but given the uncertainty caused by COVID-19, they will continue to monitor macro-economic developments. The program is also subject to changes in corporate activities, such as material M&A activity.

CONTINUED SALES GROWTH EXPECTED IN 2022

COVID-19 is having lasting effects on consumer behavior, favoring more food-at-home consumption and increased online food penetration in comparison to pre-COVID-19 trends. Our omnichannel platform has played particularly well in this environment, enabling sales to grow in 2021 on top of an elevated 2020 sales base.

Given the strong levels of reinvestment we are making back into our business and omnichannel offerings, we forecast continued sales growth in 2022 and the years following. Our guidance calls for an incremental €10 billion of Group net sales through 2025 versus 2022, driven by our digital and online investments, the leveraging of our Benelux food/non-food ecosystem, and continued store remodeling activity.

MACRO-ECONOMIC INDICATORS SUPPORTIVE OF FOOD-AT-HOME DEMAND IN 2022

On a macro level, the International Monetary Fund (IMF) forecasts strong real GDP growth in both the U.S. and Europe during 2022 of 4.0% and 3.9%, respectively. This level of growth should translate into a good backdrop for our communities, as economic activity remains vibrant. However, consumers globally are contending with higher living expenses, as expressed by above average Consumer Price Index (CPI) rates, which in 2022 are forecasted by the IMF at +3.5% in the U.S. and +3.6% in Europe.

We continue to provide a strong range of offerings for consumers seeking value, given high own-brand penetration rates across our global brands. And with consumers' wallets being stretched by higher living costs, food-at-home demand is likely to remain strong in 2022 given its proposition as a cheaper alternative to eating outside of the home. This notion is supported by the USDA's 2022 forecast for CPI food-at-home inflation of +1.5% to +2.5% compared to projected food-away-from-home inflation of +3.5% to +4.5%, suggesting that shopping in grocery stores is expected to become relatively more affordable versus restaurants in 2022.

OMNICHANNEL STRATEGY EXPANDS FURTHER IN 2022

Our approach to being a leading local omnichannel food retailer continues to serve us well; this was highlighted in 2021, when our broad-based e-commerce solutions enabled our brands to drive share gains, due in part to changes in the way consumers shop.

We believe a lot of this behavior will persist, and are continuing to make significant investments in our omnichannel proposition, which is reflected in our 2022 outlook.

Specifically, we expect further growth in our e-commerce business during 2022, and are targeting a mid-teens increase in group net consumer online sales.

At the same time, we will also continue to reinvest in our brands' brick-and-mortar store locations. For example, Stop & Shop has plans to remodel an additional 40 stores in 2022 as part of the Reimagine Stop & Shop program.

OPERATIONAL EXCELLENCE TO DRIVE SUSTAINED INDUSTRY-LEADING MARGINS IN 2022

In 2022, we expect to sustain our industry-leading underlying operating margins of at least 4%. This outlook reflects a balanced approach with cost savings largely offsetting cost pressures.

After achieving cumulative savings of more than €2.5 billion over the past three years, our Save for Our Customers program is expected to yield a cumulative €4.0 billion in cost savings over the next four years. In 2022, savings are forecasted at above €850 million, and will be driven by our initiatives in joint sourcing, automation as well as data and media monetization, among others.

In the U.S., we are continuing to improve our supply chain capabilities by moving towards a fully integrated, self-distribution model in 2023. We are progressing on schedule, with 65% of our center-store volume currently self distributed, and 85% self distribution expected to be reached in 2022.

In Europe, we expect to have electronic shelf labelling at more than 80% of our brands' supermarkets by the end of 2022, allowing us to gain efficiencies and aid profitability. Additionally, we continue to identify opportunities to drive synergies and scale across Europe related to product sourcing.

We plan on improving online profit margins in 2022, as part of our ambition to make e-commerce profitable on a fully allocated channel basis by 2025. In Q4 2021, The GIANT Company opened a new e-commerce fulfillment center in the Philadelphia market as part of our brands' initiatives to drive growth and efficiencies in online operations.

These and other factors support our margin outlook.

Performance review
OUTLOOK

STRONG FREE CASH FLOW GENERATION EXPECTED IN 2022

Our performance outlook for 2022 translates into another round of strong cash flow generation, which is reflected in our free cash flow forecast of approximately €1.7 billion[1]. This comes as our Save for Our Customers program allows us to continuously improve our consumer value proposition and reinvest back into our omnichannel platform, to improve our digital and e-commerce capabilities and optimize our brick-and-mortar store and supply chain network. We expect our free cash flow generation to remain strong over the upcoming years as well, and are forecasting €6.0 billion in cumulative free cash flows over the four-year period from 2022 to 2025.

1 Free cash flow and capital expenditure guidance expressly excludes M&A activity.

CAPITAL EXPENDITURE OF APPROXIMATELY €2.5 BILLION

We anticipate 2022 net capital expenditures of €2.5 billion versus €2.3 billion in 2021, with increased investments into our digital and online capabilities, as well as our healthy and sustainable initiatives. Over the next four years, we will maintain strong levels of reinvestment back into our businesses, with net capital expenditures expected to average 3.5% of sales.

RETURNING CAPITAL TO SHAREHOLDERS CONTINUES

The strong level of free cash flow embedded in our 2022 outlook supports our €1 billion share repurchase authorization announced in November 2021, as well as our dividend policy, which calls for sustainable growth in our annual cash dividend and a 40%-50% payout ratio from underlying net income.

We propose a cash dividend of €0.95 for the financial year 2021, an increase of 5.6% compared to 2020. If approved by the General Meeting of Shareholders, a final dividend of €0.52 per share will be paid on April 28, 2022. This is in addition to the interim dividend of €0.43 per share, which was paid on September 2, 2021.

CULTIVATE BEST TALENT TARGETS

The growth driver Cultivating best talent remains a strategic focus, as we believe the proper development and engagement of associates ultimately drives good returns for the business. It is also helping us address ESG topics that include: diversity and inclusion and associate safety, health and well-being. In 2022, we target the following metrics: an associate engagement score of 80% or greater; and an inclusive workplace score of 79% or greater. Over the course of 2022, we will adapt the associate engagement indices to better align with the brands' needs.

WE PLAN TO MAKE CONTINUED PROGRESS ON OUR ESG INITIATIVES IN 2022

In addition to our formal financial outlook, during 2022, we expect to continue to make progress on our Healthy and Sustainable strategy, for which the importance continues to increase throughout our organization. In 2022, we plan to make continued progress on increasing the percentage of own-brand healthy sales, further reduce food waste and reduce scope 1 and 2 carbon emissions in line with the commitment to become net zero for scope 1 and 2 carbon emissions by 2040. We strive towards continued improvements in diversity and inclusion, and doing our part to protect human rights.

We will continue to elevate our healthy and sustainable platform in 2022, and are targeting a 54.2% penetration rate of healthy own-brand sales; an 18% reduction in food waste; and a reduction in CO_2 emissions in line with our net-zero ambition. In 2022, we will continue to work on a detailed plan for our scope 3 carbon-equivalent emissions and work to increase the percentage of reusable, recyclable or compostable own-brand primary plastic product packaging as well as a more robust approach to sustainable agriculture.

This section provides an overview of the most important ESG targets that will drive our Healthy and Sustainable strategy and represent the areas where we want to make a difference in years to come.

Performance indicator description	2022 target	2025 target	2030 target
% of healthy own-brand food sales as a proportion of total own-brand food sales	54.2%	>55%	
Reduction in tonnes of food waste per food sales (t/€ million) against 2016 baseline	18%	32%	50%
% own-brand primary plastic product packaging that is reusable, recyclable or compostable		100%	
Absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes) against 2018 baseline			50%
% reduction in absolute CO_2-equivalent emissions from our value chain (scope 3) against 2018 baseline			15%

Performance review

INFORMATION ABOUT AHOLD DELHAIZE SHARES

SHARES AND LISTINGS

Koninklijke Ahold Delhaize N.V. is a public limited liability company registered in the Netherlands with a listing of shares on Euronext's Amsterdam Stock Exchange (AEX) and Euronext Brussels (Ticker: AD, Bloomberg code: AD NA, ISIN code: NL0011794037, CUSIP: N0074E105, Reuters code: AD.AS).

Ahold Delhaize's shares trade in the United States on the over-the-counter (OTC) market (www.otcmarkets.com) in the form of American Depositary Receipts (ADRs) (ticker: ADRNY, Bloomberg code: ADRNY US, ISIN code: US5004675014, CUSIP: 500467501).

The ratio between Ahold Delhaize ADRs and the ordinary Netherlands (euro-denominated) shares is 1:1, i.e., one ADR represents one Ahold Delhaize ordinary share.

Structure: Sponsored Level I ADR

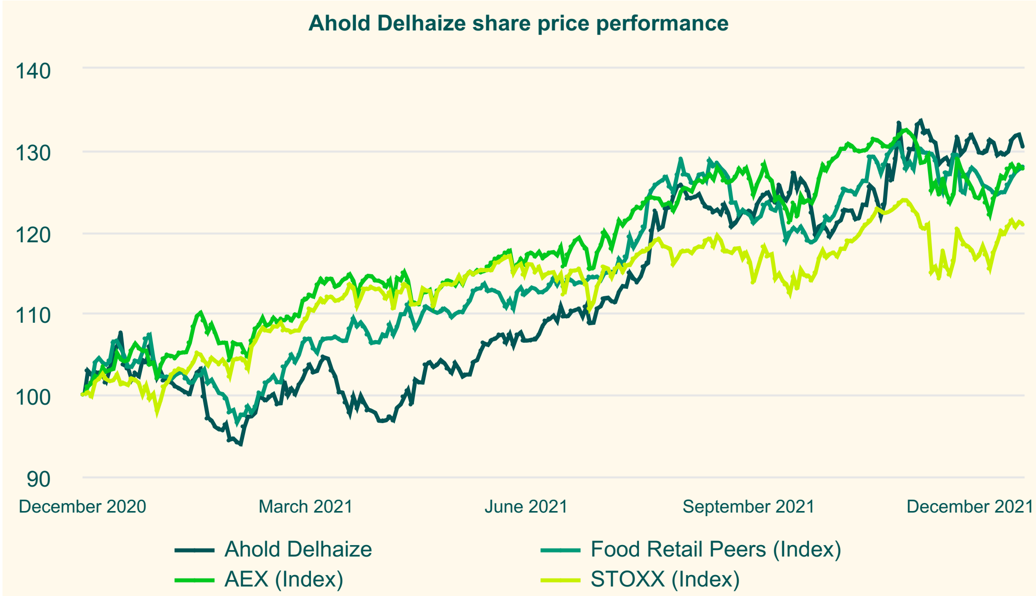
J.P. Morgan (the Depositary) acts as the depositary bank for Ahold Delhaize's ADR program. Please also see *Contact information* for details on how to contact J.P. Morgan regarding the ADR program.

SHARE PERFORMANCE IN 2021

On December 31, 2021, the closing price of an Ahold Delhaize ordinary share on Euronext Amsterdam was €30.14, a 30.4% increase compared to €23.11 on December 31, 2020. During the same period, the Euro STOXX 50 index increased by 21.0% and the AEX index increased by 27.7%.

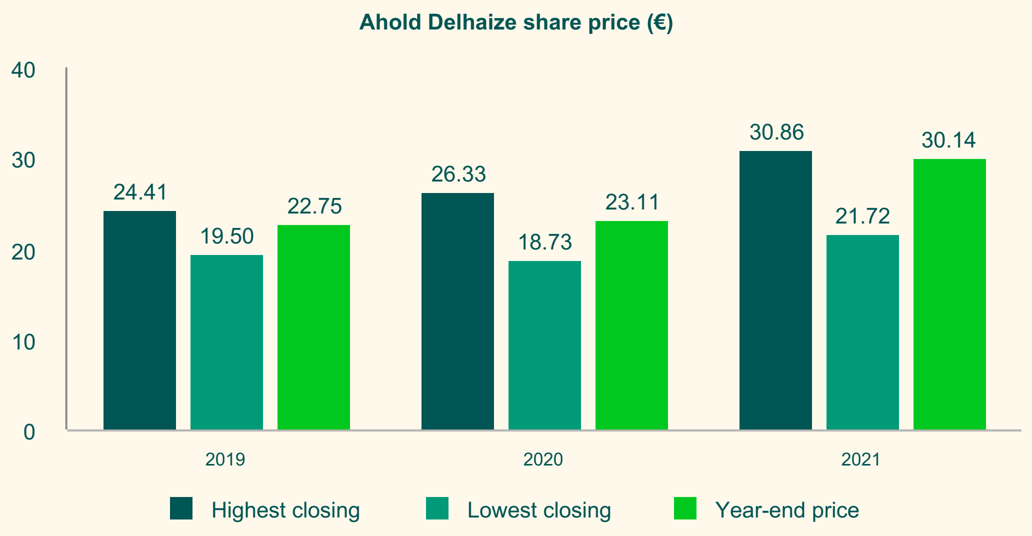
During 2021, Ahold Delhaize shares traded on Euronext Amsterdam at an average closing price of €25.98 and an average daily trading volume of 3.1 million shares. Ahold Delhaize's market capitalization was €30.5 billion at year-end 2021. The highest closing price for Ahold Delhaize's shares on Euronext Amsterdam was €30.86 on November, 23, 2021, and the lowest was €21.72 on March 3, 2021.

The complete list of the select peer group includes: Walmart Inc., Kroger Co., Tesco Plc., Costco Wholesale Corporation, Carrefour SA, J Sainsbury Plc., Target Corporation, Albertsons Companies, Inc and Casino SA. The chart represents the performance of Ahold Delhaize shares along with the AEX, Euro Stoxx 50, and our peer group, on an equal weighted basis. The price performance of our shares shown in the graph above is not necessarily indicative of future stock performance.



On December 31, 2021, the closing price of Ahold Delhaize's ADR was 21.2% higher than the closing price on December 31, 2020 ($28.28). In the same period, the Dow Jones Index increased by 18.7% and the S&P 500 increased by 26.9%. In 2021, the average daily trading volume of Ahold Delhaize American Depositary Receipts (ADRs) was 78,254.

Performance review
INFORMATION ABOUT AHOLD DELHAIZE SHARES



Performance of Ahold Delhaize's common shares on Euronext Amsterdam

	2021	2020
Closing common share price at calendar year-end (in €)	**30.14**	23.11
Average closing common share price (in €)	**25.98**	23.52
Highest closing common share price (in €)	**30.86**	26.33
Lowest closing common share price (in €)	**21.72**	18.73
Average daily trading volume	**3,103,721**	4,003,668
Market capitalization (€ million)	**30,482**	24,197

Source: FactSet

EARNINGS PER SHARE

During 2021, Ahold Delhaize realized a basic income from continuing operations per share of €2.18 and diluted income from continuing operations per share of €2.17. Basic underlying income from continuing operations was €2.20 per share, and diluted underlying income from continuing operations was €2.19 per share. This difference between our reported and underlying income from continuing operations is related to a net €16 million of one-time charges.

SHARE CAPITAL

During 2021, Ahold Delhaize's issued and outstanding share capital decreased by approximately 36 million common shares to 1,011 million common shares. This decrease resulted mainly from the share buyback of €1 billion as announced on December 4, 2019, marginally offset by the issuance of shares for the Company's share-based compensation program.

The common shares issued decreased by 55 million to 1,046 million at the end of 2021. The difference between the common shares outstanding and common shares issued are the treasury shares.

As of January 2, 2022, there were 34,387 thousand shares held in treasury, the majority held by Ahold Delhaize to cover the equity-based long-term incentive plan.

Ahold Delhaize's authorized share capital as of January 2, 2022, comprised the following:

- 1,923,515,827 common shares at €0.01 par value each
- 326,484,173 cumulative preferred financing shares at €0.01 par value each
- 2,250,000,000 cumulative preferred shares at €0.01 par value each

For additional information about Ahold Delhaize's share capital, see *Note 21* to the consolidated financial statements.

Distribution of shares
SHAREHOLDERS BY REGION[1]:

%	January 2022	January 2021
U.K./Ireland	**15.8**	**12.4**
North America	**28.0**	**32.0**
Rest of Europe	**9.8**	**9.5**
France	**7.3**	**6.6**
The Netherlands[2]	**5.3**	**5.5**
Rest of the world	**3.4**	**4.5**
Germany	**5.5**	**5.3**
Undisclosed[2]	**24.8**	**24.2**

1 Source: CMi2i.
2 The Netherlands excludes the percentage of shareholdings of all retail holdings and treasury shares, which are included in Undisclosed.

Performance review

INFORMATION ABOUT AHOLD DELHAIZE SHARES

SIGNIFICANT OWNERSHIP OF VOTING SHARES

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold Delhaize's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3% 5% 10% 15% 20% 25% 30% 40% 50%

60% 75% 95%

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 21, 2022, that hold an interest of 3% or more in the share capital of the Company[1].

- Koninklijke Ahold Delhaize N.V. – 3.05% shareholding (0% voting rights) disclosed on December 7, 2021
- P.E. Singer – 3.04% shareholding (3.04% voting rights) disclosed on November 15, 2021
- BlackRock, Inc. – 5.84% shareholding (6.99% voting rights) disclosed on August 23, 2021
- State Street Corporation – 3.49% shareholding (2.70% voting rights) disclosed on July 18, 2019

1 In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at www.afm.nl.

For further details on the number of outstanding shares, and the percentages of the issued share capital they represent, see Note 21 to the consolidated financial statements.

Shareholder returns

On April 14, 2021, the General Meeting of Shareholders approved the dividend over 2020 of €0.90 per common share. The interim dividend of €0.50 per common share was paid on August 27, 2020. The final dividend of €0.40 per common share was paid on April 29, 2021.

We propose a cash dividend of €0.95 for the financial year 2021, an increase of 5.6% compared to 2020, reflecting our ambition of sustainable growth of the dividend per share. This represents a payout ratio of 42%, based on the expected dividend payment on 52 weeks of underlying income from continuing operations.

If approved by the General Meeting of Shareholders, a final dividend of €0.52 per share will be paid on April 28, 2022. This is in addition to the interim dividend of €0.43 per share, which was paid on September 2, 2021.

SHAREHOLDERS KEY PERFORMANCE INDICATORS 2017-2021

	2021	2020	2019	2018	2017
Dividend per common share[1]	**0.95**	0.90	0.76	0.70	0.63
Final dividend	**0.52**	0.40	0.46	0.70	0.63
Interim dividend	**0.43**	0.50	0.30	N/A	N/A
Dividend yield	**3.2%**	3.9%	3.3%	3.2%	3.4%
Payout ratio	**42%**	40%	44%	42%	47%

1 2021 dividend subject to the approval of the annual General Meeting of Shareholders.

Share buyback

On November 4, 2020, Ahold Delhaize announced it would return €1 billion to shareholders by means of a share buyback program, which was completed on December 13, 2021. An additional €1 billion share buyback program was announced on November 15, 2021, which is expected to be completed before the end of 2022. Maintaining a balanced approach between funding growth in key channels and returning excess liquidity to shareholders is part of Ahold Delhaize's financial framework to support our Leading Together strategy. The purpose of the program is to reduce Ahold Delhaize's capital, by cancelling all or part of the common shares acquired through the program.

Performance review

MULTIPLE-YEAR OVERVIEW

The multiple-year overview is provided for ten years; however, the figures prior to 2018 are not comparable because they have not been restated for the impact of IFRS 16. In addition, it should be noted that years prior to 2016 only relate to the former Ahold business. The former Delhaize business is included as of July 24, 2016.

RESULTS, CASH FLOW AND OTHER INFORMATION

€ million, except per share data, exchange rates and percentages	2021	2020	2019	2018 restated[1]	2017[1]	2016[1,2]	2015[1]	2014[1]	2013[1]	2012[1]
Net sales	**75,601**	74,736	66,260	62,791	62,890	49,695	38,203	32,774	32,615	32,682
Of which online sales	**7,704**	5,547	3,493	2,817	2,393	1,991	1,646	1,267	1,086	830
Net sales growth at constant exchange rates[3]	**5.0%**	12.3%	2.3%	2.5%	28.9%	32.3%	2.3%	0.8%	2.0%	3.6%
Operating income	**3,320**	2,191	2,662	2,623	2,225	1,584	1,318	1,250	1,239	1,336
Underlying operating income margin	**4.4%**	4.8%	4.2%	4.4%	3.9%	3.8%	3.8%	3.9%	4.2%	4.3%
Net financial expense	**(517)**	(485)	(528)	(487)	(297)	(541)	(265)	(235)	(291)	(208)
Income from continuing operations	**2,246**	1,397	1,767	1,797	1,817	830	849	791	805	869
Income (loss) from discontinued operations	**—**	—	(1)	(17)	—	—	2	(197)	1,732	46
Net income	**2,246**	1,397	1,766	1,780	1,817	830	851	594	2,537	915
Earnings and dividend per share										
Net income per common share (basic)	**2.18**	1.31	1.60	1.51	1.45	0.81	1.04	0.68	2.48	0.88
Net income per common share (diluted)	**2.17**	1.30	1.59	1.49	1.43	0.81	1.02	0.67	2.39	0.85
Income from continuing operations per common share (basic)	**2.18**	1.31	1.60	1.53	1.45	0.81	1.04	0.90	0.79	0.84
Income from continuing operations per common share (diluted)	**2.17**	1.30	1.59	1.51	1.43	0.81	1.02	0.88	0.77	0.81
Dividend per common share	**0.95**	0.90	0.76	0.70	0.63	0.57	0.52	0.48	0.47	0.44
Cash flows										
Free cash flow	**1,618**	2,199	1,843	2,165	1,926	1,441	1,184	1,055	1,109	1,051
Net cash from operating, investing and financing activities	**(218)**	(383)	535	(1,587)	827	2,114	73	(1,005)	681	(511)
Capital expenditures (including acquisitions)[4]	**5,776**	4,456	3,604	2,838	1,822	16,775	1,172	1,006	843	1,876
Capital expenditures as % of net sales	**7.6%**	6.0%	5.4%	4.5%	2.9%	33.8%	3.1%	3.1%	2.6%	5.7%
Regular capital expenditures[5]	**4,187**	4,448	3,512	2,772	1,723	1,377	811	740	830	929
Regular capital expenditures as % of net sales	**5.5%**	6.0%	5.3%	4.4%	2.7%	2.8%	2.1%	2.3%	2.5%	2.8%
Average exchange rate (€ per $)	**0.8461**	0.8770	0.8934	0.8476	0.8868	0.9038	0.9001	0.7529	0.7533	0.7782

1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
2 Included former Delhaize business as of July 24, 2016.
3 Net sales growth in 2021, 2020, 2016 and 2015 is adjusted for the impact of week 53 in 2020 and 2015. Net sales growth in 2021 and 2016 is calculated based on a 52-week comparison to 2020 and 2015 respectively. Net sales growth in 2020 and 2015 is calculated based on a 53-week comparison to 2019 and 2014, respectively.
4 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude discontinued operations.
5 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets, excluding the impact from acquisitions. The amounts exclude discontinued operations.

Performance review

MULTIPLE-YEAR OVERVIEW

BALANCE SHEET AND OTHER INFORMATION

€ million, except for number of stores and otherwise indicated	January 2, 2022	January 3, 2021	December 29, 2019	December 30, 2018, restated[1]	December 31, 2017[1]	January 1, 2017[1]	January 3, 2016[1]	December 28, 2014[1]	December 29, 2013[1]	December 30, 2012[1]
Group equity	**13,721**	12,432	14,083	14,205	15,170	16,276	5,621	4,844	6,520	5,146
Share buyback[2]	**(995)**	(1,001)	(1,002)	(1,997)	(998)	—	(161)	(1,232)	(768)	(277)
Gross debt	**17,089**	14,554	15,445	14,485	7,250	7,561	3,502	3,197	3,021	3,246
Cash, cash equivalents, and short-term deposits and similar instruments and investments in debt instruments – current portion	**3,143**	3,119	3,863	3,507	4,747	4,317	2,354	1,886	3,963	1,886
Net debt	**13,946**	11,434	11,581	10,978	2,503	3,244	1,148	1,311	(942)	1,360
Total assets	**45,712**	40,692	41,490	39,830	33,871	36,275	15,880	14,138	15,142	14,572
Number of stores[3]	**7,452**	7,137	6,967	6,769	6,637	6,556	3,253	3,206	3,131	3,074
Number of employees (in thousand FTEs)[3]	**259**	249	232	225	224	225	129	126	123	125
Number of employees (in thousands headcount)[3]	**413**	414	380	372	369	370	236	227	222	225
Common shares outstanding (in millions)[2]	**1,011**	1,047	1,088	1,130	1,228	1,272	818	823	982	1,039
Share price at Euronext (€)	**30.14**	23.11	22.75	22.07	18.34	20.03	19.48	14.66	13.22	10.16
Market capitalization[2]	**30,482**	24,197	24,751	24,938	22,508	25,484	15,944	12,059	12,989	10,551
Year-end exchange rate (€ per $)	**0.8795**	0.8187	0.8947	0.8738	0.8330	0.9506	0.9208	0.8213	0.7277	0.7566

1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
2 In 2016 and 2014, an additional €1,001 million and €1,007 million, respectively, were returned to shareholders through a capital repayment.
3 At December 29, 2013, the number of stores and employees include discontinued operations (Slovakia).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INFORMATION

We provide five years of data, since, in 2016, the merger between Ahold and Delhaize was finalized. During 2016, all KPIs and targets for Ahold and Delhaize were measured according to a different set of definitions and scopes, which made these non-comparable. Starting in 2017, all metrics and definitions were aligned and all brands that are part of Ahold Delhaize reported in the same way.

	2021	2020	2019	2018	2017
Sales of own-brand foods that meet guidelines for good nutritional value (€ million)	**12,511**	11,516	9,982	9,533	9,302
% of healthy own-brand food sales of total own-brand food sales[1,2]	**53.6%**	49.8%	47.9 %	47.0 %	46.0%
% reduction in tonnes of food waste per food sales (t/MEUR)[3]	**18%**	17%	9%	5%	3%
% reduction in absolute CO_2-equivalent emissions from own operations (scope 1 and 2)[4]	**31%**	23%	8%	Baseline	N/A

1 2017 to 2019 figures include Peapod.
2 Healthy sales percentage for 2021 is impacted by the transition to the Nutri-Score methodology instead of Choices in our European brands. See *ESG statements* for more information.
3 The reduction is measured against the 2016 baseline of 5.48 tonnes/MEUR. See *ESG statements* for more information.
4The reduction is measured against the 2018 baseline of 4,073 ktonnes. 2018 baseline, 2019 and 2020 figures are restated. See *ESG statements* for more information.

Performance review

GLOSSARY

FINANCIAL PERFORMANCE MEASURES

The financial information included in this Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as explained in *Note 2* and *Note 3* to the consolidated financial statements as well as in the individual footnotes, unless otherwise indicated.

This Annual Report also includes alternative performance measures (also known as non-GAAP measures). The definitions of these financial and non-financial alternative performance measures can be found below.

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 and diluted underlying income per share from continuing operations

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."

Diluted underlying income per share from continuing operations is calculated as diluted underlying income from continuing operations, divided by the diluted weighted average number of common shares outstanding, also referred to as "diluted underlying 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. In 2021, comparable sales growth is calculated by adjusting 2020 to a 52-week period.

Comparable sales excludes Value Added Tax (VAT).

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

Comparable sales and comparable sales excluding gasoline sales are not reflected in Ahold Delhaize's financial statements. However, the Company 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.

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

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

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 ESG statements.

Free cash flow

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

Ahold Delhaize has included free cash flow as the Company 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.

Global Support Office costs

Global Support Office (GSO) costs relate to the responsibilities of the Global Support Office, including Finance, Strategy, Mergers & Acquisitions, Internal Audit, Legal, Compliance, Human Resources, Information Technology, Insurance, Tax, Treasury, Communications, Investor Relations, Health and Sustainability and the majority of the Executive Committee. Global Support Office costs also include results from other activities coordinated centrally but not allocated to any subsidiary. Underlying Global Support Office costs 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.

Net consumer online sales

Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza and other initiatives, such as Ship2Me in the U.S. Net consumer online sales excludes Value Added Tax (VAT). Ahold Delhaize's 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, current portion of investment in debt instruments, and short-term deposits and similar instruments. In management's view, because cash, cash equivalents, current 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.

Performance review

GLOSSARY

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. Ahold Delhaize's management believes this measure provides a better insight into the operating performance of Ahold Delhaize's foreign subsidiaries or joint ventures.

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

Net sales in local currency
In certain instances, net sales are presented in local currency. Ahold Delhaize's 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 for gasoline, bol.com, Etos and Gall & Gall. Ahold Delhaize's 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 eMag), 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 Value Added Tax (VAT).

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

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 fruit 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.

Regular CapEx expenditure
The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude acquisition capital expenditure.

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%.

Two-year stack
Two-year comparable sales growth is a stack of the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful in improving the understanding of trends in periods that are affected by variations in prior-year growth rates.

Underlying earnings before interest, taxes, depreciation and amortization, or underlying EBITDA and margin
Ahold Delhaize defines underlying EBITDA as underlying operating income plus depreciation and amortization. Underlying EBITDA is considered to be 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). Underlying EBITDA margin is calculated as underlying EBITDA as a percentage of net sales.

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.

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.

Ahold Delhaize's 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.

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NON-FINANCIAL ALTERNATIVE PERFORMANCE MEASURES

The specific definitions outlined below add context to our non-financial alternative performance measures and other metrics used in this report.

Acceptable standards and certifications for commodities

Ahold Delhaize defines acceptable standards as multi-stakeholder initiatives or standards supported by multiple stakeholders. They include third-party verification and focus on mitigating the main environmental and/or social issues associated with a commodity's production. Acceptable standards are globally consistent and focus on continuously improving production and supply chain practices. Acceptable standards for tea, coffee and cocoa include Rainforest Alliance/ UTZ Fair Trade USA/Fairtrade/FLO-CERT/ Fairtrade Sourcing Program or equivalent standards. Acceptable standards for palm oil include RSPO Principles & Criteria and equivalent standards. Acceptable standards for wood fiber are the Forest Stewardship Council (FSC) Chain of Custody, Program for Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI) or equivalent standards. Acceptable standards for soy are RTRS standard for Responsible Soy Production and ProTerra, or equivalent standards. The majority of credits we purchase are area-based RTRS credits from the Cerrado Region. Acceptable standards for seafood products include certification against a program that is recognized by the Global Sustainable Seafood Initiative (GSSI) and cover all Aquaculture Stewardship Council (ASC) farm standards.

Associate

Associates 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 benchmarks

We use two global 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.

Associate engagement survey

Associate engagement is measured through an annual survey of all associates employed by Ahold Delhaize and its brands. A number of items in the survey are used to derive and calculate an associate engagement score:

- Healthy workplace: associates are asked about the support they receive to have healthier lives.
- Inclusive workplace: associates are asked about the support they receive to have a more inclusive workplace.
- Associate development: associates are asked about the support they receive to develop their skills and careers with Ahold Delhaize.
- Engagement: associates are asked about how they feel about Ahold Delhaize.

Associate turnover

This metric expresses the number of people lost through resignation, attrition and other means compared to the total number of people in the organization. It includes all turnover, regardless of reason and is reported in percentage. The formula is: total number of inactive associates / total number of associates within a given time period.

Balanced candidate slates (50/50)

In a balanced candidate slate, 50% of the final candidates must be from a diverse/ underrepresented population (female, person of color/ethnic/multinational) and at least two of the candidates in the final slate must be diverse.

Cash contributions

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.

Charitable donations

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.

Community investments

Long-term strategic involvement in, and partnership with, community organizations to address a limited range of social issues chosen by the Company to protect its long-term corporate interests and enhance its reputation. Examples of community investments include: memberships in and subscriptions to charitable organizations, grants and donations, secondments to a partner community organization, supporting in-house training, use of company premises for partner organizations and cost of supporting and promoting employee volunteering programs.

Business-related activities in the community, usually undertaken by commercial departments to directly support the success of the Company, promoting its corporate and brand identities and other policies, in partnership with charities and community-based organizations. Only the contribution to charity or community organizations is considered, not the total cost of the marketing campaign or similar.

Examples of commercial initiatives include: the sponsorship of events, publications and activities that promote corporate brands or corporate identity, cause-related marketing and activities to promote sales, support for universities, and research and other charitable institutions, and exceptional one-off gifts of property and other assets.

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CO_2 emissions/CO_2 equivalent (CO_2e)

The CO_2 (carbon dioxide) emissions data we report consists of a calculated CO_2 equivalent: actual CO_2 emitted plus equivalent emissions from other greenhouse gases (such as CH_4, N_2O and F-gases). We report according to the Greenhouse Gas (GHG) Protocol Corporate Standard.

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

Associates identifying 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 EEOC classifications, by organizational level.

Food Loss and Waste Protocol

A multi-stakeholder effort to develop the global accounting and reporting standard (known as the FLW Standard) for quantifying food and associated inedible parts removed from the food supply chain (referred to for simplicity's sake as "food loss and waste"). For more information, see *www.flwprotocol.org*.

Food waste

As defined by the UN Food and Agriculture Organization (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 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 from hunger relief organizations, theft and cash shortages.

We measure food waste using the *Food Loss and Waste Protocol*. Food waste includes waste used for animal feed, bio-based materials, anaerobic digestion, composting/aerobic digestion, controlled combustion and landfill.

Free from products

"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, also called Gen Z, is the generational cohort following millennials, born in 1997+.

Global Reporting Initiative (GRI)

An independent international not-for-profit organization that developed the GRI Sustainability Reporting Standards and works to support their implementation.

Greenhouse gases

Gases such as carbon dioxide or methane that contribute to climate change.

Healthy products

Own-brand healthy food sales include all own-brand products that earn one, two or three Guiding Stars (in the U.S. market) or earn an A or B score from Nutri-Score (in Europe). Total own-brand food sales include food sales from company-operated stores as well as franchise stores.

More information on Guiding Stars can be found at *www.guidingstars.com*.

Inclusive workplace: associate perception

Associates' perception of the inclusivity of their workplace

The metric shows the percentage of associates who strongly agree or agree with the following index questions in the associate engagement survey:

- My manager treats all associates with respect.
- At my company, diversity is valued.
- My team members work well together.
- I am encouraged to share my ideas around improving our work environment.
- There are career opportunities for me at my company.

Last-stage of production (LSOP) unit

The entity that performs the last stage of production or processing in the supply chain where food and non-food safety and/or working conditions are impacted. The LSOP is:

- For food safety: the location where the final consumer product (including packing) is handled.
- For non-food safety: the location where the final consumer product (excluding packing) is assembled.
- For social compliance: the location where labor is involved in producing or processing the final product, excluding (re-)packing in a non-high-risk country.

National brands

Products that are distributed nationally under a brand name owned by the producer or distributor.

Number of injuries that result in lost days

Number of injuries that result in days lost that are directly related to work-related accidents per 100 full-time equivalents. The number of days lost are days scheduled to be worked according to each associate's schedule. An injury is a non-fatal or fatal injury arising in the course of work.

Occupational illness frequency rate
Work-related illnesses or diseases occurring in the course or scope of employment. Occupational illnesses or diseases are only measured if a patient requires a medical professional to administer direct care or evaluate the illness or disease. In the U.S., information from our local claims management or insurance providers is used to monitor performance in this area. Since local claims management or insurance providers need to comply with local legislation, the acceptance of illnesses or diseases as work-related can deviate across brands. Occupational illnesses are calculated per one million hours worked.

Organic food products
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 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 fruit 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.

Ozone-friendly refrigerant
A refrigerant that has no ozone depletion potential (ODP = 0), meaning there is no degradation to the ozone layer. The data are based on the 2015 Report from United Nations Environment Programme (UNEP), "TOC Refrigeration, A/C and Heat Pumps Assessment Report 2015."

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

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

PUPs with pick-from-store (PFS) capability are also referred to as click-and-collect points.

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.

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

Reflective of our markets: associate perception
Associates' perception of whether they work in a diverse team that fully reflects the community and customers our brands serve.

The metric shows the percentage of associates who strongly agree or agree with the following index questions in the associate engagement survey:

- I am part of a diverse team that fully reflects the community and customers we serve.
- My company recruits a diverse talent pool.
- My company promotes associates with diverse backgrounds.

Sales area
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.

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

Scope 2 (indirect GHG emissions)
Emissions 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. For example, 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.

Stock keeping unit (SKU)
A stock keeping unit (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. Excluded SKUs are SKUs that are sold in company-operated stores selling only wholesale, promotional products and secondary SKUs.

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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.

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).

Waste
Includes all waste, regardless of the waste management (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, distribution centers and offices). Information about all waste disposal methods has been determined through information provided by the waste disposal contractors.

Waste recycling
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.

TERMS AND ABBREVIATIONS

In addition to the non-financial alternative performance measures defined above, the following concepts or terminologies are used in our *ESG statements* and elsewhere in this report.

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. .

AMS
AMS is an Amsterdam-based, non-profit, strategic buying alliance that currently works on behalf of nine top European food retailers. Since 1988, the alliance has been initiating, managing and coordinating joint-buying activities for its shareholders and, later, for EURO SHOPPER™ distributor members as well.

Biodiversity
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.

Business Resource Group (BRG)
BRGs are groups of associates who join together in their workplace based on shared characteristics, life experiences, etc. to provide support, enhancing career development and contributing to personal development and the feeling of belonging/inclusiveness in the work environment.

CapEx
Capital expenditure.

CDP
Carbon Disclosure Project.

CGF
Consumer Goods Forum.

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
UK Department for Environment, Food & Rural Affairs.

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 Technical Screening Criteria as laid down in those delegated acts.

ESG
Environmental, Social and Governance.

ESMA
European Securities and Markets Authority.

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

Food Loss and Waste Protocol
This global accounting and reporting standard, also known as the FLW Standard, was developed through a multi-stakeholder effort. It is used for quantifying food and associated inedible parts removed from the food supply chain (referred to for simplicity's sake as "food loss and waste"). For more information, see *www.flwprotocol.org*.

GFSI
Global Food Safety Initiative: 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 Support Office (GSO)
The name of Ahold Delhaize's headquarters, based in Zaandam, the Netherlands. The company also has regional offices in Brussels and Geneva, and some GSO associates work out of the U.S. brands.

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GRC
Governance, Risk Management and Compliance.

IPCC
Intergovernmental Panel on Climate Change.

JMR
The acronym refers to "JMR -Gestão de Empresas de Retalho, SGPS. S.A.," Ahold Delhaize's joint venture in Portugal operating 399 stores under the Pingo Doce brand. The joint venture partner in JMR is Jerónimo Martins, SGPS, S.A.

Land conversion
Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure or function.

1. Deforestation is one form of land conversion (conversion of natural forests).
2. Includes severe degradation from the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure or function.
3. 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 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
Multi-employer plan.

NGOs
Non-governmental organizations.

Non-eligible economic activity
A non-eligible economic activity means any economic activity that is not described in the EU Taxonomy Delegated Acts adopted pursuant to the six environmental objectives of the EU Taxonomy.

OpEx
Operating expenditure.

Plaza partners
Plaza partners active on bol.com's platform, measured by the number of partners that have fulfilled at least one order in the last year, including orders followed by a cancellation.

Power purchase agreement (PPA)
A power purchase agreement (PPA) or electricity power agreement, is a contract between two parties, one that generates electricity (the seller) and one that is looking to purchase electricity (the buyer). The PPA defines all of the commercial terms for the sale of electricity between the two parties.

Science Based Targets initiative (SBTi)
The SBTi is a partnership between the CDP, the United Nations Global Compact (UNGC), WRI and the World Wide Fund for Nature (WWF). SBTi provides a framework to help specify how much and how quickly organizations need to reduce their greenhouse gas emissions to stay within the 1.5°C maximum rise in global temperature.

TCFD
Task Force on Climate-related Financial Disclosures.

World Business Council for Sustainable Development (WBCSD) / World Resources Institute (WRI) and Greenhouse Gas (GHG) Protocol
Though the Greenhouse Gas (GHG) Protocol, World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) work with businesses to develop standards and tools that help companies measure, manage, report and reduce their carbon emissions. The protocol covers the accounting and reporting of the six greenhouse gases 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*