

# Responsible retailing



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## Message from our CEO



**Dick Boer**  
Chief Executive Officer



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[www.2011yearreview.ahold.com](http://www.2011yearreview.ahold.com)

### We have an important role to play in helping improve the communities we serve and the lives of people who shop and do business with us.

Dear stakeholder,

As CEO of Ahold, it is a pleasure for me to introduce our 2011 Corporate Responsibility Report.

During the reporting year, we launched our new strategy to reshape retail at Ahold. One of our six strategic pillars is “responsible retailing,” which underpins everything we do at Ahold – from ensuring we have sustainable and responsibly sourced products, to focusing on ways to help customers and employees improve their health and wellbeing.

To reiterate what I say in my letter to shareholders in our 2011 Annual Report, I believe that as a company operating at the heart of society, we have an important role to play in helping to improve the communities we serve and the lives of people who shop and do business with us. I am committed to Ahold being a responsible retailer and playing a leading role in helping people to live healthier lives and reduce their impact on the environment. Our close relationship and daily interaction with customers, suppliers, and our large workforce make it possible for us to make a real and lasting difference.

In last year's CR Report, we set out our new CR strategy, together with the ambitions, targets and action plans behind it. In this report, I am proud to be able to tell you that we have made significant progress towards achieving those targets. Our priority areas – healthy living, sustainable trade, climate action, community engagement and our people – focus on the issues most closely related to our business.

#### Making progress on issues that matter

As an international retailer, we have an opportunity to help people live more healthily. There is increasing recognition of the social and economic costs associated with the problems of obesity. In the Netherlands, Albert Heijn has supported the development of nationwide healthy “food choice” logos. They worked with the Dutch industry healthy food foundation (“Ik Kies Bewust”) as well as a group of manufacturers to find a solution that can be used in all supermarkets. The new logos make it easier for customers to identify healthy and conscious-choice food, and encourage producers to make their products healthier. We are currently working to create equivalent nationwide healthy logos in the Czech Republic. We are also well on our way to meeting our target of having 25 percent of our total food sales in healthy products by 2015 – at the end of last year we had already reached 22.3 percent.

We are continuing to increase the sustainability of our own-brand products. This means ensuring our products are produced with consideration for – and responsibility towards – the people, animals and environment involved in their production. In order to increase the sustainability of our own-brand products, we need to understand our supply chain better. This is more difficult than anticipated due to the complexity of our supply chain. During the reporting year, we introduced 30 percent UTZ CERTIFIED tea to a significant proportion of our own-brand tea assortment at Albert Heijn. We also introduced Fairtrade cashew nuts in our Albert Heijn stores and, for the first time, these nuts are now fully traceable from field to plate.

Waste is becoming an ever more important topic in business and society, in part because it is estimated that 30–50 percent of food is wasted across the complete food chain<sup>1</sup>. This means that significant natural resources are wasted and unnecessary greenhouse gas emissions are generated. During 2011, we established a global waste strategy, which includes a waste-management program for each of our operating companies. The programs include ways to reduce both food and packaging waste, as well as a target to eliminate landfill as a disposal method by 2020. In the United States, we have continued to improve our store design, and have now installed solar panels on the roofs of 24 stores across three of Ahold USA's divisions.

Our community engagement activities are a major priority for Ahold USA's divisions, where the strategy is to help children, fight hunger, and build healthy communities. These activities have resulted in total donations of \$51 million to charities that supported these goals.

1 FAO, WEF Value Chain Waste Working Group, Syngenta Analysis (2009).

## Message from our CEO continued

### Working with others to achieve real change

Although setting targets for our own organization is a worthwhile and necessary exercise, we can only achieve real change when others – in the retail sector, food industry, governments and NGOs – are involved and engaged too. That's why we strive to play a leading role in the food retail industry, together with others, towards more sustainable practices. Ahold is a member of the European Retail Round Table (ERRT), of which I am currently chairman, and of the Consumer Goods Forum (CGF). We co-chaired the Health and Wellness Group of the CGF, which in 2011 passed a set of three health and wellness resolutions to raise consumer awareness of healthy diets and lifestyles. We also jointly organized the CGF's second refrigeration summit in September 2011. Ahold is an active member of the Sustainability Consortium, which supports the development of industry tools to reduce the environmental and social impact of our products.

In Europe, Albert Heijn and the World Wildlife Fund Netherlands signed an agreement to work together to increase the sustainability of the seafood sold by Albert Heijn. In the United States, Ahold USA held a supplier sustainability summit to engage with our national-brand product suppliers about CR issues, and our divisions hosted various childhood obesity summits.

In November 2011, Ahold signed the 2°C Challenge Communiqué – a document designed to influence governments at the United Nations Conference on Sustainable Development RIO +20 to take action on climate change issues. We are one of many corporate signatories showing support for the Communiqué. We also remain committed to the principles of the UN Global Compact, and report according to both these and the Global Reporting Initiative (GRI) indicators.

Most importantly, I would like to end this introduction by thanking the people across Ahold who put our CR strategy into practice every day. Without the efforts of our 218,000 employees, we would not be able to make a difference: in helping our customers live more healthily, our suppliers source more sustainable products, our operations reduce their carbon footprint, and our communities thrive. Their hard work and commitment are what make responsible retailing possible.

### Dick Boer

Chief Executive Officer

February 29, 2012

## Our strategy



# Reshaping Retail at Ahold

## **We have embarked on a new strategy to build on our success and significantly grow our company.**

Our strategy to reshape retail at Ahold is designed to enable us to keep pace with rapidly changing customer behavior and retail trends, and stay competitive and successful. We have identified six strategic pillars to reshape the way we do business and drive growth. One of these pillars is “responsible retailing,” of which corporate responsibility is an integral part. To read more about our other strategic pillars, please read Ahold’s Annual Report 2011.

### **Responsible retailing**

Acting responsibly is central to our business. We play a daily role in the lives of millions of people. Our corporate responsibility strategy focuses on issues that are closely related to our business and where we can make a difference. That means playing a responsible role when it comes to our customers’ wellbeing, the sourcing of the products we sell, our impact on the environment, the communities we serve, and the people we employ. We want to be the responsible retailer.

We aim to tackle the issues that are important to our key stakeholder groups: customers, employees, suppliers, communities, NGOs, and shareholders. Among these issues are increasing obesity levels, climate change, and scarcity of resources. Tackling these will help create a healthier and more sustainable future for generations to come. It will also safeguard the longevity of our business by increasing sales, reducing costs, and reducing risks.

In 2010, we set a series of clear, measurable targets for each of our priority areas between now and 2015: healthy living, sustainable trade, climate action, community engagement, and our people. We are ambitious in our targets and take our commitments seriously.

### **Our approach to this report**

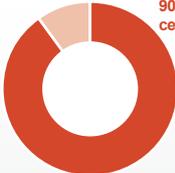
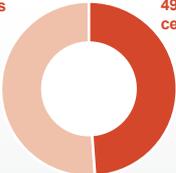
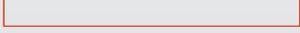
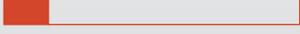
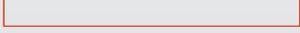
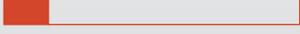
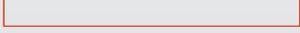
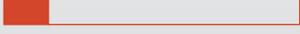
Our ambitions represent our high-level approach to each of our priority areas. Our targets are global, but in some cases our operating companies go further and set additional local goals. Our targets are supported by action plans that are designed and executed locally by each of our operating companies. As our initial targets and action plans are realized, we set new ones.

In this report, we set out our progress against our targets for each priority area at the start of each section. We then go on to report on the actions that we have taken during 2011 to achieve these targets, followed by the data that supports them. You can read highlighted case studies of our activities throughout the report.

## CR scorecard

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact. This overview of our corporate responsibility strategy shows our ambitions, our global targets, and our progress in relation to each of these targets.

For more details on our 2011 progress, see *The data* sections in *Our CR priorities*.

Priority area	Global target	2011 progress																		
<p><b>Healthy living</b></p> <p><b>Ambition:</b> Make healthy living choices easy</p> 	<p>Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group</p> <hr/> <p>Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer</p>	<p><b>22.3%</b> healthy products</p> <hr/> <p><b>Achieved: programs in place</b></p> <p><b>67%</b> of our operating companies are perceived to be the first or second healthy retailer in their region benchmarked against market share</p>																		
<p><b>Sustainable trade</b></p> <p><b>Ambition 1:</b> Source safe and responsible products</p> 	<p>Ensure that 80% of own-brand food suppliers are certified against Global Food Safety Initiative-recognized standards by 2012</p> <hr/> <p>Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015</p> <hr/> <p>Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>Ahold Europe</b></p> </div> <div style="text-align: center;">  <p><b>Ahold USA</b></p> </div> </div> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;"><b>Coffee</b></td> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;"><b>48%</b></td> </tr> <tr> <td><b>Tea</b></td> <td></td> <td style="text-align: right;"><b>78%</b></td> </tr> <tr> <td><b>Cocoa</b></td> <td></td> <td style="text-align: right;"><b>82%</b></td> </tr> <tr> <td><b>Palm oil</b></td> <td></td> <td style="text-align: right;"><b>100%</b></td> </tr> <tr> <td><b>Soy</b></td> <td></td> <td style="text-align: right;"><b>0%</b></td> </tr> <tr> <td><b>Seafood</b></td> <td></td> <td style="text-align: right;"><b>15%</b></td> </tr> </table> <hr/> <p><b>111</b> suppliers in social audit program</p>	<b>Coffee</b>		<b>48%</b>	<b>Tea</b>		<b>78%</b>	<b>Cocoa</b>		<b>82%</b>	<b>Palm oil</b>		<b>100%</b>	<b>Soy</b>		<b>0%</b>	<b>Seafood</b>		<b>15%</b>
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<b>Soy</b>		<b>0%</b>																		
<b>Seafood</b>		<b>15%</b>																		
<p><b>Ambition 2:</b> Reduce the footprint of our supply chain</p> 	<p>Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015</p>	<div style="text-align: center;">  <p><b>SUSTAINABILITY CONSORTIUM</b></p> <p>Working with the Sustainability Consortium to establish global industry approach</p> </div>																		

CR scorecard continued

Priority area	Global target	2011 progress
<p><b>Climate action</b></p> <p><b>Ambition:</b> Reduce our environmental footprint</p> 	<p>Reduce CO<sub>2</sub> per square meter of sales area by 20% in our own operations by 2015 against our 2008 baseline of 555 kg</p> <hr/> <p>Ensure that each operating company has a comprehensive waste-management program in place by the end of 2011</p>	<p><b>10.5%</b> reduction</p> <hr/> <p>Achieved: programs in place</p> <p><b>5</b> new waste targets set as part of our global waste strategy</p>
<p><b>Community engagement</b></p> <p><b>Ambition:</b> Contribute to the wellbeing of our communities</p> 	<p>Ensure that each operating company has a community engagement program in place by 2012</p> 	<p>In progress: deliver in</p> <p><b>2012</b></p> <p>Ahold USA's divisions donated \$51 million to charities in total during 2011</p>
<p><b>Our people</b></p> <p><b>Ambition:</b> Encourage our employees to live and work healthily and sustainably</p> 	<p>Ensure that each operating company has a CR employee program in place by 2012</p> 	<p>In progress: deliver in</p> <p><b>2012</b></p> <p>166 members of Ahold USA nominated for the U.S. Network of Executive Women</p> 

## Group at a glance

**Ahold is an international retailing group based in the Netherlands, with strong local consumer brands in Europe and the United States. At the end of 2011, we had:**

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**3,008** stores

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**218,000** employees

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**€30.3 billion** sales

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Our foundation is selling great food and supermarkets are our core business. We also operate other formats and channels so that our customers can shop whenever and wherever is most convenient for them. We provide customers with the best possible value, assortment, and shopping experience.

Our vision is to offer all of our stakeholders – our customers, employees, suppliers, shareholders, and the communities we serve – better choice, better value, better life, every day. We are committed to acting responsibly in all that we do.

We have embarked on a new strategy to build on our success and significantly grow our company. Our strategy to reshape retail at Ahold is designed to enable us to keep pace with rapidly changing customer behavior and retail trends, and stay competitive and successful.

The people who work for us make this possible. Ahold has great employees who love what they do and are good at it. Our people are key to our success – the relationships they build with our customers are what keep them coming back to shop with us and will ensure we remain our customers' first choice, every day.

## Group highlights

In 2011, we made solid progress with our strategy for sustainable profitable growth. We also embarked on our new strategy to reshape retail at Ahold and accelerate our company's growth. Highlights include:

### Ahold Group

#### Net sales

**€30.3 billion**

+5.5% at constant exchange rates

#### Operating income

**€1.3 billion**

Up €11 million or 0.8% from 2010

#### Underlying retail operating margin

**4.8%**

#### Proposed dividend

**€0.40**  
per common share

+38% compared to last year's dividend

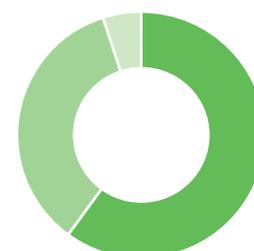
### Performance by segment

#### Net sales (€ million)

	2011	Growth <sup>1</sup>
Ahold USA	18,026	6.6%
The Netherlands	10,506	4.2%
Other Europe	1,739	2.4%
Total	30,271	5.5%

<sup>1</sup> At constant exchange rates.

#### Contribution by segment



#### Underlying retail operating income (€ million)

	2011	Underlying margin
Ahold USA	769	4.3%
The Netherlands	666	6.3%
Other Europe	20	1.2%
Total	1,455	4.8%

#### Contribution by segment



## Our brands

### European operations



- 1. The Netherlands
- 2. Belgium



- 1. The Netherlands



- 1. The Netherlands



- 1. The Netherlands



- 3. Czech Republic
- 4. Slovakia



- 4. Slovakia

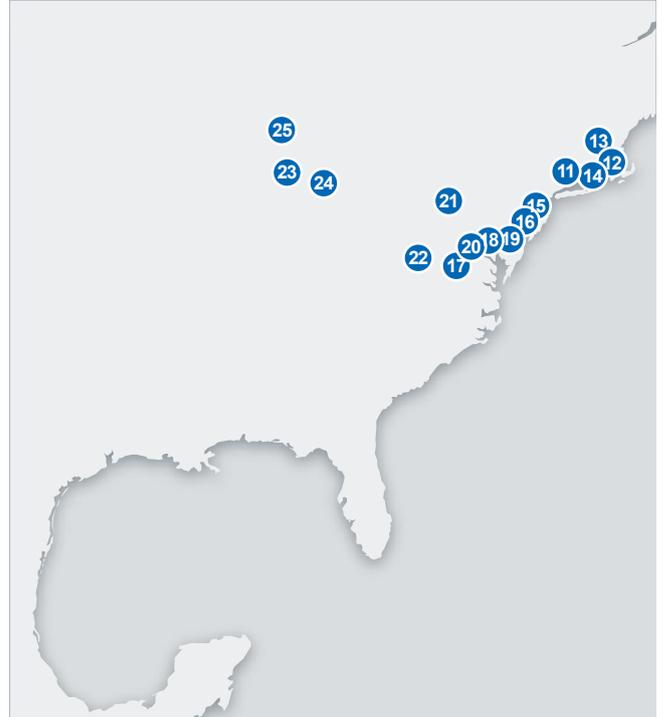


- 5. Estonia
- 6. Latvia
- 7. Lithuania
- 8. Norway
- 9. Sweden



- 10. Portugal

### U.S. operations



- 11. Connecticut
- 12. Massachusetts
- 13. New Hampshire
- 14. Rhode Island
- 15. New York
- 16. New Jersey



- 17. Virginia
- 18. Maryland
- 19. Delaware
- 20. District of Columbia



- 17. Virginia
- 18. Maryland



- 21. Pennsylvania
- 22. West Virginia



- 11. Connecticut
- 12. Massachusetts
- 13. New Hampshire
- 14. Rhode Island
- 15. New York
- 16. New Jersey
- 17. Virginia
- 18. Maryland
- 20. District of Columbia
- 21. Pennsylvania
- 23. Illinois
- 24. Indiana
- 25. Wisconsin

## Healthy living



**Enabling  
healthy  
choices**



### Our ambitions

Our ambition is to make healthy-living choices easy. As a global retailer, we have an opportunity to help people live more healthily. In many countries, there is increasing recognition for the social and economic costs associated with the problems of obesity.

To achieve this, we have healthy-living programs in place across all our operating companies. We strive to sell a wide range of healthy products, and to make our existing products healthier. We aim to improve the tools we have – such as in-store nutrition programs, information, and shopping aids and devices – in order to help people make better informed healthy choices. Our operating companies also endeavor to educate children about leading a healthy lifestyle.

We aim to be recognized as a leading healthy retailer in all our markets.

### Our progress on our targets

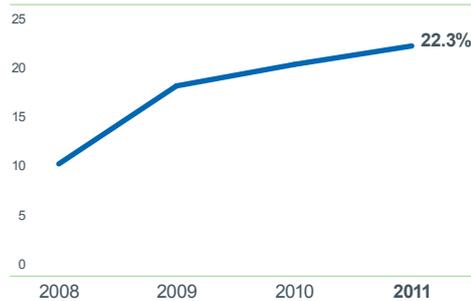
In 2010, we set two targets in our strategy to 2015 for healthy living:

- 1. Increase the sale of healthy products (as defined by criteria from leading health authorities) to at least 25 percent of total food sales by 2015 across the Group.**

In 2011, 22.3 percent of our total food sales were identified as meeting these health criteria, meaning that we are well on our way to meeting this target.

#### Sales of healthy-choice products

percentage of total food sales



#### Total sales of healthy-choice products

€ million

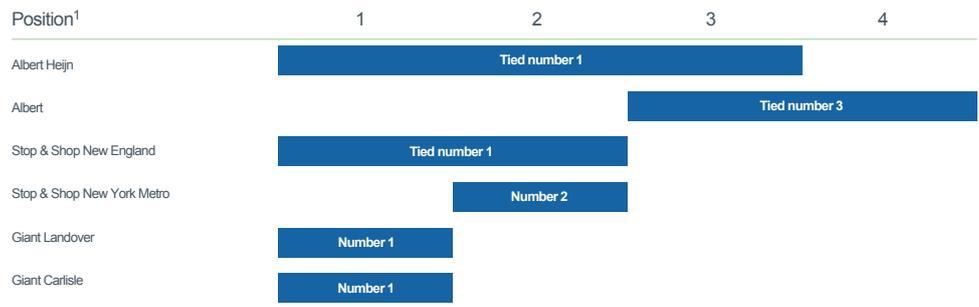
2011	5,326
2010	4,786

Healthy living continued

**2. Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer.**

At the end of 2011, comprehensive healthy-living programs were in place at all our operating companies. We will continue to report on our customers' perception of us as a healthy retailer.

**Customer perception as a leading healthy retailer**



<sup>1</sup> The research is conducted by market research group GfK Panel Services Benelux in the Netherlands, by g82 in Czech Republic, and by SIRS, Inc. in the United States.

To determine our progress on becoming a leading healthy retailer, all our operating companies measure consumer perception of our brands. This perception is evaluated by independent consumer research agencies that conduct surveys among consumers of both our brands and our main competitors in the regions that our brands operate.

In 2011, Albert Heijn was perceived by consumers in the Netherlands as the joint leading healthy food retailer. In the Czech Republic, Albert was perceived by consumers as the joint-third healthy retailer. Two out of Ahold USA's four divisions (Giant Carlisle and Giant Landover) held the number one position among the four largest food retailers in their respective regions, while Stop & Shop New England tied for this number one position with another competitor. The Stop & Shop New York Metro division was perceived to be number two according to consumer research.

Healthy living continued

**Actions and achievements in 2011**

**Offering a wide range of healthy products**

In all our operating companies, we have increased the sales of products classified as meeting healthy criteria. Our labeling systems and healthy-living programs have helped our customers identify these products easily and encouraged them to make healthy choices. Healthy-food criteria are defined by leading national health authorities, such as the Dutch Nutrition Center and the U.S. Department of Agriculture and Food and Drug Administration.



- Albert Heijn and the Dutch industry healthy food foundation (“Ik Kies Bewust”) have agreed on nationwide “food choice” logos. These will replace the existing Albert Heijn green and orange clover logos and the industry healthy food logo that were previously used to denote healthy products and conscious dietary choices in our Dutch stores. The new food choice logos were developed by Albert Heijn together with a group of manufacturers in the Netherlands. The green version is for healthy staple foods, such as fruit, vegetables, meat and bread. The blue version is to signify a healthier choice: foods that contain fewer calories, and less salt, sugar and saturated fat than a regular equivalent of the same product. These logos make it even simpler for consumers to make healthy and conscious food choices, and encourage producers to make their products healthier, too. We started replacing the logos in 2011, and will continue to do so throughout 2012. In 2011, 1,301 products met the healthy criteria (2010: 1,214 products).
- Albert Heijn is making several of its meat products that are popular with families healthier. The products contain 50 percent less fat than the equivalent regular products, and are made of 30 percent vegetable base and leaner meat. In 2010, four extra-lean beef products were introduced; in 2011, an additional two extra-lean beef products and three extra-lean pork products, including sausages, were launched.
- The “Good for You” label at Albert in the Czech Republic is based on the green clover symbol previously used by Albert Heijn in the Netherlands. Ahold is currently working to create nationwide healthy logos in the Czech Republic (similar to the “food choice” logos mentioned above). The introduction of national logos will support Albert’s goal of increasing its sales of healthy-choice products as manufacturers will also be able to identify their products that meet healthy criteria. In 2011, 710 products met the criteria (2010: 535 products).
- Ahold USA has reviewed its healthy-living programs in all four divisions, and is working to share best practices across the divisions. Own-brand products feature a Healthy Ideas logo on their packaging denoting which products meet our own Healthy Ideas criteria. In addition, shelf tags include the Healthy Ideas logo for own brands and national brands if the product meets the national healthy criteria. The logos and shelf tags make it easier for customers to choose healthy products. In 2011, 7,008 products met the Healthy Ideas criteria, and sales of these products made up 24.1 percent of total food sales.

**MyPlate forms part of Ahold USA’s Healthy Ideas program**



In June 2011, U.S. First Lady Michelle Obama and the Department of Agriculture Secretary announced the new food icon, known as MyPlate, to help Americans make healthier food choices. The new plate logo is divided up into four food groups that are the basis for a healthy diet: vegetables, fruit, grains and protein, with a small circle (or “glass”) to the top right to denote dairy. The plate is designed to emphasize one of the central tenets of Michelle Obama’s campaign against childhood obesity: to ensure that half of the plate is made up of fruit and vegetables.

Guidelines brochure has been produced, including the plate graphic and updated guidelines, which is available to customers. The Kids Healthy Ideas store tours include the MyPlate icon and lessons based on the new recommendations. Communications about the new plate logo have also been added to employee newsletters and the *Healthy Ideas* magazines, to encourage both employees and customers to use the guidelines in maintaining a healthy lifestyle.

For more information:  
[www.choosemyplate.gov](http://www.choosemyplate.gov)

Ahold USA “stepped up to the plate” to include the MyPlate branding under its own Healthy Ideas program – bringing suggestions to customers for how they can make sure healthy products are on their plates. A new Dietary

Healthy living continued

Albert Heijn shares “Ik eet het beter” knowledge



For more information:  
[iehb.nl](http://iehb.nl)

In the Netherlands, Albert Heijn has been offering, and improving, the “Ik eet het beter” (I eat better) program for several years. This educational program on healthy-eating habits has grown to become the largest in the country, highly appreciated by parents, teachers and children.

Globally, we aim to share best practices between operating companies about educating children in a healthy diet and lifestyle. After evaluating and understanding why this program has become such a success in the Netherlands, Albert Heijn shared this knowledge and expertise with Ahold’s other operating companies in the Czech Republic and United States. Albert Heijn also made its educational materials available as inspiration for the local programs in the Czech Republic and United States, helping them to speed up the implementation of these

activities in their own programs. In the Czech Republic, this is the “Healthy 5” program; in the United States, the “Kid Healthy Ideas.”

The Dutch program positively influences children’s eating habits, by teaching them where food comes from and what effect it has on the body – through taking a playful, light-hearted, child-friendly approach to nutritional value. The operating companies’ local ambitions and efforts, combined with Albert Heijn’s existing knowledge, aim to speed up their ability to reach millions of children in countries where obesity is a real issue.

Creating a shopping experience that promotes healthy living

We provide the tools to help people make healthy choices. These include communications through print, online, and in-store brochures, which provide advice to customers about following a healthy lifestyle, as well as in-store nutritionists in some of our U.S. stores. We also participate in industry-wide events to generate awareness about the importance of healthy living in a broader context.

- Albert Heijn helps its customers to make healthier choices by offering inspiration for healthy eating. *Allerhande* magazine, with 2.3 million copies each month, provides recipes and information on how to combine and cook fresh, healthy meals. In addition, Albert Heijn supports its customers in making healthy choices with promotions focused on healthy living.
- Ahold USA’s healthy-living programs include several features designed to promote a healthy lifestyle to customers. These include the free *Healthy Ideas* magazine, of which over three million copies were printed during 2011. Media racks are located in the entrance to stores, making *Healthy Ideas* magazines easily available to customers. Five in-store nutritionists currently cover seven stores in the Giant Carlisle division, and one nutritionist works for a store in the Stop & Shop New England division. Our goal is to introduce at least one nutritionist at each of the other two divisions in 2012 and to determine future expansion.
- In May 2011, Ahold USA co-hosted a Dietitian Summit together with the Field Trip Factory. Grocery retail dietitians and nutritionists from leading supermarkets across the United States attended this three-day health and wellness event, aimed to build relationships and create a community for nutrition professionals. One of its goals is to generate awareness of consumer health to the dietician association, other health and wellness providers, and the food industry in general.
- Ahold USA conducted a series of health fairs, including the annual “Wild and Wonderful Day Away” for women who came to learn about healthy living and had the opportunity to shop with women-focused vendors. A Giant Carlisle nutritionist held a workshop for women to discuss “Eating Healthy on a Budget” and Healthy Ideas in our stores.

2.3 million

copies of *Allerhande* printed  
each month

Healthy living continued

Number of children educated in healthy living

2011	389,460
2010	337,177

# One million

Over the last four years, Albert Heijn has educated around one million children

### Educating children in healthy lifestyles

We help educate future generations about healthy food and how to lead a healthy lifestyle, and endeavor to help address the growing challenge of childhood obesity. All Ahold's operating companies have healthy-living programs in place to educate children. In 2011, we reached approximately 390,000 children globally.

- Albert Heijn continued to expand and improve its "Ik eet het beter" (I eat better) program, parts of which are in the process of being incorporated into the educational programs at our other operating companies (see *case study*). Initiatives in 2011 included children and their parents being invited to make their own healthy sandwiches in Albert Heijn stores themselves, children making and eating their own healthy school lunch, a poster competition in which children promoted the healthy products they created, creative ideas to make "portraits" out of fruit, and various other classroom-based initiatives to encourage children to learn more about the five food groups. During the reporting year, Albert Heijn helped educate a total of 305,139 children about healthy living, with 66.5 percent of schools in the Netherlands participating in the program. Over the last four years, Albert Heijn has reached around one million children.
- Since Albert Heijn co-founded the "Jongeren Op Gezond Gewicht" (JOGG: Young people at a Healthy Weight) initiative in 2010, the company has continued to contribute educational materials, fruit and vegetables, and volunteer hours to empower the five JOGG projects in the Dutch cities of Amsterdam, Utrecht, The Hague, Rotterdam, and Zwolle. This national government initiative is based on the idea that the most effective way to prevent children becoming overweight is an integrated local approach, involving schools, retailers, health experts, parents, and local governments.
- Albert in the Czech Republic continued to promote its "Healthy 5" program for schools, which aims to educate schoolchildren about the importance of a healthy diet. In 2011, 54,588 children were educated about the need to eat five portions of fruit and vegetables a day. In 2012, the program will be further expanded: within four years, it aims to reach all schools in the Czech Republic, as well as launching a healthy snacks initiative in schools.
- Ahold USA continued to offer children's store tours. The "Kid Healthy Ideas" store tours were launched in additional divisions. These in-store field trips reinforce the nutrition and healthy-living curriculum taught in local schools, while giving children a fun, interactive experience, and a sampling of healthy ideas. The tours are free, age-appropriate, and help children develop and enhance skills in healthy living and nutrition, good oral care, and exercise. In addition, children learn about ways to recycle, and about environmentally friendly products in grocery stores. In 2011, 29,537 children were taught healthy eating habits through the store tours and nutrition classes. Ahold USA's "Passport to Nutrition" is a web-based educational program for children available in all divisions. Packed with information, it motivates children to learn about nutrition and a healthy lifestyle in a fun way; there were 74,733 page views in 2011.

## Health and wellness resolutions passed by the Consumer Goods Forum



For more information:  
[www.theconsumergoodsforum.com](http://www.theconsumergoodsforum.com)

In 2011, the Consumer Goods Forum (CGF) – a group of international manufacturers and retailers, of which Ahold is a member – approved a number of resolutions on ways to encourage customers to eat and live more healthily. The resolutions were drawn up by experts from the Health and Wellness Group of the CGF, which is co-chaired by Ahold and Nestlé. Together with its partners, Ahold was instrumental in obtaining approval by the Board of the CGF (of which Ahold's CEO Dick Boer is a member) on the set of three health and wellness resolutions:

- We will offer consumers and shoppers a range of products and services that supports the goals of healthier diets and lifestyles.
- We will provide transparent, fact-based information that will help consumers and shoppers make informed product choices and usages.

- We will use communication and educational programs to help raise consumer awareness on health and wellness and energy balance to inspire healthier diets and lifestyles.

The members of the Board of the CGF believe that manufacturers and retailers have a key role to play in improving the health and wellbeing of consumers, employees, their families and communities.

The resolutions are built on existing industry initiatives, and encourage retailers, food and non-food manufacturers to further develop and implement self-regulatory tools to support healthier diets and lifestyles. Ahold is working with CGF on communicating the resolutions and putting a program in place to measure progress.

## Healthy living continued

- Representatives from Ahold USA met with U.S. First Lady Michelle Obama's "Let's Move" Campaign staff to share the ways in which Ahold USA's companies are addressing childhood obesity, and to discuss ways in which food retailers can take a leading role in fighting this issue and ensuring access to healthy foods.
- Ahold USA participates in the Bipartisan Policy Center's Nutrition and Healthy Initiative. The Center is a Washington-based forum for addressing key issues. The Initiative brings together experts, policymakers, and stakeholders to identify opportunities for collaborative action on these critical issues. Led by a bipartisan group of four former U.S. Cabinet Secretaries, it focuses on four priority areas: investing in children's health; creating healthy schools; improving the health of communities; and developing healthy institutions.
- Ahold USA's four divisions held a combined total of seven childhood obesity summits in 2011. These summits were held to educate parents, caregivers and others in the local community about the issue of childhood obesity and what can be done to alleviate it. Panelists comprised division nutritionists, pediatricians, youth fitness instructors, school representatives, and others from local health organizations. Customers were invited to attend via brochures and signage in stores.
- Giant Landover and the YMCA of Metropolitan Washington partnered up for the "Kids in the Kitchen" program, in which local children learned about food preparation and healthy eating. The Giant Landover and Stop & Shop divisions also work with the YMCA to promote a more active lifestyle for schoolchildren.

## Healthy living continued

## The data

Number of healthy-choice products	2011	2010	2009	2008
Ahold USA <sup>1</sup>	7,008	NR	NR	NR
The Netherlands <sup>2</sup>	1,301	1,214	800	1,243
Other Europe <sup>3</sup>	710	535	6	0
<b>Total</b>	<b>9,019</b>	<b>NR</b>	<b>NR</b>	<b>NR</b>

1 2008–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

2 The number of healthy-choice products decreased between 2008 and 2009 due to stricter criteria.

3 The number of products for Other Europe contains double-counts between Czech Republic and Slovakia.

The number of healthy-choice products was over 9,000 at year-end, driven by the rollout of the healthy-living programs at all operating companies.

## Sales of healthy-choice products

(percentage of total food sales) <sup>1,2</sup>	2011	2010	2009	2008
Ahold USA	24.1	22.3	17.3	1.8
The Netherlands	21.5	20.5	23.0	26.0
Other Europe	8.9	2.2	0.0	0.0
<b>Total</b>	<b>22.3</b>	<b>20.4<sup>3</sup></b>	<b>18.2</b>	<b>10.2</b>

1 Sales of healthy-choice products at Ahold USA include the sale of labeled national brands. The sales data for the Netherlands and Other Europe data does not include national brands, as there was no uniform national labeling system.

2 2008 and 2009 data has not been audited.

3 Compared to the 2010 CR Report, the 2010 total has been restated due to the exclusion of ICA in the 2011 CR Report.

The sales of healthy-choice products measured as a percentage of the total food sales increased by 1.9 percentage points to 22.3 percent. All operating companies reported an increase in sales due to the rollout of the healthy-living programs. At Ahold USA, this was partly due to the rollout of the Healthy Ideas program to all divisions. In Other Europe, this was partly due to the inclusion of all fruit and vegetable products in the healthy-living program.

Number of children educated in healthy living <sup>1,2</sup>	2011	2010	2009	2008
Ahold USA <sup>3</sup>	29,537	31,871	30,157	23,184
The Netherlands	305,139	297,306	200,000	137,895
Other Europe	54,784	8,000	3,353	2,691
<b>Total</b>	<b>389,460</b>	<b>337,177</b>	<b>233,510</b>	<b>163,770</b>

1 All operating companies have web-based programs that include estimates of the number of children educated based on the number of downloads of the program.

2 The total group data for 2008–2010 has been restated due to the removal of ICA.

3 The number of children educated in healthy living in the Giant Carlisle division decreased in 2011 because government funding that paid for transportation from schools to stores was cut.

## Sustainable trade



### Sourcing sustainable products



#### Our ambitions

Our ambitions are to source safe and responsible products, and to reduce the environmental footprint of our supply chain.

Product safety is critical to Ahold. Our products meet international standards for food and non-food safety, and we are working with Global Food Safety Initiative (GFSI) certification at all our operating companies. In addition, we ask all our suppliers to comply with our Standards of Engagement, and we are implementing social compliance programs for our own-brand suppliers in high-risk countries. These require our suppliers, as well as those who supply them, to treat employees fairly, with dignity and respect, and in accordance with all applicable laws and regulations.

We are working to increase the sustainability of our own-brand products, with a focus on six critical commodities (coffee, tea, cocoa, soy, palm oil and seafood) because of the negative environmental and social impact that sourcing these products can have. Increasing the sustainability of our products means that we aim for them to be grown or produced with consideration for – and responsibility towards – the people, animals, and environment involved in their production.

#### Our progress on our targets

##### Supplier mapping

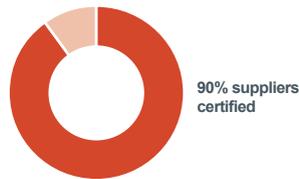
In order to meet the sustainable trade targets we have set for our own-brand products, we need to better understand our supply chain. Our own-brand products include store brands, exclusive brands and non-branded products, including fruit and vegetables, meat and dairy. Understanding our supply chain is a complex task, as we sell a wide range of own-brand products and many parties may be involved in each product. We are mapping our own-brand suppliers to the last stage of production, where our products are produced or manufactured. This is more difficult than anticipated as systems and processes need to be developed to gather the information and to ensure it stays up-to-date. To support the mapping process, in 2011 we implemented a Supplier Information Management system. As the supplier mapping exercise has not yet been completed, we have made best estimates based on the information currently available.

Sustainable trade continued

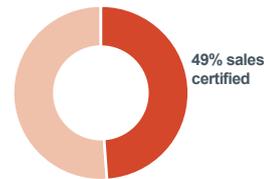
**1. Ensure that 80 percent of our own-brand food suppliers are certified against Global Food Safety Initiative (GFSI) recognized standards by 2012.**

At the end of 2011, it is estimated that 90 percent of our own-brand suppliers in Europe are certified against a GFSI-recognized standard. This estimate is based on our standardized sourcing process, which includes a compliance check on GFSI-recognized standards. Current initiatives are ongoing to verify GFSI certification of all our own-brand food suppliers at the last stage of production before the end of 2012. In the United States, approximately 49 percent of our own-brand sales are certified against a GFSI-recognized standard.

Ahold Europe



Ahold USA



**2. Ensure that 100 percent of own-brand suppliers in high-risk countries are audited on social compliance by 2012.**

In order to ensure that our own-brand suppliers in high-risk countries meet our social compliance standards, we started a program in 2009 to ensure that all of these suppliers undergo an audit conducted against one of the social compliance standards that Ahold considers equivalent to the Business Social Compliance Initiative (BSCI) standard. This is a challenging target due to the complexity of our supply chain and the need for supplier mapping. The first area of focus was fruit and vegetables in Europe, and seafood in the United States. At the end of 2011, 565 last stage production sites in high-risk countries<sup>1</sup> had been identified. Of those, 111 have been audited on social compliance against a standard that Ahold considers equivalent to BSCI.

<sup>1</sup> The list of high-risk countries is based on the definitions in the United Nations Human Development Index, and the ILO Economic Security Index. More details on high-risk countries are included in our Standards of Engagement.

Sustainable trade continued

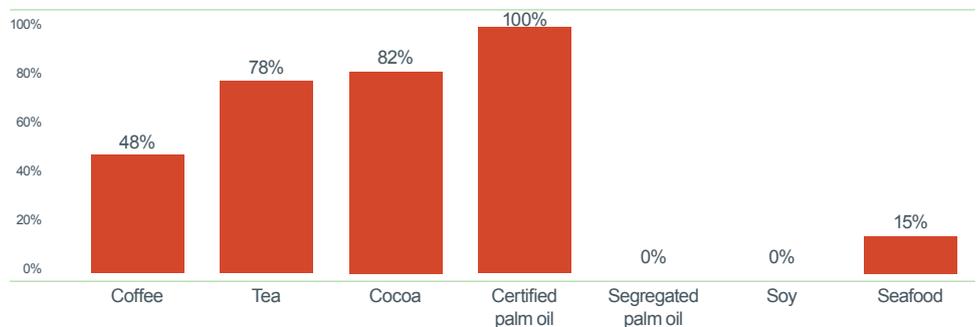
**3. Source 100 percent of the six critical commodities for own-brand products in accordance with industry certification standards by 2015.**

By the end of 2011, 48 percent of coffee, 78 percent of tea, 82 percent of cocoa, 0 percent of soy, and 15 percent of seafood used in our own-brand products was sourced in accordance with acceptable industry certification standards. The percentage of each critical commodity that is sustainably sourced is the percentage of products that have been certified based on key products within selected categories at Albert Heijn and Ahold USA. See *Our approach to reporting* for the list of key products and associated categories.

For palm oil, we have offset 100 percent of our estimated palm oil usage through purchasing GreenPalm certificates ([www.greenpalm.org](http://www.greenpalm.org)). Our target is to move to 100 percent segregated certified palm oil by 2015.

**Sustainable sourcing of critical commodities**

percentage of products with certified commodity



**4. Map the environmental footprint of 50 percent of own-brand suppliers and their supply chains by 2015.**

We are working with the Sustainability Consortium to gain better insight into greenhouse gas emissions, energy, water usage, and social issues in our own-brand supply chain. This will enable us to create an inventory of the key steps and processes to enable us to prioritize improvements to areas where we can have the greatest impact.

In 2011, the Sustainability Consortium opened their European office in the Netherlands, which is managed by Wageningen University & Research Center. The Sustainability Consortium also delivered the initial results of their research in 2011. Members have access to 100 files of product categories that show where environmental and social hotspots occur throughout a product's life cycle. We are planning to use these insights to focus our sustainability efforts on those areas where we can make the most difference.

Sustainable trade continued

## Actions and achievements in 2011

### Meeting product safety standards

Product safety is critically important to Ahold. We require our suppliers to follow strict product safety procedures and policies, which meet international standards. For our own-brand products, we use third-party auditing and certification of our suppliers.

Ahold has been working with the GFSI, an international food-safety certification framework founded by Ahold in partnership with other retailers, since 2000. Given its importance and lasting success, Ahold is actively involved in the GFSI activities, as illustrated by the publication of the revised Guidance Document in 2011. This document defines best-practice requirements for food-safety management along the supply chain. During 2012, all standards will be (re-)evaluated for their compliance with these requirements, which have become stricter. Ahold was one of the first food retailers globally to demand adherence to GFSI-recognized certification standards from suppliers of own-brand products.

### Improving social compliance in our supply chain

We are working to ensure that our own-brand suppliers comply with (inter)national labor legislation and social standards for their employees. All our own-brand suppliers are requested to comply with our Standards of Engagement (available on our website, [ahold.com](http://ahold.com)), which oblige these suppliers (as well as those who supply them) to treat their employees fairly, with dignity and respect, and in accordance with all applicable laws and regulations. We are also implementing social compliance programs for our own-brand suppliers in high-risk countries to ensure that these suppliers undergo a social audit according to the BSCI or an equivalent standard. The BSCI standard – developed on the basis of International Labour Organization conventions – includes requirements relating to child labor, forced labor, discrimination, compensation, working hours, and other labor conditions.

- Ahold Europe is focusing the implementation of its social compliance program first on its strategic suppliers. In addition, steps were made in terms of mapping the locations where own-brand products are being produced. Ahold Europe trained all quality managers on issues relating to the management of social compliance.
- Ahold USA is continuing to map the locations where own-brand products are produced. During 2011, Ahold USA also conducted a workshop to familiarize all category managers and buyers in the fresh teams with social compliance. The training introduced them to the key issues, requirements and approaches for ensuring that workers' rights and working conditions meet Ahold's standards and values.

## Albert Heijn Foundation



To strengthen Albert Heijn's relationship with its suppliers and to support the livelihoods of those growing, picking and packing fruit and vegetables, Albert Heijn set up a foundation in 2007. The goal of the Albert Heijn Foundation is to improve the future prospects of the African fruit and vegetable producers of Albert Heijn, including the workers themselves, their families, and the local communities where they operate.

The Foundation, which works in cooperation with ICCO and Fairmatch Support, receives a contribution from both Albert Heijn and the supplier. These funds are used to support a wide range of community programs on education, housing and medical care. There are currently more than twenty programs at eight suppliers in five countries, and the goal is to support programs at all fruit and vegetable suppliers in Africa.

Together with its partners and suppliers, in 2011 Albert Heijn supported the Emerging Farmer Incubator Project in the Sunday River Valley in the Eastern Cape of South Africa, in order to train and educate promising young local farmers so that they can manage their own farming companies later in their career. The Foundation also supported a number of other projects, including a school improvement program with our grape supplier, Karsten, in South Africa, and donated money towards educational equipment for a resource center, together with Mouton, an avocado supplier in South Africa.



For more information:  
[www.ah.nl/ahfoundation](http://www.ah.nl/ahfoundation)

Sustainable trade continued

Ahold USA's supplier sustainability summit



In September 2011, Ahold USA held a sustainability summit with 24 key suppliers of perishable and non-perishable products. The aims of the summit were to share Ahold's CR priorities, ambitions and initiatives; to engage with suppliers about how they can work with us to advance mutual goals, identify opportunities and build on existing partnerships; and to kick-start the process of generating actionable initiatives that support our mutual CR and business goals.

Topics discussed on the day included ways to communicate with customers about sustainability issues, Ahold's ambition to be a leading healthy retailer, childhood obesity and hunger relief, food and packaging waste, and transport and distribution. General consumer trends were

also discussed, and insights were shared by a panel made up of both internal and external speakers, the latter including those from Kellogg and Unilever.

Follow-up activities have been planned, and a task force has been set up to look at food waste and hunger relief issues together, in order to increase food donations for hunger relief and cut down on food waste. Many of these involve Ahold working together with its suppliers. One participant said: "I would strongly consider another meeting with your vendors. It is obvious working together will benefit each organization. I'm not aware of your peers doing this to the extent you have gone to, so I would continue to partner where it makes sense and encourage your suppliers to assist you in achieving your goals."

In addition, Ahold is an active member of the Global Social Compliance Programme (GSCP). This is an initiative of the Consumer Goods Forum that will help us to determine which social compliance standards are (at least) equivalent to BSCI. Increasing the number of social compliance standards that we accept will lead to less duplication in social auditing, more transparency in global supply chains, and more cooperation between social compliance standards and the companies implementing them.

In countries that are not identified as high risk, we react promptly and appropriately to specific and credible evidence of wrongdoing. In April 2010, Ahold suspended purchases of tomatoes from the Immokalee region in Florida in response to allegations about wages and working conditions of certain tomato growers. Following a dialogue with the Coalition of Immokalee Workers (CIW) and a review of growers' compliance with Ahold's Standards of Engagement, Ahold resumed purchasing from suppliers who are in compliance with them. In November and December 2011, representatives of Ahold USA met with tomato growers and re-packers to discuss policy changes and additional programs implemented concerning worker treatment since the initial meetings with them on this topic. These growers and re-packers previously acknowledged their agreement to comply with our Standards of Engagement in writing and were asked to inform us of any violations of such standards or any other code of conduct by which they are bound, including the Fair Food Code of Conduct of the CIW or any violations identified by labor inspectors. No violations were reported by the growers or re-packers, nor has Ahold USA received any reports of violations from CIW.

Sourcing sustainable products

We are working to increase the sustainability of our own-brand products. This means sourcing our products with consideration for – and responsibility towards – the people, animals and environment involved in their production.

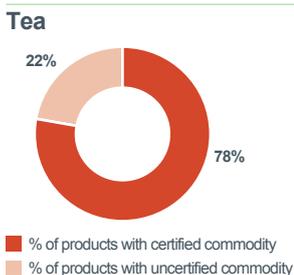
Critical commodities

In improving the sustainability of our own-brand products, we pay particular attention to six so-called "critical commodities": tea, coffee, cocoa, palm oil, soy and seafood. These are basic ingredients or generic products that potentially have an adverse impact on several sustainability issues, so we aim to improve their sustainability at several stages of the supply chain.

Tea

The most critical environmental issues in the production of tea are agro-chemical use, deforestation and soil erosion. Ahold is working to certify our own-brand tea against third-party standards. This means that producers have to comply with a set of economic, social, and environmental criteria for responsible production. Certification programs we currently accept include UTZ CERTIFIED, Rainforest Alliance, and Fairtrade.

Albert Heijn's branded tea assortments (including black tea, green tea, and red bush tea) are all UTZ CERTIFIED, with 30 percent of the tea used in them being certified. From 2012 onwards, each product category within Albert Heijn's tea assortment will transition to 100 percent certified, with the goal of having all own-brand tea 100 percent UTZ CERTIFIED by 2015. In addition, the plastic wrapping from tea packaging has been removed, thereby reducing packaging waste by the equivalent of 100 football fields of wrapping per year.



Sustainable trade continued

Albert Heijn and WWF-NL sign contract on sustainable seafood



For more information:  
[www.wnf.nl](http://www.wnf.nl)

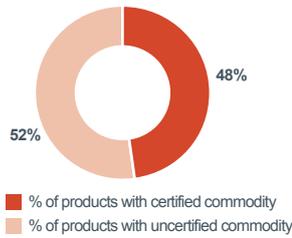
In summer 2011, Albert Heijn and the World Wildlife Fund Netherlands (WWF-NL) signed an agreement to increase the sustainability of the seafood assortment sold in Albert Heijn stores. As part of the new contract, sustainability targets have been set for the entire own-brand seafood assortment. By the end of 2015, all of Albert Heijn's own-brand seafood products will be certified according to MSC standards (or equivalent) for wild fish, and ASC standards (or equivalent) for farmed fish. For each product, Albert Heijn and WWF-NL have developed concrete targets, timelines and actions that need to be undertaken. The goals apply not only to fresh and frozen seafood, but also to products in which fish is an ingredient – such as the fresh ready meals from Albert Heijn.

As one of the largest seafood sellers in the Netherlands, Albert Heijn's commitment to sell only responsibly sourced

seafood will act as an important stimulus for suppliers to deliver MSC-certified seafood. In 2011, 49 percent of Albert Heijn's wild seafood assortment was MSC certified. Albert Heijn has also committed to work with suppliers to help them meet the standards required for certification.

One of the results of the teamwork between Albert Heijn and WWF-NL is the introduction of sustainably farmed mussels with MSC certification in stores in 2011. The mussel larvae are sustainably caught and then responsibly farmed in the Netherlands. Albert Heijn is the first retailer in the country to sell MSC-certified fresh mussels. Since January 2011, Albert Heijn has also bought only fresh yellowfin tuna from a project with the WWF-NL in the Philippines. The project helps local fishermen to achieve MSC certification.

Coffee

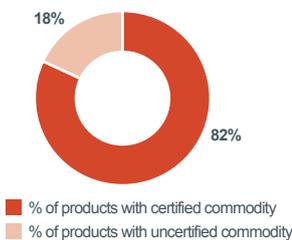


Coffee and cocoa

We aim to reduce the potential adverse impacts caused by coffee and cocoa production – including the loss of natural habitats, soil degradation, pesticide use, degradation of water quality, poor labor conditions, and low incomes. Ahold uses third-party sustainability standards to certify our coffee and cocoa, so that producers are trained and earn better incomes. Certification programs we currently accept include UTZ CERTIFIED, Rainforest Alliance, and Fairtrade.

Albert Heijn has expanded its range of sustainably sourced own-brand coffee and chocolate products. The assortment includes chocolate bars, candies and seasonal chocolate products, coffee beans and ground coffee.

Cocoa



Palm oil

Palm oil is used in several product categories, including cookies, shampoo, and oil for deep-fat frying. The production of palm oil potentially causes deforestation, which in turn releases greenhouse gases and endangers wildlife habitats.

Ahold is an active member of the Roundtable for Sustainable Palm Oil (RSPO), which coordinates the certification of palm oil plantations to ensure that the oil is produced in a sustainable way. To prevent further deforestation, one of the RSPO's commitments is to make sure that palm oil is never taken from plantations planted later than November 1, 2005.

However, because certified sustainable palm oil is often mixed with other palm oil before it reaches the suppliers who make our own-brand products, it can be difficult to ensure the palm oil we are using comes from a certified plantation. We therefore buy GreenPalm certificates to offset our palm oil consumption<sup>1</sup>. The money that we pay for GreenPalm certificates goes to growers of sustainable oil palms. Globally, we have offset 100 percent of our estimated palm oil usage through purchasing GreenPalm certificates ([www.greenpalm.org](http://www.greenpalm.org)). Our target is to move to 100 percent segregated certified palm oil by 2015.

Soy

Although little soy is used directly in our products, it is used extensively in animal feed. As Ahold sources meat and other animal products, we are committed to promoting more sustainable soy production. The major environmental problems associated with soy production include the loss of natural habitats, deforestation, soil erosion, and the use of pesticides.

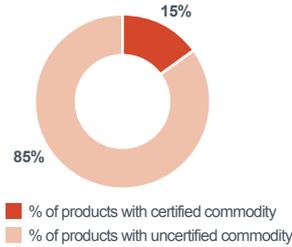
Ahold is a member of the Round Table on Responsible Soy (RTRS), which supports the responsible production and trade of soy. RTRS is considered to be a credible step towards improving the mainstream soy trade in a significant way. In working with RTRS, we are hoping to improve the criteria set for soy. This year again Ahold signed the renewal of the Amazon moratorium, preventing deforestation in the Amazon through soy production.

<sup>1</sup> For 2011, Ahold purchased GreenPalm certificates to offset its estimated palm oil consumption (8,000 metric tons) for own-brand products. Our process for estimating palm oil consumption is detailed in the section *Process and CO<sub>2</sub> conversion factors*.

Sustainable trade continued

Through its membership of the Initiative for Sustainable Soy, Albert Heijn supports third-party certification and the responsible use of soy in cattle feed in the Netherlands. In December 2011, Albert Heijn committed to a plan working with the Dutch animal feed industry to ensure that only sustainable soy will be used in the Netherlands by 2015. Soy is not considered to be a critical commodity in the United States as it is a soy-producing country.

Seafood



49%

In 2011, 49 percent of Albert Heijn's wild seafood assortment is MSC certified

Seafood

Marine ecosystems worldwide are under pressure due to overfishing, leading to a decrease in various species of aquatic organisms, as well as disruptions to marine ecosystems partly due to by-catch of other species. In the past few years, aquaculture (farming of seafood species) has been practiced at a steadily growing rate, leading to potential contamination of, and damage to, vulnerable habitats.

Our overall aim is to work with well managed fisheries, whose practices have minimal impact on their surrounding environment, and to minimize the potential adverse impacts of aquaculture farms. We endeavor to buy seafood from sustainable sources, such as those certified to the standards of the Marine Stewardship Council (MSC) for wild fish, and those meeting the standards of the Aquaculture Stewardship Council (ASC) for farmed fish. However, MSC-certified seafood is still difficult to obtain, and ASC-certified seafood is not yet available at all, which means that at the time of reporting we are not yet able to offer large amounts of certified seafood in our stores.

We take advice from the World Wildlife Fund (WWF), New England Aquarium in Boston, and John G. Shedd Aquarium in Chicago, when sourcing seafood. Ahold is an active member of the MSC, ASC and Aquaculture Dialogues, which is a multi-stakeholder roundtable facilitated by the WWF that prioritizes sustainable aquaculture.

- During the reporting year, Albert Heijn and WWF Netherlands signed an agreement to work towards a 100 percent sustainable supply of own-brand seafood products in 2015. See *case study*.
- Ahold USA and the New England Aquarium have been working together on seafood sustainability since 2000. The focus of their 2011–2012 partnership includes deliverables that will help Ahold USA work towards its 2015 target of having its own-brand seafood assortment certified according to MSC and ASC standards (or equivalent). In addition to the current work on farmed fish and farmed salmon, Ahold USA and the New England Aquarium will set priorities for additional species. This list will include fresh and frozen seafood as well as items such as canned tuna. As part of the work to obtain ASC certification for Ahold's farmed shrimp, Ahold USA and the Aquarium have worked together to produce specific recommendations for shrimp farms to implement in collaboration with suppliers.

Product sustainability

In addition to the global sustainability targets, Ahold Europe has a goal to improve the sustainability of its own-brand products by 2015. This program will focus on improving the sustainability of ingredients that have been identified as having potentially adverse social or environmental impacts, reducing the environmental impact of our packaging, and reducing the environmental impact of the supply chain.

- At the end of 2010, Albert Heijn introduced certified Fairtrade cashew nuts under its "AH puur&eerlijk" range. Africa is the major producer of cashew nuts; previously, the nuts were shipped across the world for processing, via a range of middlemen. For the first time, the cashews are now fully traceable from field to plate, and processed in Africa (cutting out the middlemen and increasing the producers' income). Under the African Cashew Initiative, the project was a collaboration between Albert Heijn, its nut supplier Intersnack, African processors of the Dutch Trade and Development Group, and FairMatch Support. Approximately 16,500 farmers were organized and certified in Benin, Burkina Faso, Ghana, Mali, and Mozambique for the start of the project. This unique project is creating a reliable market for African producers, stimulating the African economy, and providing direct sustainable nut sources for Albert Heijn and its customers.

Sustainable trade continued

*Animal welfare*

In food that contains animal products, we work to ensure the wellbeing of the animals, often implementing stricter controls than regulations require. Ahold has been actively working with other stakeholders in the European Animal Welfare Platform to build a future roadmap for the main welfare issues identified in six selected supply chains: pork, beef, dairy, poultry, eggs, and farmed salmon. This work was completed in 2011, and the results are being integrated into our farm assurance programs to enable our customers to choose animal-friendly products. Ahold does not commission any animal testing.

Ahold Europe uses the GlobalGAP standards as a requirement for livestock and aquaculture farmers to ensure control of antibiotics use, no usage of growth hormones, and ethical standards for animal transport and slaughtering. In the development and maintenance of these standards, various stakeholders are engaged from producers, retailers and other interested parties, including animal welfare organizations.

Ahold USA has worked to establish and endorse, together with other retailers, the Food Marketing Institute / National Council of Chain Restaurants guidelines on animal welfare. These are communicated to our suppliers and expected to be followed as an example of industry best practice.

- Since July 2011, the entire range of pork sold at Albert Heijn is produced in a more animal-friendly way. Almost all pork products hold a minimum of one “Beter Leven” (better life) star out of a possible three, from the Dierenbescherming (Dutch animal protection society). Albert Heijn’s “AH puur&eerlijk” (organic range) pork and its “scharrelvlees” (free-range pork) already held three and two stars, respectively. Through this initiative, Albert Heijn is raising the bar in animal welfare for its fresh pork, which should encourage other supermarkets to follow suit, and increase animal welfare in the Netherlands. The initiative was communicated to customers via a campaign in partnership with the Dierenbescherming in August 2011. In cooperation with the meat supplier, farmers and the Dierenbescherming, 150 farms were remodeled according to new, more animal-friendly guidelines. Because of this initiative, around 800,000 pigs have a better life. We are currently looking into the possibilities to achieve a similar level of improvement in animal welfare conditions for poultry and cattle.

**Reducing the environmental impact of our products**

Ahold supports the Consumer Goods Forum’s resolution on deforestation: the members pledged to mobilize their collective resources to help achieve zero net deforestation by 2020.

Since joining the Sustainability Consortium in 2010, Ahold has been working with partners in the consortium to gain better insight into the social and environmental issues in our supply chain, in order to identify the hotspots.

The Sustainability Consortium is developing uniform, scientifically valid methods for measuring the sustainability of the entire life cycle of a consumer product. This means that we work together to define how we measure our products’ environmental impact on greenhouse gases, water and energy, so that we are comparing like with like when it comes to judging the performance of our products against that of others. This common methodology helps us to systematically measure the social and environmental impact of our products and show us where the opportunities for more sustainable supply chains are.

As a retailer, we are also part of the life cycle of our products. Read more about what we do to reduce the environmental impact of our own operations in the *Climate action* section.

150

farms in the Netherlands remodeled according to new, more animal-friendly guidelines

Sustainable trade continued

## The data

### Critical commodities

(percentage of products certified against industry standards)<sup>1</sup>

	2011
Coffee	48
Tea	78
Cocoa	82
Palm oil	0
Soy	0
Seafood	15

<sup>1</sup> The percentage of each critical commodity that is sustainably sourced is the percentage of products that have been certified based on key products within selected categories at Albert Heijn and Ahold USA. See *Our approach to reporting* for the list of key products and associated categories.

Number of Fairtrade-certified products at year end	2011	2010	2009	2008
Ahold USA <sup>1</sup>	160	NR	NR	NR
The Netherlands	141	96	67	68
Other Europe	0	1	19	19
<b>Total</b>	<b>301</b>	<b>NR</b>	<b>NR</b>	<b>NR</b>

<sup>1</sup> 2008–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

Number of certified organic products at year end	2011	2010	2009	2008
Ahold USA <sup>1</sup>	2,916	NR	NR	NR
The Netherlands	447	407	304	290
Other Europe	498	570	721	529
<b>Total</b>	<b>3,861</b>	<b>NR</b>	<b>NR</b>	<b>NR</b>

<sup>1</sup> 2008–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.

## Climate action



### Our ambitions

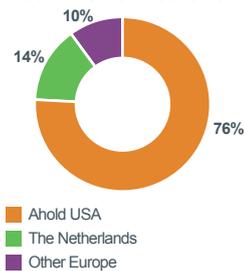
Our ambition is to reduce our environmental footprint.

We are working on the environmental impact of our own operations – through both the design of our stores and the infrastructure of our distribution network. We are stepping up our activities to reduce energy and fuel usage, use more environmentally friendly refrigerants and reduce refrigerant leakage. Our waste management strategy has ambitious goals to reduce, re-use and recycle both in our own operations and for our customers.

In terms of our customers and suppliers, we are looking at ways to encourage them to reduce their environmental footprint, too.

Reducing our energy consumption and waste production is good for business, as well as for the environment. It can save costs and – through recycling initiatives – generate revenue.

### Total CO<sub>2</sub> emissions



### Our progress on our targets

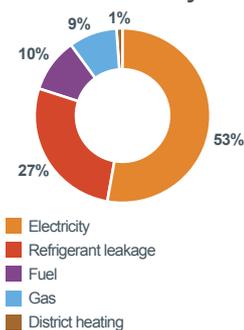
In 2010, we set two targets in our strategy to 2015 for climate action, in terms of the impact of our own operations<sup>1</sup> on the environment:

- 1. Reduce CO<sub>2</sub> per square meter of sales area by 20 percent in our operations by 2015 against our 2008 baseline of 555 kg.**

In 2011, our CO<sub>2</sub> emissions per square meter of sales area were 497 kg, down 10.5 percent against our 2008 baseline.

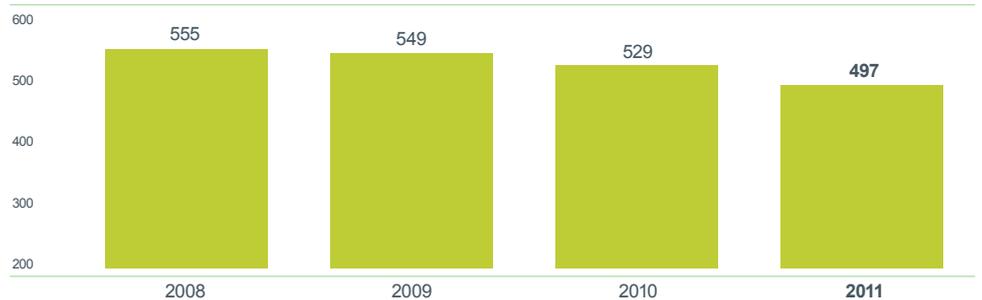
<sup>1</sup> The targets relating to the environmental footprint of our supply chain are included in the *Sustainable trade* section.

### CO<sub>2</sub> emissions by source



### Total CO<sub>2</sub> emissions

kg per square meter of sales area



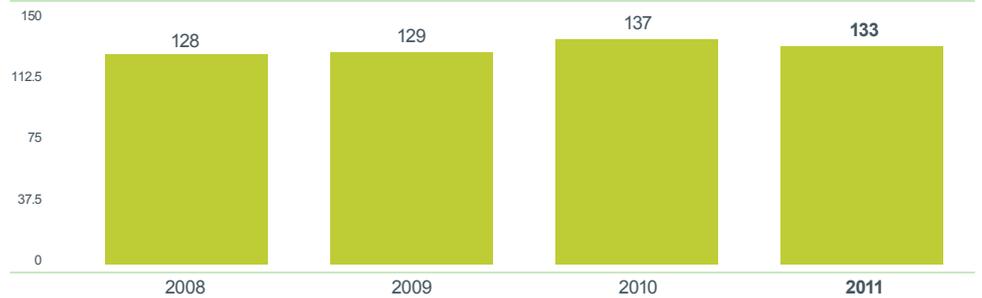
Climate action continued

**2. Ensure that each operating company has a comprehensive waste management program in place by the end of 2011.**

Waste management programs are now in place at all our operating companies. During 2011, we put together a Group-wide waste management strategy. The objective of this global strategy is to minimize waste in our operations, while supporting our suppliers and encouraging our customers to do the same. We have set specific targets for our own operations and customers.

**Waste production**

kg per square meter of sales area



**Own operations**

**2.1 Food waste:** Develop a group metric to measure food waste by 2012.

We currently use shrink as our best approximation for measuring food waste on a group level. However, this percentage includes theft as well as donations to food banks and, therefore, “real” food waste is evidently lower. As a percentage of total sales, our fresh and dry food shrink in 2011 was between 2 and 3 percent.

**2.2 Packaging waste:** Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company by 2012.

**2.3 Shopping bags:** Eliminate free disposable bags at the checkout in our supermarkets in Europe by 2012 and reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015.

**2.4 Disposal method:** Eliminate landfill as a disposal method by 2020<sup>1</sup>.

**Customers**

**2.5 Ensure that all operating companies have implemented a communication policy to encourage customers to reduce, re-use and recycle by 2013.**

<sup>1</sup> Ahold in the Netherlands has already achieved this target. In the United States and Other Europe, Ahold aims to move away from landfill as soon as it is legally, technically and economically viable. Ahold USA has a “zero waste” ambition, meaning that no more than 10 percent of waste will be incinerated or disposed of in landfills. See *Glossary* for definition of landfill and zero waste.

Climate action continued

**Actions and achievements in 2011**

Our climate action initiatives are being recognized: in 2011, we were 142<sup>nd</sup> out of the top 250 greenest companies in the world, according to *Newsweek*. Ahold USA was also ranked seventh on the U.S. Environmental Protection Agency's Top 20 Retail list and 30th on the National Top 50 list for green power purchases.

In November 2011, we signed the 2°C Challenge Communiqué, which is a document designed to influence governments at the United Nations Conference on Sustainable Development RIO +20 to take action on climate change issues. Ahold is one of many corporate signatories to show their support for the Communiqué.

**Reducing our carbon footprint**

*Our own operations*

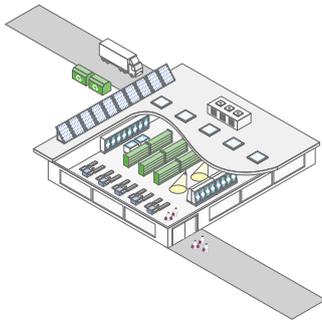
We are working to reduce our CO<sub>2</sub> emissions – both through the design and operations of our (new and existing) stores, and through the way we transport products to stores. When we design a new store, we look at how to reduce its total environmental footprint, considering heating, lighting and refrigeration requirements.

In 2009, we pledged to source 20 percent of our energy from renewable sources by 2020 in Europe, as part of our commitment to the European Retail Round Table (ERRT). In 2011, we met this target.

**Electricity reduction and generation through improved store design**

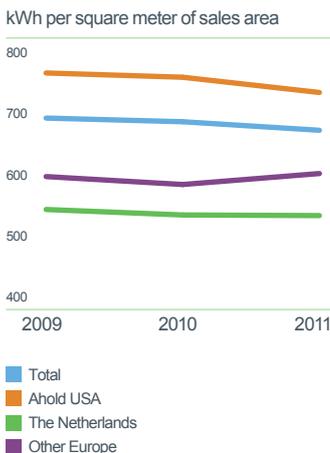
We have found, and continue to look for, ways to reduce our electricity consumption in cooling, heating and lighting stores.

- Albert Heijn piloted doors on refrigerators in three Albert Heijn To Go stores during 2011; as a result, this was rolled out to 28 stores in 2011 and will be rolled out to the remaining stores in 2012.
- In its regular stores, 402 existing Albert Heijn stores already have doors on their refrigerators. We aim to have doors installed on refrigerators in 60 percent of stores by 2012, and 100 percent by 2015. The next generation of wall refrigerators has been redesigned to integrate doors, LED lighting and fans with Electronically Commutated Motors (ECMs). This reduces energy consumption by 23 percent compared to traditional covered refrigerators. Between 2012 and 2014, fans in all existing refrigerators will be retrofitted with low-energy alternatives, with CO<sub>2</sub> reduction per square meter of sales area forecast at 3–5 percent.
- Albert's new compact hypermarket in Svitavy, Czech Republic uses low-energy lighting and doors to cover refrigerators and freezers.
- Ahold USA has installed EnerNOC's EfficiencySMART Insight platform to reduce energy usage and spend across 630 stores across New England and the mid-Atlantic. The application collects data that sends alerts and real-time information to store managers. These insights will help Ahold to identify and put to use a range of cost-efficient energy-saving opportunities. It will also help us optimize energy investments and strategy, and enhance measurement and verification of ongoing and future energy-efficiency projects. EnerNOC expects the application to help a single store save, on average, 5 percent on its energy bills annually.
- In 2011, Ahold USA's stores implemented several energy-conservation features that are expected to reduce energy usage by 23 million kWh per year – the equivalent of that used by 2,000 households:
  - Motors of walk-in coolers and freezers have been retrofitted with lower energy ECMs, which are expected to reduce annual electricity consumption by 12 million kWh
  - Lighting in various areas of the store outside the main sales area has been retrofitted or replaced with new, more energy-efficient lighting, which is expected to reduce annual electricity consumption by 5.8 million kWh
  - Metal halide track lighting has been retrofitted with lower energy LED track light fixtures, which are expected to reduce annual electricity consumption by 2.9 million kWh
  - Glass doors on reach-in freezers have been retrofitted with low-energy glass doors, which are expected to reduce annual electricity consumption by 2.3 million kWh



To see how we are making our stores more climate friendly, visit: [www.2011yearreview.ahold.com/#!/retailing/climate-action](http://www.2011yearreview.ahold.com/#!/retailing/climate-action)

**Electricity efficiency**



Climate action continued

**LEED certification at Ahold USA's stores**



For more information:  
[www.usgbc.org/LEED](http://www.usgbc.org/LEED)

In May 2011, Stop & Shop opened its new Oceanside store in New York. The Oceanside store will seek Leadership in Energy and Environmental Design (LEED) certification and will join 50 other stores that are LEED certified. Its design incorporates many features that improve our energy efficiency and environmental impact. The store has an energy-efficient heating, ventilating and air-conditioning (HVAC) system, and a refrigerant leakage detection system to reduce refrigerant leakage and, ultimately, CO<sub>2</sub> emissions. It has a reflective "white" roof membrane, designed to reduce the "heat island" effect and energy use, by reducing heat that comes into the building and therefore requiring less energy to cool it. A natural daylight harvesting system from skylights is connected to dimmable energy-efficient fluorescent lighting fixtures to reduce the energy used for lighting the store.

Also during the reporting year, Ahold USA worked with the U.S. Green Building Council (USGBC) to obtain LEED certification for its prototype store design, which was rolled out to all new stores in early 2010. The prototype store was pre-certified at silver level under the LEED for Retail: New Construction Rating System.

S. Richard Fedrizzi, President of the USGBC, wrote: "From your pioneering contribution to the development of this program many years ago to your continued success with this new prototype, Ahold USA has exhibited an unparalleled commitment to LEED and the built environment. USGBC is proud to work with such a great organization as Ahold USA and we look forward to continued success in the years to come."

**16 stores**

Solar panels installed on roofs in 16 stores in the United States

- Ahold USA has installed solar panels on the roofs of 16 additional stores in Giant Carlisle, Giant Landover and Stop & Shop New York Metro market areas. These solar systems will generate approximately 4.3 million kWh of renewable energy on an annual basis, reducing the requirement for electricity from the utility grid as well as our carbon footprint.

**Gas reduction through improved store design**

We are working to reduce our gas usage in new and existing stores.

- Since 2010, all new and remodeled Albert Heijn stores have an integrated heating and cooling system that uses "waste" heat produced by cooling, combined with a heat pump, to heat the stores. This means that the use of natural gas to heat the stores is no longer necessary. The total equivalent warming impact (TEWI) and energy usage is therefore very low. Currently in the Netherlands, 128 stores operate this system, and we are working on exchanging best practices with our stores in the Czech Republic.

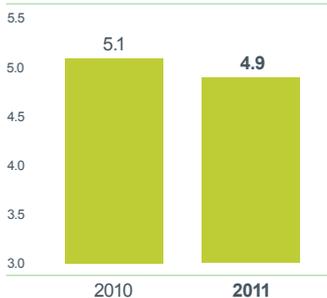
**Increasing fuel efficiency**

Across all our operating companies, we focus on making our distributions as efficient as possible.

- Ahold Europe continues to work on creating efficiencies in its distribution network – both through making fewer journeys and through using cleaner fuel. In 2011, the load factor for Albert Heijn trucks increased from 70 to 76 percent. For longer journeys on highways, Ahold Europe is making increasing use of the "Eco-combi" truck, 25 of which are currently on the roads. The Eco-combi has two trailers that can hold 81 containers, at least 27 more than a "regular" truck. The goods are delivered to a regional distribution center or hub. Smaller, cleaner vehicles then make the final stage of the journey to Albert Heijn, Etos or Gall & Gall stores, or albert.nl customers in city centers. Since 2010, all Ahold transportation in the Netherlands has been done with PIEK-certified semi-trailers and "Euro 5" trucks: vehicles that produce considerably fewer harmful emissions and are very quiet. Albert Heijn is currently involved in a number of pilots with its regular transport partners, to test out the use of alternative fuel sources such as liquid gas, biogas, electricity, hybrid, and dual fuel technologies.
- Ahold USA has implemented several programs in its distribution and transportation network. In 2008, the company joined the SmartWay Transport® Partnership, a collaboration with the federal government. Since 2007, it has saved an estimated 31 million tons of carbon dioxide, 94,000 tons of nitrogen oxide, 4,000 tons of particulate matter emissions, and 1,400,000 gallons of diesel fuel.
- Since 2007, Ahold USA has been reducing the fuel usage of its distribution network through more energy-efficient vehicles, larger trailers (meaning more cubic meters of storage space per trailer to transport products), better tracking of vehicle utilization via on-board computers, and optimization of deliveries (evaluating the number of deliveries a store receives based on sales and units sold).

**Fuel consumption**

liters per 1,000 products sold



Climate action continued

Ahold Europe's refrigeration program



As part of Ahold Europe's refrigeration program, new Albert Heijn stores in the Netherlands have reduced their carbon footprint by improving their refrigeration systems.

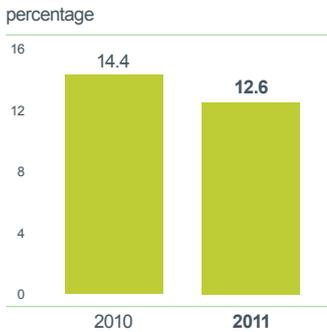
The result of this program is a combined cooling, freezing, heating, ventilation, air-conditioning system, which improves environmental impact by reducing energy consumption, refrigerant leakage and global-warming potential (GWP) of the refrigerant. Ahold Europe uses the TEWI and total cost of ownership calculations for benchmarking, decision making, and monitoring results.

Through the new combined system, natural gas usage is eliminated due to an integrated heat pump, which uses "waste" heat produced by cooling to heat the stores. The system uses natural refrigerants for the freezing part

of their refrigeration systems, and low-GWP refrigerants for the cooling elements. Currently in the Netherlands, 128 stores operate this system.

In existing stores, monitoring and maintenance of refrigerators has been tightened to be stricter than legal requirements. Ahold Europe is running a pilot in 60 stores in the Netherlands to learn about the impact of preventive maintenance.

Leakage of refrigerant substances



Refrigerant impact and leakage reduction

Keeping food cold requires the use of refrigerants, and these refrigerant substances can leak. This leakage contributes significantly to greenhouse gas emissions and therefore has an impact on global warming. Reducing the environmental impact of our refrigeration systems is important for Ahold in both Europe and the United States, as it makes up approximately 27 percent of our carbon footprint. We are reducing the environmental impact of our refrigeration systems by reducing leaks and using more environmentally friendly refrigerants, without increasing the overall environmental impact and energy usage of our systems. By the end of 2011, Ahold USA's divisions had refrigerant leakage monitoring systems installed in 243 stores. We will continue to equip our stores with this system in the future, and by 2012 we expect 111 stores to have a refrigerant leakage monitoring system, which will reduce our vulnerability to leakage incidents.

At the end of November 2010, the Board of the Consumer Goods Forum (CGF) passed a resolution for retailers and manufacturers to begin phasing out harmful refrigerants (in particular, HFCs) by 2015 and replacing them with natural alternative refrigerants. HFCs are powerful greenhouse gases that are thousands of times more potent than carbon dioxide. The members of the CGF also committed to using their collective influence to encourage their suppliers to develop natural refrigerant technologies that meet this demand from businesses. In September 2011, the CGF held its second refrigeration summit. The event – chaired by Ahold and Coca-Cola – brought together retailers and manufacturers to work together on reducing the refrigerant component of their carbon footprint. The summit provided an opportunity for retailers and manufacturers to share best practices and to discuss the challenges they face in meeting the resolutions.

- Ahold Europe has made progress on reducing the impact of its refrigeration techniques via its European refrigeration program (see *case study*). New-generation refrigerators include doors on refrigerators and freezers, LED lighting and low-energy fans. These reduce energy usage by approximately 20 percent.
- Giant Landover's Arlington store is piloting the use of carbon dioxide as a refrigerant for its primary, low-temperature refrigeration system. By using carbon dioxide in place of HFC refrigerants, Giant reduces the carbon footprint of the store by over 172 metric tons of CO<sub>2</sub> per year. At the same store, Giant is using propylene glycol as a secondary refrigerant for medium-temperature refrigeration.

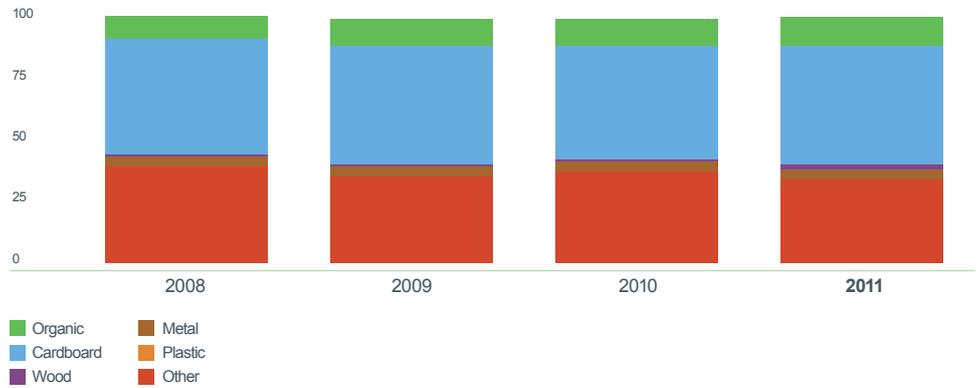
Our supply chain

We endeavor to support our suppliers in reducing their carbon footprint through our work with the Sustainability Consortium. You can read more about this in the *Sustainable trade* section of this report. We integrate climate-related topics in our interaction with suppliers through our sustainable trade programs.

Climate action continued

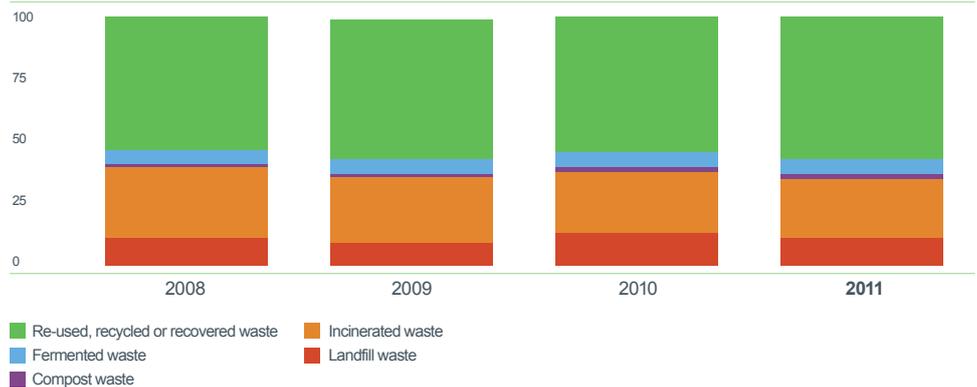
**Total waste by type**

percentage of total waste



**Total waste by disposal method**

percentage of total waste



**Managing our waste production**

Waste is becoming an increasingly important topic in business and society, in part because it is estimated that 30–50 percent of food is wasted across the entire supply chain<sup>1</sup>. This means that significant natural resources are wasted, and unnecessary greenhouse gas emissions are being generated.

Food waste generates the most public interest, although packaging waste, shopping bags and waste disposal are also important topics. From a business perspective, good waste management not only reduces operational costs; it increasingly generates revenue as waste can be turned into a resource.

The majority of food waste within the chain happens at customer and producer level. The retail sector accounts directly for only the smallest share – approximately 5 percent. Despite this, we want to play our part to encourage our suppliers and customers to reduce their food waste.

*Our own operations*

**Reducing food waste**

We strive to reduce food waste (shrink) by carefully monitoring the sales of (mostly fresh) products in our stores on a daily basis, marking down food that will soon reach its sell-by date, and donating food where possible to food banks. Currently, shrink is our best approximation for food waste, and in 2011 this amounted to 2–3 percent of sales. Our target is to develop an improved metric to better measure and report on food waste by 2012.

1 | FAO, WEF Value Chain Waste Working Group, Syngenta Analsys (2009).

## Climate action continued

As part of our initiatives to reduce and manage food waste, Ahold supports the European food waste consortium FUSIONS (Food Use for Social Innovations by Optimising waste prevention Strategies). This consortium is pitching to the European Commission to analyze the long-term trends in food waste management and to develop innovative solutions to prevent and reduce food waste throughout the whole chain.

- Albert Heijn donates safe leftover food from its distribution center to local food banks. To support this operation, Albert Heijn provides cool boxes, expertise and other technical needs. Approximately 70 food banks in the Netherlands benefit from leftover fresh products from the distribution center on a daily basis.
- Albert Heijn creates renewable energy through fermenting food waste (shrink). In 2011, the amount of energy produced was 18 GWh.
- In 2011, Albert in the Czech Republic carried out a pilot project with the Food Bank Ostrava. This company closely cooperates with a charity association Nadeje (Hope), which builds and operates a network of services for people in need. Help includes meals, housing, healthcare, tangible goods, and other services.
- Ahold USA is an active partner in the FMI / GMA Food Waste Coalition: a three-year initiative to help the industry reduce the levels of food waste, which started in 2011. Ahold USA chairs the Best Practices and Emerging Technologies sub-committee, which aims to reduce the amount of food waste entering landfills / incineration and increase the amount of food being sent to food banks and composting / fermentation facilities. Participants are assessing the magnitude, sources and causes of food waste, and identifying beneficial policy initiatives, solutions, and other best practices.
- Ahold USA is working to identify appropriate vendor partners to develop an organics / composting program in all divisions. It is estimated that a large share of our compactor waste is organic, including fresh and bakery items, as well as waxed and wet cardboard. This waste can be diverted to a well-established composting program, rather than sent to a landfill or incinerator. With less waste going into our dumpsters, the need to empty them is reduced resulting in cost savings to the company, and this waste product becomes a valuable resource for farmers.
- Ahold USA is also investigating other innovative areas of waste reduction including working with colleagues in the community engagement priority area to redirect more safe, consumable food from waste in stores and distribution centers to regional food bank partners. This has dual benefits of cost savings and hunger relief. For more information about our U.S. businesses' donations to food banks, see the *Community engagement* section.

#### Reducing packaging waste and shopping bags

Our target is to develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each banner by 2012. Across our operating companies, we aim to select the most adequate packaging with the least environmental impact, without compromising on functionality and protective qualities, for all own-brand products. We are therefore starting by analyzing potential weight reduction, and using recycled materials and / or one material per package as often as possible when designing and producing new packaging.

- In the first quarter of 2011, Ahold USA began diverting paper waste from compactors into a cardboard baling program for recycling, turning expense into income.

A further target is to eliminate free disposable bags at the checkout at supermarkets in Europe by 2012 and reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015 (including all current stores, excluding Peapod). In the Netherlands, this is expected to save up to 600 kg plastic per day. We are in the process of putting strategies in place to reduce our customers' consumption of free disposable plastic and paper bags, while ensuring that all banners offer sustainable and re-usable bags.

## One billion

Target to reduce (free) disposable bags in the United States by one billion bags by 2015

Climate action continued

**Eliminating landfill**

Our target is to eliminate landfill as a waste disposal method by 2020. Our focus will be on our operations in the United States and the Czech Republic, as we no longer send any waste to landfill in the Netherlands. In the Czech Republic, this may be challenging as there are currently insufficient composting / fermentation and incineration facilities.

We are continuing to work on finding alternative disposal methods for waste, so that as much as possible is re-used or recycled. Recycling cardboard, plastic, wood, metal and glass provides an income stream for the company, which is used to offset the ever-increasing costs of waste removal. Increased recycling means less trash, which means trash receptacles do not need to be emptied as often, thus reducing costs.

- At our operating companies in the Netherlands, all cardboard and plastic has been being recycled for many years.
- The amount of cardboard, plastic, metal, and organic material recycled, composted or fermented by Ahold USA increased significantly over the past few years. This reflects, in part, the expansion of the recycling program as new stores have been added to the various waste management initiatives. In 2011, metal recycling increased 11.5 percent on 2010, plastic recycling 3.7 percent, organic recycling 10.1 percent, and cardboard recycling 2.8 percent.

**Our supply chain**

We work closely with our supply chain partners to identify why food and packaging waste occur, and to reduce the amount of waste entering landfill. To support our suppliers in reducing waste in their operations, we cooperate with various associations and scientific institutions.

- We continue to cooperate with the Sustainability Consortium to support efficient and sustainable production of food and packaging. You can read more about this in the *Sustainable trade* section of this report.
- We cooperate with Wageningen University in the Netherlands to reduce food waste in the supply chain.

**Our customers**

We encourage our customers to reduce the amount of waste they produce overall, and to dispose of it in the best way possible. Ahold continues to cooperate with the Consumer Goods Forum, municipalities and (inter)national associations to manage post-customer product and packaging waste. We work closely with the WUR-EU Food Waste Consortium and the FMI / GMA Food Waste Coalition on programs to identify how food waste and post-customer waste occur, how this should be managed, and how customers can be encouraged to reduce food waste at home.

- In 2011, Albert Heijn developed disposal logos in cooperation with environmental association Milieu Centraal and waste organization Nedvang, in order to help customers recycle more and reduce waste, by showing them how to dispose of the packaging. These logos have been placed on the packaging of some "AH puur&eerlijk" products. Albert Heijn's target is to place these disposal logos on all own-brand products' packaging by 2015.
- Albert Heijn no longer automatically prints receipts for customers at the checkout; instead, cashiers ask customers whether they would like one. This initiative has saved over 51,000 km of receipts in 2011 compared to 2009.



**Managing water consumption**

Water consumption is a global challenge. Although we do not currently operate in water-stressed areas, we report on our own water usage.

**Our supply chain**

Water scarcity is an issue for some of the suppliers whose products we sell, and is part of our sustainable trade program. We work with the Sustainability Consortium to encourage suppliers to reduce their water usage and to be transparent about their production processes. Read more about the Sustainability Consortium in the *Sustainable trade* section of this report.

## Climate action continued

## The data

	Volume (thousands of metric tons)				Efficiency (kg per square meter of sales area)			
	2011	2010	2009	2008	2011	2010	2009 <sup>4</sup>	2008
<b>CO<sub>2</sub> emissions<sup>1,2,3</sup></b>								
Ahold USA <sup>5</sup>	<b>1,653</b>	1,708	1,682	1,661	<b>577</b>	610	620	635
The Netherlands	<b>294</b>	316	391	356	<b>283</b>	311	384	383
Other Europe <sup>6</sup>	<b>219</b>	233	252	243	<b>484</b>	512	496	457
<b>Total Group<sup>7</sup></b>	<b>2,166</b>	2,257	2,325	2,260	<b>497</b>	529	549	555

- CO<sub>2</sub> emissions comprise electricity, leakage of refrigerant substances, gas, fuel, and district heating. Given the limited impact of district heating, we do not report on this separately.
- Since the consumption of all elements is not measured in CO<sub>2</sub> kilograms, conversion factors are used. Historical data are corrected for the 2011 electricity conversion factor. See *Process and CO<sub>2</sub> conversion factors* section for more details on the methodology applied.
- 380 GWh of the electricity consumed have a zero conversion factor, as green energy certificates were purchased in 2011 for this quantity. In 2010, certificates to compensate 375 GWh were purchased.
- The 2009 efficiency measures are adjusted to a 52-week period in order to be consistent with 2008, 2010 and 2011. This applies to all tables with an efficiency per square meter of sales area.
- The Ahold USA 2008–2010 data is restated to exclude externally operated warehouses, and to restate the 2010 leakage of refrigerant substances.
- The Other Europe data exclude the district heating consumption for Slovakia in 2008.
- The Total Group data for 2008–2010 is restated to exclude ICA.

In 2011, the total CO<sub>2</sub> emissions decreased by 4.0 percent to 2,166 thousand metric tons, driven by the programs to reduce energy usage and refrigerant leakage in all operating companies.

In 2011, the CO<sub>2</sub> efficiency measured per square meter of sales area improved by 6.0 percent compared to last year and by 10.5 percent against our 2008 baseline.

	Volume (millions of kWh)				Efficiency (kWh per square meter of sales area)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Electricity consumption</b>								
Ahold USA	<b>2,109</b>	2,128	2,083	2,133	<b>736</b>	761	768	816
The Netherlands	<b>553</b>	544	552	500	<b>534</b>	535	544	539
Other Europe	<b>273</b>	266	304	302	<b>603</b>	585	598	567
<b>Total</b>	<b>2,935</b>	2,938	2,939	2,935	<b>674</b>	688	694	720

The total electricity consumption decreased by 0.1 percent to 2,935 million kWh. The efficiency measured per square meter of sales area improved by 2.0 percent compared to last year. This comprises reduction programs on lighting and cooling that offset increased usage due to heating stores via electricity instead of gas (see *case study* on Ahold Europe's refrigeration program).

	Volume (metric tons)				Efficiency (as % of total refrigerants)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Leakage of refrigerant substances<sup>1</sup></b>								
Ahold USA	<b>181</b>	204	179	171	<b>14.2</b>	16.0	14.7	14.3
The Netherlands <sup>2</sup>	<b>26</b>	28	27	22	<b>6.9</b>	8.3	9.0	7.7
Other Europe	<b>13</b>	15	16	14	<b>11.8</b>	13.6	14.0	11.4
<b>Total</b>	<b>220</b>	247	222	207	<b>12.6</b>	14.4	13.6	13.1

- Refrigerants measured include CFCs, HCFCs and HFCs.
- The Netherlands 2010 data is restated.

The total leakage of refrigerant substances decreased by 10.9 percent to 220 metric tons. The efficiency (measuring the leakage as a percentage of the total refrigerant substances) improved by 12.5 percent compared to last year. Refrigerant substances leakage has been favorable in 2011, due to cooler summers creating less pressure on the cooling systems, and fewer system incidents than last year.

## Climate action continued

	Volume (thousands of liters)				Efficiency (liters per 1,000 products sold)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Fuel consumption</b>								
Ahold USA	<b>51,024</b>	49,588	46,368	45,242	<b>6.4</b>	6.5	6.2	6.5
The Netherlands	<b>26,019</b>	27,266	25,799	24,186	<b>3.9</b>	4.1	4.0	4.1
Other Europe	<b>7,081</b>	7,029	6,806	6,789	<b>3.0</b>	3.0	2.8	3.0
<b>Total</b>	<b>84,124</b>	83,883	78,972	76,216	<b>4.9</b>	5.1	4.8	5.0

The total fuel consumption increased by 0.3 percent to 84,124 thousand liters. The efficiency measured as liters used per 1,000 products sold improved by 3.9 percent compared to last year.

	Volume (thousands of cubic meters)				Efficiency (cubic meters per square meter of sales area)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Natural gas consumption</b>								
Ahold USA	<b>73,790</b>	69,963	71,552	65,420	<b>25.7</b>	25.0	26.4	25.0
The Netherlands <sup>1</sup>	<b>20,903</b>	24,220	23,809	24,129	<b>20.2</b>	23.8	23.4	26.0
Other Europe <sup>2</sup>	<b>6,099</b>	6,651	7,975	7,705	<b>13.5</b>	14.6	15.7	14.5
<b>Total</b>	<b>100,792</b>	100,833	103,336	97,254	<b>23.1</b>	23.6	24.4	23.9

1 The Netherlands is restated due to the reclassification of district heating.

2 Other Europe is restated due to the removal of sub-tenants usage.

The total natural gas consumption is unchanged compared to last year, but the efficiency measured in cubic meters of gas per square meter of sales area improved by 2.1 percent compared to last year.

	Volume (millions of liters)				Efficiency (liters per square meter of sales area)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Water consumption<sup>1</sup></b>								
Ahold USA	<b>3,139</b>	3,252	3,363	3,209	<b>1,095</b>	1,163	1,240	1,227
The Netherlands	<b>465</b>	456	483	NR	<b>448</b>	449	476	NR

1 Other Europe data is excluded due to limited reliability of the consumption data.

## Climate action continued

	Volume (millions of kg)				Efficiency (kg per square meter of sales area)			
	2011	2010	2009	2008	2011	2010	2009	2008
<b>Waste production</b>								
Ahold USA	<b>420</b>	428	390	380	<b>147</b>	153	144	145
The Netherlands	<b>118</b>	118	117	107	<b>114</b>	117	115	115
Other Europe <sup>1</sup>	<b>39</b>	39	40	37	<b>86</b>	85	79	69
<b>Total</b>	<b>577</b>	585	546	523	<b>133</b>	137	129	128

<sup>1</sup> Other Europe excludes Slovakia for 2008.

The total waste production decreased by 1.4 percent to 577 million kg. The efficiency measured as the waste production per square meter of sales area improved by 2.9 percent compared to last year. The percentage of waste disposed of as landfill decreased from 13 percent of the total waste to 11 percent.

Waste by type (percentage of waste)	Ahold USA				The Netherlands				Other Europe				Total			
	2011	2010	2009	2008 <sup>1</sup>	2011	2010	2009	2008	2011	2010	2009	2008 <sup>2</sup>	2011	2010	2009	2008
Organic	<b>7</b>	6	5	3	<b>27</b>	27	28	29	<b>20</b>	20	20	12	<b>12</b>	11	11	9
Cardboard	<b>45</b>	44	47	45	<b>55</b>	55	54	54	<b>41</b>	41	40	37	<b>47</b>	47	49	47
Wood	<b>6</b>	5	6	5	<b>0</b>	0	0	0	<b>1</b>	1	1	1	<b>4</b>	4	4	4
Metal	<b>0</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>	0	0	0	<b>0</b>	0	0	0
Plastic	<b>1</b>	1	1	1	<b>3</b>	3	3	3	<b>3</b>	3	3	3	<b>2</b>	1	1	1
Other	<b>41</b>	44	41	46	<b>15</b>	15	15	14	<b>35</b>	35	36	47	<b>35</b>	37	35	39
<b>Total waste</b>	<b>100</b>	100	100	100	<b>100</b>	100	100	100	<b>100</b>	100	100	100	<b>100</b>	100	100	100

<sup>1</sup> Meat rendering was not available in 2008.

<sup>2</sup> Slovakia data was not available in 2008.

Percentage of waste by disposal method	Ahold USA				The Netherlands				Other Europe				Total			
	2011	2010	2009	2008 <sup>1</sup>	2011	2010	2009	2008	2011	2010	2009	2008 <sup>2</sup>	2011	2010	2009	2008
Re-used, recycled or recovered waste	<b>57</b>	54	58	55	<b>61</b>	58	57	57	<b>44</b>	44	43	41	<b>57</b>	54	57	53
Fermented waste	<b>0</b>	0	0	0	<b>27</b>	27	28	29	<b>3</b>	3	0	0	<b>6</b>	6	6	6
Compost waste	<b>2</b>	2	1	0	<b>0</b>	0	0	0	<b>8</b>	7	9	4	<b>2</b>	2	1	1
Incinerated waste	<b>29</b>	29	32	34	<b>12</b>	15	15	14	<b>11</b>	11	11	16	<b>24</b>	25	27	29
Landfill waste	<b>12</b>	15	9	11	<b>0</b>	0	0	0	<b>34</b>	35	37	39	<b>11</b>	13	9	11
<b>Total waste</b>	<b>100</b>	100	100	100	<b>100</b>	100	100	100	<b>100</b>	100	100	100	<b>100</b>	100	100	100

<sup>1</sup> Meat rendering was not available in 2008.

<sup>2</sup> Slovakia data was not available in 2008.

## Community engagement



### Contributing to the community



#### Our ambitions

Our ambition is to make an active, positive contribution to the wellbeing of the communities we serve.

We serve millions of people every day, in thousands of communities. We want not only to be good neighbors, but also to play an active role in working with local communities to make them better places to live.

Our community engagement programs are tailored to the needs of each community in which we operate. By “communities” we mean the areas and neighborhoods surrounding our stores, our distribution centers and our offices, but also a wider area where we can and do have an impact.

At store level, this includes our commitment to keeping the areas around our stores safe and clean. We also engage with local communities and neighborhoods, by organizing community-based activities. We make donations of money, products, time and expertise to causes that are relevant to the communities where we operate, too.

#### Our progress on our targets

In 2010, we set one global target in our strategy to 2015 for community engagement:

**Ensure that each operating company has a community engagement program in place by 2012.**

Each of our local operating companies has programs and activities in place to address the local needs of the individual communities and regions in which we operate. In 2011, we continued to enhance existing community engagement programs as well as to identify new ways to address local community collaboration and goals.

Community engagement continued

### Actions and achievements in 2011

During the reporting year, we developed our community engagement programs in line with the local needs of each community. These requirements are different in the different geographies in which we operate. In Europe, for instance, most countries have a comprehensive social welfare system in place, so our community engagement activities focus more on the store environment, engaging neighborhood groups, addressing contemporary national issues, and educating children. In the United States, the private sector plays a greater role in supporting local charities and addressing community needs. Our U.S.-based community engagement philosophy therefore focuses on helping children, fighting hunger, and building healthy communities. On both continents, we focus our efforts on the areas that are most relevant for the communities in which we operate.

#### Keeping stores and surrounding areas safe and clean

In order to be a good neighbor, we focus not only on our stores themselves, but also on the areas surrounding them. We aim to keep our stores and the areas around our stores safe and clean at all times.

In the Netherlands, we focus on five themes: clean, well-maintained, safe, information, and interaction. For the areas surrounding our stores, we aim for them to be tidy, well-lit, with sufficient waste facilities and free of trash, loose paving stones and graffiti; and we inform the local authorities if anything is broken or unsafe. We also work on organizing events together with local communities.

- Certain neighborhoods suffer from housing, employment, education, integration, and safety problems. Several Albert Heijn stores are joining forces with local retailers, municipalities, and police to improve their neighborhoods. In 40 government-designated “priority neighborhoods,” the social, physical, and economic problems have received additional government attention since 2007. Albert Heijn is represented in 25 of these neighborhoods with 44 stores. Albert Heijn and the central government signed a framework agreement in 2009. Known as the “Certification of quality for safe business,” the neighborhood-approach program aims to positively influence the quality of life in these areas. The goal of the certification is to organize structural and scalable collaboration by appointing tasks, roles and responsibilities to both parties in order to help these priority neighborhoods. By the end of 2011, 61 percent of the stores in priority neighborhoods had this certification in place or had started the program to gain this certification.

### Albert Heijn store contest: being a good neighbor



Each year, Albert Heijn stores compete with each other in the various rounds that make up the “Store Competition.” These rounds correspond with the goals of the store organization, such as sales growth and customer satisfaction. To gain more insight into local community engagement initiatives already being carried out, a special round was added for the first time to the 2011 Store Competition, which focuses on community engagement: Good Neighbor. The primary goal of including this in the contest is to give a positive boost to community engagement. Secondary goals are improving awareness and understanding of the subject.

A component of the competition is a survey in which stores can indicate exactly what they are doing in terms of community engagement and whether they have an annual plan. The winner of each group of stores receives a €500 check to spend on a positive initiative in the community. The survey consists of several questions, including two open questions: the first asking stores to share examples and best practices of what they are doing, and how it could help inspire other stores; the second asks stores what their contribution to the community would be if they won the €500 prize. Winning ideas included holding a neighborhood barbecue during which residents could discuss local area issues, providing Christmas packages to deserving members of the community, and planting trees and flowers in a community square.

Community engagement continued

Ahold USA's divisions provide relief to weather the storm



Hurricane Irene touched every part of the U.S. operating area from Virginia to New England. Stores remained open to serve customers and, in many communities, partnered with local groups to provide food and financial support. In commitment to the East Brunswick community in New Jersey where a new store would be opened months later, Stop & Shop New York Metro donated free ice and water to thousands of residents who suffered power outages in the weeks following Hurricane Irene.

The Giant Carlisle division was also affected by Hurricane Irene and the subsequent flooding it caused. In mid-September, Giant launched an in-store campaign to raise money to aid the American Red Cross in its ongoing relief efforts. The division matched customer and employee

donations made in store, in addition to a \$20,000 contribution from vendor partner Hatfield Quality Meats. In total, more than \$88,000 was donated to the American Red Cross.

When deadly tornadoes hit western Massachusetts, the Stop & Shop New England division mobilized to deliver \$40,000 worth of food and water to several organizations including the American Red Cross, Massachusetts Emergency Management Agency, local fire departments and Worcester County Food Bank. In addition Stop & Shop customers and employees raised over \$100,000 for the relief efforts.

In the United States, as well as keeping our stores safe and tidy, we also encourage our customers and employees to get involved in keeping their surrounding environment clean.

- Giant Landover teamed up with Anacostia Watershed Society (AWS) to clean up the Anacostia River and its shores in conjunction with Earth Day – an annual global event that takes place in April and aims to raise awareness of the environment and nature. Volunteers from the head office and 15 Giant Food stores located in the Anacostia Watershed area in Washington, D.C., Montgomery County, and Prince George's County, helped clean up 20 sites along the watershed. AWS is dedicated to cleaning the waters, recovering the shoreline, and honoring the heritage of the Anacostia River and its watershed communities through educational programs, stewardship efforts, and advocacy projects. AWS works to make the Anacostia River and its tributaries swimmable and fishable as required by the Clean Water Act.
- Many of our stores in the United States celebrated World Oceans Day on June 8 by displaying information about the event, and giving away coupons and recipes to educate customers about our oceans. Stop & Shop New England also partnered with the New England Aquarium for the celebration, providing plastic bag recycling tubs and re-usable bags. World Oceans Day has been marked annually for 20 years, with the aim of raising awareness of our oceans and what we can do to help protect them – namely in the area of sustainable fishing practices, recycling and re-using plastic bags (so they do not pollute our oceans), and conserving energy so that we reduce the amount of carbon emissions released into the air, which end up in the ocean.

Using our central position in the community to improve wellbeing

We want to make a positive contribution to the areas where we operate, through organizing activities that are relevant for each local community. Engaging with the people who shop in our stores and live in the surrounding neighborhoods through community-based activities represents an added value our stores can give to customers and local residents.

- Since 2008, Albert Heijn has been involved in an annual "Neighbor Day" with the goal of inspiring neighbors to make contact with each other and generating good ideas for how to improve the neighborhood. In 2011, around 110 stores participated.
- Since 2002, Albert Heijn has also been involved in the annual "Dag van de Dialoog" (day of dialogue), during which store employees make contact with people in the neighborhood, so that employees have a more personal relationship with the direct surroundings of the store. The goal is to create understanding and personal contact between employees and members of the community, as well as to discuss issues and try to solve problems in the neighborhood. Albert Heijn contributes to the event financially, as well as by offering a location (the store) and an employee to facilitate the dialogue. In 2011, approximately 70 stores participated by facilitating dialogue between six to eight participants at each store location.

Community engagement continued

Community engagement day to redecorate asylum seeker centers



In September 2011, 60 employees at Ahold's Corporate Center participated in a "community engagement day." Ahold works with a local charity to help the children of asylum seekers have a better life in the Netherlands. Employees split into three groups, and were tasked with redecorating the children's playrooms at three asylum seeker centers across the country.

The day involved painting, building furniture and generally sprucing up the communal space. Their work had a positive impact on the lives of the children living at the centers, as evidenced by the smiles on the faces of the children who returned from school to find their newly decorated playrooms.

Fronnie Biesma, Director of de Vrolijkheid, commended everyone's efforts: "I'd like to let everyone know how happy I am with the fact that there are now beautiful spaces in three centers, and how special that is for the children who live there, but also for the employees and volunteers at the centers. Sometimes some new energy from outside is exactly what people need to remind them that everything is possible. The impact is much bigger than nice new sofas, cupboards and so on – I saw the impact with my own eyes. It's a great feeling."



For more information:  
[www.vrolijkheid.nl](http://www.vrolijkheid.nl)

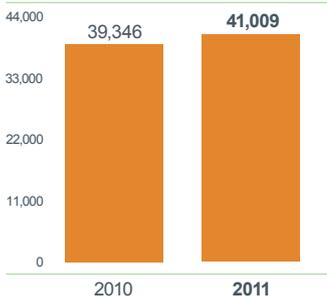
4,500

Over 4,500 children took part in triathlon tour organized by Albert Charity Foundation

- In support of our community engagement and healthy living activities, the Albert Charity Foundation organized the Albert triathlon tour. This event, made up of 14 races, took place in the vicinity of an Albert supermarket in each region of the Czech Republic. This sporting event was organized in cooperation with a Czech triathlon representative, famous for his work with children's homes. A total of 4,500 children from children's homes, as well as customers' and employees' children, took part in the event in 2011.
- Ahold USA brings the community engagement and healthy living priority areas together to improve the quality of life for children and to promote a healthy lifestyle. Childhood obesity is a growing epidemic and a major health issue that continues to affect many of our customers and their families. As a food retailer, it is important to offer a variety of choices for our customers, including ways to live a healthy lifestyle. Our U.S. divisions fund many initiatives that contribute to healthy children through signature programs, including youth sports, local children's hospitals, regional YMCAs, and Kids Café and Backpack programs. The goal is to continue to explore partnerships with community organizations focused on children's health, nutrition and anti-hunger initiatives, and to expand the reach of existing programs.

Contributions and donations

€ thousand



Being active through community programs, services and charities

We focus our donations (be they financial or non-financial) on the causes that are meaningful to the communities where we operate, and which fit in with our other priority areas in corporate responsibility, such as healthy living and sustainable trade.

Our European operating companies contributed to their local communities through charitable donations and community services and programs during the reporting year.

- The Albert Heijn Foundation raised €679,413 to benefit Ahold Europe's suppliers in African countries in 2011. You can read about the Albert Heijn Foundation in the *Sustainable trade* section of this report.
- Albert in the Czech Republic helps children in need and involves local communities and customers in supporting local non-profit activities for these children. Albert Foundation for Kids is a fundraising campaign that took place via a collection in Albert stores in fall 2011. The money raised was distributed among non-profit organizations working with children from children's homes, foster families, and families with social issues. In 2011, €199,339 was raised, supporting 31 children's homes. Several non-profit organizations provided education for children in these homes, as well as providing services to children from foster families and families with social issues.
- At Albert's compact supermarket in Svitavy, customers can buy a cup of coffee or tea from the machine in store for CZK 5 (€0.20). All revenues are used, via the Albert Charity Foundation, to support selected local projects to help children in need and / or healthy living initiatives. At the end of 2011, €5,000 had been collected.

Community engagement continued

**\$4.5 million**

donated to local schools under  
A+ School Rewards program

All of our U.S. businesses made contributions of time, money and products, in support of a wide variety of efforts. Our community engagement activities in the United States are particularly dedicated to fighting hunger, funding research and treatment of childhood cancer, and supporting local schools and programs for children. In 2011, \$51 million was donated across all divisions.

- *Helping children:* all divisions participate in the A+ School Rewards program to support local schools. Customers can help their local schools earn cash for technology, scholarship programs, summer programs, field trips, playgrounds and other educational needs each time they shop using their loyalty card. This year, for the first time, customers earned triple points for every Healthy Ideas product purchased, encouraging parents to buy healthy food for their children and raising money for their schools. In 2011, Ahold USA's four divisions collectively donated \$4.5 million to support local schools via the A+ School Rewards program. In addition, since 1990, Stop & Shop's fight against childhood cancer has raised more than \$50 million for the Jimmy Fund at the Dana Farber Cancer Institute in Boston, and New York's Memorial Sloan-Kettering Cancer Center. The Stop & Shop divisions and Giant Landover raised a total of \$5.5 million to fight childhood cancer through their Triple Winner Game season. The Giant Carlisle division was recognized by Children's Miracle Network Hospitals for surpassing \$25 million raised in the last 15 years to help children served by hospitals in the Giant Carlisle territory.
- *Fighting hunger:* All our U.S. divisions have built strong partnerships with regional food banks and local pantries ensuring that underserved families have a nutritious meal. During Hunger Action Month in September, which we have supported annually since its inception in 2008, Ahold USA partnered with Kraft and Unilever to donate to Feeding America (an umbrella organization for many local and regional food banks) and its local member food banks. In-store food-donation activities included events that raised food and funds for regional food bank partners. Twice a year, Giant Carlisle holds a two-week in-store Bag Hunger campaign where customers are able to donate \$1 at the checkout to benefit their local food bank. Almost \$1 million is raised annually during the two campaigns to benefit more than 85 regional food banks, local pantries and soup kitchens across the division's market area. In 2011, Giant Landover received the "Retailer of the Year" award from the Maryland Food Bank for their ongoing leadership in the fight against hunger. Over the course of 2010, Giant donated more than 1.4 million pounds of food, making Giant the largest in-kind supporter to the hunger relief organization.
- *Building healthy communities:* All areas in which the U.S. divisions operate were battered by natural disasters in 2011. Stores remained opened for business and, in many communities, partnered with local groups to provide food and financial support. See *case study*.

**The data**

**Contributions and donations**

(€ thousand)	2011	2010	2009	2008
Ahold USA	<b>37,098</b>	36,283	30,961	27,469
The Netherlands <sup>1</sup>	<b>3,085</b>	2,089	1,890	1,952
Other Europe	<b>826</b>	974	469	474
<b>Total</b>	<b>41,009</b>	39,346	33,320	29,895

<sup>1</sup> The Netherlands 2009 and 2010 data is restated.

The total contributions and donations increased by 4.2 percent to over €41 million. Both Ahold USA and the Netherlands showed increases, with Ahold USA driven by increased donations to local charity programs and the Netherlands by increased donations to food banks.

## Our people



### Our ambitions

Our ambition is to encourage our employees to live and work healthily and sustainably.

We want to attract and retain the best people; people who are enthusiastic about responsible retailing. We therefore strive to provide a great place to work for a diverse workforce.

Part of being a responsible retailer is our responsibility towards the people who carry out our business – every day. We cannot operate without them, and they are essential to putting our CR strategy into practice. We therefore encourage our employees to support the healthy living, sustainable trade, climate action and community engagement efforts of Ahold. But, more than that, we want to encourage them to live healthily and sustainably in their own lives, too.

### Our progress on our targets

In 2010, we set one global target in our strategy to 2015 for our people:

**Ensure that each operating company has a CR employee program in place by 2012.**

Although we set one general target, each of our local operating companies already has programs and activities in place that have been organized to suit the needs of the employees working there. In 2011, we continued to define which elements should form part of our CR employee programs in each of our local operating companies.

Our people continued

## Actions and achievements in 2011

### Improving our workplace

As an employer of approximately 218,000 people, we want to be a great place to work. It is essential that we attract and retain the best employees, so we strive to provide people with the remuneration and benefits packages, career and development opportunities, and company culture that make them want to work for us.

In 2011, we carried out employee satisfaction surveys in the Netherlands. Measuring employee satisfaction is valuable because it tells the business which factors employees find important, and whether their experiences match with what the business is trying to achieve. The results can then be used to make improvements. We plan to carry out surveys at our U.S. divisions in 2012.

- Employee engagement is high at Albert Heijn, with an increase in the number of people responding to the survey across stores, distribution centers and head office. In 2011, Albert Heijn measured the engagement of its employees: how connected they feel with their work and how much of themselves they want to put into it. On average, 74 percent of respondents felt engaged with their work at Albert Heijn; among store employees who responded to the survey, 88 percent said they have a focus on customer satisfaction in everything they do.

### Diverse workforce at all levels of the organization

Diversity and inclusion are important for Ahold to make up successful teams. Different people with different skills, abilities, and experiences all bring something extra to the work that we do. It's also important that the diversity of our customer base is reflected in the diversity of our employees. We therefore employ people who live in the communities where our stores operate, with the result that our employees represent a cross-section of those local communities.

Diversity includes age, ethnicity, gender, sexual orientation, background, education and experience. We value diversity at all levels of the organization, and want people to feel included.

- At the end of 2011, Albert Heijn was employing around 500 "Wajongers" (young disabled people) in its stores. See *case study*.
- In February 2011, Ahold USA came in 42nd position on the list of top 50 organizations in the United States offering multicultural business opportunities, published each year by DiversityBusiness.com. Ahold USA has been working since 2003 to involve diversity-owned businesses in its supplier network. These are businesses owned by women, African Americans, Hispanics, Asians and Native Americans. Over 750,000 diversity businesses participated in DiversityBusiness' online vote for the top 50 organizations.

## 42<sup>nd</sup> position

Ahold USA came 42<sup>nd</sup> in list of top organizations in the United States offering multicultural business opportunities

### Albert Heijn's "Wajonger" program for young disabled people



Around 500 disabled people, known as "Wajongers" in Dutch, work at Albert Heijn. Some of them have learning disabilities; others have physical disabilities. Albert Heijn has had an active policy of employing more young disabled people in its stores since 2007 – in order to be both socially engaged and able to make optimal use of the available talent offered by the labor market. Our goal is to employ a young disabled person in every one of our 600 own-operated Albert Heijn stores, and to grow the Wajonger program by 125 employees in 2012.

Young people with a disability or illness are eligible for the Young Disabled Persons scheme when they reach 18. Albert Heijn, the UWV (the Dutch employment and benefits authority) and USG Restart have joined forces to support young disabled employees in finding a job. USG Restart is a reintegration organization; job coaches from the organization are on hand to intensively supervise the young disabled employees. The coaches know the young people and their backgrounds and can help them grow. Each of the Wajongers has a different strength, talent and pace of working – just like every other employee.



Our people continued

## Network of Executive Women works with female Ahold USA leaders



Ahold USA and its divisions are fully committed to supporting its female employees in leadership roles. In 2011, we placed a major focus on strengthening our relationship with the Network of Executive Women (NEW), an external group with a mission to connect, grow and develop female leaders in the consumer-packaged goods and retail industry. We increased our membership rate by 53 percent, with 166 members of NEW. These members have access to learning and development activities, conferences, networking via regional events, and mentoring opportunities. Members were invited to participate in NEW via a letter from our Executive Team, further demonstrating our commitment to female leaders.

During the reporting year, 23 female leaders participated in national conferences for exposure and developmental opportunities. We also conducted two female leadership conferences in the Giant Landover and Giant Carlisle divisions, leveraging NEW to provide access to high quality speakers. Over 140 female employees participated in regional events with NEW, providing leadership, networking, and mentoring opportunities.

Ahold USA's sponsorship of NEW and focused activities have contributed in a meaningful way to the engagement and development of existing and emerging female leaders within our organization.



For more information:  
[www.newonline.org](http://www.newonline.org)

### Respecting human and employee rights

We ensure we respect the rights of all our employees under applicable law, including the prevention of forced and child labor, working hours and wages, and non-discrimination. Ahold businesses respect employees' freedom of association, including employees' legal rights to choose union representation to bargain collectively on their behalf in accordance with applicable law.

Ahold USA's divisions (Giant Carlisle, Giant Landover, Stop & Shop New England, and Stop & Shop New York Metro) currently have a total of 78,000 employees represented by unions. When taken together, this makes them one of the five largest unionized employee populations in U.S. food retail. Each of the divisions strives to have positive and cooperative relations with the unions that represent its employees. During the past couple of years, there have been union-organizing efforts in the Giant Carlisle division. In compliance with U.S. labor law, Giant Carlisle has provided employees with information about unionization, including its preference to work directly with employees.

We now have a single, global Code of Conduct (the "Code"), which we finalized in 2011 and which was rolled out both internally and externally in the first quarter of 2012. The Code focuses on Ahold's core value "Doing what's right" and establishes Group-wide principles and rules with regard to employee conduct. It is intended to help each employee understand and follow relevant compliance and integrity rules, and know when and where to ask for advice or report a breach of the Code. The principles of the Code apply to all employees of Ahold and its operating companies, as well as to third parties hired by or acting for and on behalf of Ahold. Employees of defined grade levels acknowledge compliance with the Code on an annual basis. The full Code is available in the corporate governance section of Ahold's public website, [ahold.com](http://ahold.com).

### Engaging employees in our CR strategy

Our employees are key to putting our CR strategy and targets into practice every day. They are the people who carry out our CR activities, and encourage our customers to do the same. We therefore want to inform and engage our employees around our CR strategy. You can read about what our employees do to put CR into action throughout the rest of this report.

Our people continued

Ahold USA's wellness strategy



Ahold USA has a wellness strategy in place that aims to raise awareness of health and wellness among employees by 2012, and to engage all employees by 2013.

One of the most successful programs carried out so far was the Revive weight-loss challenge, completed by 97 employees from 10 locations. In-store nutritionists, a corporate nutritionist, and a Sodexo dietetic intern provided one-on-one consultations and conducted weekly weigh-ins.

Other programs include offering health screenings, wellness coaches, personal trainers, blood pressure and cholesterol testing, and health advice lines to employees. Group wellness activities include programs to stop smoking, walking clubs, discounted fitness center membership, wellness seminars and health fairs.

Encouraging our employees to live healthily and sustainably

We help our employees to live healthily and sustainably.

Health and wellness programs

Various programs and activities to encourage a healthy diet and regular exercise are in place across our operating companies.

- In the Netherlands, the "Fit & Fun" program continued to generate strong participation during the reporting year. In 2011, 3,018 employees participated in 278 events, including an annual soccer tournament and annual 10-mile "Dam tot Dam" running / walking race. Other initiatives included a 12-week training / healthy eating program, quit-smoking program, bike discount plan and free health checks.
- Albert's health and wellness activities in the Czech Republic include a distribution center football tournament, in which eight men's teams and three women's teams participate. The teams are made up of both employees and members of the surrounding communities. Albert also holds a triathlon for the children of employees, and is a partner in the organization of a 50 km skiing race.
- In 2011, Ahold USA put a new wellness strategy in place. See *case study*.

Sustainability programs

In 2011, we initiated various programs in our offices and stores to improve sustainability and protect the environment. Not all operating companies have plans in place yet, but these will be a continued focus area in 2012.

- Initiatives that are already in place in our offices in the Netherlands and the United States include automatic, motion-censor lighting resulting in less wasted energy.
- Initiatives that were conceived and rolled out in 2011 include use of porcelain mugs at our Corporate Center office in Amsterdam, the Netherlands, meaning that employees now re-use their drinks receptacles, rather than using and throwing away hundreds of disposable cups every day.
- In 2012, we are also rolling out refillable glass water bottles in our Corporate Center office, to save waste on disposable plastic bottles.
- In 2010, Ahold USA conducted a pilot of the "Green Captains program" to involve and motivate store employees in CR issues. Based on this pilot, the program was designed for wider implementation in 2011 to ensure that the current CR initiatives are being carried out in our stores. As a result of the Green Captains program, an employee in each store will lead, drive and focus on our sustainability efforts and promote Ahold's CR initiatives, starting in the first quarter of 2012.

**3,018** employees

participated in "Fit & Fun"  
program in the Netherlands

## Our people continued

### The data

#### Number of employees

(thousands)	2011	2010	2009	2008
Ahold USA <sup>1</sup>	117	116	113	112
The Netherlands <sup>2</sup>	89	84	80	76
Other Europe	12	12	13	14
<b>Total</b>	<b>218</b>	<b>213</b>	<b>206</b>	<b>203</b>

1 Ahold USA comprises Giant Carlisle, Giant Landover, Stop & Shop New England, Stop & Shop New York Metro, Peapod, and Ahold USA head office.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

Percentage of workforce by contract type <sup>1</sup>	2011		2010		2009		2008	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Ahold USA <sup>2</sup>	29	71	30	70	30	70	30	70
The Netherlands <sup>3</sup>	14	86	14	86	16	84	18	82
Other Europe	67	33	74	26	73	27	86	14

1 Contract type based on local definition.

2 Ahold USA comprises Giant Carlisle, Giant Landover, Stop & Shop New England, Stop & Shop New York Metro, Peapod, and Ahold USA head office.

3 Includes Etos, Gall & Gall, Ahold Coffee Company.

Percentage of workforce by gender	2011		2010		2009	
	Female	Male	Female	Male	Female	Male
Ahold USA <sup>1</sup>	47	53	47	53	47	53
The Netherlands <sup>2</sup>	53	47	53	47	53	47
Other Europe	80	20	80	20	80	20

1 Ahold USA comprises Giant Carlisle, Giant Landover, Stop & Shop New England, Stop & Shop New York Metro, Peapod, and Ahold USA head office.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

Percentage of workforce by age	2011					2010					2009				
	<19	20>29	30>39	40>49	50+	<19	20>29	30>39	40>49	50+	<19	20>29	30>39	40>49	50+
Ahold USA <sup>1</sup>	14	28	13	17	28	16	26	13	18	27	17	25	14	18	26
The Netherlands <sup>2</sup>	57	21	8	8	6	58	20	8	8	6	58	19	8	9	6
Other Europe	1	23	30	24	22	1	23	30	24	22	1	23	29	24	23

1 Ahold USA comprises Giant Carlisle, Giant Landover, Stop & Shop New England, Stop & Shop New York Metro, Peapod, and Ahold USA head office.

2 Includes Etos, Gall & Gall, Ahold Coffee Company.

Composition of the Ahold Boards	2011		2010		2009		2008	
	Female	Male	Female	Male	Female	Male	Female	Male
Corporate Executive Board	0	4	1	4	1	4	1	4
Supervisory Board	2	6	3	5	3	5	3	4
<b>Total</b>	<b>2</b>	<b>10</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>8</b>

## How we manage CR



**The governance of Ahold's corporate responsibility activities applies to all Ahold's financially consolidated operations in both Europe and the United States, as defined in our *Scope of reporting*. CR at Ahold is managed at all levels of the organization, from a designated Corporate Executive Board (CEB) member to individual leads for each priority area at each of our operating companies.**

Within the CEB, Chief Corporate Governance Counsel (CCGC) Lodewijk Hijmans van den Bergh is responsible for CR, including its scope, ambitions and targets. The Vice President Corporate Responsibility (VP CR) oversees Ahold's Group-wide CR strategy, which is implemented at operating company level. The VP CR is also responsible for reporting on progress against Ahold's CR strategy internally and externally, for engaging external stakeholders on Ahold's global CR strategy, and for monitoring CR-related trends and managing CR-related issues and risks.

The Chief Operating Officers and Chief Financial Officers at continental level are accountable for meeting CR targets. General Managers in Ahold Europe, Division Presidents at Ahold USA, and Executive and Senior Vice Presidents responsible for continental functions, are accountable for meeting the targets at continental and brand level.

Each operating company has an employee with overall responsibility for CR and an employee responsible for each priority area. Ahold governs CR globally via its CR Steering Committee. This committee meets twice yearly to review progress against the targets, to review any proposed revisions to the strategy, including new or modified targets, and to provide recommendations to the CEB. It includes the CCGC, VP CR, CR leads (incl. ICA), and Ahold USA and Ahold Europe commercial representatives.

How we manage CR continued

### Stakeholder engagement

As an international food retailer, we have a wide range of stakeholders, including our customers, employees, suppliers, the communities where we operate, governments, NGOs, academic and research institutes, industry bodies, and our shareholders.

We engage with our stakeholders in order both to gain insight into their requirements from us, and to share our progress with them. This enables us to better meet stakeholder needs over time. Our stakeholders do, however, have different priorities, and it is therefore our challenge to balance a complex set of requirements.

Ahold's Corporate Affairs department manages the company's activities in government relations, regulatory public affairs, and participation in industry bodies and related organizations. It is an important part of our ongoing dialogue with stakeholders about CR-related issues. On our website, [ahold.com](http://ahold.com), you can find a list of global, European and U.S. partner associations with whom we are engaged on CR matters.

In April 2011, we held a stakeholder meeting with our NGO community and other organizational stakeholders at Group level, at which we set out our corporate responsibility strategy and took questions from participants (see *Communities and NGOs* below).

As an organization, we identified five main stakeholder groups, and the ways in which we engage with them:

Customers	We regularly ask our customers what they think of our stores, assortment and service, including their perception of Ahold as a healthy retailer. We receive feedback via third-party surveys as well as directly from customers in stores. You can find out how our customers perceived us as a leading healthy retailer in the <i>Healthy living</i> section.
Employees	We have an open and honest company culture, and carry out regular employee satisfaction surveys. In 2011, we carried our employee satisfaction surveys in the Netherlands. We also finalized our global Code of Conduct, which we communicated to employees at the start of 2012. You can find out more about both of these in the <i>Our people</i> section.
Suppliers	Our suppliers are very important to us, and with many we have long-term relationships. In 2011, Albert Heijn celebrated 50 years of successful partnership with one of its Spanish suppliers. Sustainability is an increasingly important topic in our conversations with our suppliers. In September 2011, Ahold USA held its first supplier sustainability summit in order to work together with its suppliers in improving sustainability issues. You can find out more about the summit in the <i>Sustainable trade</i> section.
Communities and NGOs	In April 2011, Ahold invited several NGOs and organizational stakeholders to its corporate offices in Amsterdam for a stakeholder dialogue meeting. Attendees at the meeting included Oxfam Novib, World Wildlife Fund (WWF), animal-protection society Dierenbescherming, Royal Tropical Institute (KIT), PricewaterhouseCoopers (PwC), Association of Investors in Sustainable Enterprise (VBDO), Dutch Sustainable Trade initiative (IDH), ICCO, Wageningen University, and the Ministry of Economic Affairs, Agriculture and Innovation. The discussion centered around Ahold's corporate responsibility strategy and targets, and questions from participants ranged from product sustainability to mapping our suppliers' environmental footprint. Several Ahold representatives, including Chief Corporate Governance Counsel Lodewijk Hijmans van den Bergh and the Vice President Corporate Responsibility, were on hand to answer questions and discuss issues. We intend to hold a follow-up meeting for stakeholders in 2012.
Shareholders	We meet with investors on a regular basis, including socially responsible investment (SRI) analysts. In April 2011, Lodewijk Hijmans van den Bergh presented Ahold's strategy at the ING SRI conference in Amsterdam, the Netherlands.

## How we manage CR continued

### Awards during 2011

Ahold and its operating companies received a number of awards during the reporting year.

Among them were the following:

- In an annual study into the reputation of Dutch companies by the Reputation Institute, Ahold took second position and made the largest gains in the ranking
- The Ministry of Economic Affairs, Agriculture and Innovation in the Netherlands ranked Ahold at 18th position out of 233 companies in its annual transparency index, a significant improvement from 37th position last year
- Ahold was named best employer by *Incompany*, a leading Dutch business magazine
- Albert Heijn won the Induistributie award for the second year in a row. This is an annual series of prizes awarded between retailers and manufacturers
- “Appie,” Albert Heijn’s digital personal shopping assistant, was named best service application in the Netherlands by Apple
- Albert Heijn’s Appie app won the award for best mobile application at the Mobile Media & Marketing Awards
- Albert in the Czech Republic won two National Quality Awards: the Social Responsibility award and the Excellence Model award
- Ahold USA was honored by the Board of Governors of the Academy of Food Marketing at Saint Joseph’s University and The Food Marketing Educational Foundation at the Academy’s Citation Award Dinner
- Ahold USA received the 2011 Supply Chain Innovation Award™ from the Council of Supply Chain Management Professionals (CSCMP) and SupplyChainBrain
- Ahold USA was ranked seventh on the U.S. Environmental Protection Agency’s Top 20 Retail list and 30th on the National Top 50 list for green power purchases
- Giant Landover received an award from Maryland Food Bank for “Retailer of the Year”
- Giant Carlisle received the 2010–2011 Apple Merchandiser of the Year Award from the National Apple Month program
- In recognition of Stop & Shop’s efforts in raising \$50 million for cancer research and treatment over the last 20 years, the company received the prestigious “Sidney Farber Medical Research Award”

## Our approach to reporting



### **Our 2011 CR Report covers Ahold's corporate responsibility strategy, practices and performance during the period from January 2, 2011 to January 1, 2012.**

Ahold reports progress on the targets it has set for each of its five CR priority areas: healthy living, sustainable trade, climate action, community engagement, and our people. The standards that are used follow the Global Reporting Initiative (GRI G3.0) protocol, and Ahold qualifies for application level B+ according to GRI indicators.

Ahold has been publishing CR Reports since 1998, and has been doing so annually since 2007. This is our tenth report.

#### **Scope of reporting**

The scope of the 2011 report has been determined based on Ahold's CR priority areas and the principles of materiality and completeness. Our priority areas were selected on the basis of their relevance to Ahold's business model, to its stakeholders, and to those areas where Ahold can make a meaningful difference. The sustainability issues that are covered are based on ongoing interaction with our businesses, stakeholders, and involvement in international associations and roundtables.

The CR reporting scope excludes results from the joint ventures with ICA and JMR. For both joint ventures, the shareholders' agreement is that Ahold does not have unilateral decision-making authority over its partners, including decisions on the strategic, financial and operational direction of the companies. Both ICA and JMR deliver their own reports, including references to their CR strategies and policies.

In previous CR reports, ICA was included in Ahold's data; the 2008, 2009 and 2010 baseline data has therefore been restated due to the exclusion of ICA. The *Data revisions* section shows the reconciliation of the baseline data in this 2011 report with the 2010 report.

From an operational management perspective, Ahold and ICA have chosen to continue their close collaboration on CR and sustainability topics. Best practices and knowledge are shared across the groups and ICA is a member of the Ahold CR Steering Committee.

ICA has three focus areas in their CR approach: transparency, credibility and traceability.

- Transparency – ICA wants to be open about its CR work
- Credibility – ICA wants to reflect on its responsibility, and to be willing to discuss its strengths and weaknesses
- Traceability – ICA wants to know where its products come from and under what conditions its suppliers operate

See ICA's sustainability report for more information.

Our approach to reporting continued

Information relating to our CR strategy and our progress against its targets is reviewed for significance and materiality from an economic, environmental, and social perspective. The report features information that is material in relation to our total revenue, environmental footprint, and in terms of social impact and sustainability issues. From a completeness perspective, the report includes information on those operations that Ahold controls or has a significant influence on, and where the impact on Ahold's stakeholders is significant.

When reporting on our targets, the inclusion (or exclusion) of specific operating companies is based on a materiality assessment of the companies per priority area, with all excluded operating companies (per reported account) producing less than 2 percent of Ahold's total sales or emissions.

The CR reporting structure follows the segment consolidation that is also applied in the annual report. The reported segments are Ahold USA (Giant Carlisle, Giant Landover, Stop & Shop New England, and Stop & Shop New York Metro) and Ahold Europe, which is broken down into the Netherlands (Albert Heijn, Etos, Gall & Gall, albert.nl and Ahold Coffee Company) and Other Europe (Albert and Hypernova).

From an operational scope perspective, the CR Report includes the following parts of the business:

- All stores, irrespective of whether the stores are owned by Ahold or franchised
- Ahold-owned distribution centers; all transportation from distribution centers to stores, irrespective of whether they are owned by Ahold or outsourced

The scope of this CR Report excludes:

- Direct store deliveries, business travel, and offices do not fall within the scope of this report, due to their limited materiality to our overall performance in our climate action priority area
- Outsourced distribution centers do not qualify for inclusion according to the GRI criteria of control, influence and impact

In 2011, we reviewed the materiality and relevance of each of our priority areas for each of our operating companies (see tables below). The scope of reporting follows this assessment.

Healthy living			
	Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group	Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer	
Ahold USA (excluding Peapod)	●		●
Peapod	●		●
Albert Heijn	●		●
Etos	●		●
Gall & Gall	●		●
albert.nl	●		●
Ahold Coffee Company	●		●
Albert, Czech Republic	●		●
Albert / Hypernova, Slovakia	●		●

● Included in reporting.  
 ● Excluded due to non-materiality.  
 ● Excluded from reporting due to accurate or complete data not being available.

Our approach to reporting continued

Sustainable trade



	Ensure that 80% of own-brand food suppliers are Global Food Safety Initiative certified by 2012	Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015	Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012	Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015
Ahold USA (excluding Peapod)	●	●	●	●
Peapod	●	●	●	●
Albert Heijn	●	●	●	●
Etos	●	●	●	●
Gall & Gall	●	●	●	●
albert.nl	●	●	●	●
Ahold Coffee Company	●	●	●	●
Albert, Czech Republic	●	●	●	●
Albert / Hypertnova, Slovakia	●	●	●	●

Climate action



	Reduce CO <sub>2</sub> per square meter of sales area by 20% in our own operations by 2015 against our 2008 baseline of 555 kg	Ensure that each operating company has a comprehensive waste-management program in place by the end of 2011
Ahold USA (excluding Peapod)	●	●
Peapod	●	●
Albert Heijn	●	●
Etos	●	●
Gall & Gall	●	●
albert.nl	●	●
Ahold Coffee Company	●	●
Albert, Czech Republic	●	●
Albert / Hypertnova, Slovakia	●	●

- Included in reporting.
- Excluded due to non-materiality.
- Excluded from reporting due to accurate or complete data not being available.

Our approach to reporting continued

Community engagement



Ensure that each operating company has a community engagement program in place by 2012

Ahold USA (excluding Peapod)	●
Peapod	●
Albert Heijn	●
Etos	●
Gall & Gall	●
albert.nl	●
Ahold Coffee Company	●
Albert, Czech Republic	●
Albert / Hypernova, Slovakia	●

Our people



Ensure that each operating company has a CR employee program in place by 2012

Ahold USA (excluding Peapod)	●
Peapod	●
Albert Heijn	●
Etos	●
Gall & Gall	●
albert.nl	●
Ahold Coffee Company	●
Albert, Czech Republic	●
Albert / Hypernova, Slovakia	●

- Included in reporting.
- Excluded due to non-materiality.
- Excluded from reporting due to accurate or complete data not being available.

## Process and CO<sub>2</sub> conversion factors

### Reporting process

Ahold's CR data and related data gathering and reporting processes are subject to reviews by its internal audit department. Ahold's CR Reports have been reviewed by its external auditor Deloitte Accountants B.V. since 2009. No external review was performed of Ahold's 2008 CR Report.

In healthy living, Ahold measures sales of healthy-choice products as a percentage of the total food sales. The decision to exclude non-food sales was taken to avoid distortion from category changes that have no influence on Ahold's performance as a healthy retailer.

For the healthy-choice sales data, and number of organic and Fairtrade-certified products, 100 percent completeness cannot be guaranteed due to the manual data gathering process. As the percentage of healthy-choice sales has been reported for the first time, the 2008 and 2009 data in this table have not been audited.

In sustainable trade, as the supplier mapping exercise is ongoing, we have made best estimates based on the information currently available for our GFSI and social compliance targets. GFSI percentages are reported as a percentage of sales for Ahold USA, and as a percentage of suppliers for Ahold Europe.

In critical commodities, the percentage of each commodity in our own-brand products that is sustainably sourced is based on the key product categories for which these commodities are relevant. Other Europe has been excluded from the 2011 baseline review. The product categories included are:

- coffee: coffee
- tea: black tea, green tea, red bush tea
- cocoa:
  - chocolate products: bars, tablets, and candies
  - seasonal products: Easter, Christmas, and Sinterklaas
  - bakery: chocolate muffins
- seafood: fresh and frozen seafood

Reporting on segregated palm oil and soy is excluded from the baseline review, as these commodities cannot be directly linked to products with 100 percent completeness. The approach for palm oil and soy is explained in the *Sustainable trade* section.

In climate action in relation to our CO<sub>2</sub> reduction target, the majority of the data reflect actual consumption. Where possible, this is an automated process, but in some cases, such as gas, fuel, district heating and water consumption, they are a combination of actual consumption and extrapolation based on sample stores. In other cases, where actuals and extrapolations could not be applied, best estimates were used. To report on leakage of refrigerant substances, waste types, and waste disposal methods, data has been provided by third-party service providers which was only partly audited. In 2011, Ahold developed a global waste strategy including targets. Information on progress against these targets will be provided from 2012 onwards.

In community engagement, 100 percent completeness on the contributions and donations cannot be guaranteed due to the manual data gathering process.

### CO<sub>2</sub> conversion factors

The total CO<sub>2</sub> emission calculation is the sum of the CO<sub>2</sub> emissions of fuel, electricity, district heating, gas, and leakage of refrigerant substances. Since the consumption of those elements is not measured in CO<sub>2</sub> kilograms, conversion factors from other units of measurement are applied.

For electricity, each country has its own conversion factor, which is updated each year. The sources of the electricity conversion factors are the International Energy Agency for Europe and the Environmental Protection Agency for the United States. Each year, the 2008 baseline year will be re-calculated using the latest electricity CO<sub>2</sub> conversion factors.

Sources for converting fuel and gas: August 2011 Guidelines for Defra Greenhouse Gas Conversion Factors for Company Reporting and Handboek CO<sub>2</sub> prestatieladder 2.0.

Sources for converting electricity: International Energy Agency (IEA), 2009, and Environmental Protection Agency (EPA) eGrid2010, version 1.0.

Source for converting refrigerant substances: Climate Change 2007 – The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel Climate Change (IPCC).

## Data revisions

In our 2011 CR Report, several revisions of the 2008–2010 CO<sub>2</sub> emissions baseline have been performed. There are four major revisions:

1. ICA has been excluded from Ahold's CR reporting in 2011
2. The CO<sub>2</sub> conversion factors have been updated according to the latest available information
3. The leakage of refrigerant substances for Ahold USA has been revised due to maintenance provided by a third party, which was not included in the 2010 data gathering process
4. Energy usage in Ahold USA's outsourced distribution centers has been excluded in 2011

The implications of these revisions are shown in the table below.

	Volume (thousands of metric tons)			Efficiency (kg per square meter of sales area)		
	2010	2009	2008	2010	2009	2008
<b>Total CO<sub>2</sub></b>						
2010 data	2,690	2,766	2,696	420	428	433
ICA exclusion	-248	-218	-225	151	174	173
CO <sub>2</sub> conversion factors	-186	-191	-182	-43	-45	-44
Ahold USA refrigerant leakage	30	0	0	7	0	0
Ahold USA outsourced DCs	-35	-33	-32	-8	-8	-8
Other	6	1	3	2	0	1
2010 data restated	2,257	2,325	2,260	529	549	555

## GRI and Global Compact

The GRI is a global, multi-stakeholder network of business professionals, representatives from labor organizations, investors, accountants and others, who work together to develop an internationally accepted standard for CR reporting. Ahold has been reporting according to GRI guidelines since 2006, because they are recognized as the most representative reporting standard for corporate responsibility and sustainability issues.

The guidelines recognize issues relating to environmental and social priorities, the running of the business and the products sold. Ahold's CR Report includes a selection of indicators that are the most relevant and material to our priority areas, and therefore to our business and stakeholders. We have also benchmarked these indicators against our peers and competitors. Every year, we review the indicators selected, and we are continually working to improve our data collection processes.

The GRI framework outlines several levels of reporting compliance, depending on a company's capabilities and ambitions. A summary of our compliance is included in the GRI cross-reference table. In 2011, we reported according to the GRI G3.0 Guidelines, complying with level B. Our CR Report 2011 has been reviewed by Ahold's external auditor, Deloitte Accountants B.V., which has provided limited assurance. This has enabled us to achieve application level B+ again this year.

## GRI and Global Compact continued

## GRI cross-reference table

## 1 Strategy and analysis

GRI indicator	Where to look	Included
1.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	<i>CR at Ahold:</i> Message from our CEO	Yes
1.2 Description of key impacts, risks, and opportunities.	<i>CR at Ahold:</i> Message from our CEO Our strategy AR: Our strategy, How we manage risk	Yes

## 2 Organizational profile

GRI indicator	Where to look	Included
2.1 Name of the organization.	Title page <i>Other information:</i> Contact us	Yes
2.2 Primary brands, products, and / or services.	<i>CR at Ahold:</i> Our brands	Yes
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<i>CR at Ahold:</i> Our brands, Group at a glance AR: Group at a glance	Yes
2.4 Location of organization's headquarters.	<i>Other information:</i> Contact us	Yes
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	<i>CR at Ahold:</i> Our brands AR: Group at a glance	Yes
2.6 Nature of ownership and legal form.	AR: Share capital, Shares and shareholders' rights	Yes
2.7 Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries).	<i>CR at Ahold:</i> Group at a glance, Our brands AR: Group at a glance, Group highlights	Yes
2.8 Scale of the reporting organization.	<i>Our CR priorities: Our people:</i> The data AR: Group at a glance, Performance, Consolidated balance sheet, Notes to the consolidated financial statements	Yes
2.9 Significant changes during the reporting period regarding size, structure, or ownership.	AR: Share capital, Notes to the consolidated financial statements	Yes
2.10 Awards received in the reporting period.	<i>How we manage CR:</i> Awards during 2011	Yes

GRI and Global Compact continued

### 3 Report parameters

GRI indicator	Where to look	Included
<b>Report profile</b>		
3.1 Reporting period.	<i>Our approach to reporting:</i> Reporting our performance	Yes
3.2 Date of most recent previous report.	<i>Our approach to reporting:</i> Reporting our performance	Yes
3.3 Reporting cycle.	<i>Our approach to reporting:</i> Reporting our performance	Yes
3.4 Contact point for questions regarding the report or its contents.	<i>Other information:</i> Contact us	Yes
<b>Report scope and boundary</b>		
3.5 Process for defining report content.	<i>CR at Ahold:</i> Our strategy <i>How we manage CR:</i> Stakeholder engagement <i>Our approach to reporting:</i> Reporting our performance Scope of reporting	Yes
3.6 Boundary of the report.	<i>Our approach to reporting:</i> Reporting our performance Scope of reporting	Yes
3.7 State any specific limitations on the scope or boundary of the report.	<i>Our approach to reporting:</i> Reporting our performance Scope of reporting	Yes
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and / or between organizations.	<i>Our approach to reporting:</i> Reporting our performance Scope of reporting	Yes
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	<i>Our approach to reporting:</i> Reporting process CO <sub>2</sub> conversion factors	Yes
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	<i>Our approach to reporting:</i> Reporting process CO <sub>2</sub> conversion factors Data revisions	Yes
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	<i>Our approach to reporting:</i> Scope of reporting Reporting process CO <sub>2</sub> conversion factors Data revisions	Yes
<b>GRI content index</b>		
3.12 Table identifying the location of the Standard Disclosures in the report.	<i>Our approach to reporting:</i> GRI and Global Compact	Yes
<b>Assurance</b>		
3.13 Policy and current practice with regard to seeking external assurance for the report.	<i>Our approach to reporting:</i> Reporting process CO <sub>2</sub> conversion factors GRI and Global Compact External assurance report	Yes

GRI and Global Compact continued

## 4 Governance, commitments and engagement

GRI indicator		Where to look	Included
<b>Governance</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<i>Other information:</i> Our leadership AR: Corporate governance	Yes
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	<i>Other information:</i> Our leadership AR: Corporate governance, Supervisory Board report	Yes
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and / or non-executive members.	Ahold does not have a unitary board. It is governed based on a two-tier model.	Yes
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<i>Other information:</i> Contact us AR: Corporate governance – Shares and shareholders' rights, Contact information Ahold Code of Conduct Whistleblower procedure <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a>	Yes
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	AR: Corporate governance, Remuneration	Yes
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	AR: Corporate governance	Yes
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	AR: Our leadership, Corporate governance	Yes
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	AR: How we manage risk <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a>	Yes
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<i>How we manage CR:</i> Making CR happen AR: Corporate governance, Risk management and internal control, Supervisory Board report	Yes
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	AR: Remuneration	Yes
<b>Commitments to external initiatives</b>			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	AR: How we manage risk	Yes
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<i>How we manage CR:</i> Stakeholder engagement	Yes
4.13	Memberships in associations (such as industry associations) and / or national / international advocacy organizations.	<i>How we manage CR:</i> Stakeholder engagement <i>Our CR priorities: Sustainable trade:</i> Actions and achievements in 2011	Yes

GRI and Global Compact continued

GRI indicator	Where to look	Included
<b>Stakeholder engagement</b>		
4.14 List of stakeholder groups engaged by the organization.	<i>How we manage CR:</i> Stakeholder engagement	Yes
4.15 Basis for identification and selection of stakeholders with whom to engage.	<i>How we manage CR:</i> Stakeholder engagement	Yes
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<i>How we manage CR:</i> Stakeholder engagement	Yes
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<i>CR at Ahold:</i> Message from our CEO Our strategy <i>How we manage CR:</i> Stakeholder engagement	Yes

**Economic performance indicators**

GRI indicator	Where to look	Included
<b>Management approach to economic responsibility</b>		
	<i>Our CR priorities: Community engagement</i> Our ambitions Our progress on our targets <i>How we manage CR:</i> Making CR happen AR: Group highlights, Our strategy, How we manage risk, Financial statements, Notes to the consolidated financial statements	Yes
<b>Aspect: Economic performance</b>		
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<i>Our CR priorities: Community engagement</i> The data – Contributions and donations (table) AR: Financial statements	Yes
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	<i>Our CR priorities: Climate action</i> Actions and achievements in 2011 AR: How we manage risk	Yes
EC3 Coverage of the organization's defined benefit plan obligations.	AR: Note 23 Pensions and other post-employment benefits	Yes
EC4 Significant financial assistance received from government.	No significant financial assistance received from government.	Yes
<b>Aspect: Market presence</b>		
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	<a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a>	Partially
<b>Aspect: Indirect economic impacts</b>		
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	<i>Our CR priorities: Community engagement</i> Actions and achievements in 2011 <i>Our CR priorities: Sustainable trade:</i> Actions and achievements in 2011	Yes

GRI and Global Compact continued

## Environmental performance indicators

GRI indicator	Where to look	Included
<b>Management approach on environmental responsibility</b>	<i>CR at Ahold:</i> Our strategy <i>Our CR priorities: Climate action:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 <i>Our CR priorities: Our people:</i> Our ambitions Our progress on our targets <i>How we manage CR:</i> Making CR happen <i>Our approach to reporting:</i> External assurance report <a href="https://www.ahold.com/web/Ahold/Climate-action.htm">https://www.ahold.com/web/Ahold/Climate-action.htm</a>	Yes
<b>Aspect: Energy</b>		
EN3 Direct energy consumption by primary energy source.	<i>Our CR priorities: Climate action:</i> The data – Fuel consumption (table), Natural gas consumption (table)	Yes
EN4 Indirect energy consumption by primary source.	<i>Our CR priorities: Climate action:</i> The data – Electricity consumption (table)	Yes
EN5 Energy saved due to conservation and efficiency improvements.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011 The data – Electricity consumption (table), Fuel consumption (table), Natural gas consumption (table)	Yes
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011	Yes
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011	Partially
<b>Aspect: Water</b>		
EN8 Total water withdrawal by source.	<i>Our CR priorities: Climate action:</i> The data – Water consumption (table)	Yes
EN9 Water sources significantly affected by withdrawal of water.	We do not currently operate in water-stressed areas.	Yes

GRI and Global Compact continued

GRI indicator	Where to look	Included
<b>Aspect: Emissions, effluents, and waste</b>		
EN16 Total direct and indirect greenhouse gas emissions by weight.	<i>Our CR priorities: Climate action:</i> The data – CO <sub>2</sub> emissions (table)	Yes
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011	Yes
EN19 Emissions of ozone-depleting substances by weight.	<i>Our CR priorities: Climate action:</i> The data – Leakage of refrigerant substances (table)	Partially
EN22 Total weight of waste by type and disposal method.	<i>Our CR priorities: Climate action:</i> The data – Waste production (table), Waste by type (table), Percentage of waste by disposal method (table)	Yes
<b>Aspect: Products and services</b>		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011 <i>Our CR priorities: Sustainable trade:</i> Our progress on our targets	Partially
<b>Aspect: Transport</b>		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	<i>Our CR priorities: Climate action:</i> Actions and achievements in 2011 The data – Fuel consumption (table)	Partially

**Social performance indicators: Labor practices and decent work**

GRI indicator	Where to look	Included
<b>Management approach on labor and work responsibility</b>		
	<i>Our CR priorities: Our people:</i> Actions and achievements in 2011 AR: How we manage risk <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a>	Yes
<b>Aspect: Employment</b>		
LA1 Total workforce by employment type, employment contract, and region.	<i>Our CR priorities: Our people:</i> The data – Number of employees (table), Percentage of workforce by contract type (table)	Yes
<b>Aspect: Diversity and equal opportunity</b>		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<i>Our CR priorities: Our people:</i> The data – Percentage of workforce by gender (table), Percentage of workforce by age (table), Composition of the Ahold Boards (table) AR: Our leadership	Yes

GRI and Global Compact continued

**Social performance indicators: Human rights**

GRI indicator	Where to look	Included
<b>Management approach on human rights responsibility</b>	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011</p> <p><i>How we manage CR:</i> Making CR happen <a href="https://www.ahold.com/web/Ahold/Sustainable-trade.htm">https://www.ahold.com/web/Ahold/Sustainable-trade.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a></p>	Yes
<b>Aspect: Investment and procurement practices</b>		
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011</p>	Partially
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 The data</p>	Partially
<b>Aspect: Freedom of association and collective bargaining</b>		
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	<p><i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011 AR: How we manage risk <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a></p>	Yes
<b>Aspect: Child labor</b>		
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	<p><i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011 AR: How we manage risk <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a></p>	Yes
<b>Aspect: Forced and compulsory labor</b>		
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	<p><i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011 AR: How we manage risk <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a></p>	Yes

GRI and Global Compact continued

**Social performance indicators: Society**

GRI indicator	Where to look	Included
<b>Management approach on societal responsibility</b>	<p><i>Our CR priorities: Healthy living:</i> Our ambitions Our progress on our targets</p> <p><i>Our CR priorities: Community engagement:</i> Our ambitions</p> <p><i>How we manage CR:</i> Making CR happen AR: How we manage risk, Notes to the consolidated financial statements <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a></p>	Yes
<b>Aspect: Community</b>		
FP4 Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	<p><i>Our CR priorities: Healthy living:</i> Our progress on our targets Actions and achievements in 2011 The data – Number of healthy-choice products (table), Sales of healthy-choice products (table), Number of children educated in healthy living (table)</p> <p><i>Our CR priorities: Community engagement:</i> Actions and achievements in 2011</p>	Yes
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	<p><i>Our people:</i> Actions and achievement in 2011 Ahold Code of Conduct <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a></p>	Partially
SO5 Public policy positions and participation in public policy development and lobbying.	<p><i>Our CR priorities: Healthy living:</i> Actions and achievements in 2011</p> <p><i>Our CR priorities: Sustainable trade:</i> Actions and achievements in 2011</p> <p><i>How we manage CR:</i> Stakeholder engagement</p>	Yes

GRI and Global Compact continued

**Social performance indicators: Product responsibility**

GRI indicator	Where to look	Included
<b>Management approach on product responsibility</b>	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011</p> <p><i>How we manage CR:</i> Making CR happen <a href="https://www.ahold.com/web/Ahold/Sustainable-trade.htm">https://www.ahold.com/web/Ahold/Sustainable-trade.htm</a> <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Privacy-Policy.htm">https://www.ahold.com/web/Privacy-Policy.htm</a></p>	Yes
<b>Aspect: Customer health and safety</b>		
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<p><i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011</p> <p><i>Our CR priorities: Climate action:</i> Actions and achievements in 2011</p>	Yes
FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety system standards.	<p><i>Our CR priorities: Sustainable trade</i> Our progress on our targets Actions and achievements in 2011</p>	Yes
FP6 Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugar.	<p><i>Our CR priorities: Healthy living:</i> Actions and achievements in 2011 The data – Number of healthy-choice products (table), Sales of healthy-choice products (table)</p>	Partially
FP7 Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives.	<p><i>Our CR priorities: Healthy living:</i> Actions and achievements in 2011 The data – Number of healthy-choice products (table), Sales of healthy-choice products (table)</p>	Partially
<b>Aspect: Product and service labeling</b>		
PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	<p><i>Our CR priorities: Sustainable trade:</i> Actions and achievements in 2011 The data – Number of certified organic products at year-end (table), Number of Fairtrade certified products (table)</p> <p><i>Our CR priorities: Climate action:</i> Actions and achievements in 2011</p> <p><i>How we manage CR:</i> Stakeholder engagement</p>	Partially
FP8 Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	<p><i>Our CR priorities: Healthy living:</i> Actions and achievements in 2011</p>	Partially
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<p><i>Our CR priorities: Healthy living:</i> Actions and achievements in 2011</p>	Yes

GRI and Global Compact continued

**Aspect: Marketing communications**

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<i>Our CR priorities: Healthy living:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 <i>How we manage CR:</i> Stakeholder engagement Ahold Code of Conduct <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a>	Partially
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**Sourcing performance indicators**

GRI indicator	Where to look	Included	
<b>Management approach on sourcing</b>	<i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 <a href="https://www.ahold.com/web/Ahold/Sustainable-trade.htm">https://www.ahold.com/web/Ahold/Sustainable-trade.htm</a>	Yes	
<b>Aspect: Across all aspects of sourcing</b>			
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	<i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011 <a href="https://www.ahold.com/web/Ahold/Sustainable-trade.htm">https://www.ahold.com/web/Ahold/Sustainable-trade.htm</a>	Partially
FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.	<i>Our CR priorities: Sustainable trade:</i> Our progress on our targets Actions and achievements in 2011 The data – Number of Fairtrade-certified products (table)	Partially

GRI and Global Compact continued

## Global Compact

The United Nations Global Compact is an initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Ahold's own principles align with those of the Global Compact, and we have been striving for high standards against these principles for some time. We signed the Global Compact in 2010, and continue to report on our operations and strategies in relation to these principles annually.

### Global Compact principles

Issue areas	Global Compact principles	References
<b>Human rights</b>	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a></p>
	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Our progress on our targets Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a></p>
<b>Labor</b>	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a></p>
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	<p><i>Our CR priorities: Sustainable trade:</i> Our ambitions Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a></p>

GRI and Global Compact continued

Issue areas	Global Compact principles	References
	Principle 5 – Business should uphold the effective abolition of child labor.	<i>Our CR priorities: Sustainable trade:</i> Our ambitions Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a>
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<i>Our CR priorities: Our people:</i> Our ambitions Actions and achievements in 2011 <a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a> <a href="https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm">https://www.ahold.com/web/Corporate-responsibility/Stakeholders-policies-and-guidelines.htm</a>
<b>Environment</b>	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	<i>Our CR priorities: Climate action:</i> Our ambitions Our progress on our targets Actions and achievements in 2011
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	<i>Our CR priorities: Sustainable trade:</i> Our ambitions Actions and achievements in 2011 <i>Our CR priorities: Climate action:</i> Our ambitions Our progress on our targets Actions and achievements in 2011
	Principle 9 – Business should encourage the development and diffusion of environmentally friendly technologies.	<i>Our CR priorities: Climate action:</i> Our ambitions Our progress on our targets Actions and achievements in 2011
<b>Anti-corruption</b>	Principle 10 – Business should work against corruption in all its forms, including extortion and bribery.	<a href="https://www.ahold.com/web/Corporate-governance/Documentation.htm">https://www.ahold.com/web/Corporate-governance/Documentation.htm</a>

## External assurance report

### Independent limited assurance report on Ahold's Corporate Responsibility Report

To: Shareholders, Supervisory Board and Corporate Executive Board and other stakeholders of Koninklijke Ahold N.V.

We have performed a limited assurance engagement on the Corporate Responsibility Report for the year 2011 of Koninklijke Ahold N.V. ("Ahold" or "the company") in Zaandam.

#### Management's responsibility

Management is responsible for the preparation of the Corporate Responsibility Report in conformity with the Sustainability Reporting Guidelines (G3.0) of the Global Reporting Initiative. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Corporate Responsibility Report that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. The scope of the 2011 Corporate Responsibility Report and the information included therein depends on the company's corporate responsibility priority areas as well as the reporting policies applied which are set out under *Scope of reporting*, *Process and CO<sub>2</sub> conversion factors*, *Data revisions*, and *GRI and Global Compact* in this report.

#### Auditor's responsibility

Our responsibility is to draw a limited assurance conclusion on the Corporate Responsibility Report based on our engagement. We conducted our engagement in accordance with Dutch law, including Standard 3410N "Assurance engagement relating to Corporate Responsibility reports." This requires that we comply with ethical requirements and plan and perform the engagement to obtain limited assurance about whether the Corporate Responsibility Report is free from material misstatement.

We did not perform any assurance procedures on the forward-looking statements, such as targets, expectations and ambitions, disclosed in the Corporate Responsibility Report. Consequently, we draw no conclusion on these statements.

A limited assurance engagement with respect to a Corporate Responsibility Report involves performing procedures to obtain evidence about the information disclosed in the Corporate Responsibility Report. The procedures performed depend on the practitioner's judgment, but their nature is different from, and their extent is substantially less than, a reasonable assurance engagement, and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our procedures on this engagement included:

- Reviewing the processes and systems for data gathering, including the aggregation of the data as included in the Corporate Responsibility Report
- Assessing the suitability of the reporting policies used by management and the consistent application of such policies, including assessing the suitability of the reporting criteria, the inclusiveness of the responses on the stakeholder dialogue and the overall presentation in the Corporate Responsibility Report
- Conducting interviews with senior management responsible for corporate responsibility at Ahold
- Performing analytical review procedures
- Inspecting internal and external documentation and verifying to what extent these documents and data support the information included in the Corporate Responsibility Report
- Evaluating whether the information presented in the Corporate Responsibility Report is in line with our overall knowledge of Corporate Responsibility at Ahold
- Assessing the company's stated application level according to GRI's guidelines

This engagement was conducted by a multidisciplinary team including assurance and sustainability expertise.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

External assurance report continued

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**Conclusion**

On the basis of the procedures we have performed nothing has come to our attention that causes us to believe the Corporate Responsibility Report for the year 2011 is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.0) of the Global Reporting Initiative.

**Comparative information**

We did not perform any assurance procedures on the Corporate Responsibility Report for the year 2008 and on the sales of healthy-choice products data for the year 2009. Consequently, we draw no conclusion on the 2008 and sales of healthy-choice products 2009 comparative information.

Amsterdam, February 29, 2012

**Deloitte Accountants B.V.**

**P.J.M.A. van de Goor**

## Our leadership

### Corporate Executive Board



**Dick Boer**  
Chief Executive Officer



**Lodewijk Hijmans van den Bergh**  
Executive Vice President and Chief Corporate Governance Counsel



**Jeff Carr**  
Executive Vice President and Chief Financial Officer



**James McCann**  
Executive Vice President and Chief Commercial & Development Officer

Acting members and nominees to the Corporate Executive Board

### Chief Operating Officers



**Sander van der Laan**  
Chief Operating Officer  
Ahold Europe



**Carl Schlicker**  
Chief Operating Officer  
Ahold USA

### Supervisory Board



**René Dahan**  
Chairman



**Tom de Swaan**  
Vice Chairman



**Derk C. Doijer**  
Chairman of the  
Remuneration  
Committee



**Stephanie M. Shern**



**Judith Sprieser**



**Mark McGrath**



**Ben Noteboom**



**Rob van den Bergh**

## Glossary

### ASC

Aquaculture Stewardship Council.

A certification program with a consumer label for sustainable aquaculture.

### Audit program

A program to evaluate supplier compliance against a set of a specific requirements (a standard).

### Biodiversity

The diversity of plant and animal life in a particular habitat, or in the world in general.

### BSCI

Business Social Compliance Initiative.

A non-profit organization, supporting more than 600 international companies in the process of monitoring and improving working conditions in the global supply chain through its own auditing program.

### Carbon footprint

The total set of greenhouse gas emissions caused directly and indirectly by an individual, organization, event or product. A carbon footprint is measured by undertaking a greenhouse gas emissions assessment. Once the size of a carbon footprint is known, a strategy can be devised to reduce it.

### CFC

Chlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants.

### CO<sub>2</sub>

Carbon dioxide. A greenhouse gas.

### Composting

A process in which organic waste, which includes food waste, decomposes naturally, resulting in a product rich in minerals that can be used for gardening and farming as a soil conditioner.

### CGF

Consumer Goods Forum. An independent, global, parity-based platform focused on improving non-competitive collaboration. It brings together the CEOs and senior management of around 650 retailers, manufacturers, service providers and other stakeholders from the consumer goods sector across 70 countries.

### Corrective Action Plan

Following an audit, suppliers that do not meet the criteria of the standard involved are required to implement a Corrective Action Plan in order to demonstrate improvements will be undertaken over a specified period of time.

### CR

Corporate responsibility.

### DC

Distribution center.

### District heating

Centrally generated heat distributed for residential and commercial heating requirements such as water heating and space heating.

### EPA

Environmental Protection Agency. The agency that coordinates U.S. programs aimed at reducing pollution and protecting the environment.

### ERRT

European Retail Round Table. A network of business leaders established to express the views of large European retailers on a range of issues of common interest.

### Fairtrade

A certification program with a consumer label that contributes to sustainable development by offering better trading conditions to disadvantaged producers (often in countries in developing nations), and by protecting their rights.

### FDA

U.S. Food and Drug Administration. Responsible for overseeing and enforcing regulatory requirements for consumer health and safety (among other areas).

### Fermentation

A process in which organic waste is converted into bio-gas. Leftovers can be recovered as fertilizer.

### FMI

Food Marketing Institute. The trade association for the U.S. retail industry.

### GFSI

Global Food Safety Initiative. A CGF activity that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs.

### GMA

Grocery Manufacturers Association. U.S.-based association to promote and represent food, beverage and consumer goods companies.

### GRI

Global Reporting Initiative. An international, multi-stakeholder initiative that provides a standard for environmental and social sustainability reporting.

### Group

All brands that are in scope of this report as defined in *Our approach to reporting*.

### GSCP

Global Social Compliance Program. A CGF activity that enables continuous improvement of working and environmental conditions in global supply chains through benchmarking, collaboration and harmonization of social and environmental standards.

### Greenhouse gases

Gases such as carbon dioxide or methane, which potentially contribute to climate change.

### GreenPalm certificates

Certificates purchased by manufacturers and retailers to support RSPO-certified palm oil producers.

### GWP

Global-warming potential. A measure of how much a given mass of greenhouse gas is estimated to contribute to global warming. It is a relative scale which compares the gas in question to that of the same mass of carbon dioxide (whose GWP is by convention equal to 1).

Glossary continued

**HCFC**

Hydrochlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants.

**HFC**

Hydrofluorocarbon. A greenhouse gas that may be used as a cooling element in refrigerants.

**Incineration**

The burning of trash and garbage.

**IEA**

International Energy Agency. An intergovernmental organization that acts as energy policy advisor to 28 member countries in their effort to ensure reliable, affordable, and clean energy.

**ILO**

International Labour Organization. A United Nations specialized agency that seeks the promotion of social justice and internationally recognized human and labor rights.

**kWh**

Kilowatt hour. This is a unit of energy. Energy delivered by electric utilities is expressed and charged for in kWh. Kilowatt hour is the product of power in kilowatts multiplied by time in hours.

**Landfill**

Final placement of waste in or on the land in a controlled way according to sanitary, environmental protection and other safety requirements.

**LED**

Light-emitting diode. LEDs produce more light per watt than incandescent bulbs.

**MSC**

Marine Stewardship Council. A certification program with a consumer label for well managed, sustainable fishing.

**Last stage of production**

The stage in our supply chain where our products are manufactured or produced.

**LCA**

Life cycle assessment. A technique to assess each and every impact associated with all stages of the life cycle of a product.

**National brand**

The brand name of a product that is distributed nationally under a brand name owned by the producer or distributor.

**NGO**

Non-governmental organization.

**NR**

Not reported.

**Operating company**

For a list of Ahold's operating companies, see *Our brands* section of this report.

**Organic product**

Agricultural product produced by organic farming methods and certified as such by an independent organization.

**Own brand**

Own brands are defined as private label, corporate brands, exclusive brands, store brands and non-branded products – in short, every product that is not a national brand.

**Rainforest Alliance**

A certification program with a consumer label that aims to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices, and consumer behavior.

**REAP**

Retailers' Environmental Action Programme. REAP is part of EuroCommerce and provides a basis for the retail sector to stimulate innovation and environmental action across the European Union.

**RSPO**

Roundtable on Sustainable Palm Oil. A global, multi-stakeholder initiative concerned with the production of sustainable palm oil via its certification program.

**RTRS**

Round Table on Responsible Soy. A global, multi-stakeholder initiative concerned with the production of responsible soy via its certification program.

**Stakeholders**

All the groups that participate in the economic life of the company (employees, customers, suppliers, and shareholders), who monitor the company (unions and NGOs) or who are more or less directly influenced by it (society, local government, and others).

**Stichting Initiatief Duurzame Soja / Initiative for Sustainable Soy**

Dutch supply chain organization to promote the use of responsible soy in cattle feed.

**Sustainable development**

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Brundtland Commission, "Our Common Future," 1987.

**TEWI**

Total equivalent warming impact. The sum of the direct and indirect emissions of greenhouse gases.

**TSC**

The Sustainability Consortium. A global platform that drives scientific research and collaboration to develop global science-based measurement and reporting systems and standards for more sustainable products and processes.

**UTZ CERTIFIED**

A certification program with a consumer label for responsibly produced and sourced coffee, tea and cocoa, which aims to achieve sustainable agricultural supply chains.

**WWF**

World Wildlife Fund, also known as World Wide Fund for Nature. An independent conservation organization, whose mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature.

**Zero waste**

Zero waste means designing and managing products and processes to systematically avoid and eliminate the volume and toxicity of waste and materials, conserve and recover all resources, and not burn or bury them. Implementing zero waste will eliminate all discharges to land, water or air that are a threat to planetary, human, animal or plant health. Business and communities that achieve over 90 percent diversion of waste from landfills and incinerators are considered to be successful in achieving zero waste.

## Contact us

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We welcome your feedback on this Corporate Responsibility Report. Please contact:

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