

# Corporate Responsibility Report 2009



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# Highlights 2009



## Overview

Corporate Responsibility is a part of everyday business at Ahold. As one of the world's leading food retailers, we are committed to operating in a responsible manner for our customers, employees, suppliers, shareholders and other stakeholders.



## Healthy living

Giant-Carlisle introduced a new healthy product symbol along with additional products to make it easier for customers to identify and choose a broader range of healthy options in our stores. The Healthy Ideas symbol has been added to certain national and private label products that comply with U.S. government standards.



## Sustainable trade

Albert Heijn introduced a new range of responsible products. The range, called AH puur&eerlijk, has five different categories: organic, Fairtrade, sustainable catch (fish), free-range meat, and ecologically produced non-food products. The range carries the symbol for the AH puur&eerlijk brand, which makes it easier for customers to identify and choose these products.



## Climate action

Stop & Shop and Giant-Landover introduced 845 energy efficiency measures to reduce the electricity consumption in their stores, resulting in energy savings of 51 million kilowatt-hours. Both divisions continue to look for new ways to introduce renewable energy technology into their stores.



## Community engagement

In the Czech Republic, Albert established the Albert Foundation to promote healthy living and provide help for individuals in need, including support for the education, integration and development of socially disadvantaged children and adults.



## Our people

ICA has launched a project in cooperation with the Merry Hudik Theater to help developmentally challenged people gain opportunities in ICA stores. ICA aims to employ 500 to 1,000 new employees through this program.

# Message from the CEO



**“As an international food retailer, we play a day-to-day role in the lives of millions of people. We are committed to making a positive contribution wherever we operate.”**

Acting responsibly is at the heart of how we do business at Ahold. As an international food retailer, we play a day-to-day role in the lives of millions of people. We have a responsibility to our customers, employees, suppliers, shareholders, and local communities and we are committed to making a positive contribution wherever we operate.

2009 was a particularly challenging year as the global recession impacted people and businesses all over the world. We saw rising unemployment, deflation and rapidly changing consumer behavior. To help our customers, we made it a priority to continue to improve value and offer a wide range of affordable products and healthy choices. We also provided information in our stores and on our customer websites about stretching food budgets further and eating well for less. In addition, we focused on helping those most in need in our communities, including supporting food banks in both Europe and the United States.

Across Ahold, our corporate responsibility programs continued in the areas where we can make the most impact: healthy living, sustainable trade, climate action and community engagement.

Helping our customers make healthy choices is a high priority for us. To make it easier, we have added symbols to healthy products and we offer healthy foods in every price range, including our private label brands. Last year we introduced a new Healthy Ideas symbol in our U.S. operations that complies with U.S. government standards and, in Europe, Albert Heijn and ICA have been using healthy symbols on products for a number of years.

It is important to our customers to know where products come from. We are committed to ensuring that the products we sell are safely produced and that our suppliers act responsibly towards their employees and the environment. Almost all of our supermarkets carry a selection of Fairtrade-certified products and continue to expand their range.

A major issue is the ongoing effort to tackle climate change. Along with 500 of the world's largest companies, we signed the Copenhagen Communiqué last year calling on world leaders to agree a global deal at the United Nations Summit on climate change. We also supported the Consumer Goods Forum in its call to action at the same summit. Ahold has set its own target in relation to climate change. We have committed to reducing our carbon footprint per square meter of sales area by 20 percent by 2015. To help us achieve this, we are building more energy-efficient stores, introducing environmentally friendly new technologies, and beginning to use energy from renewable sources. In the United States, we are installing solar panels and skylights in a number of our stores. Reducing the amount of electricity we use is an economic as well as an environmental opportunity.

## Message from the CEO – continued

We continued working to support our local communities on activities and causes that our customers and employees feel strongly about. Many of our community engagement activities involve helping with hunger relief, supporting the health and well-being of children, and improving the quality of life in local neighborhoods. In the United States last year, the Stop & Shop/Giant Family Foundation pledged around \$1.5 million to local food banks over the next three years and Giant-Carlisle raised a record \$500,000 during its annual Bag Hunger campaign. In the Netherlands, Albert Heijn is working with the Dutch government on a project to tackle social and economic problems in a number of priority neighborhoods. Earlier this year, we responded to the devastating earthquake in Haiti by making a corporate donation and coordinating the collection of donations from customers and employees in our stores.

As we make progress in our corporate responsibility strategy, we are increasingly measuring our performance. Although this area is relatively new for us, we have worked hard to improve our metrics and reporting, and this year have commissioned Deloitte to provide us with third-party limited assurance on our report for the first time. In the year ahead, we will build on our achievements to date and formulate strategic priorities and targets for the short and medium term. We are fully committed to providing an accurate overview of the progress we are making each year.

Last year we extended our network of relationships in business, industry, government, education and non-government organizations. We are working closely with them and other major food retailers to share knowledge and best practice, improve standards within the industry, and to help solve some of the complex issues relating to corporate responsibility.

I am proud of our employees who rose to the challenge of helping our customers meet their everyday needs in a difficult year. Our employees remain our conscience and continue to ensure we operate in a responsible and sustainable way. I am grateful for their passion and commitment.

### John Rishton

Chief Executive Officer  
Amsterdam, the Netherlands  
March 3, 2010

# Balancing people, planet and profit



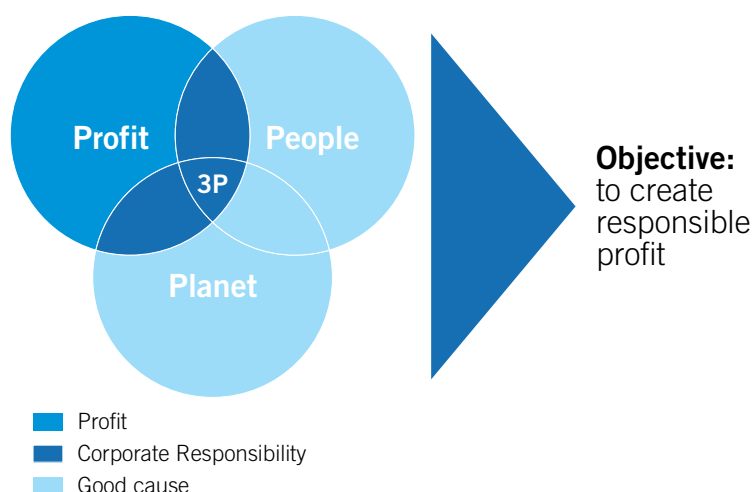
We want our corporate responsibility efforts to make a difference and to benefit all our stakeholders. We always strive to balance the interests of people, the planet and profit.

## The core of our business

Corporate responsibility is fully integrated into Ahold's everyday business. In all our operations, we are committed to listening to our customers and helping them understand how the choices they make when shopping in our stores can impact their health, the environment and communities, so that they can make informed, healthy choices. Building a sustainable future for our company, customers, employees, shareholders and other stakeholders is in all of our interests.

## Integrating different interests

We are committed to operating in a way that will benefit all of our stakeholders, and maintain the long-term sustainability and profitability of our company. To achieve this, we have adopted the "Triple P" model, which balances the interests of people, the planet and profit.



Ahold's corporate responsibility strategy, objectives, and goals are set and measured globally. At a local level, each operating company is responsible for corporate responsibility initiatives that support the specific needs of their customers and other stakeholders. Expertise and resources are utilized across the company to achieve our goals.

## Balancing people, planet and profit – continued

### Our heritage

Albert Heijn, which opened its first grocery store in the Netherlands in 1887, was one of the first retailers to see the value of providing private label products to customers when it introduced its own brand of soap and chocolate in 1910. When refrigerators were still a novelty in the sixties, Albert Heijn saw how these could help customers store their fresh purchases better and waste less. As a result, many Dutch households acquired their first refrigerator through Albert Heijn's "Premium of the Month Club."

Through the years, the company has continued to find solutions for providing products in demand to customers, improving food safety standards, and introducing convenience products and services, and healthier and more sustainable options. We continue to monitor and respond to trends and changing customer needs.

### Our world

In many parts of the world, people with busy lifestyles have changed their eating habits from traditional foods to convenience meals. This trend, together with lifestyles involving less physical activity, is contributing to a rise in the number of people who are overweight and suffering from obesity. As one of the world's largest food retailers, we are committed to playing a role in addressing these trends and helping our customers choose products for healthier lifestyles. We are increasing the number of healthy products in our offering and improving labeling and other communications to enable customers to make informed choices.

We continue to improve our environmental footprint. Ahold is supporting the global effort to tackle climate change with a host of initiatives in our operating companies and supply chains. We have a number of priorities, including ways of reducing energy usage, greenhouse gas emissions, waste, and water consumption. In 2009, we signed up to the Prince of Wales' Copenhagen Communiqué and supported a report prepared by the Consumer Goods Forum to help shape debate and policy making at the United Nations summit on climate action in December 2009. In addition, we have committed to reduce our carbon emissions per square meter of sales area by 20 percent by 2015, against our 2008 baseline.



## Balancing people, planet and profit – continued

### Sharing the responsibility

Some of the challenges companies face in implementing their corporate responsibility strategies and achieving goals are complex and involve different stakeholders. There is much we can learn from others, both inside and outside our business. Interaction with our stakeholders helps us to better understand the issues that are important to them and our business. We listen to our stakeholders and evaluate their concerns in relation to the priorities and needs of our business. When we can responsibly accommodate their needs - within the boundaries of our business strategies - we change our policies and practices. For this reason, we maintain an open and ongoing dialogue with all of our stakeholders. These include our customers, suppliers, investors, government bodies, industry groups, non-governmental organizations, and education and research institutes. We continue to develop our relationship with our stakeholders and the manner in which we interact with them about our CR approach and related reporting. We expect to develop a stakeholder dialogue policy during 2010 which meets the needs of both our stakeholders and Ahold.

#### Customers

We continue to listen to our customers to keep abreast of what is important to them. They are the lifeblood of our business. We conduct consumer research, and monitor other research to assess customer trends and expectations and act accordingly.

Research shows that consumers want to make sustainable choices. However, we need to make these choices convenient, affordable and relevant. Consumers see issues relating to sustainable trade and climate action as not just their responsibility, but also that of businesses, governments and society as a whole.

#### Financial community

Corporate responsibility is an area of increasing focus and interest for the financial community and our investors. Potential corporate responsibility related risks could impact investments. We engage with our investors at our Annual General Meeting of Shareholders.



## Balancing people, planet and profit – continued

### Industry

We strive for long-term, mutually beneficial relationships with our suppliers. We work together on shared corporate responsibility goals. In 2009, we expanded our network with retailers and manufacturers to discuss non-competitive issues such as how to calculate the carbon footprint of a product and how to encourage customers to reduce their own carbon footprints. We met on a regular basis with bodies such as the Consumer Goods Forum to discuss health and wellness issues, new approaches to sustainability and how to effect change within the industry.

### Employees

We are a major service industry and our workforce of over 200,000 employees is our most important asset. We are committed to providing employees with good working conditions and supporting their health and well-being. Each of our operating companies conducts regular employee surveys and encourages open communications to ensure that management is aware of any employee concerns and can react accordingly.

### Communities

We are committed to being a good corporate citizen in each of the communities in which we operate. Each of our operating companies, and our Corporate Center, is involved in different activities that support the interests of our customers, employees and the local community.

### Governments and civil society

We maintain strong relationships with local bodies, local and state governments, and non-governmental organizations and actively participate in consultation on and drafting of new regulations and public policy. We keep abreast of emerging issues that are often highlighted or championed by government and industry bodies, and non-governmental organizations.

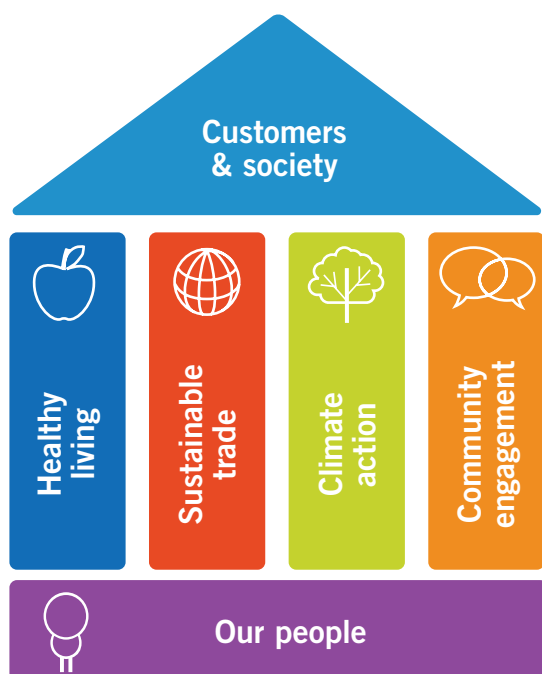
### Research institutes

We work with research institutes such as the New England Aquarium in the United States and Wageningen University and Research Centre in the Netherlands, to help gain better insight on some of the more complex corporate responsibility challenges and to determine the best way to respond. We also organize roundtable discussions on some of the most topical issues we face within the industry so that we can share knowledge and ideas.

## Balancing people, planet and profit – continued

### A consistent focus

Our corporate responsibility strategy focuses on the four areas where we can make the biggest positive impact: healthy living, sustainable trade, climate action and community engagement. These four areas have been at the core of our corporate responsibility strategy since 2007 because they are relevant to our business and important to our key stakeholders. Our employees bring our corporate responsibility strategy to life every day in the workplace and through their interaction with our customers and the wider community.



#### Healthy living

We offer healthy choices in our assortment as well as product information and services that promote the benefits of a healthy diet and lifestyle. We also provide healthy lifestyle programs to our employees.

#### Sustainable trade

We are committed to providing products that are safe and responsibly produced. We work with our suppliers to improve the social and environmental impact of the products we sell.

#### Climate action

Ahold is supporting the global effort to tackle climate change and we operate our businesses in an efficient way that limits our impact on the environment. We have a number of priorities to minimize our environmental footprint by reducing energy usage, greenhouse gas emissions, water consumption, waste and supporting the conservation of biodiversity.

#### Community engagement

We are active, contributing members of society, and we support each of the communities in which we operate.

# Healthy living



## Making the right choices

Healthy living is at the heart of Ahold's commitment to being a responsible company. As one of the world's leading food retailers, we are committed to offering our customers, employees, and other stakeholders choices that lead to healthier lifestyles.

## Objectives and goals

Our primary goals in healthy living are to:

- Make it easy for customers to choose healthy products;
- Encourage customers to make healthy lifestyle choices by providing a range of information and educational programs;
- Offer health and wellness programs for employees;
- Be recognized as a leading food retailer with the most reliable and accessible approach to healthy living.

## Healthy products and product labeling

We introduced labeling systems to make it easier for our customers to identify products suitable for a healthy lifestyle. We have worked with leading authorities to ensure that our healthy label products meet scientifically recognized criteria. In our experience, we have found that an easily identifiable symbol on the front of the packaging, with more detailed information on the back, is most effective.

At Albert Heijn, the Healthy Choice clover symbol was replaced in 2009 with two new clover logos: one denoting a healthy choice, the other a responsible choice. These product ranges are marketed in promotions, on Albert Heijn's website, and through a "healthy weeks" campaign which ran on television, in stores and online last summer. In 2009, the company also removed candy from the checkout aisles of more than 100 stores to reduce impulse purchases.

In the Czech Republic, Albert launched a Healthy Choice labeling program in 2009. The symbol is named "Good for You" and is based on the healthy living label program at Albert Heijn. A small number of products were labeled in 2009, and the plan is to increase the total to 50 in 2010.

## Healthy living – continued

In the United States, we have developed a healthy product symbol using insights from Albert Heijn and ICA. The Healthy Ideas symbol meets U.S. government standards and helps customers identify and choose a broader range of healthy options in our stores. The symbol has been added to private label and perishable product packaging. In addition, products are highlighted in the stores with special signage and a shelf-labeling program to help customers find them easily.

ICA introduced its first labeling program to help customers identify suitable products for a healthy diet in the 1980s. Sweden's "green keyhole" healthy symbol, which celebrated its 20th anniversary in 2009, is based on this original program by ICA. Norway and Denmark have also adopted the keyhole symbol, which they rolled out in 2009. The symbol is used for products that are high in fiber and/or low in fat, salt and sugar.

ICA is also expanding its range of healthy products – including fruits, vegetables and whole grains. The company's own healthy living product range is called "ICA Gott Liv!" (Good Life). ICA began to modernize and renew the line in 2009.

### Affordable options in every price range

Our supermarkets offer healthy options in every price range to enable customers to make healthy choices in an affordable way.

Stop & Shop and Giant-Landover promoted healthy products for budget-conscious customers at special sections in their bargain aisles. They also included prominent displays of their Healthy Ideas products at the end of regular aisles.

### Information and education

We provide customers with information to help them to make informed choices for a healthier lifestyle. It is an essential part of our healthy living strategy to educate customers on the products and services we supply and on how they can follow a healthy diet.

In 2009, Albert Heijn launched its "Ik eet het beter" (I eat better) initiative to all primary schools in the Netherlands, aimed at raising children's awareness of the importance of a healthy diet and improving their eating habits. The company also developed a booklet with healthy recipes to inspire children to eat healthier meals at home. All schools in the Netherlands were given the opportunity to order these booklets for free and, in total, 125,000 were distributed. The initiative has been popular with children and teachers. Posters on healthy food, which were developed as part of the program, are in classrooms throughout the country.



### Healthy ideas

Building on the experience of other Ahold companies, our Ahold USA businesses rolled out a new initiative in the past year to help customers identify products for a healthy diet. The companies have created a Healthy Ideas symbol to help people make healthy choices when they shop. It was developed by a team of nutritionists, and reviewed by an advisory panel of physicians and nutrition experts utilizing U.S. Department of Agriculture (USDA) and U.S. Food and Drug Administration (FDA) guidelines. Stop & Shop and Giant-Landover rolled out the symbol in 2009.

Thousands of products throughout the stores have been tagged with the bright green and blue symbol, including vegetables, fruits and 100 percent fruit juice, some canned, frozen and dried fruits, certain breads, cereals, rice and pasta, low fat dairy products and some snack foods.

## Healthy living – continued

In the Czech Republic, Albert's Healthy 5 program is in its fifth year. The program provides nutrition information to children and their parents and will be expanded in 2010 to include new activities. Albert is also running a pilot healthy nutrition project in South Bohemia that will be rolled out to more schoolchildren in 2010. The Healthy 5 program is also offered by Hypernova in Slovakia, which has a new website that includes interactive sections where parents can find children's menus prepared by nutrition specialists and seek advice from experts. They also publish a bi-monthly Healthy 5 newsletter.

Giant-Carlisle produces a free, quarterly customer magazine called Healthy Ideas that is written by nutritionists and community health partners. It includes tips and recipes for healthy diets.

Giant-Carlisle also employs four nutritionists who are available to customers in selected stores and who provide information on Giant's website, through brochures, community events, and the local media. They taught over 400 health and wellness classes in 2009. Giant-Carlisle also participated in 22 health-related community events attracting over 9,000 people and its Kids' Healthy Ideas Store Tour program ran a total of 1,085 tours for more than 19,000 schoolchildren.

In 2009, Stop & Shop and Giant-Landover created "Smile Aisles," which are family-friendly checkout lanes with healthy snacks and free children's activity sheets and stickers promoting a healthy diet. The company also created a new Healthy Ideas Store Explorer tour program in which over 10,500 local schoolchildren participated. Stop & Shop and Giant-Landover have a consumer advisor who gives customers information on healthy living and publishes health-related tips in a weekly circular.

Each of our U.S. businesses has health-related sections on their websites where customers can access healthy recipes and meal plans and information on health questions, eating on a budget and other topics. In addition, Stop & Shop and Giant-Landover send regular emails to customers with coupons for healthy products.

At ICA, the joint project with the Swedish Cancer Society called "Buddy with your body – 5 a day," generated international interest when the European Union announced it would be the subject of a one-year study. The project, which has been running for almost 10 years, gives lessons on fruits and vegetables to young schoolchildren at the local supermarket. The EU study is looking at ways to increase the consumption of fruit and vegetables among European children. ICA also launched a program in 2009 that enables customers to receive information on food additives through text messages to mobile phones. See the related case study for more information.

In Latvia, Rimi Baltic undertook a number of health-related activities, including a program where customers can see a doctor in the store and receive dietary advice to prevent cardiovascular diseases. Rimi has also given children lunch boxes with a nutritious meal inside. The idea is that the lunchbox is then refilled with food from home so that the children eat home-prepared food rather than nutrient-poor snacks.



### Class Lunch expands online

A record number of around 137,000 11 and 12 year-olds from primary schools across the Netherlands were offered a free Class Lunch (Klasselunch) in April. This was part of Albert Heijn's annual initiative to teach children that a healthy lunch can also be fun and enjoyable. The Class Lunch initiative offers schools a complete teaching program about healthy food, along with the ingredients for a healthy lunch provided by their local Albert Heijn store.

This year, Albert Heijn has created an online classroom where schoolchildren can learn about healthy eating. This program consists of four teaching modules supported by films and activities. The material is developed with advice from the national nutritional advice agency and in line with the themes of the Institute for Curriculum Development. The plan is to add new lessons and modules each year.

## Healthy living – continued

### Allergens

Food allergies and food intolerance are major problems for some customers. We continue to provide appropriate labeling and related information on products that contain allergens, and assistance to customers in our stores.

In February 2009, Albert Heijn completed a six-month pilot program that enabled customers to get allergy information using a self-scanning tool while shopping. Customers could register their allergy profile using their bonus card, and by scanning products while shopping, get the allergy information checked against their personal profile.

Our U.S. stores provide food allergy information on their websites and in their stores. The packaging of all of our U.S. private label Nature's Promise range includes clear allergen information.

ICA's private label products always list all ingredients and the range includes a wide selection of gluten- and lactose-free options. ICA aims to provide all of its customers with the latest news on food allergies and adapts its recipes to take into account people with food sensitivities.

### Organic products

More and more customers are asking for organic products or products produced in a natural way. Many feel organic products are healthier and that their cultivation and production is less damaging to the environment. We offer a wide range of organic products in all our stores.

In the Netherlands, Albert Heijn has included its organic products in its new range of responsible products called "AH puur&eerlijk" (pure and honest). The distinctive branding makes it easy for customers to identify and choose them. In the Czech Republic, Albert's Bio brand of organic products was expanded in 2009. See the related case study for more information.

In the United States, Stop & Shop and Giant-Landover have dedicated natural and organic sections in their stores called the "Nature's Promise Marketplace." Giant-Carlisle has launched an organic shelf tag program to help customers easily find organic products. In addition, Giant-Carlisle has employees trained and certified in providing information about natural and organic products who are on hand to answer questions.

ICA offers a private label organic line called "ICA I love eco." In 2009, the range was extended to include organic products for children, such as fruit beverages, yogurt and pancakes. The range was also introduced in ICA's stores in the Baltics during 2009.



#### Bio brand a hit with customers

Albert launched its Bio brand in 2008 with 19 organic products – eight fresh and 11 dry grocery items. In 2009, the line was expanded to over 100 products, including Bio meat products. New items are also under development.

The organic market is small in the Czech Republic, but expanding fast. In recent years, it has been the largest growing category in the country, although the economic crisis in 2009 slowed volume growth. Many of the Albert Bio products are sourced locally.



## Healthy living – continued

### Employee wellness programs

We have employee programs at each of our operations to encourage a healthy lifestyle.

Albert Heijn continued its “Fit & Fun” program, which is available to all of Ahold’s 80,000 employees based in the Netherlands. The program has three pillars: eating, physical fitness, and well-being. In 2009, employees had access to training programs, rebates on wellness-related purchases, and more than 160 special events, including football tournaments, food and fitness events, and free health checks.

Albert hosted healthy activities for its employees, including football tournaments and a cross-country ski event. It also gave its corporate employees free access to a wellness center.

Giant-Carlisle has an employee wellness program called “Revive.” Employees started the year with a weight loss program called “Giant Loser,” which ran in selected stores and the corporate office for 12 weeks. See the related case study for more information. Giant’s corporate office also offered monthly lunch hour classes on various health and wellness topics.

Stop & Shop and Giant-Landover ran smoking cessation and weight loss programs for employees, and offered reimbursements on gym membership fees to encourage employees to lead more physically active lives. They also ran Associate Health Fairs and eliminated associate payments for annual check-ups.

ICA offers its employees various health and wellness benefits and activities, including healthy food options in its corporate canteen, employee sports organizations and access to a gym, reduced fees for certain sports activities, a company health service, and massage therapy.

### How customers view us

Customer feedback is an important way for us to gauge the progress we are making with our healthy living offering and associated programs. In 2009, the Christmas Report by market research group GfK reported that Albert Heijn XL stores provide better information on healthy living products than any other supermarket in the Netherlands. Regular Albert Heijn supermarkets were ranked third. In the same report, consumers also rated Albert Heijn the best supermarket for its fresh offering.

In the United States, consumer research indicated that customers ranked Giant-Carlisle highly in terms of its healthy choices offerings. A survey in 2009 by Stop & Shop and Giant-Landover’s consumer insight department showed that customers responded positively to the company’s Healthy Ideas program and other corporate responsibility activities.

In 2009, ICA topped the Swedish Quality Index survey, which measures customer satisfaction for all major Swedish retail food chains. Compared with 2008, ICA Sweden increased by two percentage points and ICA Norway by one percentage point in the Customer Satisfaction Index survey.



### Giant losers

Giant-Carlisle launched a pilot employee wellness program in 2009 to help employees lose weight and achieve and maintain healthy lifestyles. Around 100 employees from the corporate office and three stores participated in the 12-week weight loss program, which was coordinated by the company’s four nutritionists.

The program consisted of individual consultations with one of Giant’s nutritionists, weekly group classes and weigh-ins, product tastings and healthy store tours. Participants lost a total of nearly 1,000 pounds (450 kilos). Giant now plans to roll out the program to more employees at additional stores.



## Healthy living – continued

### Quantitative data

#### Healthy choice products at year end<sup>1</sup>

	2009	2008
Stop & Shop/Giant-Landover	<b>7,082</b>	4,343 <sup>2</sup>
Giant-Carlisle	<b>60</b>	44
Albert Heijn	<b>741</b>	1,185
Albert/Hypernova	<b>6</b>	NA
ICA	<b>1,993</b>	2,510

1. This amount includes product labels and shelf tags.
2. The 2008 data includes estimates.

#### Roll out and tightened criteria

We continue to roll out the healthy choice programs in our operating companies (at Giant-Carlisle and Albert/Hypernova) in line with our healthy living goal. Because the criteria in Scandinavia and the Netherlands were tightened, the amount of products carrying a healthy choice logo has decreased for Albert Heijn and ICA. For more information on criteria see page 10, Healthy products and product labeling.

#### Children educated through healthy living programs

	2009	2008
Stop & Shop/Giant-Landover	<b>10,587</b>	6,303
Giant-Carlisle	<b>19,570</b>	16,881 <sup>1</sup>
Albert Heijn	<b>200,000<sup>2</sup></b>	137,895
Albert/Hypernova	<b>3,353</b>	2,691
ICA <sup>3</sup>	<b>40,080</b>	94,575
<b>Total Group</b>	<b>273,590</b>	258,345

1. The 2008 data includes estimates.
2. This amount reflects two different programs one online and one is the Healthy Class lunch. The online amount is an estimate.
3. Only printed material included. In 2009 the program went online. However, no reliable data on the amount of downloads is available.

#### More children educated

An increase in the number of children educated (5.9 percent) is in line with the healthy living goal to encourage customers to make healthy lifestyle choices by providing a range of information and educational programs. The increase for Albert Heijn was due to the Albert Heijn “Ik eet het beter” program which e.g. offered online educational packages targeted at pre-teens. For more information on the educational programs see page 11, Information and education.

#### Certified organic products at year end

	2009	2008
Stop & Shop/Giant-Landover	<b>3,473</b>	3,481
Giant-Carlisle	<b>2,693</b>	2,136
Albert Heijn	<b>304</b>	290
Albert/Hypernova	<b>721</b>	529
ICA	<b>1,346</b>	1,392

#### Wide choice of organic products

We continue to offer our customers a wide choice of organic products. Giant-Carlisle had an increase in their certified organic products due to additional awareness raising through their health and wellness programs. For more information see page 13, Organic products.



#### Additive information at your fingertips

ICA believes that food additives should be used restrictively and only if they bring added value to the customer. The company is working to remove unnecessary additives in its private label products. ICA also believes it is important to make information about nutrition more easily available to customers.

The company has launched a convenient new service to provide customers with information on food additives. The E-number search web service, also accessible by text message, lets customers search for E-numbers (number codes for food additives) to determine the name and purpose of an additive. The service costs the same as an ordinary text message.

# Sustainable trade



Photo: Heiner H. Schmitt Jr

## Ensuring responsibility in the supply chain

We are committed to providing products that are safe and responsibly produced and to ensuring responsible behavior at each step in the supply chain. This includes how workers are treated, and the environmental footprint of each product. We are working with our suppliers to gain as much knowledge as possible about legal, product safety, social and environmental requirements as well as requirements for animal welfare.

## Objectives and goals

Our primary objectives in sustainable trade are to:

- Source safe products. Product safety is non-negotiable and the starting point for safeguarding our customers' health and well-being;
- Source responsibly. We insist that our suppliers respect the rights of their workers, provide safe working conditions, care about animal welfare and protect the environment;
- Buy close to home. We are committed to balancing international sourcing needs with local buying to help communities and small, local businesses develop.

Our specific goals are to:

- Achieve Global Food Safety Initiative (GFSI) food safety certification for our private label food suppliers;
- Conduct Business Social Compliance Initiative (BSCI) or equivalent social audits on suppliers of our private label food and non-food products in high-risk countries.

## Product Safety

Parts of the supply chain fall outside our direct control. To ensure all products we sell meet our safety requirements and production standards, we rely on third party auditing and, where applicable, internationally-recognized certification. We require our private label suppliers to follow stringent product safety practices. Our product safety policies and procedures meet the highest international standards.

In 2009, we adjusted our terminology. "Product safety" now encompasses food safety and non-food safety.

## Sustainable trade – continued

### Food safety

We take a rigorous approach to safety throughout the lifecycle of each of our products.

Ahold was one of the founders of the Global Food Safety Initiative (GFSI) in 2000 and one of the first global retailers to demand that suppliers of private label food products comply with food safety certification requirements recognized by GFSI.

Small suppliers occasionally do not have the resources available to achieve the certification we require. As a result, Ahold supports the GFSI Global Markets Project that helps small companies achieve food safety certification standards. This is an initiative created through a partnership between Michigan State University and the Global Food Safety Initiative.

Our companies' food safety standards and policies are based on:

- Sound scientific principles;
- Practical operational procedures;
- Employee training and educational programs;
- Proactive customer education programs.

### Non-food safety

Our approach in non-food safety is to reduce risk. Based on the model we use to manage food safety, our Product Safety Steering Committee has developed a similar compliance model for non-food safety.

In Europe, Ahold has introduced the requirement that our private label non-food suppliers must have the British Retail Consortium (BRC) Consumer Products certification or equivalent. We have expanded the scope of our requirement to include both medium- and high-risk products. In the United States, we have introduced a third-party testing and auditing program for toys and seasonal products.

## Social compliance

Our assortment includes products sourced from all over the world. We insist that all of our suppliers respect the rights of their employees and comply with labor laws, regardless of location. We are also committed to helping our suppliers grow their businesses in a responsible and sustainable way. The Albert Heijn Foundation, for example, funds community projects in Africa that support the workers and their families of suppliers producing fresh fruit and vegetables for the company.

We ask all our suppliers to share our commitment to good working conditions by signing the Ahold Standards of Engagement. This document outlines our requirements for social compliance, including compliance with national labor legislation and the Core Conventions of the International Labour Organisation (ILO). Our Standards of Engagement also require all suppliers in high-risk countries\* to commit to the Business Social Compliance Initiative (BSCI) or an equivalent program. We are already implementing the BSCI program, with our private label suppliers in high-risk countries.\* Additionally, employees involved in sourcing are provided with relevant information to increase their awareness and understanding of sustainability issues in the supply chain.

\* The definition of high-risk countries is based on definitions in the United Nations Human Development Index and the ILO Economic Security Index.



### Helping suppliers get certified

Ahold requires all its suppliers to be certified according to one of the Global Food Safety Initiative (GFSI) or equivalent standards. This is a familiar requirement for large vendors, but some small businesses need help. In the Czech Republic, Albert has launched its own assessment program to help every supplier reach Ahold's expected GFSI standards.

The assessment looks at supplier criteria, including type of products, volumes, and history of food safety issues. So far, Albert has assessed and rated about 100 suppliers of its private label brands. Relationships with the lowest-rated suppliers are discontinued; suppliers rated in the middle of the scale are visited by Albert employees who conduct an audit and draw up a written agreement for improvements with clear deadlines.

## Sustainable trade – continued

The BSCI Code of Conduct is based on international conventions protecting workers' rights, including the ILO Conventions, the United Nations Universal Declaration of Human Rights other relevant United Nations conventions, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the United Nations Global Compact.

The BSCI Code includes the following key requirements to improve workers' rights:

- Legal compliance;
- Freedom of association and the right to collective bargaining;
- Prohibition of discrimination;
- Compensation in line with legal minimums and/or industry standards;
- Working hours as defined by national law, but not exceeding 48 regular working hours and 12 overtime hours per week;
- A safe and healthy work place;
- Prohibition of child labor;
- Prohibition of forced and compulsory labor and disciplinary measures;
- Respect for the environment;
- The existence of social policies and management systems.

We have chosen the BSCI program for a number of reasons. These include the fact that the initiative is widely supported, it applies to suppliers of all types of consumer goods, and it relies on independent third-party auditing by companies accredited by the Social Accountability Accreditation Services (SAAS). The overall approach is based on the concept that suppliers are willing to improve their social performance, regardless of their starting point on the "social compliance ladder."

Many suppliers in high-risk countries fail to achieve good results in the first audit. We continue to work with these suppliers if they can demonstrate that they do not have non-compliance issues in areas we find unacceptable (such as child labor) and that they are committed to continuous improvement.

We work with the BSCI to raise awareness among our suppliers of compliance issues. The BSCI trainers help to clarify that customer requirements, including those of Ahold, follow legal requirements. In addition, the BSCI organizes roundtables to engage all local stakeholders, including government, on improving working conditions.

To deliver a shared, consistent and global benchmark for the continuous improvement of working and environmental conditions across all categories and sectors, Ahold is a member of the Global Social Compliance Programme (GSCP), along with 25 other retailers and manufacturers.

The majority of our operating companies carry a selection of Fairtrade-certified products and continue to expand their range. In 2009, Albert Heijn incorporated its Fairtrade products into its new private label category for responsible products, AH puur&eerlijk. ICA also added five new private label Fairtrade-certified products to its range in 2009.



### Pure & honest

In May, Albert Heijn introduced a new private label, AH puur&eerlijk (pure and honest). Products in this range are produced, grown or sourced with extra consideration for people (workers), animals, nature or the environment. With the new brand, Albert Heijn is making it easier for customers to choose a responsible shopping alternative.

AH puur&eerlijk comprises five different categories: organic, Fairtrade, sustainable catch (seafood), free-range meat and ecological non-food products. The AH Biologisch label (for organic products) has been integrated into the new private label. The responsible character of each product is guaranteed by an endorsement on the label by an external, independent organization such as the Dierenbescherming (Protection of Animals) organization, the Marine Stewardship Council (MSC) or Max Havelaar. Albert Heijn had 340 products in the store under the AH puur&eerlijk brand by the end of the year.

## Sustainable trade – continued

### Critical commodities

Most of our efforts in sustainable trade focus on the products sold in our stores rather than the ingredients that make up these products. For certain critical commodities, however, we are engaged in initiatives targeted at the part of the supply chain where social or environmental problems arise. These commodities include coffee, tea, cocoa, some types of seafood, palm oil and soy.

#### Coffee, tea, cocoa

Ahold's operating companies sell a variety of products that have been independently certified as being produced in a socially and environmentally responsible way. For example, Albert Heijn's "Perla" private label coffee, ICA's private label coffee, and Albert/Hypernova's "Albert Quality" private label coffee are all UTZ CERTIFIED, as are the other coffee brands produced by the Ahold Coffee Company. This standard assures the quality and integrity of the way the coffee has been produced.

In 2009, UTZ CERTIFIED published sustainability standards for tea and cocoa. Albert Heijn is currently in discussions with its supplier on how to implement the standard for tea and is committed to selling chocolate based on certified sustainable cocoa. From 2010, its private label "chocolate letter" assortment, which is sold during the Dutch Sinterklaas celebration each year, will be made from sustainable cocoa. The company has also committed to produce all of its private label chocolate from sustainable cocoa as soon as possible, and not later than 2015.

#### Seafood

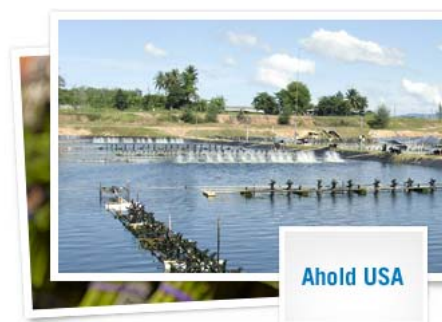
We are committed to providing seafood from sustainable sources. We continually improve our assortment by including more sustainable types of seafood and removing less sustainable varieties.

Our sustainable seafood goals are to:

- Promote the sale of seafood that is harvested in a sustainable way;
- Avoid selling seafood species that have been over-fished or are in jeopardy;
- Actively work with all parties in the supply chain, NGOs and governments to monitor and improve long-term viability of fish stocks and to improve aquaculture operations.

We operate a group-wide seafood sustainability policy that includes rules for the sourcing and sale of seafood, and we have various assessment tools to measure the performance and compliance of our suppliers. In 2009, we engaged outside experts to assist in developing a more consistent and effective sustainable seafood policy.

Ahold USA has partnered with the New England Aquarium on a program known as "Choice Catch" in Giant-Carlisle since 2000. See the related case study for more information. Our online grocery service, Peapod, also partners with John G. Shedd Aquarium in Chicago on a program called Right Bite that raises awareness of, and promotes the sale of, sustainable seafood.



### Going to the source

Since 2000, Ahold USA has partnered with the New England Aquarium, a leading research and educational institution, to provide expertise and guidance to support environmentally friendly seafood buying practices for both wild-caught and farmed species. One current example of Ahold USA's efforts to ensure sustainable trade in seafood is its work to improve the company's farmed shrimp supply.

In 2009, members of the Stop & Shop, Giant-Landover and Giant-Carlisle buying and merchandising teams, Ahold USA quality assurance, and a New England Aquarium shrimp specialist traveled to Indonesia and Thailand to meet with shrimp vendors to collaborate and work on environmental improvements. This is helping us find ways to identify "best practices" within individual businesses and work toward applying these practices to all vendors.



## Sustainable trade – continued

In 2009, Ahold USA's sustainable seafood policies and practices were ranked the second highest among U.S. retailers by Greenpeace. ICA is ranked number one in Sweden in a similar evaluation.

Our European operations maintain strong relationships with the WWF, and the Marine Stewardship Council (MSC), which runs a sustainable fisheries certification program. MSC certification for suppliers is growing in importance and Ahold has become a member of the MSC Stakeholder Council.

In the Netherlands, Albert Heijn's partnership with the WWF has significantly increased public awareness concerning sustainable wild seafood. The company has provided information to customers and added 25 private labels and an additional 10 MSC-certified products to its assortment in 2009. Like ICA, Albert Heijn will gradually phase out the sale of eel in 2010, given the endangered status of the species. The company is working with the WWF to find an alternative, as eel is a traditional favorite with Dutch consumers.

Ahold also participates in the Aquaculture Dialogues roundtable discussions facilitated by the WWF. The discussions began in 2004 with the aim to develop a set of standards for the ecological and social sustainability of farmed seafood. The first standards were agreed and issued in 2009, and it is anticipated that these will be maintained by the Aquaculture Stewardship Council (ASC). The ASC is an international multi-stakeholder initiative offering the first credible aquaculture consumer label that assures companies with sustainable standards. The ASC is expected to be fully operational by 2011.

### Palm oil

Palm oil and its derivatives are used in more than 40 percent of our private label products in Europe. Palm oil production involves major deforestation practices in the tropics of Asia, Africa and South America. Ahold is a member of the Roundtable for Sustainable Palm Oil (RSPO), which is responsible for developing and implementing global standards for sustainable palm oil production. The roundtable has established a certification scheme and the first Certified Sustainable Palm Oil has been produced. In 2008, Albert Heijn and Etos committed to using only sustainable palm oil in their private label products by 2015, a goal also announced by ICA in 2009. Until a continuous supply of Certified Sustainable Palm Oil is available, Albert Heijn, Etos and ICA will compensate for the amount of palm oil used in their private label products by purchasing "Greenpalm" certificates. These certificates are purchased by manufacturers and retailers to provide financial support to RSPO certified palm oil producers.

### Soy

Ahold is a member of the Round Table on Responsible Soy (RTRS). RTRS promotes the responsible production and trade of soy through a third-party certification program for suppliers, which was launched in 2009. Through its membership in the "Stichting Initiatief Duurzame Soja" (Initiative for Sustainable Soy), Albert Heijn is supporting certification and its responsible use in the Netherlands in cattle feed.



### Control from factory to store

In 2009, ICA launched the project I Care, an internal initiative to ensure that goods are handled in a sustainable way from the factory to store shelves.

As part of this new, three-year project, ICA will evaluate the entire flow of all private label products – from purchasing to logistics and retail – to ensure that all ICA products live up to both current legal requirements and ICA's policies for quality, health, environment and social responsibility and selected standards in these areas.

Since January 2008, ICA has also operated buying offices in Asia. Being close to suppliers here allows ICA to actively support them in terms of product development as well as in the environmental and social aspects of production. This arrangement also reduces the risk that products with quality defects are shipped from Asia because ICA can perform the final check on the spot.

## Sustainable trade – continued

### Animal welfare

We follow regulations concerning animal welfare and often implement stricter controls. We believe in humane living conditions for animals and in providing safe, quality products for our customers. Ahold does not commission any animal testing.

We participated on the advisory committee of a European research initiative called Welfare Quality, which aimed at improving farm animal welfare and product information for the public. Forty-four scientific research institutes and universities, representing 13 European countries and four Latin American countries participated in the research. We also supported the establishment of a European Animal Welfare Platform to help European producers, foodservice providers and retailers improve standards for animal welfare by applying the science-based standards of the Welfare Quality project in the real world.

Albert Heijn works with the “Dierenbescherming” (Dutch Society for the Protection of Animals) concerning animal welfare issues. The society recently developed a logo for product packaging called “Better Life” to help consumers easily recognize and choose products produced in an animal-friendly way. In 2009, Albert Heijn brought its organic meat product range in line with the three-star Better Life hallmark.

ICA worked with the “Svenskt Sigtill” (Swedish Seal of Quality) to develop standards for environmental issues and farm animal welfare. ICA also works closely with other organizations and NGOs in the area of animal welfare, including the WWF on a Swedish free-range cattle project. As a result, ICA sells free-range private label beef.

Ahold’s U.S. companies work with suppliers to ensure that the Food Marketing Institute’s Guidelines are followed.

### Buying close to home

Ahold’s “buy local” programs support the economic development of the communities in which we operate. By stocking locally produced fresh and specialty goods, we are able to give customers more choice, help smaller companies grow, and reinforce our commitment to local communities.

Giant-Carlisle supports local agribusiness through programs such as “PA Preferred” (Pennsylvania Preferred), which builds relationships between bigger businesses and smaller, local producers. This provides opportunities for small local suppliers and growers, particularly those offering seasonal products between June and October each year. Similar programs exist in Maryland and Virginia.

Stop & Shop and Giant-Landover work with over 75 local growers, with production ranging from a few cases to multi-trailer loads per day.



### Providing opportunities to local vendors

One of the ways Giant-Carlisle gives opportunities to local vendors is through regional and small business product racks it has installed in its stores. Local vendors have the opportunity to offer their products for sale on these special racks for 120 days, along with other local brands.

Giant supports the vendor during this period with marketing, including advertising and product demonstrations and sampling in the stores. If sales are good, the product may be brought into Giant’s regular assortment. Giant sees this program as a way to give small vendors access to its supply chain while building its reciprocal relationship with local companies.



## Sustainable trade – continued

Each year, Stop & Shop and Giant-Landover hold meetings with local suppliers to share information that will help increase the growers' capacity. This helps build the economy of local communities.

Albert Heijn's philosophy of buying local is to buy as close to home as possible, as far away as necessary. Buying close to home enables shorter transportation distances, which is often cheaper, while the import of products from developing countries also creates income in areas where it is greatly needed.

Albert/Hypernova uses local suppliers as much as possible, particularly for its private label products.

In Sweden, customer demand for local products continues to rise. ICA cooperates closely with Lantbrukarnas Riksförbund (LRF), a farmers' organization, to help meet the increasing demand for local products. In 2009, ICA improved logistics between local producers selling directly to its stores by using a single producer as a distribution hub for others, reducing the number of shipments needed to ICA's warehouses. This resulted in lower costs for producers and customers, and less impact on the environment.

Customers in the Baltic Region are also interested in buying local products. The RIMI Baltic stores carry a number of products labeled with a swallow to denote that they are local or locally produced.

## Quantitative data

### Fairtrade-certified products at year end

	2009	2008
Stop & Shop/Giant-Landover	<b>111</b>	65
Giant-Carlisle	<b>120</b>	90
Albert Heijn	<b>67</b>	68
Albert/Hypernova	<b>19</b>	19
ICA	<b>151</b>	87

### Increase in Fairtrade assortment

We continue to increase our assortment of Fairtrade products in line with our Sustainable trade goal to source responsibly, with greater success being achieved in the U.S. For more information on responsible sourcing see chapter Sustainable trade.

# Climate action



## Minimizing the footprint

Ahold is supporting the global effort to tackle climate change and we operate our businesses in an efficient way that limits our impact on the environment. We have a number of priorities to minimize our environmental footprint by reducing energy usage, greenhouse gas emissions, water consumption, waste and supporting the conservation of biodiversity.

Food retailers have a relatively low carbon footprint compared to other parties in the supply chain. We are also working with our suppliers to reduce their footprint and looking to help our customers find ways to reduce their footprint too.

In 2009, we signed the Copenhagen Communiqué on climate change, along with 500 of the world's largest companies. The communiqué called on world leaders to agree on an ambitious, robust, and equitable global deal at the United Nations Summit on climate change held in Copenhagen in December 2009. We also supported the Consumer Goods Forum report on the role consumers can play in tackling climate change, which was commissioned to shape the debate and the thinking of policy makers at the same summit.

Ahold participates in the Carbon Disclosure Project – an independent not-for-profit organization that holds the largest database of corporate climate change information in the world. The database includes climate change strategies from thousands of organizations from the world's major economies, along with their greenhouse gas emissions data.

As a global retailer, we source agricultural products worldwide and changing weather patterns and climatic conditions could impact future farming operations, crops, and food supplies.

We have three primary areas of focus in the area of climate action: our own operations, the products we sell, and communication with customers about their own footprint.

## Objectives and goals

- Improve our ecological and environmental footprint by making our operations more efficient: reduce our CO<sub>2</sub> emissions by 20 percent per square meter of sales area by 2015 against the baseline published in our 2008 corporate responsibility report;
- Encourage our suppliers and customers to act in an environmentally responsible manner;
- Develop environmentally responsible strategies that reduce waste and conserve water.

## Climate action – continued

### How we operate

Concerning climate action and the way we look at it for the purpose of this report, our operations are defined as our stores, distribution centers and transportation. For each, we measure and report our electricity usage, refrigerant leakage, fuel for transportation, natural gas, as well as CO<sub>2</sub> emissions, water usage, and waste.

Ahold takes a methodical approach to minimizing the impact of its operations. For the first time, in 2008, we measured our carbon footprint based on internationally recognized standards and published the result in our 2008 corporate responsibility report. We also announced in our 2008 report our commitment to reduce our CO<sub>2</sub> emissions by 20 percent per square meter of sales area by 2015 against the baseline published in that year.

After calculating and publishing our carbon footprint in 2008, and setting targets to reduce it, 2009 was the first year we were able to compare year-on-year data. Our carbon footprint per square meter of sales area remained practically stable in comparison to 2008. This was in line with our expectations, as we believe that the reduction curve from our 2008 baseline to 2015 will not be a linear decrease. We expect that our current and future climate action initiatives will enable us to meet our target.

#### In store activities

To provide safe, fresh, quality food in an appealing shopping environment, we need to use energy for refrigeration, lighting and food preparation. This energy usage is one of our most significant direct environmental impacts.

We are working to reduce energy consumption by designing more efficient stores and using new technologies. We use energy from renewable sources whenever possible and are also taking measures to reduce greenhouse gas emissions from refrigerant leakage.

Giant-Carlisle improved energy-efficiency in many of its stores in 2009. They are installing skylights in all new stores to reduce the need for artificial light and increasing roofing and wall insulation. They are also installing energy efficient Low-E windows, which keep heat out of the store and reduce the demand on air conditioning units in the store.

In existing stores, Giant-Carlisle is replacing traditional lamps with LED bulbs. This has reduced energy usage by 50 percent in spotlight fixtures and 65 percent in glass door cases. The company also has an ongoing lighting kilowatt reduction program to remove or replace certain light fixtures in selected stores.

Giant-Carlisle has also installed glass doors on its dairy milk cases. Many of our companies are taking steps to cover refrigeration units, to reduce the energy used by the refrigeration system and allow for smaller cooling systems. In 2009, Giant-Carlisle installed its first refrigeration system using the more environmentally friendly refrigerant glycol and will install more of these systems in 2010.

Stop & Shop and Giant-Landover are also working to make their stores more energy efficient. They have installed energy efficient motors in their heating, ventilation and air conditioning systems and refrigeration evaporators of walk-in cooler and freezer units. They are also improving the efficiency of refrigerated display cases and replacing open frozen food cases with closed-door ones. The businesses are also replacing existing store lighting and some frozen foods display cases with new T5 fluorescent and LED fixtures.

Stop & Shop has also been replacing ozone-depleting CFC refrigerants (R12, R502) and HCFC refrigerants (R22) from the refrigeration systems in its existing stores for the past five years. The replacement refrigerant for most of these systems has been HFC-404A, but in 2009, Stop & Shop began using HFC-407A. This new type of refrigerant is more environmentally friendly and has a lower global warming potential than HFC-404A.



### Shedding new light on climate action

Customers at Giant-Carlisle's new energy-saving stores are seeing shopping in a whole new light. New stores have as many as 68 active skylights, which flood the aisles with natural light that customers find pleasant and relaxing. The skylights use mirrors and global positioning systems to maximize the use of sunlight and track the level of light in the store. The system lowers and even shuts off the electric lighting when there is enough natural light coming in, reducing both kilowatts of electricity used and operating costs. This and other energy-saving initiatives will save Giant 360,000 kilowatt-hours per store each year.

## Climate action – continued

In 2009, Stop & Shop and Giant-Landover completed 845 energy efficiency measures that have reduced the electricity consumption in their stores by 51 million kilowatt-hours. Both banners continue to look for new ways to introduce renewable energy technology into their stores. See the related case study for more information.

Albert Heijn is also investing heavily in its climate action initiatives. The company is continuing to test new technologies and alternative energy generation systems. They have launched a program to add doors to coolers and to cover refrigerators and freezers, which will be completed before January 2015. Over 200 stores will have doors added to their refrigerators and covers to their freezers by mid-2010. Some stores are also using the heat from refrigerators to heat the store. Albert Heijn is installing more efficient LED lighting in its freezers and adding motion sensors to lights in storage rooms so that they only come on when needed. All new stores are equipped with state-of-the-art energy saving techniques.

Albert is upgrading and optimizing its heating systems. It is introducing lighting programs to coincide with opening hours and other energy saving measures. The company is also developing an environmentally friendlier pilot store with energy efficient innovations. Albert is also installing new freezing and cooling equipment in remodeled stores and started a project to close open coolers and freezers. See the related case study for more information.

In Slovakia, Albert/Hypernova is improving energy efficiency by introducing light motion sensors and outsourcing the monitoring of store energy consumption. The company has also installed alarms in back room freezers and coolers to alert employees if a door remains open for longer than 30 seconds.

Since 2007, the objective of ICA's climate strategy has been to reduce its CO<sub>2</sub> emissions by 30 percent by 2020. In Sweden, ICA offers all its retailers the option to purchase renewable electricity. Forty percent of the stores are already using renewable electricity and many more are positive about the initiative. If ICA retailers are successful, ICA can reduce its CO<sub>2</sub> emissions by 30 percent in 2010 and meet the climate target ten years earlier than expected.

In Sweden, Norway and the Baltics, ICA is covering or placing air curtains on freezers and refrigerated cases. Maxi ICA Östersund's store now has doors on the majority of its refrigerated display cabinets, uses 100 percent natural refrigerants and reuses heat from the refrigeration system to heat the store. These measures account for energy savings of more than 35 percent, the equivalent of a reduction of more than 130 tonnes of CO<sub>2</sub> emissions per year.

In Norway, an increasing number of ICA stores are using the Cool ICA system, which monitors energy consumption. A project is underway at ICA Sweden and ICA Norway to use more modern and efficient lighting to lower energy consumption by as much as 50 percent.

ICA started to certify its stores according to the Nordic Swan eco label in 2006. As the official Nordic eco label, the Swan requires that stores and the products they sell are adapted to environmental concerns and that employees have received relevant training and actively work to reduce the store's environmental impact. By 2009, 382 ICA stores in Sweden had been awarded the official Nordic Swan certificate for reducing their environmental impact.



### Cool savings

Albert in the Czech Republic is covering refrigerators and freezers in its stores to save energy and costs. Current stores are being retrofitted with the new equipment, for an average savings of approximately 38,500 kWh of energy and nearly 100,000 CZK (€3,805) per year per store. Some stores have already been updated. The company will also put this equipment in all new stores. Retailers are sometimes concerned that installing covered coolers will discourage customers from buying products, but so far the company has seen no sales impact as a result of the new equipment.

## Climate action – continued

### Distribution center activities

Similar to our stores, our distribution centers must ensure products are stored and handled at the correct temperatures. Energy usage is one of the main factors involved in this process. We are continuously looking for opportunities in our warehouses to reduce our carbon footprint.

Giant-Carlisle replaced lighting in its distribution and transport centers with new, more energy-efficient fluorescent alternatives.

ICA uses renewable electricity sources (primarily wind, hydro-electric and solar) in all of its warehouses in Sweden and Norway.

ICA's warehouse in Kallhäll, Sweden, replaced the cooling agent it uses in 2009 to reduce energy consumption and self-closing doors were installed at the recycling station at the Västerås warehouse to minimize energy loss.

### Transportation activities

We strive to reduce the environmental impact of our transportation activities in a variety of ways. We focus on technology and the equipment we use and on training our drivers in more efficient techniques. Together, these methods enable us to reduce the amount of fuel we use, lower greenhouse gas emissions, and at the same time lower the cost of transporting goods from our distribution centers to our stores.

In the United States, Giant-Landover piloted a new efficiency incentive program in 2009 to reward drivers who improved their fuel economy. Both Giant-Landover and Stop & Shop continue to reduce the number of truckloads used to deliver goods to our store. In 2009, we saved a total of 3,490 truckloads and 507,000 miles (816,000 km) by streamlining routing techniques and improving distribution center loading practices.

Giant-Landover and Stop & Shop have made it a priority to select inbound freight carriers who are members of the EPA SmartWay program. It is as important to reduce fuel consumption for inbound trucks as it is for those making outbound deliveries. The EPA SmartWay program is a U.S. government initiative to reduce transportation-related emissions. Within the company, Stop & Shop and Giant-Landover have improved fuel economy through improved truck design and operational procedures such as controlling maximum speed limits.

Giant-Carlisle also uses the latest technology in its truck fleet to achieve the best possible fuel economy. This includes truck design enhancements such as aerodynamic roof air shields, cab fairings, and front air dams to reduce air resistance. Drivers use onboard computers to monitor driver and truck fuel economy and to control idle time, speed, and cruise control. The computers also have software for optimal route planning to reduce total mileage. Sleeper trucks use auxiliary cabin heaters that allow the sleeping area to be heated while the engine is off. Automatic transmissions are used to progressively shift transmissions when accelerating and drivers are trained in fuel-efficient driving techniques. Combined, these measures made it possible for the Giant-Carlisle's trucks to improve their fuel efficiency from 6.5 liters to 5.7 liters per thousand products sold.



### Renewable energy

Stop & Shop and Giant-Landover have recently worked to make their stores more energy efficient by using renewable energy. The company is installing photovoltaic (solar panel) systems on the roofs of seven of its stores to generate up to an estimated 1.5 megawatts of renewable energy and reduce dependence on the power generated by local utility companies.

In 2009, Stop & Shop also incorporated a 400-kilowatt fuel cell into the design of a new store scheduled to open in May 2010. The fuel cell generates electricity in an electro-chemical process. With CO<sub>2</sub> and water vapor as the only significant emissions, the fuel cell is a cleaner source of energy than that provided by local utilities.



## Climate action – continued

In 2009, Albert Heijn finished converting 90 percent of its fleet to whisper trucks and is on track to complete the remainder in 2010. Whisper trucks are virtually silent and therefore enable the company to make deliveries at night and in the early morning to avoid peak hour traffic and reduce the time and energy spent on the road. The company also converted 90 percent of its fleet to more efficient Euro 5 or EEV engines and will convert the remainder in 2010. Albert Heijn uses different sized trucks to transport products to the stores and distribution centers in the most efficient manner.

The company is planning to further optimize truck loading and delivery by combining deliveries for Albert Heijn, Etos and Gall & Gall. There are also pilots underway using electronic vehicles and aerodynamic trucks. In 2009, tests were also conducted with two trucks using natural gas and two using Euro 5 engines with clean-burning liquefied petroleum gas (LPG) mixed with regular fuel.

### The products we sell

The production of the goods we sell have an impact on the environment. We encourage our suppliers to be open and transparent about their production process and continually explore ways to reduce their environmental impact.

Albert Heijn conducts research and pilot studies into the full life cycle analyses of various products and then compares its findings with suppliers asked to provide plans on reducing the carbon footprint of particular products. These studies will enable Albert Heijn to set reduction goals for all private label products in the coming years.

In 2007, ICA performed analyses of 100 of its private label food products to determine their climate impact and ways this could be reduced. The study showed that the largest impact of grocery products on climate occurs during primary production (i.e. agriculture). This study is being used as a platform for further discussions on climate impact in the supply chain.

Since early 2009, ICA has been running a project with five suppliers of its “ICA I love eco” products. The aim of the project is to determine how the climate impact of these products can be reduced and to evaluate possible future demands on suppliers. The insights gained in the analysis conducted in 2007 provided the basis for this project.

In 2010, Ahold has joined the Sustainability Consortium, an international organization consisting of retailers, consumer goods producers, universities, research institutes, government bodies and NGOs, in life cycle analysis. The consortium is working to improve the science of analysis and developing strategies and tools to assess the sustainability impact of products. It focuses on business-to-business reporting rather than on communications to the consumer. We have joined this and other similar groups to collaborate and achieve results more quickly.



### Cool efforts

Albert Heijn is working to reduce energy use in its stores by covering its refrigerators. A frontrunner in the Netherlands, Albert Heijn is committed to closing all high refrigerators before January 1, 2015. As of summer 2010, over 200 Albert Heijn stores will already have doors on their coolers. Refrigerated islands in these stores will also be closed and use more efficient LED lighting. Over 7,000 regular freezers in stores will be optimized by using low energy doors and also LED lighting. Motion sensors will be applied to 1,500 storage cells in 2010. As a result of these measures, Albert Heijn will reduce carbon emissions by an amount equivalent to that used by 1,800 Dutch households annually.

## Climate action – continued

### How we communicate

Communication with our customers is important, given that the majority of CO<sub>2</sub> emissions connected with food retail are directly or indirectly related to consumption. Production is linked to consumer demand, and how people use products also has an impact on the environment. We play a role in helping customers understand how they can reduce their impact.

Our U.S. companies organized Earth Day campaigns in 2009, featuring free reusable shopping bags, eco-friendly product promotions, and Bags to Benches promotions in which used plastic shopping bags are recycled into park benches to beautify public green spaces.

Ahold supports the ongoing work of the University of Manchester's Sustainable Consumption Institute. In 2009, we, along with other leading food retailers and manufacturers within the Consumer Good Forum, endorsed a report prepared by the institute to help shape debate and policy making at the United Nations summit on climate action in December.

Albert Heijn removed most of its less efficient, incandescent bulbs from its assortment in 2009 and expanded its range of low-energy lightbulbs to include halogen, energy-saving, LED and low-wattage bulbs. To help introduce these new energy saving alternatives to the public, the company partnered with a Dutch national lottery (de Nationale Postcode Loterij) to give away a free LED bulb, valued at €25.99, to 2.5 million participants.

ICA participated in the WWF's Earth Hour campaign in 2009 to increase awareness of climate change. The company did this by reducing the lighting in a number of its warehouses, offices and shops. It also encouraged its customers to participate in the campaign.

In 2009, ICA also continued its three-year campaign in Sweden to offer frequent customers attractive prices on low-energy light bulbs. Customers using these bulbs instead of regular ones, have reduced carbon dioxide emissions by an estimated 18,300 tonnes.

### Reducing water usage

Reducing the amount of water used every day is a global challenge. We track and report our water usage, year-on-year. Water usage, and issues of scarcity, are relevant for some of the products we sell. We encourage our suppliers, particularly those in countries where water is scarce, to be transparent about production processes and to find ways to reduce their ecological footprint.



## Climate action – continued

### Reducing waste

Waste has a two-fold impact on our environment. Firstly, products that don't get consumed produce waste that require disposal. Secondly, inefficiencies in the total supply chain account for significant wastage. These inefficiencies form a large percentage of the total greenhouse gas emissions created by the food and agriculture industries.

Packaging creates another challenge. Although most packaging reduces food waste by keeping products fresh for the consumer, it can also become waste in itself. Ahold, together with others in the food industry, is developing tools to monitor levels of waste and ways to reduce it. We are reporting on areas directly under our control where we can reduce waste in the same way we are tackling CO<sub>2</sub> emissions. We are also working with stakeholders on ways they can reduce waste and provide the best packaging.

Giant-Carlisle has recycling programs in place at its distribution centers to minimize waste and generate revenue. These programs involve a range of recyclable articles, from conventional materials to less common items. Recycling plastic and cardboard generated almost \$3.8 million (€2.7 million) in revenue for Giant in 2009. The company also recycles plastic corners on banana pallets, scrap metal and paper. Giant heats its transportation center with used motor oil from its trucks and recycled anti-freeze coolant and Freon. Using plastic pallets for shipping has reduced the company's use of wooden pallets by approximately 360,000 annually. The company also uses technology to reduce waste. Voice case selection in its distribution centers, for example, makes it possible to use fewer labels and less paper.

Stop & Shop has been investigating new opportunities for recycling organic waste over and above those already established in Massachusetts and Rhode Island. It has expanded its organic waste recycling program to include 15 stores located in Connecticut and New Jersey. The plan is to continue this expansion in the first quarter of 2010.

Stop & Shop has created commodity guidelines for each category of waste and employees in each store, including newly-created "Green Captains", are using these to recycle more effectively.

In partnership with local recycling authorities, Giant-Carlisle's pharmacies have been offering medication collection drives to help customers dispose of unwanted prescription and over-the-counter medications. In 2009, Giant-Carlisle held two such drives, and collected and safely disposed of 1,230 pounds (557.9 kilos) of unwanted medication.



#### Waste not, want not

ICA has been actively working to reduce food waste through company-wide initiatives and efforts by individual ICA retailers.

One ICA retailer in Lund, Sweden, has found a clever way to tackle the issue of food waste in the store. The retailer has hired a chef to create meals from foods that are safe to eat but have small imperfections (such as a bruise on a piece of fruit) or because they are approaching their best-before date. These lunch box meals are sold in the stores, bringing value to the store and the customer while helping the environment.

## Climate action – continued

Ahold USA's distribution center for health and beauty care, general merchandise and seasonal products has developed an effective way to dispose of products recalled by suppliers. Recalled products are incinerated, producing energy that is converted into electricity for residential and industrial use. The process eliminates the need to use landfills and significantly reduces fuel consumption because suppliers no longer have to collect the product from the distribution center, transport it to their own facility, and then on again for disposal. In 2009, the distribution center continued to expand its efforts to recycle materials including cardboard, plastic stretch wrap, plastic water bottles, and office paper.

Albert Heijn began a waste prevention initiative in 2008 and encouraged all of its business units to prevent quality food from going to waste. The company prevents waste by efficiently working to match the quantity of product with customer demand and by marking down fresh products nearing their expiry date. As a result, Albert Heijn managed to achieve an all-time low waste shrinkage percentage at the end of 2009.

Food waste at Albert Heijn that cannot be prevented is transported to an external processing company that separates organic waste from packaging material. The organic matter is processed into methane gas, which is then converted into green electricity by energy companies. Residual food waste that cannot be converted into methane gas is composted.

ICA runs a variety of programs to reduce food waste. ICA's Maxi stores have a new concept called "Eat soon" which offers customers an opportunity to buy goods at a lower price that would otherwise have gone to waste. See the related case study for more information.

Another innovation at ICA in 2009 was a new price differentiation model in its fruit and vegetable offering in Sweden. A great deal of fruit and vegetables are needlessly thrown away each year because of minor blemishes and small imperfections, which do not affect flavor or quality. ICA provides customers with the possibility of purchasing these for a slightly cheaper price. This offers customers greater choice and value, and reduces waste.

All of ICA's warehouses in Sweden sort waste for reuse or recycling. Soft plastics can be recycled as clear wrap or new plastic bags, while scrap metal can be recycled into new metal. In 2009, 98 percent of waste was recycled.

## Climate action – continued

### Quantitative data

#### Carbon dioxide emissions (CO<sub>2</sub>)<sup>1,2</sup>

	Volume (in thousands of tonnes)		Efficiency (in kg per square meter of sales area) <sup>3</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	1,374	1,350	644	653
Giant-Carlisle	384	379	664	693
Albert Heijn	431	376	424	405
Albert/Hypernova	276	239	544	449
ICA	217	223	99	104
<b>Total group</b>	<b>2,682</b>	<b>2,568<sup>4</sup></b>	<b>415</b>	<b>413</b>

1. Sources for converting fuel and gas: GHG protocol – Mobile guide (03/21/05) v1.3 and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Source for converting electricity per country: International Energy Agency (IEA) Data Services, 2007 and Environmental Protection Agency (EPA) eGRID2007 version 1.1.

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), table 2.14, time horizon – 100 years.

2. Total CO<sub>2</sub> consists of the following converted elements: electricity, district heating, fuel, gas (natural and other) and refrigerant leakage.

3. The 2009 data has been adjusted to a 52 week comparable amount.

4. The 2008 amount of CO<sub>2</sub> emissions has been adjusted to apply the 2009 electricity conversion factors.

#### General

The total CO<sub>2</sub> emission calculation is the sum of the CO<sub>2</sub> emissions of electricity, refrigerant substances leakage, fuel, gas and district heating. Since the consumption of all the elements is not measured in CO<sub>2</sub> kilograms but in different units, conversion factors are used. For electricity each country has its own conversion factor. Therefore the data in this table are different than those in the individual electricity consumption, leakage of refrigerant substances, fuel and natural gas tables. For more detailed information see page 57, CO<sub>2</sub> conversion factors.

#### Volume: slight increase in carbon emissions

Total CO<sub>2</sub> emissions increased by 4.4 percent. Ahold-wide the major contributors to CO<sub>2</sub> emissions in 2009 were electricity (53 percent of total CO<sub>2</sub> equivalents) and refrigerant leakage (28 percent of total CO<sub>2</sub> equivalents). The remaining elements (fuel, gas and district heating) were less than 20 percent of the total emissions.

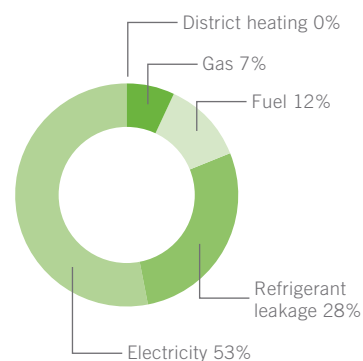
Electricity (in CO<sub>2</sub> equivalent) decreased by 1.5 percent in comparison to 2008.

The decrease in electricity usage is partly attributed to the energy savings measures implemented in the U.S. stores and distribution centers. Refrigerant leakage increased by 12.1 percent in terms of CO<sub>2</sub> equivalent. For more information, see Electricity consumption table (page 32) and Leakage of refrigerant substances table (page 32).

#### Efficiency: carbon efficiency remained practically stable

Emissions by sales area increased by 0.5 percent. CO<sub>2</sub> improvements in electricity efficiency were offset by increased refrigerant leakages. ICA has a lower CO<sub>2</sub> equivalent in comparison to the other companies, the two main reasons for this are that the electricity conversion factors are lower and their percentage in renewable energy is high. For more information see Electricity consumption table (page 32) and Leakage of refrigerant substances table (page 32).

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



## Climate action – continued

### Electricity consumption<sup>1</sup>

	Volume (in millions of kWh)		Efficiency (in kWh per square meter of sales area) <sup>2</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>1,650</b>	1,688	<b>773</b>	817
Giant-Carlisle	<b>498</b>	509	<b>861</b>	929
Albert Heijn	<b>552</b>	500	<b>544</b>	539
Albert/Hypernova	<b>304</b>	302	<b>598</b>	567
ICA	<b>1,517</b>	1,666 <sup>3</sup>	<b>691</b>	775
<b>Total Group</b>	<b>4,521</b>	4,665	<b>703</b>	750

- Figures reflect electricity consumption and do not include district heating.
- The 2009 data has been adjusted to a 52 week comparable amount.
- ICA's 2008 amount has been restated to exclude district heating.

#### Volume: Overall decrease in electricity consumption

The electricity consumption at Albert Heijn increased by 10.4 percent, partly due to the additional 50+ stores acquired from Schuitema in the second half of 2008. This increase was offset by improved efficiency at the other operating companies.

#### Efficiency: Electricity consumption per square meter of sales area decreased by 6.2 percent

Electricity efficiency improved at our U.S. operations due to energy saving measures that were introduced in 2009, such as roof insulation. At Albert/Hypernova, electricity efficiency diminished by 5.5 percent. This was due to a reduction in sales area, as a number of stores were either closed or downsized, while electricity consumption levels did not decrease accordingly. This discrepancy was attributable to maintenance of the closed stores and empty parts of downsized stores which still required lighting. ICA decreased their consumption by sales area by more than 10.8 percent through more electricity efficient refrigeration. For more information on our initiatives to reduce electricity see page 24, How we operate.

### Leakage of refrigerant substances<sup>1</sup>

	Volume (in tonnes)		Efficiency (as a % of total refrigerants) <sup>2</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>158</b>	152	<b>16%</b>	15%
Giant-Carlisle	<b>21</b>	19	<b>9%</b>	9% <sup>3</sup>
Albert Heijn	<b>29</b>	21	<b>10%</b>	7%
Albert/Hypernova	<b>16</b>	14	<b>14%</b>	11%
ICA <sup>4,5</sup>	<b>10</b>	9	<b>19%</b>	— <sup>6</sup>
<b>Total Group</b>	<b>234</b>	215	<b>14%</b>	13%

- Outsourced distribution centers have been excluded.
- The 2009 data has not been adjusted to a 52 week comparable amount.
- The 2008 data includes estimates.
- Does not include store data for ICA Norway and Sweden.
- The 2008 data has been restated to exclude non-CO<sub>2</sub> emitting substances.
- The 2008 leakage percentage at ICA is not available.

#### Volume and efficiency: The total weight of refrigerant leakage increased by 8.8 percent while refrigerant efficiency remained stable

Albert Heijn's leakage increased in 2009, mainly as above average temperatures and humidity during the summer of 2009 taxed the cooling systems, causing failures and increased leakage. Due to downsizing or closing of stores in the Czech Republic in the second and third quarters of 2009, the leakage percentage increased from 11 percent to 14 percent as leakage data over the full year was measured against the lower year-end total installed refrigerant substances.

## Climate action – continued

### Fuel consumption

	Volume (in thousands of liters)		Efficiency (in liters per 1,000 products sold) <sup>1</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>34,854</b>	33,743	<b>5.99</b>	6.13
Giant-Carlisle	<b>11,513</b>	11,499	<b>5.73</b>	6.48
Albert Heijn	<b>25,799</b>	24,186	<b>3.99</b>	4.13
Albert/Hypernova	<b>6,806</b>	6,789	<b>2.69</b>	2.86
ICA <sup>1</sup>	<b>35,774</b>	32,599	<b>NR</b>	NR
<b>Total Group</b>	<b>114,746</b>	108,816	<b>4.69</b>	4.91

1. The 2009 data has not been adjusted to a 52 week comparable amount.

#### Volume: Sales increase and 53rd week led to higher fuel volumes

The increase in fuel consumption of 5.4 percent was attributable to sales growth and the impact of the 53rd week in Ahold's 2009 calendar year.

#### Efficiency: Fuel consumption per products sold was relatively stable

Compared to 2008, fuel consumption per 1,000 products sold improved by 4.5 percent due to technological enhancements initiatives (at Giant-Carlisle) and the conversion to whisper and EURO 5 trucks (at Albert Heijn). For more information on our fuel efficiency initiatives see page 26, Transportation activities.

### Natural gas consumption

	Volume (in thousands of cubic meters)		Efficiency (in cubic meters per square meter of sales area) <sup>1</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>60,497</b>	55,419	<b>28</b>	27
Giant-Carlisle	<b>12,583</b>	11,140	<b>22</b>	20
Albert Heijn	<b>25,045</b>	25,764	<b>25</b>	28
Albert/Hypernova	<b>7,975<sup>3</sup></b>	7,705	<b>16</b>	14
ICA <sup>2</sup>	<b>NA</b>	NA	<b>NA</b>	NA
<b>Total Group</b>	<b>106,100</b>	100,028	<b>25</b>	25

1. The 2009 data has been adjusted to a 52 week comparable amount.

2. Natural gas is not consumed at ICA.

3. The 2009 amount for Czech Republic includes estimates.

#### Volume: Hard winter and 53rd week led to higher gas volumes

Total natural gas consumption increased by 6.1 percent due to below average winter temperatures in the U.S. (e.g. Giant Carlisle had the highest increase at 13.0 percent) and the impact of the 53rd week in Ahold's 2009 calendar year.

#### Efficiency: Gas per square meter of sales area was stable

Overall gas efficiency consumption remained stable. Albert Heijn offset increases of gas in the U.S. due to severe winter weather.

## Climate action – continued

### Water consumption<sup>1</sup>

	Volume (in millions of liters)		Efficiency (in liter per square meter of sales area) <sup>2</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>2,611</b>	2,458	<b>1,223</b>	1,189
Giant-Carlisle	<b>876</b>	875	<b>1,514</b>	1,599 <sup>3</sup>
Albert Heijn <sup>4</sup>	<b>483</b>	–	<b>476</b>	–

1. Does not include Albert/Hypernova and ICA, therefore total group is also not reported.
2. The 2009 data has been adjusted to a 52 week comparable amount.
3. The 2008 data has been restated using a more accurate amount.
4. Albert Heijn changed its methodology for measuring water consumption this year, therefore the 2008 and 2009 amounts are not comparable.

#### Volume: Total water usage increased

Total water usage increased due to sales increase and the impact of the 53rd week in Ahold's 2009 calendar year.

#### Efficiency: Water efficiency remains practically stable

Water efficiency was practically stable for our U.S. operations.

### Waste

	Volume (in millions of kg)		Efficiency (in kg per square meter of sales area) <sup>1</sup>	
	2009	2008	2009	2008
Stop & Shop/Giant-Landover	<b>322</b>	309	<b>151</b>	150
Giant-Carlisle	<b>100</b>	96	<b>173</b>	176
Albert Heijn	<b>117</b>	107	<b>115</b>	115
Albert/Hypernova <sup>2</sup>	<b>40</b>	35 <sup>4</sup>	<b>79</b>	78
ICA <sup>3</sup>	<b>73</b>	85	<b>NA</b>	NA
<b>Total Group</b>	<b>652</b>	632	<b>137</b>	137

1. The 2009 data has been adjusted to a 52 week comparable amount.
2. Data for Slovakia has not been included in the 2008 amount.
3. Waste data has not been measured for ICA stores.
4. The 2008 data has been restated using more accurate data.

#### Volume and efficiency: Limited increase in total waste and waste efficiency remained stable

Total volume of waste increased by 3.2 percent due to sales increase and the impact of the 53rd week in Ahold's 2009 calendar year. Waste efficiency remained stable across the company.

## Climate action – continued

## Waste by type (x1,000 tonnes)

	Stop & Shop/ Giant-Landover		Giant-Carlisle		Albert Heijn		Albert/Hypernova		ICA <sup>1</sup>		Total Group	
	2009	2008	2009	2008	2009	2008	2009 <sup>5</sup>	2008 <sup>3,4</sup>	2009	2008 <sup>4</sup>	2,009	2008
Organic	19	9 <sup>2</sup>	2	2	33	31	8	4	13	12	74	58
Cardboard and paper	144	137	42	39	63	57	16	13	21	21	285	267
Plastic	3	2	2	1	3	3	1	1	4	4	12	11
Wood	36	26	9	9	0	0	0	0	4	3	50	39
Metal	1	1	0	0	0	0	0	0	1	1	2	2
Other	121	135	45	45	17	15	15	16	30	45	228	256
<b>Total waste</b>	<b>322</b>	<b>309</b>	<b>100</b>	<b>96</b>	<b>117</b>	<b>107</b>	<b>40</b>	<b>35</b>	<b>73</b>	<b>85</b>	<b>652</b>	<b>632</b>

1. Waste data for ICA Sweden excludes store data.
2. Meat rendering data was not available in 2008.
3. Data for Slovakia has not been included in the 2008 amount.
4. The 2008 data has been restated using a more accurate amount.
5. Accurate classification by type of waste cannot be assured for Slovakia.

## Total waste in % by disposal method

	Stop & Shop/ Giant-Landover		Giant-Carlisle		Albert Heijn		Albert/ Hypernova		ICA <sup>1</sup>		Total Group	
	2009	2008	2009	2008	2009	2008	2009 <sup>5</sup>	2008 <sup>3,4</sup>	2009	2008 <sup>4</sup>	2009	2008
% of compost waste	1	1 <sup>2</sup>	0	0	0	0	9	4	17	14	3	2
% of reused, recycled or recovered waste	62	55	55	53	57	57	43	41	41	35	56	52
% of fermented waste	0	0	0	0	28	29	0	0	0	0	5	5
% of incinerated waste	37	44	10	1	15	14	11	16	13	10	25	26
% of landfill waste	0	0	34	46	0	0	37	39	29	41	11	15

1. Waste data for ICA Sweden excludes store data.
2. Meat rendering data was not available in 2008.
3. Data for Slovakia has not been included in the 2008 amount.
4. The 2008 data has been restated using a more accurate amount.
5. Accurate classification by type of waste cannot be assured for Slovakia.

## More waste has been recycled and less has been sent to landfill

Landfill waste has decreased from 15 percent to 11 percent due to increased recycling efforts. In our U.S. operations, cardboard, plastic and wood waste recycling increased, causing a reduction on waste going to landfill (Stop & Shop and Giant-Carlisle) and incineration (Stop & Shop).



# Community engagement



## Making an active contribution

Ahold companies are active, contributing members of society and the communities in which we operate. We work closely with our customers, employees, suppliers, civic leaders and local organizations on our community engagement programs. We support a wide variety of causes our employees and customers feel strongly about, often combining financial and product contributions with strong local partnerships.

## Objectives and goals

Our primary objectives and goals in community engagement are to:

- Support causes that are important to our customers, employees and other stakeholders and where we can make a difference;
- Encourage in-store activities that reflect our local community engagement programs;
- Promote the involvement of our stores in local community activities.

## Our approach

Ahold operates in both Europe and the United States. In Europe, most countries have comprehensive social welfare systems to support those in society who have the greatest need. In the United States, the private sector plays a much greater role in helping those in need. These differing social models and the expectations of society are reflected in the priorities and activities of our different businesses. In all instances, our companies are committed to being responsible and contributing members of the communities they serve.

In the United States, our companies put a strong emphasis on contributing to the overall wellbeing of the community, supporting efforts where they can have a positive and significant impact on the quality of life of their employees, customers and the local area. Our supermarkets involve employees in community activities, provide financial support, and build long-term partnerships that generate goodwill. In 2009, Giant-Carlisle launched a three-year community engagement strategic plan to ensure its giving is concentrated in areas where it will have the greatest impact. The division focuses its efforts on hunger relief and improving the quality of life for children. Stop & Shop and Giant-Landover support causes including hunger relief, children's nutrition and education, health and wellness and cancer research and treatment.

## Community engagement – continued

In Europe, many of our stores are concentrated in more densely populated areas, and there are more of them per square kilometer. They are often smaller in size, and may form part of a residential housing block. This is especially the case in the Netherlands. Storeowners and store managers are most actively involved in the immediate environment of their stores, and most customers live in close proximity.

Albert Heijn's primary community engagement goal is to improve the quality of life in local neighborhoods. They have five themes: cleanliness, safety, accessibility, building community trust, and preventing neighborhood decline. The company has rolled out central and locally organized activities under each theme. These initiatives aim to be inspiring yet practical, and involve different groups within the local community.

Across Ahold, we assess and report the value and achievements of our community activities in the following categories: arts and culture; education and young people; health; social commitment; and organizing community engagement.

### Arts and culture

In November 2009, Ahold announced a three-year sponsorship agreement with Amsterdam's Stedelijk Museum, the largest museum for modern and contemporary art and design in the Netherlands. The sponsorship underpins the Ahold's commitment to the local community, in this case Amsterdam, where the company is headquartered.

### Education and young people

Many of our community engagement activities involve helping children. Our companies run programs to educate schoolchildren. For example, Albert Heijn's "Ik eet het beter" (I eat better) initiative, launched in 2009, is designed to raise children's awareness of the importance of a healthy diet. You can read more about this and other initiatives in the Healthy Living section of this report.

Albert supports children in need who are living in children's homes or homes for mothers and children. The company also funds the Bertici project, which is aimed at children's education and integration into society. Bertici now supports 100 institutions and in recent years has distributed approximately 54 million CZK (€2.1 million) in donations to these organizations.

Ahold USA supermarkets offer the A+ School Rewards program, which enables customers to support the school of their choice each time they shop at one of our stores using their bonus card. Giant-Carlisle and Giant-Landover have offered this program for a number of years, and Stop & Shop rolled it out for the first time in 2009. Since 1989, Giant-Landover has raised over \$79 million to support the educational needs of over 3,000 schools in its market.

Since 1967, Giant-Landover has been the primary corporate sponsor of the televised quiz show *It's Academic*. This is the longest running quiz show of its type on record. High school students from 170 local secondary schools compete for money for scholarships. In 2009, Giant-Landover launched an initiative to feature products in its stores that are named after local schools that compete in the show each week.



### Good neighbors make good neighborhoods

Albert Heijn is taking part in the Dutch government's work to address social and economic problems in 25 disadvantaged neighborhoods in the Netherlands. Albert Heijn's participation began with a pilot project involving three of its Amsterdam stores. The company worked to ensure the stores, and the surrounding public areas, were clean and in good condition and also coordinated with other area shopkeepers and local police on security issues. One store provided a desk where residents could talk to a local government representative. After the pilot, Albert Heijn agreed with the Amsterdam council to extend the project. By the end of 2009, it included all 18 Albert Heijn stores in such neighborhoods in Amsterdam. By early 2010, the project will cover all 43 stores located in priority neighborhoods nationwide.

## Community engagement – continued

The Stop & Shop/Giant Family Foundation, founded in 2003, supports educational and recreational programs for children in local communities. The Foundation donated more than \$600,000 (€427,000) in 2008 and \$891,000 (€622,000) in 2009.

Giant-Carlisle also raises money for the Children's Miracle Network, a non-profit organization dedicated to saving and improving the lives of children by raising funds for children's hospitals. In 2009, the company, along with customers, employees and vendors, raised \$2.3 million (€1.6 million).

ICA primarily sponsors organizations committed to the needs of children and youth. ICA Sweden's Christmas campaign focused on raising funds for the World Childhood Foundation, a non-profit organization that aims to protect children's rights to a safe childhood. In the month preceding the Christmas holiday in 2009, ICA offered special toys and Christmas CDs and donated 5 SEK to the foundation for each toy and 10 SEK for each CD sold. This initiative, together with other activities during the year, raised a total of 10.1 million SEK (almost €1 million). ICA has worked with the foundation since 2003.

Our Corporate Center in Amsterdam assists the Nationale Stichting ter Bevordering van Vrolijkheid (The Foundation for the Promotion of Cheerfulness), which was set up 10 years ago to help children in Dutch centers for asylum seekers. The foundation uses art as an instrument that children can use to express themselves and gain self-confidence as they adjust to life in a new country.

### Health

We encourage people to make the right choices for a healthier lifestyle. Many of our community engagement activities are linked to our aim of making it easier for people to lead healthier lives and fight disease.

Albert Heijn is a strong supporter of soccer, the most popular game in the Netherlands. Together with Unilever, Albert Heijn organized 54 street soccer tournaments in 2009 for children aged from eight to twelve years across the country.

In September 2009, Albert established the Albert Foundation in the Czech Republic to promote healthy living and provide help for individuals in need. The company donates profits from the sale of plastic bags in Albert stores to the foundation. See the related case study for more information.

In the Netherlands, special pink ribbon products were sold in all 500 Etos stores. The profits, which totalled €475,000, were donated to Pink Ribbon, a foundation dedicated to raising awareness of and funding for breast cancer research in the Netherlands.

Stop & Shop and Giant-Landover partner with health and wellness-related groups including the YMCA (an organization promoting a healthy spirit, mind and body), the U.S. Department of Agriculture (USDA) as a My Pyramid Corporate Partner, and other government and non-profit agencies. Stop & Shop and Giant-Landover also raised \$5.25 million (€3.66 million) for pediatric cancer research with the support of customers in 2009. See the related case study for more information.



### Good shopping... and a good feeling

Albert expanded its project in the Czech Republic that supports hundred of orphanages across the country. The Bertici project has distributed nearly CZK 54 million (€2.1 million) over the past ten years. In 2009, Albert collected a record CZK 14,764,550 (€561,717) in its supermarkets and hypermarkets. It also widened the scope of the project to offer jobs to children from the orphanages and currently there are around 55 children working in Albert stores through this project.

## Community engagement – continued

Stop & Shop and Giant-Landover have raised more than \$50 million (€35 million) to support cancer research and treatment. In 2009 they raised \$5.25 million (€3.66 million) as part of the Triple Winner Game, that supports world-renowned hospitals in local communities. See the related case study for more information.

In 2009, Stop & Shop and Giant-Landover employees participated in various fundraising walks to raise money for breast cancer prevention and research. More than 200 Giant-Landover employees participated in the Susan G. Komen Global Race for the Cure. Giant-Landover also hosted a “Paint the Town Pink” promotion in all 180 stores where employees showed their support by dressing and decorating the stores in pink. Through the promotion, customers also donated more than \$116,000 (€81,000). Giant-Landover also partnered with the American Institute for Cancer Research (AICR) and raised \$150,000 (€105,000). The campaign was branded “Shop for Health, Eat for Life” and encouraged customers to purchase specially marked healthy products in Giant-Landover stores.

ICA is committed to promoting popular sports that have a particular impact on youth standards and values, and healthy lifestyles. ICA is the main sponsor of “Blodomloppet,” a series of Swedish road races that encourage physical fitness and highlight the importance of donating blood. Approximately 70,000 people participated in twelve races throughout Sweden in 2009.

ICA has also been the main sponsor of the Pink Ribbon campaign for breast cancer prevention since its inception seven years ago. The company sells Pink Ribbon products in its Swedish ICA stores and collects donations from customers for cancer research through the Fund for Cancer. ICA has worked with the Fund for Cancer for the past 25 years.

## Social commitment

We are active, contributing members of society, and support those in need.

In the United States, hunger relief is a major area of focus. All of our companies work with regional food banks and local food pantries to provide funds, products, volunteers and expertise. This was particularly important during the recession in 2009. In 2009 the Stop & Shop/Giant Family Foundation made a commitment of approximately \$1.5 million (€1.05 million) to local food banks over the next three years (2009 to 2011).

Stop & Shop’s Food for Friends campaign raised \$1.48 million (€1.03 million) and Giant-Landover’s Good Neighbor Food & Funds Drive raised \$378,000 (€264,000). Giant-Landover also helped raise over \$120,000 (€83,764) and 95,000 pounds (43,092 kilos) of food through Stuff A Truck and Stuff A Bus promotions in its market area. Local residents supported the initiative by donating money and food at selected Giant-Landover stores. Giant-Carlisle raised a record amount of \$500,000 (€349,000) in 2009 during its annual Bag Hunger campaign. See the related case study for more information. Employees at all Ahold USA companies also volunteer at food banks, and serve in leadership positions on their boards of directors.



### Fighting cancer

Stop & Shop and Giant-Landover once again raised \$5.25 million (€3.66 million) for pediatric cancer research and treatment with the support of customers and vendors in 2009 through the Triple Winner game. Triple Winner is a scratch card promotion. By making a \$1 donation to support the fight against childhood cancer, the customer receives a scratch card that gives them three chances to win a prize from \$1 up to \$10,000.

Just completing its 19th year, Triple Winner has raised more than \$50 million (€35 million), and every dollar donated in the stores goes directly to the three medical facilities (Johns Hopkins, Dana Farber and Memorial Sloan Kettering). The Stop & Shop Family Pediatric Brain Tumor Clinic, which funds research and treatments being used worldwide, was created using funds from this promotion.

In 2009, the companies expanded their efforts to fight cancer by supporting the American Institute of Cancer Research, the Susan Komen Foundation and the American Cancer Society, all of which support the fight against cancer.

## Community engagement – continued

Ahold USA also works with the United Way, an organization committed to advancing the common good and creating a better life for all through education, income and health. In 2009, Giant-Carlisle employees exceeded their goal, raising almost \$1 million (€0.7 million) for local United Way organizations, and Stop & Shop and Giant-Landover raised \$941,000 (€657,000).

Albert Heijn participates in the “Dag van de Dialoog” (Day of Dialogue), a national initiative that brings people together in hundreds of local dialogue platforms to discuss social issues. The company supported the initiative by facilitating the dialogue day on a local scale in its stores.

Ahold's Corporate Center supports a number of activities in Amsterdam to build our ties with the local community. One of these is the Leefkringhuis, a children's home and women's crisis relief shelter. Ahold also now funds two new relief centers and supports the Leefkringhuis financially and through volunteer assistance at its food bank and shelters.

### Organizing community engagement

Community engagement efforts are most effective when planned and implemented at a local level. All of our operating companies have policies and guidelines in place to enable store management to organize activities locally.

To help store managers and their teams, Albert Heijn is sharing best practices, tracking activity within its operations, and giving practical support where possible. One such example was the “Christmas wish tree” program that allowed customers to make a wish for a person they thought was the most deserving in their community to receive an Albert Heijn food and beverage gift basket.

Albert supports its stores in local community activities. The company's corporate headquarters in Prague sends resources to the stores each year to help with the annual Bertici campaign and provides tips on how to organize Christmas parties for local children in need. Stores also plan their own local charitable activities.

Giant-Carlisle has established a local community support team through its Community Champions program. Each store has a designated Community Champion who works closely with the store manager to create and implement tailored community involvement programs.

ICA's Good Business approach has a number of associated policies and guidelines to help stores and independent retailers in Sweden make decisions on local engagement projects or donations.



### Bagging hunger

Giant-Carlisle raised a record \$500,000 (€350,000) to fight hunger throughout its operating area during the company's annual Bag Hunger campaign, up from \$355,731 (€248,311) raised in 2008. During the two-week in-store campaign in September, customers were asked to donate \$1 at the checkout to benefit regional food banks and local pantries. In addition, Giant vendor partners contributed a total of \$135,000 (€94,234) to the campaign. More than 85 regional food banks, local pantries and soup kitchens benefited.



## Community engagement – continued

### Quantitative data

#### Contributions and donations<sup>1</sup>

	in thousands of EURO	
	2009	2008
Stop & Shop/Giant-Landover	19,707	17,534 <sup>2</sup>
Giant-Carlisle	11,254	9,935
Albert Heijn	2,358	1,952 <sup>3</sup>
Albert/Hypernova	469	474
ICA	3,020	2,747 <sup>4</sup>
<b>Total Group</b>	<b>36,808</b>	<b>32,642</b>

1. Contributions and donations to charities by Ahold (money raised by our companies, customers, suppliers and employees).

2. The 2008 amount has been restated to reflect the 2008 average exchange rates.

3. The 2008 amount has been restated due to a change in definition.

4. The 2008 amount does not include ICA Norway contributions.

#### Increased needs in our communities resulted in a 12.8 percent increase in our community engagement contributions

Albert Heijn's donations increased by 20.8 percent mainly due to the larger project investments in Africa on behalf of the Albert Heijn Foundation. Giant-Carlisle has increased its donations to food banks, which led to the 13.3 percent increase in 2009.

Stop & Shop included its donations of gift cards for the first time in 2009. For more information on our contributions see chapter Community engagement.



### Store security is everyone's concern

Safe stores are a high priority for ICA. Its employees receive training in fire safety, first aid, how to prevent robberies and avoid threatening situations. Each year, ICA Sweden conducts around 200 store inspections and investigates any risk of fire, break-ins and other damage. ICA Norway has been working since 2007 to implement a common safety standard for stores and periodically carries out safety audits. The aim is to prevent internal and external criminality and create a safe store environment for employees and customers. ICA provides resources to stores that suffer a break-in and works with authorities, municipalities, schools and other local retailers on preventative measures.



# Our people



As a major international food retailer serving millions of customers every day, our 206,000 employees are key to our success.

## Human resources goals

The primary goal of our human resources function is to help attract, retain, and develop a highly qualified and motivated workforce that continuously achieves higher levels of performance and competitive advantage for the company.

## Our core values

Ahold's overall approach to human resources is guided by our core values:

### **Act customer**

Customers are the lifeblood of our business. We make every day easier for them, bringing innovative and interesting shopping experiences.

### **Engaged associates**

We value our diversity and are committed to developing our people and giving them opportunities to grow.

### **Integrity always**

We act openly and honestly. We say what we mean and we do what we say.

### **One team**

We are greater than the sum of our parts. We cooperate to leverage our capabilities, scale, strengths and knowledge.

### **Innovative mindset**

We constantly challenge ourselves to find better ways and better results.

### **Passion for our business**

We love being in the food business. We set high standards and are never satisfied in our search for excellence.

## Our people – continued

### Our workforce

Most of Ahold's employees work for our local operating companies, the majority of them in stores and distribution centers. A small percentage work at our Corporate Center.

#### Total workforce

	Employees 2009	Employees 2008
Stop & Shop/Giant-Landover <sup>1</sup>	<b>85,449</b>	84,664
Giant-Carlisle	<b>27,459</b>	26,890
Albert Heijn <sup>2</sup>	<b>78,879</b>	76,065
Albert/Hypernova	<b>12,598</b>	14,656
ICA	<b>28,584</b>	29,961
<b>Total</b>	<b>232,969</b>	232,236

1. Includes Peapod.

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

#### Employment type<sup>1</sup>

	Full-time 2009	Full-time 2008	Part-time 2009	Part-time 2008
Stop & Shop/Giant-Landover <sup>2</sup>	<b>29%</b>	30%	<b>71%</b>	70%
Giant-Carlisle	<b>30%</b>	31%	<b>70%</b>	69%
Albert Heijn <sup>3</sup>	<b>16%</b>	18%	<b>84%</b>	82%
Albert/Hypernova	<b>73%</b>	86%	<b>27%</b>	14%
ICA	<b>NR</b>	NR	<b>NR</b>	NR

1. Based on local definitions.

2. Includes Peapod.

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

#### Age

	2009 <19	2009 20-29	2009 30-39	2009 40-49	2009 >50
Stop & Shop/Giant-Landover <sup>1</sup>	<b>16%</b>	<b>25%</b>	<b>14%</b>	<b>19%</b>	<b>26%</b>
Giant-Carlisle	<b>22%</b>	<b>27%</b>	<b>13%</b>	<b>16%</b>	<b>22%</b>
Albert Heijn <sup>2</sup>	<b>58%</b>	<b>19%</b>	<b>8%</b>	<b>9%</b>	<b>6%</b>
Albert/Hypernova	<b>1%</b>	<b>23%</b>	<b>30%</b>	<b>23%</b>	<b>23%</b>
ICA	<b>18%</b>	<b>31%</b>	<b>24%</b>	<b>17%</b>	<b>10%</b>

1. Includes Peapod.

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

#### Gender (%)

Stop & Shop/Giant-Landover <sup>1</sup>	
Male	53%
Female	47%
Giant-Carlisle	
Male	51%
Female	49%
Albert Heijn <sup>2</sup>	
Male	47%
Female	53%
Albert/Hypernova	
Male	20%
Female	80%
ICA	
Male	35%
Female	65%

1. Includes Peapod.

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

## Our people – continued

### Attracting and retaining employees

We attract employees with a wide range of skills, career goals, backgrounds, and interests. Competitive salary, incentives and other employee benefits are standard requirements to attract and retain employees. Our employees also value our open, results-driven culture, together with the career and development opportunities available to them. We monitor our industry to ensure we offer competitive compensation and have structures in place to attract and retain talent.

### Remuneration policy

Ahold has simplified its compensation and benefit program. Variable components are now based on performance measures such as sales, margin, and costs. This enables us to agree targets at the start of the year and inform employees on progress throughout the year.

We have a long-term incentive program (Global Reward Opportunity, or GRO) based on conditional and performance shares. A recent survey of participants who have been in the program since 2006 found that almost 94 percent consider the program a relevant and valuable component of their overall compensation. In 2009, the program won the Best Plan Effectiveness award from the Global Equity Organization.

Our incentive programs are based on the sustainable profitable growth of our company. Corporate responsibility is fully integrated into our day-to-day business and we do not include our CR targets specifically in our incentive program. Including specific corporate responsibility targets in our incentive program may increase the focus in one area and inadvertently reduce it in others.

### A great place to work

The food retail business is highly competitive and the quality of our people is crucial to our success. It is essential that we provide an attractive working experience and that our companies are seen as great places to work.

In the Netherlands, Ahold is consistently ranked high on the list of preferred employers. Approximately one percent of the Dutch working population has at one time been employed by Ahold. Despite the recent economic downturn, Ahold has continued to invest in the development of its employees, which has further increased its preferred employer status.



### Engaging employees

As part of the company's associate engagement strategy, all Stop & Shop and Giant-Landover store employees recently participated in a round of in-store meetings, led by store management. The meetings focused on the launch of a new customer value program.

A session to build awareness of the company's corporate responsibility strategy was included in the meetings. There were open discussions on how employees can make a difference both individually and in the stores and at the conclusion, all employees completed the company's employee engagement survey.

## Our people – continued

### Employee satisfaction

Measuring employee satisfaction and gathering feedback is important to ensure we can respond to needs and concerns. Employee satisfaction is also important to our success, as it is linked to customer satisfaction. We regularly conduct surveys and use the results to further improve conditions in our workforce.

In 2009, Giant-Carlisle conducted a “People Survey” among approximately 26,000 of its employees. See the related case study for more information. Stop & Shop and Giant-Landover also conduct employee engagement surveys. A 2009 survey rated the company highly for its employee effectiveness.

Albert Heijn measures job satisfaction among store employees twice a year, and annually at its distribution center and corporate headquarters. Thirty-six percent of employees participated in the company's spring 2009 survey, an increase over the previous year. According to the results, 85 percent are either satisfied or very satisfied with their work.

### Development

Developing our employees is vital for the continuing success of our business. In each of our operating companies, we set goals, provide ongoing coaching and feedback and reward performance that helps us achieve our strategy.

We encourage employees to develop within the company by offering challenging assignments, training and other performance-related incentives. We fill vacancies internally wherever possible and also recruit externally to continuously bring new skills, talent and diversity to our workforce.

In 2009, Giant-Carlisle conducted a career aspiration survey among store employees, aimed at improving access to career opportunities. Supervisors consulted with participants to determine their career goals. Approximately 10,000 employees expressed an interest in advancing their careers and are being supported through additional follow-up.



#### The people survey

In April 2009, Giant-Carlisle introduced The People Survey to approximately 26,000 employees. The objectives were to measure employee engagement and employees' perception of how well the organization lives by its values and performs according to its brand strategy. The overall response rate was 64 percent.

Employees think customer focus is a clear strength of Giant, and feel comfortable speaking up. Opportunities for improvement were identified in areas such as training for new employees and communications on the company's performance plan.

Giant's management met with store managers to review individual store survey results and assist them in developing strategies to address opportunities and improve upon strengths.

## Our people – continued

### Talent and knowledge exchange

We are able to share skills, knowledge and experience across our businesses in Europe and the United States. We use talent exchange programs to transfer employees on short-term and long-term assignments. This has had a positive impact on both employee engagement and business performance.

Talent exchange enables us to develop candidates with international experience for top executive positions in the future.

### Learning

Ahold believes in a tailored approach to the ongoing education and development of its workforce. The vast majority of our programs are focused on ensuring our employees are trained in safe working practices and good customer service.

Training programs are designed to provide employees with the right job skills to support their professional growth and encourage innovation.

Most company training activities are conducted at a store level, where we have the largest percentage of our workforce. In the Netherlands, for example, each new store manager receives between 30 and 100 hours of classroom and on-the-job training. We also offer web-based training and educational programs. Online training enables us to reach a wide audience efficiently and consistently, and to monitor compliance with mandatory training.

Each year, we run group-wide programs to further develop our leadership and retail talent. These programs include:

- The Ahold Strategic Retail Leadership Development program. This is a customized leadership program to reinforce Ahold's leadership culture through the organization. It is also designed to communicate, align and implement the corporate strategy and to engage and retain key employees and accelerate talent development. The program was specifically designed for Ahold in partnership with the Harvard Business School (US) and the Saïd Business School of the University of Oxford (UK).
- The Ahold Retail Academy. The academy brings together a group of 35 talented managers each year for an intensive five-day course on retailing processes, internal and external retail best practices and key industry trends and developments. The program is organized in cooperation with Cornell University in the United States.
- The Ahold Management Program. This program prepares junior managers for the next step in their careers. It is organized in cooperation with Nyenrode Business University in the Netherlands and consists of four modules (12 days in total) focused on developing personal leadership skills and broadening retail knowledge.



### A competence-driven company

One of the most important goals of ICA's human resources strategy is to build the company's core competencies.

ICA has a training school in each country where it operates: Sweden, Norway and the Baltics. In total, ICA trained approximately 5,000 employees at these schools in 2009 in topics including store operations, retailing, food and leadership. In 2009, ICA established academies within each school focused on specific disciplines in the business to help managers develop special competencies, including leadership.

The first academy program provides basic to specialist level training in logistics and is intended to train approximately 1,300 employees per year. ICA is also developing training modules tailored to its various store formats.

## Our people – continued

### Health and safety

We support the health and well-being of our employees and work to provide a safe working environment.

Occupational health and safety is managed locally, and each operating company has programs in place to train employees.

Our operating companies have programs addressing health challenges that affect some of our employees, such as stress, tobacco addiction and weight management. For more information on our employee programs, see the Healthy living section of this report.

We promote healthy alternative meals in our employee canteens and provide fruit free of charge in a growing number of our office buildings. An increasing number of our operations offer free medical checks and vaccinations.

We also organize health and wellness activities related to our corporate responsibility strategy. For example, our operating companies sponsor employees to raise money for causes ranging from breast cancer to multiple sclerosis and participate in sporting events such as the annual Dam-to-Dam run in the Netherlands. For more information on our sponsorships, see the Community engagement section of this report.



### Showing our CR commitment from the start

In September 2009, Albert began educating all new store operations employees in its corporate responsibility strategy. A brochure containing a section on Albert's corporate responsibility focus areas, milestones, and key projects is now included in the materials given to every newly-hired employee. The company is also planning a similar brochure for new employees in its support office and supply chain.



## Our people – continued

### Diversity

As an international food retailer, we serve customers with different backgrounds, circumstances and needs. To serve them well, it is important that our workforce reflects the diversity of our customers and communities.

We see diversity as much broader than ethnicity or gender; it also includes differences such as age, background, education, experience and point of view. We value diversity at every level of our organization and recognize it as a key component of our continued success.

We mentor employees and organize support groups that promote diversity. These groups include Giant-Carlisle's Female Leadership Advisory Council, Giant-Landover's WAV (Women Adding Value) group and the ALANA Resource Group, a support group for employees of African-American, Latino/Hispanic, Asian/Pacific Islander and Native American/Alaskan origins.

#### Composition of the Ahold boards

	Male 2009	Female 2009	Male 2008	Female 2008
Corporate Executive Board	4	1	4	1
Supervisory Board <sup>1</sup>	5	3	4	3
<b>Total</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>4</b>

1. A new member was added to the Supervisory Board in 2009.

### Employees with special needs

We are committed to making a positive impact in the communities where we operate by employing people with special needs. These employees make a valuable contribution with their unique perspectives and the quality of their work. In the United States, Giant-Landover has been recognized by the Marriott Foundation for its work with developmentally challenged adults through the Bridges program. Albert Heijn has similar programs, including one that provides jobs to disabled young people, who are given extra support and supervision to help them make the most of their jobs. For more information, see the related case study.

ICA has been inspired by the Merry Hudik Theater in Sweden, that increases the visibility and involvement in society of people with functional disabilities. ICA and its association of retailers, Samhall (a company assigned to provide work to people with disabilities) and the Swedish Association of Local Authorities and Regions have launched a project in cooperation with the Merry Hudik Theater giving developmentally challenged people opportunities in ICA stores. ICA aims to employ 500 to 1,000 new employees through this program.



#### Giving access to jobs

Albert Heijn has two initiatives in place to help people find employment. One is the governmental "Wajong" initiative, which gives opportunities to developmentally challenged young people. Since 2007, Albert Heijn has been working to double the number of Wajong workers in its stores each year, aiming to reach an average of one person per store, or a total of 600 employees. The current figure exceeds 230 employees.

The second initiative is a pilot project in Amsterdam that aims to offer jobs, combined with training, to the long-term unemployed. Albert Heijn promotes this project together with the municipality of Amsterdam.

# How we drive corporate responsibility



Our corporate responsibility vision, policies, goals and measures are set globally by Ahold's Corporate Executive Board. Ahold's corporate responsibility goals and key performance indicators are developed through a combination of external research, studies on global trends and discussions with our key stakeholders.

## Corporate responsibility model and organization

Corporate responsibility at Ahold reports to the Corporate Executive Board through the Chief Corporate Governance Counsel. In 2008, we set up the Ahold Corporate Responsibility Steering Committee to integrate corporate responsibility into the day-to-day management of our businesses. This committee consists of senior representatives from each of our companies and the Corporate Center, and is chaired by the Chief Corporate Governance Counsel. The Steering Committee ensures that the executive teams of our companies are aware of, and support, the priorities we set. The committee also helps determine Ahold's corporate responsibility strategy.

A CR Lead Committee sets overall strategic goals and is chaired by the Vice President of Corporate Responsibility. This committee is comprised of the CR Leads for each operating company and Ahold's Corporate Center. The committee sets goals and follows progress within Ahold's four main corporate responsibility focus areas (Healthy Living, Sustainable Trade, Climate Action and Community Engagement).

A CR Coordinating Committee consists of representatives from each of our operating companies and Ahold's Corporate Center and is also chaired by the Vice President of Corporate Responsibility. This group focuses on how we deliver on our CR strategy and ensures expertise, information, and best practices are shared across the group.

A CR Data & Reporting Steering Committee consists of senior corporate responsibility, finance and legal executives from Ahold's Corporate Center. This committee ensures that the process of CR data definition and collection mirrors Ahold's financial data processes.

Ahold's corporate responsibility goals and key performance indicators are developed through a combination of external research, studies on global trends and discussions with our key stakeholders. We ensure that our goals and key performance indicators are relevant, achievable and fully integrated into the business. They challenge us to make clear and measurable improvements and, where possible, are based on quantifiable indicators. In 2009, the Ahold Corporate Executive Board reconfirmed the goals and key performance indicators published in the 2008 report, and again in this year's report.

## How we drive corporate responsibility – continued

### Policy statements

Ahold's corporate responsibility policies apply to all operating companies and the Corporate Center. In some cases, our policies vary depending on differences in legislation in the countries where we operate.

You can find more information on our website [www.ahold.com](http://www.ahold.com) about our policies on the following:



#### Healthy Living

- Alcohol
- Genetically Modified Organisms (GMO)/Biotechnology
- Organic food
- Tobacco
- Pornography
- Nanotechnology



#### Sustainable Trade

- Supply chain standards: child labor, human rights
- Animal welfare: animal testing, seafood



#### Climate Action

- Environment
- Waste management
- Plastic bags
- Biodiversity



#### Community Engagement

- Community involvement



#### Our people

- Code of conduct
- Equal opportunities
- Health and safety

We have included a number of examples in this report to illustrate how our policies are put into practice in our daily business.

## How we drive corporate responsibility – continued

### Corporate Affairs

Corporate Affairs at Ahold covers the company's activities in government relations, regulatory public affairs and participation in industry bodies and related organizations. Ahold's Corporate Affairs Council ensures a consistent approach to corporate affairs activities across the group by developing global policy and aligning activities and decision-making. The council reports to the CEO through its chair, the Senior Vice President, Group Communications and includes representatives from Ahold Europe, Ahold USA and the Corporate Center corporate responsibility department. Our corporate responsibility priorities are important drivers of our corporate affairs activities. The council is also responsible for overseeing Ahold's representation on industry bodies and trade associations. Ahold's CEO, John Rishton, for example, is a member of the board of The Consumer Goods Forum, a global retail and consumer goods industry body. Ahold is sponsoring two of the forum's strategic priorities: driving operational excellence and health and wellness.

#### Europe

In Europe, corporate affairs activity is conducted at a European, national and local level. Ahold Europe's Corporate Affairs function represents the company in dealings with legislative and regulatory bodies at the European and EU member state level, largely through membership and active participation in European trade associations, EuroCommerce, and the European Retail Round Table (ERRT). At a local level, Ahold Europe works with municipalities in the Netherlands to address social and economic problems in disadvantaged neighborhoods.

In 2009, our focus in Europe was to promote the retail sector's leadership role in sustainability by our participation in the Retailers' Environmental Action Programme (REAP) and its Retail Forum. REAP provides a basis for the retail sector to stimulate innovation and environmental action across the European Union. Its Retail Forum provides a platform to identify opportunities and challenges for climate action, share best practices and knowledge, and report on progress being made.

In a project with the ERRT and its members, Ahold published the progress we have made in increasing energy efficiency in our stores. ERRT members have committed to reduce energy consumption per square meter by 20 percent and to work towards sourcing more than 20 percent renewable energy by 2020.

## How we drive corporate responsibility – continued

Through our involvement in the Food Policy Committee of EuroCommerce, Ahold actively participates in policy discussions on issues such as product labeling, nutritional and health claims, poultry marketing, food safety, seafood, animal health and welfare, animal by-products and animal cloning.

Ahold is a founding member of the European Alcohol and Health Forum, which aims to develop an EU strategy to support member states in reducing alcohol-related problems.

### United States

In the United States, the majority of our corporate affairs activities are conducted through a Government Affairs function which represents the interests of our businesses to legislative and regulatory bodies at the federal, state and local level. Management employees serve on the boards or committees of food trade and other organizations to advance Ahold USA's legislative and regulatory goals. Ahold USA also partners with groups such as the Food Marketing Institute (FMI) on initiatives tied to its corporate responsibility priorities.

In 2009, Ahold USA's Government Affairs function focused on several CR-related initiatives. We contributed to the U.S. House of Representatives and Senate proposals to reform food safety regulations. Our businesses also cooperated with the U.S. Department of Agriculture (USDA), Food and Drug Administration (FDA), and other agencies on projects to understand risks to our food supply. Through FMI, we actively contributed to legislation to regulate packaging containing bisphenol A (known as "BPA"). We also participated in a major initiative for harmonization of standards for Good Agricultural Practices.

In the area of climate action, Ahold USA provided input through the FMI Energy and Technical Services Committee to the Environmental Protection Agency (EPA) on pending changes to regulations covering the use of ozone depleting substances. Regionally, our companies participated on the Massachusetts Department of Environmental Protection Solid Waste Advisory Committee to provide guidance on organics recycling and worked with industry and state officials in several states on programs for plastic bag recycling and to promote the use of reusable bags.

Ahold USA is active on healthy living initiatives, including participating on the Center for Disease Control planning committee for reducing sodium in foods and serving as a corporate partner with the USDA Center for Nutrition Policy and Promotion. We also participate on federal and state advisory panels for the Nutrition Program for Women, Infants and Children (WIC), which safeguards the health of low-income individuals who are at nutritional risk.

## How we drive corporate responsibility – continued

## Global associations



African Cashew Alliance (ACA)



British Retail Consortium (BRC) – Global Standards Technical Advisory Committee



Business Social Compliance Initiative (BSCI)



Carbon Disclosure Project



Consumer Goods Forum



Dow Jones Sustainability Index (DJSI)



Global Food Safety Initiative (GFSI)



Global Social Compliance Program (GSCP)



GlobalG.A.P.



GS1



Certified Sustainable Seafood MSC



Roundtable on Sustainable Palm Oil (RSPO)



Roundtable on Responsible Soy (RTRS)



Sustainable Consumption Institute



UTZ CERTIFIED



World Wildlife Fund (WWF)



## How we drive corporate responsibility – continued

### European associations



Efficient Consumer Response (ECR)



EuroCommerce



European Retail Round Table (ERRT)



Wageningen University and Research Centre

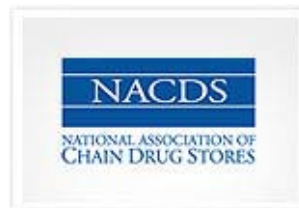
### US associations



Chicago's Shedd Aquarium



Food Marketing Institute (FMI)



National Association of Chain Drug Stores (NACDS)



National Retail Federation (NRF)



New England Aquarium



Produce Marketing Association

# How we measure and report corporate responsibility



Ahold is committed to accurate measurement and transparent reporting. We have processes in place to measure our performance in corporate responsibility and report this to our stakeholders through our annual corporate responsibility report.

## About our corporate responsibility report

Ahold's 2009 Corporate Responsibility Report provides a view of the company's corporate responsibility strategy, practices and performance for the period from December 31, 2008 to January 3, 2010. Compared to 2008, the period covered in 2009 comprised 53 weeks instead of 52. As a result, we have added relative indicators to some of the tables (natural gas consumption, electricity consumption, carbon emissions, waste and water consumption) in order to accurately compare the two years.

Ahold has been publishing corporate responsibility reports since 1998, and has been doing so annually since 2007. This is our eighth report.

## Global Reporting Initiative

The Global Reporting Initiative (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 corporate responsibility reporting. The guidelines developed by the GRI guide Ahold's approach to corporate responsibility reporting.

The GRI framework outlines several levels of reporting compliance, depending on a company's capabilities and ambitions. In 2009, we have reported according to the GRI G3 Guidelines complying with the B+ level. A summary of our compliance is included in the GRI cross-reference table in this report. This year's report has been reviewed by Ahold's external auditors, Deloitte Accountants B.V. They have provided an external assurance report, which can be found at the end of this report. This has enabled us to achieve application level B+ this year, a step up from application level B in 2008.

## How we measure and report corporate responsibility – continued

### Process

In 2009, we continued to improve the way we measure our corporate responsibility data. We further aligned our definitions with the GRI G3 Guidelines. In 2009, we developed a system to be able to compare data year over year to follow trends. We advanced our reporting system to consolidate the data from our operating companies. This has enabled us to improve the consistency and reliability of our data. In this year's report, we compare data from 2009 with 2008. Data from reports before 2008 cannot be included without extensive explanations or adjustments, as our definitions have since changed and the scope of those data was limited.

A CR Reporting Lead at each operating company was responsible for coordinating the compilation of corporate responsibility data and reporting it to Ahold's Corporate Center. These CR Reporting Leads are responsible for accurate, complete and timely reporting in line with the procedures, definitions and guidelines issued by Ahold's Corporate Center. The data provided by ICA has been adjusted to align with Ahold's definitions. In some tables, ICA data has been excluded due to the following reasons: the data is not measured and therefore not reported (see Fuel consumption and Water consumption tables), the measure is not applicable due to non-consumption (see Natural gas consumption table), or the data is incompatible with the scope (Waste in kg per square meter of sales area).

This corporate responsibility report includes data on topics that include healthy living, organic and Fairtrade products, charitable donations and our workforce. It also outlines our fuel, gas and electricity consumption, and data on our total leakage of refrigerants, CO<sub>2</sub> emissions, water consumption, and total weight of waste. Where required and possible, within reason, extrapolations or estimates have been given. For example, extrapolations of franchised stores are based on comparable owned stores.

The data in this report was subject to internal review procedures. With respect to the data on our outsourced distribution centers in the United States, third-party data was included that was not subject to our internal review procedures

### Scope

We have reporting systems in place to collect qualitative and quantitative information from our operating companies. This report covers our main operating companies as well as ICA, which also plays an important role in developing our CR strategy and sharing best practices in corporate responsibility. The data excludes the entities Ahold Coffee Company, Peapod, Etos, Gall & Gall and Albert.nl, unless otherwise indicated in the report, as these are smaller entities within our business and the data is not material for this report.

We report on indicators specific to:

- Stores (owned and franchised);
- Distribution centers (owned and outsourced; except for Albert Heijn's four outsourced distribution centers);
- Transportation (owned and outsourced) from distribution centers to stores.

These locations and activities represent the majority of our operations. Direct store deliveries, business travel and offices do not fall within the scope of this report.

## How we measure and report corporate responsibility – continued

### Measuring

We have in place a uniform, company-wide system to collect information to track and evaluate our performance. The data collected in 2008 provided a baseline against which to measure progress in 2009 and beyond. We expect to add more indicators in the future as they become relevant to society and/or our operations.

Progress in achieving our CR goals is evaluated at business reviews between operating company management teams and Ahold's Corporate Executive Board.

### 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 all the elements is not measured in CO<sub>2</sub> kilograms but in different units, conversion factors are used. Therefore the data are different to the fuel, gas, electricity consumption and leakage of refrigerant substances tables. For electricity each country has its own conversion factor. The electricity conversion factors have changed, as they are updated each year. Our sources for converting kWh are the International Energy Agency (IEA) for Europe and the Environmental Protection Agency (EPA) for the United States. The previous EPA conversion factors we used were not complete, due to a correction made by the EPA in their calculations in 2008. This impacted the CO<sub>2</sub> total for electricity in 2008 and our total CO<sub>2</sub> consumption by 93,000 tonnes of CO<sub>2</sub>. In the tables found in the Climate Action chapter we recalculated the total CO<sub>2</sub> consumption for 2008. The increase is 3.8 percent, based on the updated conversion factors for 2009. At comparable electricity conversion factors the increase in CO<sub>2</sub> for 2009 is 114,000 tonnes (4.4 percent). Every year the base year 2008 and comparable years will be recalculated using the latest available electricity CO<sub>2</sub> conversion factors.

### 2008 data revisions

On the basis of updated conversion factors for CO<sub>2</sub>, the 2008 baseline for this report has been adjusted. New insights after year-end 2008 led to revisions of the following 2008 quantitative data:

- Albert Heijn: Contributions and donations;
- Albert/Hypernova: Waste;
- Stop & Shop/Giant-Landover: Contributions and donations;
- Giant-Carlisle: Water consumption;
- ICA: Electricity consumption, Leakage of refrigerant substances and Waste by type.

The adjustments and any related explanations are reflected in the corresponding tables in this report.

# Group highlights<sup>1</sup>

In 2009, we made good progress with our strategy for sustainable profitable growth. Highlights include:

## Ahold

**€27.9**  
BILLION

Net sales of €27.9 billion, an increase of 6.0 percent at constant exchange rates

**€1.3**  
BILLION

Operating income of €1.3 billion, up €95 million or 7.9 percent from 2008

**5.1%**

Underlying retail operating income was €1.4 billion, or 5.1 percent of net sales, consistent with our mid-term target of 5 percent

**€0.23**

We proposed a dividend of €0.23 per common share, up 28 percent compared to last year's dividend

**2009**  
CORPORATE RESPONSIBILITY  
REPORT

We have commissioned a third-party review of our corporate responsibility report for the first time

### Net sales (€ million, % of group total)

Albert Heijn			
09		9,843	35.2%
08		8,972	35.0%
Albert/Hypernova			
09		1,683	6.0%
08		1,772	6.9%
Stop & Shop/Giant-Landover			
09		12,839	46.0%
08		11,666	45.5%
Giant-Carlisle			
09		3,560	12.8%
08		3,238	12.6%

### Retail operating income (€ million, % of group total)

Albert Heijn			
09		654	48.1%
08		647	50.0%
Albert/Hypernova			
09		(76)	(5.6)%
08		1	0.1%
Stop & Shop/Giant-Landover			
09		625	46.0%
08		485	37.5%
Giant-Carlisle			
09		157	11.5%
08		160	12.4%

1. For a better understanding of the company's financial position and results, we refer to the company's Annual Report which is available at [www.ahold.com](http://www.ahold.com)

## Group highlights – continued

### Ahold Europe

- Albert Heijn continued the roll-out of its new supermarket format and launched a new label for responsible products, AH puur&eerlijk;
- Albert Heijn's XL store was named best supermarket in the Netherlands;
- Etos was named the best drugstore and best drugstore chain in the Netherlands;
- Gall & Gall rebranded and refreshed all of its stores by mid 2009;
- Albert/Hypernova completed the rebranding of its Hypernova stores to the Albert brand in the Czech Republic;
- Albert closed 23 underperforming stores and downsized 12 hypermarkets in the Czech Republic.

### Ahold USA

- Stop & Shop/Giant-Landover:
  - Launched a new value initiative to further increase revenue and profitability;
  - Named winner of Supermarket News' Retail Excellence Award 2009;
  - Giant-Landover continued Project Refresh, bringing the total for store remodels to 65 out of approximately 100 planned for this program;
- Giant-Carlisle/Martin's:
  - Showed strong volume growth as a result of successful price improvement program;
  - Agreed to purchase 25 Ukrop's Super Markets, and opened the third Giant Super Store.



# Our brands

## Albert Heijn / Etos / Gall & Gall



Albert Heijn is the leading food retailer in the Netherlands and one of the country's best-known brands. In 2009, Albert Heijn increased its number of stores and continued to grow sales and market share by providing value and an extensive range of private label products. Albert Heijn is also innovating its store formats and its offering to meet changing customer needs and local preferences.

Albert Heijn supermarkets, together with Etos, Gall & Gall, the home shopping service albert.nl and the Ahold Coffee Company comprise the entity known as Albert Heijn.

### Albert Heijn B.V.

**Established:** 1887

**Joined Ahold:** The Ahold group was established by Albert Heijn

**Market area:** The Netherlands, Europe

**Store formats:** Compact hypermarkets, supermarkets, convenience stores and home shopping.

**Private labels include:** AH Huismerk (house brand), AH Excellent, AH puur&eerlijk (responsible choices), and Euroshopper



Etos is a leading health and beauty retailer in the Netherlands, offering shoppers a wide selection of quality health and beauty products at affordable prices and service from knowledgeable employees.

In 2009, Etos was awarded both Best Drugstore, for the second year in a row, and Best Drugstore Chain in the Netherlands. During the year, the company focused on improving its price perception to enhance its positioning in the market.

### Etos B.V.

**Established:** 1918

**Joined Ahold:** 1974

**Market area:** The Netherlands, Europe

**Store formats:** Drugstores

**Private labels include:** Etos Huismerk (house brand) and Etos Voordeelselectie (value selection)



Gall & Gall is the leading wine and liquor specialist in the Netherlands, and in 2009 celebrated its 125 year anniversary.

During the year, as part of its repositioning strategy, Gall & Gall introduced a new brand identity and refreshed all its stores to make them more appealing to customers. Store employees were also given additional training to provide quality service and advice to different customer groups.

Gall & Gall also began the roll-out of a new wine and liquor store format to make its stores more friendly and accessible and simpler to shop.

### Gall & Gall B.V.

**Established:** 1884

**Joined Ahold:** 1989

**Market area:** The Netherlands, Europe

**Store formats:** Wine and liquor stores

**Private labels include:** Range of selected Gall & Gall private label wines and spirits

## Our brands – continued

### Albert and Hypernova



Albert and Hypernova are among the best-known food retail brands in the Czech Republic and Slovakia.

In 2009, the company finished rebranding all of its Hypernova stores in the Czech Republic to one brand, Albert, to achieve a stronger position in the market. Its offering, particularly fresh food and private label, is playing an important part in strengthening the brand. In response to changing consumer preferences and trends in the Czech Republic, the company streamlined its store portfolio and downsized 12 former large hypermarkets to its compact hyper format. In both countries, Albert/Hypernova also invested in lowering prices to change customer perception of its value proposition.

#### Albert/Hypernova

**Established:** Ahold Czech Republic (1991), Ahold Retail Slovakia (2001)

**Market area:** The Czech Republic and Slovakia, Europe

**Store formats:** Hypermarkets, compact hypermarkets and supermarkets

**Private labels include:** Albert Quality, Albert Excellent, Albert Bio, Euroshopper

## Our brands – continued

### Stop & Shop / Giant-Landover / Peapod



Stop & Shop is a leading supermarket brand, operating in six states in the northeast United States. In 2009, the company launched a new value initiative to further increase revenue and profitability. The initiative involved the launch of a new loyalty card program, new in-store signage, and sharpening promotional activity.

#### The Stop & Shop Supermarket Company LLC

**Established:** 1914

**Joined Ahold:** 1996

**Market area:** Connecticut, Massachusetts, New Hampshire, New Jersey, New York and Rhode Island, in the United States

**Store formats:** Supermarkets and superstores

**Private labels include:** Stop & Shop, Nature's Promise, Simply Enjoy, CareOne, Guaranteed Value



Giant-Landover is a leading supermarket brand, operating in four states in the mid-Atlantic United States. In 2009, the company launched a new value initiative to further increase revenue and profitability. The initiative involved the launch of a new loyalty card program, new in-store signage, and sharpening promotional activity.

Giant-Landover's three-year "Project Refresh" program launched in 2008 continued, with 34 stores remodeled, bringing the total to 65 out of the approximately 100 stores planned as part of the program.

#### Giant of Maryland LLC

**Established:** 1936

**Joined Ahold:** 1998

**Market area:** Virginia, Maryland, Delaware and the District of Columbia, in the United States

**Store formats:** Supermarkets and superstores

**Private labels include:** Giant, Nature's Promise, Simply Enjoy, CareOne, Guaranteed Value, Cottontails, Simply Dry and Companion



Peapod is an online grocery delivery service working in partnership with Stop & Shop and Giant-Landover. It also serves the metropolitan areas of Chicago, Illinois; Milwaukee and Madison, Wisconsin; and the northern areas of Indiana. Sales figures for Peapod are included in the sales figures of Stop & Shop/Giant-Landover.

The company celebrated its 20th anniversary in 2009 by donating over 20,000 pounds of food to the Chicago Food Depository.

#### Peapod, LLC

**Established:** 1989

**Joined Ahold:** 2000

**Market area:** Connecticut, District of Columbia, Illinois, Indiana, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Virginia and Wisconsin, in the United States

**Store formats:** Online grocery ordering and delivery

## Our brands – continued

### Giant-Carlisle / Martin's



Giant-Carlisle is a leading supermarket chain in the mid-Atlantic United States. It operates grocery stores in four states under the names of Giant Food Stores and Martin's Food Markets. In November 2009, Rick Herring was appointed Division President of Giant-Carlisle.

In December 2009, Ahold announced that Giant-Carlisle would acquire 25 Ukrop's Super Markets, expanding its presence in Virginia. Giant-Carlisle continues to grow its business through acquisitions, new store openings, and innovative format development.

#### Giant Food Stores, LLC

**Established:** 1923

**Joined Ahold:** 1981

**Market area:** Pennsylvania, Virginia, Maryland and West Virginia in the United States

**Store formats:** Supermarkets and super stores

**Private labels include:** Giant, Nature's Promise, Simply Enjoy, CareOne, and Guaranteed Value

### Joint ventures



In April 2000, Ahold acquired a 50 percent partnership stake in ICA AB ("ICA"), which in turn owns the ICA group. In November 2004, the Company increased its stake in ICA to 60 percent. Under the shareholders' agreement with the other shareholder Ahold has no unilateral decision-making authority over ICA. Decision making is based on mutual consent.

ICA is a food retail group, headquartered in Stockholm, Sweden. As of year end 2009, ICA served over 2,300 retailer-owned and company-operated food stores in Sweden, Norway and the Baltic States. ICA also provides limited consumer financial services in Sweden through its bank.

## Corporate Executive Board



**John Rishton**  
Chief Executive Officer



**Kimberly Ross**  
Executive Vice President and Chief  
Financial Officer



**Dick Boer**  
Executive Vice President and Chief  
Operating Officer Ahold Europe



**Lawrence Benjamin**  
Executive Vice President and Chief  
Operating Officer Ahold USA



**Lodewijk Hijmans van den Bergh**  
Executive Vice President and Chief  
Corporate Governance Counsel  
Acting member and nominee to  
the Corporate Executive Board

## Supervisory Board



**René Dahan, Chairman**  
Chairman of the Selection and  
Appointment Committee



**Tom de Swaan, Vice-Chairman**  
Chairman of the Audit Committee



**Karen de Segundo**



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



**Stephanie M. Shern**



**Judith Sprieser**



**Mark McGrath**



**Ben Noteboom**

# Glossary

## Air curtains

An invisible air barrier that controls the inside temperatures of, for example, freezers and refrigerated cases.

## ASC

Aquaculture Stewardship Council. An international multi-stakeholder initiative offering the first credible aquaculture consumer label that assures companies with sustainable standards. The ASC is expected to be fully operational by 2011.

## Biodiversity

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

## BRC

British Retail Consortium. The trade association for the UK retail industry.

## BSCI

Business Social Compliance Initiative. A non-profit organization, supporting more than 250 international companies in the process of monitoring and improving working conditions in the global value chain.

## 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

Chlorinated fluorocarbon.

## CO<sub>2</sub>

Carbon dioxide.

## 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.

## 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.

## Copenhagen Communiqué

A statement that builds on the outputs of numerous business-led initiatives on climate change from 2007 onwards. The communiqué calls on world leaders to agree on an ambitious, robust, and equitable global deal at the United Nations Summit on climate change held in Copenhagen in December 2009.

## 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.

## EuroCommerce

The European commercial trade association that represents the retail, wholesale and international trade sectors. Its membership includes European and national associations representing specific commerce sectors as well as individual companies.

## Fairtrade

Fairtrade contributes to sustainable development by offering optimal trade conditions to disadvantaged producers (essentially in the countries of the southern hemisphere) and by protecting their rights.

## FDA

U.S. Food and Drug Administration.

## Fermentation

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

## FMI

Food Marketing Institute. A retail organization that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its member companies.

## GFSI

Global Food Safety Initiative. A collaboration between leading food safety experts from across the food industry that sets requirements for food safety schemes through a benchmarking process in order to improve cost efficiency throughout the food supply chain.

## GRI

Global Reporting Initiative. An international multi-stakeholder initiative that provides an international standard for environmental and social reporting and defines guidelines and key performance indicators.

## GlobalGAP

Global Good Agricultural Practice. A private sector body that sets voluntary standards for the certification of agricultural products around the globe.

## GSCP

Global Social Compliance Programme. A Consumer Goods Forum-driven program for companies that want to harmonize their existing efforts in order to deliver a shared, consistent and global approach for the continuous improvement of working conditions in global supply chains.



## Glossary – continued

### Greenhouse gas

Gasses 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.

### Incineration

The burning of trash and garbage.

### IEA

The 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 Organisation. A United Nations specialized agency that seeks the promotion of social justice and internationally recognized human and labor rights.

### Kilowatt

Equal to one thousand watts, the kilowatt is typically used to state the power output of engines and the power consumption of tools and machines.

### Kilowatt hour (kWh)

A unit of energy. Energy delivered by electric utilities is usually 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. An independent non-profit global organization created in order to find a solution to the problem of overfishing. MSC has developed an international standard for sustainable, well-managed fishing.

### NA

Not applicable.

### NGO

Non-governmental organization.

### NR

Not reported.

### Operating company

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

### Organic product

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

### Private label

Private labels are defined as corporate brands, exclusive brands, store brands and non-branded products (in short, every product that is not a national brand).

### Risk products

High-risk products: Products that have product specific safety legislation and are required to be manufactured under hygienic conditions either by law or to prevent microbiological or other contamination that has the potential to cause serious injury or death during normal or foreseeable use of the product.

Medium-risk products: Products that have product specific safety legislation or mandatory / harmonized product standards and/or products that have the potential to cause serious injury or death if they fail during normal or foreseeable use.

### 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.

### RTRS

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

### SAAS

Social Accountability Accreditation Services. An accreditation agency founded to accredit and monitor organizations as certifiers of compliance with social standards.

### Stakeholders

All of the various 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

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." Bruntland Commission, "Our Common Future," 1987.

### Svenskt Sigill (Swedish Seal of Quality)

A quality label for assured food. The label guarantees that food has been produced on farms that follow strict criteria for safe food, animal welfare and responsibility for the environment.

### UTZ CERTIFIED

A certification scheme for responsible coffee, tea and cocoa production and sourcing.

### WIC

The Special Supplemental Nutrition Program for Women, Infants, and Children. A program that serves to safeguard the health of low-income women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care.

### 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.

# GRI cross-reference table

## Strategy and analysis

GRI measure	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.	Message from our CEO	Yes
1.2 Description of key impacts, risks, and opportunities.	AR: How we manage risks AR: Our strategy <i>Balancing people, planet and profit:</i> The core of our business Our world Our priorities	Yes

## Organizational profile

GRI measure	Where to look	Included
2.1 Name of the organization.	Title page Contact information	Yes
2.2 Primary brands, products, and/or services.	Our brands	Yes
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	AR: Our strategy – organizational structure Our brands	Yes
2.4 Location of organization's headquarters.	AR: Our strategy – organizational structure Contact information	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.	AR: Group at a glance Our brands	Yes
2.6 Nature of ownership and legal form.	AR: Share capital AR: Shares and shareholders' rights	Yes
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	AR: Group at a glance	Yes
2.8 Scale of the reporting organization	AR: Group at a glance AR: Group performance Our people Our brands	Yes
2.9 Significant changes during the reporting period regarding size, structure, or ownership	AR: Share capital AR: Financial Statements AR: Notes to the consolidated financial statements	Yes
2.10 Awards received in the reporting period.	Group highlights <i>Climate action:</i> How we operate <i>Our people:</i> Remuneration policy Employees with special needs	Yes

## GRI cross-reference table – continued

### Report parameters

GRI measure	Where to look	Included
<b>Report profile</b>		
3.1 Reporting period	<i>How we measure and report corporate responsibility:</i> About our corporate responsibility report	Yes
3.2 Date of most recent previous report	<i>How we measure and report corporate responsibility:</i> About our corporate responsibility report <a href="http://www.ahold.com/en/responsible">http://www.ahold.com/en/responsible</a>	Yes
3.3 Reporting cycle	<i>How we measure and report corporate responsibility:</i> About our corporate responsibility report	Yes
3.4 Contact point for questions regarding the report or its contents.	<i>Supplementary information:</i> Contact information	Yes
<b>Report scope and boundary</b>		
3.5 Process for defining report content	<i>Balancing people, planet and profit:</i> Sharing the responsibility <i>How we measure and report corporate responsibility:</i> Global Reporting Initiative Process	Yes
3.6 Boundary of the report	<i>How we measure and report corporate responsibility:</i> Process Scope	Yes
3.7 State any specific limitations on the scope or boundary of the report	<i>How we measure and report corporate responsibility:</i> Process Scope	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>How we measure and report corporate responsibility:</i> Process Scope	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>How we measure and report corporate responsibility:</i> Process Measuring 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>How we measure and report corporate responsibility:</i> CO <sub>2</sub> conversion factors 2008 data revisions	Yes
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	<i>How we measure and report corporate responsibility:</i> Process	Yes
<b>GRI content index</b>		
3.12 Table identifying the location of the Standard Disclosures in the report	GRI cross-reference table	Yes
<b>Assurance</b>		
3.13 Policy and current practice with regard to seeking external assurance for the report.	<i>How we measure and report corporate responsibility:</i> Global Reporting Initiative External Assurance Report	Yes

## GRI cross-reference table – continued

### Governance, commitments and engagement

GRI measure	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.	AR: Our leadership AR: Corporate Governance AR: Supervisory Board report	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).	AR: Our leadership AR: Corporate Governance AR: 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.	AR: Shares and shareholders' rights <a href="http://www.ahold.com/en/investors">http://www.ahold.com/en/investors</a> Contact information	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: Remuneration AR: Corporate Governance	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 AR: 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.	<a href="http://www.ahold.com/en/about/corporate-governance">http://www.ahold.com/en/about/corporate-governance</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 drive corporate responsibility:</i> Corporate responsibility model and organization AR: Corporate Governance AR: Risk management and internal control AR: 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 drive corporate responsibility:</i> Global associations European associations U.S. associations	Yes
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	<i>How we drive corporate responsibility:</i> Global associations European associations U.S. associations Corporate Affairs <i>Sustainable trade:</i> Social compliance Critical commodities	Yes

## GRI cross-reference table – continued

GRI measure	Where to look	Included
<b>Stakeholder engagement</b>		
4.14 List of stakeholder groups engaged by the organization.	<i>Balancing people, planet and profit:</i> Sharing the responsibility	Yes
4.15 Basis for identification and selection of stakeholders with whom to engage.	<i>Balancing people, planet and profit:</i> Sharing the responsibility	Yes
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<i>Balancing people, planet and profit:</i> Sharing the responsibility Contact information	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>Balancing people, planet and profit:</i> Sharing the responsibility	Yes

## Economic performance indicators

GRI measure	Where to look	Included
<b>Aspect: Economic performance</b>		
<b>Management approach to economic responsibility</b>	AR: Financial statements AR: Notes to the consolidated financial statements AR: How we manage risk Our brands <i>Climate action:</i> Minimizing the footprint	Yes
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>Community engagement:</i> Quantitative data Table Contributions and donations AR: Financial statements	Yes
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	AR: How we manage risk <i>Balancing people, planet and profit:</i> Our world Climate action chapter	Yes
EC3 Coverage of the organization's defined benefit plan obligations.	AR: Note 23 Pensions and other post-employment benefits <i>Our people:</i> Attracting and retaining employees	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	<i>Sustainable trade:</i> Buying close to home	Partially
<b>Aspect: Indirect economic impacts</b>		
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	<i>Balancing people, planet and profit:</i> Our world Our priorities	Yes

## GRI cross-reference table – continued

### Environmental performance indicators

GRI measure	Where to look	Included
<b>Aspect: Energy</b>		
<b>Management approach on environmental responsibility</b>	<i>Balancing people, planet and profit:</i> Our world Sharing responsibility <i>Climate action:</i> Minimizing the footprint Objectives and goals How we communicate Quantitative data <i>How we drive corporate responsibility:</i> Corporate responsibility model and organization Policy statements <i>How we measure and report corporate responsibility:</i> Scope	Yes
EN3 Direct energy consumption by primary energy source.	<i>Climate action:</i> Quantitative data Table Fuel consumption Table Natural gas consumption	Yes
EN4 Indirect energy consumption by primary source.	<i>Climate action:</i> Quantitative data Table Electricity consumption	Yes
EN5 Energy saved due to conservation and efficiency improvements.	<i>Climate action:</i> How we operate – In store activities – Distribution center activities – Transportation activities Quantitative data Table Electricity consumption Table Natural gas consumption Table Fuel consumption	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>Climate action:</i> How we operate The products we sell	Yes
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	<i>Climate action:</i> How we operate The products we sell	Yes
<b>Aspect: Water</b>		
EN8 Total water withdrawal by source.	<i>Climate action:</i> Quantitative data Table Water consumption	Yes
<b>Aspect: Emissions, effluents, and waste</b>		
EN16 Total direct and indirect greenhouse gas emissions by weight.	<i>Climate action:</i> Quantitative data Table Carbon dioxide emissions (CO <sub>2</sub> ) Climate action	Yes
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Climate action chapter	Yes



## GRI cross-reference table – continued

GRI measure	Where to look	Included
EN19 Emissions of ozone-depleting substances by weight.	<i>Climate action:</i> Quantitative data Table Leakage of refrigerant substances	Partially*
EN22 Total weight of waste by type and disposal method.	<i>Climate action:</i> Quantitative data Table Waste Table Waste by type (tonnes) Table Total waste in % by disposal method	Yes
<b>Aspect: Products and services</b>		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<i>Climate action:</i> The products we sell	Partially

\*We expect to develop a policy on the usage of CFCs in our refrigerants in 2010.

## Social performance: labor practices and decent work

GRI measure	Where to look	Included
<b>Aspect: Employment</b>		
<b>Management approach on labor and work responsibility</b>	<i>Sustainable trade:</i> Ensuring responsibility in the supply chain Objectives and goals Social compliance Critical commodities <i>How we drive corporate responsibility:</i> Corporate responsibility model and organization Policy statements	Yes
LA1 Total workforce by employment type, employment contract, and region.	<i>Our people:</i> Table Employment type Table Workforce	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 people:</i> Table Age Graph Gender Table Composition of the Ahold boards AR: Our Leadership	Yes

## Human rights performance indicators

GRI measure	Where to look	Included
<b>Aspect: Investment and procurement practices</b>		
<b>Management approach on human rights responsibility</b>	<i>Sustainable trade:</i> Ensuring responsibility in the supply chain Objectives and goals Social Compliance <i>How we drive corporate responsibility:</i> Corporate responsibility model and organization Policy statements	Yes
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	<i>Sustainable trade:</i> Social compliance	Partially

## GRI cross-reference table – continued

GRI measure	Where to look	Included
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	<i>Sustainable trade:</i> Social compliance	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.	AR: How we manage risk <i>Sustainable trade:</i> Social compliance <a href="http://www.ahold.com/en/about/corporate-governance/code-conduct">http://www.ahold.com/en/about/corporate-governance/code-conduct</a>	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.	AR: How we manage risk <i>Sustainable trade:</i> Social compliance <a href="http://www.ahold.com/en/about/corporate-governance/code-conduct">http://www.ahold.com/en/about/corporate-governance/code-conduct</a>	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.	AR: How we manage risk <i>Sustainable trade:</i> Social compliance <a href="http://www.ahold.com/en/about/corporate-governance/code-conduct">http://www.ahold.com/en/about/corporate-governance/code-conduct</a>	Yes

## Public policy

GRI measure	Where to look	Included
<b>Management approach on societal responsibility</b>	AR: Financial statements AR: Notes to the consolidated financial statements <i>Community engagement:</i> Making an active contribution Objectives and goals <i>How we drive corporate responsibility:</i> Corporate responsibility model and organization Policy statements Corporate Affairs	Yes
S03 Percentage of employees trained in organization's anti-corruption policies and procedures.	<i>How we drive corporate responsibility:</i> Policy statements <a href="http://www.ahold.com/en/about/corporate-governance/code-conduct">http://www.ahold.com/en/about/corporate-governance/code-conduct</a>	Partially
S05 Public policy positions and participation in public policy development and lobbying.	<i>How we drive corporate responsibility:</i> Policy statements	Yes

## GRI cross-reference table – continued

### Social performance: product responsibility

GRI measure	Where to look	Included
<b>Aspect: Customer health and safety</b>		
<b>Management approach on product responsibility</b>	<i>Healthy living:</i> Objectives and goals Information and education Quantitative data <i>Sustainable trade:</i> Objectives and goals Product safety Critical commodities <i>How we drive corporate responsibility:</i> Corporate responsibility model and organization	Yes
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.	<i>Sustainable trade:</i> Product Safety Food safety	Yes
<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.	<i>Sustainable trade:</i> Product Safety Social compliance	Partially
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<i>Healthy living:</i> How customers view us	Yes
<b>Aspect: Marketing communications</b>		
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<i>How we drive corporate responsibility:</i> Policy statements Corporate Affairs	Partially
<b>Non-gri specific measures</b>		
Number of Healthy Living products	<i>Healthy living:</i> Healthy products and product labeling Quantitative data Table Healthy choice products	Yes
Children educated through Healthy Living programs	<i>Healthy living:</i> Information and education Quantitative data Table Children educated through healthy living programs	Yes
Number of organic products	<i>Healthy living:</i> Organic products Quantitative data Table Certified organic products at year end	Yes
Number of Fairtrade products	<i>Sustainable trade:</i> Critical commodities Quantitative data Table Fairtrade-certified products at year end	Yes

# External Assurance Report

To the Shareholders, Supervisory Board and Corporate Executive Board of Koninklijke Ahold N.V.

## Introduction

We have been engaged by the Corporate Executive Board of Koninklijke Ahold N.V. ("Ahold" or "the Company") to review the content of the Corporate Responsibility Report 2009 (further referred to as the "Report") as explained in the "Scope" section of the Report on page 56. The Corporate Executive Board of Ahold is responsible for the activities regarding corporate responsibility and for the preparation of the Report, which has been prepared in accordance with the G3 Guidelines issued by the Global Reporting Initiative ("GRI") and specific measurement and reporting principles developed by Ahold as disclosed in the Report. Our responsibility is to express a conclusion on the Report based on our review. Considering the risk of material error, a multi-disciplinary team of corporate responsibility and assurance specialists planned and performed the work to obtain all the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

## The scope of the review

We have performed the review in accordance with Standard 3410 "Assurance engagements relating to sustainability reports" of the Royal NIVRA in the Netherlands. Our review is limited to the information related to 2009 and does not cover previous periods. A limited review consists of making inquiries, primarily of persons responsible for corporate responsibility matters and for preparing the Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch law and other generally accepted auditing standards. The procedures performed in a limited review do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The criteria used in the course of performing review procedures are based on applicable parts of the G3 Guidelines issued by GRI suitable for the Report, and specific measurement and reporting principles developed by Ahold as disclosed in the Report. Our limited review has been based on an assessment of materiality and risk and included the following review procedures:

- Obtained knowledge and understanding of Ahold's corporate responsibility organization and activities;
- Assessed the suitability and application of criteria in respect to stakeholders information;
- Assessed the Company's stated application level according to GRI's guidelines;
- Reviewed applicable documents for correctness, completeness and sufficiency in support of information disclosed in the Report;
- Performed an analytical review of reported information; and
- Reviewed information disclosed in the Report for consistency with information disclosed in the Company's 2009 Annual Report.

## Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that the Corporate Responsibility Report 2009 of Koninklijke Ahold N.V. has not, in all material aspects, been prepared in accordance with the above stated criteria.

Deloitte Accountants B.V.

M.R. van Leeuwen  
Amsterdam, The Netherlands

March 3, 2010

# Contact information

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We welcome your comments to our CR report!

Contact – Corporate Responsibility team

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## Cautionary notice

This CR Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements.

Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, including but not limited to, Ahold's ability to further augment its corporate responsibility reporting abilities and to develop systems to enhance its capacity to provide consistent group-wide information in future reports, Ahold's ability to retain and attract personnel who are integral to the success of the business, Ahold's IT outsourcing and information security, Ahold's ability to address corporate responsibility issues, compliance, regulatory and litigation risks, the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold's ability to implement and complete successfully its plans and strategies and to meet its targets, the benefits from Ahold's plans and strategies being less than those anticipated, changes in Ahold's liquidity needs, the actions of competitors and third parties, and other factors discussed in Ahold's Annual Report 2009, risk management and internal control, risk factors and in Ahold's other public filings.

Accordingly, this CR Report is subject to this notice and the How we measure and report corporate responsibility section in this CR Report and qualified by the assumptions, qualifications and the risk factors detailed in Ahold's publicly filed reports. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this CR Report. Ahold does not assume any obligation to update any public information or forward-looking statement in this CR Report to reflect events or circumstances after the date of this CR Report, except as may be required by applicable laws. Outside the Netherlands, Ahold presents itself under the name of "Royal Ahold" or simply "Ahold". For the reader's convenience, "Ahold" or "the company" is also used throughout this CR Report. The company's registered name is "Koninklijke Ahold N.V."

The main corporate responsibility principles and commitments as discussed in this CR Report imply obligations to perform to the best of one's ability and do not imply obligations to guarantee a certain result.

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