



Responsible retailing.

Responsible retailing at Ahold

In this section:

Being a responsible retailer underpins our vision, values and strategy to create and accelerate growth, and deliver value to our customers...

Message from Dick Boer, Ahold CEO

We have the opportunity to make a real difference – to improve the lives of the people our business touches and to protect the environment we have an impact on.

**Dear stakeholder,**

As a retailer working at the heart of society, our everyday contact with customers, employees and communities gives us the opportunity to make a real difference – to improve the lives of the people our business touches and to protect the environment we have an impact on. To make this happen, we focus on the areas where we can have the greatest positive impact – from making healthy living choices easy and contributing to the well-being of communities, to sourcing responsible products and caring for the environment.

At Ahold, our vision is to offer better choice, better value, and a better life, every day. We want to provide the right choices and great value that support a better life not only for our customers but also for our other stakeholders.

In 2012, we introduced our promises to be a better place to shop for our customers, a better place to work for our employees, and a better neighbor for the communities we serve. Responsible retailing runs through all three promises, because without it we cannot achieve our ambition to get better every day.

Since we put our 2011–2015 targets for responsible retailing in place, we have made good progress in all our priority areas: healthy living, community well-being, responsible products, care for the environment and our people. You can read more about these in our *Responsible retailing scorecard*. I'm proud of what we've done, and of the 225,000 employees who have made it possible for us to come this far. I'd like to highlight some of Ahold's key achievements during 2012.

Message from Dick Boer, Ahold CEO (continued)

Healthy living

As a food retailer, we want to play a role in helping our customers to live healthy lives, and we have taken an active role in addressing important wellness issues – including childhood obesity in particular. We believe that educating children in healthy living is a crucial part of this commitment, and during 2012, we made a difference in the lives of over half a million children in the U.S. and Europe. One example is the re-launch of Albert's "Healthy 5" program in the Czech Republic. Based on Albert Heijn's popular and successful "Ik eet het beter" (I eat better) model in the Netherlands, Healthy 5 is a fun, educational program about how to maintain a healthy diet.

Community well-being

Being closely connected to our local communities and being a good neighbor is extremely important to Ahold, and never was this more evident than during and after Hurricane Sandy in the fall. Not only did our employees in affected areas put in an enormous effort to keep the majority of the Ahold USA divisions' stores open for their communities, but the divisions collectively donated \$2.5 million to the American Red Cross to support relief efforts. What's more, another half a million dollars was donated by Ahold USA to a fund to assist employees who were also badly affected by the storm.

Our employees are passionate about the business and deeply committed to serving our customers and our communities. Their enthusiasm drives us to be a better place to work, every day.

Responsible products

It's our goal to make sure that our own-brand products are sourced with respect for people, animals and the environment. In 2012, we continued to improve the sustainability of many of our products and their packaging, and also developed a set of global packaging guidelines. In addition, we took significant steps to increase the transparency of our supply chain, although its complexity and seasonality has proven to make this a very challenging endeavor. We have made good progress so far, but have not yet completed our 2012 target for all production sites in high-risk countries to be included in a social audit program.

Care for the environment

Reduction of the environmental footprint of our operations continues to be an important area of focus, and we believe that we have a responsibility to lead by example. In recognition of our efforts, Ahold Transport was awarded Connexx's "Lean and Green" certificate for its work to reduce CO₂ emissions through our transport in the Netherlands, while Ahold USA was ranked in the U.S. Environmental Protection Agency's Top 20 Retail list of green power purchasers.

Our people

Retail is an industry centered around people. The relationships our employees build with our customers and communities are what make us who we are. Our employees are passionate about the business and deeply committed to serving our customers and our communities. Their enthusiasm drives us to be a better place to work, every day. We are deeply committed to providing all our employees with good working conditions, competitive wages and benefits, fair treatment and respect, and opportunities for professional growth. We work to foster a positive work environment and an engaged team of employees whose ideas, knowledge and skills are valued and recognized.

Across Ahold, we work hard to meet our responsible retailing targets, but we cannot work alone. We partner with others in the retail and food sectors, governments and NGOs to raise the bar across the industry. We also work closely with international organizations such as the Consumer Goods Forum (CGF). As co-chair of the CGF Safety & Health pillar, we have supported the development of three resolutions to encourage customers to eat and live more healthily, and we are currently in the process of putting these resolutions into action. We also remain committed to the principles of the UN Global Compact, and this report includes an update of our performance against these principles.

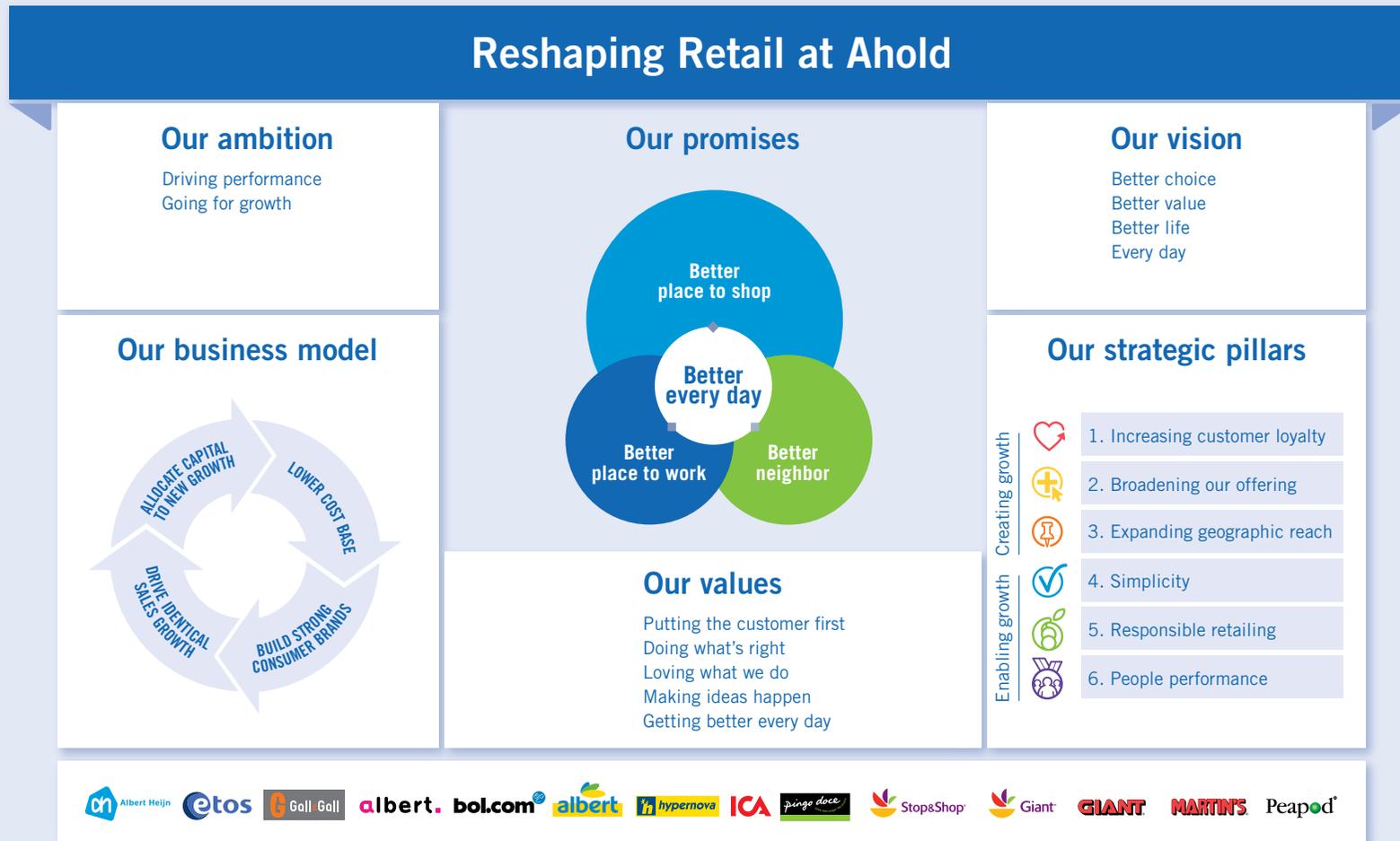
Last but by no means least, I would like to thank all the employees at Ahold, whose hard work and commitment are what make responsible retailing possible. Without them, we would not be able to reach our ambitions to provide great customer service, make healthy choices easy, contribute to the well-being of our communities, source responsible products, and care for the environment. They are the people who are making Ahold better – every day.

Dick Boer

Chief Executive Officer

February 27, 2013

Introduction and strategy



Our strategy to reshape retail is helping us to meet the changing demands of consumers, and accelerate the growth of our company. Our Reshaping Retail framework defines our strategic ambitions, how we operate and what we want to be as a company. We have a successful business model, strong brands, and a clear ambition to grow. We have a vision for the future and a common set of values across all our businesses.

One of the six pillars of our strategy is “responsible retailing.” Being a responsible retailer underpins our vision, values and strategy to create and accelerate growth, and deliver value to our customers. Because of this, we decided to change our terminology from corporate responsibility (CR) to responsible retailing (RR) in 2012. This progression encompasses how we run our businesses, live our values, and do what’s right. As a result, we have renamed this report the Responsible Retailing Report.

In 2012, we introduced the final element of our Reshaping Retail framework: our promises to be a better place to shop, a better place to work and a better neighbor everywhere we operate. These promises define how we will get better every day for our customers, our employees and our communities. All three promises are interlinked – we need satisfied employees and a connection with the wider world our business impacts in order to build strong relationships with our customers. Responsible retailing runs through all three promises, because without it we cannot achieve our ambition to get better every day.

Introduction and strategy (continued)

Our responsible retailing strategy

Being responsible is central to our business. We support the health and well-being of our customers, employees and communities; we source our products responsibly and care about the environment. Employees – throughout our businesses – are engaged in putting responsible retailing into practice, every day. The five priority areas of our strategy therefore focus on the following material issues.



In 2010, we set a series of clear, measurable targets to 2015 for these priority areas, which we have now been reporting on for two years. We will continue to report on these, and have set various new targets where the initial ones have been reached. You can see an overview of these in our *Responsible retailing scorecard*.

Our role in society

The food retail industry is at the center of society – we play a daily role in the lives of millions of people. In the United States, we serve a trading area of 38 million people; in Europe, we serve a trading area of more than 40 million people in five countries. Altogether, we operate 3,074 stores in different communities on two continents, and employ approximately 225,000 people.

At the same time, there is increasing recognition of the impact of diet and lifestyle on health, climate change remains a concern, there is rising awareness of the social and environmental impact of consumer products, and the population in many developed countries is aging. Because of our position in society, we have an opportunity to respond to these trends. We want to create a healthier, more sustainable future for all our stakeholders, including customers, employees, communities, suppliers and shareholders. We therefore work on these issues ourselves as well as joining forces with others in the retail and food sectors, governments and NGOs to raise standards across our industry.

Our approach to this report

Our ambitions represent our high-level approach to each of our priority areas. For each, we have defined our approach and related targets. Our targets are Group-wide, but are executed locally by each of our operating companies. In some cases, they also set additional local targets.

In this report, we set out our targets for each priority area at the start of each section. We then go on to report on our progress in 2012 against each target, and the data that supports this. Detailed case studies are provided throughout the report to give further information on how we put responsible retailing into practice.



Responsible retailing scorecard

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact. This overview of our responsible retailing strategy shows our status against our Group-wide targets.

For more details on our 2012 progress, see the data sections for each priority area.

Key:

● completed

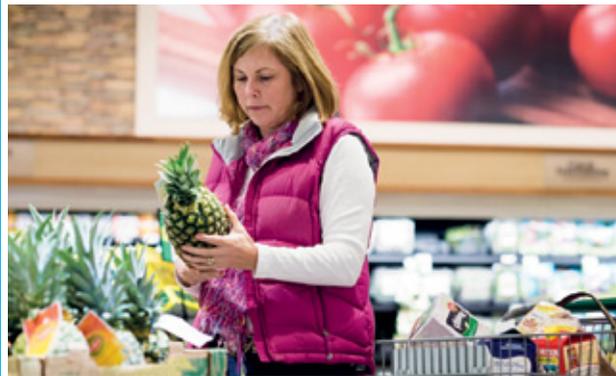
◐ on track

○ behind

Healthy living

Ambition:
Make healthy living choices easy

| Target | Progress | Status |
|--|---|--------|
| Increase the sale of healthy products to at least 25% of total food sales by 2015 across the Group | 24.3% healthy products | ◐ |
| Ensure that each operating company has a comprehensive healthy-living program in place by the end of 2011, aiming to be a leading healthy retailer | 100% of our operating companies have programs in place | ● |
| Report on customers' perception of Ahold's operating companies as leading healthy retailers | 67% of our operating companies are perceived to be the first or second healthy retailer in their region, benchmarked against market share | ◐ |



Community well-being

Ambition:
Contribute to the well-being of our communities

| Target | Progress | Status |
|--|---|--------|
| Ensure that each operating company has a community engagement program in place by 2012 | 100% of our operating companies have programs in place | ● |
| | 3 global metrics identified for measuring future progress | ● |



Responsible retailing scorecard (continued)

Responsible products

Ambition:
Source responsible products and reduce the impact of our packaging

| Target | Progress | Status |
|---|--|--|
| Ensure that 80% of our own-brand food suppliers are certified against Global Food Safety Initiative (GFSI) recognized standards by 2012 | Ahold Europe: 84% suppliers certified Ahold USA: 70% sales certified |   |
| Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012 ¹ | Ahold Europe: 48% suppliers audited Ahold USA: 22% suppliers audited |   |
| Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015 | Coffee: 83% Tea: 82% Cocoa: 32% Palm oil: 100% Soy: 0% Seafood: 14% |  |
| Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015 | Ahold developed a global risk assessment to identify the most significant impacts of own-brand products throughout their supply chains |  |
| Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company, by 2012 | 100% of our operating companies have programs in place |  |

Care for the environment

Ambition:
Reduce our environmental footprint

| Target | Progress | Status |
|---|--|--|
| Reduce CO ₂ per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline | 15% reduction |  |
| Develop a Group metric to measure food waste by 2012 | Food waste metric developed Our food waste in 2012 was between 1 and 2% of total food sales |  |
| Eliminate free disposable bags at the checkout in our supermarkets in Europe by 2012, and reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015 | Ahold Europe: 0 free bags at checkout Ahold USA: launched bag reduction program |   |
| Eliminate landfill as a disposal method by 2020 | The Netherlands: 0% landfill Other Europe: 32% landfill Ahold USA: 24% landfill |  |
| Ensure that all operating companies have implemented a communication policy to encourage customers to reduce, re-use and recycle by 2013 | In progress |  |

Our people

Ambition:
Provide a better place to work, and encourage employees to live healthy and sustainable lives

| Target | Progress | Status |
|---|--|---|
| Ensure that each operating company has a CR employee program in place by 2012 | 100% of our operating companies have programs in place |  |
| | 3 global metrics identified for measuring future progress |  |



¹ When taking into account social standards other than BSCI, equivalent or recently expired programs, the percentage of suppliers that have been audited rises to 61% for both Ahold USA and Ahold Europe.

Albert Heijn “does more” to communicate with customers

In October, Albert Heijn launched its new responsible retailing campaign, known as “Meer Doen” www.ah.nl/meerdoen (or “Do More”), on Facebook. Albert Heijn stores across the Netherlands started communicating about their health and sustainability activities to customers, in order to raise awareness about how small steps can add up to a big impact.

The concept is based on the products speaking for themselves – literally. The in-store signage features items such as a chocolate bar, banana or carton of milk, which act as mouthpieces for sustainability messages. For example, where fridges or freezers have been covered with doors to conserve energy, a milk carton tells people that the door is saving 25% of the energy needed to keep it cool. Meanwhile, a selection of products in a shopping bag tells people that they can re-use that durable bag; by eliminating plastic bags at the checkout, customers are collectively saving around 600 kg plastic every day. Labels on trash cans tell customers how we keep the areas around our stores clean and safe. The elements of the campaign are visible in the places where sustainability activities are being put into practice.

In the first weeks of the campaign, the Facebook page www.facebook.com/albertheijn featured a video of a “battle” between two products, inviting customers to vote on which product they think is the most sustainable; over 32,000 votes were received. The product that “won” (chocolate) was sold at a 50% discount in stores the following week. The Facebook page also features news items, games and tips for living more sustainably – all to keep the message fresh and engaging for customers.



Company profile

We are Ahold...

We are an international retailing group based in the Netherlands, with strong local consumer brands in Europe and the United States.

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

We are able to do this because we have great employees who love what they do and are good at it. The relationships they build with our customers are an important part of why they keep coming back to shop with us.

3,074

Stores (2011: 3,008)



225,000

Employees (2011: 218,000)



Serving a trade area of around

80 million people

Financial highlights

delivering strong financial performance...



4.3%

Underlying operating margin (2011: 4.5%)

€32.8bn

Net sales (€ million)

| | |
|------|--------|
| 2008 | 25,648 |
| 2009 | 27,925 |
| 2010 | 29,530 |
| 2011 | 30,271 |
| 2012 | 32,841 |

€1.4bn

Underlying operating income (€ million)

| | |
|------|-------|
| 2008 | 1,204 |
| 2009 | 1,351 |
| 2010 | 1,373 |
| 2011 | 1,375 |
| 2012 | 1,414 |

€0.80

Income from continuing operations per common share (basic) (2011: €0.93)

As part of our dividend policy we adjust income from continuing operations for significant non-recurring items. Adjusted income from continuing operations per share was €1.00 in 2012 (2011: €0.91).

€1.2bn

Free cash flow (€ million)

| | |
|------|-------|
| 2008 | 638 |
| 2009 | 948 |
| 2010 | 1,112 |
| 2011 | 965 |
| 2012 | 1,188 |

€0.44

Dividend per common share (2012 includes proposed dividend) (€)

| | |
|------|------|
| 2008 | 0.18 |
| 2009 | 0.23 |
| 2010 | 0.29 |
| 2011 | 0.40 |
| 2012 | 0.44 |

Where and how we operate

and serving customers through our market-leading brands.

We operate strong local brands in Europe and the United States that are well-known and popular with customers – and many of which are leaders in their markets.

Europe

In Europe we serve a trading area of more than 40 million people in five countries, with the greater part of our business in the Netherlands and the Czech Republic. The food sector in the Netherlands showed limited growth in 2012, but also significant consolidation in the supermarket industry. Despite strong competition, Albert Heijn has continued to gain market share over 2012¹. In the Czech Republic the food market is divided into several different channels: small traditional trade stores and hypermarkets, which are declining; and discount, compact hypermarkets and supermarkets, all of which are growing. We operate supermarkets and compact hypers in the Czech Republic. The competitive environment in the country remained intense in 2012. Our Czech business succeeded in maintaining a share comparable to last year in this competitive market¹.

United States

In the United States, we serve a trading area of 38 million people. Though the grocery channel still represents nearly two-thirds of the food market in the United States, food is being sold in an increasing range of retail formats as more and more U.S. retailers use it to drive traffic. For this reason, we measure our businesses in the United States against the performance of not only the supermarket channel but the all-outlets channel, which includes other retailers who also sell food.

Our U.S. businesses were able to gain market share – both in the supermarket channel but also in the all-outlets channel – over the past year, despite tough competition².

¹ Based on Nielsen Scanning data

² Based on Nielsen ScanTrack

The Netherlands



Our brands



Our online brands

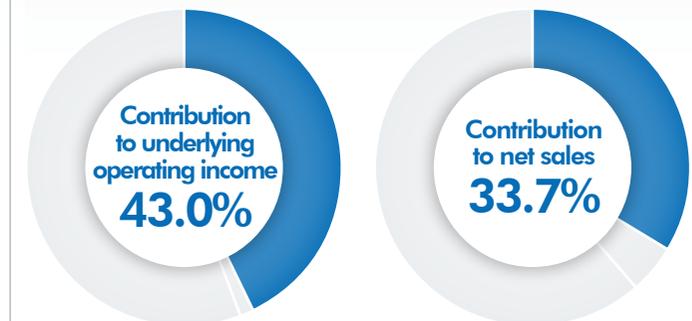


Key facts:

1,996 stores

93,000 employees

€11,054 million net sales



Where and how we operate (continued)

Other Europe



Our brands

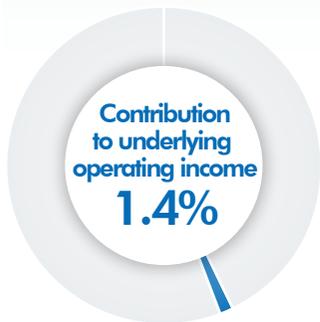


Key facts:

306 stores

11,000 employees

€1,675 million net sales



USA



Our brands



Our online brands

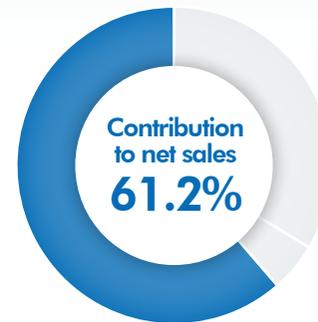
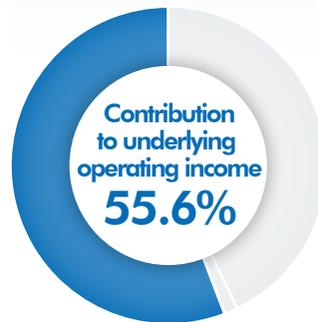


Key facts:

772 stores

121,000 employees

€20,112 million net sales



Joint ventures



Key facts:

60% stake

€11,125 million net sales

Ahold owns a 60% stake in ICA AB, which owns the ICA Group. The other 40% is owned by Swedish firm Hakon Invest AB. Ahold and Hakon Invest AB share equal voting power in ICA AB. On February 11, 2013, Ahold announced that it reached an agreement with Hakon Invest of Sweden to sell our 60% stake. The transaction, subject to regulatory approvals as well as approval by the ICA's Retailers Association (ICA Forbundet) for the financing of the transaction, is expected to be completed in the middle of 2013.



Key facts:

49% stake

€3,295 million net sales

Ahold holds 49% of the shares in the joint venture JMR, and shares equal voting power on JMR's board of directors with Jerónimo Martins, SGPS, S.A.



Portugal

Our priority areas

In this section:

Our five priority areas are material to our business, relevant to our stakeholders, and offer opportunities for the biggest positive impact. In this section, you can read about our ambitions, progress on our targets, and actions and achievements during the reporting year for each of our priority areas below.

Healthy living

1

Healthy living choices made easy



We recognize the increasing awareness of the impacts diet and lifestyle have on health. Within our markets, (childhood) obesity, as well as malnutrition due to a lack of healthy nutritious foods, are ongoing challenges.

Our ambitions are to make healthy living choices easy, and to be recognized as a leading healthy retailer in all our markets.

We aim to achieve our ambitions by making it simpler for our customers to choose healthy products, and by providing information to customers and employees on how to live a healthier lifestyle. We therefore have healthy living programs in place across all our businesses. These focus on making it easy to identify healthy products through logos and labeling on product packaging, making existing products healthier, educating children and improving the in-store experience.



Healthy living (continued)

Our progress on our targets

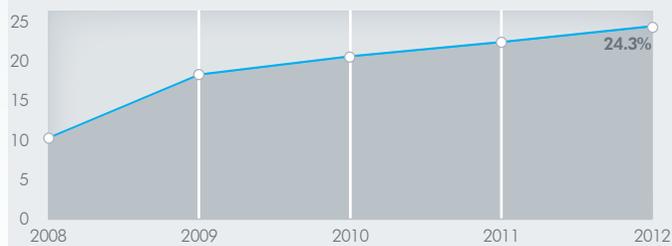
In 2010, we set two targets in our strategy to 2015 for healthy living, one of which was met in 2011. We have therefore updated our targets.

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

In 2012, 24.3% of our total food sales were identified as meeting these healthy criteria. This is an increase of 2.0% compared to 2011.

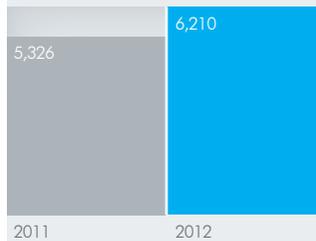
Sales of healthy products

percentage of total sales



Total sales of healthy products

€ million



24.3%

Of total food sales identified as meeting healthy criteria

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

At the end of 2011, all our operating companies had a comprehensive healthy living program in place. We have therefore made a new commitment:

Report on customers' perception of Ahold's operating companies as leading healthy retailers.

In 2012, Albert Heijn was perceived by consumers in the Netherlands as the number three healthy retailer, measured against national supermarket chains; Albert Heijn XL scored number one. Albert was perceived by customers in the Czech Republic as the tied number four in the market. In the United States, the Giant Carlisle division held the number one position, the Giant Landover division the number one position, the Stop & Shop New England division the number two position, and the Stop & Shop New York Metro division the number two position. Customer perception scores are based on research by independent market research agencies that conduct surveys of both our brands and our main competitors in the regions in which we operate. In the Netherlands and Belgium, this is GfK Panel Services Benelux; in the Czech Republic, this is g82; and in the United States, this is SIRS, Inc.

Customer perception as a leading healthy retailer

| Position ¹ | 1 | 2 | 3 | 4 | 5 |
|----------------------------|----------|----------|----------|---------------|---|
| Albert Heijn | | | Number 3 | | |
| Albert | | | | Tied number 4 | |
| Giant Carlisle | Number 1 | | | | |
| Giant Landover | Number 1 | | | | |
| Stop & Shop New England | | Number 2 | | | |
| Stop & Shop New York Metro | | Number 2 | | | |

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



Healthy living (continued)



Albert re-launches Healthy 5 program in Czech Republic

In October 2012, Albert in the Czech Republic re-launched its Healthy 5 educational program for the new school year at a press conference in a cooking studio in Prague. The launch event was an informal meeting of journalists and employees of the Albert Charity Foundation, who are responsible for the Healthy 5 project, as well as representatives of Albert, dietary experts, and children from a primary school in Prague.

Inspired by Albert Heijn's "Ik eet het beter" (I eat better) educational program for children in the Netherlands about healthy eating, the Healthy 5 program centers around the idea of eating five portions of fruit and vegetables per day. Children can get involved in the classroom and learn the basic principles of healthy eating via fun, interactive activities.

The Healthy 5 program has been proving that healthy food can be fun to children since the project began in 2004. During 2012, 96,588 children got involved; the program is being expanded to students in higher grades of primary schools.

96,588

Children involved in
the Healthy 5
program in 2012

Healthy living (continued)

Actions and achievements in 2012

We offer a wide range of healthy products at all our operating companies. Healthy food criteria are defined by leading national health authorities, such as the Netherlands Nutrition Center and the U.S. Department of Agriculture and Food and Drug Administration. We make it easier for customers to choose healthier products by clearly identifying them with the relevant logos, making products healthier, and informing people of calorie counts using labels. We also help educate children in leading a healthy lifestyle, improve the in-store experience, and encourage our employees to live more healthily.

CGF: health and wellness resolutions

We work with the Consumer Goods Forum (CGF) to lead the industry together with the forum's other members. As co-chair of the CGF Safety & Health pillar, Ahold was instrumental in developing a set of three health and wellness resolutions:

- We will offer consumers and shoppers a range of products and services that supports the goals of healthier diets and lifestyles.
- We will provide transparent, fact-based information that helps consumers and shoppers make informed product choices and usages.
- We will use communication and educational programs to help raise consumer awareness on health & wellness and energy balance to inspire healthier diets and lifestyles.

In 2012, Ahold continued to execute on these. To support the second resolution, we will be increasing the number of own-brand products that provide energy information on the front of the packaging.

CGF: looking forward to an aging population

In 1998, the number of people older than 60 overtook those younger than 15 in the G7 countries (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States). This will have a huge impact on the health and wellness of society. Together with the Consumer Goods Forum, Ahold created a report: "Understanding the Needs and Consequences of the Aging Consumer." The report recognized that as the populations where we operate age, the needs of our customers and our employees will change. This impacts how we hire and train staff to ensure that older workers are able to remain productive, and to be able to offer the products and services required by aging populations. The consumer goods industry has a unique role to play by better serving this growing consumer, shopper and employee group, and by addressing related societal challenges.

Providing healthy choice logos

All our operating companies provide logos to help customers easily identify healthy products, and encourage them to make healthy choices.

The Netherlands:

- In 2012, a new national logo program on healthy choices was launched across the Netherlands, and new, industry-wide, government-agreed health criteria were applied at the same time. Together with other retailers, the food sector and consumer goods companies, Albert Heijn introduced two new nationwide healthy food logos. During 2012, over 1,200 labels on own-brand product packaging were replaced; this process will be finalized by March 2013. More products now carry the green (healthy choice) logo and the blue (conscious choice) logo; coupled with the growth of healthy, fresh food sales at Albert Heijn, this meant that in 2012, 1,381 products or 26.3% of sales met the health criteria (2011: 1,301 products).

Other Europe:

- In 2012, Albert introduced the industry-wide "I know what I eat" logos in stores to help customers choose healthy products. These are replacing Albert's previous healthy choice logos. Product packaging modifications include the redesign of the complete fruit and vegetable product range, where the "I know what I eat" logos have been placed on the front of the packaging. The number of products carrying these healthy logos at Albert / Hypernova decreased to 698 in 2012 from 710 in 2011.

Ahold USA:

- Since 2008, Ahold USA divisions' stores have used the Healthy Ideas logo and shelf tags to inform customers about healthy own-brand and national-brand products. During 2012, the process for identifying healthy products was further improved. This resulted in an increased volume of national brands that were identified as meeting the criteria for the Healthy Ideas logo. The number of healthy products has therefore increased to 7,126 in 2012 from 7,008 in 2011.
- Ahold USA also launched a gluten-free shelf tag program, making it easier for customers to recognize items that qualify as gluten free. For more information, read the case study.

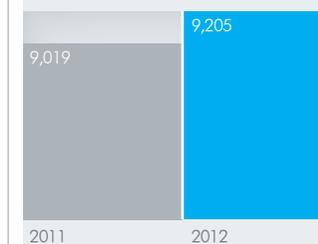


Making products healthier

We recognize the importance of making our own-brand products healthier; we have developed a strategy to do this first in the Netherlands.

Albert Heijn has developed a new Health Policy for 2013–2015, which applies to all own-brand products. The target / ambition set for the end of 2015 is to reduce salt in products by an average of 25%, to reduce saturated fat in target product groups (cookies, ice cream and ready-meals) by an average of 20%, and to remove trans-fat from all products.

Total number of healthy products



Healthy living (continued)



Ahold USA divisions introduce gluten-free labeling

It's estimated that three million Americans have celiac disease, an immune disorder in which gluten damages the lining of the small intestine, therefore necessitating a gluten-free diet. Many more Americans choose to follow a gluten-free diet for other personal or health reasons.

Gluten is a protein found in grains, including wheat, barley and rye, so any products containing these ingredients, including pasta, cookies and bread, are hazardous to a person's health if they have celiac disease. Gluten can sometimes also be found in items such as licorice, soy sauce and even some vitamin pills and medications that use additives, flavorings, fillers and binders made from gluten-containing grains. For those who have celiac disease, the only treatment is a life-long gluten-free diet.

The Ahold USA divisions have therefore made it easier for shoppers who follow gluten-free diets to choose the right foods. They have launched easy-to-spot shelf labels on gluten-free items in all stores. The labels have a blue and green icon and can be found directly below gluten-free foods. Over 4,800 products available at the U.S. divisions have been identified as gluten-free based on a commitment from the manufacturer.

"While many stores have a gluten-free section, there are gluten-free products throughout the store and the shelf tag helps customers spot those products quickly. They no longer have to check ingredients on every item they buy. The gluten-free tags are just another way that we make shopping convenient for our customers."

Lisa Coleman, Nutritionist at Martin's store, Eldersburg, Maryland

"This will really help our friends and family who want to cook gluten-free for my daughter and me!"

Lyn N, customer



Healthy living (continued)

Educating children in healthy lifestyles

We want to do our part to address the issue of childhood obesity; all our operating companies therefore have programs in place to educate children about healthy eating and how to lead a healthy lifestyle.

The Netherlands:

- Albert Heijn continued its “Ik eet het beter” (I eat better) educational program to encourage children to lead healthy lives through various classroom and store-based activities. With major campaigns in spring and autumn, Albert Heijn’s program expanded in terms of both the number of schools and the number of children reached. In 2012, 374,283 children participated in the various programs – an increase of 23% compared to 305,139 children in 2011. In the reporting year, the program was expanded with a “healthy snack week.” For more information, read the *case study*.
- In July 2012, the Dutch Soccer Association (KNVB) and Albert Heijn entered into a partnership involving the School Soccer program, known as “AH Schoolvoetbal,” which encourages children to take exercise.

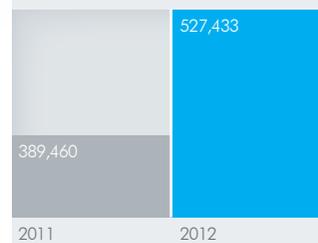
Other Europe:

- In October 2012, Albert in the Czech Republic re-launched its Healthy 5 educational program for the new school year. In 2012, 96,588 children were educated through the Healthy 5 program. For more information, read the *case study*.

Ahold USA:

- All four Ahold USA divisions have programs to educate children in a healthier lifestyle. In 2012, over 56,562 children participated in the various programs – an increase of 27,025 compared to 2011.
- The Kid Healthy Ideas store tours are in-store field trips which reinforce the nutrition and health curriculum taught in schools. These tours are organized in partnership with The Field Trip Factory.
- Ahold USA won the 2012 Food Marketing Institute (FMI) Community Outreach Award in the Neighborhood Health Improvement category for large-format retailers for its Healthy Kids Summits, which engage families with nutrition and exercise information.

Number of children educated in healthy living



Improving the in-store experience

All our operating companies provide tools to make healthy living choices easier for customers, including in-store and online communications.

The Netherlands:

- Albert Heijn communicated the new healthy logos to customers via an in-store brochure, on the corporate website, in customer magazine *Allerhande*, and in the weekly Bonus flyers. The “Meer Doen” (“Do More”) campaign informs customers about healthy living and other sustainability initiatives. For more information, read the *case study*.

Other Europe:

- Albert launched a special section dedicated to healthy eating in its customer magazine; in 2012, this was used to introduce customers to the “I know what I eat” initiative.

Ahold USA:

- Ahold USA launched a children’s version of the *Healthy Ideas* magazine – over three million copies were printed during 2012. An iPad version of the *Healthy Ideas* magazine with bonus content and videos has also been launched to expand the reach of the publication.
- Six in-store nutritionists in our U.S. stores raise awareness and advise customers about healthy living: five at Giant Carlisle and one at Stop & Shop New England. We did not expand the program further in 2012, but will introduce five nutritionists at Giant Landover in 2013.

Encouraging healthy employees

We encourage our employees to eat a balanced diet and take exercise, in order to contribute to a healthy lifestyle. Read more about this in the *Our people* section.

Healthy living (continued)

**374,283**

Children participated in the "Ik eet het beter" program in 2012



Albert Heijn promotes healthy snacks at school

In October 2012, Albert Heijn introduced a week-long classroom initiative known as "Pauzepak Week" to teach elementary school children about healthy snacks. This free classroom initiative was part of "Ik eet het beter" (I eat better): an umbrella educational program from Albert Heijn which focuses on children aged 8–12 in the Netherlands, and aims to bring healthy eating habits to their attention. During 2012, 374,283 children participated in the overall program.

Every weekday was dedicated to healthy snacks: fun and informative learning and exercise assignments took place, and educational video clips were shown on the digital blackboard in class. The schools participating in the program received a teaching package from Albert Heijn made up of a poster of the five principle food groups, a teachers' manual, and samples of apples, grapes and other healthy snacks. The goal of the week was to encourage elementary school students throughout the Netherlands to discover how much fun and how delicious it can be to choose healthy snacks; 194,044 children took part.

Healthy living (continued)

The data
Number of
healthy products

186

Healthy
products added
to assortment
in 2012

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------------|--------------|-------|-------|------|-------|
| Ahold USA ¹ | 7,126 | 7,008 | NR | NR | NR |
| The Netherlands ² | 1,381 | 1,301 | 1,214 | 800 | 1,243 |
| Other Europe ³ | 698 | 710 | 535 | 6 | 0 |
| Total | 9,205 | 9,019 | NR | NR | NR |

- 1 2008–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.
- 2 The number of healthy products decreased between 2008 and 2009 due to stricter criteria.
- 3 The number of products for Other Europe contains double-counts between Czech Republic and Slovakia.

The data
Sales of
healthy products

2.0%

Increase in sales
of healthy
products
compared
to 2011

| percentage of total food sales ^{1,2} | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|-------------|------|------|------|------|
| Ahold USA | 24.5 | 24.1 | 22.3 | 17.3 | 1.8 |
| The Netherlands | 26.3 | 21.5 | 20.5 | 23.0 | 26.0 |
| Other Europe | 9.4 | 8.9 | 2.2 | 0.0 | 0.0 |
| Total | 24.3 | 22.3 | 20.4 | 18.2 | 10.2 |

- 1 Sales of healthy products at Ahold USA include the sale of labeled national brands. The sales data for the Netherlands and Other Europe does not include national brands, as there was no uniform national labeling system.
- 2 2008 and 2009 data has not been audited.

The data
Number of
children educated
in healthy living¹

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------------|----------------|---------|---------|---------|---------|
| Ahold USA | 56,562 | 29,537 | 31,871 | 30,157 | 23,184 |
| The Netherlands | 374,283 | 305,139 | 297,306 | 200,000 | 137,895 |
| Other Europe | 96,588 | 54,784 | 8,000 | 3,353 | 2,691 |
| Total | 527,433 | 389,460 | 337,177 | 233,510 | 163,770 |

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

Community well-being

2

Contribution to community well-being



As a food retailer, we operate at the heart of society, serving millions of people every day, and have an impact on thousands of communities. We want to be a better neighbor for the customers, employees and communities we touch.

Our ambition is to contribute to the well-being of our communities.

We aim to achieve our ambition by providing community-friendly stores, donating food and financial help to the communities in which we operate, supporting local and diverse employment, and connecting people in our communities. We therefore have community programs in place at all of our operating companies, which focus on these four areas and which are tailored to meet local needs.



Community well-being (continued)

Our progress on our targets

In 2010, we set one Group-wide target in our strategy to 2015 for community engagement, which has now been met.

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

As the needs of a community are highly dependent on culture, location and customer base, and as the opportunities we have differ per store format, each community needs a unique course of action. We therefore use a local approach when implementing our community engagement programs.

We now have such programs in place across all our businesses. During 2012, we put together a community engagement strategy, and have made a new commitment:

Measure and report on our progress in community engagement using the following metrics:

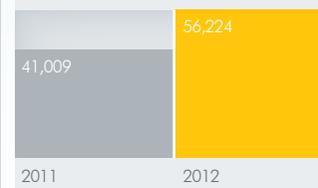
- donations including food donations to food banks
- number of children educated as part of our healthy living programs
- number of stores involved in community engagement events

Contributions and donations

| € thousand | 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------------|---------------|--------|--------|--------|--------|
| Ahold USA | 52,181 | 37,098 | 36,283 | 30,961 | 27,469 |
| The Netherlands | 3,262 | 3,085 | 2,089 | 1,890 | 1,952 |
| Other Europe | 781 | 826 | 974 | 469 | 474 |
| Total | 56,224 | 41,009 | 39,346 | 33,320 | 29,895 |

Contributions and donations

€ thousand



Total donations of over €56 million made across Ahold's operating companies in 2012

Community well-being (continued)



\$2.5m

**Donated to the
American Red Cross
from the Ahold USA
divisions**



Helping communities following Hurricane Sandy

In fall 2012, Hurricane Sandy affected hundreds of thousands of people along the U.S. East Coast and in the communities served by Ahold USA and its divisions. The vast majority of stores remained open, many operating under generator power, to act as crucial anchors in their communities.

In response, Ahold USA announced donations totaling \$2.5 million to the American Red Cross from its divisions. The donations were made to support disaster recovery and cleanup efforts, with an emphasis on the hardest hit areas in New Jersey, New York and Connecticut. Many employees were themselves impacted by the storm; Ahold USA provided an additional \$500,000 company donation to help those employees whose lives were disrupted during Hurricane Sandy.

All Ahold USA divisions also partnered with the American Red Cross to provide a trusted way for employees, customers and suppliers to make a donation to local Red Cross disaster relief efforts. With millions impacted by Hurricane Sandy, regional food banks and pantries are crucial to the communities they serve. Stores across the divisions collected cash donations at the checkout to assist regional food banks and pantries in their efforts to support communities. Stop & Shop stores in New York and New Jersey also served as drop-off points for canned and packaged food.

"I want to thank you on behalf of the almost 9,000 people who stayed in 95 shelters last night. As the American Red Cross partnering with your local banners, we know that your position as the neighborhood grocery store means a lot to the victims of Hurricane Sandy. We are so honored to have Our Family Foundation and Ahold USA lead the disaster response efforts from the food retailing industry."
Jill Troutman, Regional Chief Development Officer,
American Red Cross.

Community well-being (continued)

Actions and achievements in 2012

During the reporting year, we further defined our strategy to contribute to community well-being according to four focus areas: providing community-friendly stores, donating food and financial help to the communities in which we operate, supporting local and diverse employment, and connecting people in our communities.

Making our stores community friendly

In order to have a positive impact on the neighborhood, we focus not only on our stores themselves, but also on the areas surrounding them, including external paved areas, street lighting and even other buildings. This is a prerequisite for each store – only by keeping our stores and the areas around them clean, safe and well-maintained are we able to offer community-based activities.

The Netherlands:

- Albert Heijn stores' surroundings are cleaned on a daily basis, agreements with local police and municipalities concerning safety are made, and premises are kept tidy and well-maintained.
- On March 10, "Landelijke Opschoondag" (National Cleanup Day), over 160 Albert Heijn stores took a leading role in cleaning up the area around the stores, together with employees, neighbors and customers.
- In an internal risk assessment, 96 Albert Heijn stores were identified as being located in high-risk areas (up from 72 in 2011). These stores collaborate with local parties to achieve a certification of safe business. In 2012, 49% of these stores were in the process of setting up the certification, and 35% of the stores had the certification in place.

Ahold USA:

- Ahold USA connected people through community rooms in 12 stores in 2012. These rooms, arranged for large and small groups and equipped with state-of-the-art audio visual capabilities, can be used for free by charitable groups.

Supporting the well-being of our communities

We support the well-being of the communities in which we operate in a range of ways, including financial donations and contributions of food and other products.

Donations

The Netherlands:

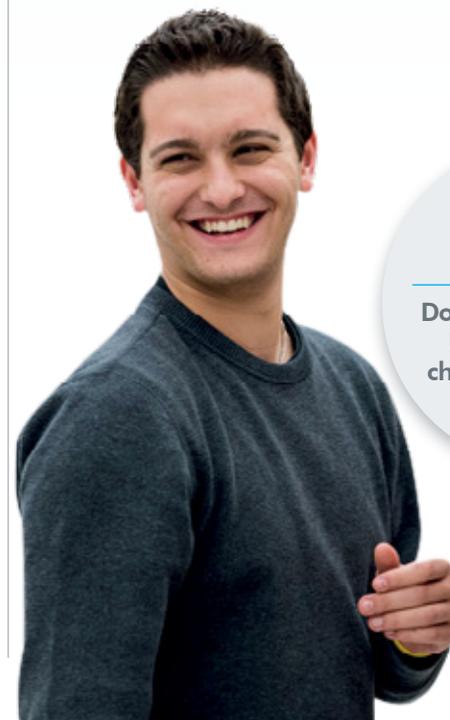
- Albert Heijn has supported several initiatives and foundations to contribute to the well-being of communities. This included programs to educate children on healthy living (see *Healthy living choices made easy* section) and to encourage social cohesion through two foundations: "Stichting Jarige Job" (Birthday Foundation – see case study) and "Stichting Nederland in Dialoog" (Foundation Netherlands in Dialogue).
- In 2012, Albert Heijn made donations of €3,262,000 – an increase of €177,000 compared to 2011.

Other Europe:

- Through fundraising by the Albert Charity Foundation, Albert customers contributed almost €113,000 to several projects for children. Sales of plastic bags also raised €546,000 for the Foundation. Plus, for every CZK 100 (€3.92) spent, customers receive a Bertik coin (worth CZK 0.50 or €0.02) which they can donate to support projects aimed at long-term training and development for children from socially disadvantaged backgrounds.
- During 2012, operating companies in the Czech Republic and Slovakia made donations of €781,000 – a decrease of €45,000 compared to 2011.

Ahold USA:

- Ahold's USA donations focus on helping children, fighting hunger and building healthy communities. Ahold USA created "Our Family Foundation" in 2012 to support important local causes that strengthen the fabric of its communities. As a result, more than \$11.6 million was donated to local charities, including: \$5.5 million from the Stop & Shop and Giant Landover divisions to fund pediatric cancer research via the Triple Winner Game; \$3.1 million from Giant Carlisle to support the Children's Miracle Network hospitals; \$2.5 million to the American Red Cross to support disaster relief following Hurricane Sandy (see case study); \$569,000 from the Stop & Shop and Giant Landover divisions towards grassroots programs that support children's health, nutrition and the fight against childhood hunger; and \$500,000 from the Giant Carlisle division to the Jake Gittlen Cancer Research Foundation.
- In 2012, Ahold USA and its suppliers and customers collectively made donations of \$66,919,000 – an increase of \$15,538,000 compared to 2011.



\$67m

Donated across Ahold USA's divisions to charities during 2012

Community well-being (continued)



4,700

Children took part in the Albert Triathlon Tour in 2012



Albert Charity Foundation supports communities in Czech Republic

The Albert Charity Foundation – set up by Albert in the Czech Republic to support families, promote health, and help individuals in need – ran a number of initiatives during the reporting year that contributed to community well-being, including events supporting healthy living and community well-being.

The Albert Triathlon Tour is a nationwide series of triathlon events for children in orphanages and for the general public that took place between May and September 2012 in 13 towns across the Czech Republic. The project is supported by customers of Albert stores who donate money to the Foundation through their shopping. In 2012, €53,000 was raised in this way. A total of 4,700 children from children's homes, as well as customers' and employees' children, took part in the Triathlon Tour in 2012.

Community well-being (continued)

Food banks

The Netherlands:

- Albert Heijn continued its partnership with food banks in the Netherlands, focused on donating food from distribution centers directly to the food banks. In 2012, Albert Heijn donated almost €1.8 million worth of products – over 280,000 products, an increase of 17% compared to 2011.

Other Europe:

- Albert signed a contract with food banks in the Czech Republic and has rolled out food bank donations from 19 hypermarkets. In 2012, Albert donated €72,000 worth of products to food banks.

Ahold USA:

- Ahold USA's divisions set up a Consumable Food Taskforce to redirect unsold, safe, consumable food to regional food bank partners to help fight hunger. The taskforce has identified a number of opportunities to increase food donations to support local communities. As a result of efforts so far, including better tracking and reporting, our product donations to regional food banks totaled over \$25 million – an increase of 50% compared to 2011. For more information on how we manage (food) waste, read the case study.

“We hope that in 2013 we can again extend our partnership to another five hypermarkets.”

Irena Mrázková,
Potravinová Banka
(food bank) Ostrava

Connecting people in our communities

All our operating companies aim to connect people within their communities through organizing relevant local activities.

The Netherlands:

- Throughout the year, Albert Heijn supported several nationwide initiatives to connect people in their communities. 2012 was a special year because Albert Heijn celebrated its 125th anniversary across stores. Employees, customers and neighbors were welcomed to the stores during one week in September, when the peak of the celebrations took place. For more information, read the case study.
- “Buren Dag” (Neighbor Day) and “Dag van de Dialoog” (Day of the Dialogue) are other important initiatives to connect people in the community. Neighbor Day is a large annual initiative which aims to increase contact between neighbors and encourage social cohesion. Examples of activities include planting flowers and trees, painting fences and fixing pavements. This year, Albert Heijn stores distributed over 17,000 party boxes to support Neighbor Day. The Day of the Dialogue encourages mutual understanding and interaction in the community on topics concerning the neighborhood and society.
- Albert Heijn is also very active in local activities organized at local store level. Examples include Wednesday afternoon activities for children, carnivals and local fairs.

Other Europe:

- Albert organizes social events for local communities in cooperation with children homes and Albert employees.
- Albert trained young adults from children's homes in how to calculate the cost of goods, how to behave to customers, and so on. They applied what they learned at Christmas fairs in November and December. The project was piloted in 2012 with over 1,200 people from children's homes participating.

Ahold USA:

- The Ahold USA divisions run the Cash for Causes program, which provides a fundraising tool to non-profit groups throughout the year. Cash for Causes gift cards can be purchased by community organizations at a 5% discount and sold to their members at face value to fund worthy projects in their area. Cash for Causes donations totaled over \$6 million across the divisions in 2012.
- As part of its leadership in the fight against childhood obesity, the Ahold USA divisions have hosted 11 free Healthy Kids Summits since 2011. The focus of these events is to get children active and healthy as they grow both physically and mentally. Each summit features an interactive panel discussion led by local community leaders and health experts, including pediatricians, school lunch administrators, local officials, health / youth non-profits, athletes and in-store nutritionists. Ahold USA's health and wellness and marketing teams support the summits by offering informational materials and driving community awareness for each event. Several of the summits have incorporated hands-on activities and exercise to get kids involved on the spot.



Community well-being (continued)

**Kom naar
de Open Dagen
van onze boeren & telers.**

175
Farmers and suppliers
took part in the
Open Days, with
85,000 visitors



Albert Heijn celebrates 125th anniversary with communities

In 2012, Albert Heijn reached its 125th anniversary. Celebrations happened across all stores, distribution centers and offices in the Netherlands throughout the year, involving customers, employees, suppliers and communities. These are a few of the highlights:

Over two weekends in August, customers and employees were invited to visit participating farms and suppliers to find out more about where certain fresh products originate and how they are produced. In total, 175 suppliers and farmers, and 85,000 visitors took part.

During one week in September, all stores held celebrations simultaneously – tailored to their individual local communities. The Rotterdam stores, for instance, linked up with neighborhood associations to celebrate local residents' birthdays, while the Schagen store went back in time: some of its employees donned old-fashioned greengrocers' aprons and served their customers in a store decorated in the style of olden times.

"I think that a good relationship with my customers, but also with my neighbors, is very important," said Bas Kaper, Store Manager, Albert Heijn Schagen. "The week in 2012 during which we celebrated Albert Heijn's 125th anniversary was the highlight: our 'back in time' theme surprised customers, and brought them together with activities in and around the store."

Albert Heijn also cooperated with the "Stichting Jarige Job" (Birthday Foundation), which aims to bring happiness to children aged 4-12 who are unable to celebrate their birthdays due to lack of money in their families. The Foundation surprised 10,000 families in 2012 with a birthday box, and 91 food banks in the Netherlands registered to participate in this initiative; Albert Heijn donated approximately 94,000 items. During the special anniversary week, Albert Heijn donated 25 cents to the foundation from each jubilee pear tart sold at stores throughout the country, and sales from a single by the winner of an Albert Heijn employee singing contest.

Responsible products

3

Responsibly sourced products



We sell millions of products under our own brands every day, and we recognize that they can have an impact on people, animals and the environment. Potential impacts of the production, consumption and disposal of such products include deforestation, water usage, animal welfare and social issues.

Our ambitions are to source responsible products, and to reduce the impact of our packaging.

We aim to achieve our ambitions by making sure that our products meet international standards for food and non-food safety, and continuing to implement our social compliance program for our own-brand suppliers. We are also increasing the sustainability of our own-brand products, including packaging, with a focus on six critical commodities (coffee, tea, cocoa, soy, palm oil and seafood) that have potentially significant negative social and environmental impacts.



Responsible products (continued)

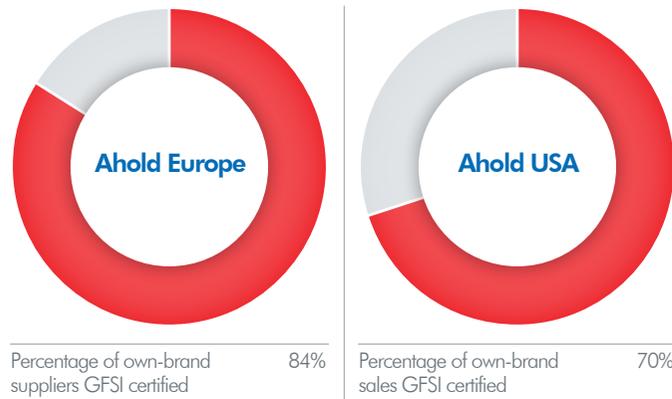
Our progress on our targets

In 2010, Ahold set four global targets for its own-brand products relating to food safety, working conditions in the supply chain, sustainably sourced critical commodities, and the impact of own-brand products across their supply chains. In 2011, Ahold developed a waste management strategy, including a target to develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each banner, by 2012.

In order to meet our responsible products targets, we need to understand our supply chain. During 2012, we made good progress on understanding where our own-brand products are produced. Although we have not yet completed the process, we estimate that we have mapped approximately 80% of our last-stage production sites. We will continue our efforts to map the remaining sites in 2013. The data provided below are all against sites currently mapped.

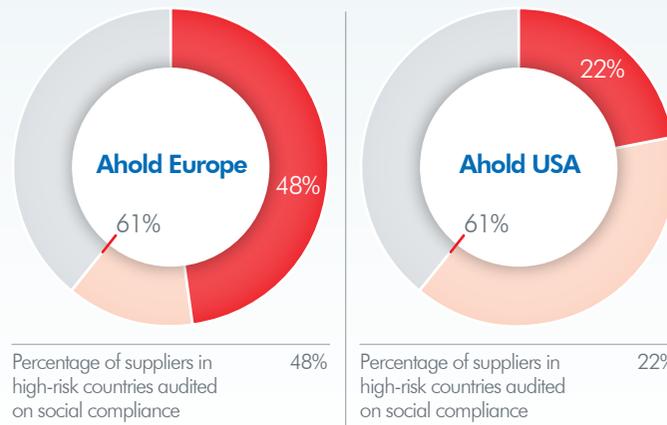
1. Ensure that 80% of our own-brand food suppliers are certified against Global Food Safety Initiative (GFSI) recognized standards by 2012.

In 2012, food safety certificates were collected for 84% of the currently mapped last-stage production sites. For the other 16%, the collection process is ongoing. In the United States, 70% of our own-brand sales were certified against GFSI-recognized standards at the end of the reporting year.



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

We have not yet met this target. 48% of production sites in high-risk countries that supply our European banners, and 22% that supply our U.S. divisions, had been audited against Business Social Compliance Initiative (BSCI) or an equivalent program at the end of 2012.



When taking into account social standards other than BSCI, equivalent or recently expired programs, the percentage of suppliers that have been audited rises to 61% for both Ahold USA and Ahold Europe. Suppliers who adhere to these (lower) standards are required to comply with the BSCI or equivalent standard over time. We use this stepping-stone approach in order to focus on production sites in high-risk countries in which a social audit has never been performed before. This way, we prioritize production sites where the risk of unsatisfactory working conditions is highest.

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

At the end of 2012, 83% of coffee, 82% of tea, 32% of cocoa, 0% of soy and 14% of seafood used in our own-brand products were sourced according to accepted industry certification standards for sustainable production. We cannot compare these to 2011 data as we have moved from reporting on the number of products to the amount of sales. We have offset 100% of our estimated palm oil usage through purchasing GreenPalm certificates; our target is to move to 100% segregated certified sustainable palm oil by 2015.

See *Our approach to reporting* section for details of the products included, and how the percentage of each critical commodity that is sustainably sourced is calculated.

Sustainable sourcing of critical commodities

percentage of products with certified commodity



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

In 2012, we further developed the approach to implement this target. When this target was set, we were looking at ways to map the footprint of our suppliers in detail. We have recognized that we can have a greater impact if we focus on the so-called “hotspots” linked not only to environmental but also to social and animal welfare issues in our own-brand product supply chain. We have therefore developed a global risk analysis to identify the most significant impacts of our own-brand products on social-, environmental- and animal welfare-related issues throughout their supply chains in order to source them more responsibly.

This approach has been in place in Europe since 2009, which supports Albert Heijn’s local target to increase the sustainability of all its own-brand products. We will implement the approach in the U.S. in 2013.

5. Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company, by 2012.

In 2012, we met our target to develop a global packaging approach including a packaging improvement program for each operating company. The approach includes a set of Group-wide guidelines for sustainable packaging. Starting in 2013, new and updated own-brand products will be reviewed against our “4R” packaging guidelines (reduce, re-use, recycle and renew), and progress on packaging sustainability will be reported.

Responsible products (continued)

**93**

Local produce suppliers
in food safety dialogue
with Ahold USA



Fostering food safety with local produce suppliers

Ahold USA has long-standing partnerships with local produce suppliers in the communities they serve. Beginning in February 2012 and continuing into the summer, Ahold USA conducted a series of meetings with 93 local produce suppliers in an effort to promote continuous awareness, and to reinforce our expectation, of compliance with ever-improving food safety standards and the Global Food Safety Initiative (GFSI). Ahold USA's food safety, buying and merchandising teams partnered with universities, academic members and U.S. Department of Agriculture food safety resources in these meetings. Ahold USA has worked cooperatively with produce industry members in the United Fresh Produce Association along with Federal and State Departments of Agriculture officials, retail and food service industry food safety experts, and third-party audit representatives, in developing and implementing Harmonized Good Agricultural Practices (GAP) Standards.

The Harmonized GAP Standards initiative involved a review of over 25 independent standards now in existence. Best practices were extracted into a third-party audit standard that can be more uniformly recognized. The result of over two years of hard work to collaboratively bring the key players together was to bring forward a tool that minimizes "audit fatigue" and audit redundancy, while bringing improved food safety practices. This standard has subsequently been adopted by the Department of Agriculture and other credible auditing entities. This adoption has made the food safety verification and certification process much more reachable and practical for smaller local produce suppliers. The Harmonized GAP approach is a step towards certification against GFSI-recognized standards.

Responsible products (continued)

Actions and achievements in 2012

Supplier mapping

In order to meet our targets for responsibly sourced products, we are increasing our insight into our supply chains and are therefore mapping the last-stage production sites for our products.

Understanding our supply chain is a complex task, as we sell a wide range of own-brand products in which thousands of suppliers and production sites are involved. In 2011, we implemented a supplier information management system to support our supply chain mapping process. Even though good progress was made in 2012, the mapping process turned out to be more time-consuming and cumbersome than expected due to the complexity of our supply chains. We estimate that we have mapped 80% of our last-stage production sites, and will continue our efforts and aim to complete the mapping process in 2013.

Meeting product safety standards

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

Food safety

Since 2000, in addition to meeting international safety standards, Ahold has been working with the Global Food Safety Initiative (GFSI), an international food-safety benchmark framework founded by Ahold in partnership with other retailers. In 2012, GFSI re-benchmarked all food safety standards against its improved requirements as laid down in a new version of the GFSI Guidance Document. Ahold contributed significantly to this process. For all food-related last-stage production sites, we require a certificate of compliance with GFSI-recognized food safety standards.

Ahold Europe:

- Ahold Europe is in process of mapping last-stage production sites for its own-brand food products, and collecting food safety certificates. Of the currently mapped sites, in 2012 food safety certificates were collected for 84% of these production sites. For the other 16%, the collection process is ongoing. In 2011, based on a sample of our supplier base, we estimated that 90% of production sites were certified against GFSI or equivalent standards. In 2013, we expect to finalize the mapping and collection process for the remaining part of our own-brand production sites.

- All Albert Heijn suppliers must demonstrate that their production locations are certified against GFSI-recognized standards. In the Czech Republic, Albert has further strengthened its GFSI program and has now made it a requirement for all suppliers to be GFSI certified. Albert is working with suppliers that are not yet certified to support them in this process.

Ahold USA:

- In 2012, 70% of sales of own-brand food products at the Ahold USA divisions were GFSI certified, compared to 49% in 2011.
- The U.S. divisions have made significant progress in 2012, focusing on mapping the supply chain and working with the suppliers of fresh produce.

Non-food safety

As Ahold's non-food assortment is growing, we have developed a global non-food safety approach for our own-brand products. This includes a risk assessment of the non-food assortment for each operating company. Based on the outcomes of these risk assessments, mitigating controls such as third-party audits and certification for high-risk products are put in place. In 2012, we strengthened our Group-wide compliance program to support the implementation of this approach.

Improving social compliance

To ensure that our products are produced with respect for people, we have a social compliance program for all our own-brand suppliers in high-risk countries¹. This program calls for the production sites of these suppliers to undergo a social audit according to the BSCI or an equivalent standard. The BSCI standard – developed on the basis of International Labor Organization conventions – includes requirements relating to child labor, forced labor, discrimination, compensation, working hours and other labor conditions.

Although we have not yet met our target, we made significant progress on it in 2012 and are working with our suppliers to ensure that they are in a social audit program.

¹ The classification of a high-risk country is based on the Human Development Index of the United Nations and the Corruption Perceptions Index of Transparency International.

Ahold Europe:

- By the end of 2012, 61% of production sites in high-risk countries that supply our European banners have been audited (BSCI or equivalent, other social compliance standards and recently expired programs).
- Our banners in the Netherlands have focused on training buyers and quality managers on our social compliance program. Albert in the Czech Republic has focused on training commercial departments and suppliers on our social compliance program.

Ahold USA

- By the end of 2012, 61% of production sites in high-risk countries that supply our U.S. divisions have been audited (BSCI or equivalent, other social compliance standards and recently expired programs).
- Our U.S. divisions have focused on increasing insight into our fresh supply chain and working with our suppliers on our social compliance program.

The Albert Heijn Foundation aims to improve the livelihoods of, and relationships with, Albert Heijn's African fruit and vegetable suppliers, their families and communities. As part of Albert Heijn's 125th anniversary, in 2012 the AH Foundation set several growth targets for 2015: to work with over 25 suppliers, be active in over 10 countries, and cover 100% of products sourced from Africa. In 2012, the AH Foundation exchange program also took place, allowing African suppliers and Albert Heijn employees to share knowledge and improve business effectiveness.

Improving sustainability of critical commodities

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

The percentage of each commodity in our own-brand products that is sustainably sourced is based on the key product categories for which these commodities are relevant.

Responsible products (continued)

Tea

We are working to improve social and critical environmental issues associated with the production of tea, such as agro-chemical use, deforestation, soil erosion and labor conditions. Certification programs we currently accept include UTZ CERTIFIED, Fairtrade, Rainforest Alliance and equivalent.

The Netherlands:

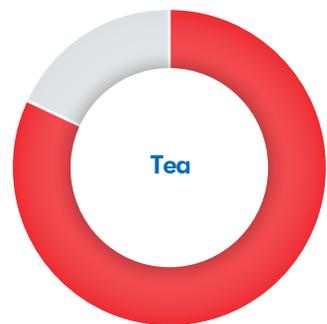
- Albert Heijn's branded tea assortments (including black tea, green tea, and red bush tea) are all UTZ CERTIFIED, with 30% of the tea used in these own-brand products being certified. In 2012, 95% of Albert Heijn's tea sales were certified.

Other Europe:

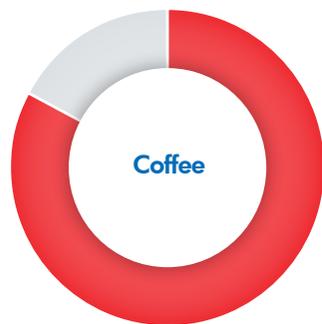
- Of Albert's own-brand tea products, 22 are sourced centrally at European level; the remaining six products are sourced locally. Albert's tea has no certification yet.

Ahold USA:

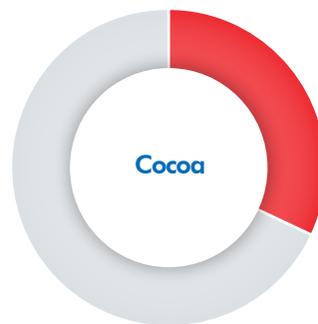
- In 2012, Ahold USA identified suppliers of certified tea products, and will begin the transition to certified tea in 2013.



Percentage of own-brand sales with certified commodity 82%



Percentage of own-brand sales with certified commodity 83%



Percentage of own-brand sales with certified commodity 32%

Coffee and cocoa

We aim to reduce the potential adverse impacts caused by coffee and cocoa production – including the loss of natural habitats, soil degradation, degradation of water quality and poor labor conditions. Certification programs we currently accept include UTZ CERTIFIED, Fairtrade, Rainforest Alliance and equivalent.

The Netherlands:

- Albert Heijn has expanded its range of sustainably sourced coffee and cocoa products.
- The sustainable coffee assortment contains coffee beans and ground coffee. In 2012, 100% of Albert Heijn's own-brand coffee sales were certified against our standards.
- The cocoa assortment contains chocolate bars, candies and seasonal chocolate products. In 2012, 93% of Albert Heijn's own-brand cocoa sales were certified against our standards.

Other Europe:

- Albert's coffee is centrally sourced at European level, meaning that 100% of Albert's coffee sales were also certified.
- Albert's chocolate products are centrally sourced at European level, except for chocolate used in locally baked products.
- Cocoa is used in 31 of Albert's bakery products, which are sourced from local suppliers with insufficient resources to gain certification.

Ahold USA:

- Before 2012, five Fairtrade coffee products were on sale. For all remaining coffee, Ahold USA has identified the availability of certified coffee products, and will begin the transition to them in 2013. Specifically, Ahold USA plans to introduce additional UTZ CERTIFIED coffee products.
- In 2012, Ahold USA identified over 1,200 own-brand products that contain cocoa. A plan to move to certified cocoa in these products is in development.

Palm oil

Palm oil is used in several categories, including cookies, shampoo and oil for deep-fat frying. The production of palm oil potentially causes deforestation, which in turn releases greenhouse gases and endangers wildlife habitats. Ahold is a member of the Roundtable for Sustainable Palm Oil (RSPO). 100% of our estimated palm oil use (in 2012, 8,000 tons) is currently offset using GreenPalm certificates (www.greenpalm.org).

In 2012, Albert Heijn and the Dutch branch of the World Wildlife Fund (WWF) signed an agreement on the ambition to reach 100% segregated palm oil by 2013. This will send a signal to the market that will encourage other retailers and manufacturers to strive for the same ambition – thereby increasing the use of segregated certified palm oil across the board.

Soy

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

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

Responsible products (continued)



Albert partners with regional bakers in Czech Republic

Local products are increasingly popular with Czech customers. To increase the range of locally sourced products, Albert's partnerships with regional bakeries significantly expanded in 2012 to enable the company to buy more local products.

Until recently, regional bakers supplied Albert stores mainly with regional specialties and an additional assortment that expanded the standard offering of the largest bakeries. In 2010, Albert launched a project in which they looked for favorite bakery products in the different regions they serve and offered the bakers the opportunity to sell them in Albert stores under the "Pride of Local Bakers" label. Eight suppliers made it through the selection process, and they now deliver their products to Albert stores near their operations.

At the beginning of 2012, the pilot project was evaluated to be successful. The process was therefore extended to other regions of the Czech Republic. Since October 2012, around 40 regional bakers exclusively supply some of the most popular fresh baked goods in all 282 Albert stores in the 13 regions of the Czech Republic.



40

Regional bakers exclusively supply some of the most popular fresh baked goods in our Albert stores

Responsible products (continued)

Seafood

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

During 2012, Ahold was instrumental in the development of an industry-wide approach to benchmarking seafood sustainability certification programs. This initiative, the Global Seafood Sustainability Initiative (GSSI), aims to increase transparency among the variety of seafood certification schemes for wild and farmed seafood products. It is anticipated that GSSI will be fully implemented towards the end of 2014. Ahold intends to use the output of GSSI as guidance for seafood sourcing in order to increase the availability of responsibly produced seafood.

The Netherlands:

- In 2012, Albert Heijn continued to add products with Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certification to its assortment. Albert Heijn partners with the WNF to further improve its seafood assortment. An example of a product which has gained ASC certification in 2012 is tilapia.
- In 2012, 18% of Albert Heijn's seafood sales were certified.

Other Europe:

- Albert is working to make its seafood assortment more sustainable, and started in 2012 with two seafood products now being certified according to sustainable seafood practices.

Ahold USA:

- Ahold USA and the New England Aquarium have been working together on sustainable seafood since 2000. Ahold USA's target is to ensure the entire seafood assortment is certified according to MSC and ASC standards (or equivalent) by 2015. In 2012, ASC-certified tilapia first became available to customers. Where ASC products are not yet available, Ahold USA works with suppliers and the Aquarium to implement practices to improve the environmental impact of the species and / or farms. This could include sourcing products that carry other certifications. For example, all of our own-brand farmed shrimp sourced from Asia comes from Best Aquaculture Practices (BAP) certified farms.
- In 2012, 12% of Ahold USA's seafood sales were certified.

Caring for animal welfare

As part of our ambition, we source our own-brand products with respect for animals; until now, our operating companies have applied a local approach to animal welfare. In 2012, we began to review our animal welfare practices across the company; in 2013, we will develop a Group-wide approach that will include the most important animal welfare issues across different species groups (beef, dairy, pork and poultry) while taking into account applicable laws and regulations.

Ahold does not support the testing of cosmetic products (including personal care products) and their ingredients on animals, nor do we ask our suppliers to conduct animal testing on our behalf, unless we have a legal obligation to do so. We believe that every effort must be made to avoid the use of animals in testing cosmetic products and their ingredients.

The Netherlands:

- Since 2011, the range of pork sold at Albert Heijn is produced in a more animal-friendly way. Almost all pork products hold a minimum of one "Beter Leven" (better life) star out of a possible three, from the Dierenbescherming (Dutch animal welfare society). Albert Heijn's "AH puur&eerlijk" (organic range) pork and its "scharrelvlees" (free-range) pork already held three and two stars, respectively.
- In 2012, Albert Heijn made chicken with one, two and three Beter Leven stars available in all its stores, and currently sells over 75% of all free-range and organic chicken sold in the Netherlands. In 2012, stakeholders raised concerns with supermarkets about the way regular chicken is produced in the Netherlands. In 2012, Albert Heijn worked with other retailers and the chicken industry to increase the sustainability of the industry while balancing animal welfare, environmental concerns and customer demand.

Other Europe:

- Albert follows EU legislation and does not have specific animal welfare policies in addition to this legislation.

Ahold USA:

- Ahold USA has a long-standing animal welfare program for shell egg suppliers under the United Egg Producers (UEP) standard. Collaborative efforts for beef and pork production have also been initiated in conjunction with industry organizations, academia and third-party experts.



Percentage of own-brand sales with certified commodity 14%

"Ahold continues to make exciting progress with their sustainable seafood commitments, contributing to healthy oceans around the world."
New England Aquarium

"From the beginning, Albert Heijn has been engaged in working towards our 'Beter Leven' label – as the first supermarket in the Netherlands to switch over to pork with at least one Beter Leven star. Albert Heijn is a front runner in our efforts to offer more animal-friendly meat to customers."
Frank Dales, General Manager
Dierenbescherming (animal welfare)

Responsible products (continued)

Reducing the impact of our products

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

Since joining the Sustainability Consortium in 2010, Ahold has been working with partners in the Consortium to gain better insight into the environmental and social issues in our supply chain, in order to identify where our products have adverse impacts. The output from the Sustainability Consortium is used as input for our product risk assessments.

Albert Heijn's sustainable own-brand product range, "AH puur&eerlijk," covers five areas of sustainability: organic, Fairtrade, sustainably caught (seafood), free-range and ecological. The number of organic products (the largest category in the range) increased by 101 products in 2012 bringing the total number to 391. The production of organic products is less harmful to the environment since no pesticides or insecticides are used.

As a retailer, we are also part of the lifecycle of our products. Read more about what we do to reduce the environmental impact of our own operations in the *Care for the environment* section.

Updating our Standards of Engagement

Ahold has revised its Standards of Engagement to make the language of the contracts clearer to suppliers. We also performed a review of countries we identify as being high risk, which now include Argentina. The new version of the Standards of Engagement, applicable to all suppliers, is effective from January 1, 2013 and will be implemented gradually as supplier contracts are renewed. Our Standards of Engagement document is publicly available on our website. www.ahold.com

Making product packaging more sustainable

Packaging is a key component of our own-brand products and fulfills several functions, one of which is to deliver the product in optimal condition to our customers, while reducing waste in the supply chain and improving shelf-life. Our aim is therefore to minimize the environmental impact of our own-brand packaging throughout its entire lifecycle – from raw material to disposal – without harming the protective function of the packaging.

In 2012, we developed a global packaging approach including a set of Group-wide guidelines for sustainable packaging. Starting in 2013, new and updated own-brand products will be reviewed against our "4R" packaging guidelines: reduce, re-use, recycle and renew. These guidelines will serve as tool for decision makers in the packaging development process.

- Reduce: our first priority is to see whether we can reduce the weight and volume of packaging without negatively affecting the quality of the product. "Reduce" therefore also entails reducing food waste, by developing packaging that increases shelf-life and avoids losses during transport.
- Re-use: our second priority is to look for ways to make our packaging re-usable, refillable, or re-closable to reduce food waste.
- Recycle: our third priority is to use recycled material in packaging as much as possible, as well as to increase the recyclability of our packaging. This includes using single-material packaging instead of multiple materials, or ensuring that materials are easy to separate.
- Renew: finally, we use renewable and certified-sustainable materials where possible when recycled material is not feasible / available, such as by using Forestry Stewardship Council (FSC) certified paper for packaging.

Our operating companies in Europe have already started putting our packaging guidelines into practice. Albert Heijn reduced or improved the packaging of several of its own-brand products in 2012. The packaging used for green beans, sugar snap peas and mange tout has been reduced by 75%, saving 31,000 kg in materials per year; the shelf-life of the product has also been improved and the packaging is now made of a single material, which makes it easier to recycle. Plastic wrapping has been removed from cucumbers (in summer months) and Fairtrade bananas. Olive oil is now sold in plastic bottles instead of glass bottles; these are lighter and therefore require less energy in production and transportation. Both Albert Heijn in the Netherlands and Albert in the Czech Republic help customers to separate their packaging waste by placing recycling logos on packaging. Albert's tea assortment was expanded with Albert Excellent tea, which has no paper sachets to reduce packaging.



Responsible products (continued)



Wood and pulp-based products at Ahold Europe

As part of our ambition to increase the sustainability of our own-brand products, Albert Heijn and Etos are jointly sourcing wood and pulp-based products, such as toilet paper, while aiming to support responsible forest management.

In 2012, Albert Heijn signed an agreement with the Dutch branch of the World Wildlife Fund (WWF) stating that Albert Heijn will only use wood and pulp from a responsibly managed origin in all own-brand products containing these commodities by the end of 2015. For instance, tissue paper and office products will be made of Forestry Stewardship Council (FSC) certified or recycled pulp in the course of 2013. The FSC logo is already recognized by customers, which helps promote these sustainable products. Albert Heijn will also look into upgrading the percentage of recycled materials used in its own-brand products.

“We work together with Albert Heijn to make the supply chains of several commodities (palm oil, soy, wood, paper and seafood) more sustainable. Through setting ambitious targets, we also want to inspire others in the sector. Only together can we really make things more sustainable.”

Johan van de Gronden, CEO WWF

WWF

Agreement signed with Albert Heijn on palm oil, soy, wood, paper and seafood



PARTNERS IN MAKING THE COMMODITY SUPPLY CHAIN MORE SUSTAINABLE



Responsible products (continued)

The data
Food safety
(GFSI)

| percentage of own-brand food suppliers GFSI certified | 2012 |
|---|-----------|
| Ahold USA ¹ | 70 |
| Ahold Europe ^{2,3} | 84 |

- 1 For Ahold USA, the percentage is calculated as a percentage of sales.
- 2 For Ahold Europe, the percentage is calculated as a percentage of suppliers.
- 3 Ahold Europe comprises the Netherlands and Other Europe.

The data
Social
compliance

| percentage of suppliers in high-risk countries audited on social compliance | 2012 ¹ |
|---|-------------------|
| Ahold USA | 22 |
| Ahold Europe ² | 48 |

- 1 When taking into account social standards other than BSCI, equivalent or recently expired programs, the percentage of suppliers that have been audited rises to 61% for both Ahold USA and Ahold Europe.
- 2 Ahold Europe comprises the Netherlands and Other Europe.

The data
Number of
Fairtrade-certified
products
at year-end

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------|------------------------|------|------|------|------|
| Ahold USA ¹ | 251 | 160 | NR | NR | NR |
| The Netherlands | 127² | 141 | 96 | 67 | 68 |
| Other Europe | 4 | 0 | 1 | 19 | 19 |
| Total | 382 | 301 | NR | NR | NR |

- 1 2008–2010 data for Ahold USA has not been reported due to duplication of products among the different divisions.
- 2 Due to the removal of duplicates, the number of Fairtrade products is lower in 2012 than 2011.

The data
Number of
certified organic
products
at year-end

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------|--------------|-------|------|------|------|
| Ahold USA ¹ | 3,821 | 2,916 | NR | NR | NR |
| The Netherlands | 526 | 447 | 407 | 304 | 290 |
| Other Europe | 449 | 498 | 570 | 721 | 529 |
| Total | 4,796 | 3,861 | NR | NR | NR |

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

The data
Critical
commodities

| percentage of products certified against industry standards ¹ | Sales: 2012 | Products: 2011 |
|--|-------------|----------------|
| Coffee | 83 | 48 |
| Tea | 82 | 78 |
| Cocoa | 32 | 82 |
| Palm oil | 0 | 0 |
| Soy | 0 | 0 |
| Seafood | 14 | 15 |

- 1 The percentage of each critical commodity that is sustainably sourced is the percentage of sales that have been certified based on key products within selected categories at Ahold Europe (comprising the Netherlands and Other Europe) and Ahold USA. In 2011, we used the percentage of products to calculate this. See *Our approach to reporting* for the list of key products and associated categories.

Care for the environment

4

Care for the environment



We recognize that climate change is an important global issue, and that we have a role to play as an international food retailer both to reduce the impact of our own operations and to support our suppliers and customers to do the same. We also recognize that waste is becoming an ever more significant topic in business and society; considerable natural resources are wasted and unnecessary greenhouse gas emissions are being generated.

We care about the environment, and our ambition is to reduce our environmental footprint.

We aim to achieve our ambition by reducing the environmental impact of our operations; managing our waste by reducing, re-using and recycling where possible; and helping our customers, suppliers and employees to reduce their environmental impact. To reduce the environmental impact of our own operations, we have programs in place across our businesses to use less electricity, gas and refrigerants in stores, and to improve the efficiency of our transportation. Our waste management strategy focuses on food and packaging waste, shopping bags used by customers, and eliminating landfill as a disposal method.



Care for the environment (continued)

Our progress on our targets

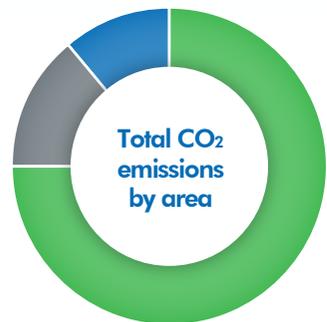
In 2010, we set two Group-wide targets in our strategy to 2015 for the impact of our own operations on the environment. We met our second target to have a comprehensive waste management strategy in place by 2011, and set five additional waste targets.

1. Reduce CO₂ per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline.

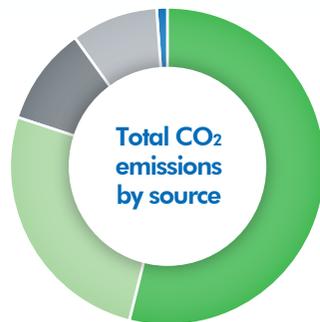
In 2012, our CO₂ emissions per square meter of sales area were 471 kg, down 15% against our 2008 baseline of 555 kg.

Total CO₂ emissions

kg per sq.m. of sales area



| | |
|-------------------|-----|
| ● Ahold USA | 75% |
| ● The Netherlands | 14% |
| ● Other Europe | 11% |



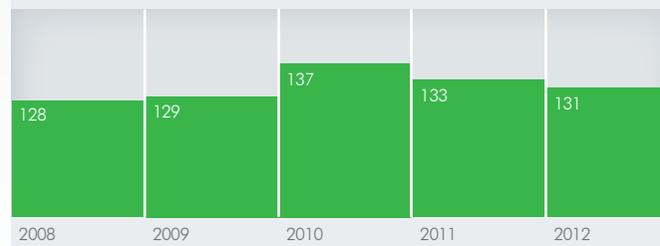
| | |
|-----------------------|-----|
| ● Electricity | 54% |
| ● Refrigerant leakage | 26% |
| ● Fuel | 10% |
| ● Gas | 9% |
| ● District heating | 1% |

2. Develop a Group metric to measure food waste by 2012.

In 2012, we developed a metric to measure food waste. We took our existing metric for shrink, and removed theft, food bank donations, cash shortages and other sales losses, and added warehouse losses. Based on this metric, our food waste in 2012 was between 1 and 2% of total food sales, where fresh food waste is between 2 and 3% and dry food waste between 0 and 1%. In 2013, we will continue to improve the accuracy of this measurement.

Waste production

kg per sq.m. of sales area



3. Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company by 2012.

This target relates to our own-brand products, and has therefore been moved to the *Responsibly sourced products* section.

4. Eliminate free disposable bags at the checkout in our supermarkets in Europe by 2012, and reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015.

In 2012, Albert Heijn stopped giving away free disposable plastic bags at the checkout. In the Czech Republic, Albert continued its program to charge customers for plastic bags; the funds raised are donated to help children in need. Ahold USA's divisions launched a bag-reduction program.

5. Eliminate landfill as a disposal method by 2020.

In 2012, none of our waste in the Netherlands went to landfill; in Other Europe, 32% went to landfill, down 2% on 2011. In the United States, 24% of our waste went to landfill – an increase of 12% compared to 2011. In the same period, incinerated waste reduced from 29% to 16%. During 2012, Ahold USA implemented new waste reduction programs that provided increased insights in the landfill and incineration practices. Our target to reach zero landfill¹ by 2020 includes both the landfill and incineration, and remains the same. In 2012, the total landfill and incineration at Ahold USA reduced by 1% compared to 2011.

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

In 2012, customer communication focused on the steps we are taking to reduce the environmental impact of our operations. In 2013, customer communication will be expanded to include waste.

¹ Ahold USA has a "zero waste" ambition, meaning that no more than 10% of waste will be incinerated or disposed of in landfills. See *Glossary* for definition of landfill and zero waste.

Care for the environment (continued)



Stop & Shop opens energy-efficient store in Massachusetts

In November 2012, the Stop & Shop New England division opened a new energy-efficient store in Wayland, Massachusetts. The new 45,000 square-foot store will be Leadership in Energy and Environmental Design (LEED) certified.

Its energy-efficient features include 627 roof-top solar panels which are expected to supply about 11% of the store's overall energy needs. LED parking lot lights will reduce energy consumption by 50% vs. traditional lighting, and will save about 1.4% of the store's annual electricity requirements. Stop & Shop also introduced complementary electric car-charging stations at the new store, providing nine parking spots for electric cars.

Additional energy-saving features include: a white roof to reflect sunlight and reduce heat gains in the store so that less energy is required for space cooling; skylights to harvest daylight and dim energy-efficient fluorescent lights to reduce the electricity consumption during peak daylight hours; LED lighting in overhead track lights; spotlights on specialty areas and displays, exterior store signs and in the frozen food cases; low air return in frozen aisles which makes the store environment more comfortable for shoppers; ECM (electronically commutated motor) fans in the refrigerated fixtures and walk-in coolers that deliver uniform airflow while using 41% less electricity; occupancy sensors in the storage areas and offices; and an energy management system to monitor the performance of the lighting, refrigeration, and HVAC (heating, ventilation and air conditioning) systems.

In addition, low flow fixtures in bathrooms and prep areas contribute to the reduction of water consumption, as does drought-resistant landscaping.



627

roof-top solar panels
supplying around
11% of store's
energy needs

Care for the environment (continued)

Actions and achievements in 2012

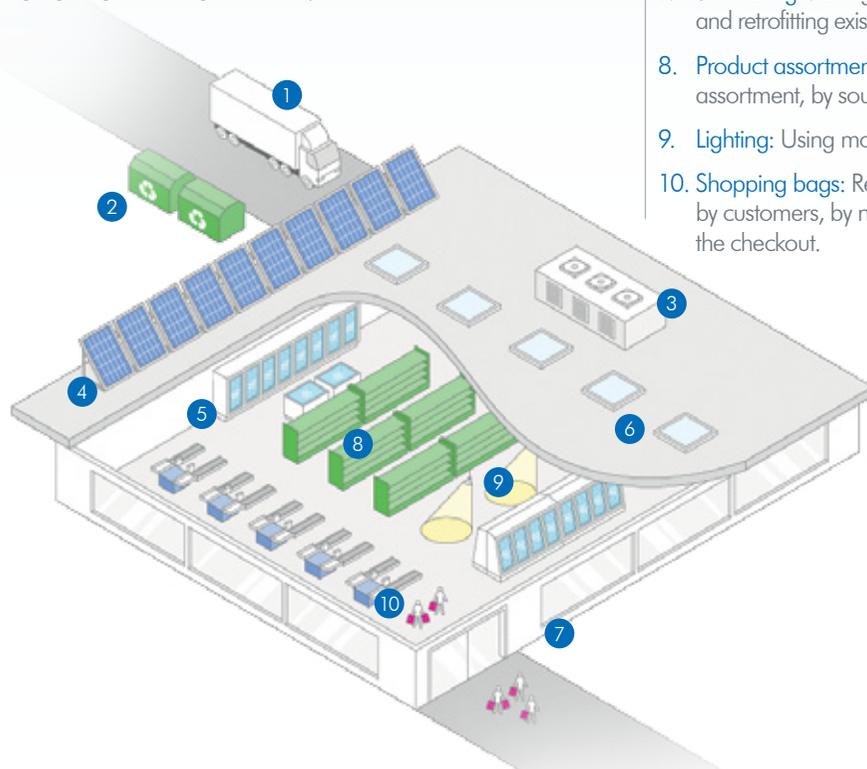
Our environmental efforts are being recognized: in 2012, Ahold USA was ranked seventh on the U.S. Environmental Protection Agency's Top 20 Retail list and number 30 on the National Top 50 list of green power purchasers. In Europe, Ahold Transport received Connex't's "Lean and Green" certificate for its plans to reduce CO₂ emissions through the ways in which it transports products to Albert Heijn, Etos and Gall & Gall stores, and between its six distribution centers.

Reducing our carbon dioxide emissions

Our own operations

We are working to reduce our CO₂ emissions – both through the design and operations of our (new and existing) stores, and through the way we transport products to stores. When we design a new store, we look at how to reduce its total environmental footprint, considering heating, lighting and refrigeration requirements.

1. **Transport network:** Reducing the emissions of our transport network by using clean, low-energy, silent trucks with full loads.
2. **Recycling:** Recycling cardboard and plastic, and helping our customers to do the same.
3. **Heating and cooling:** Using more efficient heating and cooling systems, reducing refrigerant leakage, and using alternative (less harmful) refrigerant substances to keep our products cool.
4. **Renewable energy:** Using renewable energy, such as solar energy via panels on the roofs of stores.
5. **Fridges and freezers:** Fitting doors on wall fridges, covering freezer aisles, and integrating energy-efficient LED lighting and Electronically Commutated Motor (ECM) fans into fridges.
6. **Harvesting daylight:** Harvesting daylight via skylight windows in the roof, to help reduce electricity usage by dimming the lighting.
7. **Store design:** Designing and constructing new stores more efficiently, and retrofitting existing stores with climate-saving features.
8. **Product assortment:** Reducing the carbon footprint of our product assortment, by sourcing own-brand products more sustainably.
9. **Lighting:** Using more energy-efficient LED lighting.
10. **Shopping bags:** Reducing the number of shopping bags used by customers, by no longer making them freely available at the checkout.



Reducing and generating electricity in cooling, heating and lighting stores:

The Netherlands:

- In 584 Albert Heijn stores, refrigeration units are covered with doors, leading to savings in electricity consumption of up to 25%. By 2015, all stores will be equipped with covered refrigeration units.

Other Europe:

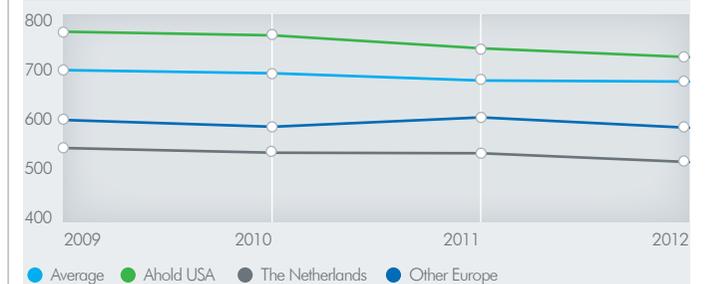
- Albert stores have implemented several initiatives to reduce energy. Examples are new lighting plans and use of low-energy eco-lamps and lighting control, LED lighting, and regulation of ventilation through temperature and air quality. Albert ran two pilot projects: one on LED lighting in refrigeration units, and one on doors on those units. These pilots were both successful and will be rolled out further in 2013. Albert's distribution center for fresh produce was upgraded with LED lighting.

Ahold USA:

- At the end of 2012, 30 Ahold USA stores were equipped with solar panels on their roofs. This is an increase of six stores compared to 2011. Stores are also being upgraded with LED lighting, and in 2012, 179 stores had their existing lighting upgraded with LED fixtures.

Electricity efficiency

kWh per sq.m. of sales area



Care for the environment (continued)

Reducing gas usage in stores:

The Netherlands:

- New and remodeled Albert Heijn stores are fitted with an integrated cooling, freezing and heating system, which means that no gas is needed in these stores at all. The system uses waste heat produced during the refrigeration cycle to heat the store. In 2012, the system was in place at 222 stores.

Reducing refrigerant leakage and impact:

Ahold is a signatory of the Consumer Goods Forum resolution to begin phasing out harmful refrigerants by 2015, and to replace them with natural alternative refrigerants.

The Netherlands:

- Since 2010, new and remodeled stores are equipped with a system that uses 100% CO₂ for freezing, and a refrigerant whose global warming potential (GWP) is three times lower than the refrigerant used until 2009 for cooling. Albert Heijn is currently piloting refrigeration installations at three stores, which use 100% natural refrigerants (CO₂).

Other Europe:

- In 2012, seven Albert stores were using CO₂ as a refrigerant substance for freezing.

Ahold USA:

- Ahold USA uses monitoring systems to detect leakage in refrigerant systems early. At the end of 2012, these monitoring systems were installed in 441 stores. They are also piloting hybrid systems that use carbon dioxide for freezing.

Gas consumption

cubic meters per sq.m. of sales area



Refrigerant leakage

percentage



Increasing fuel efficiency:

The Netherlands:

- Albert Heijn is increasing the amount of load carriers per truck (helping to raise fill rate), reducing the use of fuel, and developing and implementing new truck fleet features. For more information, read the *case study*.
- The load factor of Albert Heijn's trucks was 79% in 2012 – an increase of 3% compared to 2011. The fuel usage per kilometer in 2012 was down 3% on 2011.

Other Europe:

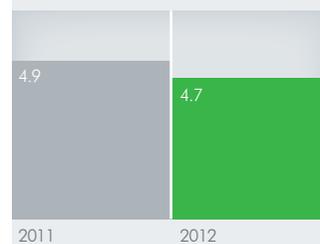
- The load factor of Albert's trucks was over 85% in 2012.

Ahold USA:

- The Stop & Shop New England and Giant Landover distribution centers joined the Smartway Transport Partnership in 2008, which is a collaboration with the federal government. Initiatives such as reducing engine idle time, improving fuel economy, developing more efficient truck routes, increasing trailer utilization, and making capital investments with new trucks and longer trailers, helped achieve fuel savings of 321,166 gallons of diesel fuel in 2012.
- The Ahold USA distribution centers made significant capital investments in energy-efficient vehicles by purchasing new energy-efficient trucks and longer trailers. The overall average trailer load factor (cube per load) for all Ahold USA's trucks increased 4.7% compared to 2011.

Fuel consumption

liters per 1,000 products sold



Our supply chain

To find out how we support and encourage our suppliers to reduce their environmental footprint, read the *Responsibly sourced products* section.

Our customers

The Netherlands:

- In 2012, Albert Heijn launched its new responsible retailing campaign, known as "Meer Doen" (or "Do More"). Albert Heijn stores across the Netherlands started communicating about sustainability – including energy-saving and recycling activities – to customers. For more information, read the *case study*.

Other Europe:

- Communications to Albert's customers about reducing their carbon footprint will be introduced in 2013.

Ahold USA:

- Ahold USA's stores with solar panel systems on their rooftops feature LCD screens mounted at the front of the stores to display, in real time, the amount of electricity generated by the solar panels. These screens also show the volume of CO₂ offset by this renewable source of energy.

Care for the environment (continued)



Ahold Europe improves truck fleet for sustainable transport



In November 2012, Ahold Transport received the “Lean and Green” certificate for its efforts to transport products between stores and distribution centers more sustainably. To achieve this, they needed to minimize the number of miles trucks were driving empty, maximize the fill rate of the trucks, and use innovative technologies and smart planning. The new truck fleet includes a range of features such as hybrid fuel tanks for lower CO₂ emissions, silent engines for night-time deliveries and detachable containers for city driving.

First, Ahold monitored third-party transport companies to stimulate best practices in food retail distribution. They also introduced a driver performance program to coach them in low fuel usage and the best driving techniques.

The truck fleet technologies were upgraded to make transportation as efficient as possible: all trucks use Euro 5 energy-efficient engines; all trailers are PIEK-certified; and 40 trucks have aerodynamic skirts. The 25 Eco-combi trucks save 33% in mileage and 17% in CO₂ emissions against regular trucks. This means that larger trucks with higher capacity are used up until the last mile of the journey to the store when a single trailer is de-coupled for delivery purposes.

At the end of 2012, 24 trucks were using liquefied natural gas as an alternative fuel, while 18 were using liquefied bio methane, which save 9% and 84% CO₂ respectively compared to traditional fuels. Being piloted is a hybrid diesel-electric truck, which saves 20% in fuel and enables maximum sound reduction for the last mile when it runs electric-only. Albert Heijn’s online delivery service is also piloting a fully electric truck.

“Together with over 300 companies and governments in the Lean and Green Connekt program, Ahold is proving that financial gains and environmental benefits go hand in hand, thanks to the optimization of the supply chain. [...] That is the value of Lean and Green for logistics and transport in the Netherlands; that is the value that Ahold, as a responsible retailer, adds within the Lean and Green network. Because we all care about the future.”
Nico Anten, managing director Connekt

Care for the environment (continued)

Managing our waste

Our own operations

Reducing our environmental footprint and improving our waste management is not only good for the environment; it is also good for business. It can save costs and – through recycling initiatives – generate revenue. There are several elements to waste management, including reduce, re-use and recycle.

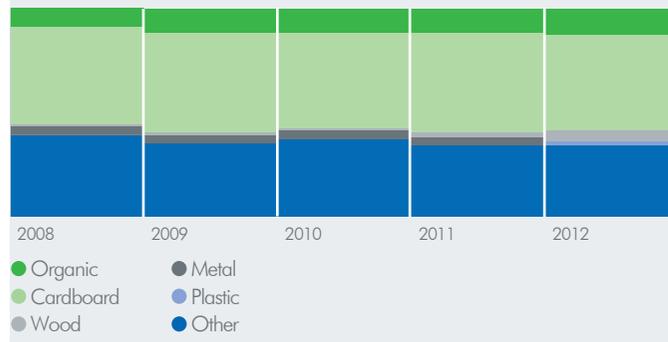
Managing food waste:

In 2012, we developed a metric to measure food waste. Despite this, we have not been able to further reduce food waste in 2012.

In our strategy to manage food waste, our first step is to reduce it as much as possible through focusing on shelf-life and expiry date extension, supply chain and order unit optimization, and mark-down policy. Our second is to re-use leftover, safe, consumable food by donating it to food banks. Our third step is to recycle, process and dispose of waste appropriately, including via fermentation in the Netherlands and composting in the United States. For more information, read the *case study*.

Total waste by type

percentage of total waste



Care for the environment (continued)

Managing packaging waste:

Our packaging target relates to our own-brand products, and has therefore been moved to the *Responsibly sourced products* section.

Eliminating landfill as a disposal method:

The Netherlands:

- Our operations in the Netherlands do not result in any waste being sent to landfill.

Other Europe:

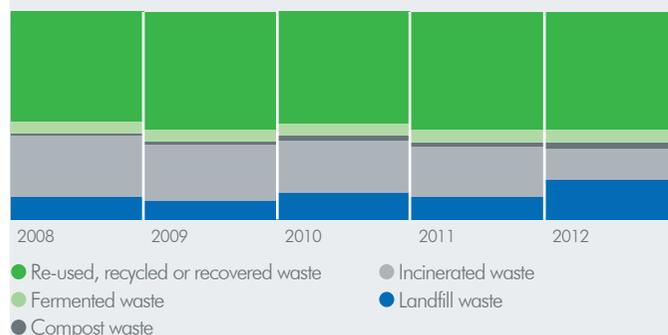
- Albert tested a central waste disposal management system in the Czech Republic during fall 2012 in six stores.

Ahold USA:

- Ahold USA is striving to reduce the amount of waste going to landfill and incineration through the expansion of its organic recycling program (focusing on increasing composting and livestock feed) and increasing consumable food donations to food banks. In addition, Ahold USA is reviewing opportunities to increase rigid plastic recycling, expanded single-stream recycling, and wax cardboard recycling.
- Organic recycling was up 37% at end of 2012 compared to 2011, with total of 509 stores participating compared to 224 at the end of 2011.

Total waste by disposal method

percentage of total waste



“We are very happy to have Ahold as a partner in the FUSIONS project, working both on long-term business-driven strategies to improve food chain sustainability, and on short-term action-driven pilot studies to develop best practices.”
Toine Timmermans, WUR

Our supply chain

We work together with partners in the supply chain to reduce overall waste production, and to dispose of it in the best way possible. We continue to work with the Consumer Goods Forum and the Sustainability Consortium to support sustainable food and packaging initiatives. Ahold also supports the European food waste consortium FUSIONS (Food Use for Social Innovations by Optimising waste preventioN Strategies) to develop innovative solutions to prevent and reduce food waste throughout the value chain.

Our customers

In October 2012, 17 retail companies, including Ahold, presented their plans to cut back on food waste and make the waste stream more sustainable to the European Commissioner for the Environment during the annual Retailers’ Environmental Action Programme (REAP) event. The retailers committed to organizing two awareness-raising campaigns on waste reduction on a global and / or national level by June 2014.

Communicating with customers:

The Netherlands:

- In 2012, customer communication focused on the steps we are taking to reduce the environmental impact of our operations. In 2013, customer communication will be expanded to include waste.

Other Europe:

- Communications to Albert’s customers about waste will be introduced in 2013.

Ahold USA:

- Since mid-2012, all stores in Ahold USA’s divisions have a so-called “Green Captain” to champion and drive responsible retailing targets and programs at store level, including bag reduction, food donation and waste reduction. For more information, read the *case study*.

Reducing shopping bag usage:

The Netherlands:

- In January 2012, Albert Heijn stopped distributing free plastic bags at the checkout, saving 600 kg plastic per day.

Other Europe:

- At Albert, customers have to pay for plastic bags; the money raised is donated to the Albert Charity Foundation.

Ahold USA:

- Ahold USA has developed a comprehensive plan and tracking metric to meet the target to reduce bag use by a billion bags by 2015. Initial results have been positive and we are developing a tracking process to be able to report progress from 2013 onwards. Further plans include working on operational efficiencies for increasing items per bag, education and communication for both employees and consumers, and marketing programs.

Managing our water consumption

Our own operations

Water consumption is a global challenge. Although we do not currently operate in water-stressed areas, we report on our own water usage and design our stores to use less water where possible.

Our supply chain

Water scarcity is an issue for some of our suppliers whose products we sell, and is part of our responsible products program. We work with the Sustainability Consortium to understand the water footprint of our products better.

Care for the environment (continued)



Fighting hunger and composting waste at Ahold USA

Ahold USA's divisions wanted to do more to redirect safe, consumable food from the waste stream to regional food bank partners, so they set up a Consumable Food Taskforce. The goals of this multi-disciplinary committee were to identify and establish standardized food donation procedures from stores across the divisions. To do this, they had to overcome several challenges.

The first challenge was to review current product donation practices, and identify and replicate best practices. As a result, for instance, Giant Carlisle changed its day-old bakery policy. The second was to ensure that charitable product donations are properly tracked from stores to food banks. The third challenge was to understand food banks' capacity to accept more donations. The team identified major regional food banks by division and surveyed their needs, which revealed that they could help most in the donation of frozen meat. An initial pilot is currently being expanded to support more food banks with high-quality protein – what they need the most. As a result of both the efforts of the taskforce and better tracking and reporting of donations, our 2012 donations to food banks increased by 50% – a welcome contribution to local communities in times of crisis.

Any food that cannot be donated is diverted from landfill by being re-used, either as livestock feed or for composting. In 2012, a composting program was rolled out to 285 more U.S. stores, bringing the total to 509. Composting facilities vary by supplier and location, but in general these facilities can convert organic waste to compost for use as a nutrient-rich soil additive in as few as 120 days in state-of-the-art facilities. Each pound of organic waste diverted for composting directly reduces our contribution to landfill.

"I cannot emphasize enough how important the frozen meat donation program is to enriching the array of nutritious food we provide to our community partners serving food-insecure Central Pennsylvanians. The program has been a game changer for people in need... and everyone involved is doubly thankful that this wonderful food is being shared at dinner tables rather than going to waste."

Joe Arthur, Executive Director Central Pennsylvania Food Bank



Care for the environment (continued)

The data
CO₂ emissions^{1,2,3}

15.1%

Reduction in
CO₂ compared
to 2008

| | Volume (thousands of metric tons) | | | | | Efficiency (kg per sq.m. of sales area) | | | | |
|---------------------------|--------------------------------------|--------------|--------------|--------------|--------------|--|------------|------------|-------------------|------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 ⁴ | 2008 |
| Ahold USA | 1,584 | 1,653 | 1,708 | 1,682 | 1,661 | 540 | 577 | 610 | 620 | 635 |
| The Netherlands | 287 | 294 | 316 | 391 | 356 | 269 | 283 | 311 | 384 | 383 |
| Other Europe ⁵ | 226 | 219 | 233 | 252 | 243 | 498 | 484 | 512 | 496 | 457 |
| Total Group | 2,097 | 2,166 | 2,257 | 2,325 | 2,260 | 471 | 497 | 529 | 549 | 555 |

1 CO₂ emissions comprise electricity, leakage of refrigerant substances, gas, fuel and district heating. Given the limited impact of district heating, we do not report on this separately.

2 Since the consumption of all elements is not measured in CO₂ kilograms, conversion factors are used. Historical data are corrected for the 2011 conversion factor. See CO₂ conversion factors section for more details on the methodology applied.

3 380 GWh of the electricity consumed have a zero conversion factor, as green energy certificates were purchased in 2012 for this quantity.

4 The 2009 efficiency measures are adjusted to a 52-week period in order to be consistent with 2008, 2010, 2011 and 2012. This applies to all tables with an efficiency per square meter of sales area.

5 The Other Europe data exclude the district heating consumption for Slovakia in 2008.

The data
Electricity
consumption

8.8%

More efficient in
electricity usage
compared
to 2008

| | Volume (millions of kWh) | | | | | Efficiency (kWh per sq.m. of sales area) | | | | |
|--------------------|-----------------------------|--------------|--------------|--------------|--------------|---|------------|------------|------------|------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 2,110 | 2,109 | 2,128 | 2,083 | 2,133 | 719 | 736 | 761 | 768 | 816 |
| The Netherlands | 551 | 553 | 544 | 552 | 500 | 517 | 534 | 535 | 544 | 539 |
| Other Europe | 264 | 273 | 266 | 304 | 302 | 583 | 603 | 585 | 598 | 567 |
| Total Group | 2,925 | 2,935 | 2,938 | 2,939 | 2,935 | 657 | 674 | 688 | 694 | 720 |

The data
Leakage of
refrigerant
substances¹

| | Volume (metric tons) | | | | | Efficiency (as percentage of total refrigerants) | | | | |
|--------------------|-------------------------|------------|------------|------------|------------|---|-------------|-------------|-------------|-------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 161 | 181 | 204 | 179 | 171 | 12.2 | 14.2 | 16.0 | 14.7 | 14.3 |
| The Netherlands | 28 | 26 | 28 | 27 | 22 | 6.6 | 6.9 | 8.3 | 9.0 | 7.7 |
| Other Europe | 17 | 13 | 15 | 16 | 14 | 14.2 | 11.8 | 13.6 | 14.0 | 11.4 |
| Total Group | 206 | 220 | 247 | 222 | 207 | 11.2 | 12.6 | 14.4 | 13.6 | 13.1 |

1 Refrigerants measured include CFCs, HCFCs and HFCs.

Care for the environment (continued)

The data
Fuel consumption

4.1%

More efficient in
fuel usage
compared to
2011

| | Volume (thousands of liters) | | | | | Efficiency (liters per 1,000 products sold) | | | | |
|--------------------|---------------------------------|--------|--------|--------|--------|--|------|------|------|------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 49,350 | 51,024 | 49,588 | 46,368 | 45,242 | 6.2 | 6.4 | 6.5 | 6.2 | 6.5 |
| The Netherlands | 24,620 | 26,019 | 27,266 | 25,799 | 24,186 | 3.6 | 3.9 | 4.1 | 4.0 | 4.1 |
| Other Europe | 6,720 | 7,081 | 7,029 | 6,806 | 6,789 | 2.9 | 3.0 | 3.0 | 2.8 | 3.0 |
| Total Group | 80,690 | 84,124 | 83,883 | 78,972 | 76,216 | 4.7 | 4.9 | 5.1 | 4.8 | 5.0 |

The data
Natural gas
consumption

| | Volume (thousands of cubic meters) | | | | | Efficiency (cubic meters per sq.m. of sales area) | | | | |
|--------------------|---------------------------------------|---------|---------|---------|--------|--|------|------|------|------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 70,446 | 73,790 | 69,963 | 71,552 | 65,420 | 24.0 | 25.7 | 25.0 | 26.4 | 25.0 |
| The Netherlands | 20,403 | 20,903 | 24,220 | 23,809 | 24,129 | 19.1 | 20.2 | 23.8 | 23.4 | 26.0 |
| Other Europe | 5,878 | 6,099 | 6,651 | 7,975 | 7,705 | 13.0 | 13.5 | 14.6 | 15.7 | 14.5 |
| Total Group | 96,727 | 100,792 | 100,833 | 103,336 | 97,254 | 21.7 | 23.1 | 23.6 | 24.4 | 23.9 |

The data
Waste production

| | Volume (millions of kg) | | | | | Efficiency (kg per sq.m. of sales area) | | | | |
|---------------------------|----------------------------|------|------|------|------|--|------|------|------|------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 430 | 420 | 428 | 390 | 380 | 146 | 147 | 153 | 144 | 145 |
| The Netherlands | 118 | 118 | 118 | 117 | 107 | 110 | 114 | 117 | 115 | 115 |
| Other Europe ¹ | 37 | 39 | 39 | 40 | 37 | 82 | 86 | 85 | 79 | 69 |
| Total Group | 585 | 577 | 585 | 546 | 523 | 131 | 133 | 137 | 129 | 128 |

1 Other Europe excludes Slovakia for 2008.

Care for the environment (continued)

The data
Waste by type

| percentage of waste | Ahold USA | | | | | The Netherlands | | | | | Other Europe | | | | | Total | | | | |
|---------------------|------------|------------|------------|------------|-------------------|-----------------|------------|------------|------------|------------|--------------|------------|------------|------------|-------------------|------------|------------|------------|------------|------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 ¹ | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 ² | 2012 | 2011 | 2010 | 2009 | 2008 |
| Organic | 9 | 7 | 6 | 5 | 3 | 27 | 27 | 27 | 28 | 29 | 18 | 20 | 20 | 20 | 12 | 13 | 12 | 11 | 11 | 9 |
| Cardboard | 44 | 45 | 44 | 47 | 45 | 56 | 55 | 55 | 54 | 54 | 43 | 41 | 41 | 40 | 37 | 46 | 47 | 47 | 49 | 47 |
| Wood | 6 | 6 | 5 | 6 | 5 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 5 | 4 | 4 | 4 | 4 |
| Metal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plastic | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 1 | 1 | 1 |
| Other | 40 | 41 | 44 | 41 | 46 | 14 | 15 | 15 | 15 | 14 | 35 | 35 | 35 | 36 | 47 | 34 | 35 | 37 | 35 | 39 |
| Total waste | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

1 Meat rendering was not available in 2008.

2 Slovakia data was not available in 2008.

The data
Waste by disposal method

| percentage of waste | Ahold USA | | | | | The Netherlands | | | | | Other Europe | | | | | Total | | | | |
|--------------------------------------|------------|------------|------------|------------|-------------------|-----------------|------------|------------|------------|------------|--------------|------------|------------|------------|-------------------|------------|------------|------------|------------|------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 ¹ | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 ² | 2012 | 2011 | 2010 | 2009 | 2008 |
| Re-used, recycled or recovered waste | 56 | 57 | 54 | 58 | 55 | 60 | 61 | 58 | 57 | 57 | 47 | 44 | 44 | 43 | 41 | 57 | 57 | 54 | 57 | 54 |
| Fermented waste | 0 | 0 | 0 | 0 | 0 | 27 | 27 | 27 | 28 | 29 | 3 | 3 | 3 | 0 | 0 | 6 | 6 | 6 | 6 | 6 |
| Compost waste | 4 | 2 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 8 | 7 | 9 | 4 | 3 | 2 | 2 | 1 | 1 |
| Incinerated waste | 16 | 29 | 29 | 32 | 34 | 13 | 12 | 15 | 15 | 14 | 11 | 11 | 11 | 11 | 16 | 15 | 24 | 25 | 27 | 29 |
| Landfill waste | 24 | 12 | 15 | 9 | 11 | 0 | 0 | 0 | 0 | 0 | 32 | 34 | 35 | 37 | 39 | 19 | 11 | 13 | 9 | 11 |
| Total waste | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

1 Meat rendering was not available in 2008.

2 Slovakia data was not available in 2008.

The data
Water consumption¹

| | Volume (millions of liters) | | | | | Efficiency (liters per sq.m. of sales area) | | | | |
|-----------------|-----------------------------|-------|-------|-------|-------|---|-------|-------|-------|-------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Ahold USA | 3,459 | 3,139 | 3,252 | 3,363 | 3,209 | 1,179 | 1,095 | 1,163 | 1,240 | 1,227 |
| The Netherlands | 442 | 465 | 456 | 483 | NR | 415 | 448 | 449 | 476 | NR |

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

Our people

5

Our people



With nearly 225,000 employees on two continents, Ahold is privileged to have teams of great people who excel at what they do, and we are committed to their success.

Our ambitions are to provide a better place to work, with opportunities for growth and advancement, and to support our employees in living healthy lives and driving sustainability.

In every community in which Ahold companies operate, we strive to create workplaces built on fairness and mutual respect. We provide competitive pay and benefits, foster working environments that are safe and secure, and seek input from our employees to keep getting better every day.

Driving stable employment and strong job opportunities remain at the core of everything we do. Employment levels at Ahold companies have expanded as a result of our continued growth.



Our people (continued)

Our progress on our targets

In 2010, we set one Group-wide target in our strategy to 2015 for our people, which has now been met.

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

All of our operating companies have put in place employee responsible retailing programs. These include health and wellness programs for employees in many of our locations, and programs to increase the sustainability of our work environments.

During 2012, we therefore made a new commitment:

Report on our progress on our responsible retailing employee programs from 2013 onwards, using the following metrics:

- employee engagement
- employee participation in healthy living programs
- rollout of sustainability programs



Albert holds activity day for Czech and Slovakian employees

In May 2012, Albert hosted its first “Prima Day” (fun day out) for employees and their families. The aim was to support employee engagement by getting involved in fun, energetic, healthy activities with colleagues, including a football tournament, children’s games, theater plays, body painting, jazz music, barbecue and tombola. Albert’s suppliers provided food and drinks.

The ALBERT CUP football tournament was the highlight of the day, with 16 teams taking part. The tournament encouraged employees to take physical exercise as part of leading a healthier lifestyle.

During the day, Albert employees and their children also played games and competitions, in which they could win prizes, many of which focused on eating a healthier diet. The children were inspired by cookbooks from Albert’s Healthy 5 project (a campaign to educate children in eating five portions of fruit and vegetables a day – see case study), as well as board games and books. A theater performance entitled “Fruits and vegetables fight off illnesses” inspired not just children but their parents too.

Our people (continued)

Actions and achievements in 2012

As employers of nearly 225,000 people, we are constantly striving to be a better place to work – this is the foundation of our commitment to our people. As part of our focus on being a better place to work, we strive to create workplaces built on fairness, respect and safety. Furthermore, we value diversity and inclusion at all levels of the organization. We support our employees in living healthy lives, and encourage them to drive sustainability. Finally, we seek out and value feedback from employees and use this input to make improvements throughout our operations.

Across the Group, our operating companies received a number of awards and rankings relating to their credentials as an employer – see *Awards and rankings during 2012*.

Respecting each other

Ahold's global Code of Conduct reflects our commitment to workplaces characterized by mutual respect, equal opportunities and freedom from discrimination and harassment. We respect employees' legal rights, including the rights of employees to bargain collectively, as well as the standards regarding freedom of association outlined in the United Nations Global Compact. Local toll-free ethics helplines are available for employees to report any concerns about possible violations of the Code of Conduct or improper behavior, and Ahold companies commit to investigating all such reports and taking appropriate action.

In our Ahold Europe and Ahold USA businesses, we have employees represented by unions. We strive to have positive and cooperative relationships with the unions that represent those employees.

Providing good working conditions

We invest in and focus on programs that keep employees safe in our stores, offices and distribution centers. We believe that ensuring our employees' work safety is a fundamental responsibility of our organization. We have many programs and initiatives focused on providing the information, education and tools necessary to work without incident or injury.

Ahold Europe:

- Ahold Europe developed health regulations and activities to improve the effectiveness of health and safety measures at work. This resulted in a new tool to monitor risks in stores: the "WinkelVeiligheidsScan" (store safety scan) to review all safety aspects of a store. A safety at work training program (including First Aid) was also developed for store managers and other leaders to prevent incidents and train their teams in how to respond to such incidents.

Ahold USA:

- All stores and distribution centers have an established safety committee and a safety promoter. This team and leader are responsible for ensuring that hazards are identified and eliminated and that safety programs are executed effectively.
- Programs that have been successful in reducing the frequency and severity of employee injuries include slip-resistant footwear (resulting in 40% fewer "slip and fall" incidents in fresh departments), nurse assistance in case of accident, modified work for employees with physical restrictions, annual assessments to determine personal protective equipment needs, and safety specialists in stores.

Fostering inclusion

A diverse workforce is important for Ahold companies to create successful teams, and we implement programs that support inclusion. We work hard to foster a working environment where all employees can demonstrate their abilities, skills and experiences.

The Netherlands:

- At the end of 2012, Albert Heijn was employing 568 "Wajongers" (young disabled people) in its stores.

Other Europe:

- In 2012 Albert executed a pilot, "Find a job with Albert," aimed at helping young adults from children's homes to find a job at Albert. In total four stores and five children's homes participated. Albert helped these young adults write résumés and covering letters.

Ahold USA:

- In 2012, Ahold USA trained over 200 top leaders in the area of "Managing Inclusion." This program focused on giving leaders the skills to develop diverse, inclusive teams where all employees can contribute and realize their potential.
- Ahold USA has "Associate Resource groups" in three of its four divisions, with plans to implement across all divisions in 2013. These groups bring networks of women and multicultural employees together to make connections, discuss the issues facing our business with division executives, and provide leadership opportunities. Last year, the divisions ran three Women's Conferences focusing on leadership development for female leaders.
- 18 female employees of Ahold USA and its divisions were honored as *Progressive Grocer's* 2012 "Top Women in Grocery" for helping to initiate change within the industry, contributing to their communities, mentoring other employees and leading important initiatives.

Measuring and acting on employee feedback

We seek out and value feedback from employees. In 2012, all of our operating companies conducted surveys to measure employee satisfaction, engagement and ways we can be more effective. This has been an annual process in Ahold Europe since 2007 and was implemented in Ahold USA this year, with plans to make it annual going forward. Nearly 140,000 employees in our companies around the world participated in these surveys.

Overall, the most favorably rated survey dimension is "customer focus," rated positively by employees within Ahold USA and Ahold Europe. Across our companies, employees feel encouraged to go out of their way to satisfy customers, act quickly to resolve customer concerns and view customer orientation as a top priority. Other favorably rated dimensions include supervision and teamwork.

As with every survey, the findings also highlighted areas that we'd like to improve. Examples include increasing development opportunities and improving company communications to all employees.

We are in the process of sharing survey findings with employees and acting on these to make concrete improvements to the way we operate. Detailed action plans – reflecting the findings from the surveys – are currently being developed in each area of the company and all stores, and are due to be completed by March 2013.

Our people (continued)

1,400

Vocational learning students per year gain experience in Albert Heijn stores



Albert Heijn's ambition to be the best vocational learning company

Employee engagement leads to better retention, customer satisfaction and business performance. Albert Heijn's ambition is therefore to be a better place to work, also for our part-time employees, by offering the best combination of education and work. Many young people in the Netherlands have their first job at Albert Heijn: each year, the company employs around 53,000 young people (under 19). This includes over 1,400 vocational learning students (some of whom are recruited from local colleges), who gain experience in stores.

Participants in a special vocational learning program for the unemployed were recruited in cooperation with the municipality of Amsterdam. This program focuses on integrating the unemployed into the community, and therefore also fulfils our ambition to contribute to community well-being. From the group of 44 previously unemployed who started in this group in 2010, 34 no longer register for unemployment benefit.

The program stimulates students to graduate and finish school, and offers them opportunities to develop professionally. In Amsterdam in 2012, 13 students graduated after two years of vocational learning and working at Albert Heijn. In Utrecht, nine candidates are working towards graduation in 2013.

In October 2012, a teachers' conference took place involving 75 teachers from 30 vocational colleges. Albert Heijn created a LinkedIn group for teachers to keep in touch, and will roll out an online vocational learning platform in mid-2013.

Our people (continued)

Supporting our employees in healthy living

As part of our employee responsible retailing plans, we have implemented health and well-being programs at all our operating companies.

The Netherlands:

- Ahold provides opportunities for employees in the Netherlands to lead healthier lives, including a well-being program, which consists of four elements: mindset, nutrition, movement and recovery. This program includes fun team activities, advice on how to avoid mental and physical illness, health management policies, collective discounts on health insurances, regular free fruit and eat fit clinics, and sports activities such as running, soccer and cycling.
- Ahold's "Fit & Fun" program continued to generate strong participation during the reporting year. In 2012, 3,300 employees participated in 290 events (up from 2011 in which 3,100 employees participated in 280 events). The annual soccer tournament in May was attended by over 1,750 participants. The 10-mile "Dam to Dam" run was finished by 2,400 employees, and the walking tour by 380 employees. Other initiatives included a 12-week training / healthy-eating program, quit-smoking program, bike discount plan and free health checks.
- Albert Heijn communicates about healthy living to its employees via its internal magazine *Ahá*.

Other Europe:

- In 2012, Albert organized the "Prima Day" (fun day out) for employees and their families to engage in fun, energetic, healthy activities, including a football tournament. For more information, read the *case study*.
- Albert also provides "Multisport" gym membership cards for employees, which enables them to use local gyms to participate in different sports or relax by having a steam bath or massage.
- In Albert's distribution centers, new-format canteens serve a new assortment of salads, fruit and vegetables at affordable prices.
- In total, 475 employees participated in Albert's healthy living activities during the reporting year.

Ahold USA:

- Ahold USA helps employees to lead healthier lives by offering voluntary fitness courses, support groups for chronic disease states, smoking cessation programs, walking programs and weight-loss programs. While these are being piloted in corporate office locations, the plan is to expand these offerings into the retail divisions within the next one to three years.
- Annual health fairs, which include interactive demos, screenings and massage therapy are held at all corporate locations.
- Ahold USA communicates regularly via the "Healthy Ideas for Associates" program, which includes themed desk drops, posters and highlights in divisional newsletters.

Supporting our employees in driving sustainability

As part of our employee responsible retailing programs, we have launched programs to help employees drive sustainability in our offices and stores.

The Netherlands:

- In 2012, Albert Heijn launched its new responsible retailing campaign, known as "Meer Doen" (or "Do More") in stores and offices. For more information, read the *case study*. Office initiatives included encouraging the re-use of cups.
- A proactive mailbox program to reduce the quantity of mail that is immediately thrown away began in June 2012 and resulted in savings of 21,463 kg paper in 2012, 1,164 pieces of mail per day, and 1,433 subscriptions to trade literature during the year.
- Ahold Europe has contracted a new cleaning company in the Netherlands, based on three criteria: price, quality and sustainability. The contract includes the obligation to use environmentally friendly cleaning products that comply with ISO 9001 and 14001 standards, and for individuals with disabilities to comprise at least 5% of the company's employees. New cleaning machines will also be operated which use less water.

Other Europe:

- Training has been introduced for employees on how to separate waste at work and at home.

Ahold USA:

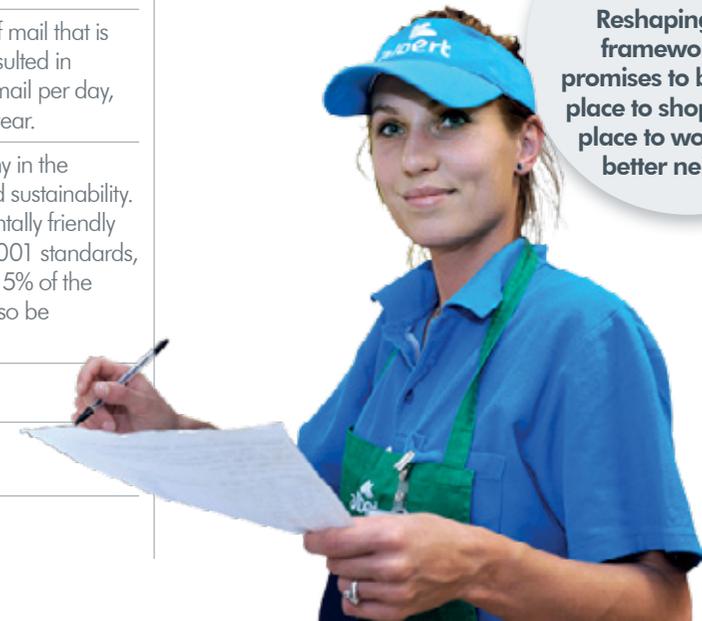
- Since mid-2012, all stores in Ahold USA's divisions have a "Green Captain" to champion and drive responsible retailing targets and programs at store level. For more information, read the *case study*.

Engaging employees in our strategy

In 2012, we introduced the final element of our Reshaping Retail framework: our promises to be a better place to shop, a better place to work and a better neighbor. These promises define how we will get better every day for our customers, our employees and our communities. Responsible retailing runs through all three promises, because without it we cannot achieve our ambition to get better every day.

Employees are the key to putting this strategy into practice and bringing it to life. In 2012, we kicked off a program to engage colleagues at all our operating companies on our promises. The roll out program began with the top leadership team in September, and is continuing to cascade through the organization to the stores and distribution centers in 2013.

In 2012, we introduced the final element of our Reshaping Retail framework: our promises to be a better place to shop, a better place to work and a better neighbor



Our people (continued)



Green Captains promote responsible retailing in U.S. stores

Since mid-2012, all stores in Ahold USA's divisions have a "Green Captain" to champion and drive responsible retailing targets and programs at store level. With the help of their "Green Team" (consisting of one employee from each department) they ensure that store employees are educated and trained on the processes around recycling cardboard, paper, plastic and organic waste. The Green Captains and their teams also track results and share feedback from employees and customers on progress on our responsible retailing strategy.

In some areas, stores have implemented an energy and water savings program, as well as a program to recycle "rigid" plastic buckets and pails. Ahold USA's billion bag reduction target is another focus area: a large promotional launch took place in October 2012, with ongoing communication programs to promote re-usable bags and to engage employees and customers through in-store messaging on the impacts of plastic bags on the environment and communities.

All stores have a "Green Board" on which employees can learn who their Green Captain is and who their Green Team members are, and read about the highlights of the program, as well as current successes and opportunities. All Green Captains and Green Team members wear specific tags on their name badges to identify them as being part of this team to their colleagues and customers.



Our people (continued)

The data

Number of employees

| thousands | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------------|------------|------|------|------|------|
| Ahold USA ¹ | 121 | 117 | 116 | 113 | 112 |
| The Netherlands ² | 93 | 89 | 84 | 80 | 76 |
| Other Europe | 11 | 12 | 12 | 13 | 14 |
| Total | 225 | 218 | 213 | 206 | 202 |

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

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

The data

Percentage of workforce by contract type¹

| | 2012 | | 2011 | | 2010 | | 2009 | | 2008 | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full-time | Part-time |
| Ahold USA ² | 28 | 72 | 29 | 71 | 30 | 70 | 30 | 70 | 30 | 70 |
| The Netherlands ³ | 13 | 87 | 14 | 86 | 14 | 86 | 16 | 84 | 18 | 82 |
| Other Europe | 68 | 32 | 67 | 33 | 74 | 26 | 73 | 27 | 86 | 14 |

1 Contract type based on local definition.

2 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

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

The data

Percentage of workforce by gender

| | 2012 | | 2011 | | 2010 | | 2009 | |
|------------------------------|-----------|-----------|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male | Female | Male |
| Ahold USA ¹ | 47 | 53 | 47 | 53 | 47 | 53 | 47 | 53 |
| The Netherlands ² | 53 | 47 | 53 | 47 | 53 | 47 | 53 | 47 |
| Other Europe | 81 | 19 | 80 | 20 | 80 | 20 | 80 | 20 |

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

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

Our people (continued)

The data Percentage of workforce by age

| | 2012 | | | | | 2011 | | | | | 2010 | | | | | 2009 | | | | |
|------------------------------|------|-------|-------|-------|-----|------|-------|-------|-------|-----|------|-------|-------|-------|-----|------|-------|-------|-------|-----|
| | <19 | 20>29 | 30>39 | 40>49 | 50+ | <19 | 20>29 | 30>39 | 40>49 | 50+ | <19 | 20>29 | 30>39 | 40>49 | 50+ | <19 | 20>29 | 30>39 | 40>49 | 50+ |
| Ahold USA ¹ | 16 | 28 | 13 | 16 | 27 | 14 | 28 | 13 | 17 | 28 | 16 | 26 | 13 | 18 | 27 | 17 | 25 | 14 | 18 | 26 |
| The Netherlands ² | 57 | 22 | 7 | 8 | 6 | 57 | 21 | 8 | 8 | 6 | 58 | 20 | 8 | 8 | 6 | 58 | 19 | 8 | 9 | 6 |
| Other Europe | 7 | 28 | 25 | 21 | 19 | 1 | 23 | 30 | 24 | 22 | 1 | 23 | 30 | 24 | 22 | 1 | 23 | 29 | 24 | 23 |

1 Ahold USA comprises four retail divisions – Giant Carlisle, Giant Landover, Stop & Shop New England and Stop & Shop New York Metro – as well as Peapod and Ahold USA support organization.

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

The data Composition of the Ahold Boards

| | 2012 | | 2011 | | 2010 | | 2009 | | 2008 | |
|---------------------------|----------|-----------|----------|-----------|----------|----------|----------|----------|----------|----------|
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| Corporate Executive Board | 0 | 4 | 0 | 4 | 1 | 4 | 1 | 4 | 1 | 4 |
| Supervisory Board | 2 | 6 | 2 | 6 | 3 | 5 | 3 | 5 | 3 | 4 |
| Total | 2 | 10 | 2 | 10 | 4 | 9 | 4 | 9 | 4 | 8 |

How we manage responsible retailing

In this section:

Responsible retailing at Ahold is managed at all levels of the organization...

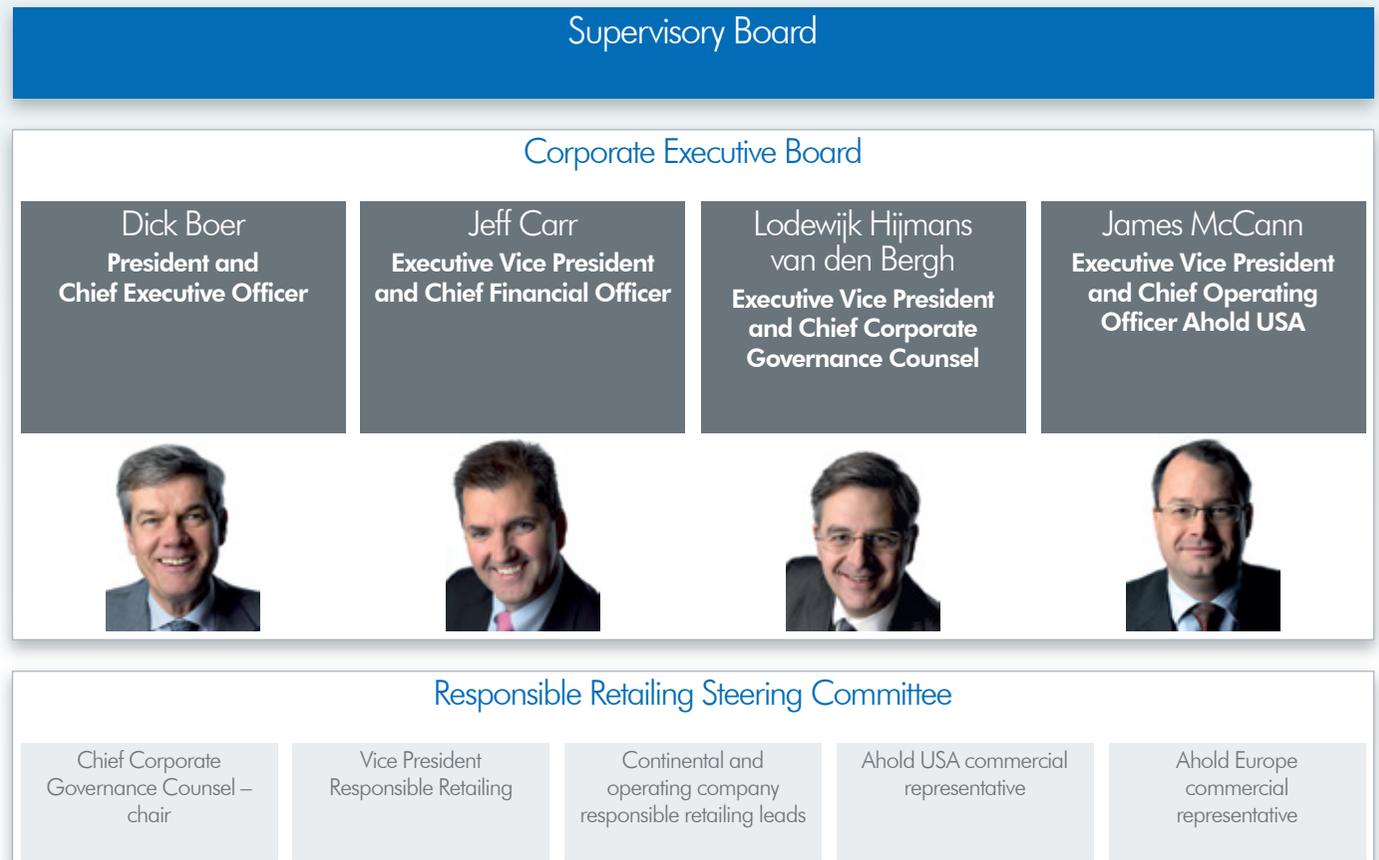
Our governance structure

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

Within the CEB, Chief Corporate Governance Counsel (CCGC) Lodewijk Hijmans van den Bergh is responsible for RR, including its strategy, ambitions and targets. The Vice President Responsible Retailing (VP RR) oversees Ahold's Group-wide RR strategy, which is implemented at operating company level. While the reporting process is managed by our finance function, the VP RR is responsible for reporting on progress against Ahold's RR strategy internally and externally, for engaging external stakeholders on Ahold's RR strategy and for monitoring RR-related trends and managing RR-related issues and risks. The Vice President Product Integrity (VP PI) is responsible for product safety and our product responsibility standards.

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

Each continent and operating company has an employee with overall responsibility for RR and an employee responsible for each priority area. Ahold governs RR at a Group level via its RR Steering Committee. This committee meets twice yearly to review progress against the targets, to review any proposed revisions to the strategy, including new or modified targets, and to provide recommendations to the CEB. It is chaired by the CCGC, and includes the VP RR, continental and operating company leads, and Ahold USA and Ahold Europe commercial representatives. In addition, in 2013 Ahold has strengthened its governance of product safety and responsibility by introducing a Product Integrity Steering Committee chaired by the CCGC.



Stakeholder engagement

As an international food retailer operating businesses that are deeply rooted in their local communities, we have a wide range of stakeholders who impact, or are impacted by, our business in various ways. Our stakeholders include our customers, employees, suppliers, the communities where we operate, governments, NGOs, academic and research institutes, industry bodies and our shareholders. We engage with our stakeholders in order both to gain insight into their expectations, and to share our progress with them. This enables us to better meet stakeholder needs over time.

Ahold's Corporate Communications department manages the company's activities in government relations, regulatory public affairs, and participation in industry bodies and related organizations. It is an important part of our ongoing dialogue with stakeholders about RR-related issues. On our website, www.ahold.com, you can find a list of global, European and U.S. partner associations with whom we engage on RR matters.

Balancing different stakeholder needs

We recognize that our stakeholders have different and sometimes conflicting expectations. We therefore try to be transparent in our decision-making process and have an open dialogue with stakeholders to explain the issues we face in this process.

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

Customers

We regularly ask our customers what they think of our stores, assortment and service, including their perception of Ahold as a healthy retailer. We receive feedback via third-party surveys, proprietary tracking studies and consumer panels, as well as directly from customers in stores. You can find out how our customers perceived us as a leading healthy retailer in the *Healthy living choices made easy* section. You can also read about Albert Heijn's customer-focused responsible retailing campaign, "Meer Doen," in the case study.

Employees

We have an open and honest company culture, and carry out regular employee satisfaction surveys. In 2012, we carried out employee satisfaction surveys in all our operating companies. You can find out more about the results of these in the *Our people* section.

Suppliers

Our suppliers are very important to us, and with many we have long-term relationships. We therefore held supplier events in both Europe and the United States to discuss various important topics, including company strategy, sustainability, supplier diversity and food safety, with them. We also work through the Albert Heijn Foundation in Africa to improve the quality of life for our suppliers and their communities, as well as to secure our long-term supply chain.

Communities and NGOs

Our companies are committed to being active and participating members of their communities. We do this through initiatives, events and charitable contributions that help to improve the communities and neighborhoods in which we operate.

Shareholders

We meet with investors on a regular basis, including socially responsible investment (SRI) analysts, and work to broaden the investment community's understanding of our company by providing accurate and timely information on Ahold's performance and prospects.

Annual stakeholder meetings

Since 2011, we have been holding annual stakeholder meetings with our NGO community and other organizational stakeholders at Group level, to provide an update on our responsible retailing strategy and an opportunity for stakeholders to ask questions. At our 2012 event, representatives came from international NGOs such as Oxfam Novib, World Wildlife Fund, International Union for Conservation of Nature (IUCN) and Greenpeace, as well as local Dutch organizations Dierenbescherming (animal welfare), ICCO, FairMatch Support, Fair & Sustainable, IDH Sustainable Trade initiative and Dutch Association of Investors for Sustainable Development (VBDO). The Dutch Ministry of Economic Affairs, Land Use and Innovation was also represented. Topics discussed included putting our strategy into practice in stores, the levels of our targets, how we set sustainability standards, ways to improve reporting, and working with partners. Ahold representatives, including Chief Corporate Governance Counsel Lodewijk Hijmans van den Bergh, VP Responsible Retailing and VP Product Integrity, were on hand to answer questions and discuss issues.

Awards and rankings during 2012

Ahold and its operating companies received a number of awards during the reporting year. Those relating to responsible retailing were as follows.



- A survey commissioned by Natuur & Milieu (Dutch organization for the protection of nature and the environment) concluded that people in the Netherlands rate Ahold first among AEX companies in terms of their contribution to sustainability.
- For the fourth year in a row, Ahold kept its spot in the Dow Jones Sustainability Index (DJSI) World list, which scores international companies on their economic, environmental and social performance. In 2012, for the first time, Ahold was added as a member of the DJSI Europe list.
- InCompany's 2012 employee satisfaction survey ranked Ahold number 25, and Albert Heijn number 34, out of the biggest 200 companies in the Netherlands.
- Intelligence Group ranked Albert Heijn number 14 in its most favorite employer list in the first half of 2012 (2011: number 66).
- Intermediar 2012 image survey ranked Ahold number six (2011: number 10).
- Effectory employer of choice 2012 ranked Ahold Europe number seven (2011: number seven).
- Ahold Transport received Connekt's "Lean and Green" certificate for its plans to reduce CO₂ emissions through the ways in which it transports products to Albert Heijn, Etos and Gall & Gall stores, and between its six distribution centers.
- Albert Heijn won San accent Dutch advertisers award for "Onze Albert Heijn" campaign.
- Albert in the Czech Republic ranked seventh in the Biggest Corporate Donor category and sixth in the Most Generous Corporate Donor category in the 2012 Top Responsible Company Competition.
- Ahold USA was ranked seventh on the U.S. Environmental Protection Agency's Top 20 Retail list and number 30 on the National Top 50 list of green power purchasers.
- Ahold USA won the 2012 Food Marketing Institute (FMI) Community Outreach Award in the Neighborhood Health Improvement category for large-format retailers for its Healthy Kids Summits, which engage families with nutrition and exercise information.
- Ahold USA was presented with the 2012 Champion award from the Produce for Better Health (PBH) Foundation in recognition of work done to increase fruit and vegetable consumption to improve customers' health.
- For the second year running, Ahold USA has been named to DiversityBusiness.com's "Top 50 Organizations for Multicultural Business Opportunities," moving up five spots from 2011 to rank 42nd in the United States.
- 18 female employees of Ahold USA and its divisions were honored as *Progressive Grocer's* 2012 "Top Women in Grocery" for helping to initiate change within the industry, contributing to their communities, mentoring other employees and leading important initiatives.
- Giant Carlisle was selected to receive the Corporate Community Service Award from the American Red Cross of the Susquehanna Valley in Pennsylvania for its service to the community during the series of natural disasters.

Our approach to reporting

In this section:

This 2012 report covers Ahold's responsible retailing strategy, practices and performance during the period from January 2, 2012 to December 30, 2012.

Ahold reports progress on the targets it has set for each of its five RR priority areas: healthy living choices made easy, contribution to community well-being, responsibly sourced products, care for the environment and our people. The standards that are used follow the Global Reporting Initiative (GRI G3.0) protocol, and Ahold qualifies for application level B+ according to GRI indicators. Ahold has been publishing RR Reports since 1998, and has been doing so annually since 2007.

Scope of reporting

The scope of the 2012 report has been determined based on Ahold's RR priority areas and the principles of materiality and completeness. Our priority areas were selected on the basis of their relevance to Ahold's business model, to its stakeholders, and to those areas where Ahold can make a meaningful difference. The sustainability issues that are covered are based on ongoing interaction with our businesses, stakeholders, and involvement in international associations and roundtables.

The RR reporting scope excludes results from the joint ventures with ICA and JMR. For both joint ventures, the shareholders' agreement is that Ahold does not have unilateral decision-making authority over its partners, including decisions on the strategic, financial and operational direction of the companies. Both ICA and JMR deliver their own reports, including references to their corporate and social responsibility strategies and policies. From an operational management perspective, Ahold and ICA have chosen to continue their close collaboration on RR and sustainability topics. Best practices and knowledge are shared across the groups and ICA is a member of the Ahold RR Steering Committee.

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

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

See ICA's sustainability report for more information.

Information relating to our RR strategy and our progress against its targets is reviewed for significance and materiality from an economic, environmental, and social perspective. The report features information that is material in relation to our total revenue, environmental footprint, and in terms of social impact and sustainability issues. When reporting on our targets, the inclusion (or exclusion) of specific operating companies is based on a materiality assessment of the companies per priority area, with all excluded operating companies (per reported account) producing less than 2% of Ahold's total sales or emissions.

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

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

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

The scope of this RR Report excludes:

- Direct store deliveries, business travel and offices, due to their limited materiality to our overall performance in our care for the environment priority area.
- Outsourced distribution centers, which do not qualify for inclusion according to the GRI criteria of control, influence and impact.

In 2012, we reviewed the materiality and relevance of each of our priority areas for each of our operating companies (see tables following). The scope of reporting follows this assessment.

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



Healthy living

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

Scope of reporting (continued)

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



Community well-being

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

| | |
|------------------------------|---------------------------------------|
| Ahold USA (excluding Peapod) | ● |
| Peapod | ● |
| Albert Heijn | ● |
| Etos | ● |
| Gall & Gall | ● |
| albert.nl | ● |
| bol.com | ● |
| Ahold Coffee Company | ● |
| Albert, Czech Republic | ● |
| Albert / Hypemova, Slovakia | ● |



Responsible products

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

Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012

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

Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015

Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company, by 2012

| | Ensure that 80% of our own-brand food suppliers are certified against Global Food Safety Initiative (GFSI) recognized standards by 2012 | Ensure that 100% of own-brand suppliers in high-risk countries are audited on social compliance by 2012 | Source 100% of the six critical commodities for own-brand products in accordance with industry certification standards by 2015 | Map the environmental footprint of 50% of own-brand suppliers and their supply chains by 2015 | Develop a global approach with guidelines for sustainable own-brand packaging, which includes a packaging improvement program for each operating company, by 2012 |
|------------------------------|---|---|--|---|---|
| Ahold USA (excluding Peapod) | ● | ● | ● | ● | ● |
| Peapod | ● | ● | ● | ● | ● |
| Albert Heijn | ● | ● | ● | ● | ● |
| Etos | ● | ● | ● | ● | ● |
| Gall & Gall | ● | ● | ● | ● | ● |
| albert.nl | ● | ● | ● | ● | ● |
| bol.com | ● | ● | ● | ● | ● |
| Ahold Coffee Company | ● | ● | ● | ● | ● |
| Albert, Czech Republic | ● | ● | ● | ● | ● |
| Albert / Hypemova, Slovakia | ● | ● | ● | ● | ● |

Scope of reporting (continued)

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



Care for the environment

| | Reduce CO ₂ per square meter of sales area by 20% in our operations by 2015 against our 2008 baseline | Develop a Group metric to measure food waste by 2012 | Eliminate free disposable bags at the checkout in our supermarkets in Europe by 2012, and reduce the amount of disposable bags at the checkout in the United States by one billion bags by 2015 | Eliminate landfill as a disposal method by 2020 | Ensure that all operating companies have implemented a communications policy to encourage customers to reduce, re-use and recycle by 2013 |
|------------------------------|--|--|---|---|---|
| Ahold USA (excluding Peapod) | ● | ● | ● | ● | ● |
| Peapod | ● | ● | ● | ● | ● |
| Albert Heijn | ● | ● | ● | ● | ● |
| Etos | ● | ● | ● | ● | ● |
| Gall & Gall | ● | ● | ● | ● | ● |
| albert.nl | ● | ● | ● | ● | ● |
| bol.com | ● | ● | ● | ● | ● |
| Ahold Coffee Company | ● | ● | ● | ● | ● |
| Albert, Czech Republic | ● | ● | ● | ● | ● |
| Albert / Hypernova, Slovakia | ● | ● | ● | ● | ● |



Our people

| | Ensure that each operating company has a CR employee program in place by 2012 |
|------------------------------|---|
| Ahold USA (excluding Peapod) | ● |
| Peapod | ● |
| Albert Heijn | ● |
| Etos | ● |
| Gall & Gall | ● |
| albert.nl | ● |
| bol.com | ● |
| Ahold Coffee Company | ● |
| Albert, Czech Republic | ● |
| Albert / Hypernova, Slovakia | ● |

For the data tables in Our people, all operating companies are included in reporting except for bol.com.

Reporting process

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

The following conditions per priority area apply to the data in this report.

Healthy living

Ahold measures sales of healthy products as a percentage of the total food sales. The decision to exclude non-food sales was taken to avoid distortion from category changes that have no influence on Ahold's performance as a healthy retailer. For the healthy sales data, 100% completeness and accuracy cannot be guaranteed due to the manual data gathering process. The percentage of healthy sales in 2008 and 2009 has not been reviewed by our external auditors.

Community well-being

100% completeness on the contributions and donations cannot be guaranteed due to the manual data gathering process.

Responsible products

The exercise of mapping our suppliers is ongoing; we estimate that it is 80% complete. All data provided is for production sites that have been mapped. GFSI percentages are reported as a percentage of sales for Ahold USA, and as a percentage of suppliers for Ahold Europe. For all own-brand products, 100% completeness and accuracy cannot be guaranteed due to the manual data gathering process.

In critical commodities, the percentage of sales of each commodity in our own-brand products that is sustainably sourced is based on the key product categories for which these commodities are relevant. Other Europe data only includes locally sourced products from the Czech Republic.

The product categories included are:

- coffee: all coffee
- tea: black tea, green tea and red bush tea
- cocoa:
 - chocolate bars, tablets and candies
 - seasonal products: Easter, Christmas and Sinterklaas
 - bakery: chocolate muffins
- seafood: fresh and frozen seafood
- palm oil and soy: reporting on segregated palm oil and soy is excluded from the baseline review, as these commodities cannot be directly linked to products with 100% completeness. The approach for palm oil and soy is explained in the *Responsibly sourced products* section.

Care for the environment

In relation to our CO₂ reduction target, the majority of the data reflect actual consumption. Where possible, this is an automated process, but in some cases, such as gas, fuel, district heating, electricity and water consumption, they are a combination of actual consumption and extrapolation based on sample stores. In other cases, where actuals and extrapolations could not be applied, best estimates were used. To report on leakage of refrigerant substances, waste types and waste disposal methods, data has been provided by third-party service providers, which was only partly audited. Food waste data includes extrapolations from one division to the total Ahold USA data.

CO₂ conversion factors

The total CO₂ emission calculation is the sum of the CO₂ emissions of fuel, electricity, district heating, gas and leakage of refrigerant substances. Since the consumption of those elements is not measured in CO₂ kilograms, conversion factors from other units of measurement are applied.

For electricity, each country has its own conversion factor, which is updated each year. The sources of the electricity conversion factors are the International Energy Agency for Europe and the Environmental Protection Agency for the United States. Each year, the 2008 baseline year is re-calculated using the latest electricity CO₂ conversion factors. Sources for conversion factors are from the 2011 Defra report. Changes between the Defra 2011 and 2012 reports were reviewed and are not material.

- Sources for converting fuel and gas: August 2011 Guidelines for Defra Greenhouse Gas Conversion Factors for Company Reporting and Handboek CO₂ prestatieladder 2.0.
- Sources for converting electricity: International Energy Agency (IEA), 2009, and Environmental Protection Agency (EPA) eGrid2010, version 1.0.
- Source for converting refrigerant substances: Climate Change 2007 – The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel Climate Change (IPCC).

Data revisions

There are no revisions of previous years' data in this report.

Global Reporting Initiative

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

The guidelines recognize issues relating to environmental and social priorities, the running of the business and the products sold. Ahold's RR Report includes a selection of indicators that are the most relevant and

material to our priority areas, and therefore to our business and stakeholders. We have also benchmarked these indicators against our peers and competitors. Every year, we review the indicators selected, and we are continually working to improve our data collection processes.

The GRI framework outlines several levels of reporting compliance, depending on a company's capabilities and ambitions. A summary of our compliance is included in the GRI cross-reference table. In 2012, we reported according to the GRI G3.0 Guidelines, complying with level B. Our RR Report 2012 has been reviewed by Ahold's external auditor, Deloitte Accountants B.V., which has provided limited assurance. This has enabled us to achieve application level B+ again this year.

1. Strategy and analysis

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

2. Organizational profile

| | | |
|--|---|-----|
| 2.1 Name of the organization. | Title page <i>Other information:</i> Contact us | Yes |
| 2.2 Primary brands, products, and / or services. | <i>Responsible retailing at Ahold:</i> Where and how we operate | Yes |
| 2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | <i>Responsible retailing at Ahold:</i> Company profile, Where and how we operate AR: <i>Ahold at a glance</i> | Yes |
| 2.4 Location of organization's headquarters. | <i>Other information:</i> Contact us | Yes |
| 2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | <i>Responsible retailing at Ahold:</i> Where and how we operate AR: <i>Ahold at glance</i> | Yes |
| 2.6 Nature of ownership and legal form. | AR: <i>Financials:</i> Share capital, Shares and shareholders' rights | Yes |

Global Reporting Initiative (continued)

| GRI indicator | Where to look | Included |
|--|---|----------|
| 2.7 Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries). | <i>Responsible retailing at Ahold:</i> Company profile, Where and how we operate AR: <i>Ahold at a Glance:</i> Group highlights | Yes |
| 2.8 Scale of the reporting organization. | <i>Our priority areas: Our people:</i> The data AR: <i>Ahold at a Glance, Our performance, Financials:</i> Consolidated balance sheet, Notes to the consolidated financial statements | Yes |
| 2.9 Significant changes during the reporting period regarding size, structure, or ownership. | AR: <i>Financials:</i> Share capital, Notes to the consolidated financial statements | Yes |
| 2.10 Awards received in the reporting period. | <i>How we manage responsible retailing:</i> Awards and rankings during 2012 | Yes |

3. Report parameters

Report profile

| | | |
|---|--|-----|
| 3.1 Reporting period. | <i>Our approach to reporting</i> | Yes |
| 3.2 Date of most recent previous report. | <i>Our approach to reporting</i> www.ahold.com/CR-Reports | Yes |
| 3.3 Reporting cycle. | <i>Our approach to reporting</i> | Yes |
| 3.4 Contact point for questions regarding the report or its contents. | <i>Other information:</i> Contact us | Yes |

Report scope and boundary

| | | |
|--|--|-----|
| 3.5 Process for defining report content. | <i>Responsible retailing at Ahold:</i> Introduction and strategy <i>How we manage responsible retailing:</i> Stakeholder engagement <i>Our approach to reporting:</i> Scope of reporting Reporting process | Yes |
| 3.6 Boundary of the report. | <i>Our approach to reporting:</i> Scope of reporting Reporting process | Yes |

Global Reporting Initiative (continued)

| GRI indicator | Where to look | Included |
|---|--|----------|
| 3.7 State any specific limitations on the scope or boundary of the report. | <i>Our approach to reporting:</i> Scope of reporting Reporting process | Yes |
| 3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and / or between organizations. | <i>Our approach to reporting:</i> Scope of reporting Reporting process | Yes |
| 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. | <i>Our approach to reporting:</i> Reporting process CO ₂ conversion factors | Yes |
| 3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement. | <i>Our approach to reporting:</i> Reporting process CO ₂ conversion factors Data revisions | Yes |
| 3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | <i>Our approach to reporting:</i> Scope of reporting Reporting process CO ₂ conversion factors Data revisions | Yes |
| GRI content index | | |
| 3.12 Table identifying the location of the Standard Disclosures in the report. | <i>Our approach to reporting:</i> Global Reporting Initiative Global Compact | Yes |
| Assurance | | |
| 3.13 Policy and current practice with regard to seeking external assurance for the report. | <i>Our approach to reporting:</i> Reporting process CO ₂ conversion factors Global Reporting Initiative Global Compact External assurance report | Yes |

Global Reporting Initiative (continued)

4. Governance, commitments and engagement

Governance

| GRI indicator | Where to look | Included |
|--|--|----------|
| 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: <i>Governance</i> : Our leadership, Corporate governance | Yes |
| 4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement). | AR: <i>Governance</i> : Our leadership, Corporate governance, Supervisory Board report | Yes |
| 4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and / or non-executive members. | Ahold does not have a unitary board. It is governed based on a two-tier model. | Yes |
| 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | <i>Other information:</i> Contact us AR: <i>Governance</i> : Corporate governance – Shares and shareholders' rights, Contact information www.ahold.com/Corp-gov/Documentation | 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: <i>Governance</i> : Corporate governance, Remuneration | Yes |
| 4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided. | AR: <i>Governance</i> : 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: <i>Governance</i> : Our leadership, Corporate governance | Yes |
| 4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation. | AR: <i>Governance</i> : How we manage risk www.ahold.com/Corp-gov/Documentation | Yes |
| 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles. | <i>How we manage responsible retailing:</i> Our governance structure AR: <i>Governance</i> : Corporate governance, How we manage risk, 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: <i>Governance</i> : Remuneration | Yes |

Global Reporting Initiative (continued)

Commitments to external initiatives

| GRI indicator | Where to look | Included |
|---|---|----------|
| 4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization. | AR: <i>Governance</i> : How we manage risk | Yes |
| 4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses. | <i>How we manage responsible retailing</i> : Stakeholder engagement | Yes |
| 4.13 Memberships in associations (such as industry associations) and / or national / international advocacy organizations. | <i>How we manage responsible retailing</i> : Stakeholder engagement <i>Our priority areas: Responsible products</i> : Actions and achievements in 2012 www.ahold.com/Stakeholders | Yes |

Stakeholder engagement

| | | |
|--|---|-----|
| 4.14 List of stakeholder groups engaged by the organization. | <i>How we manage responsible retailing</i> : Stakeholder engagement | Yes |
| 4.15 Basis for identification and selection of stakeholders with whom to engage. | <i>How we manage responsible retailing</i> : Stakeholder engagement | Yes |
| 4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | <i>How we manage responsible retailing</i> : Stakeholder engagement | Yes |
| 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | <i>Responsible retailing at Ahold</i> : Message from Dick Boer, Ahold CEO Introduction and strategy <i>How we manage responsible retailing</i> : Stakeholder engagement | Yes |

Global Reporting Initiative (continued)

Economic performance indicators

| GRI indicator | Where to look | Included |
|---|--|-----------|
| Management approach to economic responsibility | <p><i>Our priority areas: Community well-being:</i> Our ambitions Our progress on our targets <i>How we manage responsible retailing:</i> Our governance structure AR: <i>Ahold at a glance:</i> Group highlights <i>Our strategy:</i> Governance: How we manage risk Financials: Financial Statements, Notes to the consolidated financial statements</p> | Yes |
| Aspect: Economic performance | | |
| 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. | <p><i>Our priority areas: Community well-being:</i> Our progress on our targets – Contributions and donations (table) AR: <i>Financials:</i> Financial Statements</p> | Yes |
| EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change. | <p><i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 AR: <i>Governance:</i> How we manage risk</p> | Yes |
| EC3 Coverage of the organization's defined benefit plan obligations. | AR: <i>Note 23</i> Pensions and other post-employment benefits | Yes |
| EC4 Significant financial assistance received from government. | No significant financial assistance received from government. | Yes |
| Aspect: Market presence | | |
| EC6 Policy, practices and proportion of spending on locally based suppliers at significant locations of operation. | www.ahold.com/Stakeholders | Partially |
| Aspect: Indirect economic impacts | | |
| EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. | <p><i>Our priority areas: Community well-being:</i> Actions and achievements in 2012 <i>Our priority areas: Responsible products:</i> Actions and achievements in 2012</p> | Yes |

Global Reporting Initiative (continued)

Environmental performance indicators

| GRI indicator | Where to look | Included |
|--|---|-----------|
| Management approach on environmental responsibility | <i>Responsible retailing at Ahold:</i> Introduction and strategy <i>Our priority areas: Care for the environment:</i> Our ambitions Our progress on our targets Actions and achievements in 2012 <i>Our priority areas: Our people:</i> Our ambitions Our progress on our targets <i>How we manage responsible retailing:</i> Our governance structure Our approach to reporting: External assurance report www.ahold.com/Care-environment | Yes |
| Aspect: Energy | | |
| EN3 Direct energy consumption by primary energy source. | <i>Our priority areas: Care for the environment:</i> The data – Fuel consumption (table), Natural gas consumption (table) | Yes |
| EN4 Indirect energy consumption by primary source. | <i>Our priority areas: Care for the environment:</i> The data – Electricity consumption (table) | Yes |
| EN5 Energy saved due to conservation and efficiency improvements. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 The data – Electricity consumption (table), Fuel consumption (table), Natural gas consumption (table) | Yes |
| EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 | Yes |
| EN7 Initiatives to reduce indirect energy consumption and reductions achieved. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 | Partially |

Global Reporting Initiative (continued)

Aspect: Water

| GRI indicator | Where to look | Included |
|--|--|----------|
| EN8 Total water withdrawal by source. | <i>Our priority areas: Care for the environment:</i> The data – Water consumption (table) | Yes |
| EN9 Water sources significantly affected by withdrawal of water. | We do not currently operate in water-stressed areas. | Yes |

Aspect: Emissions, effluents and waste

| | | |
|--|---|-----------|
| EN16 Total direct and indirect greenhouse gas emissions by weight. | <i>Our priority areas: Care for the environment:</i> The data – CO ₂ emissions (table) | Yes |
| EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 | Yes |
| EN19 Emissions of ozone-depleting substances by weight. | <i>Our priority areas: Care for the environment:</i> The data – Leakage of refrigerant substances (table) | Partially |
| EN22 Total weight of waste by type and disposal method. | <i>Our priority areas: Care for the environment:</i> The data – Waste production (table), Waste by type (table), Percentage of waste by disposal method (table) | Yes |

Aspect: Products and services

| | | |
|---|---|-----------|
| EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 <i>Our priority areas: Responsible products:</i> Our progress on our targets | Partially |
|---|---|-----------|

Aspect: Transport

| | | |
|--|---|-----------|
| EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | <i>Our priority areas: Care for the environment:</i> Actions and achievements in 2012 The data – Fuel consumption (table) | Partially |
|--|---|-----------|

Global Reporting Initiative (continued)

Social performance indicators: Labor practices and decent work

| GRI indicator | Where to look | Included |
|--|--|----------|
| Management approach on labor and work responsibility | Our priority areas: <i>Our people:</i> Actions and achievements in 2012 AR: <i>Governance:</i> How we manage risk www.ahold.com/Stakeholders | Yes |
| Aspect: Employment | | |
| LA1 Total workforce by employment type, employment contract and region. | Our priority areas: <i>Our people:</i> The data – Number of employees (table), Percentage of workforce by contract type (table) | Yes |
| Aspect: Diversity and equal opportunity | | |
| LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. | Our priority areas: <i>Our people:</i> The data – Percentage of workforce by gender (table), Percentage of workforce by age (table), Composition of the Ahold Boards (table) AR: <i>Governance:</i> Our leadership | Yes |

Global Reporting Initiative (continued)

Social performance indicators: Human rights

| GRI indicator | Where to look | Included |
|--|---|-----------|
| Management approach on human rights responsibility | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 How we manage responsible retailing: Our governance structure www.ahold.com/Stakeholders | Yes |
| Aspect: Investment and procurement practices | | |
| HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 | Partially |
| HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 The data | Partially |
| Aspect: Freedom of association and collective bargaining | | |
| 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. | Our priority areas: Responsible products: Our progress on our targets Actions and achievements in 2012 AR: Governance: How we manage risk www.ahold.com/Corp-gov/Documentation | Yes |
| Aspect: Child labor | | |
| HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | Our priority areas: Responsible products: Our progress on our targets Actions and achievements in 2012 AR: Governance: How we manage risk www.ahold.com/Corp-gov/Documentation | Yes |

Global Reporting Initiative (continued)

Aspect: Forced and compulsory labor

| GRI indicator | Where to look | Included |
|--|--|----------|
| 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. | Our priority areas: Responsible products: Our progress on our targets Actions and achievements in 2012 AR: Governance: How we manage risk www.ahold.com/Corp-gov/Documentation | Yes |

Social performance indicators: Society

| | | |
|--|--|-----|
| Management approach on societal responsibility | Our priority areas: Healthy living: Our ambitions Our progress on our targets Our priority areas: Community well-being: Our ambitions Our progress on our targets How we manage responsible retailing: Our governance structure AR: Governance: How we manage risk, Notes to the consolidated financial statements www.ahold.com/Corp-gov/Documentation | Yes |
|--|--|-----|

Aspect: Community

| | | |
|---|---|-----------|
| FP4 Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need. | Our priority areas: Healthy living: Our progress on our targets Actions and achievements in 2012 The data – Number of healthy products (table), Sales of healthy products, Number of children educated in healthy living (table). Our priority areas: Community well-being: Actions and achievements in 2012 | Yes |
| SO3 Percentage of employees trained in organization's anti-corruption policies and procedures. | www.ahold.com/Corp-gov/Documentation | Partially |
| SO5 Public policy positions and participation in public policy development and lobbying. | Our priority areas: Healthy living: Actions and achievements in 2012 Our priority areas: Responsible products: Actions and achievements in 2012 How we manage responsible retailing: Stakeholder engagement | Yes |

Global Reporting Initiative (continued)

Social performance indicators: Product responsibility

| GRI indicator | Where to look | Included |
|--|--|-----------|
| Management approach on product responsibility | <p>Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 How we manage responsible retailing: Our governance structure www.ahold.com/Corp-gov/Documentation www.ahold.com/Privacy-policy</p> | Yes |
| Aspect: Customer health and safety | | |
| PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | <p>Our priority areas: Responsible products: Our progress on our targets Actions and achievements in 2012 Our priority areas: Care for the environment: Actions and achievements in 2012</p> | Yes |
| FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety system standards. | <p>Our priority areas: Responsible products: Our progress on our targets Actions and achievements in 2012</p> | Yes |
| FP6 Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugar. | <p>Our priority areas: Healthy living: Actions and achievements in 2012 The data – Number of healthy products (table), Sales of healthy products</p> | Partially |
| FP7 Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives. | <p>Our priority areas: Healthy living: Actions and achievements in 2012 The data – Number of healthy products (table), Sales of healthy products</p> | Partially |
| Aspect: Product and service labeling | | |
| PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements. | <p>Our priority areas: Responsible products: Actions and achievements in 2012 The data – Number of certified organic products at year end (table), Number of Fairtrade-certified products (table) Our priority areas: Care for the environment: Actions and achievements in 2012 How we manage responsible retailing: Stakeholder engagement</p> | Partially |

Global Reporting Initiative (continued)

| GRI indicator | Where to look | Included |
|--|---|-----------|
| FP8 Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements. | <i>Our priority areas: Healthy living:</i> Actions and achievements in 2012 | Partially |
| PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | <i>Our priority areas: Healthy living:</i> Actions and achievements in 2012 | Yes |
| Aspect: Marketing communications | | |
| PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. | <i>Our priority areas: Healthy living:</i> Our ambitions Our progress on our targets Actions and achievements in 2012 <i>How we manage responsible retailing:</i> Stakeholder engagement www.ahold.com/Corp-gov/Documentation | Partially |
| Sourcing performance indicators | | |
| Management approach on sourcing | | |
| | <i>Our priority areas: Responsible products:</i> Our ambitions Our progress on our targets Actions and achievements in 2012 www.ahold.com/Responsible-products | Yes |
| Aspect: Across all aspects of sourcing | | |
| FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy. | <i>Our priority areas: Responsible products:</i> Our progress on our targets Actions and achievements in 2012 www.ahold.com/Responsible-products | Partially |
| FP2 Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard. | <i>Our priority areas: Responsible products:</i> Our progress on our targets Actions and achievements in 2012 The data – Number of Fairtrade-certified products (table) | Partially |

Global Compact

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

Global Compact principles

| Issue areas | Global Compact principles | References |
|--------------|--|---|
| Human rights | Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights. | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 Our priority areas: Our people: Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders |
| | Principle 2 – Businesses should make sure that they are not complicit in human abuses. | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 Our priority areas: Our people: Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders |
| Labor | Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Our priority areas: Responsible products: Our ambitions Our progress on our targets Actions and achievements in 2012 Our priority areas: Our people: Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders |
| | Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor. | Our priority areas: Responsible products: Our ambitions Actions and achievements in 2012 Our priority areas: Our people: Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders |

Global Compact (continued)

| Issue areas | Global Compact principles | |
|-------------------|---|--|
| Labor (continued) | Principle 5 – Businesses should uphold the effective abolition of child labor. | <p><i>Our priority areas: Responsible products:</i> Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders</p> |
| | Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation. | <p><i>Our priority areas: Our people:</i> Our ambitions Actions and achievements in 2012 www.ahold.com/Corp-gov/Documentation www.ahold.com/Stakeholders</p> |
| Environment | Principle 7 – Businesses should support a precautionary approach to environmental challenges. | <p><i>Our priority areas: Care for the environment:</i> Our ambitions Our progress on our targets Actions and achievements in 2012</p> |
| | Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility. | <p><i>Our priority areas: Responsible products:</i> Our ambitions Actions and achievements in 2012 <i>Our priority areas: Care for the environment:</i> Our ambitions Our progress on our targets Actions and achievements in 2012</p> |
| | Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies. | <p><i>Our priority areas: Care for the environment:</i> Our ambitions Our progress on our targets Actions and achievements in 2012</p> |
| Anti-corruption | Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery. | <p>www.ahold.com/Corp-gov/Documentation</p> |

External Assurance Report

Independent limited assurance report on Ahold's Responsible Retailing Report

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

We have performed a limited assurance engagement on the Responsible Retailing Report for the year 2012 of Koninklijke Ahold N.V. ("Ahold" or "the company"), Zaandam.

Management's responsibility

Management is responsible for the preparation of the Responsible Retailing Report in conformity with the Sustainability Reporting Guidelines (G3.0) of the Global Reporting Initiative. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Responsible Retailing Report that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. The scope of the 2012 Responsible Retailing Report and the information included therein depends on the company's corporate responsibility priority areas as well as the reporting policies applied which are set out under *Scope of reporting*, *Reporting process*, *CO₂ conversion factors*, *Data revisions*, *Global Reporting Initiative* and *Global Compact* in this report.

Auditor's responsibility

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

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

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

Our procedures on this engagement included:

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

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

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

Conclusion

On the basis of the procedures we have performed nothing has come to our attention that causes us to believe the Responsible Retailing Report for the year 2012 is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.0) of the Global Reporting Initiative.

Comparative information

We did not perform any assurance procedures on the Responsible Retailing Report for the year 2008 and on the Sales of healthy products data for the year 2009. Consequently, we draw no conclusion on the 2008 and the Sales of healthy products 2009 comparative information.

Amsterdam, February 27, 2013

Deloitte Accountants B.V.

P.J.M.A. van de Goor

Other information

In this section:

Glossary

| | |
|-------------------------------|--|
| ASC | Aquaculture Stewardship Council. A certification program with a consumer label for sustainable aquaculture. |
| Audit program | A program to evaluate supplier compliance against a set of a specific requirements (a standard). |
| Biodiversity | The diversity of plant and animal life in a particular habitat, or in the world in general. |
| BSCI | Business Social Compliance Initiative. A non-profit organization, supporting more than 1,000 international companies in the process of monitoring and improving working conditions in the global supply chain through its own auditing program. |
| Carbon footprint | The total set of greenhouse gas emissions caused directly and indirectly by an individual, organization, event or product. A carbon footprint is measured by undertaking a greenhouse gas emissions assessment. |
| CFC | Chlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants. |
| CGF | Consumer Goods Forum. An independent, global, parity-based platform focused on improving non-competitive collaboration. It brings together the CEOs and senior management of over 400 retailers, manufacturers, service providers and other stakeholders from the consumer goods sector across 70 countries. |
| CO₂ | Carbon dioxide. A greenhouse gas. |
| Composting | A process in which organic waste – including food waste – decomposes naturally, resulting in a product rich in minerals that can be used for gardening and farming as a soil conditioner. |
| CR | Corporate responsibility. |
| 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. |
| Fairtrade | A certification program with a consumer label that contributes to sustainable development by offering better trading conditions to disadvantaged producers (often in countries in developing nations), and by protecting their rights. |
| FDA | U.S. Food and Drug Administration. Responsible for overseeing and enforcing regulatory requirements for consumer health and safety (among other areas). |
| Fermentation | A process in which organic waste is converted into bio-gas. Leftovers can be recovered as fertilizer. |
| FMI | Food Marketing Institute. The trade association for the U.S. retail industry. |
| Food waste | The food component of shrink (stores and warehouses), which is discarded, as a percentage of total sales. In contrast to shrink, this food waste percentage excludes theft, food bank donations, cash shortages and other product losses. |
| FSC | Forest Stewardship Council. FSC is an independent, non-governmental, non-profit organization established to promote the responsible management of the world's forests. |
| FUSIONS | Food Use for Social Innovations by Optimising waste preventioN Strategies. An initiative by Wageningen UR to reduce food waste, by stimulating social innovations in feasibility studies, assessing monitoring methodologies, and developing policy guidelines for national and EU governments. |
| GAP | Good Agricultural Practices. |
| GFSI | Global Food Safety Initiative. A CGF activity that enables continuous improvement of food safety management across the supply chain, through benchmarking, collaboration and harmonization of food safety certification programs. |
| Global Compact | The United Nations Global Compact is an initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. |
| Greenhouse gases | Gases such as carbon dioxide or methane, which potentially contribute to climate change. |
| GreenPalm certificates | Certificates purchased by manufacturers and retailers to support RSPO-certified palm oil producers. |

Glossary (continued)

| | |
|-------------------------------------|--|
| GRI | Global Reporting Initiative. An international, multi-stakeholder initiative that provides a standard for environmental and social sustainability reporting. |
| Group | All brands that are in scope of this report as defined in <i>Our approach to reporting</i> . |
| GSSI | Global Seafood Sustainability Initiative. A global initiative that aims to assess the compliance of seafood sustainability programs against internationally accepted Food and Agriculture Organization (FAO) Guidelines for Seafood Eco-labeling. |
| GWP | Global-warming potential. A measure of how much a given mass of greenhouse gas is estimated to contribute to global warming. It is a relative scale which compares the gas in question to that of the same mass of carbon dioxide (whose GWP is by convention equal to 1). |
| HCFC | Hydrochlorofluorocarbon. A powerful greenhouse gas that has an ozone-depleting effect; may be used as cooling element in refrigerants. |
| HFC | Hydrofluorocarbon. A greenhouse gas that may be used as a cooling element in refrigerants. |
| IEA | International Energy Agency. An intergovernmental organization that acts as energy policy advisor to 28 member countries in their effort to ensure reliable, affordable, and clean energy. |
| Incineration | The burning of trash and garbage. |
| kWh | Kilowatt hour. This is a unit of energy. Energy delivered by electric utilities is expressed and charged for in kWh. Kilowatt hour is the product of power in kilowatts multiplied by time in hours. |
| Landfill | Final placement of waste in or on the land in a controlled way according to sanitary, environmental protection and other safety requirements. |
| Last stage of production | The stage in our supply chain where our products are manufactured or produced. |
| LED | Light-emitting diode. LEDs produce more light per watt than incandescent bulbs. |
| LEED | Leadership in Energy and Environmental Design. LEED consists of a suite of rating systems for the design, construction and operation of high-performance green buildings, homes and neighborhoods. |
| MSC | Marine Stewardship Council. A certification program with a consumer label for well managed, sustainable fishing. |
| MWh | Megawatt hour. This is a unit of energy. |
| National brand | The brand name of a product that is distributed nationally under a brand name owned by the producer or distributor. |
| Netherlands Nutrition Center | The authority providing Dutch consumers with evidence-based and independent information about choosing healthy, safe and more sustainable food. |
| NGO | Non-governmental organization. |
| NR | Not reported. |
| Operating company | For a list of Ahold's operating companies, see <i>Where and how we operate</i> section of this report. |
| Organic product | Agricultural product produced by organic farming methods and certified as such by an independent organization. |
| Own brand | Own-brand products include store brands, exclusive brands and non-branded products, including fruit and vegetables, meat, seafood and dairy. |
| PEFC | Programme for the Endorsement of Forest Certification. PEFC is an international, non-profit, non-governmental organization which promotes sustainable forest management through independent third-party certification. |
| Rainforest Alliance | A certification program with a consumer label that aims to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior. |
| REAP | Retailers' Environmental Action Programme. REAP is part of EuroCommerce and provides a basis for the retail sector to stimulate innovation and environmental action across the European Union. |

Glossary (continued)

| | |
|--------------------------------|---|
| RR | Responsible retailing. A pillar of the Reshaping Retail at Ahold strategy. |
| RSPO | Roundtable on Sustainable Palm Oil. A global, multi-stakeholder initiative concerned with the production of sustainable palm oil via its certification program. |
| RTRS | Round Table on Responsible Soy. A global, multi-stakeholder initiative concerned with the production of responsible soy via its certification program. |
| Shrink | All product losses in our stores as a percentage of total sales. This includes all forms of losses such as theft, food bank donations, stock differences, expired products, markdowns, unsalable discontinued items, damages and cash shortages. |
| Stakeholders | All the groups that participate in the economic life of the company (employees, customers, suppliers and shareholders), who monitor the company (unions and NGOs) or who are more or less directly influenced by it (society, local government and others). |
| Sustainable development | "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Bruntland Commission, <i>Our Common Future</i> , 1987. |
| TSC | The Sustainability Consortium. A global platform that drives scientific research and collaboration to develop global science-based measurement and reporting systems and standards for more sustainable products and processes. |
| USDA | United States Department of Agriculture. |
| UTZ CERTIFIED | A certification program with a consumer label for responsibly produced and sourced coffee, tea and cocoa, which aims to achieve sustainable agricultural supply chains. |
| WNF | The Dutch branch of the World Wildlife Fund. An independent conservation organization, whose mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature. |
| Zero waste | Zero waste means designing and managing products and processes to systematically avoid and eliminate the volume and toxicity of waste and materials, conserve and recover all resources, and not burn or bury them. Implementing zero waste will eliminate all discharges to land, water or air that are a threat to planetary, human, animal or plant health. Business and communities that achieve over 90% diversion of waste from landfills and incinerators are considered to be successful in achieving zero waste. |

Contact us

We welcome your feedback on this Responsible Retailing Report. Please contact:

Responsible Retailing team Ahold

P.O. Box 985
1000 AZ Amsterdam
The Netherlands

Telephone: +31 88 659 5100

Email: responsible.retailing@ahold.com

www.ahold.com

Cautionary notice

This Responsible Retailing 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 successfully implement and complete its plans and strategies and to meet its targets, the benefits from Ahold's plans and strategies being less than anticipated, the effect of general economic or political conditions, the actions of competitors and other third parties, increases or changes in competition, Ahold's ability to retain and attract employees who are integral to the success of the business, and risks related to large strategic projects, collective bargaining, information security, business and IT continuity, food and non-food safety, social compliance, responsible retailing, social media, insurance programs, Ahold's liquidity needs exceeding expected levels (including but not limited to healthcare and pension funding requirements), unforeseen tax liabilities and legislative and regulatory environment and litigation risks, and other factors discussed in Ahold's Annual Report 2012 paragraphs *Risk management and internal control*, *Risk factors* and in Ahold's other public filings and disclosures.

Accordingly, this RR Report is subject to this notice and the *How we manage responsible retailing* and *Our approach to reporting* sections in this RR Report and qualified by the assumptions, qualifications and the risk factors detailed in Ahold's public filings and other disclosures. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this RR Report. Ahold does not assume any obligation to update any public information or forward-looking statement in this RR Report to reflect events or circumstances after the date of this RR 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 RR Report. The company's registered name is "Koninklijke Ahold N.V." The main responsible retailing principles and commitments as discussed in this RR Report imply obligations to perform to the best of one's ability and do not imply obligations to guarantee a certain result.

Certain products and services named in this report feature trademarks owned by Koninklijke Ahold N.V., its subsidiaries, joint ventures or associates. Copyright © 2013 Koninklijke Ahold N.V.

All rights reserved.