



Governance

Governance

74 Our Management Board and Executive Committee

76 Our Supervisory Board

78 Corporate governance

84 Letter from the Supervisory Board Chairman

85 Supervisory Board report

91 How we manage risk

105 Declarations

Remuneration

106 Letter from the Remuneration Committee Chairman

107 Remuneration policy

110 2019 Remuneration

Our Management Board and Executive Committee

Our Management Board



Frans Muller
President and Chief Executive Officer; Chairman and member of the Management Board and Executive Committee

Frans Muller started as President and Chief Executive Officer of Ahold Delhaize on July 1, 2018. Before that, he served as Deputy Chief Executive Officer and Chief Integration Officer since 2016. He was also Acting Chief Operating Officer for Delhaize America from October 2016 until January 2018. Prior to Ahold Delhaize, Frans served for three years as President and CEO of Delhaize Group.

Before joining Delhaize Group, Frans worked for German retailer Metro AG for more than 15 years, serving in various leadership positions at Metro AG, including managing director of Makro, member of the board of Metro Cash & Carry International, president for Asia Pacific and Russia / Ukraine, and CEO of Metro Group Buying. From 2006 until 2013, he was a member of the Metro AG Management Board and served as CEO of Metro Cash & Carry from 2008 until 2013. From 1988 to 1997, Frans held various management and executive positions at KLM Cargo in Amsterdam, Frankfurt, Vienna and Singapore.

Frans is president of the European Retail Round Table and serves as chairman of the board of directors of the Vlerick Business School and a board member of the Consumer Goods Forum.

Age: 58
Nationality: Dutch



Jeff Carr
Chief Financial Officer; Member Management Board and Executive Committee

Jeff Carr has served as Chief Financial Officer of Ahold Delhaize since July 24, 2016. Jeff joined Ahold on November 14, 2011, as acting member of the Management Board and CFO. Ahold's shareholders appointed him to the Management Board on April 17, 2012. Ahold Delhaize announced in September 2019 that Jeff will not stand for another term as member of the Management Board when his current term expires at the time of the annual General Meeting of Shareholders in April 2020.

Jeff began his career at Unilever, and held senior roles in finance at Grand Metropolitan plc, Reckitt Benckiser and Associated British Foods. From 2005 to 2009, he was group finance director and a member of the board at easyJet plc. Jeff was then appointed to the role of group finance director and a member of the board at FirstGroup plc, a leading transport operator in the UK and the United States.

Jeff serves as non-executive director of Kingfisher plc, Europe's leading home improvement retailer.

Jeff has lived and worked in Europe and the United States.

Age: 58
Nationality: British



Kevin Holt
Chief Executive Officer Ahold Delhaize USA; Member Management Board and Executive Committee

Kevin Holt has served as Chief Executive Officer Ahold Delhaize USA since January 1, 2018. Prior to that, Kevin had been Chief Operating Officer Ahold USA since October 2016, after serving as COO Delhaize America since July 24, 2016. He had earlier served as Executive Vice President of Delhaize Group and CEO of Delhaize America, starting in 2014.

Before joining Delhaize Group, Kevin was president of retail operations for SuperValu. During his tenure there, the company owned the Albertsons, Jewel-Osco and Save-A-Lot chains and was the third largest food retailing company in the United States.

Prior to SuperValu, Kevin worked for three years with Sears Holding Company and 14 years with Meijer, serving in various leadership positions, including executive vice president of retail operations and senior vice president of information technology / services and strategic planning.

Before joining the retail industry, Kevin spent nine years at NCR delivering technology solutions to large and complex organizations.

Age: 61
Nationality: American



Wouter Kolk
Chief Executive Officer Europe and Indonesia; Member Management Board and Executive Committee

Wouter Kolk started as Chief Executive Officer Europe and Indonesia on October 1, 2018. He had been Chief Operating Officer the Netherlands and Belgium and member of the Executive Committee of Ahold Delhaize since September 8, 2017.

Wouter re-joined Ahold in 2013 as EVP Specialty Stores and New Markets at Albert Heijn following a six-year period as CEO of international retailer WE Fashion. He became Chief Executive Officer Albert Heijn in January 2015. He first started at Ahold in 1991, and over the next 16 years served in several international commercial and general management roles, including Commercial Director Asia-Pacific based in Singapore, Regional Director Albert Heijn, General Manager Gall & Gall and General Manager of Etos.

Wouter is a member of the supervisory boards of the Hortus Botanicus Amsterdam and concert hall Paradiso.

Age: 53
Nationality: Dutch

Executive Committee diversity Gender¹



¹ With the arrival of Natalie Knight, gender diversity will shift to 25% female and 75% male.

Our Management Board and Executive Committee

Our Executive Committee



Abbe Luersman
Chief Human Resources Officer;
Member Executive Committee

Abbe Luersman has served as Chief Human Resources Officer and member of Ahold Delhaize's Executive Committee since July 24, 2016. She is responsible for Global Human Resources, including Talent and Diversity; Leadership and Development; Organizational Effectiveness and Design; and Total Rewards. Prior to this, Abbe had served as Ahold's Chief Human Resources Officer and member of the Executive Committee from November 1, 2013.

Before that, Abbe worked for Unilever, where she held various HR leadership roles, most recently as head of human resources for Unilever Europe. Prior to Unilever, Abbe worked at Whirlpool Corporation, holding a number of senior roles in human resources, both in the United States and internationally.

Abbe is a member of the boards of directors of the Network of Executive Women and the Netherlands American Chamber of Commerce and a member of the Gartner CHRO Global Leadership Board.

Age: 52
Nationality: American



Jan Ernst de Groot
Chief Legal Officer;
Member Executive Committee

Jan Ernst de Groot has served as Chief Legal Officer and member of Ahold Delhaize's Executive Committee since July 24, 2016. Prior to that, he was Chief Legal Officer and member of Ahold's Executive Committee since February 1, 2015. Jan Ernst is responsible for Ahold Delhaize's legal affairs, governance and compliance functions, safety, public affairs, and product integrity.

Before joining Ahold, Jan Ernst was general counsel and managing director at TNT Express. Prior to that, he worked for KLM Royal Dutch Airlines in a wide range of business and corporate roles, most recently as managing director and a member of the board of management. Jan Ernst started his career at law firm De Brauw Blackstone Westbroek.

Jan Ernst is chairman of the supervisory council of Hivos, a supervisory board member of ADG Dienstengroep and a board member of the Hermitage Museum Amsterdam.

Age: 56
Nationality: Dutch



Ben Wishart
Global Chief Information Officer;
Member Executive Committee

Ben Wishart became a member of Ahold Delhaize's Executive Committee on January 1, 2018. Ben joined Ahold in 2013 in the role of Global Chief Information Officer and has continued in this role for Ahold Delhaize. He is responsible for leadership and governance on technology matters globally, including strategy and solution delivery, enabling digital platforms, cyber defense and sourcing.

He previously served as CIO of Morrisons plc and Whitbread plc and held various senior Information Technology roles at Tesco plc following early career roles in consulting with Cap Gemini and sales and marketing with American Express.

Ben is an independent non-executive director at PayPal. He serves as a member of the nomination and remuneration committees together with the audit committee and its sub-committee, the cyber and IT committee.

Age: 57
Nationality: British



Farhan Siddiqi
Chief Digital Officer;
Member Executive Committee

Farhan Siddiqi joined Ahold Delhaize as Chief Digital Officer and member of the Executive Committee on January 28, 2019. He is responsible for driving digital transformation and innovation across Ahold Delhaize's local brands, focusing on loyalty, data analytics and personalization.

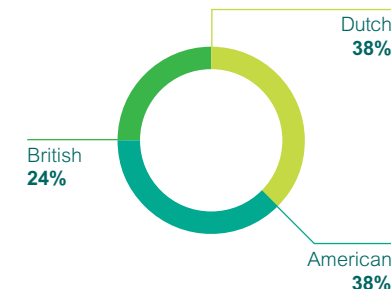
Before joining Ahold Delhaize, Farhan served as chief digital officer at McDonald's, and led the restaurant chain's digital transformation, including the launch of mobile commerce in 20,000 restaurants, a new mobile app and an upgrade of its self-service ordering kiosks. He was also responsible for data analytics and extending the chain's Customer Relationship Management capabilities.

Prior to this, Farhan held various key leadership positions within Bank of America, Target and General Electric, where he focused on implementing successful customer loyalty programs and digital payment solutions and launching strategic partnerships.

Farhan serves on the board of directors of Alliant Credit Union.

Age: 51
Nationality: American

Executive Committee diversity
Nationality¹



¹ With the arrival of Natalie Knight, nationality diversity will shift to 50% American, 37.5% Dutch and 12.5% British.

Our Supervisory Board



Jan Hommen
Chairman and Chairman of the Governance and Nomination Committee

Jan Hommen has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and as its Chairman since April 11, 2018. Jan is also Chairman of the Governance and Nomination Committee and a member of the Sustainability and Innovation Committee. In addition, he served as Chairman of Ahold's Supervisory Board from 2013 until 2016. Jan was Vice Chairman of Ahold's Supervisory Board and Chairman of its Audit Committee from 2003 to 2007.

Jan is the former CEO of ING Group N.V., CEO of KPMG the Netherlands, CFO and vice chairman of the board of management of Koninklijke Philips Electronics N.V. and CFO of Aluminum Company of America Inc. Currently, Jan is chairman of the supervisory board of Koninklijke VolkerWessels N.V., chairman (senior advisor) of BlackRock Netherlands and member of the Stichting Continuïteit of ProQR.

Age: 76
Nationality: Dutch



Bill McEwan
Vice Chairman and Chairman of the Remuneration Committee

Bill McEwan has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Remuneration Committee and a member of the Sustainability and Innovation Committee. Prior to this, he served on Delhaize's Board of Directors as of 2011 and was Chairman of its Remuneration Committee.

Bill is the former president and CEO of Sobey's Inc., and was a member of the board of directors of its parent company, Empire Company Limited.

Between 1989 and 2000, Bill held a variety of progressively senior marketing and merchandising roles with Coca-Cola Limited and Coca-Cola Bottling as well as with The Great Atlantic and Pacific Tea Company (A&P), both in Canada and in the United States. Bill served as president of A&P's Canadian operations before his appointment as president and CEO of the company's U.S. Atlantic Region.

Age: 63
Nationality: Canadian



Jacques de Vaucleroy
Vice Chairman

Jacques de Vaucleroy has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee and the Sustainability and Innovation Committee. Prior to this, he served on Delhaize's Board of Directors starting in 2005 and was Chairman of its Governance and Nomination Committee.

Jacques has spent most of his career within the ING group, where he was a member of the executive board and CEO of ING Insurance and Investment Management Europe. Jacques was a member of AXA Group's management committee and CEO of the company's Northern, Central and Eastern Europe business unit from 2010 until 2016. He also assumed global responsibility for the AXA Group's life and savings and health businesses from 2011 until 2016.

Currently, Jacques is a member of the boards of directors of Swiss Re Ltd, Swiss Re Europe, Fidelity International Ltd, Eight Roads Holdings Ltd, Zabka Polska and Colt Technology Services Group plc. He is also a member of the advisory boards of Artexis Easyfairs and CVC Belgium.

Age: 59
Nationality: Belgian



René Hooft Graafland
Chairman of the Audit, Finance and Risk Committee

René Hooft Graafland has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Audit, Finance and Risk Committee and a member of the Sustainability and Innovation Committee. Prior to this, he was appointed to the Ahold Supervisory Board on April 16, 2014, with effect from January 1, 2015.

René previously held the position of CFO and member of the executive board of Heineken N.V. until April 2015. Before being appointed as a member of Heineken's executive board in 2002, he held various international management positions with the company in Europe, Asia and Africa.

René is vice-chairman of the supervisory board and chairman of the audit committee of Wolters Kluwer N.V. (retirement on April 23, 2020), a member of the supervisory board and audit committee of Koninklijke FrieslandCampina N.V. and member of the supervisory board of Lucas Bols N.V. He is chairman of the boards of the Royal Theatre Carré Fund, the Stichting African Parks Foundation and Nationaal Fonds 4 en 5 Mei. René is also a member of the Monitoring Commissie Corporate Governance Code.

Age: 64
Nationality: Dutch



Mary Anne Citrino

Mary Anne Citrino has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee and the Sustainability and Innovation Committee. Prior to this, she was appointed to the Ahold Supervisory Board on March 14, 2016.

Mary Anne is a senior advisor to Blackstone. She joined the Blackstone Advisory Partners Group as senior managing director in 2004.

Mary Anne was employed at Morgan Stanley for over 20 years, during which she served as the global head of consumer products investment banking, co-head of healthcare services investment banking, and as a mergers and acquisitions analyst.

Currently, Mary Anne is a member of the board of directors of Aluminum Company of America Inc. and is a member of its governance and nominating committee and public issues committee. She is chair of the audit committee and member of the finance, investment and technology committee of Hewlett Packard, Inc. Mary Anne also serves as non-executive director and member of the board risk committee of Barclays plc.

Age: 60
Nationality: American

Our Supervisory Board



Ben Noteboom

Ben Noteboom has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Remuneration Committee and the Sustainability and Innovation Committee. Prior to this, he was first appointed to the Ahold Supervisory Board on April 28, 2009.

Ben is former CEO and chairman of the executive board of Randstad Holding N.V., to which he was appointed in 2001. He had first joined Randstad in 1993 and held various senior management positions during his time with the company.

Ben is chairman of the supervisory board of Koninklijke Vopak N.V., chairman of its selection and appointment committee and a member of its remuneration committee. He is also a member of the supervisory board of Aegon N.V., chairman of its remuneration committee and a member of its risk committee. In addition, he serves as a member of the board of the Cancer Center Amsterdam.

Age: 61
Nationality: Dutch



Dominique Leroy

Dominique Leroy has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is member of the Governance and Nomination Committee and the Sustainability and Innovation Committee. Prior to this, she served on Delhaize's Board of Directors starting in 2015.

Dominique previously held the position of CEO and member of the board of directors of Proximus (formerly Belgacom) until September 2019. Before being appointed as a member of the board of directors of Proximus, she held various management positions with the company.

Prior to this, Dominique worked at Unilever for 24 years. She was managing director at Unilever Belgium / Luxemburg and a member of the Unilever Benelux management committee.

Dominique is an independent board member for the French construction materials group Compagnie de Saint Gobain. She is an external independent advisor at Bain & Company. She was chairwoman of the international advisory boards of the Solvay Brussels School of Economics and Management and the Proximus affiliates BICS and BE Mobile until September 2019.

Age: 55
Nationality: Belgian



Katie Doyle
Co-chair of the Sustainability and Innovation Committee

Katie Doyle was appointed to Ahold Delhaize's Supervisory Board on April 10, 2019, and is Co-chair of the Sustainability and Innovation Committee and a member of the Governance & Nomination Committee.

Katie was most recently the CEO of Swanson Health Products, a direct-to-consumer health and wellness brand providing a full range of products to help consumers around the world to live healthier, as well as a member of the board of directors of Bemis Company, where she served on the audit, compensation and nominating committees. Prior to these roles, Katie was a senior vice president leading Abbott's Nutrition division for the U.S., Canada and Puerto Rico. Before that, she was senior principal at McKinsey & Company, serving and leading consumer good and retail clients globally.

Katie also serves as a member of the board of trustees of the Museum of Science and Industry in Chicago, where she serves on the finance and audit committees. Finally, she is a member of The Chicago Network, an invitation-only organization of leading C-level female executives.

Age: 52
Nationality: American



Peter Agnefjäll
Co-chair of the Sustainability and Innovation Committee

Peter Agnefjäll was appointed to Ahold Delhaize's Supervisory Board on April 10, 2019, and is Co-chair of the Sustainability and Innovation Committee and a member of the Remuneration Committee.

Peter serves on the board of directors of Orkla ASA, a leading supplier of branded consumer goods to the grocery, out-of-home, specialized retail, pharmacy and bakery sectors. In addition to this, he serves on the board of directors of Wizz Air and on the advisory board of Deichmann, a family-owned European shoe retailer.

Peter served as president and CEO of the IKEA Group from 2013 to 2017. He started his career there as a trainee in 1995 and over the years, held several (senior management) positions within the IKEA Group.

Age: 48
Nationality: Swedish

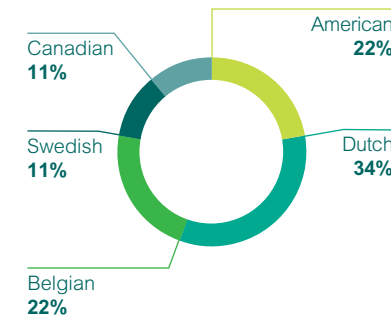
Supervisory Board diversity

Gender



Supervisory Board diversity

Nationality



Corporate governance

We have designed our corporate governance structure to best support our business, meet the needs of our stakeholders and comply with laws and regulations.

This section contains an overview of our corporate governance structure and includes information required under the new Dutch Corporate Governance Code, effective January 1, 2017 (“Dutch Corporate Governance Code”).

Governance structure

Koninklijke Ahold Delhaize N.V. (“the Company” or “Ahold Delhaize”) is a public company under Dutch law, structured to execute our strategy and to balance local, regional and global decision-making.

In 2019, our Company comprised a Global Support Office and four reportable segments: The United States, The Netherlands, Belgium, and Central and Southeastern Europe (CSE) – each of which are made up of a number of local brands. See also *Note 6* to the consolidated financial statements. Starting in 2020, the segments The Netherlands, Belgium and Central and Southeastern Europe will be combined into one reporting segment, Europe, to align with the structure of the European organization under Wouter Kolk’s leadership.

Ahold Delhaize has a two-tier board structure with a Supervisory Board and Management Board that are accountable to our shareholders. Our Management Board has ultimate responsibility for the overall management of Ahold Delhaize. The Supervisory Board supervises and advises the Management Board.

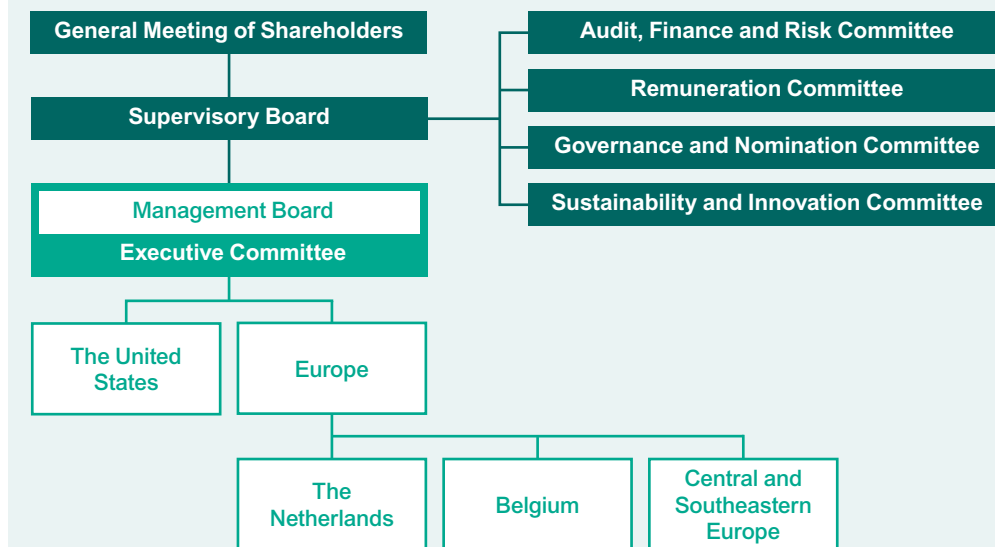
The Executive Committee comprises our Management Board and other key officers of the Company, led by the Chief Executive Officer. The Executive Committee has been established to involve a broader leadership team in the decision-making process, to optimize strategic alignment and operational execution while having the flexibility to adapt to developments in the business and across the Company and the industry.

The diagram to the right shows Ahold Delhaize’s governance structure. A list of subsidiaries, joint ventures and associates is included in *Note 37* to the consolidated financial statements.

Management Board and Executive Committee

Our Management Board has the responsibility for the overall management of the Company and oversees corporate governance. It is also responsible for the actions and decisions of the Executive Committee, which manages our general affairs and ensures effective implementation of the strategy and achievement of the Company’s objectives.

Governance structure



The Management Board and Executive Committee together support our business, meet the needs of our stakeholders and ensure we comply with relevant rules and regulations. The members of the Executive Committee are sometimes invited to the meetings of the Supervisory Board by invitation of the Chairman of the Supervisory Board and attend the Supervisory Board committee meetings relevant to their respective functional responsibilities.

According to our Articles of Association, the Management Board must consist of at least three members.

Composition of the Management Board and Executive Committee

The current members of the Management Board are: Frans Muller, President and Chief Executive Officer; Jeff Carr, Chief Financial Officer; Kevin Holt, Chief Executive Officer Ahold Delhaize USA; and Wouter Kolk, Chief Executive Officer Europe and Indonesia. The current members of the Executive Committee are the members of the Management Board along with Abbe Luersman, Chief Human Resources Officer; Jan Ernst de Groot, Chief Legal Officer; Ben Wishart, Global Chief Information Officer; and Farhan Siddiqi, Chief Digital Officer.



For a more detailed description of the responsibilities of the Management Board and the Executive Committee, see the *Rules of Procedure* in the Governance section of Ahold Delhaize’s public website at www.aholddelhaize.com

Corporate governance

At the annual General Meeting of Shareholders on April 10, 2019, Frans Muller was reappointed by the Company's shareholders for a term of four years ending on the day of the annual General Meeting of Shareholders in 2023. On September 9, 2019, it was announced that Jeff Carr informed the Company that he will not stand for another term as member of the Management Board. Natalie Knight will be nominated by the Supervisory Board to be appointed as a member of the Management Board at the annual General Meeting of Shareholders in April 2020.

At Ahold Delhaize, we believe that having a diverse and fully representative Management Board and Executive Committee contributes to well-balanced decision-making processes and the optimal functioning of both the Management Board and the Executive Committee. In accordance with provision 2.1.5 of the Dutch Corporate Governance Code, Ahold Delhaize's diversity policy states that the composition of the Executive Committee and the Management Board and the combined experience and expertise of their members should reflect the profile of the Company as it relates to nationality, age, education, gender and professional background. At the same time, we aim for the best fit, in combination with the availability of qualified candidates.

At this moment, Ahold Delhaize has a Management Board in which all four members are male and an Executive Committee in which one member is female and seven members are male. The nomination of Natalie Knight as a new member of the Management Board serves as a next step in our process to continuously improve diversity in the Company. We recognize there is still room for improvement. In order to meet our diversity ambitions and comply with statutory guidelines for gender diversity in the coming years, we continue to work to ensure we build robust development and succession plans; generate diverse, balanced slates; and take the necessary actions to retain our current diverse talents so we can build our talent pipeline and drive greater diversity at all levels in our organization.

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend or dismiss a Management Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved, but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes exercised, regardless of the number of shares represented at the meeting, is required to adopt the proposal.

Management Board members are appointed for four-year terms and may be reappointed for additional terms not exceeding four years. The Supervisory Board may at any time suspend a Management Board member. The other members of the Executive Committee are appointed, suspended and dismissed by the Supervisory Board, at the proposal of the CEO.

Remuneration

On April 10, 2019, Ahold Delhaize's General Meeting of Shareholders adopted the current remuneration policy for Management Board members.

You can find details of this policy in *Remuneration*. For detailed information on the individual remuneration of Management Board members, see *Notes 32 and 33* to the consolidated financial statements.

Reappointment schedule Management Board

Name	Date of first appointment	Year of possible reappointment
Frans Muller	March 14, 2016 ¹	2023
Jeff Carr	April 17, 2012	2020 ²
Kevin Holt	March 14, 2016 ¹	2020 ³
Wouter Kolk	April 11, 2018	2022

¹ Effective July 24, 2016.

² On September 9, 2019, it was announced that Jeff Carr informed the Company that he will not stand for another term as member of the Management Board.

³ The Supervisory Board will nominate Kevin Holt for reappointment for an additional term of four years at the annual General Meeting of Shareholders in April 2020.

Evaluation

In 2020, the Management Board and the Executive Committee conducted a self-assessment by means of a structured dialogue chaired by the CEO. Items that were assessed and discussed included diversity in relation to the composition of the Management Board and the Executive Committee, meeting processes and procedures, discussions and decision-making, and team dynamics. Findings and follow-up actions included the conclusion that, overall, the team functions in an open and constructive way and that there is a need to further improve meeting efficiency and the robustness of the decision-making process.

Supervisory Board

The Supervisory Board is responsible for supervising and advising our Management Board and overseeing the general course of affairs, strategy, operational performance and corporate governance of the Company. The Supervisory Board is guided in its duties by the interests of the Company and the enterprise connected with the Company, taking into consideration the overall well-being of the enterprise and the relevant interests of all its stakeholders. The Supervisory Board is responsible for monitoring and assessing its own performance.

Corporate governance

Ahold Delhaize's Articles of Association require the approval of the Supervisory Board for certain major resolutions by the Management Board, including:

- Issuance of shares
- Acquisitions, repurchases of shares, and any reduction in issued and outstanding capital
- Allocation of duties within the Management Board and the adoption or amendment of the Rules of Procedure of the Management Board and the Executive Committee
- Significant changes in the identity or the nature of the Company or its enterprise

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend or dismiss a Supervisory Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes exercised is required, regardless of the number of shares represented at the meeting.

A Supervisory Board member is appointed for a four-year term and may be reappointed for another four-year period. The Supervisory Board member may subsequently be reappointed for a period of two years, which may be extended by, at most, two years.

Conflict of interest

A member of the Supervisory Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and the other members of the Supervisory Board and provide them with all relevant information. Similarly, in the event of a potential conflict of interest concerning a member of the Management Board, he or she is required to immediately report this to the Chairman of the Supervisory Board and to the other members of the Management Board and provide them with all relevant information.

Should a conflict of interest arise, the Supervisory Board or the relevant Management Board member may not participate in the discussions and decision-making process on subjects or transactions relating to the conflict of interest.

We will record any such facts or transactions in the annual report for the relevant year, with reference to the conflict of interest and a confirmation that we have complied with best practice provisions 2.7.3 and 2.7.4 of the Dutch Corporate Governance Code. During 2019, no member of the Supervisory Board or the Management Board had a conflict of interest that was of material significance to the Company.

In addition, no transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company occurred in 2019, corresponding to the best practice provision 2.7.5 of the Code.

Shares and shareholders' rights

General Meeting of Shareholders

Ahold Delhaize's shareholders exercise their rights through annual and extraordinary General Meetings of Shareholders. The Company is required to convene an annual General Meeting of Shareholders in the Netherlands each year, no later than six months after the end of the Company's financial year. Extraordinary General Meetings of Shareholders may be convened at any time by the Supervisory Board, the Management Board, or by one or more shareholders (and / or holders of depository receipts) representing at least 10% of the issued share capital.

The agenda for the annual General Meeting of Shareholders must contain certain matters as specified in Ahold Delhaize's Articles of Association and under Dutch law, including the adoption of our annual financial statements. The General Meeting of Shareholders is also entitled to vote on important decisions regarding Ahold Delhaize's identity or character, including major acquisitions and divestments.

Shareholders (and / or holders of depository receipts) are entitled to propose items for the agenda of the annual General Meeting of Shareholders provided that they hold at least 1% of the issued share capital or the shares or depository receipts that they hold represent a market value of at least €50 million. Proposals for agenda items for the annual General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting.

Adoption of resolutions

Subject to certain exceptions provided by Dutch law or our Articles of Association, resolutions are passed by an absolute majority of votes cast without a requirement for a quorum.

Proposals submitted to the agenda by shareholders require an absolute majority of votes cast at the annual General Meeting of Shareholders representing at least one-third of the issued shares. If this qualified majority is not achieved but an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, an absolute majority of votes exercised is required to adopt the proposal, regardless of the number of shares represented at the meeting (unless the law or our Articles of Association provide otherwise).

A resolution to dissolve the Company may be adopted by the annual General Meeting of Shareholders following a proposal of the Management Board made with the approval of the Supervisory Board. Any proposed resolution to wind up the Company must be disclosed in the notice calling the annual General Meeting of Shareholders at which that proposal is to be considered.



For a more detailed description of the responsibilities of the Management Board and the Executive Committee, see the *Rules of Procedure* in the Governance section of Ahold Delhaize's public website at www.aholddelhaize.com

Corporate governance

Voting rights

Each common share entitles its holder to cast one vote. Dutch law prescribes a record date to be set 28 days prior to the date of the annual General Meeting of Shareholders to determine whether a person may attend and exercise the rights relating to the annual General Meeting of Shareholders. Shareholders registered at that date are entitled to attend and to exercise their rights as shareholders in relation to the annual General Meeting of Shareholders, regardless of a sale of shares after the record date. Shareholders may be represented by written proxy.

We encourage participation in our General Meetings of Shareholders. We use J.P. Morgan Chase Bank N.A., the Depository for the Company's American Depositary Receipt (ADR) facility, to enable ADR holders to exercise their voting rights, which are represented by the common shares underlying the ADRs.

Neither Ahold Delhaize nor any of its subsidiaries may cast a vote on any share they hold in the Company. These shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at the General Meeting of Shareholders.

Repurchase and cancellation of cumulative preferred financing shares

On April 10, 2019, the General Meeting of Shareholders authorized the Management Board to acquire all cumulative preferred financing shares in the Company. On May 10, 2019, the Company acquired all 223,415,103 cumulative preferred financing shares. The cumulative preferred financing shares were cancelled on July 16, 2019. The Stichting Administratiekantoor Preferente Financierings Aandelen was dissolved on January 17, 2020.

For further details on cumulative preferred financing shares, see *Note 23* to the consolidated financial statements.

Cumulative preferred shares

In March 1989, the Company entered into an agreement with the Dutch foundation Stichting Continuïteit Ahold Delhaize (SCAD, previously named Stichting Ahold Continuïteit), as amended and restated in April 1994, March 1997, December 2001, December 2003 and May 2018 (the "Option Agreement"). The Option Agreement was designed to, in accordance with the purpose of SCAD under its articles, potentially exercise influence in the event of a public offer or a potential change of control over the Company, to safeguard the interests of the Company and its stakeholders and to potentially avert, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence or identity.

Pursuant to the Option Agreement, SCAD has been granted an option to acquire cumulative preferred shares from the Company from time to time for no consideration.

SCAD and the members of its board are independent from the Company. As of February 25, 2020, the members of the board of SCAD are:

Name	Year of possible reappointment
W.G. van Hassel, chairman	Lawyer and former chairman of Dutch Bar Association
G.H.N.L. van Woerkom	Former chairman of Detailhandel Nederland
J. van den Belt	Former CFO Océ
B. Vree	Former CEO APM Terminals Europe

For further details on Ahold Delhaize's cumulative preferred shares, including restrictions on transfer, see *Note 21* to the consolidated financial statements. The related documents are available on our public website at www.aholddelhaize.com.

Issuance of additional shares and preemptive rights

Shares may be issued following a resolution by the General Meeting of Shareholders on a proposal of the Management Board made with the approval of the Supervisory Board. The General Meeting of Shareholders may resolve to delegate this authority to the Management Board for a period of time not exceeding five years. A resolution of the General Meeting of Shareholders to issue shares, or to authorize the Management Board to do so, is also subject to the approval of each class of shares whose rights would be adversely affected by the proposed issuance or delegation. On April 10, 2019, the General Meeting of Shareholders approved a delegation of this authority to the Management Board, relating to the issuance and / or granting of rights to acquire common shares up to a maximum of 10% of the issued share capital until and including October 10, 2020, and subject to the approval of the Supervisory Board.

Upon the issuance of new common shares, holders of Ahold Delhaize's common shares have a preemptive right to subscribe to common shares in proportion to the total amount of their existing holdings of Ahold Delhaize's common shares. According to the Company's Articles of Association, this preemptive right does not apply to any issuance of shares to associates. The General Meeting of Shareholders may decide to restrict or exclude preemptive rights. The General Meeting of Shareholders may also resolve to designate the Management Board as the corporate body authorized to restrict or exclude preemptive rights for a period not exceeding five years.

On April 10, 2019, the General Meeting of Shareholders delegated to the Management Board, subject to the approval of the Supervisory Board, the authority to restrict or exclude the preemptive rights of holders of common shares upon the issuance of common shares and / or upon the granting of rights to subscribe for common shares until and including October 10, 2020.

Corporate governance

Repurchase by Ahold Delhaize of its own shares

Ahold Delhaize may only acquire fully paid-up shares of any class in its capital for consideration following authorization by the General Meeting of Shareholders and subject to the approval of the Supervisory Board and certain provisions of Dutch law and the Company's Articles of Association, if:

1. Shareholders' equity minus the payment required to make the acquisition is not less than the sum of paid-in and called-up capital and any reserves required by Dutch law or Ahold Delhaize's Articles of Association; and
2. Ahold Delhaize and its subsidiaries would not, as a result, hold a number of shares exceeding a total nominal value of 10% of the issued share capital.

In line with the above, the Management Board has been authorized by the General Meeting of Shareholders on April 10, 2019, to acquire a number of shares in the Company. Such acquisition of shares, at the stock exchange or otherwise, will, for common shares, take place at a price between par value and 110% of the opening price of the shares at Euronext Amsterdam by NYSE Euronext on the date of their acquisition, provided that the Company and its subsidiaries will not hold more than 10% of the issued capital. Ahold Delhaize may acquire shares in its capital for no consideration or for the purpose of transferring these shares to associates through share plans or option plans, without authorization of the General Meeting of Shareholders. The share buyback program of €1 billion that started on January 2, 2019, was successfully completed on December 11, 2019. In total, 45,621,384 of the Company's own shares were repurchased at an average price of €21.92 per share. On January 2, 2020, the Company commenced the €1 billion share buyback program that was announced on December 4, 2019. The program is expected to be completed before the end of 2020.

Major shareholders

Ahold Delhaize is not directly or indirectly owned or controlled by another corporation or by any government. The Company does not know of any arrangements that may, at a subsequent date, result in a change of control, except as described under *Cumulative preferred shares*.

Articles of Association

Our Articles of Association outline certain of the Company's basic principles relating to corporate governance and organization. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industry for Amsterdam and on our public website at www.aholddelhaize.com.

The Articles of Association may be amended by the General Meeting of Shareholders. A resolution to amend the Articles of Association may be adopted by an absolute majority of the votes cast upon a proposal of the Management Board. If another party makes the proposal, an absolute majority of votes cast representing at least one-third of the issued share capital is required. If this qualified majority is not achieved but an absolute majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes, regardless of the number of shares represented at the meeting, is required.

The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Right of inquiry

The thresholds for shareholders to exercise the right of inquiry ("het enquêterecht") are based on article 2:346 sub clause 1 under c of the Dutch Civil Code, regardless of the current nominal share capital of the Company. More information on the nominal value of shares can be found in *Note 21* and *Note 23* to the consolidated financial statements.

External independent auditor

The General Meeting of Shareholders appoints the external independent auditor. The Audit, Finance and Risk Committee recommends to the Supervisory Board the external independent auditor to be proposed for (re)appointment by the General Meeting of Shareholders. In addition, the Audit, Finance and Risk Committee evaluates and, where appropriate, recommends the replacement of the external independent auditor.

On April 10, 2019, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external independent auditor for the Company for the financial year 2019.

Corporate governance

Decree Article 10 EU Takeover Directive

According to the Decree Article 10 EU Takeover Directive, we have to report on, among other things, our capital structure; restrictions on voting rights and the transfer of securities; significant shareholdings in Ahold Delhaize; the rules governing the appointment and dismissal of members of the Management Board and the Supervisory Board and the amendment of the Articles of Association; the powers of the Management Board (in particular the power to issue shares or to repurchase shares); significant agreements to which Ahold Delhaize is a party and which are put into effect, changed or dissolved upon a change of control of Ahold Delhaize following a takeover bid; and any agreements between Ahold Delhaize and the members of the Management Board or associates providing for compensation if their employment ceases because of a takeover bid.

The information required by the Decree Article 10 EU Takeover Directive is included in this *Corporate governance* section, in the *Information about Ahold Delhaize shares* section, as well as in the notes referred to in these sections or included in the description of any relevant contract.

Compliance with Dutch Corporate Governance Code

Ahold Delhaize complies with the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company in 2019, as reported in the Governance section. The Dutch Corporate Governance Code can be found at www.mccg.nl.

At the Extraordinary General Meeting of Shareholders on March 3, 2004, our shareholders consented to apply the Dutch Corporate Governance Code. Ahold Delhaize continues to seek ways to improve its corporate governance, including by measuring itself against international best practice.

Corporate Governance statement

The Dutch Corporate Governance Code requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. This is referred to in article 2a of the decree on additional requirements for management reports "Besluit inhoud bestuursverslag" last amended on January 1, 2018 (the "Decree"). The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree, which are incorporated and repeated here by reference, can be found in the following sections of this Annual Report:

- The information concerning compliance with the Dutch Corporate Governance Code, as required by article 3 of the Decree, can be found in the section *Compliance with the Dutch Corporate Governance Code*.
- The information concerning Ahold Delhaize's diversity policy, as required by article 3a sub d of the Decree, can be found in the *Management Board and Executive Committee* and *Supervisory Board* sections of *Corporate governance* as well as in the *Supervisory Board report*.
- The information concerning Ahold Delhaize's risk management and control frameworks relating to the financial reporting process, as required by article 3a sub a of the Decree, can be found in the relevant section under *How we manage risk*.
- The information regarding the functioning of Ahold Delhaize's General Meeting of Shareholders and the authority and rights of our shareholders, as required by article 3a sub b of the Decree, can be found in the relevant sections under *Shares and shareholders' rights*.
- The information regarding the composition and functioning of Ahold Delhaize's Management Board, Executive Committee and Supervisory Board and its committees, as required by article 3a sub c of the Decree, can be found in the *Management Board and Executive Committee* and *Supervisory Board* sections included in *Corporate governance* as well as in the *Supervisory Board report*.
- The information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, as required by article 3b of the Decree, can be found in the section *Decree Article 10 EU Takeover Directive*.

Letter from the Supervisory Board Chairman

Jan Hommen
Chairman of the Supervisory Board



Dear shareholder,

I am pleased to present our Supervisory Board report for 2019.

2019 was the first full year Ahold Delhaize worked on the implementation of its Leading Together strategy and the five strategic growth drivers that help the Company to create sustainable long-term value for all its stakeholders.

Significant investments were made in omnichannel retail solutions, supporting double-digit growth in online sales, and in making supply chain management in the United States more efficient. Both are examples of the Company's commitment to invest with a view to the long term.

The rapidly changing environment in consumer behavior, together with massive technological changes, requires that, as a Supervisory Board, we constantly review the strategic risks of our Company, including the business models used to bring our products to market. Risk reviews also include the safety of our operations. The tragic road accident in Romania, that took the lives of eight associates and seriously wounded another seven, while they were on their way to work, more than supports the importance of this.

The Company continued to evolve its governance during 2019. In a period of only three years' time, five members of the Supervisory Board are retiring and need to be replaced. In 2019, we welcomed two new members to the Supervisory Board, Katie Doyle and Peter Agnefjäll. And, in 2020, we are proposing another two new members to the Board, Helen Weir and Frank van Zanten, for approval by shareholders at the annual General Meeting of Shareholders in April. At that same meeting, Jacques de Vaucleeroy will retire from the Board after many years of distinguished service to our Supervisory Board and our Company. We are also pleased to be nominating Natalie Knight to become CFO and new member of the Management Board.

At the same time, we thank Jeff Carr for his significant contributions to the Company and his continued partnership in helping shape Ahold Delhaize, drive our Save for Our Customers program and deliver on our commitments. We are also pleased to nominate Kevin Holt for an extension of his term as Management Board member given his strong tenure as CEO of Ahold Delhaize USA.

During the year, we saw continued discussion in society on a number of broader topics, such as executive remuneration and wages, diversity, climate change, technological and digital developments impacting the workforce and the role companies can and need to play to address these topics. Our Innovation & Sustainability Committee, in which all Board members participate, is very much involved in these topics. We have stepped up the non-financial targets for management in these areas going forward.

The Supervisory Board's relationship with the Management Board and Executive Committee is open and transparent. Detailed information on strategic and operational performance is available and is discussed in a constructive, but critical, dialogue.

From time to time, small delegations of the Supervisory Board pay visits to the brands to better understand performance and the strategic choices that are made locally. These visits also provide an excellent first-hand view of local management and talent. In 2019, visits were made to Greece, Romania and a number of the U.S. brands.

We are pleased to report that 2019 was a successful year, which makes us comfortable that the Company is on track with its Leading Together strategy.

We thank the members of the Management Board and the Executive Committee and all associates across the Company for their commitment and support.

You can find more details on our 2019 focus areas, meetings and other governance-related topics in this Supervisory Board report.

On behalf of the Supervisory Board,

Jan Hommen



Supervisory Board report

Composition of the Supervisory Board

Ahold Delhaize's Supervisory Board determines the number of its members. The Supervisory Board profile is published on Ahold Delhaize's public website at www.aholddelhaize.com and is updated regularly.

In accordance with provision 2.1.5 of the Dutch Corporate Governance Code, Ahold Delhaize's diversity policy states that the composition of the Supervisory Board and the combined experience and expertise of its members should reflect the profile of the Company as it relates to nationality, age, education, gender and professional background. In addition, the composition of the Board, including its members' combined experience, expertise and independence, should reflect the best fit for Ahold Delhaize's profile and strategy. Three members of Ahold Delhaize's Supervisory Board are female and six members are male. Currently we are satisfied with the size of our Board, and we will continue to look for improvement in our diversity, which will remain a key aspect in the selection process for new Supervisory Board members.

Rules of Procedure

The Rules of Procedure of the Supervisory Board state that if a member is concurrently a member of another company's supervisory board, the main duties arising from and / or the number and nature of any other supervisory board memberships must not conflict or interfere with that individual's duties as a member of Ahold Delhaize's Supervisory Board.

Appointments and other changes

After the annual General Meeting of Shareholders on April 10, 2019, Rob van den Bergh and Mark McGrath stepped down from the Supervisory Board and were succeeded by Katie Doyle and Peter Agnefjäll, who were appointed by our shareholders during the same meeting.

Ongoing education

As part of its ongoing education, the Supervisory Board attended several deep dives on various topics to enable its members to gain greater insight into Ahold Delhaize's key priorities. In addition, the Supervisory Board attended a workshop focusing on the specific risks associated with the digital and omnichannel ambitions of the Company.

For our new members, Katie Doyle and Peter Agnefjäll, a multiple-day induction program was organized at our businesses in the U.S. and the Netherlands as well as at the Global Support Office in Zaandam. As part of the onboarding program, the two new members were briefed on their responsibilities and informed by senior management on the financial, commercial, technological, digital, social, sustainability, human resources, governance, legal and reporting affairs of our Company and its businesses. In addition, the new members visited the brands in Greece and Romania and several brands in the U.S.

Evaluation

The Supervisory Board conducted a self-assessment in early 2020. The Board assessed its own performance as well as the performance of its committees and its individual members. The performance of the Management Board and its individual members was also assessed during a private meeting.

Overall, the Supervisory Board was positive about its functioning. The Board has an open and constructive relationship with the Management Board. The Supervisory Board paid special attention to its composition and succession and concluded that searches for new members should focus on financial skills and eCommerce and leadership experience.

Supervisory Board report

Supervisory Board profile

Name	Experience						Core competencies				
	General business management	International	Retail	Consumer goods	Online / digital	Finance	Social / employment	Sustainability	Disclosure	Marketing	IT
Jan Hommen	*	*		*		*	*	*	*		*
Bill McEwan	*	*	*	*				*	*	*	
Jacques de Vaucleroy	*	*				*		*			
Ben Noteboom	*	*					*	*	*	*	
René Hooft Graafland	*	*		*		*			*	*	
Mary Anne Citrino			*	*		*					
Dominique Leroy	*	*		*	*			*	*	*	*
Katie Doyle	*	*	*	*	*	*		*		*	*
Peter Agnefjäll	*	*	*	*	*		*	*			*

Supervisory Board¹ reappointment schedule

Name	Date of first appointment ¹	Reappointment for second and third term	End of current appointment
Jan Hommen	October 1, 2013	2017	2021
Bill McEwan	March 14, 2016 ³		2020
Jacques de Vaucleroy ⁴	March 14, 2016 ³		2020
Ben Noteboom	April 28, 2009	2013 / 2017	2021
René Hooft Graafland	April 16, 2014 ²	2018	2022
Mary Anne Citrino	March 14, 2016		2020
Dominique Leroy	March 14, 2016 ³		2020
Katie Doyle	April 10, 2019		2023
Peter Agnefjäll	April 10, 2019		2023

1 In its decision to nominate its members for reappointment, the Supervisory Board takes into account their tenure in the Board of Directors of the former Delhaize Group, prior to their appointment to the Supervisory Board.

2 Effective January 1, 2015.

3 Effective July 24, 2016.

4 On December 20, 2019, it was announced that Jacques de Vaucleroy will retire at the end of his current term.

Supervisory Board report

Supervisory Board engagement

During 2019, 10 Supervisory Board meetings took place. Five of these meetings were held in person in Europe and the United States and five by means of a conference call. The Management Board attended these meetings and the other members of the Executive Committee, as well as other senior management, were regularly invited to be present.

The Supervisory Board held several private meetings without other attendees to independently review certain issues and to discuss matters related to the functioning of the Management Board, Executive Committee and Supervisory Board itself. The Supervisory Board also held several private meetings with only the CEO present, to obtain his view on certain matters and discuss the functioning of the members of the Management Board and Executive Committee. The external independent auditor attended the meeting of February 25, 2019, at which the 2018 Annual Report and financial statements were recommended for adoption by the annual General Meeting of Shareholders. The external independent auditor also attended the quarterly meetings, at which the financial results were discussed.

In addition, the Chairman and the CEO held regular one-to-one meetings to discuss progress and key topics.

During its meetings throughout the year, the Supervisory Board reviewed reports from its various committees and regularly evaluated the Company's progress on its Leading Together strategy, talent management and succession planning. The Board members had regular contact with associates in various levels of management to ensure that the Supervisory Board remained well-informed about the Company's operations.

The Company organized a trip for four Board members to visit the Alfa Beta brand in Greece and the Maxi brand in Romania and another trip for five Board members to visit the Food Lion and Giant/Martin's brands and the RBS support organization in the U.S. During these trips, the Board members met with senior management of the local brands and visited their local operations and stores.

- **January 2019:** The Supervisory Board held a conference call to discuss and approve Ahold Delhaize's Q4 / full year 2018 trading statement and to start preparations for the upcoming annual General Meeting of Shareholders.
- **February 2019:** During a two-day meeting, the Supervisory Board discussed and approved Ahold Delhaize's Q4 / full year 2018 results, as well as the Annual Report 2018. In addition, the Supervisory Board approved the dividend proposal. During the same meeting, the agenda and explanatory notes for the April 2019 annual General Meeting of Shareholders were approved. On the recommendation of the Remuneration Committee, the Supervisory Board resolved to approve the 2018 Executive Committee Incentive Plan Payout, in addition to the salary review and salary adjustment of the Executive Committee members. In addition, the Supervisory Board reviewed and approved the updated Rules of Procedure for the Management Board and the Executive Committee as well as the Rules of Procedure for the Supervisory Board. Lastly, the Supervisory Board was updated on specific IT projects, the IFRS 16 "Leases" implementation, post-investment reviews and significant litigation with potential impact on the Company.

- **April 2019:** During a two-day meeting, the Supervisory Board received an extensive update on the performance, risks and opportunities of the brands in Europe and the United States and discussed the upcoming annual General Meeting of Shareholders. The Supervisory Board approved issuing a sustainability bond.
- **May 2019:** During a conference call, the Supervisory Board reflected on the the Stop & Shop strike (including the learnings gained) and the update on the financial guidance following the strike. The Board also discussed and approved the Q1 2019 Interim Report. In addition, the Supervisory Board discussed reports from the external independent auditor and internal auditor as well as the internal control report and the governance, risk management and compliance report.
- **June 2019:** During a three-day meeting, the Supervisory Board visited Peapod Digital Labs in Chicago. The Supervisory Board performed a review of the Company's portfolio strategy in view of the "portfolio and scale efficiencies" growth driver. The Board reviewed the Peapod Digital Labs' strategy and the way it supports the brands in the United States. The Peapod Digital Labs leadership team, along with a number of talents across the Company, presented demos of initiatives in the digital domain. Lastly, the Supervisory Board received an update on the Peapod brand and visited several retail chains offering interesting omnichannel experiences.
- **August 2019:** The Q2 2019 Interim Report was presented to and subsequently approved by the Supervisory Board. The Board discussed and approved the interim dividend pay out.
- **September 2019:** The Supervisory Board held a three-day meeting in which it received status updates on Stop & Shop, Giant Food and IT. The Board discussed the report from the Governance & Nomination Committee on the Company's talent pipeline and the succession tables for the brand presidents. The Board also reviewed progress on the five strategic growth drivers. During the last day of the meeting, the Board visited several stores of the Giant Food brand as well as the competition.
- **November 2019:** During a two-day meeting, the Supervisory Board approved the Q3 2019 interim results, together with the Company's annual budget plan for 2020 and the plan for 2021-2022. In addition, the Supervisory Board discussed reports from the external independent auditor and internal auditor as well as the internal control report and the governance, risk management and compliance report. The Board discussed the digital strategy and the digital organization's new operating model. Lastly, the Board approved Ahold Delhaize USA's investment in its supply chain to create a fully integrated self-distribution model.
- **December 2019:** During a call, the Supervisory Board and the Management Board reflected on the past year and approved several investment proposals.

Supervisory Board report

Attendance

Except for a limited number of occasions, and for valid reasons, all Supervisory Board members attended all Supervisory Board meetings in 2019. In all cases, the Supervisory Board members who were not able to attend made sure they were represented. All Supervisory Board members made adequate time available to give sufficient attention to matters concerning Ahold Delhaize.

	Supervisory Board		Audit, Finance & Risk Committee		Governance & Nomination Committee		Remuneration Committee		Sustainability & Innovation Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Board attendance										
Jan Hommen	10	10	4	4 ¹	4	4	5	4	2	2
Bill McEwan	10	10					5	5	2	2
Jacques de Vaucleroy	10	9	4	4					2	2
René Hooft Graafland	10	10	4	4					2	2
Ben Noteboom	10	10					5	5	2	2
Rob van den Bergh	3	3					3	2	1	1
Mary Anne Citrino	10	9	4	4					2	1
Dominique Leroy	10	8			4	4			2	2
Mark McGrath	3	3			1	1			1	1
Katie Doyle	7	7			3	3			1	1
Peter Agnefjäll	7	7					2	2	1	1

¹ Attendance in his capacity as Chairman of the Supervisory Board.

Independence

The Supervisory Board confirms that during 2019 as well as on February 25, 2020, all Supervisory Board members were independent within the meaning of provision 2.1.10 of the Dutch Corporate Governance Code.

Remuneration

The annual remuneration of the members of the Supervisory Board was determined by the extraordinary General Meeting of Shareholders on March 14, 2016. Remuneration is subject to annual review by the Supervisory Board.

Chairman Supervisory Board	€220,000
Vice Chairman (and member of the presidium)	€180,000
Vice Chairman	€125,000
Member Supervisory Board	€90,000
Chairman Audit, Finance and Risk Committee	€30,000
Member Audit, Finance and Risk Committee	€15,000
Chairman Other Committee	€20,000
Member Other Committee	€12,500
Travel compensation intercontinental per round trip	€7,500
Travel compensation continental per round trip	€2,500

In the execution of the remuneration of the Supervisory Board members, the Company continued the 2018 practice. At the 2020 annual General Meeting of Shareholders, a remuneration policy for the Supervisory Board will be up for vote to formalize this practice (including some additional updates).

Committees of the Supervisory Board

The Supervisory Board has four committees to which certain tasks are assigned. The committees have advisory powers and provide the Supervisory Board with regular updates on their meetings. The composition of the committees has changed over 2019 and is detailed in the following table.

	Audit, Finance and Risk Committee	Governance and Nomination Committee	Remuneration Committee	Sustainability and Innovation Committee
Jan Hommen (Chairman)		Chairman		Member
Bill McEwan (Vice Chairman)			Chairman	Member
Jacques de Vaucleroy (Vice Chairman)	Member			Member
Ben Noteboom			Member	Member
René Hooft Graafland	Chairman			Member
Mary Anne Citrino	Member			Member
Dominique Leroy		Member		Member
Katie Doyle		Member		Co-chair
Peter Agnefjäll			Member	Co-chair

In addition, from time to time, the Supervisory Board establishes ad-hoc committees for specific topics when appropriate.

Supervisory Board report

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Supervisory Board in its responsibility to oversee Ahold Delhaize's financing, financial statements, financial reporting process and system of internal business controls and risk management. The Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Senior Vice President Internal Audit, Senior Vice President Tax and Accounting and representatives of the external independent auditor are invited to, and attend, the Audit, Finance and Risk Committee meetings.

The Audit, Finance and Risk Committee determines how the external independent auditor should be involved in the content and publication of financial reports other than the financial statements. The Management Board and the Audit, Finance and Risk Committee report to the Supervisory Board annually on their cooperation with the external independent auditor, including the auditor's independence. The Supervisory Board takes these reports into account when deciding on the nomination for the appointment of an external independent auditor that is submitted to the General Meeting of Shareholders.

In 2019, the Audit, Finance and Risk Committee held two meetings in person and two by means of a conference call. The attendance rate of the Board members of this Committee was 100%. Throughout the year, the Audit, Finance and Risk Committee closely monitored the financial closing process and reviewed the publication of quarterly results. Updates on internal controls were provided during all Committee meetings. The Audit, Finance and Risk Committee was informed regularly on compliance and reviewed and received regular updates on fraud and health and safety (including fatalities).

The Audit, Finance and Risk Committee also discussed items including:

- Quarterly interim reports
- Ahold Delhaize's 2018 Annual Report including the financial statements
- Review and approval of the internal audit plan
- Management report on internal controls over financial reporting
- The findings in the internal audit letters and the external independent auditor's findings in relation to the internal controls over financial reporting
- The Company's finance structure
- IFRS 16 "Leases", the implementation of the new lease accounting standard
- Quarterly internal control report and the governance risk and compliance report
- Treasury
- Taxation, including being a responsible tax payer
- Guarantees
- Self-insurance programs
- Recognition of vendor allowances
- Impairment testing of goodwill
- Associate benefits (including pensions and multi-employer pension plans) measurement and disclosure
- Appointment of the external independent auditor
- Cyber security
- Compliance, fraud, ethics and safety matters
- Sustainability reporting

The Audit, Finance and Risk Committee and the Chairman of the Audit, Finance and Risk Committee also held private meetings together with the Chief Financial Officer, the Senior Vice President Internal Audit and the external independent auditor.

The Supervisory Board has determined that René Hooft Graafland, Mary Anne Citrino and Jacques de Vaucleroy are "Audit Committee Financial Experts" within the meaning of the Dutch Corporate Governance Code, provision 2.1.4.

Supervisory Board report

Governance and Nomination Committee

In 2019, the Governance and Nomination Committee held four meetings in person, all of which the Chief Executive Officer and the Chief HR Officer were invited to attend. The attendance rate of the Board members of this Committee was 100%. The Committee focused on the Company's talent pipeline and the succession tables for the brand presidents as well as the associate engagement survey. The status of the Company's diversity ambitions and plans was discussed, as well as the expected impact of technological and digital developments on our workforce. The Committee evaluated the performance of the Supervisory Board and the Executive Committee. The Committee led the search process for a successor for Jeff Carr, resulting in the nomination of Natalie Knight as new member of the Management Board. The Committee proposed to the Supervisory Board to nominate Kevin Holt for reappointment as member of the Management Board. The Committee was also involved in key organizational and management changes, as well as other governance matters.

The Committee led the search for new Supervisory Board members. At the upcoming annual General Meeting of Shareholders in April, two new members, Helen Weir and Frank van Zanten, will be proposed to the Supervisory Board for approval by shareholders.

Remuneration Committee

In 2019, the Remuneration Committee held four meetings in person and one by means of a conference call, all of which the Chief Executive Officer and the Chief HR Officer were invited to attend. The attendance rate of the Board members of this Committee was 93%. The Committee's main area of focus was the implementation of the Shareholder Rights Directive and the remuneration packages for Natalie Knight and Kevin Holt. As a result of the Shareholder Rights Directive, the Committee prepared a proposal for the Supervisory Board for a Supervisory Board Remuneration Policy and a supplement to the Remuneration Policy for the Management Board. Lastly, the Committee reviewed options to increase the level of transparency with respect to the disclosure of our performance measures in the short- and long-term incentive programs.

See *Remuneration* for more information on our remuneration policy, which aims to help us attract, motivate and retain the best-qualified workforce, in a cost-effective way.

Sustainability and Innovation Committee

During the course of 2019, the Sustainability and Innovation Committee held two meetings in person, both of which the Chief Executive Officer was invited to attend. The attendance rate of the Board members of this Committee was 94%. During the first meeting, the Committee received an update on the Sustainable Retailing 2018 results and targets for 2019, as well as an update on the latest developments on digital in Europe and the United States. During its second meeting, the Committee focused on how the Company can help customers and associates to make healthier choices.

Conclusion

The Supervisory Board is of the opinion that during the year 2019, its composition, mix and depth of available expertise, working processes, level and frequency of engagement across all prominent Company activities, and access to all necessary and relevant information and the Company's management and staff were satisfactory and enabled it to carry out its duties towards all of the Company's stakeholders.

The Supervisory Board would like to thank Rob van den Bergh and Mark McGrath for their outstanding contributions to the Supervisory Board and to the Company.

The Supervisory Board would also like to thank Ahold Delhaize's shareholders for their continued support and trust in the Company, its strategy and its management team. Finally, the Board would like to express its gratitude for the continued hard work and commitment of the Management Board and all associates during 2019.

Supervisory Board
Zaandam, the Netherlands
February 25, 2020

How we manage risk

Ahold Delhaize has a diverse portfolio of brands, geographic footprint and business structure. Because of this, it is critically important that we manage risks in a proactive and responsible way to ensure we can deliver on our Leading Together strategy.

Governance, Risk Management and Compliance

Our Governance, Risk Management and Compliance (GRC) Framework is tailored to respond to our structure and the dynamic needs of our brand-centric business. It is structured to give our management a transparent view of the risks we take, face and manage and that have a strategic impact on our great local brands and our global organization.

The GRC Framework consists of global policies and controls as well as a GRC Committee structure at global and brand levels that serves as a forum for identifying, addressing and monitoring relevant risks in all corners of our business.

The global GRC Committee is responsible for reviewing Ahold Delhaize's governance, risk management and compliance processes. The GRC Committee is chaired by the Chief Legal Officer and (i) advises the Management Board and Executive Committee on matters concerning the GRC Framework, including an overall GRC vision and strategy, (ii) oversees activities to develop and maintain a fit-for-purpose GRC Framework and (iii) engages with Ahold Delhaize's senior management on important developments in the context of governance, risk and compliance.

Enterprise Risk Management

Through our Enterprise Risk Management (ERM) program, which is embedded in the execution of our strategy, the leadership of each of our brands and global functions review their strategic, operational, financial and regulatory risks and mitigating actions twice a year. Our Executive Committee performs a semi-annual review of all the risks reported by the brands and the outcome is aggregated into an ERM report that is presented to the Management Board and Supervisory Board, as required by the Dutch Corporate Governance Code. Ahold Delhaize's ERM program drives the formation of policies, procedures and controls, the scope of internal audit activities, and the business planning and performance process.

Risk appetite

Our risk appetite is defined by our Supervisory Board and Management Board and is integrated into the businesses through our strategy, global policies, procedures, controls and budgets. Our appetite for each risk is determined by considering key opportunities and potential threats to achieving our strategic objectives and can be categorized as follows:

Strategic

We use fact-based analysis that derives insights from our different markets and brands to support our strategic decision-making process in a way that considers the financial, economic, social and political developments that may impact our ability to achieve our strategic objectives. Generally, the Company's strategic risk appetite is between average and above average.

Operational

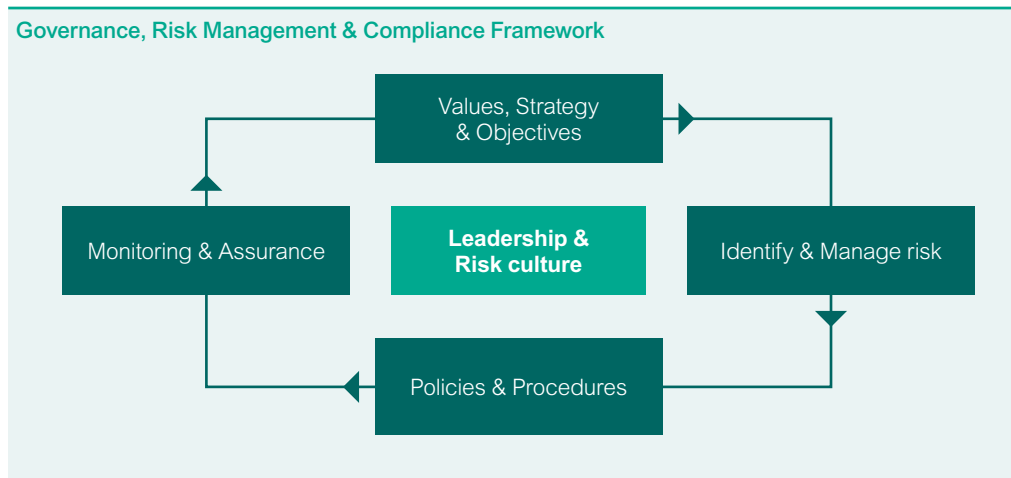
Operational risks include unforeseen incidents that could result from failures in internal processes or systems, human error or adverse external events and could negatively impact the day-to-day operation of our business. Our risk appetite related to the disruption of our day-to-day business is generally low, as we seek to minimize the downside impact of operational failures.

Financial

Ahold Delhaize has a prudent financial strategy focused on maintaining our solid investment-grade credit rating. We are averse to any risks that could jeopardize the integrity of our financial reporting. Our financial risk management, risk appetite and sensitivities are further detailed in *Note 31* of the consolidated financial statements.

Compliance

At Ahold Delhaize, an essential part of our strategic framework is our values. We strive to behave according to our values as we go about our daily work. One of our values is "integrity," which means that the Company and all its associates do the right thing to earn customers' trust. We strive for full compliance with laws and regulations and with our policies and procedures everywhere we do business. Consequently, our risk appetite for non-compliance is very low.



How we manage risk

During 2019, we enhanced our Enterprise Risk Management program, combining the following approaches to help us better identify our core principal risks and uncertainties:

1. We performed a materiality assessment of environment, social and economic topics to identify risk drivers within the principal risks facing our organization in the future.
2. We performed a risk assessment of the Company's key strategic and business risks as part of our ERM program.

Materiality assessment



Through our materiality assessment, we ask our stakeholders for feedback on the scale of Ahold Delhaize's impact on relevant topics and how much these topics influence their decision-making on environmental, social and economic concerns. We use their feedback to determine our material topics. Since these issues that concern our stakeholders are equally potent risks for Ahold Delhaize, they are included in our ERM process. We apply the results of this assessment to help us identify risk drivers

within the principal risks facing our organization in the short term, as well as topics that may evolve and present risks to our organization in the future. Based on input from investors, associates and non-governmental organizations and a review of topics covered by the media, we have updated the material topics for Ahold Delhaize. Despite the fact that we applied a stricter threshold for identifying them, the overall material topics have not changed significantly.

An overview of our material topics is shown in the following table, which lists our material topics, our approach to managing them and how each is related to the five growth drivers of our Leading Together strategy and the UN's Sustainable Development Goals (SDGs). The table also shows the links between certain of our material topics and our principal business risks. We track these issues according to their potential impact on our Company's objectives and reputation.

All target dates included in the table refer to achievement by the end of the stated year.

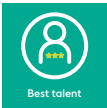

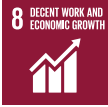



Material sustainability topics

Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Product safety and quality</p> <p>The safety and quality of products we sell</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail • Consumption 	<p>Our product integrity policies and procedures set high standards for both safety and quality with our own-brand suppliers. Our operations policies ensure strong safety and quality management from our distribution centers to our stores, including regular facility audits by third parties to confirm compliance. We require our suppliers to go beyond what is legally required for food safety practices, and work directly with Small- and Medium-Sized Enterprises to help them achieve an acceptable level of assurance and identify areas for improvement.</p> <p>Target:</p> <ul style="list-style-type: none"> • 100% of own-brand food production sites certified against GFSI (Global Food Safety Initiative), or in compliance with an acceptable level of assurance standard by 2020 	Product safety			<p>Page 24: Value creation</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>

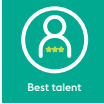

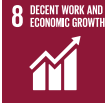





For more information on our approach to material topics, see the following table with material topics or visit our website at www.aholddelhaize.com/en/sustainable-retailing

How we manage risk




Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Associate safety, health and well-being</p> <p>The safety of our associates at work, and how our actions impact associate health and well-being</p> <p>Boundary:</p> <ul style="list-style-type: none"> Retail 	<p>We integrate safe working conditions into workplace designs and operational procedures and measure and monitor accidents, occupational illness and related absenteeism. Annual targets are set to further increase safety measures and support associates' health and well-being through brand-level programs.</p> <p>Target:</p> <ul style="list-style-type: none"> Score of 75% on index of healthy workplace questions in associate engagement survey by 2020 <p>Additional KPIs:</p> <ul style="list-style-type: none"> Rate of lost days due to accidents Rate of occupational illnesses per million hours worked 	<p>People</p>		 	<p>Page 24: Value creation</p> <p>Page 29: Creating value for our stakeholders – Associates</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>
<p>Healthy and sustainable diets</p> <p>The impact of our products, services and the information that we provide on facilitating healthier and more sustainable diets for our customers and associates</p> <p>Boundary:</p> <ul style="list-style-type: none"> Retail Consumption 	<p>We can make a big difference in our customers' awareness of what they eat and provide healthier food in our stores.</p> <p>That's why our brands not only continue to educate customers generally by promoting nutritional navigation systems, they also develop personalized diet advice for customers via loyalty cards and apps to support them in adapting their personal shopping habits to achieve healthier diets.</p> <p>We play an active role in our industry to help speed the global shift to more sustainable consumption. The areas we are active in include reducing food waste, reducing plastic waste, and sourcing more sustainably-produced products. Our brands often work directly with suppliers, such as through partnerships with fruit and vegetable suppliers, to encourage the use of practices that protect biodiversity.</p> <p>Targets:</p> <ul style="list-style-type: none"> 50% of own-brand food sales from healthy products by 2020 51% of own-brand food sales from healthy products by 2022 100% sustainable sourcing for seven commodities in our own-brand products by 2020 <p>Additional KPIs:</p> <ul style="list-style-type: none"> Percentage of total food sales from certified organic products Sales from "free-from" or organic own-brand product lines 	<p>Competitive environment</p> <p>Legislative environment</p>		 	<p>Page 6: Group highlights</p> <p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 24: Value creation</p> <p>Page 27: Creating value for our stakeholders – Customers</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>

How we manage risk

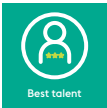






Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Human rights How human rights are respected in our own operations and along our supply chain</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail 	<p>We are committed to respecting the human rights of our associates, our customers, our communities and the people who work throughout our supply chains. This commitment is based on our own collective belief that all people should be treated with dignity and respect and is derived from international principles, such as the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.</p> <p>We have conducted a human rights due diligence. The report will be published in the first half of 2020.</p> <p>Target:</p> <ul style="list-style-type: none"> • 80% of own-brand production units in high-risk countries meeting social compliance standards by 2020 	Product safety	 Best talent  Healthy and sustainable		<p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 24: Value creation</p> <p>Page 31: Creating value for our stakeholders – Communities</p> <p>Page 91: How we manage risk</p>
<p>Food waste Food that goes to waste (not eaten by people) along the value chain: in the supply chain, distribution, stores and customers' homes</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail 	<p>We are working hard to reduce food waste, both inside our own operations and beyond. We will eliminate waste across our supply chain, together with customers and suppliers. Within our own operations, we will reduce food waste by 50% by 2030 from our 2016 baseline. We will accomplish this objective by making replenishment systems more effective and by applying innovative methods, such as dynamic pricing based on sell-by date. We are a founding member of the World Resources Institute's "10x20x30" initiative, which brings together 10 global food retailers that will each engage with 20 of their priority suppliers to halve their rates of food loss and waste by 2030.</p> <p>Targets:</p> <ul style="list-style-type: none"> • 20% food waste reduction against 2016 baseline (tonnes / € million food sales) by end 2020, 32% reduction by 2025, 50% reduction by 2030 • 90% food waste recycled by 2020 <p>Additional KPIs:</p> <ul style="list-style-type: none"> • Tonnes of food waste sent to disposal per food sales • Percentage of unsold food donated to feed people 	Competitive environment	 Healthy and sustainable	 2 ZERO HUNGER  12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 24: Value creation</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>



How we manage risk

Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Product transparency The degree to which we are transparent to customers about products, their supply chains and their health and sustainability impacts</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail • Consumption 	<p>Ahold Delhaize aims to improve transparency throughout its business operations and its communications with stakeholders. For example, the Ahold Delhaize brands make product information available to consumers through on-pack, online and digital communications. We aim to provide clear nutritional information, as well as sustainability certifications, supplier information and other relevant communications.</p> <p>Targets:</p> <ul style="list-style-type: none"> • 100% of Ahold Delhaize brands to have customer-facing nutritional navigation by 2025 • 100% of U.S. own-brand products free of artificial ingredients by 2025 	<p>Product safety</p> <p>Competitive environment</p>			<p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 24: Value creation</p> <p>Page 27: Creating value for our stakeholders – Customers</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How manage risk</p>
<p>Personal data / privacy The protection of personal data from consumers and associates</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Retail • Consumption 	<p>Customers, associates and business partners entrust our businesses with their personal data and we must safeguard this information at all times. At Ahold Delhaize and its brands, we always strive to use customer data to benefit customers, whether it is by checking their home address for grocery deliveries, accessing their shopping history to provide personalized benefits or confirming account details for online orders.</p> <p>We have established five principles that guide how Ahold Delhaize and its brands manage personal data:</p> <ol style="list-style-type: none"> 1. We are committed to protecting the personal data of customers, associates, business partners and service providers. 2. We maintain personal data for legitimate business purposes only and are transparent about when and how personal data is collected, used or shared. 3. We provide customers with reasonable notice and control over their data. 4. We strive to use customer data to benefit customers. 5. We are committed to complying with legal and regulatory obligations everywhere we do business. 	<p>Business continuity</p> <p>Information security and data privacy</p>			<p>Page 19: Our growth drivers – Technology</p> <p>Page 24: Value creation</p> <p>Page 91: How we manage risk</p>

How we manage risk

Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Diversity of our workforce</p> <p>The diversity of our associates (including age, gender, ethnicity and sexual orientation) and how it reflects the diversity of the communities where we operate</p> <p>Boundary:</p> <ul style="list-style-type: none"> Retail 	<p>We want to cultivate our talent so that we have the right people and leaders for the future. By building robust, diverse talent pipelines we will ensure we have the best talent – people who can help us drive the growth of our business. We're putting a much stronger focus on diversity and inclusion by making sure we have balanced slates of candidates for open roles, developing associates from all backgrounds, building more diverse succession pools and creating a more inclusive environment, overall.</p> <p>KPIs:</p> <ul style="list-style-type: none"> Index of inclusive workplace and associate development questions in the associate engagement survey Percentage of females on the Executive Committee and Supervisory Board Percentage of associates by generation 	<p>People</p>		  	<p>Page 23: Our growth drivers – Best talent</p> <p>Page 24: Value creation</p> <p>Page 29: Creating value for our stakeholders – Associates</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>
<p>Plastics</p> <p>The life-cycle impact of our use of plastics in products, packaging and shopping bags</p> <p>Boundary:</p> <ul style="list-style-type: none"> Production Retail Consumption 	<p>Plastic waste is another major challenge, particularly for life in our oceans, lakes and rivers. That's why, as a global retailer, we have signed up to the New Plastics Economy Global Commitment – to work on ways to significantly reduce plastic in our overall supply chain.</p> <p>Concretely, brands across Ahold Delhaize are working towards zero plastic waste from own-brand packaging by 2025.</p> <p>Ahold Delhaize brands are also reducing the use of single-use plastic bags. Two more European brands (Alfa Beta and Mega Image) stopped using these in 2019, and reductions will continue at other brands in 2020. In some markets, this work has extended to reducing or eliminating single-use plastic bags for the purchase of bulk fruits and vegetables.</p> <p>Target:</p> <ul style="list-style-type: none"> 100% of our own-brand plastic product packaging is reusable, recyclable or compostable by 2025 	<p>Legislative environment</p>		 	<p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 31: Creating value for our stakeholders – Communities</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>

How we manage risk

Material topic	Our approach	Relevant principal risks	Growth driver	Link to SDG	Reference in the report
<p>Climate impact / Carbon emissions</p> <p>Impact of our supply chain and own operations (stores, distribution centers and logistics) on climate change</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail • Consumption 	<p>We committed in 2019 to setting long-term, science-based climate targets. The brands worked on defining future pathways for reducing emissions as well as mapping the emissions from our supply chain. We will submit a proposal to the Science Based Targets initiative by February 2021. In addition, we are working to better understand the business and financial impacts from climate change.</p> <p>During 2019, our brands improved energy efficiency, reduced refrigerant emissions, increased the use of natural refrigerants and improved transport efficiencies. They also progressed toward targets to source certified sustainable commodities and reduce food waste, both of which support reduction of global greenhouse gas emissions.</p> <p>Targets:</p> <ul style="list-style-type: none"> • 30% reduction in CO₂-equivalent emissions (compared to 2008) from our own operations by 2020 • 100% certified sustainable palm oil, soy and wood fibers in own-brand products by 2020 • 20% food waste reduction compared to 2016 baseline by 2020, 32% reduction by 2025 and 50% reduction by 2030 	Competitive environment		 	<p>Page 6: Group highlights</p> <p>Page 20: Our growth drivers – Healthy and sustainable</p> <p>Page 24: Value creation</p> <p>Page 31: Creating value for our stakeholders – Communities</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>
<p>Associate wages</p> <p>The adequacy and equality of wages our brands pay to their associates and that are paid to associates in our supply chains and the impact that it has on the communities we and our suppliers operate in</p> <p>Boundary:</p> <ul style="list-style-type: none"> • Production • Retail 	<p>Our businesses are committed to the principles of equal employment opportunities, freedom of association and respecting the legal right to collective bargaining and they offer associate wages that are in line with market practice.</p> <p>Compensation and benefits levels are set by our brands in line with associates' job levels and local market practices. The remuneration practices in their local markets are regularly reviewed to take into account market dynamics and economic conditions.</p> <p>Social audits in our supply chains check on the proper payment of local minimum wages.</p> <p>Target:</p> <ul style="list-style-type: none"> • 80% of own-brand production units in high-risk countries meeting social compliance standards by 2020 <p>KPI:</p> <ul style="list-style-type: none"> • Associate engagement survey score 	Labor People			<p>Page 6: Group highlights</p> <p>Page 24: Value creation</p> <p>Page 29: Creating value for our stakeholder – Associates</p> <p>Page 45: Group non-financial review</p> <p>Page 91: How we manage risk</p>

Boundary refers to where the material topic has an impact in the value chain. For more information on the value chain, see *Value creation* on page 23.

How we manage risk

Risk assessment

The principal risks and uncertainties included in the following table represent the most significant risks identified that may impede the achievement of Ahold Delhaize's objectives in relation to strategy, operations, financial and compliance matters. Our principal risks categories remain substantially unchanged from 2018.

In April 2019, the disclosed risk related to labor materialized when negotiations with local unions representing Stop & Shop associates did not reach an agreement and led to an 11-day strike. The resolution and financial impact of the strike was disclosed in a press release dated April 23, 2019, and in the Ahold Delhaize Q2 2019 results.

The following overview of risks relating to Ahold Delhaize should be read carefully when evaluating the Company's business, its prospects and the forward-looking statements contained in this Annual Report. The following risks are not the only risks that the Company faces, which may or may not materialize and have a material adverse effect on Ahold Delhaize's financial position, results of operations and liquidity or cause actual results to differ materially from the results contemplated in the forward-looking statements contained in this Annual Report. See the *Cautionary notice* for additional information.

Ahold Delhaize's principal risks and uncertainties¹

Risk	Key risk drivers	Mitigation
<p>Business continuity (O) Disruption of critical business processes, due to a long-term or permanent loss of key personnel, facilities, utilities, IT infrastructure or key suppliers, may result in non-availability of products for customers and have a significant adverse impact on commercial operations, revenues, reputation and customer perception.</p>	<ul style="list-style-type: none"> • Diverse IT landscape with dependence on legacy systems and various third-party service providers • Business and IT systems disruption due to events of an exceptional nature (e.g., cyber attacks or breach of personal data, climate change-induced extreme weather events) • Dependence on logistics service providers and suppliers of strategic own-brand products and services 	<ul style="list-style-type: none"> • Global business continuity strategy, governance structure and framework • Insurance programs • Regular training (including simulations) provided to senior management on crisis management and response to high-impact events • Network protection (firewall, intrusion, detection and prevention systems, and email filtering) • Cyber-defense monitoring • Monitoring of vendors and third-party service providers
<p>Competitive environment (S) Changes to the competitive landscape relating to non-traditional competition, rapid expansion of omnichannel product offerings, and innovation in the market without an appropriate and distinctive response by Ahold Delhaize could result in a loss of competitive advantage, decrease of sales, erosion of margins and an inability to deliver on strategic objectives or performance targets.</p>	<ul style="list-style-type: none"> • Aggressiveness of competing business models and entrance of non-traditional competition leading to drastic price reductions and rapid omnichannel expansion (e.g., discounters and same-day delivery of fresh, healthy products at affordable prices) • Non-traditional acquisitions, partnerships and strategic alliances with eCommerce, data analytics and robotics companies • Changing consumer trends relating to: healthy eating, product labeling and transparency of product origin, more online shopping, and consumption of prepared foods • Increased focus on reduction of food waste • Impact of climate change on food retail operations and food supply chains • Consolidation of U.S. pharmacy market 	<p>Annual reassessment and implementation of our strategy. The Leading Together strategy is based on five growth drivers:</p> <ul style="list-style-type: none"> • Omnichannel growth • Technology • Healthy and sustainable • Portfolio and scale efficiencies • Best talent <p>For more details on our Leading Together strategy and growth drivers, see <i>Our business</i>.</p>

¹ Risks are listed in alphabetical order and categorized by business objective: strategic (S), operational (O), financial (F) and compliance (C).

How we manage risk

Ahold Delhaize's principal risks and uncertainties¹ (continued)

Risk	Key risk drivers	Mitigation
<p>Information security and data privacy (O)(C) A lack of security around, or non-compliance with, privacy requirements relating to the capture, usage, processing and retention of customer and associate data may lead to the exposure, misuse or misappropriation of data which could have a significant legal, financial, or reputational impact.</p>	<ul style="list-style-type: none"> • Global security threats • Growth of our online sales leading to increased availability of consumer data • Rapidly changing privacy regulations in our different markets regarding use, storage, and protection of personal data • Utilization of third parties to process and store customer and associate data 	<ul style="list-style-type: none"> • Implementation of global Information Security organization, policy and control framework • Performance of “data breach” simulations across the organization (with various levels of management) • Payment Card Industry (PCI) and privacy compliant control framework • Cyber insurance coverage • Training and monitoring established through the General Data Protection Regulation (GDPR) initiative • Rollout of personal data protection policy and awareness program and principles for the responsible use of data • Establishment of safeguards across data value streams
<p>Labor (O) Our brands may not be able to negotiate acceptable terms for extensions and replacements of contracts as a result of unfavorable demands and / or expectations from unions.</p>	<ul style="list-style-type: none"> • Expiration and re-negotiation of collective bargaining agreements with trade unions • Key business initiatives within the Ahold Delhaize strategy (e.g., efficiency through innovation, robotics and automation) • Regulatory and competitive increases in minimum wage • Labor shortages in distribution center and logistics functions 	<ul style="list-style-type: none"> • Contract negotiation process with labor unions • Human Resource function's partnering relationship with unions and associates • Development of resource contingency plans • Monitoring and alignment of market practices
<p>Legislative environment (C) Changes in, or failure to comply with, laws and regulations could impact the operations and reduce the profitability of Ahold Delhaize or its businesses and, thus, could affect its financial condition, reputation or results of operations. Ahold Delhaize and its businesses are subject to a variety of antitrust and similar laws and regulations in the jurisdictions in which they operate, which may impact or limit the Company's ability to realize certain acquisitions, divestments, partnerships or mergers.</p>	<ul style="list-style-type: none"> • Increased focus on compliance and enforcement • Changing political climate • Proposed regional and national tax reforms • Lack of clarity on application of new regulations • Implementation of sugar taxes and other trade restrictions • Public opinion and pressure from governments, regulatory entities and NGOs on sustainability actions to promote healthy eating, reduce the use of plastics, and discourage tobacco sales • Based on the prevailing regulatory environment or economic conditions in the markets where we operate, litigations, investigations and inquiries may increase in frequency and materiality 	<ul style="list-style-type: none"> • Real-time knowledge and awareness of regulatory developments attained through our global legal, compliance and tax functions • Implementation of global policies, operational procedures and internal control framework • Risk monitoring and assurance program • Education of regulators and public policymakers (e.g., through industry associations; participation in lobbying industry bodies) • Transparent communications approach towards tax authorities about our legal structure • Continuing review of options from a tax-planning perspective • Estimation of the exposure to legal and regulatory proceedings and establishment of provisions for the estimated liabilities where it is reasonably possible to estimate and where the potential realization of a loss contingency is more likely than not. For further information, see Note 35 to the consolidated financial statements

¹ Risks are listed in alphabetical order and categorized by business objective: strategic (S), operational (O), financial (F) and compliance (C).

How we manage risk

Ahold Delhaize's principal risks and uncertainties¹ (continued)

Risk	Key risk drivers	Mitigation
<p>Pension and other post-employment benefits (F) Pension and healthcare funding in the U.S. and the Netherlands. Ahold Delhaize is exposed to the financial consequences of a number of defined benefit pension plans covering a large number of associates in the Netherlands and the United States.</p> <p><i>Multi-employer plans</i> A significant number of union employees in the United States are covered by Multi-Employer Plans (MEPs) based on obligations arising from collective bargaining agreements. Ahold Delhaize's brands participate in 11 MEPs and some of these have a critical (Red Zone) funding deficiency.</p> <p>Under normal circumstances, when an MEP reaches insolvency, it must reduce all accrued benefits to the maximum level guaranteed by the United States' Pension Benefit Guaranty Corporation (PBGC). MEPs pay annual insurance premiums to the PBGC for such benefit insurance.</p> <p>For more information on the financial risks related to our MEPs see <i>Multi-employer plans</i> in Note 24 to the consolidated financial statements.</p> <p>More details on this risk, its related risk drivers and current mitigating actions can be found in Note 24 to the financial statements.</p>	<ul style="list-style-type: none"> • Pension and healthcare funding is impacted by low interest rates, stock market performance, changing pension laws, longevity of participants and increased costs in specific markets. • The Company's contributions to an MEP in which it participates may be used to fund benefits of employees of other participating employers. • If the Company seeks to withdraw from some of its MEPs, it must obtain the agreement of the applicable unions and, in connection with this, may be required to pay those plans an amount based on its allocable share of the unfunded vested benefits of the plan, referred to as a withdrawal liability. • If another participating employer stops contributing to an MEP in which the Company participates (e.g., due to bankruptcy), the Company and other remaining participating employers may have to increase their contributions to fund the unfunded obligations of the plan allocable to the withdrawing employer. • An MEP in which the Company participates may become insolvent and the Company may be required, in certain circumstances, to increase its contributions to fund the payment of benefits by the MEP. • PBGC currently projects that its multi-employer insurance program will become insolvent by the end of the PBGC's 2025 fiscal year. If the PBGC's multi-employer insurance program becomes insolvent, it may become unable to fund the PBGC-guaranteed benefits owed by insolvent multi-employer plans, which might impact our future contributions. Various legislative initiatives to assist the PBGC and / or the multi-employer pension system in the United States are under consideration by the United States Congress, but it is unclear whether any of these initiatives will be enacted. 	<ul style="list-style-type: none"> • Our governance structure, with a pension committee responsible for monitoring pension plan funding as well as Multi-Employer Plans. • Management of each MEP by a board of trustees appointed by the management of the participating employers (plan sponsors) and the participating unions. Ahold Delhaize has been appointed as board of trustee member on several MEP boards and, through these positions, manages and monitors the MEPs' funding. • The MEPs' contribution levels (funding) are set for each participating employer and are based on the benefit level as agreed in the collective bargaining agreement (CBA) and the agreed-upon funding. The rate of pension contributions is one of the terms of the CBA and considered to be a part of the overall agreed-upon benefit package. After the expiration of a CBA, all provisions within it are subject to negotiation and could be changed going forward, including, among others, pension and healthcare benefit levels and funding for the agreed benefit level.

¹ Risks are listed in alphabetical order and categorized by business objective: strategic (S), operational (O), financial (F) and compliance (C).

How we manage risk

Ahold Delhaize's principal risks and uncertainties¹ (continued)

Risk	Key risk drivers	Mitigation
<p>People (O) (S) The brands may not be able to attract, develop and retain top talent in support of current and long-term needs and capabilities.</p>	<ul style="list-style-type: none"> • Availability of top talent in key locations • Shift in skillset for elements of our evolving business model (data analytics, omnichannel, modernized DCs, robotics, etc.) • More mobile workforce with people being more eager to change jobs • Ability to ensure the safety, health, and well-being of our associates 	<ul style="list-style-type: none"> • Embedding of associate value propositions within each brand to attract top talent • Identification and building of workforce based on strategic capability plans and needs • Associate engagement survey distribution and results, and the execution of action plans • Performance and talent management cycle and development conversations • Further embedding of our leadership journey, shared values, capabilities and behaviors • Diversity initiatives to drive a workforce that is representative of the markets we serve
<p>Product safety (O)(C) There is a risk that customers may become injured or ill from the use or consumption of food and non-food products sold by Ahold Delhaize brands, whether they are contaminated or defective, intentionally tampered with, or impacted by food fraud in the supply chain. Additionally, negative impacts on human rights or the environment during the production of our products (e.g., human rights violations by suppliers) may negatively impact the reputation or results of Ahold Delhaize and / or its brands.</p>	<ul style="list-style-type: none"> • Internationalization of the supply chain and poor agricultural practices lead to product integrity and sustainability incidents occurring across the world (e.g., related to foodborne illness and manufacturers' labor conditions) • Increased speed of communications and amplification of incidents via NGOs and social media (e.g., product recalls or human rights in the supply chain) • Retailers being held accountable and scrutinized for incidents occurring at any point in the supply chain • Overall increase in demand by customers for accuracy and transparency in the food supply chain • Increased number of own-brand products being developed, carried and sold by Ahold Delhaize brands 	<ul style="list-style-type: none"> • Product safety policies, control framework and standard operating procedures • Ahold Delhaize's Standards of Engagement for third parties • Monitoring of performance and training of food safety procedures in the business • Tracing of product origins and conditions of production • Pilot of blockchain technology for tracing products in the supply chain • Insurance programs

¹ Risks are listed in alphabetical order and categorized by business objective: strategic (S), operational (O), financial (F) and compliance (C).



How we manage risk

Additional risks and uncertainties

In addition to the principal risks identified, the following risks were identified and considered in conjunction with our annual ERM assessment:

Insurance risks

Ahold Delhaize manages its insurable risks through a combination of self-insurance and commercial insurance coverage for workers' compensation, general liability, property, vehicle accident and certain healthcare-related claims. Our self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, regulatory economic conditions and adverse litigation results. Our process enables us to monitor claim and settlement patterns and evaluate third-party risk.

Other financial risks

Other financial risks include foreign currency translation risk, credit risk, interest risk, liquidity risk, income tax-related risks, liabilities to third parties relating to lease guarantees, contingent liabilities and risks related to the legislative and regulatory environment, including litigation. For information relating to these financial risks, see *Notes 25, 31 and 35* to the consolidated financial statements.

Sensitivity analysis

At Ahold Delhaize, we follow closely the impact of different internal and external risk factors on our operations. The purpose of our sensitivity analysis is to assess these risks on the Company's current strategy to determine their impact on our business and the viability of our business model, as well as our ability to meet our financial liabilities and other obligations.

Our strategy is based on assumptions relating to: the global economic climate, changes in consumer behavior, competitor actions, market dynamics and our current and planned structure, among other factors.

The following are two extreme risk scenarios related to our strategy that, according to our sensitivity analysis, are considered severe but possible. Neither of these scenarios individually threaten the viability of the Company, however, the compound impact of these scenarios has been evaluated as the most severe stress scenario.

Scenario	Associated principal risks	Description
Competitive pressure	<ul style="list-style-type: none"> Competitive environment 	<p>A sustained failure to effectively design and execute our strategic promises could lead to an inability to adapt to new market dynamics driven by consumer behaviors and competition and result in a loss of market share to new market entrants or new shopping channels.</p> <p>These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity.</p>
Information security and / or data breach and business disruption	<ul style="list-style-type: none"> Business continuity Information security and data privacy 	<p>In the event of a successful data breach, the Company could be subject to material monetary penalties, loss of customers and damage to our corporate reputation; it could also lead to potential litigation.</p> <p>A serious breach could also impact the operation of significant business processes and result in non-availability of products for customers and the inability to operate our day-to-day business at the stores and distribution centers and at brand level.</p>

How we manage risk

Control framework

The Ahold Delhaize control framework incorporates risk assessment, control activities and monitoring into our business practices at entity-wide and functional levels. A three lines of defense model (see below) has been adopted to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.

Three lines of defense model



Monitoring and assurance

A key element of our GRC framework is monitoring and assurance. We use a comprehensive business planning and performance review process to monitor the Company's performance. This process covers the adoption of strategy, budgeting and the reporting of current and projected results. We assess business performance according to both financial and non-financial (including sustainability) targets. In order to meet business needs and the requirements of the Dutch Corporate Governance Code, we have a Group-wide management certification process in place, which requires that the executive management team members at each of our reporting entities send letters of representation to the Financial Disclosure Committee on a quarterly basis. These letters confirm whether the reporting entities follow Ahold Delhaize's Code of Ethics, policies on fraud prevention and detection, accounting and internal control standards, and disclosure requirements.

Reporting

All our businesses are required to maintain and manage a sound internal control environment with robust policies, procedures and controls and a strong financial discipline. The control framework is monitored by our second line of defense via testing activities on a regular basis and the results are reported to brand and global GRC committees as well as to the Audit, Finance and Risk Committee.

During 2019, and at the direction of the global GRC Committee, the GSO Ethics and Compliance team and the GSO Risk and Controls team implemented an annual review of the key global policies to ensure we identify and address the most relevant risks to our business, and adapt as necessary the related standards and the required control objectives that are applicable to all our brands and provide a robust level of assurance.

Both our Risk & Controls and Internal Audit functions help to ensure that we maintain and improve the integrity and effectiveness of our system of risk management and internal control. Internal Audit undertakes regular risk-based, objective and critical audits. These functions also monitor the effectiveness of corrective actions undertaken by management.

Compliance and integrity

Compliance and ethics

At Ahold Delhaize, our shared values support an ethical culture and are the foundation of our commitment to conduct our business by doing what's right, every day. Our Code of Ethics is based on four ethical principles:

- We respect each other: People are our most valuable assets. We are committed to providing a safe, secure and inclusive environment where all associates and customers are respected and appreciated.
- We follow the law: We comply with applicable laws and regulations everywhere we do business and do not tolerate violations of the law.
- We act ethically in all our relationships and avoid conflicts of interest.
- We have the courage to speak up when misconduct or ethical violations are observed, or when there are questions regarding the interpretation or application of our Code or other external laws and regulations and internal policies and standards.

Applying our values and ethical principles enables associates to make good choices and protect our relationships with our colleagues, our customers and our communities. The Code of Ethics is intended to help each associate comply with relevant legal and regulatory obligations and make ethical choices as it relates to our business. The Code of Ethics also provides guidance on when and where to ask for advice or report a compliance or ethics breach, including by means of whistleblower lines available to associates in each of our locations.



How we manage risk

The principles in the Code apply to all associates of Ahold Delhaize and its businesses. Associates of certain defined grade levels are trained in compliance with the Code on an annual basis. The full Code is available in the corporate governance section of Ahold Delhaize's public website at www.aholddelhaize.com.

In addition to our Code of Ethics, we have a global policy and control framework that addresses and monitors key risks to our business. These policies and controls relate to internal processes (e.g., financial reporting, capital investments, purchasing and tax) as well as to legal and regulatory risks (e.g., data privacy, competition and antitrust, and corruption and bribery).

Whistleblower reporting

Ahold Delhaize and its brands provide reporting options for associates, including the Speak Up line, a global reporting line that is monitored by Navex, a third-party provider. The Speak Up line is available to report potential misconduct or to seek guidance regarding ethical issues, and is accessible either by telephone or internet, 24 hours a day, seven days a week.

In 2019, our whistleblower lines received 6,653 reports, over 86% of which were related to routine HR issues. The remaining reports relate primarily to misconduct or inappropriate behavior; unfair treatment; and bullying or threats of violence. Approximately 40.5% of the reports were made anonymously. On average, reports were investigated and resolved within 19 days. In 2019, there were no substantiated reports of significant financial reporting, accounting, fraud or ethical violations.

Additionally, the Ahold Delhaize Compliance and Ethics team maintains and monitors an email box (ethics@aholddelhaize.com) that can be used to report potential ethical or compliance concerns and to seek guidance regarding ethical dilemmas.

Corruption and bribery

Ahold Delhaize and its brands are committed to conducting business in an ethically responsible manner and complying with the law in all countries and jurisdictions in which we operate. This commitment specifically includes compliance with laws relating to anti-corruption and bribery. The Ahold Delhaize Code of Ethics and our Global Anti-Corruption and Bribery Policy prohibit any form of corruption or bribery, including facilitation payments.

Declarations

Introduction

This 2019 Ahold Delhaize Annual Report dated February 25, 2020, (the Annual Report) comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Act on Financial Supervision “Wet op het financieel toezicht.”

For the consolidated and the parent company’s 2019 financial statements “jaarrekening” within the meaning of section 2:361 of the Dutch Civil Code, see Financial performance: Financial statements. The members of the Management Board and the Supervisory Board have signed the 2019 financial statements pursuant to their obligation under section 2:101, paragraph 2 of the Dutch Civil Code. The following sections of this Annual Report together form the management report, or the “bestuursverslag” within the meaning of section 2:391 of the Dutch Civil Code: *Strategic report, Our Management Board and Executive Committee, Our Supervisory Board, Corporate governance, How we manage risk, Remuneration* and the subsection *Remuneration* included in the *Supervisory Board report*.

For other information, or “overige gegevens” within the meaning of section 2:392 of the Dutch Civil Code, see section *Other information* under *Financial performance*.

Declarations

The members of the Management Board, as required by section 5:25c, paragraph 2, under c of the Dutch Act on Financial Supervision, confirm that to the best of their knowledge:

- The 2019 financial statements included in this Annual Report give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The management report included in this Annual Report gives a true and fair view of the position of the Company and the undertakings included in the consolidation taken as a whole as of December 29, 2019, and of the development and performance of the business for the financial year then ended.
- The management report includes a description of the principal risks and uncertainties that the Company faces.

Annual declaration on internal risk management and control systems

The Management Board, as required by section 1.4.3 of the Dutch Corporate Governance Code, makes the following declaration:

The Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve important business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This report provides sufficient insights into any significant deficiencies in the effectiveness of the internal risk management and control systems. Management is not aware of any critical failings of these systems during 2019.

This report includes those material risks and uncertainties that are relevant to the expectation of the Company’s continuity for the period of twelve months after the preparation of the report.

With respect to financial reporting based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis and management has assessed whether the risk management and control systems provide reasonable assurance that the 2019 financial statements do not contain any material misstatements. This assessment was based on the criteria set out in COSO: Internal Control – Integrated Framework 2013 and our internal control framework. It included tests of the design and operating effectiveness of entity-level controls, transactional controls at significant locations and relevant general computer controls. Any control weaknesses not fully remediated at year-end were evaluated. Based on this assessment, the Management Board determined that the Company’s financial reporting systems are adequately designed, operated effectively in 2019 and provide reasonable assurance that the financial statements are free of material misstatement.

Management Board

Frans Muller
President and Chief Executive Officer

Jeff Carr
Chief Financial Officer

Kevin Holt
Chief Executive Officer Ahold Delhaize USA

Wouter Kolk
Chief Executive Officer Europe and Indonesia

This Annual Report, including the 2019 financial statements, which are audited by PricewaterhouseCoopers Accountants N.V., has been presented to the Supervisory Board.

The 2019 financial statements and the independent auditor’s report relating to the audit of the 2019 financial statements were discussed with the Audit, Finance and Risk Committee in the presence of the Management Board and the external independent auditor. The Supervisory Board recommends that the General Meeting of Shareholders adopt the 2019 financial statements included in this Annual Report and recommends the proposal to pay a cash dividend for the financial year 2019 of €0.76 per common share. An amount of €0.30 per common share was paid as interim dividend on August 22, 2019. The remaining amount of €0.46 per common share shall be payable on April 23, 2020.

Supervisory Board

Jan Hommen (Chairman)
Bill McEwan (Vice Chairman)
Jacques de Vaucleroy (Vice Chairman)
René Hooft Graafland
Ben Noteboom
Mary Anne Citrino
Dominique Leroy
Katie Doyle
Peter Agnefjäll

Letter from the Remuneration Committee Chairman

Bill McEwan
Chairman of the Remuneration
Committee of the Supervisory Board



Dear shareholder,

I am pleased to present our 2019 Remuneration report. This year, we redesigned the structure and presentation of our report to be more complete, transparent and reader-friendly. It now provides additional detailed information regarding the remuneration of the members of the Management Board and Supervisory Board.

In the sections below, I will look back on the Remuneration Committee's activities in 2019, including remuneration outcomes, and discuss our remuneration approach for 2020 and beyond.

2019 in review

In 2019, the Remuneration Committee performed a thorough review of the Remuneration Policy for the Management Board to ensure it was still aligned to support our Leading Together strategy and the long-term growth of the Company. Following this, the Supervisory Board proposed an amended Remuneration Policy that reflected even stronger alignment with the interests of all our stakeholders. The introduction of key annual strategic imperatives to our short-term incentive plan and an earnings per share growth measure to our long-term incentive plan, tied our Remuneration Policy even more closely to performance on our strategy. The amended Policy was adopted by the General Meeting of Shareholders on April 10, 2019, by a vote of 92.09% in favor.

Throughout the year, we continued to closely monitor and take into account developments in the global, regional, and local labor markets when making recommendations to the Supervisory Board about Management Board remuneration. We also engaged with our stakeholders to discuss the feedback we received during the 2019 General Meeting of Shareholders and our approach to the remuneration of key management personnel going forward.

With respect to Company performance, we faced some challenges, such as the strike at Stop & Shop, while at the same time, we outperformed on the online sales growth target for the short-term incentive and the Sustainable Retailing target for the long-term incentive. All in all, this resulted in a bonus payout level that is slightly below target and a relatively low vesting percentage for our equity-based incentive plan in 2020.

Looking forward

In 2017, the European Parliament adopted the Shareholder Rights Directive II, which is now being implemented in national legislation in EU member states and aims to increase long-term shareholder engagement in listed companies seated in the European Union. In light of the new legislation, the Remuneration Committee conducted an analysis of our remuneration policies and disclosures. Based on this, we will propose to the 2020 General Meeting of Shareholders that the current Remuneration Policy for the Management Board is supplemented with our Principles and Procedures, which articulate our existing remuneration principles and provide more details regarding our remuneration governance and how we seek alignment with our stakeholders.

The principles we apply to the remuneration of key management personnel are the same as those we apply to the remuneration of all our associates. As one of the world's leading food retail groups, Ahold Delhaize and its brands employ over 380,000 associates, who are engaged, experienced and passionate about serving our customers and communities. Our great local brands are dedicated to being good employers and will continue to improve their working conditions with an engaged, inclusive, balanced and healthy workplace for all associates. We believe this will enable us to attract, develop and retain the best talent and capabilities that will allow us to stay in the lead.

The Remuneration Committee will also propose to the General Meeting of Shareholders a new Remuneration Policy for the Supervisory Board that continues existing practice while updating the remuneration structure and levels to the current circumstances following our successful merger and integration. The aforementioned Principles and Procedures will also be an integral part of this new policy.

We aim to disclose clear and understandable information on individual Management Board member remuneration. This year's Remuneration report introduces new tables that provide additional insight into the total remuneration received by each member of the Management Board, as well as the performance realized and the payout of our incentive plans. I trust that you will find these additions to the report valuable.

In 2019, we announced that our CFO Jeff Carr will not stand for another term as member of the Management Board after his current term expires. We also announced the appointment of Natalie Knight as Ahold Delhaize's Executive Vice President Finance and member of the Executive Committee, effective March 1, 2020. Natalie will be nominated by the Supervisory Board to be appointed as a member of the Management Board at the annual General Meeting of Shareholders in April 2020, officially succeeding Jeff as CFO. At this same meeting, we will also propose the reappointment of Kevin Holt as a member of the Management Board in the capacity of CEO of Ahold Delhaize USA. The individual remuneration packages for Natalie and Kevin are detailed in the AGM circular released alongside this annual report.

I look forward to presenting our proposals and this Remuneration report at our annual General Meeting of Shareholders on April 8, 2020.

On behalf of the Remuneration Committee,
Bill McEwan

Remuneration policy

Ahold Delhaize's remuneration policy for the Management Board was prepared in accordance with the Dutch Corporate Governance Code. It was adapted by the General Meeting of Shareholders on April 10, 2019. The remuneration policy became effective retroactively as of January 1, 2019.

Ahold Delhaize's remuneration policy aims at attracting, motivating and retaining the best qualified talent. The Supervisory Board designed the Management Board Remuneration Policy to align with the Company's strategy and to support the pay-for-performance culture, with an effective and transparent remuneration policy.

The policy contemplates the various risks and scenarios associated with variable compensation elements.

Remuneration philosophy

The basic elements of the Total Direct Compensation provided to Management Board members are (1) a base salary, (2) an annual cash incentive, and (3) a long-term equity-based program. In addition to the Total Direct Compensation, members of the Management Board are offered pensions and additional arrangements in line with local practices.

In support of the Company's strategy and performance culture, the Total Direct Compensation for the Management Board is structured with variable short- and long-term incentives tied to the realization of financial and non-financial performance criteria. These performance criteria are cornerstone elements of the Company's strategy.

The short-term incentive is focused on the fundamental key financial metrics of a retail organization: sales growth, underlying operating margin and operating cash flow. Our Company's goal is to expand market share, while focusing on margins to increase profitability and prudently managing capital spending and expenses to secure strong and sustainable cash flow. In addition to these financial metrics, the short-term incentive includes specific goals for key strategic imperatives that reflect and support the Company's vision and strategic goals.

The long-term incentive is measured against (i) an internal measure on Return on Capital ("RoC"), (ii) an internal measure of the Company's growth in profitability (earnings per share growth or "EPS"), (iii) an external measure of the Company's share performance relative to that of its peers (Total Shareholder Return or "TSR") and (iv) the Company's contribution to society through sustainability objectives. Performance for long-term incentives is calculated over a revolving three-year period.

The structure of the Management Board Remuneration Policy aligns the focus of the Management Board with the interests of the Company's shareholders, the Company's stakeholders and society at large. Compensation and awards are tied to and dependent on the delivery of the Company's strategy in a socially responsible and sustainable manner.

Market competitive pay

The competitiveness of the Management Board remuneration is benchmarked annually. The benchmark peer group consists of a total of 18 peer companies in Europe and the United States as well as AEX and BEL20 listed companies. This labor market peer group reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management.

European peers	U.S. peers	AEX and BEL20
Tesco	Kroger	Unilever
Carrefour	Costco	Philips
Metro Cash & Carry	Target	Heineken
Casino Guichard Perrachon	Walgreens Boots Alliance	Randstad
J Sainsbury	Best Buy	Akzo Nobel
W M Morrison	Lowe's Companies	AB InBev

To accommodate potential changes in the labor market peer group due to delistings, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies. In general, geographical composition leads replacement determination. For example, if a U.S.-based company drops out, it is generally replaced by a U.S.-based company.

The composition (risk profile) of the Total Direct Compensation levels is considered when benchmarking base salary levels. The target Total Direct Compensation level is typically at or near the median, while consideration is given to the size of Ahold Delhaize relative to the peer group, with a fixed to variable pay ratio that supports the pay for performance culture and a long-term strategic focus.

An individual exception to the Management Board Remuneration Policy has been applied for the CEO Ahold Delhaize USA (Kevin Holt). The Supervisory Board has and will determine the remuneration for the CEO Ahold Delhaize USA on the basis of a local reference market, the U.S. retail labor market reference group.

Base salary

The level of the base salary of the members of the Management Board is derived, as one component, from the benchmarking of Total Direct Compensation. Adjustment of individual base salaries is at the discretion of the Supervisory Board.

Remuneration policy

Annual cash incentive plan: Executive Committee Incentive Plan

The Management Board members participate in the Executive Committee (ExCo) Incentive Plan (EIP). The EIP annual cash incentive plan employs three financial measures: sales growth (30%), underlying operating margin (30%) and operating cash flow (20%). In addition, key strategic imperatives (20%) are included. In support of the pay-for-performance culture and in recognition of the Company's focus on margins, the underlying operating margin measure will serve as a threshold.

The at-target pay-out as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 150% of the at-target value in the event of above-target performance.

Long-term equity-based program: Global Reward Opportunity

The Management Board members participate in the Company's long-term incentive program: Global Reward Opportunity (GRO). Under the GRO program, shares are granted with a three-year vesting period. The vesting of these performance share units is subject to Company performance over the period of these three years. The GRO program employs three financial measures: RoC (35%), EPS growth (35%) and TSR (15%). In addition, a non-financial performance measure (15%) is included related to Sustainable Retailing targets.

In line with market practice, the target value of long-term incentives granted varies per role. For the CEO, the target value is 235% of base salary; for the CEO Ahold Delhaize USA, the target value is 200% of base salary; for the CFO, the target value is 175% of base salary; and for the CEO Ahold Delhaize Europe and Indonesia, the target value is 150% of base salary.

Linked to Return on Capital

Of the total GRO award, 35% is linked to a three-year RoC target. As determined by performance, the number of share units that vest may range between zero and a maximum of 150% of the number of performance share units granted.

Linked to earnings per share growth

Of the total GRO award, 35% is linked to a three-year EPS growth target. As determined by performance, the number of performance share units that vest may range between zero and a maximum of 150% of the number of share units granted.

Linked to Total Shareholder Return

Of the total GRO award, 15% is determined based on TSR (share price growth and dividends paid over the performance period) benchmarked against a TSR performance peer group. The number of share units that vest is determined based on the Company's relative ranking within the peer group. An independent external advisor determines the ranking based on TSR performance. No share units will vest to Management Board members if the Company ranks below the sixth position in the performance peer group. The table below indicates the percentage of performance share units that may vest based on the Company's ranking.

TSR position	Payout
Ranking 1	150%
Ranking 2	125%
Ranking 3	110%
Ranking 4	100%
Ranking 5	75%
Ranking 6	50%
Ranking 7-12	—%

TSR performance peer group

Tesco	Kroger
Carrefour	Costco
Metro Cash & Carry	Target
Casino Guichard Perrachon	Walgreens Boots Alliance
J Sainsbury	Walmart
W M Morrison	

To accommodate potential changes in the performance peer group due to delisting, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies.

Linked to Sustainable Retailing

Of the total GRO award, 15% is determined based on the achievement of targets related to the Company's Sustainable Retailing strategic ambitions. Dependent on performance, the number of share units that vest may range between zero and a maximum of 150% of the number of shares granted.

Shareholding requirements and ownership guidelines

Management Board members must retain the shares awarded under the GRO program for a minimum of five years from the grant date. The sale of a portion of the shares is permissible to finance tax due at the date of vesting. The CEO is required to acquire and hold shares in the Company with a value equal to at least 300% of his or her annual base salary. All other members of the Management Board are required to hold shares in the Company with a value at least equal to 200% of their respective base salaries. The holding may be built up by retaining all after-tax shares from the GRO program and does not require personal share purchases.

Claw-back

A claw-back provision is in place and may be applied to the Management Board members' annual cash incentive plan (EIP) as well as the long-term equity incentive program (GRO).

Remuneration policy

Pensions and other contract terms

Pension

All existing pension arrangements in the Netherlands are in line with the applicable fiscal pension regulations. The pension plan for Management Board members is calculated in a way that is consistent with plans for all other associates of the Company in the Netherlands and is referred to as a defined benefit plan, based on career average salary. The (current) retirement age is 68. The pensionable salary is capped at or near €100,000 (2019: €102,487). Each Management Board member working under a Dutch contract pays a pension premium contribution identical to that of all other associates of the Company in the Netherlands.

In addition, Management Board members working under a Dutch contract receive a gross (age-dependent) pension allowance and can choose to participate in a Net Pension Arrangement by investing the net (after tax) amount of the pension allowance. The Net Pension Arrangement is identical to that of all other associates of the Company in the Netherlands whose pensionable salary exceeds the cap. Participation in this Net Pension Arrangement is voluntary.

Members of the Management Board working under a non-Dutch contract are offered pensions in line with local practices.

Loans

The Company does not provide loans to members of the Management Board, nor does the Company issue guarantees to the benefit of members of the Management Board.

Additional arrangements

In addition to the remuneration of the Management Board members, a number of additional arrangements apply. These include expense allowances, insurance, use of company cars and, where applicable, expatriate allowances, which apply to other senior associates and are in line with practice in the relevant market. In addition, third-party tax services are provided to ensure compliance with the relevant legislative requirements.

(Service) Agreements

The term of appointment for all Management Board members is four years. If the Company terminates the (service) agreement of any member of the Management Board, the severance payment is limited to one year's base salary. The agreement may be terminated by the Company with a notice period of twelve months and by the Management Board member with a notice period of six months.

2019 Remuneration

2019 Management Board remuneration

The actual remuneration of the members of the Management Board in 2019 was determined by the Supervisory Board in accordance with the Remuneration Policy for the Management Board as adopted by the General Meeting of Shareholders on April 10, 2019. The existing individual exception for Kevin Holt, as accepted by the General Meeting of Shareholders on April 12, 2017, remained in force in 2019.

Base salary

Effective from January 2019, the base salaries of the members of the Management Board were adjusted at the discretion of the Supervisory Board. The adjustments amounted to 3% for Frans Muller, Jeff Carr and Wouter Kolk and 6% for Kevin Holt. In determining the base salaries, the Remuneration Committee took into consideration developments in the market, as well as individual and Company performance.

Base salaries per Management Board member

€ thousand	2019	2018
Frans Muller¹	1,085	1,040
Chief Executive Officer		
Jeff Carr	769	747
Chief Financial Officer		
Kevin Holt²	955	856
CEO Ahold Delhaize USA		
Wouter Kolk³	649	457
CEO Ahold Delhaize Europe and Indonesia		

1 The 2018 remuneration comprises the remuneration up to July 1, 2018, received in his capacity as Deputy CEO (€1,027 thousand per annum) and from July 1, 2018, in his capacity as CEO (€1,053 thousand per annum).

2 The 2018 and 2019 salaries have been converted from U.S. dollars into euros, for 2019 using the 2019 year-to-date average dollar-euro exchange rate of 0.8934, for 2018 using the 2018 year-to-date average dollar-euro exchange rate of 0.8476.

3 The 2018 remuneration reflects the remuneration for the period from his appointment to the Management Board on April 11, 2018 (€630 thousand per annum).

Annual cash incentive plan: EIP

The members of the Management Board participated in the annual cash-based Executive Committee Incentive Plan (EIP). The 2019 EIP employed three financial measures: sales growth (30%), underlying operating margin (30%), and operating cash flow (20%). In addition, key strategic imperatives (20%) were included. For 2019, the single strategic imperative was consumer online sales growth.

Performance targets are revised annually to ensure they are challenging but realistic. Ahold Delhaize does not disclose the actual targets per performance measure, as this would require the disclosure of commercially sensitive information.

The on-target payout as a percentage of base salary was 100%, contingent on the full achievement of the objectives, with a cap at 150% of the target in the event of above-target performance.

Performance realized

Performance measure	Weight	Performance multiplier	
		2019	2018
Sales growth (ex. gasoline)	30%	56%	97%
Underlying operating margin	30%	84%	94%
Operating cash flow	20% ¹	96%	146%
Strategic imperatives	20% ²	139%	100%
Total (%)	100%	89%	111%

1 In 2018, 30% of the EIP performance was based on operating cash flow.

2 In 2018, 10% of the EIP performance was based on personal objectives.

Actual EIP payout

€ thousand	Base salary	Target bonus	Performance multiplier	2019	2018
				Actual bonus ¹	Actual bonus ⁴
Frans Muller		100% of base			
Chief Executive Officer	1,085	salary: €1,085	89%	965	1,196
Jeff Carr		100% of base			
Chief Financial Officer	769	salary: €769	89%	685	830
Kevin Holt²		100% of base			
CEO Ahold Delhaize USA	955	salary: €955	89%	851	972
Wouter Kolk³		100% of base			
CEO Ahold Delhaize Europe and Indonesia	649	salary: €649	89%	578	508

1 The 2019 EIP represents accrued annual cash incentives to be paid in 2020, subject to shareholder approval of the financial statements.

2 The 2018 and 2019 figures have been converted from U.S. dollars into euros, for 2019 using the 2019 year-to-date average dollar-euro exchange rate of 0.8934, for 2018 using the 2018 year-to-date average dollar-euro exchange rate of 0.8476.

3 The 2018 remuneration reflects the remuneration for the period from his appointment to the Management Board on April 11, 2018.

4 The 2018 EIP represents the actual amount paid in 2019.



2019 Remuneration

Definitions of EIP performance measures

Performance measure	Definition	Relevance to our strategy
Sales growth (ex. gasoline)	Sales growth (excluding gasoline) quantifies how much sales grew year-over-year, excluding gasoline sales, expressed as a percentage of last year's sales (excluding gasoline).	Our goal is to expand market share, while at the same time focusing on margins to increase profitability and managing capital spending and expenses prudently in order to secure a strong and sustainable cash flow that allows us to cover financial obligations, make investments in the business and remunerate existing shareholders.
Underlying operating margin	Underlying operating margin is the result of dividing underlying operating profit (excluding gasoline operating profit) by third-party sales (excluding gasoline sales).	
Operating cash flow	Operating cash flow is defined as the cash flows generated by the core operations of the Company, adjusted for net lease payments and after tax.	
Strategic imperatives	Strategic imperatives are one or more variable performance measures that are defined annually by the Supervisory Board and that highlight specific strategic and key business priorities of the Company. For 2019, net consumer online sales growth was the single strategic imperative. This will also be the case for 2020.	Net consumer online sales growth reflects our focus on omnichannel growth.

For incentive purposes, performance is calculated using constant rates to ensure individuals are not rewarded nor penalized for foreign exchange rate developments, but only for true business performance.

For incentive purposes, we look at operating cash flow in order to reflect the true business performance of our operations.

In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board may consider an adjustment, in accordance with the principles of reasonableness and fairness.

Long-term equity-based program: GRO

The members of the Management Board participated in Ahold Delhaize's long-term equity-based incentive program, the Global Reward Opportunity (GRO). Under the GRO program, performance shares were granted with a three-year vesting period. The vesting of these shares is subject to Company performance over the period of these three years.

Performance targets are determined for the three-year performance period based on the Company's strategy and long-term planning. Ahold Delhaize does not disclose the actual targets per performance measure, as this would require the disclosure of commercially sensitive information.

Award of new grants

The 2019 GRO share grant was made the day after the 2019 annual General Meeting of Shareholders (April 11, 2019). The vesting of the 2019 GRO performance shares in 2022 will be subject to performance on three financial measures: RoC (35%), EPS (35%) and TSR (15%). In addition, a non-financial performance measure (15%) is included that relates to sustainability targets. For the purpose of the 2019 share grant, Sustainable Retailing is measured on the basis of the percentage of healthy own-brand food sales as a proportion of total own-brand food sales. We use this measure to drive performance in pursuit of our company objective to facilitate healthier eating.

2019 Remuneration

On-target 2019 GRO share grant and maximum vesting

	Performance shares				Total at-target grant	Total maximum vesting
	RoC (35%)	EPS (35%)	TSR (15%)	Sustainability (15%)		
Frans Muller Chief Executive Officer	82%	82%	35%	35%	235%	353%
Jeff Carr Chief Financial Officer	61%	61%	26%	26%	175%	263%
Kevin Holt CEO Ahold Delhaize USA	70%	70%	30%	30%	200%	300%
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	53%	53%	23%	23%	150%	225%

All percentages constitute a percentage of base salary.

2019 GRO share grant calculation – Example: Frans Muller, Chief Executive Officer

	At-target share grant (% of base salary)	Award value (base salary at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	82%	€892,210	40,374
EPS performance shares	82%	€892,210	40,374
TSR performance shares	35%	€382,376	17,304
Sustainability performance shares	35%	€382,376	17,304
Total	235%	€2,549,172	115,356

Table assumes a base salary of €1,084,754 and a six-month average share price of €22.0988.

2019 GRO share grant calculation – Example: Jeff Carr, Chief Financial Officer

	At-target share grant (% of base salary)	Award value (base salary at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	61%	€471,200	21,323
EPS performance shares	61%	€471,200	21,323
TSR performance shares	26%	€201,943	9,139
Sustainability performance shares	26%	€201,943	9,139
Total	175%	€1,346,286	60,924

Table assumes a base salary of €769,306 and a six-month average share price of €22.0988.

Vesting of previous grants

The vesting of the 2016 and 2017 GRO grants was subject to performance on two financial performance measures: RoC (40%) and TSR (40%). In addition, Sustainable Retailing (20%) targets were included. For the purposes of the 2016 and 2017 share grant, Sustainable Retailing was measured on the basis of an equally weighted external and internal target. The Dow Jones Sustainability Index (the external target) measured how the Company performed on sustainability against peers in the sector. The percentage of own-brand food sales from healthy products (the internal target) is the measure we used to drive performance in pursuit of our company objective to facilitate healthier eating.

Performance realized

Performance measure	Weight	Performance multiplier	
		2017 grant (to vest in 2020)	2016 grant (vested in 2019)
Total shareholder return	40%	50%	50%
Return on capital	40%	65%	91%
Sustainable Retailing ¹	20%	110%	121%
Total (%)	100%	68%	81%

¹ For the 2017 grant, the overall Sustainable Retailing performance multiplier is based on a 70% achievement against our Dow Jones Sustainability Index target, and a 150% achievement against our own-brand food sales from healthy products target.

2019 Remuneration

2017 GRO share grant (to vest in 2020)¹

	Total number of shares granted in 2017	Multiplier	Total number of shares to vest in 2020	Share price ²	Estimated value in € thousand ²
Frans Muller					
<i>Chief Executive Officer</i>					
2017 TSR grant	41,152	50%	20,576		
2017 RoC grant	41,152	65%	26,748		
2017 Sustainable Retailing grant	20,576	110%	22,633		
Total vesting April 9, 2020	102,880		69,957	€22.75	1,592
Jeff Carr					
<i>Chief Financial Officer</i>					
2017 TSR grant	25,662	50%	12,831		
2017 RoC grant	25,662	65%	16,680		
2017 Sustainable Retailing grant	12,831	110%	14,114		
Total vesting April 9, 2020	64,155		43,625	€22.75	992
Kevin Holt					
<i>CEO Ahold Delhaize USA</i>					
2017 TSR grant	34,563	50%	17,281		
2017 RoC grant	34,563	65%	22,465		
2017 Sustainable Retailing grant	17,282	110%	19,010		
Total vesting April 9, 2020	86,408		58,756	€22.75	1,337
Wouter Kolk					
<i>CEO Ahold Delhaize Europe and Indonesia</i>					
2017 TSR grant	15,020	50%	7,510		
2017 RoC grant	15,020	65%	9,763		
2017 Sustainable Retailing grant	7,510	110%	8,261		
Total vesting April 9, 2020	37,550		25,534	€22.75	581

¹ The 2017 GRO grant was awarded on April 13, 2017.

² The estimated value is based on the closing share price as of December 29, 2019, of €22.75. The actual value will be determined at vesting on April 9, 2020.

2016 GRO share grant (vested in 2019)¹

	Total number of shares granted in 2016	Multiplier	Total number of shares vested in 2019	Share price	Total value in € thousand
Frans Muller					
<i>Chief Executive Officer</i>					
2016 Performance (TSR)	30,162	50%	15,081		
2016 Performance (RoC)	30,162	91%	27,447		
2016 Performance (Sustainability)	15,082	121%	18,249		
Total vesting March 15, 2019	75,406		60,777	€22.66	1,377
2016 TSR grant	41,035	50%	20,517		
2016 RoC grant	41,035	91%	37,341		
2016 Sustainable Retailing grant	20,518	121%	24,826		
Total vesting April 11, 2019	102,588		82,684	€23.06	1,907
Jeff Carr					
<i>Chief Financial Officer</i>					
2016 TSR grant	24,168	50%	12,084		
2016 RoC grant	24,168	91%	21,992		
2016 Sustainable Retailing grant	12,084	121%	14,621		
Total vesting April 11, 2019	60,420		48,697	€23.06	1,123
Kevin Holt					
<i>CEO Ahold Delhaize USA</i>					
2016 TSR grant	27,416	50%	13,708		
2016 RoC grant	27,416	91%	24,948		
2016 Sustainable Retailing grant	13,708	121%	16,586		
Total vesting April 11, 2019	68,540		55,242	€23.06	1,274
Wouter Kolk					
<i>CEO Ahold Delhaize Europe and Indonesia</i>					
2016 TSR grant	17,059	50%	8,529		
2016 RoC grant	17,059	91%	15,523		
2016 Sustainable Retailing grant	8,530	121%	10,321		
Total vesting April 11, 2019	42,648		34,373	€23.06	793

¹ The 2016 GRO grant was awarded on September 1, 2016, except for the 2016 performance grant for Frans Muller, which was awarded on March 15, 2016.



2019 Remuneration

Definitions of GRO performance measures

Performance measure	Definition	Relevance to our strategy
Total Shareholder Return (TSR)	TSR is share price growth and dividends paid over the performance period.	TSR is used to compare the performance of different companies and stocks over time. The relative TSR position reflects the market perception of overall performance of the Company relative to a reference group.
Earnings per share growth (EPS)	Underlying EPS is the underlying income from continuing operations of the Company divided by the weighted average number of shares for the year. The growth is measured by dividing the EPS at the start of the performance period versus the end of the performance period.	EPS reflects our focus on growth, measured through revenue growth.
Return on Capital (RoC)	RoC is calculated as underlying operating income before depreciation and amortization divided by the annual rolling average of the sum of company-owned property, plant and equipment at purchase price, intangible assets (excluding goodwill) at purchase price, operating working capital components, and repayment of lease liabilities divided by 8%.	RoC is used as a measure of how effective we are at turning our investments into profit.
Sustainable Retailing	Sustainable Retailing comprises different performance measures that reflect our long-standing commitment to sustainability. For the 2019 GRO grant, Sustainable Retailing is measured on the basis of the percentage of healthy own-brand food sales as a proportion of total own-brand food sales. We use this measure to drive performance in pursuit of our company objective to facilitate healthier eating. In 2020, we will introduce additional Sustainable Retailing performance criteria for our long-term, equity-based incentive program, including targets for healthy sales, food waste reduction, plastic waste reduction, and carbon-equivalent emissions.	Our businesses flourish when our communities are healthy and resilient. When we make it easy and fun for associates and customers to eat healthier, we grow sales, while at the same time potentially helping to bring down disease rates and enable future generations to thrive.

For incentive purposes, performance is calculated using constant rates to ensure individuals are not rewarded nor penalized for foreign exchange rate developments, but only for true business performance.

In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board may consider an adjustment, in accordance with the principles of reasonableness and fairness.

With respect to EPS growth specifically, planned or anticipated corporate events occurring during the performance period, including share buybacks, transactions and M&A activity, that may, positively or negatively, affect EPS performance, are always factored into the performance targets. In case of a significant unplanned share buyback that was not taken into the budget, an adjustment will be made to ensure that EPS performance for incentive purposes is not positively affected.

2019 Remuneration

Total remuneration

The following table provides an overview of the remuneration costs expensed in 2019 and 2018 per Management Board member. The costs reported here are not, in all cases, equal to the compensation that was actually received by the individual Management Board member. Share-based compensation expense represents the non-cash cost for Ahold Delhaize of performance shares awarded to members of the Management Board. These costs are recognized over the three-year vesting period of the performance shares in accordance with IFRS 2, "Share-based Payment." The actual value of the 2016 GRO share grant as received in 2019 by each individual Management Board member is detailed in the table *2016 GRO share grant (vested in 2019)*. The actual value of the 2017 GRO share grant that will vest in 2020 is contingent on the share price at the vesting date of April 9, 2020. The number of shares that are expected to vest is detailed in the table *2017 GRO share grant (to vest in 2020)*.

Total remuneration in 2019 and 2018 per Management Board member

€ thousand	Base salary		Annual cash incentive plan: EIP ¹		Other ²		Long-term equity-based program: GRO ³		Pension ⁴		Total remuneration		Fixed vs. variable remuneration ⁵	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Frans Muller														
Costs (IFRS)	1,085	1,040	965	1,196	248	220	1,971	2,324	87	209	4,356	4,989	27%-73%	23%-77%
Entitlement ⁸							1,592	3,284			3,977	5,949	30%-70%	19%-81%
Jeff Carr⁶														
Costs (IFRS)	769	747	685	830	244	268	1,732	976	33	36	3,463	2,857	24%-76%	29%-71%
Entitlement ⁸							992	1,123			2,723	3,004	31%-69%	28%-72%
Kevin Holt														
Costs (IFRS)	955	856	851	972	429	363	1,270	1,211	209	196	3,714	3,598	31%-69%	28%-72%
Entitlement ⁸							1,337	1,274			3,781	3,661	30%-70%	28%-72%
Wouter Kolk⁷														
Costs (IFRS)	649	457	578	508	168	119	400	215	32	24	1,827	1,323	40%-60%	39%-61%
Entitlement ⁸							581	793			2,008	1,901	36%-64%	26%-74%

1 The 2019 EIP represents accrued annual cash incentives to be paid in 2020 and subject to shareholder approval of the financial statements. The individual 2018 EIP amounts also include the component linked to individual performance.

2 "Other" mainly includes gross allowances for net pension, tax compensation (tax equalization charges or refunds for expatriates), allowances for housing expenses, relocation costs, international school fees, employer's contributions to social security plans, benefits in kind such as company cars, tax advice, medical expenses and the associated tax gross up.

3 The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2019 reflects this year's portion of the share grants over the previous four years (plans 2016 to 2019).

4 Pension costs are the total net periodic pension costs of the applicable pension plans.

5 Fixed pay comprises the base salary. Variable pay comprises the annual cash incentive plan and the long-term equity-based program.

6 Jeff Carr's employment relationship with Ahold Delhaize will terminate as of April 9, 2020, without any severance payment due. Shares awarded under the GRO plan will vest at the regular vesting dates. An estimate of these costs in the amount of €921 thousand was recognized in 2019.

7 Wouter Kolk was appointed as member of the Management Board effective April 11, 2018. His 2018 remuneration reported as member of the Management Board reflects a partial year.

8 The 2019 entitlement value for the long-term equity-based program is the estimated value based on the closing share price as of December 29, 2019, of €22.75 and as presented in the table *2017 GRO share grant (to vest in 2020)*. The actual value will be determined at vesting on April 9, 2020. The 2018 entitlement value for the long-term equity-based program is the value of the 2016 grant which vested in 2019.

2019 Remuneration

Management Board remuneration in context

This section places the remuneration of the members of the Management Board and its development over time in the broader context of the average remuneration of our associates and the Company's performance, and, with respect to the remuneration of the Chief Executive Officer, external peers.

The following table sets out the total remuneration for the members of the Management Board, the average remuneration of all associates across the group, and the overall annual performance multiplier and long-term incentive vesting rates for 2015 through 2019. To ensure consistency with our standing disclosure practice and to allow for external comparison, the Management Board remuneration detailed below reflects the remuneration costs expensed per Management Board member for the respective year. Likewise, the average remuneration of all associates is calculated as the total (IFRS-based) labor costs divided by the number of associates on an FTE basis.

Management Board remuneration and Company performance

€ thousand	2019	change %	2018	change %	2017	change %	2016	change %	2015
Management Board remuneration									
Chief Executive Officer	4,356	(13)%	4,989	9%	4,577	(3)%	4,714	9%	4,329
Chief Financial Officer	3,463	21%	2,857	1%	2,841	1%	2,802	2%	2,736
CEO Ahold Delhaize USA	3,714	3%	3,598	20%	2,994				
CEO Ahold Delhaize Europe and Indonesia	1,827								
Average associate remuneration									
Average FTE remuneration	42	5%	40	–%	40	–%	40	(10)%	44
Company performance									
Annual cash incentive plan (EIP) overall performance multiplier	89%		111%		93%		108% ¹		135%
Long-term equity-based program (GRO) overall performance multiplier ²	68%		81%		108%		146% ³		80% ⁴

1 The overall performance multiplier for the 2016 EIP was determined pro-rata for the period up to the merger and after the merger became effective.

2 The GRO overall performance multiplier reflects the total performance in the three-year performance period.

3 The overall performance multiplier reflects post-merger performance.

4 The overall performance multiplier reflects performance on TSR and RoC (equally weighted), and excludes any conditional shares granted.

The following table shows the pay ratio of the Chief Executive Officer, Chief Financial Officer, Chief Executive Officer Ahold Delhaize USA and Chief Executive Officer Ahold Delhaize Europe and Indonesia compared to the average remuneration of all Ahold Delhaize associates.

Pay ratio	2019	2018	2017	2016	2015
Chief Executive Officer ¹	105	124	114	119	98
Chief Financial Officer	83	71	71	71	62
CEO Ahold Delhaize USA ²	89	90	74	–	–
CEO Ahold Delhaize Europe and Indonesia ³	44	–	–	–	–

1 For 2018 and 2019, CEO refers to Frans Muller. In order to reflect a full-year remuneration, the 2018 remuneration comprises the remuneration up to July 1, 2018, received in his capacity as Deputy CEO, and from July 1, 2018, received in his capacity as CEO. For 2015, 2016, and 2017, CEO refers to Dick Boer.

2 Since the CEO Ahold Delhaize USA joined the Company on July 24, 2016, full-year numbers for 2015 and 2016 are not available.

3 Since the CEO Ahold Delhaize Europe and Indonesia was appointed on April 11, 2018, full-year numbers for 2015, 2016, 2017, and 2018 are not available.

2019 Remuneration

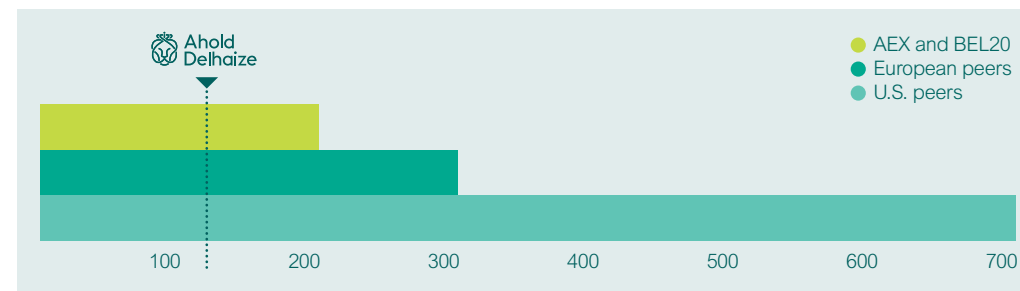
As set out in the Remuneration Policy for the Management Board, the total compensation of our Management Board members is positioned around the median level of the peer group we've selected for benchmarking. The table on the next page illustrates the pay ratio of our CEO compared to the pay ratios of other CEOs in the peer group.

It is important to note that pay ratios across industries are impacted by the different mix of functions from one industry to another. Even within the same industry, comparing pay ratios is challenging due to different market conditions (a mix of high- and low-paying countries).

Therefore, to put Ahold Delhaize's CEO pay ratio into perspective, the graph illustrates Ahold Delhaize's position compared to the companies in the benchmark peer group. The ratios mentioned in the table and the graph are derived from the publicly disclosed 2018 annual reports of the respective companies. For comparison purposes, the ratios have been calculated using the same methodology as used for Ahold Delhaize's pay ratio.

Ahold Delhaize	Average AEX and BEL20 peers	Average European peers	Average U.S. peers	Average full peer group
124	128	170	353	217
	96.9%	72.9%	35.1%	57.1%

The graph illustrates Ahold Delhaize's position versus the benchmarked peer group as defined in the Remuneration Policy for the Management Board.



The Supervisory Board will continue to monitor the development of pay ratios both within the Company and in comparison with the peer group.

2019 Remuneration

Supervisory Board remuneration

The following table sets out the total remuneration for the members of the Supervisory Board for 2015 through 2019. The remuneration of the members of the Supervisory Board in 2019 was in accordance with the remuneration levels for the Supervisory Board as adopted by the Extraordinary General Meeting of Shareholders on March 14, 2016. Given the nature of the responsibilities of the Supervisory Board, remuneration is not tied to the performance of the Company and therefore only comprises fixed remuneration, delivered in cash. In addition to a base fee, members of the Supervisory Board are offered committee fees and travel compensation contingent upon their activities and responsibilities. The following table details the total remuneration received by each Supervisory Board member in the last five years.

Total remuneration per Supervisory Board member^{1,2}

€ thousand	2019	2018	2017	2016 ⁴	2015 ⁴
Jan Hommen (<i>reappointed in 2017</i>)	243	249	223	177	122
Bill McEwan (<i>appointed in 2016</i>)	208	209	150	71	–
Jacques de Vaucleroy (<i>appointed in 2016</i>)	120	144	170	80	–
René Hooft Graafland (<i>reappointed in 2018</i>)	143	145	136	127	114
Ben Noteboom (<i>reappointed in 2017</i>)	125	135	145	133	103
Rob van den Bergh (<i>resigned in 2019</i>)	39	148	148	132	127
Mark McGrath (<i>resigned in 2019</i>)	44	136	143	160	131
Mary Anne Citrino (<i>appointed in 2016</i>)	130	130	133	136	–
Dominique Leroy (<i>appointed in 2016</i>)	118	123	125	58	–
Katie Doyle (<i>appointed in 2019</i>)	104	–	–	–	–
Peter Agnefjäll (<i>appointed in 2019</i>)	104	–	–	–	–
Mats Jansson (<i>retired in 2018</i>)	–	68	255	115	–
Johnny Thijs (<i>resigned in 2018</i>)	–	31	128	55	–
Patrick De Maeseneire (<i>resigned in 2018</i>)	–	32	123	59	–
Jack Stahl (<i>resigned in August 2017</i>)	–	–	111	76	–
Stephanie Shern (<i>resigned in April 2017</i>)	–	–	37	140	127
Derk Doijer (<i>resigned in July 2016</i>)	–	–	–	56	116
Judith Spriesser (<i>resigned in July 2015</i>)	–	–	–	–	63
Total remuneration Supervisory Board	1,378	1,550	2,027	1,575	903

Number of Supervisory Board members³	11	12	14	15	8
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1 In the execution of the remuneration of the Supervisory Board members, the Company has given consideration to the composition and the responsibilities of the Supervisory Board and its related committees, as well as the responsibilities of its individual members.

2 For the members who were appointed or resigned during a year, the remuneration for that respective year reflects a partial year.

3 These numbers include members who were appointed or resigned during the respective years.

4 Up to the date of the merger between Ahold and Delhaize, the Ahold remuneration policy applied. This policy was adopted at the General Meeting of Shareholders on April 16, 2014. Ahold Delhaize's remuneration policy, adopted at the General Meeting of Shareholders on April 19, 2016, applies as of July 24, 2016 – the first calendar day after the merger of Ahold and Delhaize was finalized – and reflects the size and complexity of the merged company.