

Ethical & Sustainable Sourcing in Key Product Categories Fiscal 2022 Highlights

Over the past year, we've made progress across key product categories to enable more ethical and sustainable sourcing:

Category	Areas of Focus	Fiscal 2022 Highlights—How We Took Action	Looking Ahead—How We Will Take Action
 <p>Fairtrade</p>	<ul style="list-style-type: none"> • Leading the way among Canadian retailers with our long-standing commitment to Fairtrade: <ul style="list-style-type: none"> • Fairtrade organic bananas available nationally. • 188 Fairtrade national brand products. • Flower Program: Four Fairtrade SKUs available in all store brands in Ontario and Western Canada. • Own Brands: Eight Compliments organic Fairtrade certified coffee offerings across Canada and three Compliments Organic Fairtrade certified chocolate bars. 	<ul style="list-style-type: none"> • Began offering Fairtrade bananas in stores coast-to-coast, expanding our program in partnership with Equifruit, Canada's leading Fairtrade-certified banana importer. <ul style="list-style-type: none"> • We first launched the Fairtrade banana program in IGA stores in Quebec in 2014. Farm Boy began selling Fairtrade certified bananas in 2016, and in 2021 Longo's became the first grocery retailer in North America to commit to offering only Fairtrade bananas. • Fairtrade sets a minimum price for bananas, meaning fairer and more dependable pay for growers. 	<ul style="list-style-type: none"> • Finding ways to expand our Fairtrade flower program, along with capturing the environmental benefits of offering Fairtrade for our Own Brands, bananas and flower programs.
 <p>Animal Welfare</p>	<ul style="list-style-type: none"> • Continually improving our animal welfare commitments, reporting and governance. 	<ul style="list-style-type: none"> • Launched new Animal Welfare Statement, establishing minimum expectations of supplier partners and providing greater transparency about our approach and management of animal welfare. • Continued to work with industry associations, advocacy groups and experts, including the National Farm Animal Care Council (NFACC), the Retail Council of Canada's Animal Health and Welfare Committee, protein-specific industry stakeholders (Egg Farmers of Canada, Canadian Pork Council, Canadian Round Table for Sustainable Beef), NGOs and academics. • Engaged with Canada Pork to help promote Canadian pork. 	<ul style="list-style-type: none"> • Developing protein specific goals and commitments for: <ul style="list-style-type: none"> • Egg-laying hens • Pork • Chicken • Beef • Dairy

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 <p>Animal Welfare</p>		<ul style="list-style-type: none"> Introduced new shell egg assortments for Own Brands and made it easier for customers to find free-run, free-range and organic eggs in stores. 	
 <p>Palm Oil</p>	<ul style="list-style-type: none"> Enhancing our commitment to sustainable palm oil and encouraging the use of sustainable palm oil in our Own Brands products. Reporting annually to the Roundtable on Sustainable Palm Oil (RSPO). 	<ul style="list-style-type: none"> Longo's and Farm Boy joined Sobeys Inc. as members of the Roundtable on Sustainable Palm Oil (RSPO). This involved reapplying to RSPO as a parent company, articulating our policies and supporting webinars for suppliers. Launched updated Sobeys Own Brands Palm Oil Sourcing Policy, with a new commitment to source 100% physical trace palm oil (as defined by the Roundtable on Sustainable Palm Oil) by Dec 31, 2025. 	<ul style="list-style-type: none"> Working to phase out purchasing palm oil credits to offset the non-certified palm oil used in our Own Brands products.
 <p>Seafood</p>	<ul style="list-style-type: none"> Expanding our assortment of sustainable seafood products across fresh and frozen categories. Continuing to educate our teams and customers through our partnership with Ocean Wise. 	<ul style="list-style-type: none"> Made progress to implement a partnership with the Sustainable Fisheries Partnership (SFP), using their Seafood Metrics platform. The platform will improve our ability to track key sustainability metrics that will support our efforts to improve seafood traceability. Launched a pilot with Sustainable Blue in Halifax, Nova Scotia, and expanded it to Sobeys stores in Atlantic Canada. Sustainable Blue farms salmon through an innovative, land-based aquaculture farm. This approach eliminates the risk of ocean contamination from fish farming and other environmental impacts. Sponsored the Ocean Wise Seafood Festival, promoting Ocean Wise recommended products in stores nationally. Supported the federal government's Boat-to-Plate traceability legislation and continued to engage with NGOs and industry stakeholders, including SeaChoice, Ocean Wise, Marine Stewardship Council and Sustainable Fisheries Partnership. 	<ul style="list-style-type: none"> Using data to continuously improve and track our performance. Developing training modules for store teams on sustainable seafood and continuing to promote the benefits of these products to customers. Finding ways to expand our assortment of fish and seafood certified by the Aquaculture Stewardship Council (ASC) and expand our partnership with Sustainable Blue to include frozen and smoked products.

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 <p>Fresh/produce</p>	<ul style="list-style-type: none"> • Exploring suppliers that offer Controlled Environment Agriculture (CEAs)—indoor production systems where environmental factors like humidity, oxygen and temperature 	<ul style="list-style-type: none"> • We are working with suppliers to offer leafy greens from CEAs in some regions (particularly in Quebec and western Canada). Our partnership with Infarm is an example of a CEA—customers can see the sustainability benefits in stores across the country. 	<ul style="list-style-type: none"> • Developing a sourcing strategy that will address supply chain challenges on our food systems and the potential disruptions these can cause for our suppliers, customers and communities.
	<p>are controlled (e.g. vertical farming). CEAs offer innovative farming practices with many sustainability benefits, such as reduced water use and transportation impacts.</p> <ul style="list-style-type: none"> • Buying local, continuing to focus on food miles and the sustainability of those food miles as markers of purchasing decisions. 		
 <p>Meat</p>	<ul style="list-style-type: none"> • Working within our industry to address sustainability across all protein categories. 	<ul style="list-style-type: none"> • Launched Nagano Pork nationally. This manufacturer is committed to better animal welfare practices. Animals are raised with care and transported to superior standards to reduce stress and carbon use. • Joined the Canadian Roundtable for Sustainable Beef. 	<ul style="list-style-type: none"> • Working with Greenfield to promote three line promotions in fiscal 2023, promoting humanely raised, antibiotic-free proteins. • Collaborating within our industry to ensure that sustainability across carbon-intensive protein categories is equitable and supportive of the full industry (from farm to fork). • Educating customers about animal welfare.
 <p>Deli and Prepared Meals</p>	<ul style="list-style-type: none"> • Working with Canadian suppliers to source products that are humanely raised and antibiotic-free. 	<ul style="list-style-type: none"> • Continued to explore sustainable packaging for our chicken domes. Supply chain issues have caused delays on this project, but we are committed to moving this forward. We are also finding opportunities to work with local suppliers that are working to address key areas of sustainability. 	<ul style="list-style-type: none"> • Finding differentiation on our assortment and working with suppliers that are like-minded and values-oriented.

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 <p data-bbox="80 293 165 320">Bakery</p>	<ul data-bbox="367 177 808 304" style="list-style-type: none"> • Continuing to make improvements to our packaging to achieve our goal of 100% recyclable or compostable for all packaging. 	<ul data-bbox="893 177 1469 268" style="list-style-type: none"> • Used only Canadian wheat in bakeries across our Sobeys, Safeway, IGA and Thrifty stores for our in-store made bread. 	<ul data-bbox="1563 177 2116 240" style="list-style-type: none"> • Working to address sustainability in our RFP/RFQ process specific on packaging.