



Empire Company Limited & Sobeys Inc.

2024 Sustainable Business Report

Contents

Leader Message	4	Governance	18	Planet	39
About This Report	9	5.1 Key Governance Bodies	19	9.1 Climate Action	40
2.1 Forward-Looking Information	10	5.2 Code of Conduct & Policies	20	9.2 Plastics & Packaging	48
2.2 Non-GAAP Financial Measures & Financial Metrics	11	5.3 Executive Compensation	20	9.3 Food Waste	52
About Us	12	5.4 Enterprise Risk Management	20	9.4 Energy Management	56
3.2 Financial Highlights	13	5.5 Climate Risk	20	9.5 Environmental Management	59
Approach & Materiality	14	Cyber Security & Data Protection	21	Products	62
4.1 Sustainability Approach	14	OurPart^R	23	10.1 Human Rights	63
4.2 Engaging Our Stakeholders	15	People	24	10.2 Ethical & Sustainable Sourcing	65
4.3 Materiality Assessment	16	8.1 Diversity, Equity & Inclusion	25	10.3 Product Quality & Safety	70
4.4 Updated Sustainability Strategy	17	8.2 Community Investment	29	10.4 Health & Nutrition	73
		8.3 Health, Safety & Wellness	33	10.5 Supplier Partnerships	75
		8.4 Employee Development & Experience	36	10.6 Customer Experience & Engagement	81

Empire Company Limited and Sobeys Inc. 2024 Sustainable Business Report

Prioritizing sustainability is a critical element of our ambition to be the best retailer in Canada. We've taken bold actions, including setting science-based climate targets, eliminating single-use plastic checkout bags, collaborating with supplier partners to address social and environmental risks in our supply chain, deepening our engagement with Indigenous peoples, and continuing to invest in our teams and communities. Our updated sustainability strategy builds on this momentum so we can continue to deliver ethical and sustainable products that are good for people, good for the planet, and good for fostering strong business performance.

[Download Fiscal 2024 Sustainable Business Report](#)



[Download Fiscal 2024 ESG Performance Metrics Table](#)



[Download Fiscal 2024 SASB Index](#)



[Download 2024 Climate-related Financial Disclosures Report](#)



A letter from our CEO and SVP Legal and Sustainability

Empire has been serving Canadians with pride for more than 115 years, and throughout the years our promise to people across the country has not changed. We are committed to delivering the highest quality, most consistent offering, while always seeking ways to deliver value, now and in the future, because we believe Canadians deserve the best. In the 21st century, being the best means making a real commitment to sustainability. Our customers and our teammates expect it, our investors demand it and evolving regulations make it a necessity. It's the right thing to do for people and the planet. Sustainability leadership is also a critical driver of future growth and we have made it an integral part of our business strategy at Empire.

In recent years, Empire has taken bold action to improve our sustainability leadership. We were the first national grocery chain to eliminate single-use plastic checkout bags. We launched a robust Climate Action Plan to set and track our progress on clear, science-based targets. In collaboration with our supplier partners, we continue to drive our shared sustainability goals through initiatives such as the CDP Supply Chain program. Our efforts will continue to evolve: we keep listening and learning, updating our strategy and action on material topics, and improving our sustainability disclosures every year.

Building on that momentum, in fiscal 2024 we renewed our sustainability strategy to further our growth as a sustainable business leader. Empire will continue to decarbonize and transition our business and our supply chain to thrive in a low-carbon economy. We will:

- Find new ways for customers to shop and live with reduced plastic waste;
- Direct more food to Canadians' plates rather than landfills;
- Continue to embed responsible business practices in all our sourcing decisions to ensure everyone in our supply chain is treated fairly; and
- Make it even easier for Canadians to make practical choices that are healthy for themselves, for their communities and for the planet.

Across the board, we are making real, measurable progress. We reduced combined Scope 1 and 2 emissions by 27% since our 2019 baseline and completed over 500 carbon reduction projects. We surpassed our food rescue goal to donate 30 million meals annually in partnership with Second Harvest. For the second year in a row, we were recognized as Canada's Top Food Rescue Partner. We completed the removal of the five banned single-use plastic items according to the Federal Single-use Plastics Prohibi-

tion. We renewed our Diversity, Equity & Inclusion and People Strategies, deepening our commitments to nurturing strong, inclusive teams and communities. Our new Commitment Statement to Indigenous Peoples Across Canada enhances our engagement and business-wide reconciliation efforts. In May of this year, we published our first standalone report addressing forced labour and child labour risks in our supply chain, upholding our support for human rights. As always, our biggest priority is to deliver exceptional value to our customers, which includes pulling every lever possible to ensure grocery prices remain competitive.

Empire is not alone in this journey. Bringing our very best to Canadians depends on being a sustainable business, and being a sustainable business depends on collaboration. We are grateful for those who join us in this effort every day — including government decision-makers, industry peers, supplier partners, teammates, customers and community members. Together we face major global challenges and risks presented by climate change, economic headwinds, and geopolitical instability. We all have a part to play in building a better, more sustainable future. Thank you for stepping up and for continuing to help Empire evolve as we work to bring our very best to Canadians.

signed "Michael Medline"

Michael Medline

President & CEO, Empire Company Limited
July 2024

signed "Kristi Lalach"

Kristi Lalach

Senior Vice President Legal and Sustainability, Empire Company Limited
July 2024



Sustainability Strategy, Priorities & Pillars

Vision

Empower all to live sustainably in thriving communities

Pillars

- People
- Planet
- Products

Priorities

- Climate Action
- Community Investment
- DE&I
- Ethical & Sustainable Sourcing
- Food Waste
- Indigenous Relationships
- Plastics & Packaging
- Vitality

Our updated sustainability strategy builds on momentum, accelerates action and amplifies positive impacts for People and Planet through sustainable and ethical Products.

Empire is a national retailer with deep local roots;; strong customer, supplier partner and teammate relationships across Canada;; and supply chains that extend around the world and, as such, we have the

scale and commitment to empower people to live sustainably in thriving communities.

Our sustainability priorities are to keep driving progress in:

- **Climate Action:** Decarbonizing and transitioning our business and supply chain to thrive in a low-carbon economy through our Climate Action Plan

- **Plastics & Packaging:** Enabling our customers to buy, shop and live free of plastic waste

- **Food Waste:** Reducing food waste in our operations to feed Canadians, not landfills

- **Ethical & Sustainable Sourcing:** Embedding responsible business practices in sourcing decisions, providing confidence that the products we sell are

good for people and the planet

- **Vitality:** Supporting our customers to make easy, practical choices that are healthy for themselves, their communities and the planet



 **People**

We're focused on growing and empowering a diverse, equitable and inclusive workforce to enable our customers and communities to thrive.

- **Diversity, Equity & Inclusion**

- **Community Investment**

- **Health, Safety & Wellness**

- **Employee Development & Experience**

 **Planet**

We're reducing our impacts and taking action on climate change to do [OurPart[®]](#) to protect our planet for future generations.

- **Climate Action**

- **Plastics & Packaging**

- **Food Waste**

- **Energy Management**

- **Environmental Management**

 **Products**

We're doing [OurPart[®]](#) by delivering sustainable and ethical product choices for our customers.

- **Human Rights**

- **Ethical & Sustainable Sourcing**

- **Product Quality & Safety**

- **Health & Nutrition**

- **Supplier Partnerships**

- **Customer Experience & Engagement**

People

We're focused on growing and empowering a diverse, equitable and inclusive workforce to enable our customers and communities to thrive.

Diversity, Equity & Inclusion

91%

of directors and above set DE&I performance and accountability goals.

Diversity, Equity & Inclusion

Progressive Aboriginal RELATIONS™



Advanced our commitment to reconciliation by completing the Aboriginal Relations Phase 2 Certification

Diversity, Equity & Inclusion

89%

of people managers and above facilitated Speak Freely discussions with teams to create safe spaces, listen actively, foster healthy debate, and build on contributions

Community Investment

~\$23 million

donated to support healthy bodies and minds in our communities (~\$7 million in corporate donations and ~\$16 million raised)

Planet

We're reducing our impacts and taking action on climate change to do **OurPart[®]** to protect our planet for future generations.

Climate Action

27%

reduction in Scope 1 and 2 targets compared to 2019 baseline — ahead of near-term target trajectory

Climate Action



Our goal is that 64% of suppliers set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. We are over halfway to our target.

Food Waste

~30 million

lbs of surplus food donated, gaining recognition from Second Harvest as Canada's Top Food Rescue Partner for the second consecutive year

Plastics & Packaging

Completed the removal of the five banned single-use plastic items according to the Federal Single-use Plastics Prohibition: stir sticks, straws, checkout bags, cutlery, select foodservice ware

Product

We're doing **OurPart[®]** by delivering sustainable and ethical product choices for our customers.

Ethical & Sustainable Sourcing

96%

of Own Brands seafood is sustainably sourced

Ethical & Sustainable Sourcing

86%

of palm oil in products is certified sustainable

Supplier Partnerships

380+

women entrepreneurs supported in fiscal 2024 (across Canada, excluding Quebec).

Human Rights in Supply Chain

Released our first Fighting Forced Labour and Child Labour report

OurPart[®]

As a family nurturing families, we want to ensure Canadians are taken care of today, tomorrow and in the future. By doing [OurPart[®]](#) for the environment, we hope to inspire our customers to do theirs. Every step we take together, big or small, can make a difference.

[Learn More](#)

Empire is a proudly Canadian company, with more than 115 years of experience in the food retail business.

[Learn More](#)



About This Report

Report Scope

This report covers fiscal 2024, from May 7, 2023, to May 4, 2024, unless otherwise stated.

Report Boundaries

This report represents the sustainability commitments, targets, approach and progress of Empire Company Limited and Sobeys Inc. Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. This report covers Empire's food retailing business, as defined in Empire's 2024 Annual Information Form, and excludes Investments and Other Operations. This report focuses on material environmental, social and governance (ESG) factors for Sobeys Inc. operations. This encompasses:

- Full-service, community and discount grocery banners
- Related businesses, including convenience, fuel, liquor, pharmacy, wholesale, Pete's Frootique and Big 8
- E-commerce grocery business

This report covers our more than 1,600 stores, 24 retail support centres, three customer fulfillment centres and related business locations in all 10 Canadian provinces, as well as our 131,000 teammates.

Unless otherwise stated, data included in this report reflects all Sobeys Inc. operations, excluding Farm Boy, Kim Phat, Longo's and Ricardo.

Report Methodology

This report includes disclosures aligned with and informed by the International Financial Reporting Standards (IFRS) S1 and S2, the Sustainability Accounting Standards Boards (SASB) Food Retailers & Distributors Standard and Drug Retailers Standard (available [here](#)), and the Task Force on Climate-Related Disclosures (TCFD). The regulatory landscape related to ESG disclosures continues to evolve, and we monitor these changes to ensure alignment with the standards issued by the International Sustainability Standards Board (ISSB). Empire intends to align with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (S1) and IFRS S2 Climate-Related Disclosures (S2) once they are endorsed by the Canadian Sustainability Standards Board (CSSB) and required by the Canadian Securities Administrators (CSA).

Materiality

The information included in this report is based on the topics that are deemed material to the sustainability performance of Empire Company Limited and Sobeys Inc. For more information see the [Materiality](#) section.

Feedback

For related inquiries and the latest updates on our programs and commitments, please contact investor.relations@empireco.ca.



Learn More

This report is part of a suite of disclosures and resources through which we share updates on performance and progress, including:

[Annual Reports](#)



[Management Information Circulars](#)



[Quarterly Reports](#)



[Investor Centre](#)



[OurPart[®]](#)



Additionally, some of our brands separately publish their sustainability-related commitments, performance and progress:

[IGA](#)



[Longo's](#)



Forward-Looking Information

This document contains forward-looking statements, which are presented for the purpose of assisting the reader to contextualize the financial position of Empire and Sobeys Inc. (the “Company”) and understand management’s expectations regarding its sustainable business program. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as “estimates,” “plans,” “predicts,” “anticipates,” “forecasts,” “expects,” “believes,” “intends,” “could,” “may,” “predicts,” “projects,” “will,” “would,” “foresees” and other similar expressions or the negative of these terms.

These forward-looking statements include, but are not limited to, the following items:

Statements relating to climate and greenhouse gas emissions, including without limitation plans to achieve net-zero by 2040 for Scope 1 and Scope 2 emissions, and net-zero by 2050 for Scope 3 emissions; plans to reduce absolute Scope 1 and 2 emissions by a minimum of 55% by 2030; expectations that 64% of suppliers, by spend, will set science-based reduction targets on their Scope 1 and 2 emissions by the end of calendar 2027; plans to reduce emissions from fuel sold by 28% by 2030; plans to pursue limited assurance of our Scope 1 and 2 GHG emissions data; plans to continue to aggressively pursue scope 1 emissions reduction drivers in the mechanical rooms of our stores in fiscal 2025; initiatives planned for fiscal 2025 including plans for refrigeration system upgrades

to reduce energy consumption and emissions related to refrigerant leaks, plans to complete more HFC to HFO gas replacement projects; plans for solar projects and EV charging station expansion; plans to initiate an RSC energy-efficient program focusing on HVAC upgrades; plans for ongoing lighting retrofits, upgrades to HVAC controllers, variable speed HVAC motor systems installations; and deploying AIML (Artificial Intelligence and Machine Learning) technologies to support a number of conservation measures in corporate stores across Canada.

Other forward-looking statements include those relating to: cyber security and data protection, including without limitation plans to achieve ISO27001 information safety management certification by 2027; diversity, equity and inclusion, including without limitation plans to progress towards certification as a Progressive Aboriginal Relations (PAR) company and plans to improve representation of diverse-owned

businesses in our supply chain; plastics and packaging, including without limitation plans to eliminate single-use plastics; plans to eliminate plastic and packaging waste in our Own Brands and in operations; and plans to continue to install bulk windshield washer fluid stations in Quebec at a scaled-up level; sustainable practices, including without limitation plans to reduce food waste by 50% by 2025; plans to develop a scalable store waste diversion program that will optimize diversion, reduce food waste, and meet our regulatory obligations; plans to conduct a full nature and biodiversity assessment in fiscal 2026; our intention to improve resource circularity; sustainable and fairtrade sourcing of products, including without limitation, plans to source 100% physical trace certified sustainable palm oil for its Own Brands products by December 31, 2025; animal welfare, including without limitation plans to develop protein-specific sourcing guidelines with time-bound commitments towards higher welfare products,





including guidelines for poultry and eggs, beef cattle, dairy cattle, pork and finfish; and human rights, including without limitation plans to launch a Human Rights Due Diligence Program to address risks in our supply chain.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors that may cause actual results to differ materially from forward-looking statements made. These risks include supplier relationships and negotiations, supply chain disruptions, customer behaviour, and resource capacity. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the Risk Management

section of the fiscal 2024 annual Management's Discussion & Analysis (MD&A).

Although the Company believes the predictions, forecasts, expectations and conclusions reflected in the forward-looking information are reasonable, it can provide no assurance that such matters will prove correct. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this document reflects the Company's current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

Non-GAAP Financial Measures & Financial Metrics

There are measures and metrics included in this report that do not have a standardized meaning under generally accepted accounting principles ("GAAP"), and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. Management believes certain investors use these measures and metrics as a means of assessing financial performance. Empire's definitions of the non-GAAP terms are as follows:

- **Earnings before interest, taxes, depreciation and amortization** ("EBITDA") is calculated as net earnings, before finance costs (net of finance income), income tax expense, depreciation and amortization of intangibles.

- **Adjusted EBITDA is EBITDA** excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted EBITDA is reconciled to EBITDA in its respective subsection of the "Summary Results – Fourth Quarter" and "Operating Results – Full Year" sections of the MD&A for applicable years.
- **Adjusted net earnings** is net earnings, attributable to owners of the Company, excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted net earnings is reconciled in its respective subsection of the "Summary Results – Fourth Quarter" and "Operating Results – Full Year" sections of the MD&A for applicable years.

For a more complete description of Empire's non-GAAP measures and metrics, please see Empire's MD&A for the fiscal year ending May 4, 2024.

About Us

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate.

With approximately \$30.7 billion in annual sales and \$16.7 billion in assets, we employ approximately 131,000 people. Sobeys Inc. has more than 115 years of

experience serving customers in the food retail business. Sobeys Inc. is one of only two national Canadian grocers operating across all 10 provinces with approximately 1,600 stores.

Sobeys Inc. oversees familiar banner names of Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Kim Phat, Longo's, Lawtons Drugs, Ricardo and Voilà as well as more than 145 retail fuel locations. We

also operate with five core retail food formats and related businesses to ensure we are able to satisfy the unique shopping needs of our customers: full service; fresh service; community service; discount service; convenience service.

Across our banners and businesses from coast to coast, Sobeys Inc. fosters a culture of care, trust, respect and growth for its people and customers and

their communities. Together, our store teammates, franchisees and diverse retail networks are dedicated to serving customer needs by providing exceptional shopping and food experiences.

Learn more:

[Empire Co.](#)

[Sobeys Inc.](#)



Teammates:

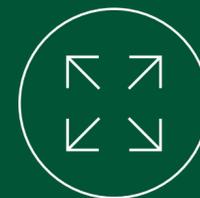
131,000¹



Total stores:

1,600

(excluding fuel stations and related convenience stores.)



Total square footage:

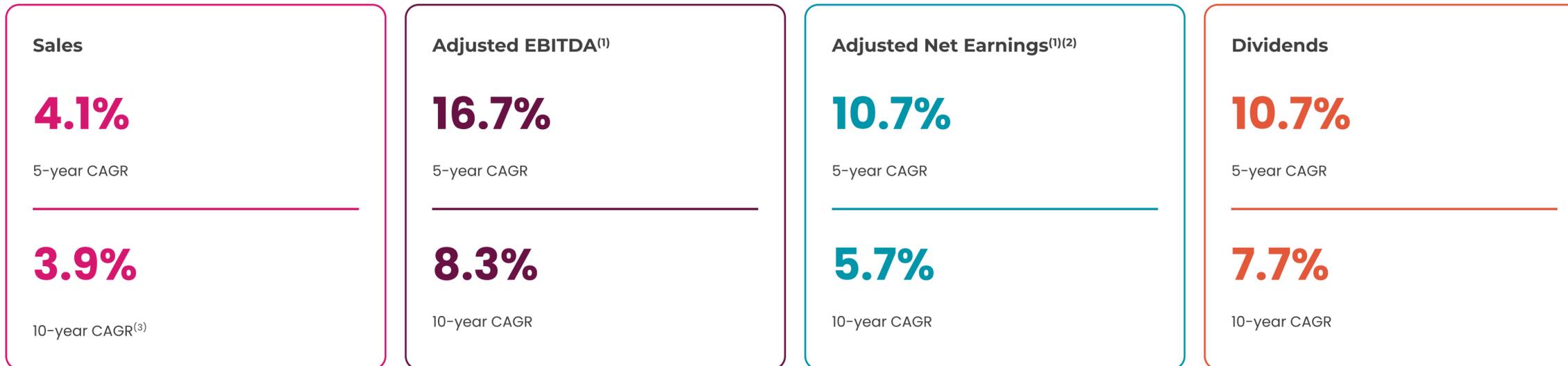
43.0 m



Communities served:

900+

Financial Highlights

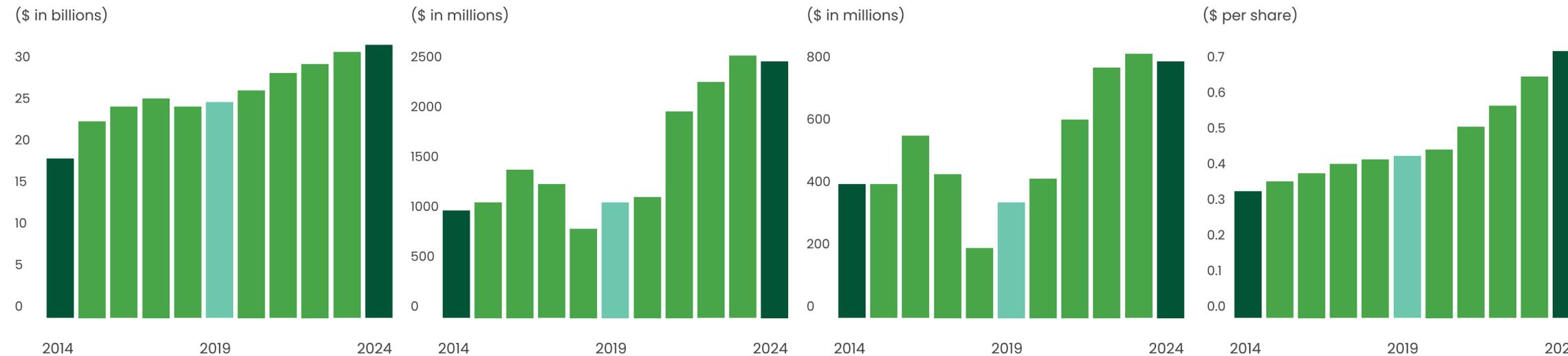


(1) See “Non-GAAP Financial Measures & Financial Metrics” section of Empire’s MD&A for a description of the types of costs and recoveries included.

(2) Attributable to owners of the Company.

(3) Compound annual growth rate.

Additional financial information relating to Empire, including the Company’s Annual Information Form, can be found on the Company’s website at www.empireco.ca or on SEDAR+ at www.sedarplus.ca



Approach & Materiality

Sustainability Approach

We are focused on the ESG factors that matter most to our stakeholders—ensuring we have the right approach on materiality, strategy and governance to keep making strides in our sustainability journey. Along the way, we're committed to being upfront about our goals, progress, success stories and areas where we have more work to do.



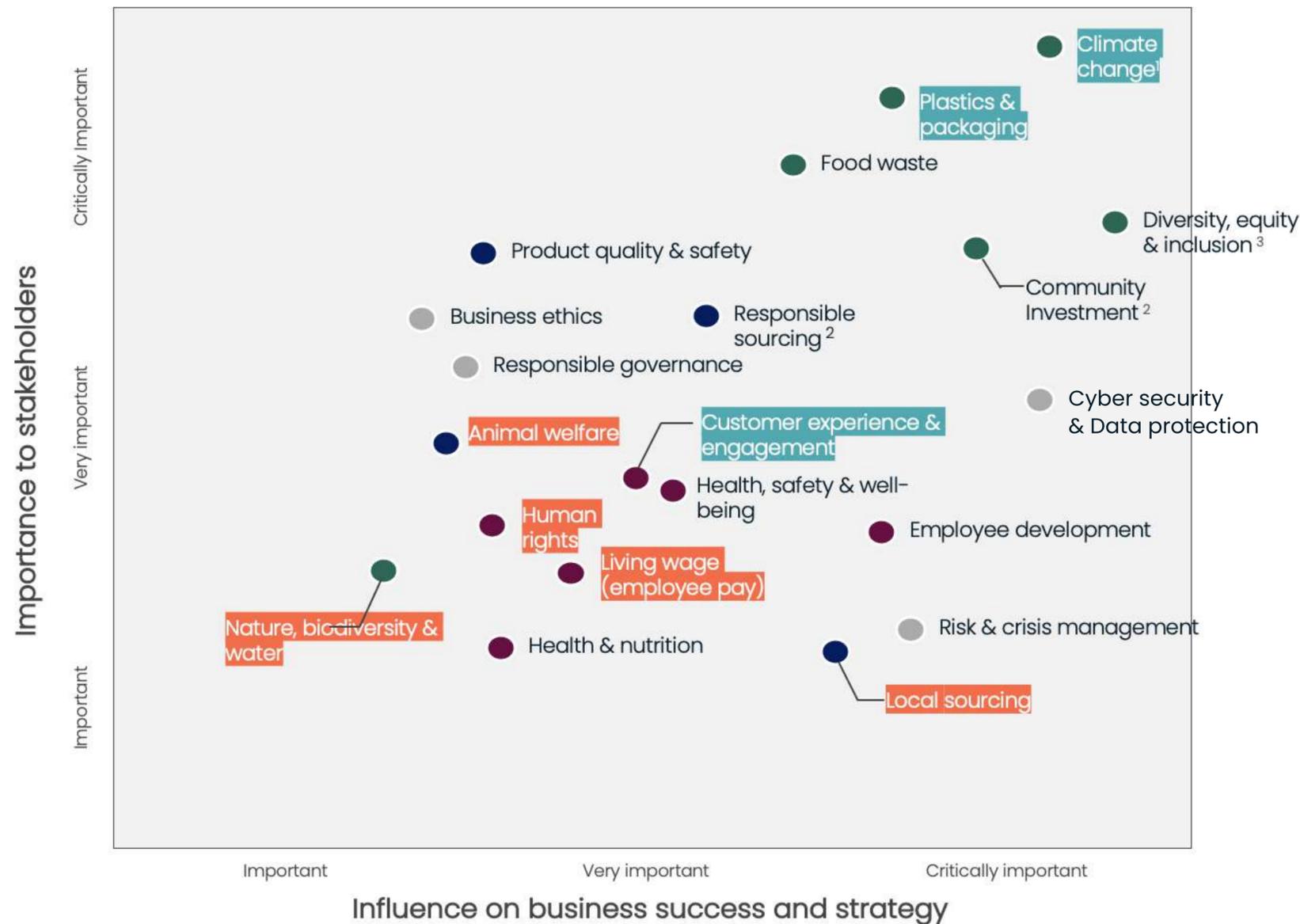
Engaging Our Stakeholders

Effective and meaningful engagement with our diverse stakeholder community is a vital part of how we do business and identify ESG-related risks and opportunities. We define stakeholders as groups and individuals who are impacted by our operations and corporate strategy and who, in turn, impact our business success.

Our stakeholders include:

<p>Teammates (across corporate and franchise sites, in operations and office-based)</p> <p>How We Engage</p> <ul style="list-style-type: none"> • Intranet and closed social media groups • Working committees on projects • Townhalls and leadership messages • Internal surveys (e.g. biannual Your Voices Survey) • Education and awareness sessions • Direct email communication 	 <p>Investor Community</p> <ul style="list-style-type: none"> • Shareholders' Annual General Meeting • Direct investor communication, including investor conferences, quarterly earnings calls and financial reports • Investor Relations inbox: investor.relations@empireco.ca 	<p>Customers</p> <ul style="list-style-type: none"> • OurPart[®] • In-store experiences and customer service counters • National and regional banner-specific Customer Care phone and email services • National and regional surveys on sustainable development • Consumer focus groups • Receipt messaging • Customer satisfaction surveys • Social media 	 <p>Supplier Partners</p> <ul style="list-style-type: none"> • Supplier onboarding process • Regular communication with category managers and sourcing teams • Supplier surveys 	<p>Communities</p> <ul style="list-style-type: none"> • In-store experiences • Store openings • Partnerships with local organizations • Community Action Fund • Social media 	 <p>NGOs</p> <ul style="list-style-type: none"> • Direct meetings and emails with leads across all three pillars • Industry associations and meetings • Partnerships • Social media 	<p>Government</p> <ul style="list-style-type: none"> • Industry consultations • Government relations partners • Direct engagement with elected officials, policymakers and civil servants
						

Materiality Assessment



¹ Climate change includes reducing greenhouse gas (GHG) emissions in Sobeys operations and supply chain and efforts to adapt to the harmful impacts of climate change on our business and in our supply chain.

² Community Investment includes Sobeys' charitable and philanthropic activities, including the strategic focus on Food Accessibility and Affordability and Youth mental health.

³ D,E&I includes within the business and supplier diversity (i.e. the intentional procurement of products and services from businesses that are underrepresented).

In fiscal 2023, we conducted a refreshed materiality assessment to update our understanding of the ESG issues that are most important to stakeholders and will influence business success. To inform our refreshed assessment we drew on peer benchmarking; matrix mapping of peers, suppliers and relevant organizations; business leader and consumer insights; and reviews of relevant legislation and internal documentation.

Based on this work we found that several existing factors have increased in importance to stakeholders, including climate change, customer experience and engagement, and cybersecurity and data privacy. While plastics and packaging decreased slightly in importance, it nonetheless remains a priority for stakeholders and for us. We also found several new issues are of growing importance to stakeholders, including human rights, animal welfare, employee pay, local sourcing, and nature, biodiversity and water.

This matrix informs our updated sustainability strategy, launched in fiscal 2024. We continue to share our progress on evolving ESG topics under the sustainability strategy pillars of People, Planet and Products.

Updated Sustainability Strategy

To build on our momentum and to achieve the ambition of our business strategy, in fiscal 2024 we updated our three-year sustainability strategy. Working under the established sustainability pillars of People, Planet and Products, we've defined five priority areas to accelerate over the coming decade:

1. **Climate Action:** Decarbonize and transition our business and supply chain to thrive in a low carbon economy through our [Climate Action Plan](#)
2. **Plastics & Packaging:** Enable customers to shop, buy and live free of plastic waste
3. **Food Waste:** Reduce food waste in our operations and at home to feed Canadians, not landfills
4. **Ethical & Sustainable Sourcing:** Embed responsible business practices in all sourcing decisions, providing confidence that products protect people and the planet
5. **Vitality:** Support customers to make easy, practical choices that are healthy for themselves, their communities, and the planet

Underpinning these priorities are the governance, engagement, and reporting needed to achieve the proposed actions and continue to embed sustainability across our business and value chain.

Targets

Building on the science-based targets in our [Climate Action Plan](#), and in compliance with guidance from the Science Based Targets initiative (SBTi), we are taking steps to define specific targets for GHG emissions related to the forestry, land and agriculture (FLAG) sector. We are developing a FLAG-related SBTi for Scope 3, Category 1 — purchased goods and services, in collaboration with supplier partners.

Disclosure Controls and Assurance

The mandate of the Audit Committee of Empire's Board of Directors includes reviewing applicable metrics and information contained in our annual Sustainable Business Report. Future state, we intend to engage a third-party provider to obtain limited assurance relating to our Scope 1 and 2 emissions to increase the credibility of our disclosed data, including completing an assessment readiness process as an initial step. Read more in [Climate Action](#).



Governance

Our governance approach to the ESG issues reflected in this report is integrated with our approach to corporate governance and how we deliver on business strategy across our operations. This ensures we have the right combination of strong oversight and operational accountability. This work includes identifying, monitoring, and implementing initiatives to mitigate risk, deliver on commitments, and report on key metrics and progress.

See an overview of our governance for [ESG strategy, execution and factors.](#)

Analyst Spotlight

- Management Information Circular
- Annual Information Form
- Annual Report
- Fiscal 2024 TCFD-Aligned Report
- [Empire Board of Directors](#)
- [Empire Executive Leadership Team](#)
- ESG Data and Policies
- ESG Governance



On this page: [Key Governance Bodies](#) [Code of Conduct and Policies](#)



Board of Director

Responsibilities Include

- Overseeing the ethical, legal and social conduct of Empire
- Overseeing the development of corporate governance policies, principles and guidelines
- Developing and monitoring compliance with Empire’s Code of Business Conduct and Ethics for directors, officers and teammates, including ethics line reporting
- Overseeing stewardship of Empire, including the strategic planning process, approval of the strategic plan, identification of principal risks and implementation of systems to manage these risks
- Encouraging a culture of ethical conduct by appointing officers of high integrity and monitoring their performance



Corporate Governance & Social Responsibility Committee

Responsibilities Include

- Assisting the board in fulfilling its responsibilities as they relate to corporate governance and social responsibility
- Receiving and reviewing periodic reports on Empire’s policies, activities, and progress pertaining to social responsibility initiatives, including sustainability, as well as updates on regulatory and general market developments relating to such matters



Audit Committee

Responsibilities Include

- Assisting the board with oversight of policies and practices relating to integrity of financial and regulatory reporting and the enterprise risk management (ERM) framework and process
- Reviewing the applicable metrics and information contained in the Sustainable Business Report, including climate-related data
- Reviewing the status and adequacy of Empire’s efforts to ensure our businesses are conducted and facilities are operating in an ethical, legally compliant and socially responsible way
- Receiving quarterly reports on ethics line reporting matters



Human Resources Committee

Responsibilities Include

- Assisting the board in oversight of human resources strategy, policies and programs
- Monitoring, reviewing, and providing guidance on people development initiatives including talent management and employment diversity
- Receiving reports on human resources related matters received through the ethics and DE&I reporting line
- Fulfilling the board’s responsibility for occupational health and safety



Executive Leadership Team; Operational Committee

Responsibilities Include

- Leading business and sustainability strategy development and review
- Overseeing leadership committees and operational teams responsible for implementing sustainability strategy



Sustainable Business Council (new in 2024)

Responsibilities Include

- Building and driving accountability, including ensuring sustainability key performance indicators (KPIs) are integrated with functional teams
- Providing strategic direction on ESG activity and reporting
- Reviewing ESG performance
- Providing updates on corporate ESG-related commitments, reporting and emerging topics
- Aligning on ESG gaps and opportunities to address across functional teams

On this page: [Key Governance Bodies](#) [Code of Conduct and Policies](#)

Code of Conduct & Policies

Our [Code of Business Conduct and Ethics](#) provides guidance to all teammates and reaffirms our commitment to the highest possible personal and corporate standards of business conduct. Directors and teammates are required to acknowledge and agree to our code on a regular basis, and we maintain two confidential hotlines, an ethics hotline and a DE&I hotline.

Our range of policies that guide and govern our actions from our stores to our boardroom includes:

[Accessibility Standards for Customer Service Policy](#)



[Corporate Disclosure Policy \(Empire\)](#)



[Empire Business Code of Conduct and Ethics](#)



[Integrated Accessibility Standards Policy](#)



[Majority Voting Policy \(Empire\)](#)



[Privacy Policy](#)



Executive Compensation

Our executive compensation program is designed to attract, motivate and retain a highly skilled executive team, directly aligning compensation to personal and corporate performance objectives—including ESG-related areas. In fiscal 2024, we continued to use DE&I key performance indicators (KPI) to build broad leadership accountability for DE&I across all teams and banners. For leaders and teammates eligible for our profit-sharing plan, we use executive KPIs in support of our Climate Action Plan targets and other key sustainability commitments, such as food and plastic waste reduction.

Enterprise Risk Management

As part of our Enterprise Risk Management process, every year we identify, assess, manage and report on key risks to the organization and our objectives. These risks are reported in:

[Empire's Annual Report](#)



[Q4 F24 MD&A](#)



[F24 Annual Information Form](#)



Climate Risk

We recognize the potential adverse impact that climate change poses to our business. To better understand this impact, we have undertaken a comprehensive analysis, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and in alignment with IFRS S2 standards. To learn more about our approach, please see our [Climate Action section](#) and read our new [TCFD-Aligned Report](#).



Cyber Security & Data Protection

Why It Matters

The confidentiality, integrity, reliability, and security of information in all its forms are critical to our daily operations. Inaccurate, incomplete, or unavailable information; external intrusions on information systems; or unauthorized access to information can damage and disrupt our business and have financial and reputational implications.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Cyber Security & Data Protection Governance](#)
- [Privacy Policy](#)

Our Approach

Our business strategy is enabled by an ambitious digital transformation program which is why we continually update and accelerate our cyber security roadmap, ensuring we are keeping pace with both our evolving business initiatives and external threats. Our cyber security approach means having many layers of protection for devices, transactions, data and people, complemented by rigorous, round-the-clock monitoring.

[Learn more](#) about how we govern our approach to cyber security and data protection.



Making Progress on Key Initiatives

Over the past year, the Sobeys team has continued to make significant strides in protecting our network and sensitive data through enhanced cyber security capabilities and operational efficiency.

Our efforts include a comprehensive cyber risk awareness program for all staff, encompassing both backstage and retail personnel. Additionally, the Sobeys team has strengthened identity and access management processes, improved third-party risk management, and enhanced incident response capabilities.

These initiatives ensure robust protection and resilience across our organization.

Attaining ISO Certification

We are on track to establish the framework and team alignment for achieving ISO27001 certification by fiscal 2027. This year we established the foundation for ISO27001 by drafting and publishing additional cyber security policies and standards; defining risk management and third-party risk management processes; and enhancing the security control library to support all planned digital transformation initiatives.

Leveraging Tools and Processes

We operate extensive and complex information technology systems that are vital to the successful operation of our business strategies. Our systems include advanced endpoint detection, response protection and monitoring, cloud security controls, threat hunting, threat intelligence, vulnerability

management and 24/7 monitoring. We use a combination of complementary tools and technologies, along with threat hunting and threat intelligence, to ensure we can be proactive and react quickly. We incorporate well-defined playbooks into our incident response plans to ensure that defined processes are followed, and all relevant team members or stakeholders are mobilized. In addition, all projects undergo security risk assessments, such as threat risk assessment, vendor risk assessment and compliance impact assessment. We ensure that due diligence is carried out for all new and existing critical supplier partners.

Empowering Teammates to be Cyber Safe

We place a strong focus on teammate awareness and training and on policies to govern the acceptable use of corporate devices and assets. Our Cyber Security Employee Awareness and Training program provides teammates with the knowledge to make informed decisions to protect our business from cyber threats. Training includes monthly targeted phishing campaigns, mandated modules, regular teammate communications on relevant cyber security topics and digital signage.





OurPart[®]

OurPart[®] is an important way we share our sustainability commitment with our customers and teammates. Through this people-focused, story-led digital platform, we feature stories that spotlight the many ways we are working to advance sustainability initiatives. **OurPart[®]** includes stories focused on many topics, including:

As a family nurturing families, we want to ensure Canadians are taken care of today, tomorrow and in the future. By doing **OurPart[®]** for the environment, we hope to inspire you to do yours. Every step we take together—big or small—can make a difference.

Learn more at [OurPart[®]](#)



Waste reduction



Supplier partnerships



Climate action



Sourcing ethically and sustainably



People

- Diversity, Equity & Inclusion
- Community Investment
- Health, Safety & Wellness
- Employee Development & Experience

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Fiscal 2024 Performance Highlight

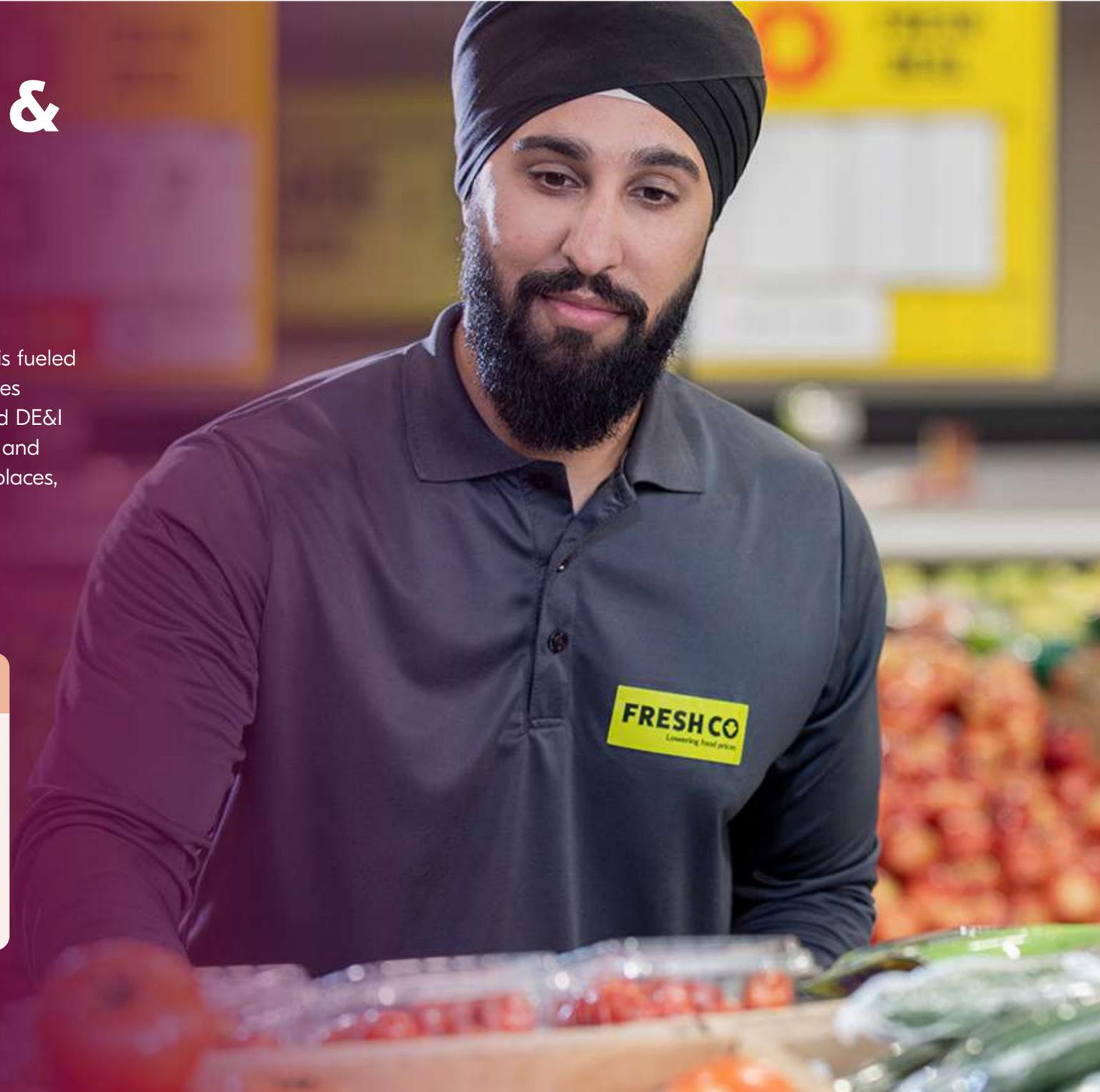
Diversity, Equity & Inclusion

Why It Matters

Our commitment to diversity, equity and inclusion (DE&I) is fueled by our purpose and values. It shapes our culture and drives business success. As a family nurturing families, we embed DE&I into everything we do. We know that it takes open minds and respect for distinct perspectives to create engaging workplaces, inclusive customer experiences, and strong community partnerships.

Analyst Spotlight

- [Diversity, Equity & Inclusion Governance](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Commitment Statement to Indigenous Peoples Across Canada](#)
- [Indigenous Relations Policy](#)



91%

of directors and above set DE&I goals to advance DE&I business success together

1%

increase in the corporate DE&I Index in the Employee Engagement Survey to advance a culture of inclusion

96%

of all teammates below director level completed Speak Freely foundational e-learning

Advanced our commitment to reconciliation by completing the **Aboriginal Relations Phase 2 certification** and reduced the gap by 1% in Indigenous teammates experience

37%

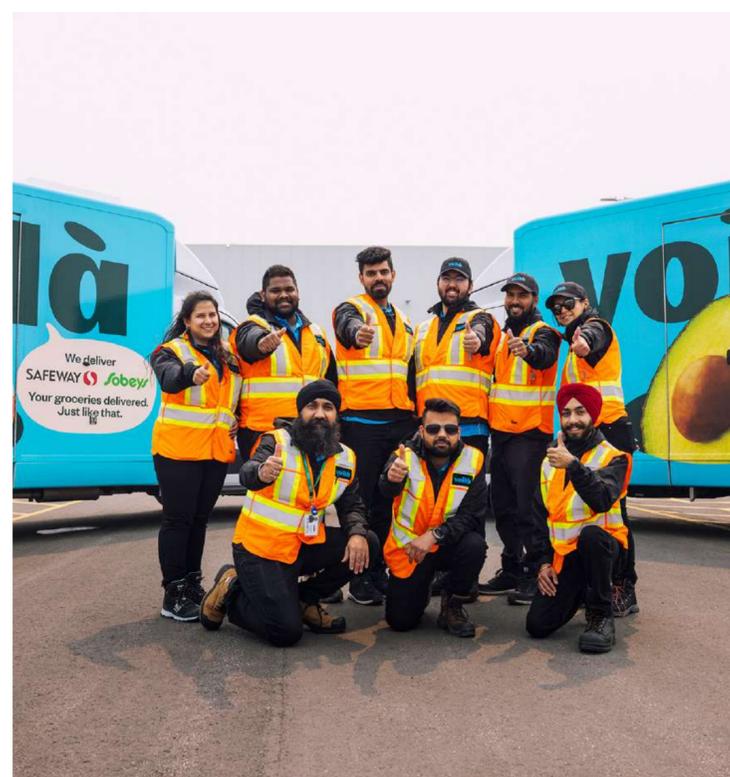
representation of women at the senior leadership level in fiscal 2024

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Our Approach

At Empire, we focus on DE&I as an integral part of how we do business. We aim to create a workplace that's welcoming for everyone, enhancing customer experiences and contributing to better communities.

[Learn more](#) about how we govern our approach to DE&I.



Renewing Our DE&I Strategy

Embracing DE&I helps us be more innovative and competitive by better understanding our customers and teammates. It helps us attract and retain great talent, which is critical to moving the business forward. And it helps us live our purpose—to be a family nurturing families.

In fiscal 2024, we updated our DE&I Strategy to focus on:

- 1 **Building a better workplace** by being inclusive of our diverse mix of teammates and embracing all perspectives
- 2 **Creating better customer experiences** by understanding and being inclusive of the diverse needs and preferences of customers
- 3 **Contributing to better communities** for everyone by supporting marginalized groups through community investment, sustainability and the important role stores play in their communities from coast to coast

We focused on embedding DE&I into our business priorities, creating greater accountability measures, listening to marginalized teammates, co-creating action plans and expanding key performance indicators and DE&I goal setting for leaders. We improved data transparency by improving how we track and communicate progress across the

organization. We also advanced our commitment to Indigenous relations, continuing to make progress through the Canadian Council for Aboriginal Business certification process.

Fostering Better Workplaces

To ensure we can hear from all teammates and advance a culture of inclusion, in fiscal 2024 we continued to foster a Speak Freely environment. We identified ways to support inclusive conversations more broadly, while leaders at all levels created customized actions to engage their teams. Speak Freely was also included as a fiscal 2024 DE&I KPI for all people managers. Listening to and learning from marginalized teammates remains a key area of focus, as does building on the success to date of the Women's Inclusion Network. Based on a broad series of discussions, this year we worked with teammates to co-develop action plans to address barriers and foster inclusivity.

Ongoing Diversity of Teams Initiative

Attracting, growing, and retaining a diverse workforce continues to be a key priority to ensure our business is reflective of the Canadian population. Our approach focuses on enhancing diversity at the team level to improve overall performance and to build a strong and diverse workforce succession pipeline for the future. This initiative has been supported by new hiring and selection practices and strategic partnerships

to attract a broad and diverse range of talent. To achieve this, we are advancing strategic community partnerships across Canada to highlight opportunities for prospective teammates. We have established strategic employment partnerships with organizations including BlackNorth Initiative, Community Economic Development and Employability Corporation (CEDEC), JVS Toronto, the Indigenous Professional Association of Canada, the Onyx Initiative, Pictou Landing First Nation, and Tent. As an example of our commitment to these partnerships, our President and CEO, Michael Medline, is on the Board of Directors for the BlackNorth Initiative. Additionally, in fiscal 2024, we equipped hiring managers with more information about diversity in our teams and communities, enabling them to evaluate how well stores reflect the communities we serve. More than 90% of corporate store managers completed the Diversity of Teams training to build capability.

Implementing Supportive Policies

In addition to our overarching DE&I Strategy, our DE&I commitments are integrated into and enabled by many of our policies, including our Code of Conduct, Respectful Workplace Policy and Indigenous commitment statement and policy. Through these policies, we seek to banish all forms of discrimination and reaffirm our commitment to act with respect and integrity, and in compliance with all relevant laws and regulations. We also operate a comprehensive Open Doors program, which empowers teammates to report

On this page: **Diversity, Equity & Inclusion** Community Investment Health, Safety & Wellness Employee Development & Experience

workplace concerns related to DE&I. Looking ahead, we aim to enhance our approach to Indigenous relations and improve representation of diverse-owned businesses in our supply chain through our commitment to supplier diversity.

Focusing on Equitable Rewards

We are committed to providing pay equity for all teammates, regardless of gender, ethnicity or employment type. We conduct gender-based compensation analyses as part of our annual salary

review process, reviewing pay differences to consider legitimate factors such as position level, experience, tenure and contribution to role to address pay disparities. In addition, we complete gender pay equity analyses and post results, in compliance with provincial pay equity legislation. Where required by provincial legislation, we have implemented pay equity plans. We have implemented a company-wide job evaluation system and merit-based salary structure, providing the same compensation levels to women and men in positions of equal value. Since 2021 we have also carried out an annual analysis of

performance ratings and merit-based salary increases granted to women versus men. Wages for frontline retail and warehouse teammates are progressing based on hours worked, ensuring equal treatment for women and men.

In fiscal 2024, we continued to ensure that the salaries of all teammates were market-competitive and equitable considering their experience, skills and contribution. Although this initiative focused on increasing overall internal equity, rather than gender pay equity, the objective and data-driven approach used was instrumental in achieving gender pay equity.

better serve the unique needs of customers in the diverse communities we serve. Read more in [Supplier Partnerships](#).

Advancing Reconciliation through Stronger Partnerships

We continue to strengthen relationships with Indigenous communities and to advance organization-wide reconciliation efforts through leadership actions, hiring practices, supplier partnerships and community relations.

In fiscal 2024, we shared our new Commitment Statement to Indigenous Peoples Across Canada and our new Indigenous Relations Policy, advancing the rights and needs of Indigenous people within our communities and workplace. We are in the third phase of qualification for the Canadian Council for Aboriginal Business (CCAB) Progressive Aboriginal Relations (PAR) certification. Through this process, CCAB affirms we are good business partners, a good employer for Indigenous peoples and committed to prosperity in Indigenous communities. We reinforce this commitment through our pledge to direct 10% of community donations towards Indigenous communities.



Better Customer Experiences and Supplier Relationships

We aim to create an inclusive customer experience that meets and reflects the diverse needs of customers. Through extensive consultation with supplier diversity partner organizations, supplier partners and key internal stakeholders, we are implementing a strategy to support underrepresented communities and businesses in our supply chain. This work is essential to reflect and support the diverse customers and communities we serve, to drive innovation and growth and to foster resilience in our supply chain.

Our Supplier Diversity Strategy builds on the success of our Local Development Program to support new supplier relationships. This effort will ensure that our vendors are aligned with Sobeys' DE&I objectives to



Highlights

Partnering with Pictou Landing First Nation

One example of how we advance reconciliation is our partnership with Pictou Landing First Nation in Nova Scotia. Beginning with respectful listening and conversation with Pictou Landing leaders, we co-developed an action plan that includes investing in food sovereignty, community learning and employment opportunities. Hear more from former Chief Andrea Paul and team members in this video in [English](#).

Listening, Learning and Launching Inclusion Activators

In fiscal 2024, we invited more than 196 teammates to become Inclusion Activators to champion inclusion in their local workplaces and enable us to learn from more teams and perspectives. We also held a series of listening sessions and sharing circles. These semi-annual conversations allow teammates who identify within a community to discuss any barriers they face as well as ideas for change. Sessions held in fiscal 2024 included hearing from the following communities:

- **2SLGBTQIA+**
- **Indigenous**
- **Francophone**

- **Teammates with disabilities**
- **Visible minorities**
- **Newcomers to Canada**

Advancing a Speak Freely Environment

Leaders across our business are committed to building an inclusive workplace and a Speak Freely environment for all teammates. We provide leaders and teammates with tools and support to:

- Model Speak Freely behaviours that reinforce active listening, building on ideas, fostering healthy debate and creating a safe space for all to contribute and thrive
- Demonstrate allyship as they learn about the experiences of others and champion causes that are meaningful to teammates
- Respectfully listen and hear, ensuring the voice of marginalized teammates matter and make a differences
- Create a safe space for teammates to take interpersonal risks, speak freely, disagree and debate openly, and surface concerns without fear of repercussions

Champions

“The loss prevention team has worked with our security vendors to establish industry best-practice methods for mitigating racial profiling and ensuring our contracted services are aligned with Sobeys’ culture of diversity, equity and inclusion. This work has been essential to building greater inclusion into our business for our customers, teammates, and the communities we serve.”

– **Tyler Hove,**
VP Food Safety and Loss Prevention



Learn more:

We’re making our workplaces and communities more inclusive through our [health, safety & wellness work](#) and [community investment](#) initiatives.

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Community Investment

Why It Matters

Our communities are all about how we come together as partners to make progress, tackle shared challenges and ensure everyone can prosper. Providing access to healthy and affordable food, nutrition, education and early interventions in child and youth mental health means healthier tomorrows for more Canadians.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Community Investment Governance](#)
- [A Family of Support: Child & Youth Mental Health Initiative Impact Report](#)
- [Kids Help Phone Impact Reports \(F24 Report issued in September 2024\)](#)

*Note: F24 Report to be issued in September



Fiscal 2024 Performance Highlight

More than

\$23M

donated to support healthy bodies and minds in our communities (~\$7M in corporate donations and ~\$16M raised)

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Our Approach

Our commitment to being community engaged is embedded in our core values. Community investment is a major area of focus for our business and our teams—not only because we care about the places where we live and work, but also because it delivers on our business strategy by inspiring our customers and our people.

Community consultation and input forms are an integral part of how we plan for and administer our community investment program. We offer an online Community Action Fund application form for an equitable and consistent approach for reviewing community donation requests.

[Learn more](#) about how we govern our approach to Community Investment.



Building on Our Pillars

Our Community Investment Strategy fosters Healthier Tomorrows for Canadians through our work in two key pillars:

- 1 Nourishing Healthy Bodies:** Removing barriers to access healthy and affordable food
- 2 Nurturing Healthy Minds:** Ensuring more children and youth get the mental health support they need at an early stage

These pillars are also fully integrated with our [DE&I Strategy](#), ensuring the ways we foster healthy bodies and minds are also focused on supporting Black, Indigenous and other under-represented communities. Our framework consists of three streams of giving, totalling more than \$23 million in funds raised and donated in fiscal 2024:

\$17 million

through strategic partnerships and initiatives (over \$10,000)

More than \$675,000

in regional donations through our Community Action Fund and a streamlined online application process (\$1,000-\$10,000)

\$1.63 million

in local donations from individual stores (typically under \$1,000 each)

Partnering for Greater Impact

Key strategic partnerships include our Family of Support: Child & Youth Mental Health Initiative. Our inaugural partnership with the Sobey Foundation and Canada's Children's Hospital Foundations was launched in 2020. To date, this initiative has raised more than \$14 million to support 15 mental health



programs across Canada focused on increasing access to early-intervention mental health support for children and families. Other partners include more than 400 local food banks and meal programs, Special Olympics Canada, The Grocery Foundation and Kids Help Phone.

Meeting Our Commitments

In fiscal 2024 we achieved our commitment to ensure that 10% of our annual community investment

donations supported Black- and Indigenous-led or informed organizations. Our **Healthier Tomorrows Individual Giving Program** continues to build momentum as a voluntary program empowering teammates to donate directly from their paycheques to support their choice of more than 30 charities across Canada.

Looking ahead, we will continue to explore opportunities for new community investment partnerships and ways to build on our commitment.

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Highlights

Partnering With Kids Help Phone

We have partnered with Kids Help Phone to support two vital community-based mental health programs, developed with Black and Indigenous leaders. The programs connect youth from these communities across the country with real-time virtual counselling and crisis help. Our five-year, \$1.25 million commitment supports Kids Help Phone to deliver on the RiseUp and Finding Hope action plans.

RiseUp, powered by Kids Help Phone in partnership with the BlackNorth Initiative, stands as Canada’s only 24/7 bilingual e-mental health support system tailored for Black youth. It addresses their unique challenges, which are heightened by systemic anti-Black racism. Working alongside community partners, RiseUp focuses on supporting all Afro-diaspora youth. Since January 2020, Kids Help Phone has provided support to youth more than 19 million times. It aims to increase engagement with African, Caribbean and Black youth to 10% of total sessions by 2025 through intensive awareness initiatives.

Finding Hope is a nationwide action plan aimed at enhancing Kids Help Phone’s ability to engage with Indigenous youth. Led, co-created and governed by an Indigenous advisory council, Finding Hope facilitates connections between First Nations, Inuit and Métis youth and Indigenous volunteers and counsellors. Through this program, Kids Help Phone

is set to achieve six ambitious goals, leveraging partnerships with communities for success.

Nurturing Healthy Bodies

In fiscal 2024, our teams continued to step up and support access to healthy and affordable food for people in their communities. Thanks to the generosity of our customers and teammates, our 2023 Holiday Food Bank Fundraiser raised and donated close to \$6 million in food and funds in support of more than

400 food banks across the country. In Quebec, \$1.46 million was raised through our stores in support of provincial food networks. In addition to raising funds and sharing food, our teams also foster knowledge about healthy eating and living. For example, teammates at IGA continue to work with La Table des Chefs to empower thousands of young people through schools and community centres for youth. This program has now expanded outside of Quebec. As well, through our ongoing partnership, Special

Olympics Canada continues to provide nutrition sessions specifically designed for athletes with intellectual disabilities.

IGA in Quebec is proud to partner with Fondation Charles-Bruneau, raising and donating more than \$1.3 million last year to support various projects, including Project VIE, a collaboration with the CHU Sainte-Justine focused on healthy eating habits for children receiving chemotherapy. Funds were raised through



On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

an in-store campaign and two events: [The Tour CIBC Charles-Bruneau](#) and [The Charles-Bruneau Cup, presented by IGA](#).

Supporting Communities in Need

Through our Community Action Fund, we actively support communities in need, including, most recently, support for the Canadian Red Cross and local community responses to the devastation caused by the wildfires in British Columbia and Alberta and the flooding, wildfires and winter storms in Atlantic Canada.

Helping Kids Access Mental Health Services

The Family of Support: Child & Youth Mental Health Initiative, a partnership between Empire, the Sobey Foundation and 13 children’s hospital foundations, entered its fourth year in 2023. Between 2020 and 2022 approximately 40,000 kids were assessed through programs supported by Family of Support. Almost 10,000 people have been trained to provide better care and support for children and youth experiencing mental health challenges. Hospitals across the country have created new spaces designed to provide better mental health care, reaching more than 75,000 children and families. The initiative’s 2023 Impact Report will be released in September 2024. To date, this initiative has raised and donated more than \$14 million in support of early interventions in child and youth mental health.

Champions

“We are proud of our partnership with the Sobey’s Foundation and Empire Company Limited and inspired by the generosity that we see from team members, customers and suppliers from coast to coast. To date, Family of Support has raised and donated more than \$14 million. These funds have supported initiatives focused on early intervention, prevention, research and innovation; enabled the development of much needed education and resource materials; and helped create programs and spaces designed to ensure that children and youth can get the mental health care they need where they need it.”

– Adam Starkman, President & CEO, Canada’s Children’s Hospital Foundations



Learn more:

We’re also focused on nurturing healthy bodies and minds through our focus on [health, safety and wellness](#) and commitment to [diversity, equity and inclusion](#).

On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Health, Safety & Wellness



Focused on supporting mental wellbeing across all our teams.

Why It Matters

Nothing is more important to us than the health and safety of our teammates and the people we serve. We are committed to supporting our teammates so they always feel physically and mentally safe, empowering them to be high performers and to deliver for our customers and communities.

Analyst Spotlight

- [Health, Safety & Wellness Governance](#)
- [Health and Safety Policy](#)



Our Approach

Our health, safety and wellness approach enables our business strategy and People Plan by protecting and empowering our greatest strength—our 128,000 teammates across Canada. We have a rigorous health and safety management system, which aligns with the standard CSA-Z1000.

[Learn more](#) about how we govern our approach to health, safety and wellness



Enhancing Prevention

As part of our strong commitment to teammate safety and wellbeing, in fiscal 2024 we continued to focus on enhancing our prevention programming, fostering leader support for safety and raising awareness about mental wellbeing. We focused on new teammates, ensuring that safety messages and resources were a key component in their onboarding experience. We also introduced a range of new safety training courses, including Introduction to Health and Safety, Workplace Hazards Awareness, General Safety Rules, and Knife Safety.

Advancing our Safety Program

Ongoing work to boost our safety program in fiscal 2024 included:

- 1 **Enhancing** our safety culture through strong relationships with business leaders, creating top-level accountability
- 2 **Harmonizing** policies and procedures, from regional to national programs
- 3 **Leveraging analytics** to drive prevention programming initiatives, leading to year-over-year improvements in our Total Incident Frequency rate and Lost Time Frequency rate
- 4 **Reducing injury severity and providing** more modified work opportunities when a teammate is injured

Staying Focused on Mental Health

We continued the implementation of our business-wide Mental Wellbeing Strategy, focusing on:

- 1 **Raising** awareness of mental health challenges across all lines of business
- 2 **Reducing** stigma around mental wellbeing in a measurable way
- 3 **Identifying and providing** more tools and resources to support teammate mental health, including a new e-learning program for all teammates and facilitator-led training for people leaders and their teams
- 4 **Developing** key metrics to track the level of mental health issues, the utilization of resources, and the impact our program is having with our teammates



Monitoring Our Performance

We have a wide range of safety metrics tracked by scope, period and location. These metrics are shared with operations leaders across the business. Based on this data, we set annual targets that are specific to regional retail operations and each location.



Working With Our Partners

Key partners in delivering our health and safety program include Blue Cross and Sun Life Canada, our main benefits providers. We also work closely with provincial bodies, including workers' compensation boards, to shape our approach and preventive programming.

Highlights

Engaging Managers as Safety Leaders

We believe people leaders have an important role to play in reinforcing safety culture and processes. In fiscal 2024, our team of safety specialists continued to work closely with management teams in higher-risk locations to identify opportunities for enhanced safety leadership and performance. This approach reinforced managing safety performance as an area of accountability for leaders and involved these leaders in the creation and implementation of site-specific plans.

Implementing Corrective Findings and Actions Protocols

Our safety approach empowers our people to prevent incidents and to learn everything we can when something does go wrong to prevent similar events in future. Through regular inspections, audits and investigations, issues are identified that need to be addressed. These items are captured in our safety database, and it is the responsibility of the location management team to action these within a given timeframe. Reports are generated tracking these items, ensuring they are completed on time, which reduces hazards and prevents future injuries.

Champions

“Our ongoing focus on the wellbeing of our employees first and foremost is the foundation that drives our successful health and safety and mental wellbeing programs.”

– **John Bryden, Director, Centre of Excellence, Integrated Health Management, Sobeys**



Learn more:

About how we're improving [community health and wellness](#) too.



On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) [Employee Development & Experience](#)

Employee Development & Experience

 Recognized as one of Canada's Top 100 Employers for 2024

Why It Matters

We are proud to be a people-powered business. Our ability to serve customers and communities, to advance our business strategy and to deliver strong returns for investors all starts with the energy and focus of our teammates. Investing in people so they can perform their best, feel engaged and grow rewarding careers is more important than ever.

Analyst Spotlight

- [Employee Development & Experience Governance](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Education Assistance Policy](#)



Our Approach

People Strategy

Being people-powered is one of our core values—and a critical enabler of our ability to deliver on our business strategy. Our multi-year People Strategy is advancing our ambition to be:

- A destination for great talent
- A leading Canadian employer
- Inspiration for a more equitable and inclusive Canada

We aspire to improve teammate and manager experiences by making moments that matter really matter. Building on our purpose and values, we're delivering differentiated experiences so teammates can enjoy special places to work, flexibility and career growth.

[Learn more](#) about how we govern our approach to employee development and experience.



We continued to make progress and refine our approach to teammate development and experience in fiscal 2024 in response to external trends and

challenges, including Canada's evolving labour market and shifting teammate expectations.

Our approach in this area continues to align with our comprehensive commitments to [DE&I](#), ensuring we are drawing on key experience and insights to create a more equitable teammate experience for all teammates, regardless of gender, ethnicity or cultural background.

Hearing From Our Teammates

In fiscal 2024, we conducted our second company-wide survey, hearing from corporate and franchise teammates. More than 70,000 teammates across the country shared their feedback, which is an overall participation of 78% (91% in corporate stores; 60% in franchise stores). In addition to the annual survey, we hear from teammates across key moments in the teammate experience. Insights from teammate feedback allow us to develop action plans to ensure that we are focusing on what is most important.

Supporting Teammate Development

We continue to invest in our people across a number of career pathways, offering individual support, mentorship, coaching and robust training, including programs tailored for store operations, merchandising, supply-chain management and leadership development. These robust development plans support ongoing succession and talent planning for key roles.

We have been focused on providing and implementing:

- **Regular formal performance reviews** aligned with career development for all permanent teammates
- **Initiatives for talent recruitment, development, and retention**—including developing strategies to adapt to meet teammate needs, providing greater assurance and predictability on shifts and wages and offering more career pathways
- **Posting open roles** as our guiding principle for open and transparent career development
- **Formal mechanisms to promote an open feedback culture**, including teammate experience surveys and new onboarding and exit surveys
- **Leader training** on how to deliver feedback and have tough conversations, combined with skills-based learning solutions for office-based teammates
- **Supporting teammate inclusion networks** and supporting their development priorities
- **Improvements to our operational data** to enable target-setting and build a stronger foundation for reporting, analysis and insights

- **Quantitative targets** and reporting on human capital development and risk assessment
- **Ongoing workplace succession planning** for key roles
- **Prioritizing team development** initiatives to quickly advance new teams to be high performers by focusing on alignment, communication and accountability

Looking ahead, we will continue to invest in the right combination of company-wide alignment around capabilities and performance expectations, while continuing to empower our banners to find the right solutions for regional and local team needs.



On this page: [Diversity, Equity & Inclusion](#) [Community Investment](#) [Health, Safety & Wellness](#) **[Employee Development & Experience](#)**

Highlights

Canada's Top Employers

We were thrilled to be recognized as one of Canada's Top 100 Employers for 2024. This achievement reflects our values-based culture, unwavering commitment to diversity, and focus on growth and development, embodying our purpose as a family nurturing families.

Nationwide Capabilities Building

In fiscal 2024, we launched new leadership growth and development training available for all office teammates, addressing the development opportunities most important to them. We continued to roll out the Power of One leadership program across our retail network, in our Lawtons business and select full-service locations. We also expanded our growth and development offerings to high-potential teammates. Participants were selected for programs through

a nomination process, creating an equitable and inclusive opportunity for all teammates to participate.

Investing in Teammate Growth and Development

The My Journey platform provides support and resources for growing in roles and growing careers. In our operations teams, several industry-leading programs are offered to support teammate growth and build rewarding careers. This includes development programs in supply chain, meat cutting, cake decorating, culinary skills, naturopathy, franchisee-in-training, department manager-in-training and store manager-in-training. Additional programs to support teammate growth include education assistance and scholarship programs.

Advancing Career Development

We recently introduced new Career Models for

teammates to understand expectations and opportunities associated with different roles and performance levels. This is a key tool to both identify and develop our people and future leaders through clear learning and career pathways. In our operations teams, we currently have our largest-ever cohort undertaking certification through our Nourish U training platform, and we continue to offer a range of industry-specific learning programs in all our regions and banners.

Leadership Pipeline

Through a robust talent and succession strategy, we continue to build our leadership pipeline by nurturing the development of future leaders for critical roles at every level of the organization. By taking a systematic approach and orchestrating critical experiences, we can ensure that as promotion opportunities and the need for new leaders arise, we have several candidates with the skills and relevant experiences to advance.

Recognizing Teammates

Our comprehensive teammate recognition programs include acknowledgement of high achievers, long-service programs and company values-based recognition programs. We express our appreciation through in-store events for teammates including BBQs and celebrations of shared holidays.

Champions

"In my 20 years with the company, I have been granted many opportunities to realize my career aspirations. Coming from a country that wouldn't have afforded me this kind of education and mentorship, I am so grateful for the ongoing training and learnings that have helped me become a better leader for my team. Feeling supported as you take such big leaps in your career is vital, and I'm happy I now get to be a part of my team's professional development as well."

– **Biviana Sanchez, Store Manager, Safeway**





Planet

- **Climate Action**
- **Plastics & Packaging**
- **Food Waste**
- **Energy Management**
- **Environmental Management**



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Climate Action



Net-zero by 2040 with validated science-based targets*

*for Scope 1 and 2 emissions, and net-zero for Scope 3 emissions by 2050

Why It Matters

As climate change has adverse impacts on our planet, including increasing the risk of extreme weather and other potential disruptions, we are taking action to reduce our GHG emissions and to make our business more resilient. We have a bold plan to achieve net-zero by 2040 for our Scope 1 and 2 emissions and net-zero by 2050 for Scope 3 emissions.

Analyst Spotlight

- [Climate Action Governance](#)
- [Climate Action Plan Overview](#)
- [Sobeys 2024 CDP Climate Change Disclosures](#)
- [Fiscal 2024 TCFD-Aligned Report](#)



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Our Approach

Climate change is one of the top priorities in our materiality assessment. Stakeholders have indicated they are interested in the steps we are taking to prepare for, adapt to and mitigate climate-related risks.

Our Climate Action Plan is aimed at meaningfully reducing our direct and indirect greenhouse gas (GHG) emissions and at our transition towards decarbonizing our business and value chain. It demonstrates how doing [OurPart[®]](#) to tackle climate change is a priority for our entire business.

Our plan is built around science-based targets that meet the requirements of the Paris Agreement.

[Learn more](#) about how we govern our approach to climate action.



Year 1 of Our Climate Action Plan: Phase 1

We have implemented our Climate Action Plan: Phase 1, which runs from fiscal 2024 to fiscal 2026. Year one of our strategy has focused on taking steps to reduce Scope 1 and 2 emissions from our business by aggressively reducing emissions generated at our stores and warehouses. We have

invested approximately \$47 million in more than 500 carbon-reduction projects across our grocery stores, including eliminating the vast majority of ozone-depleting refrigerants in our corporate locations, upgrading to high-efficiency HVAC systems, installing artificial intelligence systems to monitor energy performance, and adding solar panels on selected offices. We will continue to aggressively pursue scope 1 emissions reduction drivers in the mechanical rooms of our stores in fiscal 2025. Read more in [Energy Management](#).



Our Targets

Net-Zero Targets:

- Achieve net-zero by 2040 for Scope 1 and 2 emissions (ahead of net-zero by 2050 and 1.5°C scenario)
- Achieve net-zero by 2050 for Scope 3 emissions

Near-term Targets:

- **Scope 1 & 2 (absolute target):** We commit to reducing absolute Scope 1 and Scope 2 GHG emissions by a minimum of 55% by 2030 from a 2019 base year
- **Scope 3 (supplier engagement-based target):** We also commit to reducing absolute Scope 3 GHG emissions from use of sold products by 28% within the same timeframe, and that 64% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2027 (note that we have updated our supplier targets as an outcome of aligning with the SBTi)

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

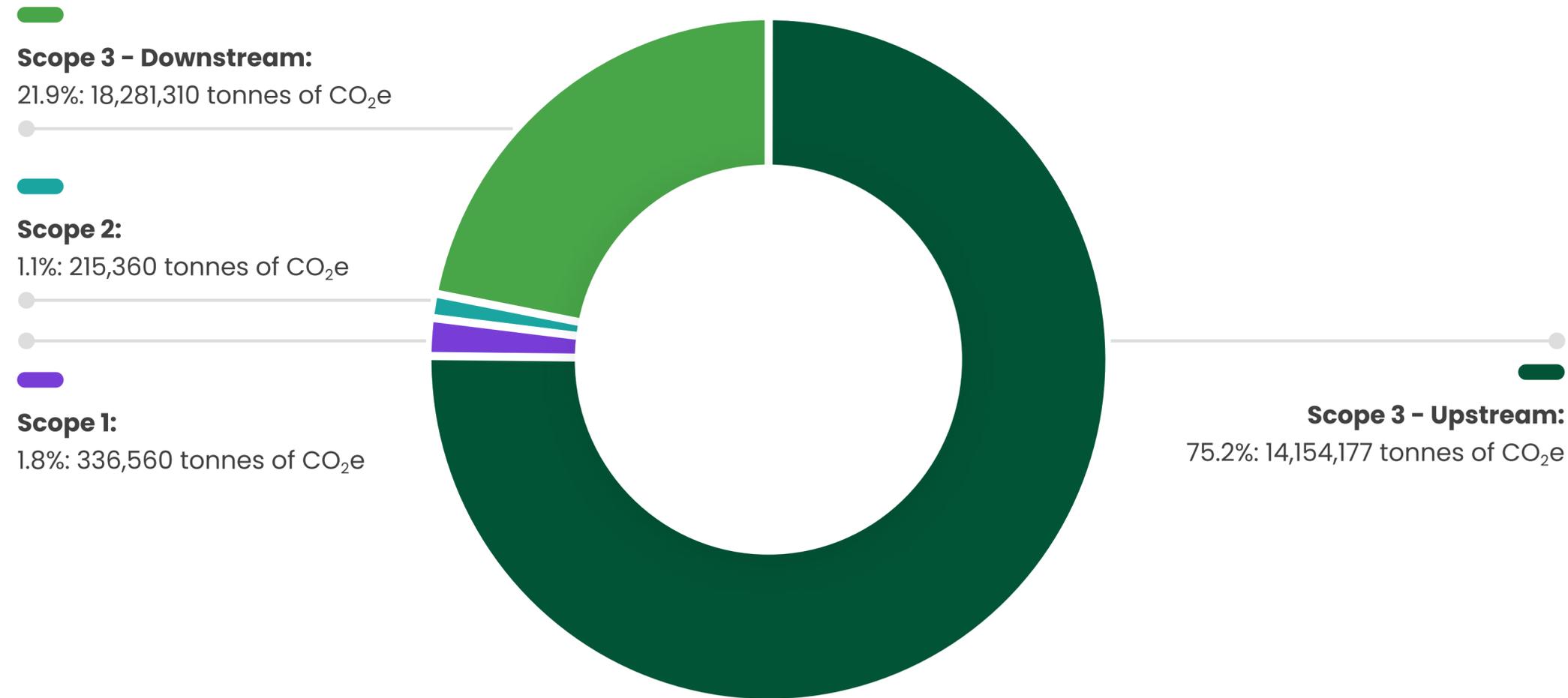
Setting FLAG Targets for Scope 3

To comply with the SBTi guidance, Empire is required to establish specific targets for GHG emissions related to the forestry, land and agriculture (FLAG) sector. As a company that procures products and services, our FLAG targets must cover at least 67% of FLAG-related Scope 3 emissions. Given this, we are developing FLAG-related targets for Scope 3, Category 1—purchased goods and services. We are collaborating with supplier partners to collect the information required for FLAG emission calculations. As not all our supplier partners are at the same level of maturity on their climate journey, we are taking a thoughtful approach to advance consistency and collaboration.

Empire & Sobeys Inc. Greenhouse Gas Emissions

Scope	2023	2022	2019	% difference (2023-2022)	% difference (2023-2019)
Scope 1	336,560	340,790	396,300	-1.2%	-15.1%
Scope 2	215,360	232,360	357,030	-7.3%	-39.7%
Scope 3	18,281,310	17,414,110	18,478,700	5%	-1.1%
Total Scope 1, 2	551,920	573,150	753,330	-3.7%	-26.7%
Scope 1 & 2 Intensity (kgCO₂e/sq ft)	23.2	23.9	32.8	-3.2%	-29.4%

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)



Note:

- We use the GHG Protocol to calculate our emissions. 2019-2023 GHG inventory includes all Sobeys Inc. and Empire grocery and related business banners in operation since 2019, including corporate and franchise sites.
- Scope 1 emissions sources encompass natural gas, propane and fuel oil used for heating and operations in our stores, retail support centres, and offices, as well as refrigerant emissions, fuel from corporate and Voilà fleet and diesel in onsite generators.
- Scope 1 emissions from refrigerant leakage includes our corporate grocery sites where maintenance service providers are integrated with our maintenance-tracking and data-management system. We will be enhancing our data-collection processes over the next year as we continue to work with our service providers to expand coverage of this emissions source.
- Scope 2 emissions sources encompass electricity consumption.
- Scope 3 emissions sources encompass purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 or 2), upstream transportation and distribution, waste generated in operations, business travel, employee commuting, down stream transportation and distribution, use of sold products, franchises, and investment.
- Reported emissions for calendar years 2019, 2020, and 2021 have been recalculated for improved accuracy in accordance with our internal greenhouse gas methodology document and in alignment with guidance from SBTi. Over the past year, we have improved our data collection methodology for mobile combustion emissions and reassessed the data used to calculate Scope 3 Category 1 emissions (purchased goods and services) to remove double counting.

Scope 1, 2 and 3 GHG Emissions Trends and Performance Against Targets

We annually evaluate and improve our methodology for collecting and assessing GHG emissions data, continuously improving our accuracy, transparency and consistency, then evaluating future actions for improvement.

As our emissions summary table shows, we continue to make progress reducing GHG emissions thanks to ongoing investments in energy efficiency and work with our supplier partners. Scope 1 and 2 emissions are almost 27% lower compared to our 2019 base year, primarily thanks to reductions in Scope 2 emissions.

Scope 1 and 2 Emissions:

- **Key Factors Driving Reductions:**
 - **Energy Efficiency:** Improved energy consumption in retail locations due to energy efficiency projects and optimization of corporate site areas.
 - **Fleet Efficiency:** Reduced fuel usage in our fleet through better efficiency using strategic fleet planning and management tools.
 - **Grid Decarbonization:** Significant reductions in carbon emissions from electricity use due to cleaner energy sources being added to the electrical grid. For instance, Alberta and Nova Scotia have been incorporating more renewable energy sources including wind and solar, lowering the overall carbon intensity of the electricity we use and contributing to a 4% reduction in Scope 2 emissions.
- **Key Factors Driving Increase:**
 - **Refrigeration:** Overall, emissions rose by 4.5% compared to last year due to increased refrigerant system maintenance and improvement of data systems and tracking in stores leading to better leak detection. However, in retail sites where we have had conversions from high global warming potential (GWP) refrigerants, we have lowered emissions by approximately 3%. As we continue to convert high GWP refrigerants to low GWP refrigerants, we expect to see further reductions in emissions.
 - **Organic Growth:** The expansion of our e-commerce business, Voilà, was particularly associated with the growth of the delivery fleet.

Scope 3 GHG Emission:

- **Scope 3 emissions** increased by 5% from 2022 and decreased by 1.1% compared to our 2019 base year. Purchased goods and services are our biggest drivers of emissions. We are continuously improving the accuracy of the data used to estimate emissions in this category. Our work with supplier partners through the CDP Supply Chain program will lead to a more granular understanding of Scope 3 emissions calculation and reduction opportunities in the coming years.
- **Key Factors Driving Increase:**
 - **Purchased Goods and Fuel Sold:** These categories are the biggest drivers, accounting for most of the growth in our total Scope 3 emissions this year due to organic growth.
- **Key Factors Driving Decrease:**
 - **Capital Goods:** Lower spending on capital goods, such as equipment used in offices, warehouses and stores.
 - **Transportation:** Increased efficiency in our use of third-party transportation.

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Climate Action: Reducing Scope 1 & 2 Emissions

During Phase 1 of our plan, from fiscal 2024 to fiscal 2026, we are working to achieve near-term targets by focusing on areas that are most critical to reducing emissions outputs.

Scope	Target	Status	Key Activities	Way Forward
1 & 2	<p>Annual reduction target (CY year over CY year): 5%</p> <p>Overall reduction from CY 2019 baseline: 25%</p>	<p>Reduction of 3.7% from CY 2022</p> <p>Reduction of 27% from CY 2019</p> <p>Completion of 500+ projects in FY 2024 (year one of our three-year Climate Action Plan)</p>	<p>Real estate and transportation initiatives:</p> <ul style="list-style-type: none"> • Energy Efficiency: HVAC and other energy efficiency projects including LED lighting retrofits, installing RTC controllers and SMC fan motor upgrades • Building Management: artificial intelligence and machine intelligence for stores • Refrigeration: focusing on HFC gas replacements, refrigeration systems retrofits and CO₂ conversions • Solar Rooftops • EV Charging Infrastructure 	<p>FY 2025 strategy will focus on refrigeration system upgrades and reducing energy consumption and emissions related to refrigerant leaks.</p> <p>As significant carbon footprint is generated from leaks, we can make important advances towards our 2030 climate action goals.</p> <p>Customer-facing initiatives will continue to be reflected in solar projects and EV charging station expansion.</p> <p>We will initiate an RSC energy-efficient program focusing on HVAC upgrades.</p>

Energy efficiency initiatives reduce GHG emissions and operating costs. Technologies such as LED lights typically have greater efficiencies and longer operational lifespans, requiring fewer repairs and replacements.

Investments in smarter and more agile HVAC systems also reduce energy use by allowing us to customize fan speeds and other requirements on a store-

by-store basis, ensuring comfort and operational efficiency.

Implementing artificial intelligence and machine learning (AIML) systems provides real-time, detailed visibility into the operations of refrigeration units in our stores, allowing us to address any issues and optimize for energy-use reductions. In addition to preventing costly repairs, maintenance and equipment downtime,

these smart technologies also maintain the best conditions for food quality.

Given that refrigeration leaks are responsible for most of our Scope 1 emissions, we have prioritized investing in low GWP refrigerants, refrigeration retrofits and gas conversions. We are addressing our refrigeration-related emissions in anticipation of impending federally mandated regulations limiting

GWP refrigerants.

Understanding our provincial grid intensities, informed by the Canadian Federal Emission Factors and Reference Values, has helped us design our Climate Action Plan to maximize carbon reductions. Provinces such as Saskatchewan, Nova Scotia and Alberta present the greatest opportunities to reduce our GHG emissions due to their reliance on high-

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

emission energy grids. This information informs both the selection of our carbon abatement projects and the type of projects we execute. For example, we are focusing solar projects in areas with higher intensity grids.

To ensure that our projects are both environmentally friendly and offer good business returns, we follow a stringent capital allocation process for our sustainability initiatives. This process is similar to how we manage other capital investments, such as store renovations, and focuses on delivering strong returns. Our fiscal 2024 capital expenditure plans were carefully developed to align with existing store renovation plans, minimizing disruption to customers and teammates.

Each sustainability initiative must pass a rigorous evaluation, ensuring it delivers solid financial returns while reducing GHG emissions in line with our Climate Action Plan. Return on investment (ROI) varies by initiative, with some exceeding our hurdle rate and others falling below it. However, initiatives that fall below our hurdle rate are required to achieve significant GHG emission reductions to be considered. Our ESG Finance team collaborates with various internal teams to track initiative progress and ensure forecasted outcomes are met.

While implementing decarbonization plans incurs additional costs, we adopt measures to mitigate costs impacts such as improving in-store execution and sourcing outcomes. Overall, our approach ensures

that our sustainability projects contribute positively to our environmental goals and financial performance.

GHG Emissions Assurance

The mandate of the Audit Committee of our Board of Directors includes reviewing applicable metrics and information contained in our annual Sustainable Business Report. We intend to have a third party provide limited assurance relating to Scope 1 and 2 emissions, including completing an assessment-readiness process. To ensure consistent, accurate and complete data, we have established a robust process, which is applied to all ESG disclosures effective as of fiscal 2022.

Engaging Our Supplier Partners on Climate Action

We're aiming for a minimum of 64% of suppliers, by spend, to set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. As a first step, we've partnered with the CDP Supply Chain program, an organization that manages the global environmental disclosure system, enabling us to provide practical resources to our supplier partners so they can measure and disclose their GHG emissions and set targets. Through the program, we gain insights into:

- **Emissions data** for each supplier and sector intensity

- **Suppliers' self-assessed** climate opportunities and risks
- **How our suppliers** are engaging with their value chain on sustainability and climate issues
- **Emissions target validation** (e.g., if they're science-based) and data verification

To support the launch of CDP Supply Chain, in April 2023 we ran climate action training with all our supplier-facing teams in merchandising and strategic sourcing. Since then, more than two-thirds of requested suppliers have submitted climate data, with 44 suppliers reporting to CDP for the first time in fiscal 2024. We are ahead of our forecasted milestone for the percentage of our suppliers with science-based targets after one year of tracking. More than half of the suppliers that have reported have a science-based target and approximately 25% of suppliers have GHG targets that are not science-based.

In addition to the CDP Supply Chain program, we've also focused on training merchandising and strategic sourcing teams in our business to support supplier partners to develop climate action plans.

Partnering to Mitigate and Adapt to Climate Risks

We are focused on building supplier partnerships that address the risks associated with growing and

producing food in a changing climate. At the same time, we are expanding our procurement from alternative growing methods such as controlled-environment agriculture (CEAs).

Understanding Climate Risks & Opportunities

We continue to integrate adaptation and mitigation strategies into our daily business operations and future planning. We provide quarterly reports as part of enterprise risk management tracking, which are shared with company leadership and the board. We also continue to meet with key teams across the business to share insights and strategies on adaptation.

Sharing Our Progress

Each year we submit performance data to CDP (formerly the Carbon Disclosure Project) about our climate, forestry and water impacts. In fiscal 2024, CDP upgraded our climate score from C (which indicates we show awareness of climate risks) to B (which recognizes we are managing climate risks). The improved score was thanks in large part to our new Climate Action Plan, including science-based targets, and to our inaugural climate risk assessment and scenario analysis in alignment with TCFD.

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Committed to Ongoing Collaboration

Our long-term goal for Scope 3 is net-zero emissions by 2050, which will require decarbonizing our entire supply chain. Our alignment with the CDP Supply Chain program will play an important role in helping us achieve our Scope 3 targets, enabling us to improve scope 3 data measurement and better understand our suppliers' emissions and progress.

Our second Scope 3 target is to reduce emissions from fuel sold at our filling stations by 28% by 2030. We are continuing to comply with the proposed National Clean Fuel Regulations, which will enable us to achieve an estimated 12% reduction in emissions from fuel sold by 2030. The balance of this emissions reduction work will be achieved through collaborations with our fuel suppliers, including plans to increase the availability of lower carbon-intensity fuel.

The scale and challenge of decarbonizing our business and supply chain are significant and will require transformational change. While our commitment is strong, our Climate Action Plan is dependent on geopolitical, economic, regulatory, supply and other factors beyond the control of our business. We know we cannot achieve our Scope 3 emissions reductions alone. Collaboration, partnership and action from suppliers, industry, government and customers are needed to achieve a more sustainable and low-carbon future. We remain committed to working collaboratively to decarbonize grocery supply chains in Canada and beyond.

Highlights

Showcasing Climate Action Plan Improvements

The newly renovated Sobeys store in the Aberdeen Mall in New Glasgow, Nova Scotia, is not only next door to our hometown of Stellarton—it was also one of the first stores to be upgraded with energy-efficient and carbon-reduction features as part of our Climate Action Plan. Our target is to roll out over 350 upgrades to stores, offices and retail support centres across the country in fiscal 2024 and 2025. These include:

- Installing interior and exterior LED lighting
- Converting refrigeration units to a new CO₂ system using natural refrigerants with low global warming potential
- Installing glass doors on cases and bunkers and roll-down curtains at night in the produce section to reduce the energy needed to maintain temperatures while keeping products fresher for longer

Expanding Use of Rooftop Solar

Our Longo's team is committed to working with building partners to ensure that all new stores and major renovations incorporate efficient technologies and features to ensure sustainable operations. To

date, Longo's has installed solar panels at eight stores and at the team's support centre, turning under-utilized rooftops into clean energy generating stations. In 2023, Longo's generated 1,798,792kWh of solar energy—enough energy to power 140 homes for a year.

Champions

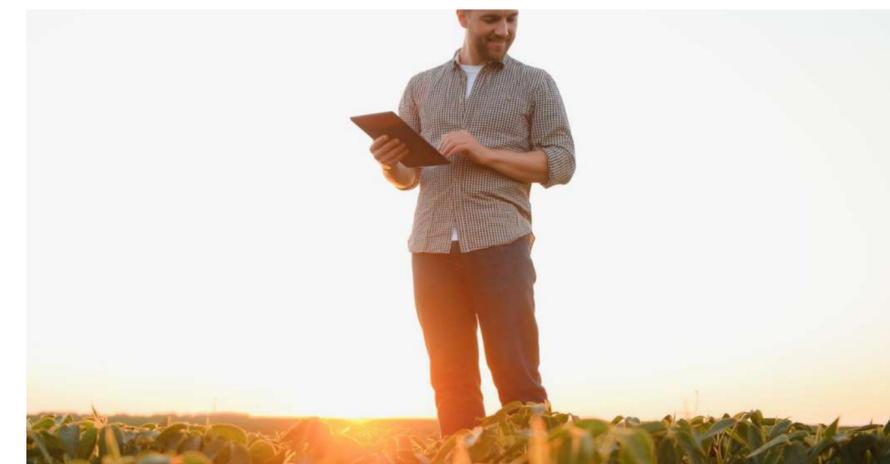
“We are all extremely proud of our newly renovated store [in the Aberdeen Mall, New Glasgow, NS], right here in our hometown. We are proud to be leaning into our sustainability strategy, which will have real and meaningful positive impacts.”

— **Dave Sobey, VP Atlantic Operations**



Learn more:

Our work to tackle climate change includes our focus on [energy management](#) and [environmental management](#).



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Plastics & Packaging



Making it easier to live plastic waste-free

Why It Matters

As a Canadian leader in plastics reduction, we are committed to ongoing partnerships with suppliers, manufacturers, processors and composters to find alternative forms of packaging that are better for people and the planet.

Analyst Spotlight

- [Plastics & Packaging Governance](#)
- [Environmental Policy](#)



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Our Approach

We are leaders in plastic waste reduction and circularity in our industry. Our overarching strategic approach to plastics and packaging is aligned with the Government of Canada’s **Action Plan on Zero Plastic Waste**. We support the federal government’s mandate to reduce plastic waste and improve reuse and value recovery and maintain our commitment to eliminate banned plastic items. These actions are critical to reducing plastics released into our environment and to increasing circular processes that encourage the reuse and recycling of materials.

In the last year there has been significant activity at all levels of government to eliminate unnecessary or difficult-to-recycle plastics and packaging materials and items. This continues to be a priority and focus of our collaboration with stakeholders across the food industry. We are committed to eliminating plastic and packaging waste in our Own Brands and in our operations, to pursuing circularity as a key business differentiator and to inspiring technological, organizational and social innovation across our value chain.

[Learn more](#) about how we govern our approach to plastics and packaging.



Advancing Our Plastics Action Plan

In fiscal 2024, we continued to make progress on a multi-year Plastics Action Plan focused on the following areas:



Improve reuse:

Lead on circularity to make it easier for our customers to **shop plastic waste-free** in stores and through Voilà (e-commerce)



Reduce plastic waste:

Set targets for our Own Brands and goods-not-for-resale store packaging to make it easier for our customers to **buy plastic-waste-free** products



Improve value recovery:

Support Canadian innovation in plastic reduction through partnerships with industry, suppliers and processors to make it easier to **live plastic-waste-free**



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

We are making progress in each of these three key action areas of our Plastics Action Plan. Our focus is on reducing unnecessary and difficult-to-recycle single-use plastics within our Own Brands and operations, increasing the use of post-consumer recycled (PCR) plastic material in our packaging, leading on circularity in our stores and e-commerce, and engaging with customers to reduce plastic waste at home.

Working With Partners and Suppliers

As a member of the Retail Council of Canada, we participate in industry committees related to plastics and packaging, including the EPR Stewardship Committee and the Plastic Committee. We have a consulting relationship with the Circular Innovation Council, and we participate in numerous industry working groups where we regularly connect on best practices for packaging circularity in the retail industry. We also continue building strategic collaborative partnerships with our supplier partners to address plastics and packaging across all product categories.

In addition to reducing use of hard-to-recycle plastics, our teams are finding ways to make other kinds of packaging less wasteful, too. For example, following a successful procurement process, our pharmacy teams are working with a new supplier to source a 100%-recycled paper bag solution that is also distributed in ways to reduce transportation emissions.

In addition, our team is working with generic vendors to develop larger pack sizes and reduce the amount of plastic used in stock bottles.

As another example, we have supported an industry-wide shift on mushroom packaging, moving away from non-recyclable plastic containers to clear, recyclable polyethylene (PET). This shift makes mushroom packaging 85% more recyclable. Select partners have been able to introduce recycled content (rPET) into these trays, reducing plastic use and fostering circularity.

Building on a Comprehensive Review

In fiscal 2024, we initiated a comprehensive analysis of our food packaging across our Own Brands and store supplies divisions. With the collaboration of our supplier partners, we are examining current and future opportunities to enhance packaging sustainability. This initiative will enable us to establish strategic objectives to increase packaging circularity; ensure compliance with governmental regulations, including Extended Producer Responsibility (EPR) requirements; and drive innovation.

We are collecting packaging data, such as weight, dimensions and recycled material usage, from our Own Brands and store supplies suppliers. This data supports our efforts to identify ways to reduce problematic and unnecessary plastic in our Own Brands packaging and store-packaged goods. Our

next phase involves expanding and refining our approach to enhance transparency and establish sustainability goals for our packaging.

Highlights

Canada's First Reuse Pilot An Industry-Wide Collaboration

In 2023, we joined the Circular Innovation Council, a leading national non-profit organization focused on accelerating Canada's transition to a circular economy. In collaboration with other national grocery retailers, we are piloting a first-of-its-kind reuse program aimed at eliminating single-use plastics and introducing reusable food containers into grocery retail. This is the largest collaborative reuse initiative in the country, starting with the development of a unique reusable food container pilot for launch in Ottawa in 2024. Learning from this pilot, we will explore ways to scale future programs towards even greater plastics reduction.

Renewing Our Circular Packaging Working Group

Our Plastic Action Committee continues to inform, champion and drive action to reduce and eliminate plastic and packaging while looking for opportunities to bring reusable packaging options to our products.



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Led by our sustainability team, the committee meets quarterly and includes participants from key stakeholder departments organized into functional groups, each focused on reducing plastic and packaging in various aspects of our business.

Ongoing Collaboration With Plastic Waste Challenge Winner

We continue to collaborate with Eco Guardian, the winner of our national Plastic Waste Challenge, in its design and prototype testing of compostable meat trays to replace plastics and extruded polystyrene. We are learning important lessons about how to ensure sustainable packaging is ready for customers and contributing to a circular economy.

Introducing Packaging Guidelines for Sobeys

We've introduced a new roadmap to help internal sourcing teams make more sustainable packaging decisions. While always keeping food safety front of mind, the roadmap draws on industry best practices, including the Golden Design Rules and the Canada Plastic Pact to inform purchasing decisions that reduce the use of hard-to-recycle plastics.

Improving Recyclability in Own Brands Packaging

Our Own Brands team continues to target action on

difficult-to-recycle plastics. This year we transitioned to PET packaging in several product categories, such as mushrooms and fresh chicken, and eliminated 200 tonnes of polystyrene destined for landfill.

Expanding Bulk Windshield Washer Fluid Availability

We continue to install bulk windshield washer fluid stations in Quebec. Eight locations were installed by EcoTank in 2023, and six more were added in 2024. We aim to continue this scale-up into fiscal 2025, based on the success of this initiative to date. Since fiscal 2022, we have displaced nearly 20,000 3.75-litre plastic jugs.



Champions

“By transitioning away from problematic plastics to easier-to-recycle packaging, we aim to reduce the waste that winds up in landfills while making our business more efficient. In the last year, we transitioned our made-in-house products away from black plastic packaging to white or clear without any cost increases. That’s a win for the environment and a win for us.”

– Brian Partridge, Manager, Packaging & Sustainability, Farm Boy



Learn more:

Our work to reduce plastics is strongly aligned with and connected to our focus on [ethical and sustainable sourcing](#) and efforts to [reduce food waste](#).

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Food Waste



As Canada's top food-rescue partner with Second Harvest, Empire donated more than 30 million pounds of surplus food to charities

Why It Matters

More than half of the food produced in Canada goes to waste, yet one in seven Canadian families struggles with food insecurity. Tackling surplus food is an important way to ensure more people get the meals they need to live healthy lives while also reducing environmental and social impacts.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Food Waste Governance](#)
- [National Food Rescue Program](#)

Fiscal 2024 Performance Highlight

36%

reduction in food waste in our stores—over half-way to our target of achieving 50% reduction in food waste by 2025

30 million+

pounds of surplus food donated to local charities from our stores and warehouses through our partnership with Second Harvest

98 million

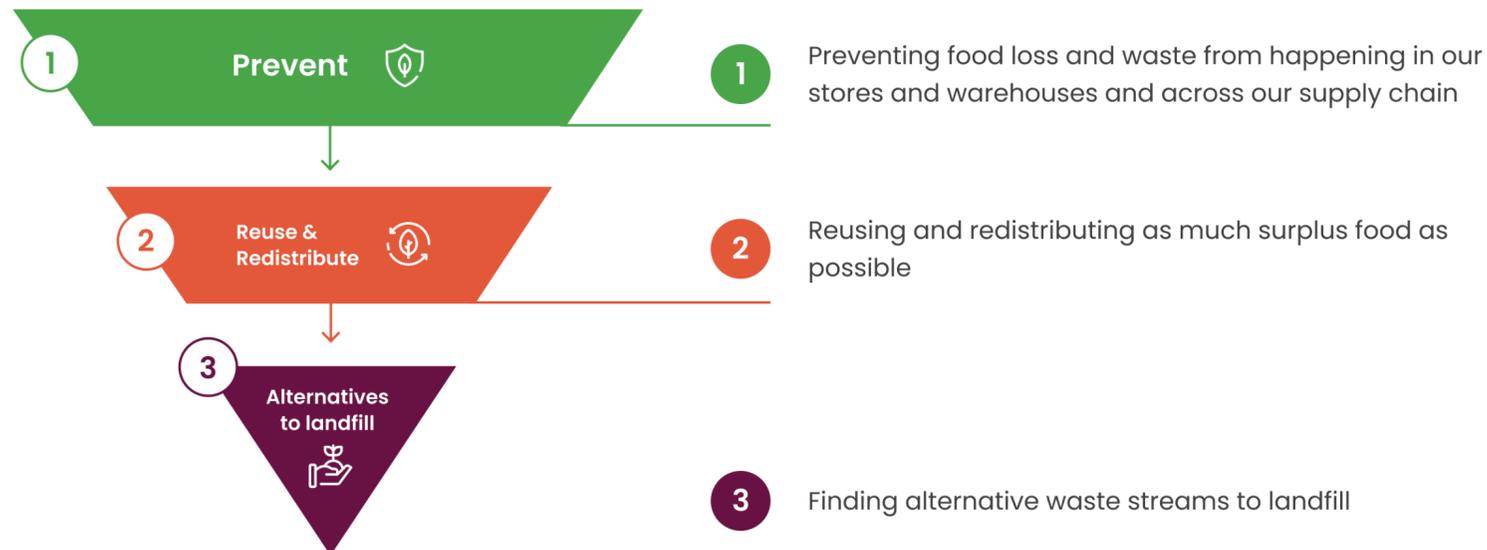
pounds of GHG averted thanks to food donations through Second Harvest

On this page: [Climate Action](#) [Plastics & Packaging](#) **[Food Waste](#)** [Energy Management](#) [Environmental Management](#)

Our Approach

We are committed to reducing food waste in our operations by 50% by 2025, measuring and reporting on our progress using the globally recognized Food Loss and Waste Accounting and Reporting Standard. To reach this target, we work with likeminded partners to reduce food waste in our stores and supply chain, ensure surplus food makes its way to the tables of families who are in need and track the incredible food rescue and donation programs already in place at our stores across the country.

Our food waste reduction strategy has three areas of focus:



[Learn more](#) about how we govern our approach to food waste.

Preventing Food Loss and Waste

In light of the importance we place on reducing food loss and waste, we seek to build awareness, cultivate new behaviours and provide tools and systems that can empower our teams and customers to reduce the amount of food that is wasted and match surplus food from donor organizations with community and charitable organizations such as food banks.

We have implemented a multi-tiered food-waste prevention program that all managers are expected to execute in our stores daily. Stores are also provided with clear food donation guidelines vetted by our internal food safety team and in alignment with the Canadian Food Inspection Agency guidelines.

Redistributing Surplus Food—National Food Rescue Program

To make progress towards our food-waste reduction goal, we partner with **Second Harvest**, Canada’s

largest food rescue organization. We have successfully deployed the Second Harvest Food Rescue App in provinces across Canada, connecting families in need with non-profit organizations that have received fresh, healthy food, while also reducing surplus food. We have also onboarded all our retail support centres, including our customer fulfillment centre for our e-commerce business, Voilà. We expanded the project scope to include Needs convenience and fuel sites. [Watch this video](#) to learn more about our partnership with Second Harvest.



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

One of the many benefits of our national food rescue program is that it makes it easier for our stores to donate surplus, perishable food from nutrient-dense food categories, such as produce, dairy and meat—foods that are difficult for local charitable partners to acquire. Knowing that these specific types of food also have the highest environmental impact, it's even more important to divert them from landfills.

In addition to our partnership with Second Harvest, we also take part in committee meetings of the Consumer Goods Forum that focus on reducing food waste, sharing best practices and learning from our industry peers.

More than 180 stores in Quebec take part in the programme de récupération en supermarchés (PRS) to reduce food waste. In 2023, we donated over

two million kilograms of food to local organizations through this program, a 20% increase from 2022.

Raising Awareness With Our Customers to Rescue Food at Home

In addition to our work with Second Harvest, we also continue to build awareness with our customers through ongoing campaigns about how to reduce food waste.

We partnered with other Canadian companies and organizations to create a customer-facing campaign to promote a range of waste-reduction behaviours and opportunities during Waste Reduction Week and beyond. We also encouraged customers to adopt the fourth “R”: Reduce, Reuse, Recycle and Rescue.

Our teams in Quebec and New Brunswick partnered with the Fonds Éco IGA to host a series of educational workshops for customers, providing them with tips and resources that helped approximately 11,000 customers to reduce their food waste.

Looking Ahead

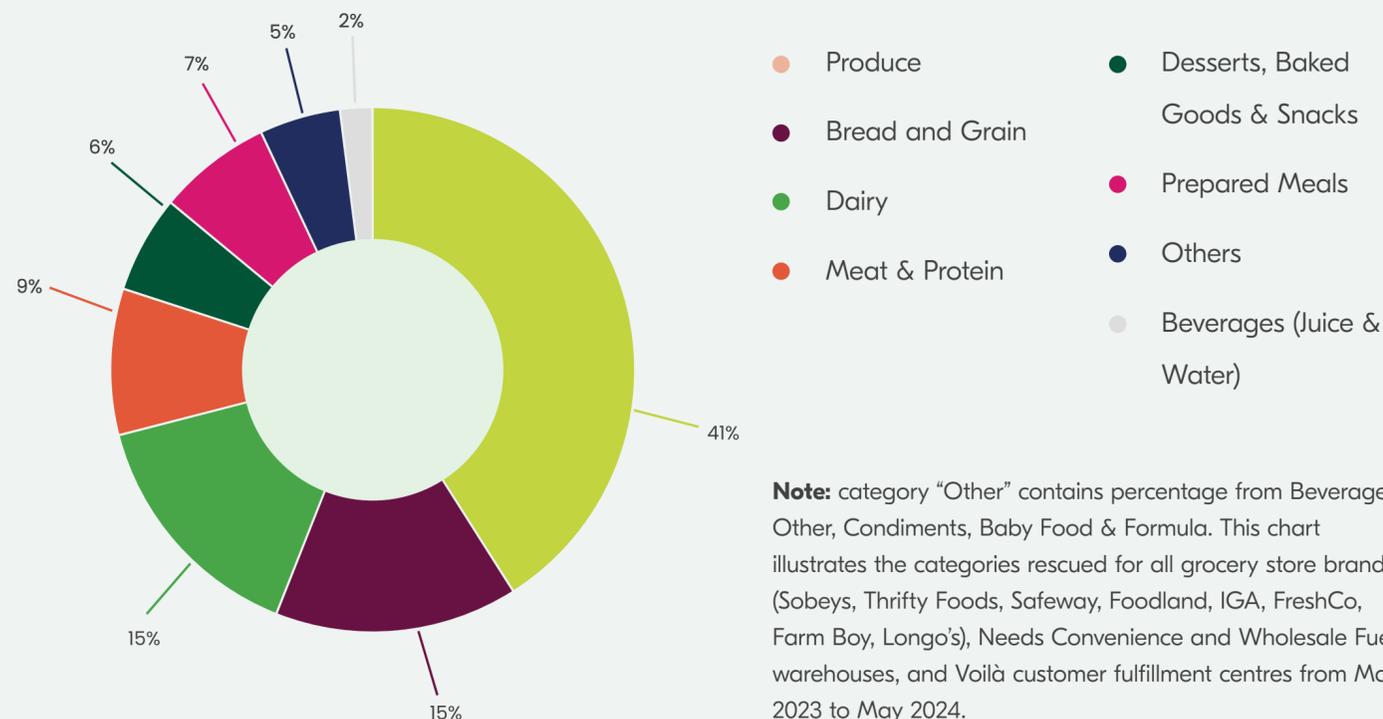
As we look towards our 2050 food-waste reduction target, we will continue to explore operational efficiencies and optimize the use of surplus food through programs such as Fruitful Bargains, where stores sell imperfect produce at a reduced price. We will also continue to engage with partners and

customers across our value chain to prevent food waste. We are developing a scalable store waste diversion program that will optimize diversion, reduce food waste and meet our regulatory obligations.

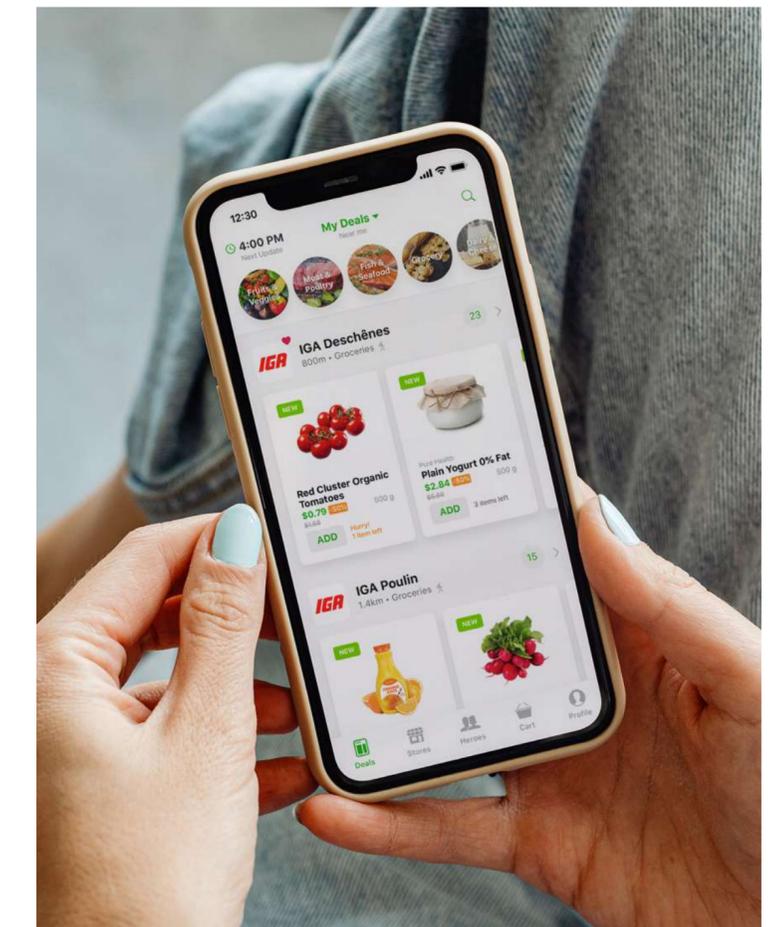
[Learn more](#) about food rescue.



Fiscal 2024 Food Donations by Category through National Food Rescue Program



Note: category “Other” contains percentage from Beverage-Other, Condiments, Baby Food & Formula. This chart illustrates the categories rescued for all grocery store brands (Sobeys, Thrifty Foods, Safeway, Foodland, IGA, FreshCo, Farm Boy, Longo’s), Needs Convenience and Wholesale Fuel, warehouses, and Voilà customer fulfillment centres from May 2023 to May 2024.



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Highlights

Canada's Top Food Rescue Partner With Second Harvest

Sobeys was once again recognized as Second Harvest's Partner of the Year for our extraordinary dedication to rescuing surplus food. In fiscal 2024, we donated approximately 30 million meals to food charities through our food rescue program. The Sobeys retail service centre in Whitby, Ontario, was also awarded Second Harvest's Food Defender award in recognition of its exceptional and continued support. In addition to helping families in need access fresh, healthy food, our donations surpassed our annual goal to divert 31 million pounds of food from landfill annually and avoid approximately 41 million kilograms of greenhouse gas emissions each year.

[Watch this video](#) to learn more about our partnership with Second Harvest.



Expanding FoodHero Access

Our partnership with the FoodHero mobile app enables our store teams to divert surplus food by offering it at discounted prices. The app makes it easier for customers to save up to 60% on proteins, baked goods, produce and more. FoodHero is operating in 340+ stores in Quebec and is available at participating IGA, Rachele Bery, Les Marchés

Tradition and Marché Bonichoix stores. We plan to expand FoodHero into the rest of Canada in the coming year. Leveraging tools and technology like the FoodHero app further reduces surplus food from going to landfill while enabling customers to save money.

Too Good To Go

Since 2022, Longo's has partnered with Too Good To Go, an online marketplace for surplus food. All Longo's stores are currently on the app—saving delicious food from waste. Over the past two years, Longo's has diverted 54,050 pounds of surplus food from landfill and into the hands of customers. This amounts to more than 135,000 kilograms of CO₂e emissions avoided.

Champions

"Sobeys Whitby retail support centre is proud to hear that we are making a difference. On average we donate up to 19,200 pounds of food every week. Help from Second Harvest allows us to divert food from landfill, reducing harmful greenhouse gas emissions."

— **Mike Murray, Inventory Control Administrator, Whitby RSC**



Learn more:

Our work to reduce food waste connects with our focus on [ethical and sustainable sourcing](#), [building stronger communities](#) and [reducing plastics](#).



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Energy Management

Why It Matters

Managing and reducing the amount of energy we use in our business is an important way we will make progress on our [Climate Action Plan](#) and achieve our targets to reduce emissions. We will also continue to choose the right technologies and solutions to create the best in-store and e-commerce shopping experiences for our customers in ways that use energy sustainably.

Analyst Spotlight

- [Environmental Policy](#)



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Our Approach

Our aim is to cut our greenhouse gas (GHG) emissions to improve and optimize our operating performance by choosing the right technologies to use less energy while still delivering great customer experiences.

Our Energy Management Program is governed and managed at the senior levels of our company with the support of dedicated teams. For our real estate team, senior executive responsibility sits with our SVP Real Estate and our VP Design, Maintenance & Building Standards, who oversee store design with an additional focus on our building standards, design innovation and environmental standards across all our banners. We also have a Real Estate and Sustainability Working Group responsible for providing direction to our maintenance and real estate teams on how to implement and execute the Energy Management Program. On our supply chain and logistics team, senior executive responsibility sits with our SVP Supply Chain, who is supported by our VP Integrated Supply Chain. This team leads monthly meetings focused on the progress of our national electronic logging device (ELD) rollout. Our governance structure ensures strong oversight of our strategies, delivery of our actions and accountability in execution.

We partner with many organizations to achieve our goal to reduce energy consumption, increase efficiencies and lower GHG emissions. We have

worked with experts in refrigeration management and commissioning to implement our programs.

Managing Energy at Our Sites

In 2022, we updated the diagnostic assessment of carbon emissions and energy consumption in our buildings and related maintenance functions. Based on this, we developed a plan that will achieve carbon reductions by investing in refrigeration systems, reducing energy consumption and exploring power purchase agreements for renewable energy.

As we continue to implement our energy-management initiatives nationally, we prioritize locations in provinces with higher energy-related emissions intensity. We are making progress on refrigeration improvements, including:

- **Installing** CO₂ refrigeration systems in new and renovated stores
- **Upgrading** HFC refrigeration to reduce operations and maintenance costs and to use refrigerants with lower global warming potential (GWP)
- **Converting** to more energy-efficient equipment and controls

Over the next decade we anticipate facing challenges around sourcing cleaner energy technologies, such as solar panels for our stores and warehouses, as demand for these technologies intensifies. We are

planning ahead to address these potential challenges as part of our [Climate Action Plan](#). In fiscal 2024, we took action to implement our Climate Action Plan (Phase 1: fiscal 2024–2026), prioritizing energy efficiency and other carbon-abatement projects.

As a good steward of the environment, we also continuously monitor our energy use to identify opportunities to reduce consumption. In addition, we have developed a list of standardized environmental criteria to effectively select programs that support our [Climate Action Plan](#). This helps us align our real estate renovation projects to facilitate action on emissions reduction.

Growing Use of Renewable Energy

As part of achieving our operational emissions reduction target of 55% by 2030, we are exploring ways to reduce our energy consumption from non-renewable sources. In fiscal 2024, we piloted rooftop solar arrays at two Sobeys stores in Nova Scotia. Both locations have approximately 277 kW solar systems that are expected to save 45 tonnes of CO₂e each year. We have also installed solar generation at our corporate offices in Stellarton, Nova Scotia, including a solar carport. These pilots add to work under way at Longo's, where the team has installed solar panels in nine locations.



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) [Environmental Management](#)

Managing Energy in Our Logistics

Managing energy responsibly also means focusing on the transportation of goods. Our supply chain fleet team leads planning, development and rollout of key programs to achieve cost efficiencies and reduce environmental impact.

We are developing a national fleet decarbonization roadmap to deploy EVs and other fuel- and energy-efficient fleet vehicles. We are also implementing a transportation management system to plan, execute and optimize the physical movement of goods. We've introduced lightweight fleet vehicles, engineered for fuel economy.

Highlights

Data-Driven Distribution

We're improving store delivery notifications and fleet efficiency with a digital fleet management platform that tracks vehicles and other equipment. This platform enables Empire to reduce fuel consumption by optimizing driver behaviour and route management. Stores also receive notifications of incoming deliveries, allowing them to better manage their workforce and operations. In September 2023, we launched a national fleet maintenance and management solution that allows national fleet tracking, centralized data, planning tools, and data-driven decision-making—all to improve efficiency in the transportation of goods.

Energy Optimization Tools

We continue to focus on energy-efficient operations in our stores and distribution centres. Ongoing initiatives include lighting retrofits, upgrades to HVAC controllers and variable-speed HVAC motor systems installations. In addition, we are deploying artificial intelligence and machine learning (AIML) technologies to support conservation measures in corporate stores over the coming year. These tools will allow us to quickly analyze trends to predict and address issues before they impact operations.

EV Charging Expansion

In Quebec, the Fonds Éco IGA and IGA merchants are making electric vehicle transportation more accessible thanks to RechargÉco charging stations installed in supermarket parking lots. These are Level 3 charging stations, among the fastest on the market, which can charge a car in 20 minutes, on average. More than 100 charging stations were installed at 51 stores by the end of 2023. Each month, revenue from charging stations is donated to local charities, enabling community support in addition to environmental benefits.

In early 2024, Longo's launched a cutting-edge battery-powered EV charging solution in North Oakville, Ontario. The new charging facility combines seven Level 3 chargers with a battery system that can also provide some backup power to the store in the event of a power outage. Longo's is committed to

having electric vehicle charging stations available at all feasible stores by 2025.

Electricity in Motion

As part of our Climate Action Plan, we are investing in the energy efficiency of our supply chain and fleet vehicles by installing smart technology on transport trucks to manage refrigeration more efficiently and by optimizing route selection to reduce fuel and energy consumption. In fiscal 2024, we procured Level 3 charging infrastructure to pilot Class 8 trucks in our Quebec-based fleet. We aim to initiate the pilot in fiscal 2025. The learnings from the pilot will inform our go-forward strategy on fleet electrification.

Champions

“Advancing energy management in our stores reduces our demand on provincial power grids, improves resiliency and decreases our carbon footprint. We made impactful strides this year with new technologies, insights and projects.”

— Meagan Sykes, Energy Manager, Real Estate, Design, Maintenance & Building Standards



Learn more:

Our work to use energy more sustainably links with our [Climate Action Plan](#) and [approach to environmental management](#).



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) **[Environmental Management](#)**

Environmental Management

Why It Matters

We are committed to reducing our environmental impacts to ensure we are using resources sustainably and reducing waste. These efforts protect the communities where our teammates, customers and partners live and work. They also contribute to our progress in reducing climate-related impacts throughout our supply chain.

Analyst Spotlight

- [Environmental Management Governance](#)
- [Environmental Policy](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Animal Welfare Statement](#)
- [Sobeys 2023 CDP Forest Disclosure](#)
- [Sobeys 2023 CDP Water Disclosure](#)
- [Sobeys Inc. Waste Management Program](#)
- [Sustainable Palm Oil Policy](#)
- [Sustainable Fish & Seafood Sourcing Guidelines](#)

Fiscal 2024 Performance Highlight

\$15 million

of cumulative amount donated in partnership with Earth Day Canada to support environmental initiatives since 2008

On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) **[Environmental Management](#)**

Our Approach

Guided by Policies and Targets

Our Environmental Policy reinforces our commitment to environmental stewardship and underscores our dedication to safeguarding the environment. The policy, aligned with the ISO 14001:2015 standard, recognizes global environmental challenges and their relevance to our business, as well as the imperative to act. It addresses key impact areas defined by our materiality assessment and includes climate change, energy management, food waste, plastics and packaging, and ethical and sustainable sourcing.

To deliver on OurPart[®] to protect the environment for future generations, we've set targets in material areas of environmental impact within our business (see [Food Waste, Climate Action, Ethical & Sustainable Sourcing](#)).

We aim to comply with all applicable environmental laws and regulations and to demonstrate due diligence in the protection of the environment. Given the national reach of our operations, we keep up to date with all new, emerging and existing environmental regulations across all three levels of government in Canada.

[Learn more](#) about our Waste Management Program.



Working With Suppliers and Partners

In addition to our Environmental Policy, we have developed policies related to reducing environmental impacts in our supply chain. This year we've initiated work with supplier partners to set forest, land and agriculture (FLAG) targets, which include GHG emissions related to land-use activities. Our progress on FLAG targets is detailed in our Climate Action section. We also have a robust waste management approach, ensuring all parts of our business are working to reduce waste while dealing with it responsibly.

We participate in several industry-wide working committees, including the Retail Council of Canada's Working Committees on Extended Producer Responsibility/Stewardship and Plastics and other working groups. We continue to work with Earth Day Canada/Jour De La Terre on strategic waste-management-related projects. They are a key partner in developing strategies to prevent store waste going to landfills.

Looking Ahead to Support Nature & Biodiversity

We have a track record of working to reduce environmental impacts and support ecosystem health. Our partnership with One Tree Planted, a non-profit environmental charity, led to 45,000 new trees being planted across Canada. Looking ahead, we aim to

keep making progress on our Climate Action Plan by investing in more nature-based solutions.

Informed by the guidance of the Taskforce on Nature-related Financial Disclosures (TNFD), we aim to conduct a full nature and biodiversity assessment

in fiscal 2026 to understand relevant risks and opportunities and guide our planning. Opportunities may include conservation and restoration initiatives that increase natural carbon stores and other work to support ecosystem adaptation and resilience.



On this page: [Climate Action](#) [Plastics & Packaging](#) [Food Waste](#) [Energy Management](#) **[Environmental Management](#)**

Highlights

Analyzing Store Waste Management

In fiscal 2023 we completed a compliance-based waste audit project in select Ontario stores to provide detailed insight about store-related waste, recycling and various diversion streams. That data has informed a national store waste-diversion strategy project for Sobeys banner stores, intended to set ambitious goals to improve resource circularity and develop a comprehensive approach to improve waste-reduction and waste-diversion efforts. The initiative is anticipated to be completed in fiscal 2025.

Building Green Champions

Building on a successful pilot initiated in our Longo's stores last year, we expanded our Green Champions program to office-based teammates in our corporate offices across Canada in 2024. The Green Champions sustainability training and engagement program provides opportunities for teammates across our business to build their knowledge about sustainability, explore ways to protect the environment, and learn how to influence and drive change in their stores and business areas. The online training program teaches teammates about our sustainability commitments and how they can be part of achieving them, with modules focused on the circular economy, food waste, plastics

and packaging, and climate action. Green Champions participants are encouraged and empowered to be ambassadors for sustainability, helping their teams and other business areas to work in ways that are better for people and the planet.

Action/Reduction Impacts in Quebec

Almost 300 of our stores in Quebec are now participating in Earth Day Canada's Action/Reduction waste management program, which aims to give a second life to cardboard, food waste and other store waste. Store teams receive training, support and tools to implement leading residual waste-management approaches.

Learn more:

Our commitment to environmental management includes our work to take [climate action](#), reduce waste from [packaging](#) and [food](#), and use [energy](#) responsibly.





Products

- Human Rights
- Ethical & Sustainable Sourcing
- Product Quality & Safety
- Health & Nutrition
- Supplier Partnerships
- Customer Experience & Engagement



Human Rights

Why It Matters

We take our responsibility as a leading Canadian retailer seriously, doing our part to uphold human rights and work to eliminate forced labour and child labour in supply chains. We work closely with supplier partners locally, nationally and internationally, collaborating around shared values to provide customers with responsibly sourced products.

Analyst Spotlight

- [Commitment Statement to Indigenous Peoples Across Canada](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Ethical and Sustainable Sourcing Governance](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Fighting Forced Labour and Child Labour FY2024 Report](#)
- [Health and Safety Policy](#)
- [Indigenous Relations Policy](#)

Our Approach

We endorse the United Nations Universal Declaration of Human Rights, the Core Conventions of the International Labour Organization and the United Nations Convention on the Rights of the Child. Our policies, practices and ongoing commitment to protect human rights have been informed by these international codes and conventions.

[Learn more](#) about how we govern human rights risks in our supply chain.



Focus on Human Rights in Our Workplaces

We have internal policies and practices in place to ensure human rights are respected and we address labour issues within our own operations. This includes:

- The **Empire Code of Business Conduct and Ethics**, which requires all teammates working in our business to uphold shared values, act with integrity and comply with all applicable laws and regulations
- Our **DE&I** and People Strategies, which further embed our commitments to foster inclusive and respectful workplaces
- Our **Health and Safety Policy**, which embeds our commitment to ensure safe and healthy work environments

- Our new **Commitment Statement** to Indigenous Peoples Across Canada and Indigenous Relations Policy, which inform our approach to hiring, partnering and reconciliation

Focus on Human Rights in Our Supply Chain

In 2024, in compliance with new federal legislation, we filed our first Fighting Forced Labour and Child Labour Report. The report outlines our due diligence practices, starting with Empire's Ethical and Sustainable Sourcing Policy (ESSP). Introduced in fiscal 2022, the ESSP includes our expectation that supplier partners address the environmental and social impacts of their products by complying with all applicable laws and regulations and upholding Empire's standards. It includes our zero-tolerance position on child labour and forced labour, along with a range of related due diligence practices that contribute to the reduction of human rights-related risks in supply chains.

Developing a New Human Rights Due Diligence Program

In fiscal 2025, we intend to create a broader Human Rights Due Diligence Program to address any risks in our supply chain. Program elements will include:

- Identifying the human rights risks for our business and supply chain, with a focus on risks related to forced and child labour

- Reviewing and updating policies and management systems if required
- Working with teammates to build understanding and with supplier partners to support their compliance and mitigate human rights risks
- Tracking progress and communicating about our effectiveness

As we improve our due diligence approach, we will also continue to strengthen existing supplier and purchasing initiatives that support human rights, including our work on sustainable palm oil, sustainable seafood and Fairtrade. Read more in [Ethical and Sustainable Sourcing](#).

Committed to Listening and Improving

Embedded into the ESSP is a grievance mechanism through which employees, suppliers or anyone with concerns can report potential violations. Concerns can be shared confidentially through a third-party ethics hotline or made to a member of the Empire team. The Ethics Line (ClearView Connects) is professionally supported by an organization independent of Empire. All grievances reported through this mechanism are investigated thoroughly and, where appropriate, are directed to our board-level audit committee.

Own Brands Due Diligence

We expect all our supplier partners to uphold ethical practices and we hold our Own Brands suppliers to the same high standard. Prior to being onboarded, Own Brands suppliers are vetted for quality assurance and required to sign off on Supplier Minimum Quality Standards, which includes expectations on ethical manufacturing. Suppliers may also be asked to complete a social compliance audit and are required to report on customer complaints, including labour concerns. For categories with identified risks (including at-risk commodities or country of origin), we encourage our Own Brands suppliers to provide SMETA (Sedex Members Ethical Trade Audit) reports, which are housed in our internal database.

Learn more:

Our commitment to human rights includes staying focused on [ethical and sustainable sourcing](#) while always looking out for [our people](#) and [supplier partners](#).

Ethical & Sustainable Sourcing

Fiscal 2024 Performance Highlight

96%+

of Own Brands seafood is sustainably sourced

See all our [ESG Data and Policies](#)



Making it easier for customers to find sustainable products in our stores

Why It Matters

We believe the people behind the products we sell deserve to be treated fairly and encouraged to use resources sustainably. As a national grocer and retailer, we're committed to using our scale and influence responsibly, by taking steps to partner with our suppliers and source more products that fulfill the growing customer demand for ethical and sustainable products.

Analyst Spotlight

- [Ethical and Sustainable Sourcing Governance](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Animal Welfare Statement](#)
- [Sustainable Fish & Seafood Sourcing Guidelines](#)
- [Sustainable Palm Oil Policy](#)
- [Fighting Forced Labour and Child Labour FY2024 Report](#)
- [Member - Sobeys Capital Incorporated - Roundtable on Sustainable Palm Oil \(RSPO\)](#)

Our Approach

Our key focus areas for ethical and sustainable sourcing



Fair Trade



Animal welfare



Sustainable seafood



Sustainable palm oil



Plant forward

Our strategy for each of these topics is based on a multiphase approach that involves gathering data to gain a deeper understanding of our supply chain. This helps us develop appropriate governance, set commitments and continuously improve. Our goal is to empower supplier partners with clear policies, expectations and tools and to enable customers to make sustainable and healthy product choices.

Key partnerships supporting our work in this area include the Roundtable for Sustainable Palm Oil,

CDP Supply Chain Program, National Farm Animal Care Council (NFACC), Canadian Roundtable for Sustainable Beef, Sustainable Fisheries Partnership, Ocean Wise, and Fairtrade Canada.

[Learn more](#) about how we govern our approach to ethical and sustainable sourcing.



Embedding Responsible Sourcing Across Our Supply Chain

Through our [Ethical and Sustainable Sourcing Policy \(ESSP\)](#), we continue to work across all product categories to embed responsible sourcing standards and expectations into purchasing processes. Applying to both direct and indirect supplier partners, this policy communicates our expectation that they address the social and environmental impacts of their products by complying with all applicable laws and regulations and upholding high standards of stewardship.

Focus on Human Rights

We are also reviewing our supply chain and procurement practices with a particular focus on child and forced labour. In 2024 we filed our first Fighting Forced Labour and Child Labour Report and aim to launch a Human Rights Due Diligence Program to mitigate these risks in our supply chain.

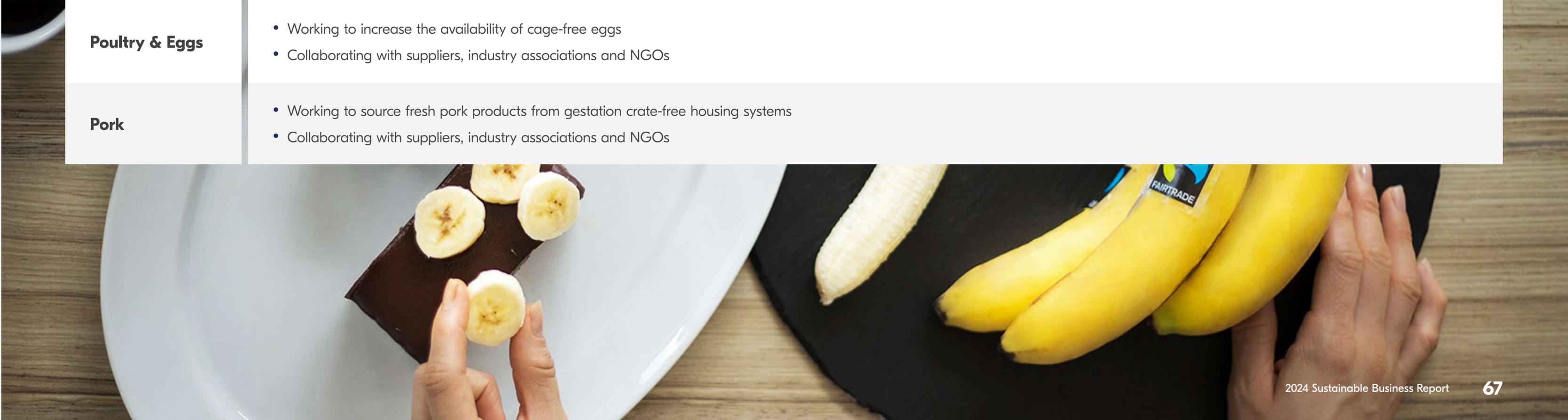
Read more about our approach to [human rights](#).

On this page: [Human Rights](#) [Ethical & Sustainable Sourcing](#) [Product Quality & Safety](#) [Health & Nutrition](#) [Supplier Partnerships](#) [Customer Experience & Engagement](#)

Ongoing Commitment to Animal Welfare

Building on the publication of our [Ethical & Sustainable Sourcing Policy](#) and [Animal Welfare Statement](#) in fiscal 2023, we are developing new and updated guidelines in collaboration with supplier partners and other stakeholders, including the National Farmed Animal Care Council. We are focused on addressing protein-specific welfare issues and, where feasible, introducing updated time-bound commitments towards higher welfare products. We will continue to address animal welfare on a protein-by-protein basis, doing our part to encourage more ethical and sustainable production, including addressing climate impacts and supporting biodiversity and nature.

Protein	Our Commitments & Actions
Beef & Dairy	<ul style="list-style-type: none"> • Member of Canadian Roundtable for Sustainable Beef • Improving animal welfare and reducing environmental impacts • Supporting Canadian beef industry • Encouraging sustainable practices, including opportunities for carbon sequestration in grazing lands
Poultry & Eggs	<ul style="list-style-type: none"> • Working to increase the availability of cage-free eggs • Collaborating with suppliers, industry associations and NGOs
Pork	<ul style="list-style-type: none"> • Working to source fresh pork products from gestation crate-free housing systems • Collaborating with suppliers, industry associations and NGOs



Supporting More Sustainable Seafood Practices

Through our Seafood Metrics initiative, delivered by the Sustainable Fisheries Partnership, supplier partners gain a comprehensive understanding of the sustainability risks and opportunities associated with their source fisheries, including both wild-caught and farmed seafood. Businesses can evaluate the sustainability impacts of fish and seafood products, understand the effectiveness of existing improvement efforts, and prioritize future opportunities. Seafood Metrics also serves as a traceability program enabling

suppliers to report place of origin. This empowers suppliers and our procurement teams to make informed decisions about the seafood they source and promote more sustainable practices in the industry.

After gathering information for one year through Seafood Metrics, our business and suppliers have reliable data on seafood origin, catch methods, certifications and human rights risks. A third party, Ocean Wise, audits and assesses the data to provide annual recommendations on alternative sources to eliminate or reduce non-sustainable species or fisheries across our seafood supply chain. We work

closely with the Sustainable Fisheries Partnership to address gaps in our reporting and to ensure seafood data is accurate. Using this data, we have begun to update our seafood guidelines to be more reflective of the current environmental and social imperatives to ensure our oceans are being fished responsibly. We aim to share these guidelines with supplier partners within the next year.

As we work towards expanding our sustainable seafood guidelines beyond our Own Brands products, we are certified by these third-party programs:



Sourcing Sustainable Palm Oil

Last year we updated our [Sustainable Palm Oil Policy](#), setting a goal to only source 100% certified sustainable palm oil in Own Brands products by December 31, 2025, as defined by the Roundtable on Sustainable Palm Oil (RSPO) standard. We will achieve this goal without purchasing palm oil credits. As we increased our commitment, we updated our approach to ensure supplier partners meet our standards through annual checks and verified certification.

In fiscal 2024, we hosted supplier-facing webinars on sustainable palm oil RSPO certification. We also focused on educating teammates about the environmental and social impacts of palm oil sourcing. We continue to encourage all suppliers to adopt sustainable palm oil practices, end deforestation, treat workers and communities fairly, and protect wildlife and the environment.

Certification by third-party program	Proportion (%)
Percentage of Own Brands fresh and frozen fish and other seafood by weight that are third-party certified sustainable or recommended	96%
Percentage of Own Brands fresh and frozen fish and other seafood products certified by Marine Stewardship Council	22%
Percentage of Own Brands fresh and frozen fish and other seafood products recommended by Ocean Wise	70%
Percentage of Own Brands fresh and frozen fish and other seafood products certified by Best Aquaculture Practice	21%
Percentage of Own Brands fresh and frozen fish and other seafood products certified by Aquaculture Stewardship Council	32%

Ensuring Fair Pay for Growers Through Fairtrade

Organic Fairtrade bananas are available in our stores across Canada, contributing to fair pay for growers. Fairtrade banana growers are paid at least the Fairtrade Minimum Price, which acts as a crucial safety net through market fluctuations, and a Fairtrade Premium—an extra sum of money for investment in business or community projects. In fiscal 2024, Sobeys purchased 4.6 million kilograms of bananas, generating \$256,601 of Fairtrade Premium funds.

In addition to our Own Brands assortment of Fairtrade coffee, chocolate and tea, we also provide an outlet for many national and international suppliers to make their products available across Canada. Some of these brands include:

Coffee	<ul style="list-style-type: none"> • Balzac's • Bridgehead • Café Agga • Canterbury Coffee • Café Mystique • Café Napoleon • Café William • Ethical Bean • Full Steam Coffee 	<ul style="list-style-type: none"> • Just Us! Coffee • Paradise Mountain Organic Coffee • Jumping Bean • Level Ground • Sofina Foods Inc. • Marley Coffee • Fernwood Coffee Company 	Chocolate, Snacks & Baking	<ul style="list-style-type: none"> • Ben & Jerry's • Camino • Planet Foods Inc. • Green & Black's • Galerie au Chocolat • Jonluca Enterprises • Temple Lifestyle Inc. • Kashi 	<ul style="list-style-type: none"> • Mid-Day Squares • Nature's Path • OMGs • Theobroma • Earth's Own • Prana snack products • La Slembra Camino 	Tea	<ul style="list-style-type: none"> • Celestial Organics • Four O'clock Tea • Numi Tea 	
---------------	---	--	---------------------------------------	---	---	------------	--	--

Increasing Plant-Forward Options

Canadians report a strong desire to have their actions and purchases reflect their concern around a changing climate and their own health and wellbeing. To support this, we aim to give our customers a choice of great-tasting options from our broad assortment of fresh, nutritious produce, legumes and other plant-based products. Two areas of focus will be speciality

mushrooms, which can be sustainably grown while offering a delicious accompaniment or an alternative to meat, and microgreens, which combine high-efficiency production and high nutritional benefits.

Improved Ways to Choose Sustainable Products

Third-party certifications enable customers to feel

confident about the products they enjoy. Through our newly launched Look for the Wellness Program and Green C Compliments program, customers can identify products associated with better environmental outcomes such as organic, plant-based, vegan, environmentally friendly packaging, third-party certification and products without phosphates, parabens or sulfates.

Learn more:

Our commitment to ethical and sustainable sourcing connects with our focus on building strong [supplier partnerships](#) and [maintaining food quality and safety](#).

Product Quality & Safety

Why It Matters

Canadian families rely on us for food, pharmacy and other products to stay healthy and strong, so it's our responsibility to ensure everything in our stores is safe and of high quality.

Analyst Spotlight

- [Product Quality & Safety Governance](#)
- [Sobeys Food Safety Policy](#)



Our Approach

We partner with suppliers and manufacturers and work closely with regulators and industry oversight bodies to ensure we are meeting the highest standards and continuously improving our approach.

[Learn more](#) about how we govern our approach to product quality and safety.



Education for Teammates & Partners

We have a robust teammate education program focused on product quality and safety, including food safety training delivered as part of onboarding new teammates and annual training for existing teammates. All store operators and managers complete food handling certifications and are required to be recertified every five years. Consistent with Global Food Safety Initiative (GFSI) standards, our suppliers are also required to ensure all their employees are properly trained.

Robust Auditing Program

Our corporate and franchise grocery stores, warehouses and customer fulfilment centres participate in a rigorous semi-annual audit process.

These sites are audited twice each year against industry standards, internal food safety protocols and public health standards. Results drive the continuous improvement of our internal food safety programs. In fiscal 2024 to date, we completed 2350 food safety inspections performed for our grocery stores. In addition, there were 29 warehouse and cross dock audits.

Our team has developed policies and procedures based on industry best practices, as well as a risk-based technical audit form to ensure effective implementation and maintenance of food safety programs. Any issues identified during these audits are corrected by the site. Corrective and preventive actions are implemented by site teams to avoid recurrence, and this process is monitored and approved by our internal food safety management team.

Working With Supplier Partners

We require new suppliers to share their food safety checklists and certifications with us. As part of our quality assurance program, suppliers agree to cooperate with site audits and product testing. We also require suppliers to comply if any additional testing or product recalls are required. All Own Brands supplier partners are required to hold GFSI certification and be annually certified by third-party auditors.

Unwavering Focus on Quality Control

Own Brands products are tested by a third-party laboratory to ensure that they continue to meet product specifications. Teammates analyze data to identify and assess risk, allowing us to address potential food safety issues before they reach our customers. This is a closed-loop process in which all Own Brands food safety complaints and concerns are logged and investigated as necessary. We work closely with the Canadian Food Inspection Agency (CFIA), Health Canada and the Public Health Agency of Canada (PHAC) to address consumer complaints and product investigations.

Driving Continuous Improvement

To continuously improve, we track and monitor regulatory inquiries from government bodies. Our teams engage with locations as soon as an information request is received. We have a fully closed system, which includes launching an investigation, communicating with stakeholders to address matters and engaging with all levels of government to ensure issues are dealt with appropriately.

We invest in ongoing product quality and safety accreditation and training for our teammates and facilities and we work hard to ensure Own Brands



suppliers are also meeting the same high standards. When we partner to develop a new Own Brands offering, product and supplier performance are continually evaluated, from development to launch and beyond.

Looking ahead, we will set new targets and priorities that will continue to ensure and enhance quality and safety for Own Brands products.

Highlights

Partners in Maintaining High Standards

Our Own Brands food supplier sites are audited annually to a [Global Food Safety Initiative \(GFSI\)](#) standard, ensuring that they have programs and procedures in place for quality and food safety. 100% of active Own Brands suppliers are GFSI certified.

Ensuring Recall Readiness

Consistent with government standards and internal quality standards, we move quickly to investigate and implement recalls as necessary when food safety and quality issues are identified. We perform an annual mock recall with our banners and teams to ensure that our systems work effectively. Recall effectiveness is continuously monitored to ensure consistent recall execution across all banner stores. Additionally, all

Own Brands suppliers must conduct mock recall exercises on a regular basis and will support recall initiatives when necessary.

Sharing Best Practices

Learning from and sharing industry best practices is integral to our overarching product quality and safety approach. That is why we believe it is important to be members of the [Retail Council of Canada, I.E. Canada](#), and the [Canadian Produce Marketing Association](#), working with all levels of the supply chain on product safety and quality. We are also members of the [Fruit and Vegetable Dispute Resolution Corporation](#).

Learn more:

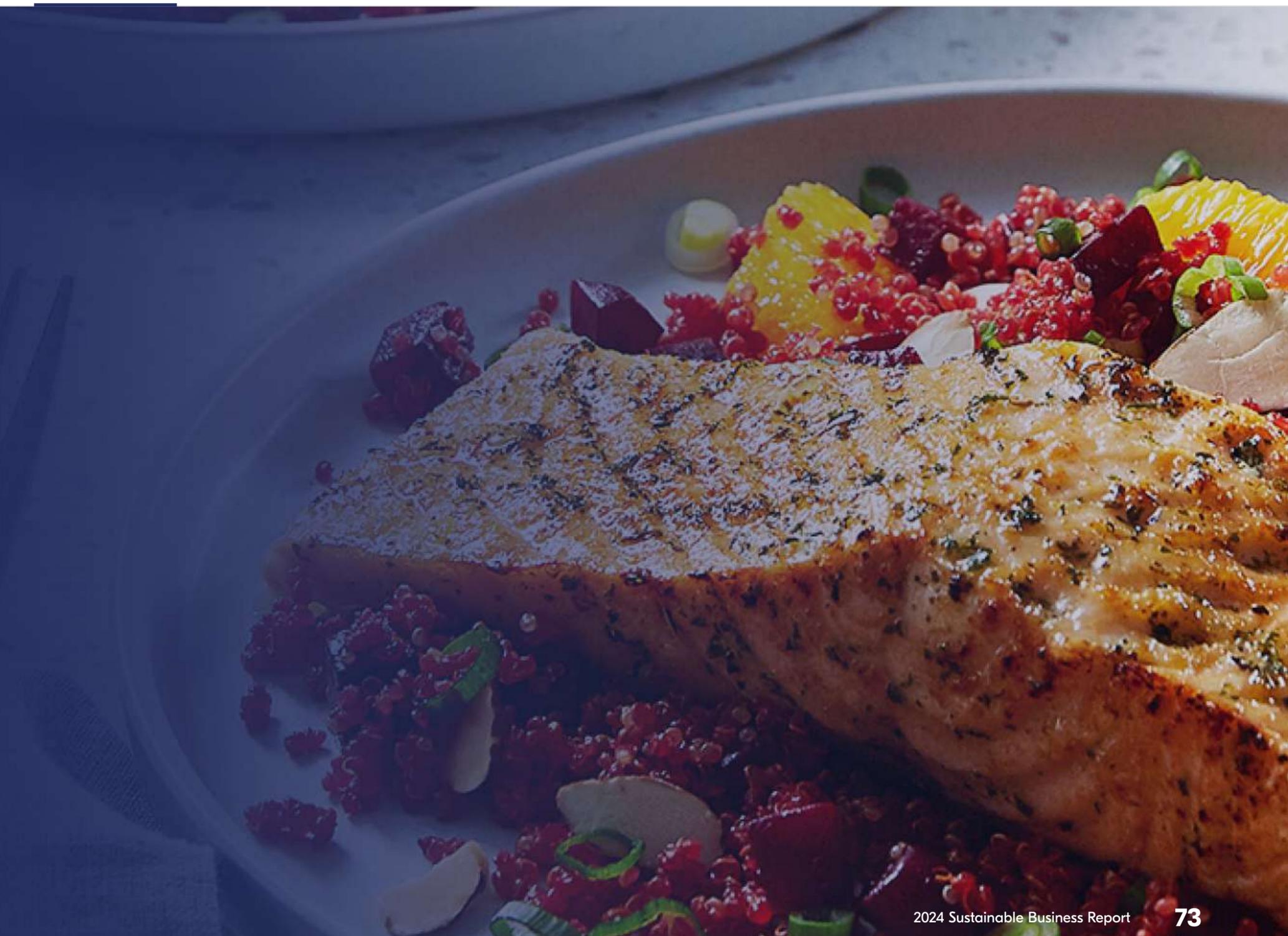
Our commitment to ensure product quality and safety supports our focus on [health and nutrition](#).



Health & Nutrition

Why It Matters

We're always working hard to make it easier for our customers to make healthier and more nutritious choices, helping to nurture healthy bodies and minds across Canada. This approach fosters stronger and more resilient individuals and communities.



On this page: [Human Rights](#) [Ethical & Sustainable Sourcing](#) [Product Quality & Safety](#) [Health & Nutrition](#) [Supplier Partnerships](#) [Customer Experience & Engagement](#)

Our Approach

Along with our focus on [customer experience and engagement](#) and [product quality and safety](#), our approach to health and nutrition is an important way we nurture our customers across Canada. It is also a cornerstone of our [Community Investment Strategy](#), where we bring together our focus on nutritional expertise and long-standing community commitments to support healthy bodies and minds.

Oversight of our health and nutrition work comes from our Board of Directors and various senior leadership groups, including a cross-functional committee led by our customer experience team and focused on the natural, organic and wellness products carried in our stores.

Growing Own Brands Options

As more Canadians are choosing private-label products, we are expanding our Own Brands offerings and maintaining our commitment to both value and quality. When we develop new products, we work hard to meet customer expectations about transparency. Our commitment to customer health includes a focus on the nutritional quality of Own Brands products and identifying and meeting emerging customer needs.

Focused on Compliance

All our Compliments products are designed to meet health and nutrition standards, such as Health Canada's 2016 sodium guidelines. We also leverage internal standards around product attributes such as flavours or colours. Great care goes into documenting and testing our products to ensure that product information is accurate and complete. Existing products go through external and internal third-party checks on a regular basis to ensure that they remain consistent over time.

To meet the new Canadian Food and Drug Regulation front-of-package nutrition symbol labelling requirements, we assessed Sobeys' Own Brands product portfolio to identify products requiring mandated labelling regarding sodium, sugars and saturated fats.

Partnering to Ensure Quality

We work closely with our supplier partners when developing new Own Brands products to ensure third-party nutritional analysis is completed and all organic and other certifications are verified. Similar processes are in place to ensure all our Own Brands products meet or exceed standards for a range of requirements, including those high in protein or free of gluten, peanuts, or artificial flavours and colours.

We also have many programs and initiatives in place to ensure our Own Brands products create added ecological and social value. See the section in this report on [Ethical & Sustainable Sourcing](#) for more information on our work in areas including sustainable seafood, palm oil and other products.

Learn more:

Nurturing the health and nutrition of our customers and communities is part of our commitment to [fostering health bodies and healthy minds](#)



Supplier Partnerships

Why It Matters

Fostering respectful supplier partnerships where we work together to deliver value has always been part of our approach—and it is more important than ever during the transition required to tackle climate change.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Ethical and Sustainable Sourcing Policy](#)
- [Ethical and Sustainable Sourcing Governance](#)

Fiscal 2024 Performance Highlight

381+

women entrepreneurs supported in fiscal 2024

1976

new local products introduced in our stores nationally in 2024

Our Approach

We engage with suppliers to better understand how we can support and partner with them around the material risks to the grocery and retail sector. We believe strong collaboration across our supply chain can drive real change in how we tackle the world’s most pressing issues.

Collaborating as a Sector

Working in partnership with our suppliers is part of what sets our business apart. We believe everyone in our industry deserves to be treated fairly—which is why we have been a driving force behind advocating for a Grocery Code of Conduct in Canada. The code is designed to ensure fair dealings, enhance transparency and encourage collaboration, all while upholding healthy competition. We believe the code will safeguard stakeholders across the board—from our dedicated suppliers to the valued consumers we serve. Through our focus on bringing the code to fruition and participation in other industry advocacy networks, we are working to address sector-wide risks and supplier requests, including providing data on various ESG topics, such as greenhouse gas emissions, labour standards and climate targets.

Strong supplier partnerships are a critical component of our national, functionally led organization. Supplier engagement, feedback and support ensure we successfully build growth plans for key categories,

manage risks, find opportunities to create efficiencies and provide quality products and value to our customers. Working with our supplier partners, we find new ways to support our stores and inspire our customers, while never losing sight of the need to deliver compelling value and build cost and margin discipline. We are also working to enable suppliers to more easily access the policies and procedures they need to work with us. This process enables us to streamline our business to focus on investments

and resources that add real value for us and our customers.

Managing Supplier Relationships

In fiscal 2022 we launched our Ethical and Sustainable Sourcing Policy (ESSP), which is the basis of our responsible sourcing approach with our supplier partners. Read more in [Ethical & Sustainable Sourcing](#).

Operational responsibility for supplier partnerships sits under three streams:

- 1 National Sourcing
- 2 Local Sourcing
- 3 Strategic Sourcing





National Sourcing

Our national sourcing team is responsible for creating a national sourcing strategy on which all supplier negotiations, policies and procedures are based, including how we simplify and streamline supplier relationships, revenue generation, and integration of sustainability commitments into merchandising activities.

This national approach means we collaborate more efficiently with suppliers while also securing greater investments from them and delivering value for customers.



Local Sourcing

We remain focused on supporting local supplier partners and growers in the communities and regions where we live and work, helping them serve local customers and scale their offerings to reach more customers across Canada. Supporting local “food-preneurs” and growers is one of Empire’s core strategic pillars. Local development managers work directly with non-produce suppliers, providing support on how to scale and work with our retail banners.

In fiscal 2024, we continued to implement a strategy to foster local products and local entrepreneurs, with goals including improving food security, reducing transportation-related impacts and empowering customers to buy sustainable, local products. We welcomed 184 new local suppliers and we also helped 10 Canadian supplier partners scale to national or regional levels so they could reach more customers within their provinces or jurisdictions.

We support local supplier partners through regular meetings, annual local roadshows and portals on our banner websites that make it easier for small companies to engage with us. Based on feedback from our local suppliers, we developed a monthly webinar series designed to encourage the entry of local small-and medium-sized businesses to the market.



Strategic Sourcing

Our strategic sourcing team focuses on growth and cost discipline so we can serve more customers in more places with even better value. Strategic sourcing partners (suppliers that provide goods not for sale) that are deemed of material importance to the business are required to report annually against a range of performance factors, including ESG-related performance metrics, as part of our Supplier Relationship Management program.



Learning Together Through Sustainably Connected

To help our national sourcing and merchandising teams better incorporate sustainability considerations in their supplier interactions, in fiscal 2024 we launched the Sustainability Connected program. This includes training sessions on topics such as supplier diversity, climate action and ethical sourcing. It also equips teammates with more information and distributes quarterly newsletters through a learning portal.

Growing Supplier Diversity

We are committed to fostering DE&I in our supplier partnerships. We recognize and take responsibility for the impact we have on suppliers and their communities, which is why it is imperative we practise inclusive sourcing. Our goal is to better support diversely owned businesses in our supply chain and reflect the communities we serve in our business practices. Diverse suppliers include businesses founded, owned and led by women, visible minorities, Indigenous people, 2SLGBTQI+, people with disabilities, veterans and refugees.

Our supplier diversity team is responsible for developing a supplier diversity strategy focused on equal opportunity sourcing, diverse supplier mentorship and community connectedness.

Supporting diverse suppliers strengthens our supply chain by promoting innovation and addressing the needs of our customers today.

In fiscal 2024, we continued to make progress in pursuing our Progressive Aboriginal Relations (PAR) certification through the Canadian Council for Aboriginal Business (CCAB). Activities included holding an Indigenous supplier roundtable, providing training for teammates on PAR and joining CCAB's Supply Change™ program as a Procurement Champion organization.

[Learn more](#) about our approach to DE&I.



Fostering Innovation

Working with our supplier partners is also an important way we drive innovation and inspire our customers with new products and services.

We continue to focus on controlled environment agriculture (CEA). CEA optimizes indoor growing environments, such as greenhouses or vertical farms, creating availability for locally produced fruits and vegetables all year long. CEA enables us to diversify our sourcing and build resilience in our supply chains. Our CEA supplier partners include [AquaVerti](#) and [La Boîte Maraîchère](#) for salads and lettuce and

[Fraise d'hiver](#) for fresh strawberries. In fiscal 2024, we launched a national partnership with Good Leaf, an innovator in vertical farming.

IGA's Local Accelerator program supports Quebec-based producers that represent the best of Quebec's ingenuity and illustrate our shared goal to promote quality, local products.

In the program's second year, we supported nine Quebec companies:

- [Paella Marisol](#): Authentic paella offering a flavour journey to Spain
- [Planette produits écologiques](#): Eco-friendly cleaning products
- [Sel Saint-Laurent](#): First sea salt made in Quebec
- [Si petit soit-il](#): Fine pastries with big flavours
- [Silknsoak](#): Vegan bath products

To foster support for diverse entrepreneurs, we also partner with a range of initiatives, including:

- [Venture Park Food Accelerator](#): Non-profit supporting early-stage entrepreneurs in food and wine industries
- [iLaunchHer](#): Program supporting Black women, racialized women and immigrant women

Learn more about how to become a supplier partner

[Sobeys](#)



[IGA](#)



[Safeway](#)



[Thrifty Foods](#)



[Foodland](#)



Highlights

Partnering With Local, Innovative Suppliers

Since 2018, we have hosted a series of cross-country roadshows to engage local growers, producers and manufacturers so they can understand how to bring their products to our stores. More recently, we launched a new virtual platform providing ongoing e-learning sessions for local suppliers. We continue to celebrate our existing local partnerships and look for opportunities to build new relationships. Some of our most recent suppliers with a focus of sustainability include:



[Collaskins](#)

Where: Newfoundland & Labrador

Product: Pet treats

What: Reinventing the use and application of undervalued materials within the farming, fishing and forestry sectors.



[Tru Earth](#)

Where: New Brunswick

Product: Cleaning products

What: Reducing plastic packaging—e.g., every 32-load eco-strip package replaces the need for one plastic jug. For every \$25 of products purchased, Tru Earth donates laundry detergent to a person in need.



[Hill's Jamaican](#)

Where: Nova Scotia

Product: Sauces and spice mixes

What: Using sustainable packaging and buying produce from local farms



[Upstreet Craft Brewing](#)

Where: Prince Edward Island

Product: Soda and beer

What: B-Corp certified, using renewable energy in their brewing process and donating used grain to local farmers.



[Dutchman's Gold](#)

Where: Ontario

Product: Honey & related products

What: Sourcing honey and beeswax from local, Canadian beehives and using sustainable packaging



[Harmonic Arts](#)

Where: British Columbia

Product: Plant medicinal/wellness

What: B-Corp certified, using sustainable packaging, practising ethical sourcing, publishing annual impact reports and donating 1% of profits to the planet. Ingredients are ethically sourced (global).



[District Brewing](#)

Where: Saskatchewan

Product: Beer

What: Working to become Climate Positive by 2040 by using carbon-capture equipment while donating used grains to farmers.



[Ground Up](#)

Where: Alberta

Product: Coffee flours/mixes & body care

What: Upcycling spent coffee beans and brewery grains to make super flours, baking mixes and sustainable oils.



Champions

“We have a deep-rooted dedication to supporting local suppliers within the Canadian food and beverage industry. Every partnership we forge is not just about transactions, but about nurturing relationships that drive positive change. We view the products on our shelves, across every aisle, as a testament to our dedication to the artisans, farmers, growers and producers who infuse our stores with the flavours of authenticity and the spirit of locality.”

— **Sheri Evans,**
Local Development Specialist



Learn more:

Our work to support innovative suppliers is helping us achieve our goals to [reduce plastics](#) and take [climate action](#).



Customer Experience & Engagement

Why It Matters

We're committed to exceptional customer shopping and food experiences every day. We strive to find new and compelling ways to engage customers as our partners in building a more sustainable future.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Customer Experience & Engagement Governance](#)

Fiscal 2024 Performance Highlight

Scene+ loyalty program in

1,200+

stores members nationwide

Our Approach

Over more than 115 years of operation, delivering for our customers has been core to our values and our business strategy. Customers look to us for reliable value, exceptional experiences and innovative solutions that make shopping easier and more delightful. We work hard to meet these expectations and deliver on our customer commitments every day.

[Learn more](#) about how we govern our approach to customer experience and engagement.



Rewarding Our Customers From Coast to Coast With Scene+

In partnership with Scotiabank and Cineplex, we continue to establish Scene+ as the pre-eminent lifestyle loyalty program in Canada. The Scene+ loyalty program has over 15 million members and is available in more than 1,200 Empire banner stores nationally, giving customers a breadth of options to earn and redeem points with our partners in entertainment, banking, travel, home improvement, shopping, dining and more. Evolving our loyalty offering is an important milestone in our customer experience journey, as we go the extra mile to give back more value to our customers. With the Scene+ experience, we offer customers significant

opportunities to be rewarded when, how and where they want.

Expanded Access to Voilà

We also continue to expand our e-commerce offerings, giving customers more choice and flexibility in how they shop. We have expanded access to our Voilà home delivery and curbside pickup services in Central, Western and Atlantic Canada. Last fiscal, we also opened our third national customer fulfillment centre in Calgary and now Alberta customers in dozens of communities have a world-class e-commerce grocery business at their doorstep.

Growing Own Brands Options

We remain committed to helping our customers make more sustainable choices when they shop with us. This includes growing our Own Brands portfolio with new and more innovative options so customers can access foods and goods that are great value and better for our suppliers and the planet (see [Product Quality & Safety, Health & Nutrition, Ethical & Sustainable Sourcing, Supplier Partnerships](#)). Our initiatives include promoting sustainable seafood through our partnership with Ocean Wise, making more Fairtrade products available and a continued focus on animal welfare.

Ongoing Customer Engagement

We maintain an ongoing focus on customer

engagement and education. For example, in fiscal 2024 we continued to shine a spotlight on sustainable behaviours and options through OurPart[®], our customer-facing sustainability storytelling platform. We also delivered customer-facing campaigns focused on reducing food waste and making more sustainable purchasing choices. Additionally, we expanded technology-based innovations that enrich customer experience, including increasing the availability of EV chargers at our stores in Quebec.

Responsible Marketing

We remain committed to ethical marketing and listening to our customers. Marketing material is reviewed by our legal and regulatory affairs team to ensure content and materials are marketed in a responsible manner. We have updated the packaging of existing Own Brands Green Care, Naturally Simple, plant-based and gluten-free products to create a unified style for easier identification. This packaging update includes consistent information about nutritional claims, product benefits and any third-party certifications. Our Own Brands products include clearly labelled customer contact options and our customer care channels provide an accessible mechanism to collect, record and address complaints or grievances. These lines are known and accessible to community members and allow for prompt responses from our team.



Highlights

Expanding Healthcare Options

To increase access to timely healthcare for customers in Nova Scotia, Sobeys National Pharmacy and Lawtons Drugs partner with Nova Scotia Health to operate six pharmacist-led walk-in clinics in Nova Scotia. The clinics offer an alternative for patients who would otherwise seek non-urgent care in an emergency department for health concerns that could be treated by a pharmacist or nurse practitioner who can assess, treat and prescribe medications for a variety of minor ailments and illnesses. The partnership is improving healthcare access in rural communities and delivering services for 1,500 patients each month. The walk-in clinics were the first in the province to be integrated into the NS Health electronic medical record, making collaboration with the health system much more seamless. Our clinics can now also order labs for patients to update prescriptions and modify treatments appropriately—another provincial first.

Empowering Our Teammates to CARE

In fiscal 2024, we continued to deliver our CARE (Customers Always Receive Excellence) Program nationally. CARE is one of our required training programs for teammates, including annual recertification and recognition through awards for high performers. The program is delivering results,

leading to measurable improvements across a range of customer experience and engagement metrics.

IGA Helps Customers Eat Local Longer

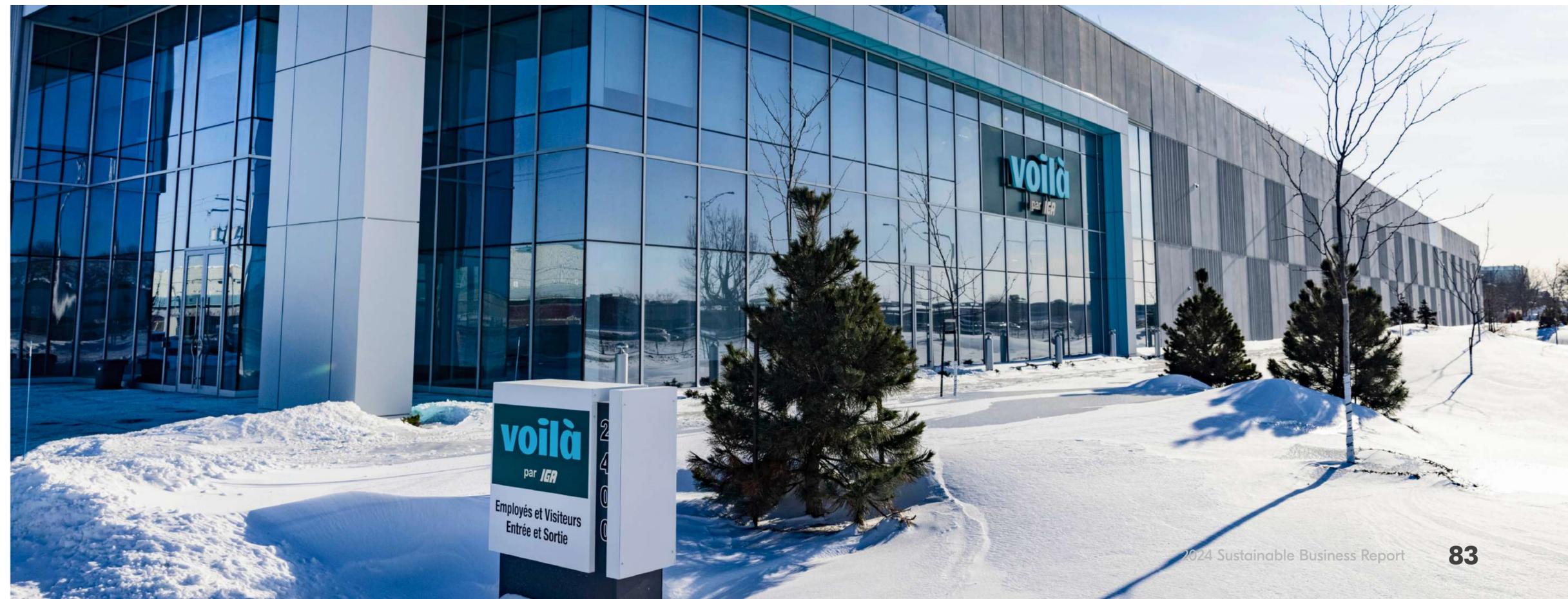
Over 10,000 customers in Quebec and New Brunswick learned how to make fresh, local food last longer as part of the Travelling Jar Initiative—a highlight of the Fonds Éco IGA Roadshow in fiscal 2024. The Travelling Jar kiosk visited 210 IGA stores, promoting the benefits of freezing, dehydrating and canning produce to preserve its goodness.

Making Food Accessible for Remote Communities

Sobeys wholesale team operates Project Gateway, which is focused on establishing and nurturing relationships with customers in rural markets and remote Indigenous communities. To overcome transportation challenges, we work closely with customers, other businesses and organizations such as the Canadian Council for Aboriginal Business and Chiefs of Ontario to deliver food by truck, rail, winter road and plane.

Learn more:

We're also creating customer value through our commitment to [reduce plastics](#), [source our products responsibly](#), [partner with local and innovative suppliers](#), and ensure the [quality and safety](#) of every product we sell.





2024 Sustainable Business Report