



To our Valued Chalo! FreshCo Customer,

Long weekends are typically a time when extended Canadian families come together, relax and enjoy wonderful food. This spring is starting to look very different. For the sake of everyone's safety, we have to keep a physical distance from many of our loved ones. Isn't it strange that the best way we can stick together is by staying apart?

During these changed times, our strongest bonds and partnerships are being tested. It is incredible to see friends, families and all Canadians come together to support one another.

One group that deserves great praise is our valued Supplier Partners. We work with thousands of farmers, growers, consumer goods and food suppliers to get the products you know and love into our stores. They have all done such a great job for Canadians. Faced with immense change over the last month, we have tested these partnerships to new limits.

In addition to keeping our stores stocked, behind the scenes there is an incredible army of warehouse, distribution and supplier heroes hustling so hard to keep production facilities operational and safe. A special shout out to our industry's amazing truck drivers. We couldn't serve you without all of these great Canadians. It's hard not to have faith when so many people are working together for the collective good.

New partnerships are cropping up too. As an example, Sysco Canada had fresh beef and bacon that they typically supply to restaurants. We've been able to sell their product in our stores and avoid food waste.

Another new partnership we've started is with the Girl Guides of Canada. We are now selling their cookies in many of our stores across Canada. With their sales model in distress, we've been able to help step in and support this great organization. We are also making local donations to foodbanks, meal programs and charities. There are so many other causes out there that need our help more than ever right now.

Last week, we announced that we are providing our more than 13,000 smaller supplier partners with shorter payment terms. We're paying them faster to help them keep up amidst all this change. This includes local farmers and fisheries, waste collection companies, repair and maintenance businesses, and many others. We remain steadfast in our commitment to stocking local Canadian products and look forward to supporting local businesses, as we do each year, in our stores this spring.

These are just a few examples of the partnerships that inspire us every day. As the early signs of spring start to show and we head into the long weekend, we salute everyone who is working in partnership to keep our communities and families across our great country safe and fed. The supply chain in Canada is resourceful, responding and robust. We have unending gratitude to everyone working to keep it moving. Thank you!

Stay safe,

Michael Medline
President & CEO



April 4, 2020

To our Valued Chalo! FreshCo Customer,

As we continue to operate an essential service for Canadians through this incredibly difficult time, the health and safety of our customers and teammates remains our top priority.

Over the last several weeks, we have made a number of changes in stores to enhance safety measures for everyone. We looked across the grocery industry around the world to understand best practices so that we can always try to get ahead of this situation. We want to thank you for the way you have supported and embraced these changes in the spirit of our collective wellbeing.

As this situation evolves, we will continue to work diligently to protect your health and keep food on our shelves. This week, our stores are rolling out additional "Physical Distancing" measures to facilitate safety in our stores.

- When a store is at capacity for safe shopping, customers will be asked to line up outside. Our teammates will reinforce physical distancing in the lineup and, when necessary, follow a one-in, one-out protocol.
- "One-way aisles" will ensure customers do not pass too closely together when going in opposite directions.
- Teammates will walk our stores to monitor and remind customers to practice physical distancing.
- We're encouraging customers, to the extent they are able, to designate one family member to shop for their family.
- We will continue to disinfect shopping carts and hand baskets before giving them to customers.

We have taken a hard look at what the right way is to calculate "safe capacity" in our stores. We will limit the number of customers in our stores based on a calculation of our square footage and the number of available open cashier lanes. The reality is that our stores come in many shapes and sizes, so we are right-sizing the solution to serve you in the safest way possible. Of course, the number of customers in store is only one important measure – there are so many other things we all have to do to keep safe.

Thank you again for your support and enduring patience as we get through this together. We're so proud to serve you.

Stay safe,

Michael Medline
President & CEO



March 28, 2020

To our Valued Chalo! FreshCo Customer,

As an essential service in communities across Canada, our top priority is to keep our customers, and our teammates safe. Using Public Health Canada standards and recommendations, we have put in place extensive preventative measures, drawing from highly qualified industry health and safety resources to safeguard our customers, our teammates and our communities. But, as an essential service, it is sadly probable that people in our stores will be affected.

We want you to be able to shop with peace of mind knowing that we're doing everything possible to keep our stores safe across Canada. We are prepared and we are ready. We are committed to full transparency and will keep you updated. Here is a list of our key protocols:

- We strictly enforce that teammates who feel sick do not come into work.
- If one of our teammates tests positive for COVID-19, we will follow the direction of public health every step of the way.
 - o We will deep-clean and close for the required time as directed by public health.
 - o We will work closely with public health officials to investigate the teammate's known points of contact and recent shifts. To keep stores safe, we will notify all teammates who require self-isolation for two weeks.
- We have created a new page on our website to keep all Canadians informed of our evolving response to this challenging situation. We will post up-to-date company and store specific information to www.corporate.sobeys.com/coronavirus.

The wellbeing of our teammates and you – our customers – is critical at this time.

To practice social distancing, many of our customers have asked when our off-peak hours are. Right now, generally we are seeing our lowest traffic in the evenings on Monday to Wednesday and on Sunday, although these patterns might continue to change over time.

Transparency and action have never been more important. We are committed to doing everything we can to keep our communities safe. We are grateful to you for your trust in us, and to our dedicated teammates who work incredibly hard to serve you in this critical time.

Stay safe,

Michael Medline
President & CEO



March 27, 2020

To our Valued Chalo! FreshCo Customer,

These are extremely challenging and difficult days. All of us are affected in one way or another by this terrible situation. Our thoughts are constantly with those who are struggling most and the brave and committed Canadians who are selflessly caring for others in hospitals across the country. These past few weeks have tested our resolve. Yet, during these unprecedented times, we have also seen so many positive examples of the strength of the Canadian spirit – kind, generous and determined. Today, I want to focus on those rays of sunshine.

Our teammates have been working tirelessly to keep our stores safe and well stocked so that you can access your essential needs with ease and peace of mind. I've said it before, and I will say it again, my colleagues truly exemplify what it means to be community heroes. I have witnessed it first hand and you have seen it too and we are so grateful to those of you who have taken the time to share your experiences with us.

We are blown away by the letters, gestures of support and comments you are sharing with us on social media. We even have some store managers who are relaying your supportive comments and words over their store intercoms as inspiration for their teams. Your kind words go a long way.

To the seven-year-old who hand made a card for one of our store teams that read, "You are the real heroes front line workers," **thank you.**

To the customer who brought flowers to her local store as a token of appreciation, **thank you.**

To the fire department who dropped off donuts for their local store to show gratitude for staying open to serve that community, **thank you.**

To the local group of restaurants and volunteers who delivered free lunch to one of our store teams and other local essential workers, **thank you.**

To the customers who left messages in chalk outside their local store reading, "We appreciate your hard work grocery clerks, shelf stockers, cleaners...ALL," **thank you.**

To all of you who have taken the time to recognize our heroes and said a simple thank you or smiled at one of our teammates in a store, **thank you.**

And finally, to the many Canadians who have privately and publicly recognized all of our teammates and supplier partners who are working tirelessly, behind the scenes in warehouses and distribution centres, **thank you.**

Your expressions of support make an indelible impact on our teammates – you help keep our morale high. Quite simply, our ability to withstand these testing times wouldn't be possible without your support. Thank you for your continued loyalty and remarkable composure as we all adapt to social distancing and other measures meant to keep us all safe.

I have never been more proud to be a Chalo! FreshCo teammate and a Canadian. Together, we'll get through this.

Stay safe,

Michael Medline
President & CEO



March 25, 2020

To our Valued Chalo Fresh Co Customer,

All our hearts go out to those grieving or ill due to this terrible virus, and to those Canadians who have been laid off work or whose businesses have been forced to close.

These continue to be very challenging times. We are all doing our very best to adapt and keep our families healthy and safe. Only a few weeks ago, the world was normal and we could move around freely and safely. Now, we need to keep our social distance and worry for our loved ones and the welfare of all Canadians.

As an essential destination for your food and pharmacy needs, we have made enhanced safety measures our top priority in recent weeks. You will see significant changes in our grocery store and pharmacy locations to safeguard our teammates and our customers. We are heartened to see how you have responded to these changes as we collectively work to stop the spread of coronavirus. We know that together, we will get through these tough times.

- To protect our front line heroes and our valued customers, over the last few days we have:
- Continued our nationwide rollout of plexiglass cashier screens
- Reinforced a robust and frequent cleaning program throughout stores
- Reinforced our already high sanitization standards for all teammates
- Early on, we closed all self-serve, café and bulk food areas
- Reduced hours to allow our teams more time to clean, restock and rest
- Reserved the first hour of the shopping day for those most vulnerable
- Continued to add floor markings and signage to our stores in order to promote social distancing

We won't stop there. We will continue to safeguard our stores in this evolving situation. We will spare no time or expense when it comes to your safety and that of our hardworking teammates. We will continue to work with and follow the helpful guidance of all levels of government and local health authorities to ensure that everything we do protects the families that depend on us. If you can, stay home. If you need grocery or pharmacy goods, we will make the experience as safe as we can for you.

We know these changes do not always make for the easiest shopping experience and we sincerely appreciate your continued patience and loyalty. It pains us to keep at a distance in our typically vibrant social hubs – a place where you normally bring your family members to browse and debate which flavour of ice cream to buy each week. We have had to make these difficult changes to help keep everyone as safe as possible. We all look forward to the day when life returns to a more normal rhythm.

On the positive side, you still have the same friendly teammates in our stores to support you. We're incredibly proud of their unrelenting drive to serve you while keeping their morale up throughout this very difficult time. We are also investing significantly in our communities – our local stores know the needs of their communities best.

Finally, rest assured that there is enough food to go around. Our food supply chain remains strong. We're working around the clock to stock our stores in the face of unprecedented demand.

Thank you for your trust. For the last 113 years, we have been there for you as a family serving families. When this is over – and it will be over – we will all be stronger than ever.

Stay safe,

Michael Medline
President & CEO



To our Valued Chalo Fresh Co Customer,

We have all experienced many changes in our lives in the past few weeks. The unfortunate reality is that these unpredictable changes are much harder on vulnerable members of our communities. At Chalo Fresh Co and within our family of brands, we are doing everything we can to help our local communities.

More than just keeping our stores open to feed Canadians, our store teams have a pulse on the direct needs of their local community. And as always, they're stepping up. They are donating food and supplies to local food banks. They are making home deliveries to those in isolation and to vulnerable members of our communities. With everything our stores are going through, they haven't forgotten about their local communities, because that's just who they are.

And that's why today we are announcing our Community Action Fund, empowering our more than 1,500 grocery and pharmacy stores coast-to-coast to create localized solutions to help address their communities' most urgent needs. Inspired by our stores and designed for them. Our stores know their communities best and this program will result in millions of dollars being immediately infused into local communities, in ways that are immediately meaningful.

We're already seeing it happening. This past Thursday, our Stonebridge store in Saskatoon donated 2,000 paper bags to the Saskatoon Friendship Inn. With reduced hours and a transition to "take out only", this community center has been working tirelessly to feed those at risk in Saskatoon. The Stoneridge Sobeys donation helped ensure the community centre could shift their operations from free meal service to take-out meals quickly. This donation helped provide safe meals to thousands of neighbours. A small example, but one that is having a big impact for those most in need in Saskatoon.

We are also working with food banks in urban areas to help alleviate the strain on their services by providing products, cash donations and gift cards. Daily, we are hearing from community support organizations about the increasing needs they are facing as more and more people reach out and ask for help. This investment will enable them to do even more to help their neighbours in need.

As we start putting our Community Action Fund into action, we also have to remember our teammates are continuing to provide essential services in-store. We're empowering the most important leaders in our company – our store managers and franchisee partners – and know by putting this investment in their hands, we can truly make a difference where and when you need us most. This is the time for all of us to come together.

Sincerely,

Michael Medline
President & CEO



Launching our Hero Pay Program

To our Valued Chalo Fresh Co Customer,

Our team is playing a vital role in providing Canadians with the food, medicine and essentials they need for their families during this terrible crisis. We are humbled by the efforts our teammates are making each and every day, as they continue to step up and support the needs of our neighbours. We're launching our "Hero Pay Program" for our frontline teammates working in our stores and distribution centres. We want to ensure our teammates are well cared for and that we lead the way for fair treatment.

We are hearing so many stories of the fantastic work our teams are doing and we are touched by the countless phone calls, texts and emails Canadians have shared with us. Our teammates are going above and beyond every day. Their morale is high. We are so proud.

For instance, recently, a customer called into a local radio station frustrated because he couldn't find the only formula his daughter would take. Within a few minutes, our store teammates called into the radio station to let the customer know that they had the formula in stock. Our teams are incredible. They're doing everything they can, every single day.

Here are the details of our Hero Pay Program:

- All teammates will receive an additional \$50 a week, regardless of the number of hours worked, recognizing how each one of our heroes is going over and above to feed our customers.
- All of our teammates who work more than 20 hours a week will receive an additional \$2 premium per hour for all hours over 20 hours, in addition to the \$50 payment mentioned above.
- All of these new arrangements are retroactive to March 8, 2020, and employees will receive their first payments in early April.
- This program will be reassessed at the end of April.
- We are mobilizing our recruitment drive and are hiring additional part-time teammates across our business.
- Top-up programs are in place for teammates who are in self quarantine for a two-week period or for those taking time off work to care for dependents or children.

Our retail and distribution centre teammates are true local heroes working on the frontlines in their communities to deliver essential services to Canadians. In times like these, enhanced compensation and support programs for those who need to care for themselves and their families are simply the right things to do.

We will support our teams in any way we can and ensure that our stores remain safe and healthy. We are so grateful for the unwavering support our teammates have played in helping us best serve you, our customers.

Sincerely,

Michael Medline
President & CEO



To our Valued Fresh Co Customer,

Throughout this very difficult time, the health and safety of our customers and teammates remains our top priority. We understand we are an essential service to all Canadians, and we want you to know that we are doing everything in our power to maintain our stores to the highest standard of cleanliness and safety.

We are announcing a series of new measures to further enhance the stepped-up sanitation protocols at our stores. Today, we tested plexiglass cashier shields as yet another safeguard to protect our teammates and customers from this terrible coronavirus. We've looked across the world at best practices and these shields stand out as a strong safety precaution. Tonight, we began to install the shields in stores and will work around the clock to get them into our stores. They will not be in every store immediately, but we'll install them as quickly as we can.

In addition, we have added the following:

- Our teammates are washing their hands every fifteen minutes.
- We have added extra resources to the frontline, enabling cashiers to wipe down common areas even more often.
- Our stores will begin to have floor markers at check out, to help facilitate a two-metre distance between customers.
- We are reducing our store hours from 8 a.m. to 8 p.m. for the time being, to support our extra sanitation protocols and allow a little extra time for replenishment of shelves.

These measures are in addition to the added safety and sanitation measures we have already put in place across our stores, including:

- We redeployed additional teammates throughout our stores to step up regular cleaning and sanitation in high-touch and high-traffic areas such as grocery carts, door handles and pin pads.
- We introduced Senior Shopping Hour for the first hour of the day at our stores, providing the most vulnerable among us with a dedicated time to shop for goods.
- We stopped selling all bulk baked goods and bulk foods in self-serve areas, such as dry nuts and chocolate-covered almonds.
- Our delicious hot meals and salad bar items are available, but we have closed self-serve areas that are not staffed by a teammate.
- We have cancelled all product demos, sampling and events in our community rooms.
- All teammates who feel sick are staying home, and we have implemented the procedures recommended by health authorities for those who have travelled or have been exposed to others who have travelled.

I'm proud of the positive feedback and words of gratitude that you have been giving our teammates in the store these last few days. Thank you to our fantastic store, distribution and transportation team for the enormous efforts and passion they bring to their jobs. They have never been so important to their fellow Canadians. Together, we will all get through this.

Sincerely,

Michael Medline
President & CEO



To our Valued FreshCo Customer,

Since the terrible escalation of Coronavirus, we have been blown away by the dedication and thoughtfulness of our hardworking teammates. We'd like to salute our team of 123,000 people across our great country who are working so hard every day to support Canadians throughout this difficult time.

Yesterday I was reminded yet again that we have such a great team. One of our teammates, Taeler, put a poster together for her store team filled with wonderful comments from customers and co-workers to lift their spirits and cheer them on. At the centre of the poster she wrote, "Tough Times Don't Last, Tough Teams Do." That really says it all.

We've asked so much of our front-line grocery and pharmacy heroes in recent days. With everything that's going on, they're showing up every day determined to serve Canadians. They understand how vital it is in this extraordinary time to get us the food we need, safely and securely. In moments of crisis, they understand that grocery stores are an essential service with a critical role to play in communities across Canada. They're working around the clock to make that happen. To that end, we've received incredible feedback from people applauding our team's great morale and extraordinary service. I have personally witnessed how much it means to our people when people thank them for serving customers in these tough times.

We have excellent standards in place to keep our stores clean and sanitized and our customers and teammates healthy. We are looking at every opportunity to improve on these standards. The safety and health of all of you is imperative to us.

Thank you to our customers for your patience with us in moments when our shelves are not fully stocked. It's a busy, unpredictable time, and our team members are doing everything within their power. Thank you to all of our governments for their collaboration in helping us and our grocery customers.

We have trust in Canada's strong and secure food supply chain. If you see an empty shelf, know that it will be full again shortly. Our warehouse and distribution teams are working the hardest in our history to get you the goods you need.

It's more apparent than ever right now that the journey to get food onto Canadians' tables is a team effort.

Sincerely,

Michael Medline
President & CEO



To our Valued FreshCo Customer,

The world is facing an issue of enormous scale and uncertainty. It has never been more important for our company to ensure the safety and support of our customers, teammates and communities.

We view our stores as an essential service. We are working around the clock to serve you. In the 113-year history of our parent company, we've never seen so many customers visit our stores. That makes sense. Canadians have never faced anything like the Coronavirus outbreak before. And the first thing anyone thinks about in uncertain times is keeping their loved ones safe. I have great confidence in the incredibly robust grocery and food supply chain in Canada. We are working hard to keep our shelves stocked in the face of unprecedented demand for products.

The health and wellness of our teammates and customers is paramount. We're doing everything we can to keep people healthy across our business. Our teammates are staying home if they are sick. We have stopped all in-store sampling. Our stores are always clean, but we have even turned it up a notch with increased cleaning and sanitization – especially in high traffic areas.

Our company purpose is to be *a family nurturing families* and that has never been more true than right now. I'm incredibly proud of our 123,000 teammates across our family of brands. Their efforts over the last few weeks have been incredible, and we know there is much more hard work ahead. Our tremendous retail and warehouse teams are working around the clock to keep our stores safe and restock our shelves.

We are standing strong and supporting our customers and communities, because as a family-focused business, that's just what we do.

Sincerely,

Michael Medline
President & CEO