

We are on a journey to make a big impact

For the families of today and the families of the future



People



Create a more diverse and inclusive workforce that enables us to help build healthy communities.

COMMUNITY INVESTMENT

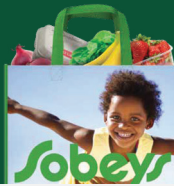
1,500

unique acts of support through the Community Action Fund

Empowered **47,000+** athletes with an intellectual disability with Special Olympics Canada



Planet



Reduce our environmental impact, enhance our resilience to climate change and do OurPart™ to protect our planet for future generations.

WASTE REDUCTION

225 million

plastic checkout bags removed from circulation from our Sobeys stores



Products



Serve the needs of our customers by doing OurPart™ to provide sustainable and ethical product choices.

SUSTAINABLE SOURCING

2020

Business Innovator of the Year as recognized by Fairtrade Canada



Supported more than **900 communities** from coast to coast

Nearly **9 million meals** donated from surplus food rescue programs across Canada

94% of our private label fresh and frozen seafood is third-party certified sustainable

DIVERSITY & INCLUSION

70%

of senior leaders have completed the Strengthening Our Inclusive Leadership program

Recognized for **5** industry leading Inclusion awards

10%

growth rate year over year in representation of women at Vice President and Senior Vice President levels

Niluka Kottegoda
VP Customer Experience



CLIMATE ACTION

57 million+ kWh

saved in our stores and warehouses through our Energy Efficiency Initiative. This is equal to powering 5,200 average Canadian homes for one year



SUSTAINABLE SOURCING

2,900+

new products from local growers and producers added



People

Community Investment



Develop Deep Local Connections While Building Healthier Communities

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Remove barriers to help Canadians access healthy and affordable food	<ul style="list-style-type: none"> • In February 2020, we launched our partnership with The Grocery Foundation and Toonies for Tummies. Together with our customers and store networks in Ontario and Western Canada, \$897,000 was raised across five provinces. Funds raised will result in more than 448,000 meals for hungry school-aged children. • Together with our customers, we made more than 10.5 million meals possible for food banks, local programs and food networks in 900 communities across Canada. • Through our partnership with Special Olympics Canada, more than 47,000 athletes from coast to coast were empowered through sport and nutrition education. • IGA in Quebec, together with La Table des Chefs and partners, filled the refrigerators of Food Banks of Quebec by preparing more than 800,000 meals for those in need during the COVID-19 pandemic.
Empower our store teams to make a local impact	<ul style="list-style-type: none"> • On March 23, 2020, we launched the Community Action Fund to help address the immediate emergency needs during the COVID-19 pandemic. The fund resulted in millions of dollars donated to community programs chosen by our front-line teammates at our 1,500 locations across Canada. The fund's efforts are ongoing, as we continue to support organizations assisting our most vulnerable neighbours in the long road to recovery. • Store teams also contributed more than \$1 million in food and funds to support local, grassroots programs and events throughout the year. • In addition to COVID-19, the last year brought several natural disasters or local crisis. Store teams provided immediate assistance through food, supplies and a helping hand.

People

Diversity & Inclusion

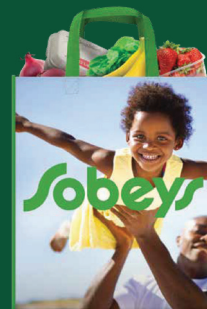


Attract, Retain & Engage the Best Talent

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Increase women representation	<p>Since May 2017:</p> <ul style="list-style-type: none"> Women representation at senior leadership levels (VP and SVP) increased from 24.0% to 32.4%, a 35% growth as of May 2020. Women representation at Director level increased from 29.0% to 33.9%, a growth rate of 17% as of May 2020. Women representation at Corporate Store Manager levels increased from 20% to 24%, a growth rate of 20% as of January 2020. <ul style="list-style-type: none"> Women representation in VP succession plans increased to 37% as compared to 24% in 2016. The Department Manager and Store Manager in training program has strengthened representation of women — 46% women in Department Manager in training and 36% at Store Manager since fiscal 2019. There are 789 teammates participating in the Women's Inclusion Network and 8 active chapters across stores, offices and distribution centres.
Demonstrate our leadership through industry recognition	<ul style="list-style-type: none"> We were nominated for four STAR Women in Grocery awards in fiscal 2020, representing the greatest number of recipients from any organization. We were a proud recipient of the Canadian Centre for Diversity and Inclusion, Employer Initiative of the Year for Sensory-Friendly Shopping, launched in over 450 stores across Canada.
Improve workplace flexibility	<ul style="list-style-type: none"> We launched flexible work arrangements in 2018 which was instrumental in enabling us to pivot during the COVID-19 pandemic to support our stores, distribution centres and customers.

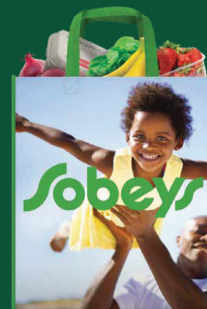
Leverage Diversity and Inclusion to Amplify Innovation

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Implement industry-leading programs to ensure everyone can thrive	<ul style="list-style-type: none"> This past year, we launched ScripTalk, an audible prescription label reader service in all Lawtons stand-alone pharmacies and in-store pharmacies within Sobeys stores across the country.
Strengthen inclusive leadership	<ul style="list-style-type: none"> More than 70% of senior leaders have actively participated in our Strengthening Inclusive Leadership program. The Diversity Self Identification process was launched less than one year ago with the participation at the senior leadership level at 59%. This important information will be leveraged to support the expanded Diversity and Inclusion mandate.
Establish a Diversity and Inclusion Council	<ul style="list-style-type: none"> We have a Diversity and Inclusion Council made up of 14 cross-functional senior leaders who drive the Diversity and Inclusion Strategy forward.



Plastics & Packaging

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Reduce avoidable and hard-to-recycle plastics	<p>Single-use Plastic Grocery Bags:</p> <ul style="list-style-type: none"> Eliminated plastic grocery bags from our Sobeys stores, removing 225 million plastic bags from circulation each year. As of March 2020, before the COVID-19 pandemic hit, nearly 70% of customers were bringing their reusable bags or not asking for a bag at all. Plans are in development to eliminate plastic grocery bags from our remaining banners. <p>Produce:</p> <ul style="list-style-type: none"> We worked with our suppliers to eliminate hard-to-recycle plastic packaging. Examples include: <ul style="list-style-type: none"> Mini-cucumbers Trays: nearly 33,000 kilograms of Styrofoam plastic was replaced by recyclable fiber for the approximately seven million trays sold in fiscal 2020. Tomatoes: piloted a bulk tomato bar in our Sobeys Urban Fresh stores, leading to a further 500 kg (or 31,992 containers) of avoided plastic by removing the plastic packaging. <p>Operations and Distribution:</p> <ul style="list-style-type: none"> We've also looked for ways to reduce plastics in our operations and distribution centres. We reduced the thickness of the plastic film used to wrap our pallets and we eliminated the plastic packaging for some of our uniforms. Together, this allowed us to avoid over 169,000 kilograms of plastic.
Make it easier for our customers to reuse	<ul style="list-style-type: none"> Implemented a "Bring Your Own Reusable Container" program for the bulk, produce department, and service counters in our IGA stores. Introduced reusable mesh produce bags in all Sobeys, Safeway, IGA, and Foodland stores. The mesh bags are partly made of recovered plastic from the world's oceans. In fiscal 2020, over 3,800 kilograms of recovered plastic was used to produce the mesh bags we sold.
Maximize recycling	<p>Innovative Solutions to Repurpose Plastic Waste:</p> <ul style="list-style-type: none"> Working with Dartmouth-based LakeCity Plastics, we donated waterfront furniture, made entirely of recycled plastic, for installation in public spaces across Atlantic Canada. Together, 720,000 plastic bags will be diverted from landfill to make waterfront benches and tables. In November 2019, we opened a new store in the metropolitan Halifax area of Timberlea that featured a new parking lot made from over six million recycled single-use plastic bags. <p>Takeback Programs to Maximize Recycling:</p> <ul style="list-style-type: none"> Safeway stores recycle plastic bags, stretch film and pill bottles with our partner, Trex Recycling. 902,000 kilograms of plastic were recycled through this partnership in fiscal 2020. Piloting a takeback program in 20 Ontario Sobeys stores to recycle plastic packaging and reusable bags from customers. <p>Recycled Content in our Private Label Products:</p> <ul style="list-style-type: none"> Our Compliments private label brand of water bottles (500 ml and 1.5L) are produced with 100% recycled PET plastic. In fiscal 2020, over 1.8 million kilograms of recycled plastic was used to produce the bottles sold in our stores.



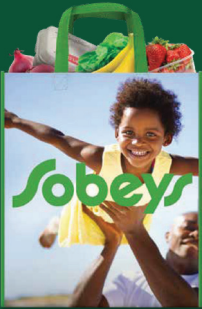
Food Waste

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Reduce food waste by 50% by 2025	<p>Goal in Progress:</p> <ul style="list-style-type: none"> In January 2019, together with other leading grocery retailers in Canada, we committed to taking measurable actions to prevent and reduce our food waste by 50% by 2025. Using the globally recognized Food Loss and Waste Accounting and Reporting Standard, we have decreased food waste per square foot in our retail stores by 14.7% compared to our 2016 baseline. Over the coming years, we will build on our progress towards this goal by accelerating our actions to optimize operational efficiency in our stores and warehouses by diverting as much surplus food as possible from landfills. <p><i>The assumptions below were made to calculate food waste per square foot:</i></p> <ul style="list-style-type: none"> Includes all retail and non-retail square footage of our stores Excludes all non-food banners, as well as Farm Boy Excludes oil, fat and bone Excludes packaging weight
Make it easier for Canadians to prevent and reduce food waste at home	<ul style="list-style-type: none"> We've partnered with Love Food Hate Waste Canada to educate and engage Canadians to reduce food waste. In April 2020, we launched our Earth Day campaign to help Canadians use up what they have at home. The campaign reached over 85,000 Canadians.
Expand organics waste disposal program	<ul style="list-style-type: none"> Nearly half of our stores have an organic waste pick-up program where collected waste is either composted or bio-digested. We will continue to build the capacity of this program over the coming years.
Implement perishable food rescue programs and initiatives	<p>Our Stores:</p> <ul style="list-style-type: none"> To date, we have established regional partnerships for perishable food rescue programs with the Greater Victoria Food Share Network, Feed Nova Scotia, Winnipeg Harvest, Kamloops Food Bank, and Food Banks Quebec. Additionally, most of our stores donate non-perishable food items. <p>Our Customers:</p> <ul style="list-style-type: none"> We are actively working to make perishable products more accessible. This past year, we launched the mobile app, FoodHero, in 200 IGA stores in Quebec to offer customers discounted items for purchase to save costs while eliminating food waste.

Waste Diversion

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Improve waste diversion in our stores	<ul style="list-style-type: none"> Our IGA stores continue to lead with exemplary waste diversion practices. More than 70% of our IGA stores are now certified Action Reduction, a multi-tiered waste diversion program managed by Earth Day Canada. This represents an increase of 31% compared to last year. We also expanded the Styrofoam Recovery pilot project offered to select IGA stores. More than 60 tonnes of Styrofoam, 42% more than the previous year, have been recycled this year through the program.
Improve waste diversion in our distribution of products	<ul style="list-style-type: none"> We recycle cardboard and plastic film from our distribution centres across the country. Over the past fiscal year, we recycled over 54,000 tonnes of cardboard and 2,000 tonnes of plastic. Shipping our products across the country on reusable CHEP pallets (instead of conventional pallets), we have avoided over 1 million kilograms of wood waste in fiscal 2020.

Planet



Energy & Emissions

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
Continuously improve energy efficiency	<ul style="list-style-type: none">• Over 57 million kWh saved in our stores and retail support centres through our Energy Efficiency Initiative. This is equivalent to powering 5,200 average Canadian homes for one year.• We implemented several industry best practices across all banners to improve efficiency and reduce energy consumption in our stores, including:<ul style="list-style-type: none">– Retrofitted overhead lighting to high-efficiency LED lighting in 474 stores across the country.– Retrofitted case lighting to high-efficiency LED lighting in 377 stores across the country.– Recommissioned HVAC systems in 219 stores across the country to reduce energy consumption and extend the useful life of our operating equipment.– Installed strip curtains in 317 stores to keep the cold air inside walk-in fridges when opened.– Installed lighting controls in 312 stores to provide light when needed to minimize overall consumption.– Replaced existing evaporator fan motors with electronically commutated (EC) motors in 165 stores.

Products



Sustainable Sourcing

GOAL	FISCAL YEAR 2020 PROGRESS UPDATE
By 2020, completely transition to the use of Certified Sustainable Palm Oil (CSPO) as defined by the Roundtable on Sustainable Palm Oil (RSPO)	<p>Goal Achieved:</p> <ul style="list-style-type: none"> As of December 2019, 100% of the palm oil used in our private label products was certified sustainable. Of that, 94% of the palm oil used for our Compliments and Sensations products was fully physically traceable Certified Sustainable Palm Oil (CSPO). This represents an 11% increase since December 2016. The remaining 6% of our palm oil usage was certified using book and claim credits.
Transition to 100% Cage-free Shell Egg offering in our stores by the end of 2025.	<p>Goal in Progress:</p> <ul style="list-style-type: none"> We are committed to working with our suppliers and industry partners, such as the Retail Council of Canada (RCC) to make meaningful progress over the coming years.
Source fresh pork products from sows raised in alternative housing practices by the end of 2022.	<p>Goal in Progress:</p> <ul style="list-style-type: none"> We are committed to working with our suppliers and industry partners, such as the Retail Council of Canada (RCC) to make meaningful progress over the coming years.