Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Empire's Food retailing segment is carried out through Sobeys, a wholly-owned subsidiary. Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. Sobeys owns, affiliates or franchises more than 1,600 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, operates grocery e-commerce under the banners Voilà, Grocery Gateway, IGA.net and ThriftyFoods.com, and operates more than 350 retail fuel locations

Across our banners and businesses from coast-to-coast, Sobeys Inc. fosters a family culture of care, trust, respect and growth for its people, 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 [link: https://www.empireco.ca] | Sobeys Inc. [link: https://corporate.sobeys.com] .

Sobeys Sustainable Business Report can be accessed at:
http://SobeysSBReport.ca

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	EMP.A
Yes, a CUSIP number	291842407

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board Chair	In our fiscal year 2022, we established a new governance structure for climate-related issues and our newly developed Climate Action Plan, which was approved by the Board of Directors in June 2022 and announced in July 2022. The Board delegates oversight of our material Environmental Social and Governance (ESG) issues, including climate change, to the Corporate Governance & Social Responsibility Committee, which meets quarterly, and the annual review and sign-off of significant ESG-related metrics for disclosure, including our greenhouse gas emissions, to the Audit Committee.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets	The Corporate Governance & Social Responsibility Committee of our Board of Directors provides oversight over our material ESG issues to ensure delivery in our actions and accountability in the execution of our goals. As it relates to climate-related issues, over the reporting period, the Corporate Governance & Social Responsibility Committee: • Received quarterly updates on ESG initiatives including: our Climate Action Plan, GHG emissions reduction initiatives, energy management, labour practices, food waste, plastics reduction

	Monitoring progress towards corporate targets Reviewing and guiding the risk management process	and investments into Extended Producer Responsibility (EPR) • Received and reviewed an update on the Climate Action plan for the upcoming fiscal year to reduce operational emissions (Scope 1 & 2) and value chain-related emissions (Scope 3) The SVP Innovation and Sustainability is responsible for the sustainability and climate-related initiatives that are presented to and approved by the Corporate Governance and Social Responsibility Committee. The SVP's role is to ensure that our sustainability approach aligns with business strategy and is integrated into all relevant business functions. In our fiscal 2022, the Audit Committee of the Board updated its mandate to include ESG metrics, including climate-related metrics, as part of its approval of corporate disclosures. This Committee reviews all material ESG metrics, including our greenhouse gas emissions, once per year.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Experience with policies, practices or management of risks associated with environmental, social or governance issues relevant to the company such as sustainability, energy reduction or other climate sensitive practices; community support; social governance; health, wellness, safety and education for employees For details kindly refer to: 2023 Management Information Circular available at Empire's website: https://www.empireco.ca/en/

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Annually

Please explain

Position or committee

Other C-Suite Officer, please specify
SVP Innovation and Sustainability

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Position or committee

Other, please specify
Director, Corporate Sustainability

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy

Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line
Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Not reported to the board

Please explain

Position or committee
Other, please specify
Vice President Treasury, IR, ESG Finance

Climate-related responsibilities of this position
Other, please specify
ESG Data control

Coverage of responsibilities

Reporting line
Finance - CFO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Annually

Please explain

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment

Row 1	Yes	Our executive compensation program is designed to attract, motivate and retain a highly skilled executive team and directly align their compensation to personal and corporate performance objectives—including ESG-related areas. In fiscal 2023, we maintained a key performance indicator (KPI) related to Diversity, Equity & Inclusion (DE&I) and added an Environmental and Sustainability KPI in support of our Climate Action Plan targets and key sustainability commitments. In fiscal 2024, all Named Executive Officers (NEOs) will continue to have 20% of their Short-Term Incentive Plan (STIP) target award associated with specific goals tied to the successful achievement of Environmental and Sustainability initiatives, and progress on DE&I initiatives. For fiscal 2024, we will measure the achievement of the following climate-related KPI, as part of the ESG KPIs, which represent 10% of STIP: • Climate Change: Percentage reduction in absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Other, please specify

Named Executive Officers ("NEOs")

Type of incentive

Monetary reward

Incentive(s)

Profit share

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

During fiscal 2023, we broadened our Environmental, Social, Governance ("ESG") focus by introducing environmental and sustainability metrics as a Key Performance Indicator ("KPI") in the Short-Term Incentive Plan ("STIP"), applied to our Named Executive Officers ("NEOs") who play an active leadership role in ensuring ESG objectives are achieved.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Linking our executive compensation program to climate-related projects and target attainment helps to build broad leadership accountability on our climate commitments.

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Profit share

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

During fiscal 2023, we broadened our Environmental, Social, Governance ("ESG") focus by introducing environmental and sustainability metrics as a Key Performance Indicator ("KPI") in the Short-Term Incentive Plan ("STIP"), applied to our Named Executive Officers ("NEOs") who play an active leadership role in ensuring ESG objectives are achieved.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Linking our executive compensation program to climate-related projects and target attainment helps to build broad leadership accountability on our climate commitments.

Entitled to incentive

Other C-Suite Officer

Type of incentive

Monetary reward

Incentive(s)

Profit share

Performance indicator(s)

Achievement of a climate-related target

Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

SVP, Innovation and Sustainability is responsible for developing and driving the company's time-bound targets and public commitments (including emissions reduction, sustainably sourcing, food waste targets and for increasing trust and transparency with customers). The SVP Innovation and Sustainability performance evaluation and compensation depend in part on the performance of his team and that of the company in delivering on KPIs each year.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Linking our executive compensation program to climate-related projects and target attainment helps to build broad leadership accountability on our climate commitments.

Entitled to incentive

Other, please specify

Director, Corporate Sustainability

Type of incentive

Monetary reward

Incentive(s)

Profit share

Performance indicator(s)

Progress towards a climate-related target

Reduction in absolute emissions

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Director, Corporate Sustainability is responsible for developing, implementing and tracking the company's time-bound targets and public commitments (including emissions reduction, sustainably sourcing, food waste targets and for increasing trust and transparency with customers with guidance from the SVP Innovation and Sustainability). The Director, Corporate Sustainability performance evaluation and compensation depends on the performance of the Sustainability team and in delivering on KPIs each year.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Linking our executive compensation program to climate-related projects and target attainment helps to build broad leadership accountability on our climate commitments.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	In alignment with our ERM (Enterprise Risk Management), 0-3 years is defined as short term. It focuses on Operational and financial planning
Medium-term	3	10	In alignment with our ERM (Enterprise Risk Management), 3-10 years is defined as medium term. It focuses on Strategic and capital planning
Long-term	10	30	In alignment with our ERM (Enterprise Risk Management), 10-30 years is defined as long term. It focuses on Long-term planning

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Through its operating companies and its equity-accounted investments, Empire is exposed to several risks in the normal course of business that have the potential to affect operating performance. Therefore, a substantive impact for us would constitute a reduction in profits, change in public perception of the business, brand risk, proportion of business units affected and potential for shareholder concern. We continually works to minimize regulatory and reputation risks. Our impacts extend farther than its own facilities, especially throughout our value chain and the communities we operate in.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Upstream

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Climate change may pose adverse impact to our business, including to our stores, offices and warehouses, and supply chain. To identify, assess, prioritize, address, manage, monitor and communicate climate risks across our operations, we have an Enterprise Risk Management (ERM) program in place. Our ERM process ensures we evaluate and manage risks in a structured and consistent way at all levels of the organization. Over the past year, we conducted a refresh of our ERM framework and re-evaluated the risks deemed most material to our business. Climate change has increased in importance as a material ESG topic. Climate change is included within our risk register and will be considered for future risk assessments.

During 2022, we conducted our inaugural climate risk assessment and scenario analysis in alignment with TCFD (Task Force on Climate-related Financial Disclosures) as a first important step in integrating climate related risks into our strategic and financial planning. Building from this, we will further integrate climate change into our business strategy and decision making, striving to strengthen our performance and resilience.

More broadly, key ESG-related risks are embedded in business and strategy discussions at meetings of our Board and its committees. Our Board of Directors delegate ESG responsibilities to the Corporate Governance & Social Responsibility Committee, the HR Committee and the Audit Committee, which are each informed of applicable ESG issues on a quarterly basis. Further to this, one of the Board's primary responsibilities is to oversee and interact with senior management with respect to key aspects of the Company's business, including assessment and mitigation of the Company's top climate-related risks. To fulfil this, the SVP Innovation and Sustainability updates the Board of Directors quarterly on all sustainability issues, assessments and initiatives being championed by the company. Annually, our senior leadership team conducts a regular assessment of the company's effectiveness in managing existing and known risks along with an identification and discussion of new and emerging risks.

Our ESG Finance and Sustainability teams continuously monitor policy, legal and regulatory risks as it relates to climate change. This includes climate related laws, rules and regulations related to our business that could have a material impact on our reputation and financial results. Additionally, we work with numerous government bodies and trade associations to monitor emerging environmental regulations and policies that are expected to impact the retail industry in Canada, including the Retail Council of Canada (RCC), and Food, Health and Consumer Products of Canada (FHCP).

Value chain stage(s) covered
Direct operations

Risk management process
A specific climate-related risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Over the past year, we sought to better understand our exposure to climate-related risks and opportunities and complete our first scenario analysis and risk assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD). For this inaugural analysis, we focused on our operational footprint. The scope of the assessment included Sobeys Inc. grocery and related business brands including corporate and franchise sites, excluding Farm Boy and Longo's. We developed an initial inventory of climate-related risks and opportunities based on historical events that impacted our business, forward-looking trends, government policies, business strategy, stakeholder interviews and internal workshops. We identified five physical risks and four transition risks and opportunities prioritized for our business and selected for further analysis through a scenario analysis, where we analyzed how the prioritized physical and transition risks could impact our retail stores and retail support centres (RSCs) under different time horizons (2030 and 2050) and climate scenarios (1.5°C, 2°C and 4°C). We assessed these impacts in alignment with our ERM framework. We only considered the medium and long term time horizons in our assessment.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As a food retailing company, we are subjected to many regulatory requirements related to climate changes including regulation on refrigerants. Due to the significance of such regulations to our business, we closely monitor and assess risks associated with any

		changes in the regulations. Refrigerants are a significant portion of our GHG Scope 1 emissions and there are emerging regulations to reduce refrigerant emissions. Refrigerant leaks are of particular concern because refrigerant fluids (such as halocarbons) are the most potent greenhouse gas, with global warming potentials orders thousands of times higher than CO2.There is policy pressure to transition away from use of refrigerants with high global warming potential (GWP). We assessed the level of impact of refrigerants risk and opportunity in our ERM framework, which include finance, sales, reputation and operations. We are prioritizing refrigeration energy efficiency projects and transitioning to refrigerants with low or no GWP for all new stores and most renovation projects beginning in fiscal 2024. Also, we are also prioritizing switching to lower carbon refrigerants, such as HFO blends, to meet our climate targets.
Emerging regulation	Relevant, always included	We continually monitor, review, and assess proposed and incoming regulatory change as part of our ERM framework to mitigate and manage potential impacts on our business. We also work with numerous government bodies and trade associations to monitor emerging environmental regulations and policies that are expected to impact the retail industry in Canada. For example, we work closely with the Retail Council of Canada (RCC), a not-for-profit, industry-funded association representing more than 45,000 store fronts of all retail formats across Canada, including department, specialty, discount, and independent stores, and online merchants. We are an active member of the RCC Sustainability Steering Committee, Plastic Action Committee and Extended Producer Committee (EPR) and Stewardship Committee.
Technology	Relevant, always included	Decarbonization is a significant driver of technology development in our sector, including energy efficiency projects, transition to low carbon and investing in renewable energy. As a national retailer with approximately 1,600 stores in all 10 provinces under multiple retail banners across Canada, we operate extensive and complex information technology systems that are vital to the successful operation of our business and marketing strategies. Therefore, we are committed to doing our part to prioritize energy efficiency projects and transition to less carbon intensive technological solutions that will help us develop a portfolio of renewable energy projects to lead the Canadian marketplace. Also, electricity prices are likely to increase under Canada’s carbon-pricing scheme and thus the reduction in energy consumption will also help us save our utility bills.

		An example, withing our Longo’s brand, to date, we have invested in installing solar panels at eight grocery stores and at a Support Centre, turning under-utilized rooftops into clean energy generating stations. In 2022, Longo's generated over 1.6 million kWh of solar energy – enough energy to power over 140 homes for a year.
Legal	Relevant, always included	Failure to comply with our legal obligations in relation to climate change is a key risk to our business. This is essential to monitor because changes to any of the various federal and provincial climate related laws, rules and regulations (like carbon pricing, GHG emission cap) related to the Company’s business could have a material impact on its reputation and financial results, as these are materials risk often capable of affecting the operating costs of our business operations. In addition, we always seek guidance from internal and/or external legal counsel as it relates to any consumer facing sustainability campaigns and contracts with external consultants including those related to climate issues.
Market	Relevant, always included	Market-specific risks are monitored and evaluated by our company. For example, in the long term, any fluctuations in the market could likely affect the prices for our products and services owing to various climate related factors, like physical damage arising from extreme disasters. This could likely negatively impact our economic growth, inflation and investment returns. Therefore, our climate risk assessment helps us evaluate facilities and commodities that are at higher risk for physical and transition impacts which helps us identify important markets and sourcing geographies.
Reputation	Relevant, always included	We understands the potential damage to our brand, trust and reputation due to failure to manage our impact on society including climate change. We mitigate this risk by transparently disclosing our progress made towards our climate-related actions via multiple disclosures, including CDP, our annual information report, our annual corporate sustainability report, along with other external reports. We also have a dedicated external communication team that routinely responds to customer, media, investor and NGO inquiries related to environmental issues. Also, this year ESG Finance focused on working with internal stakeholders on documenting controls and verifying the data collected for disclosure in our externally shared documents. This ensures consistency and credibility of externally shared information related to environmental issues.
Acute physical	Relevant, sometimes included	Acute physical risks can pose numerous challenges to our operations and assets. To assess the potential impact of acute and chronic physical risks, we have conducted a climate risk assessment and used geospatial mapping to analyze our operating sites. The result of our

		preliminary analysis is that extreme heat, extreme rain & flooding, wildfire and hurricanes can cause physical damage or loss of property, increase our costs to redesign and retrofit stores and warehouses and increase safety concerns for our customers and employees. These climate risks and potential impacts are not unique to Empire and will affect food retailers globally as well as other businesses and communities. One of the most important ways we are working to mitigate the physical risks of climate change is through implementing our Climate Action Plan and implementing projects including refrigeration maintenance and conversions, energy efficiency projects, fleet electrification, capital investments in operational infrastructure and renewable energy. We aim to reduce Scope 1 and 2 emissions by 55% by 2030 through projects to decarbonize our corporate stores, offices and warehouses.
Chronic physical	Relevant, always included	Long-term changes to weather patterns present both risks and opportunities for our business. The chronic physical risk considered in our analysis is temperature rise. Hot days can cause electricity failures and equipment overheating, resulting in food spoilage. They can also cause heat stress and other business interruptions for our customers and teammates. Our Climate Action Plan includes a range of mitigation and adaptation measures to prepare for chronic temperature rise, including maintaining equipment, having robust crisis and business continuity plans, and an ongoing focus on health and safety management for teammates and customers.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify
Extreme Heat

Primary potential financial impact
Increased direct costs

Company-specific description
We have stores across Canada that are subjected to increased temperature. To assess these potential impacts, we have used geospatial mapping and the most recently published climate models to analyze our operating sites. Extreme heat that exceeds the threshold (exceeding 30°C in a day) for safe building and equipment operations can affect the safety of employees and customers and decrease productivity. Rising temperatures are associated with increases in the frequency of very hot days and heatwaves which can result in the temporary closure of stores due to power failures if the electricity grid fails. Potential business impacts anticipated would be:
a. Disruption to HVAC and refrigeration systems where temperatures exceed their design capacity physical damage or loss of property with costs associated with repair or rebuild of affected buildings and equipment;
b. Increased costs to redesign and retrofit stores and warehouses to better withstand more frequent and severe weather events;
c. Increased maintenance requirements for buildings and equipment (e.g. HVAC);
d. Increased operational costs of air conditioning and temperature moderation in retail stores and distribution centres due to temperature fluctuations.

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure
We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Cost of response to risk

Description of response and explanation of cost calculation

One of the most important ways we are working to mitigate the physical risks of climate change is through implementing our Climate Action Plan. Our Climate Action Plan includes a range of mitigation and adaptation measures to prepare for increased extreme heat, including maintaining equipment, having robust crisis and business continuity plans, and an ongoing focus on health and safety management for teammates and customers. Also, adapting a Crisis Management Framework and Emergency Event Guidelines helps us to prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. Each crisis scenario is assigned leads from the Crisis Management Team, Executive Committee, and core teams to lead the response to the event. Our Emergency Event Guidelines outline the actions we take to mitigate and monitor emergencies. Each store has an emergency response plan on site. These guidelines are implemented by the Director of Operations, District Operator, maintenance solution centers and onsite staff. Our annual maintenance audits are an opportunity to reassess our current building standards and consider whether there are additional opportunities for mitigation-based upgrades and redesign. Looking ahead, we will continue to develop specific plans to mitigate each of the physical risks considered in our scenario analysis.

Comment

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical
Heavy precipitation (rain, hail, snow/ice)

Primary potential financial impact

Increased direct costs

Company-specific description

We have stores across Canada that are subject to extreme rainfall. Increased extreme rainfall events (>15 days annually greater than 20mm precipitation daily) are likely to lead to an increase in flooding potential and damage to property, assets and supply chain disruption. Unlike temperature, rainfall does not increase linearly over time. Flooding events caused by extreme rainfall can cause asset damage or degradation, operational delays, employee health and safety concerns, infrastructure damage (roads, bridges, etc.), and/or disruption to supply chain and logistics.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Cost of response to risk

Description of response and explanation of cost calculation

One of the most important ways we are working to mitigate the physical risks of climate change is adapting a Crisis Management Framework and Emergency Event Guidelines to help us prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. Our Crisis Management Framework provides guidance across the business in the event of a crisis, which could include natural disasters such as hurricanes, blizzards and floods that may disrupt our store operations, back-office operations, and distribution. Looking ahead, we will continue to develop specific plans to mitigate each of the physical risks considered in our scenario analysis.

Comment

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Wildfire

Primary potential financial impact

Increased direct costs

Company-specific description

We have stores in Canada and as chronic temperature and extreme heat days increases across Canada, along with changes in rainfall, there is an increase in incidence of wildfires across the regions. Hot and dry conditions enhance the drying of organic matter in forests leading into high risk of wildfires. Wildfires are likely to damage to assets particularly those that are located near forests, disrupt supply chains, and increase safety concerns for staff and customers in high-risk areas.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Cost of response to risk

Description of response and explanation of cost calculation

One of the most important ways we are working to mitigate the physical risks of climate change is through adapting a Crisis Management Framework and Emergency Event Guidelines to help us prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. Our Crisis Management Framework provides guidance across the business in the event of a crisis, which could include natural disasters such as hurricanes, blizzards and floods that may disrupt our store operations, back-office operations, and distribution. Looking ahead, we will continue to develop specific plans to mitigate each of the physical risks considered in our scenario analysis

Comment

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Other, please specify

Chronic temperature risk

Primary potential financial impact

Increased direct costs

Company-specific description

We have stores across Canada and since 1948, Canada's temperature has risen1.7°C across the country, with higher warming of 2.3°C across northern Canada and more over winter than for summer. Changes in greenhouse gas concentrations and the corresponding warming can increase the length of the growing season, particularly in cold regions including Canada. Changes in growing season length may indicate a shift in the timing of many climate impact-drivers (e.g. extreme heat, cold spells and frosts) with broad implications for agricultural production and changing consumer preferences. The changes of growing season could impact the agriculture harvest and livestock feeding, and cause supply chain disruptions on local sourcing which can financially impact our business. Chronic temperature rise and the accompanying changes in weather patterns and extreme events can cause asset damage or degradation, operational delays, employee health and safety concerns, infrastructure damage (roads, bridges, etc.), and/or disruption to supply chain and logistics.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure
We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Cost of response to risk

Description of response and explanation of cost calculation
One of the most important ways we are working to mitigate the physical risks of climate change is through implementing our Climate Action Plan. Our Climate Action Plan includes a range of mitigation and adaptation measures to prepare for increased extreme heat, including maintaining equipment, having robust crisis and business continuity plans, and an ongoing focus on health and safety management for teammates and customers. .

Comment
We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver
Acute physical
Cyclone, hurricane, typhoon

Primary potential financial impact
Increased capital expenditures

Company-specific description
We have stores in Canada which can be affected by storms, hurricanes, or tornados which can cause damage to assets, operational delays and safety concerns. These

have serious consequences for store operations, supply chain disruptions, product waste and revenue losses.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Cost of response to risk

Description of response and explanation of cost calculation

As risk for cyclone/ hurricane increases, one of the most important ways we are working to mitigate this is by adapting a Crisis Management Framework and Emergency Event Guidelines which helps us to prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. Our Crisis Management Framework provides guidance across the business in the event of a crisis, which could include natural disasters such as hurricanes, blizzards and floods that may disrupt our store operations, back-office operations, and distribution. Looking ahead, we will continue to develop specific plans to mitigate each of the physical risks considered in our scenario analysis

Comment

We have calculated the financial impact of the risk, however, for competitive reasons, we do not disclose the financial impact figure.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Transitioning to lower emissions technology

Primary potential financial impact

Increased direct costs

Company-specific description

Refrigerants are a significant portion of our Scope 1 GHG emissions and play a are critical for food safety and food preservation within the food & beverage and grocery retail sectors. Refrigerant leaks are of particular concern because refrigerant fluids (such as halocarbons) are the most potent greenhouse gas, with global warming potentials orders thousands of times higher than CO2.There is also a policy pressure to transition away from use of refrigerants with high global warming potential (GWP). We assessed the level of impact of Refrigerants risk and opportunity in our ERM framework, which include finance, customer satisfaction and sales, reputation and operations.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost of response to risk

Description of response and explanation of cost calculation

We are prioritizing a transition to refrigerants with low or zero GWP for all new corporate stores and most renovation projects. At this time, 16 per cent of our corporate stores, including Farm Boy and Longo’s, have transitioned to CO2 refrigerants. We have two pilot stores trialling a combination of propane and hydrofluoro-olefin (HFO) refrigerants.

HFO has significantly lower GWP compared to traditional hydrochlorofluorocarbons (HFC). We have another pilot store evaluating the effectiveness of 100% propane use. In the coming year, we plan to retrofit additional locations through actions such as reducing leak rates and completing more HFC to HFO gas replacement projects.

Comment

Financial impact and cost of have not been estimated.

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Other, please specify

Renewable Energy

Primary potential financial impact

Increased capital expenditures

Company-specific description

As a national retailer with approximately 1,600 stores in all 10 provinces under multiple retail banners across Canada, we operate extensive and complex information technology systems that are vital to the successful operation of our business and marketing strategies. Therefore, we are committed to doing our part to prioritize energy efficiency projects and transition to less carbon intensive technological solutions that will help us develop a portfolio of renewable energy projects to lead the Canadian marketplace. Also, electricity prices are likely to increase under Canada's carbon-pricing scheme. Transitioning to a higher proportion of renewable electricity in our operations can contribute to meeting carbon targets, reduce carbon tax obligations, and boost our brand as a responsible business.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost of response to risk

Description of response and explanation of cost calculation

Renewable energy is an important component of our roadmap to decarbonize our operations. We are prioritizing our activities in targeted provinces, taking the carbon intensity of provincial grids into account. In fiscal 2024, we plan to deliver solar rooftop projects in corporate stores in Nova Scotia. Beyond these projects, we aim to mobilize a portfolio of renewable energy projects, including the purchase of renewable energy, to address Scope 2 emissions and establish leadership in the Canadian marketplace.

Comment

Financial impact and cost of have not been estimated.

Identifier

Risk 8

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Food waste is recognized as a climate risk because of the significant climate implications associated with decomposition of food that is wasted (methane emissions in landfill). The media and customers are increasingly concerned about the social and environmental (GHG emission) implications of food waste. Therefore, failure to meet food waste targets and significantly reduce food waste across the value chain can lead to negative reputational impacts. Also, food waste contributes to upstream and downstream GHG emissions. Reducing food waste and diverting it from landfills is key to reducing GHG emissions .

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost of response to risk

Description of response and explanation of cost calculation

We are committed to reducing food waste in our operations by 50 per cent 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 like-minded 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 area of focus:
a. Preventing food loss and waste from happening in our stores and warehouses and across our supply chain: we equip our store managers with consistent foundational knowledge and skills, train teammates on a variety of fresh item management systems and use computer-generated ordering to assist with more accurate ordering and tracking of products,
b. Reusing and redistributing as much surplus food as possible , we have successfully deployed the Second Harvest Food Rescue App (Canada's largest food-rescue organization) across Canada, connecting families in need with non-profit organizations that have received fresh, healthy food, while also reducing surplus food. 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 have partnered with the FoodHero mobile app, which enables our store teams to divert

surplus food by offering it at discounted prices.
c. Finding alternative waste streams to landfill, including composting.

Comment

Financial impact and cost of have not been estimated.

Identifier

Risk 9

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation
Enhanced emissions-reporting obligations

Primary potential financial impact

Increased credit risk

Company-specific description

Reporting frameworks are increasingly requiring organizations to go beyond metrics, for example, stating progress against targets, and elaborating on how ESG issues, such as climate, are embedded throughout the business in order to drive progress. Organizations need to integrate climate metrics and KPIs into business processes and build organizational functions and capabilities that will support their climate ambition and high-quality reporting. Climate reporting focuses on the risks associated with current and impending reporting requirements by evaluating the frameworks, methodologies, and capabilities that we should comply with to accurately and consistently report climate risks, opportunities, and impacts across its operations and value chain.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost of response to risk

Description of response and explanation of cost calculation

We continue to monitor and prepare for emerging regulations and policies, to integrate mitigation into our operations and to share our progress. Also, this year, our ESG Finance focused on documenting and working with internal stakeholders on the data collection and verification for disclosure in our externally shared documents. This ensures consistency and credibility of externally shared information related to environmental issues

Comment

Financial impact and cost of have not been estimated.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

We have identified this opportunity to reduce our operational emissions by 2030 through projects that will help us decarbonise our corporate stores, offices and warehouses. Although our focus will be aimed at corporate locations, we will also support our franchisee and affiliated owners in their transition to lower carbon solutions. To achieve this, we will build on our proven Energy Efficiency Initiative, which was initiated in 2019 to reduce energy consumption at our sites. We will prioritize energy efficiency projects and transition to refrigerants with low or no global warming potential (GWP) for all new stores and most renovation projects beginning in fiscal 2024.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Over the past four years we've focused on reducing our energy use, implementing a range of energy efficiency initiatives including upgrades to refrigeration, lighting and HVAC systems in our stores.

This program established our strong foundation of action on climate change, which has led us to focus on better understanding all the sources of our GHG emissions.

Moving forward, our strategy to realize climate-related opportunities is informed by our Climate Action Plan (released in July 2022). The plan outlines our initiatives to reduce Scope 1 and 2 emissions and decarbonize our business.

Energy efficiency is critical component of our strategy and provides us opportunities to prioritize, accelerate and expand carbon abatement projects that will help lower our

Scope 1 and Scope 2 emissions. Based on our emissions profile, we have developed a framework for prioritizing Scope 1 and 2 emissions reductions initiatives (or carbon abatement projects). Abatement projects were initially selected based on proven approaches to reducing emissions in key areas of our business (e.g., refrigeration, fleet, renewable energy). We then filtered the list of potential projects to focus on those with the greatest GHG reduction potential and those that were most practical for our business to pursue.

Our strategy is to prioritize existing and new carbon abatement projects occurring at our corporate sites and through our owned fleet that enable us to reduce and replace emissions to low carbon sources as much as possible. To this end, we aim to expand on existing projects and accelerate piloting new projects during Phase 1 (fiscal 2024 – 2026). In the years following Phase 1, we will focus on scaling up successful pilots. Finally, we will mobilize a Renewable Energy Strategy.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced direct costs

Company-specific description

As part of our Climate Action Plan, we are investing in the energy efficiency and electrification 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.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our fleet is responsible for 19 % of total Scope 1 emissions in our operations. As part of our Climate Action Plan, our Transportation Strategy & Innovation Team is leading the planning, development and roll out of key programs to help us achieve cost efficiencies and reduce our impact on the environment. Keys programs include:

• Investing in analytics technology
• Investing in alternative fuels
• Investing in electrification

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify

Refrigerants

Primary potential financial impact

Reduced direct costs

Company-specific description

Refrigerants are a significant portion of our Scope 1 GHG emissions and play a are critical for food safety and food preservation within the food & beverage and grocery retail sectors. Refrigerant leaks are of particular concern because refrigerant fluids (such as halocarbons) are the most potent greenhouse gas, with global warming potentials orders thousands of times higher than CO2.There is also policy pressure to transition away from use of refrigerants with high global warming potential (GWP).

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

We are prioritizing a transition to refrigerants with low or zero GWP for all new corporate stores and most renovation projects. At this time, 16 % of our corporate stores, including Farm Boy and Longo's, have transitioned to CO2 refrigerants. We have two pilot stores trialling a combination of propane and hydrofluoro-olefin (HFO) refrigerants. HFO has significantly lower GWP compared to traditional hydrochlorofluorocarbons (HFC). We have another pilot store evaluating the effectiveness of 100 per cent propane use. In the coming year, we plan to retrofit additional locations through actions such as reducing leak rates and completing more HFC to HFO gas replacement projects.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Returns on investment in low-emission technology

Company-specific description
a. Electricity prices are likely to increase under Canada's carbon-pricing scheme
b. There is opportunity to use government clean-energy incentives and power purchase agreements to reduce Scope 2 emissions

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure
Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
We continue to focus on energy efficiency in our stores and distribution centres. We are taking steps to reduce energy consumption and optimize the efficiency of our buildings through high-impact projects. Initiatives planned for fiscal 2024 include ongoing lighting retrofits, upgrades to HVAC controllers, and high efficiency, variable speed HVAC motor systems installations. In addition, we will upgrade our building management software by harnessing the power of artificial intelligence and machine learning (AIML)

technology. By using data analytics, machine learning algorithms, and predictive models, AIML can help us identify energy efficiency opportunities, automate processes, reduce equipment failures and optimize energy systems to reduce costs and environmental impacts. Transitioning to renewable energy is an important component of our roadmap to decarbonize our operations. We are prioritizing our activities in targeted provinces, taking the carbon intensity of provincial grids into account. In fiscal 2024, we plan to deliver solar rooftop projects in corporate stores in Nova Scotia. Beyond these projects, we aim to mobilize a portfolio of renewable energy projects, including the purchase of renewable energy, to address Scope 2 emissions and establish leadership in the Canadian marketplace.

Comment

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Participation in carbon market

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

The opportunity here is to reduce carbon emissions in jurisdictions where a tax is present. We are continually working to reduce our building emissions for both our stores and distribution centers. Stores and specifically store refrigeration systems are the single largest source of energy usage in the business.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Climate Action Plan: Phase 1
During Phase 1 of our plan, from fiscal 2024 to fiscal 2026, we will be working to achieve our near-term targets by focusing on areas that are most critical to our emissions output.
a. Reducing emissions from our sites: We aim to reduce Scope 1 and 2 emissions by 55% by 2030 through projects primarily focused on decarbonizing our corporate stores, offices and warehouses. Although our focus will be aimed at corporate locations, we will also support our franchisee and affiliated owners in their transition to lower carbon solutions..
b. Reducing Emissions from Our Vehicle Fleet: We are taking steps to electrify our fleet. In fiscal 2024, we will pilot electric vehicle (EV) Class 8 trucks for our fleet in Quebec, and we are currently sourcing EV solutions for our e-commerce business. These initiatives and efforts help us reduce our carbon tax burden through emission reduction.

Comment

Identifier

Opp6

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced direct costs

Company-specific description

Electricity in Motion

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impact and cost of have not been estimated.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

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 will pilot Class 8 trucks in our fleet in Quebec, and we are currently sourcing an EV solution for our e-commerce business. To initiate our journey on fleet electrification, we will also be installing Level 3 charging infrastructure at one of our distribution centres.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

We recognize the importance of strong and consistent engagement with our stakeholders. Management engages on a year-round basis with a wide range of stakeholders, including shareholders, fixed income investors, proxy advisory firms, and prospective shareholders, among others.

Our investment community engagement takes various forms such as non-deal roadshows, and individual meetings in-person, on video or over the phone with the CEO, CFO and other members of management. We also have ordinary course quarterly conference calls and webcasts, news releases, general and industry-specific investor conferences with various members of management.

Shareholders, employees and other stakeholders can also contact the Board directly by writing to our Executive Vice President, Chief Development Officer, General Counsel and Corporate Secretary or the Chair of the Board . In addition, stakeholders may direct any inquiries regarding financial results, strategy and business and operations to the Empire Company Investor Relations team via email at investor.relations@empireco.ca.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

https://sobeyssbreport.com/wp-content/uploads/2022/08/fiscal-2022_sustainable_business_report_en.pdf

Climate_Action_Plan_Overview__EN (1).pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Company-wide	1.5ºC	This year we have conducted the climate risk assessment across our business. Our Environmental, Social and Governance (ESG) reporting is aligned with the Task Force on Climate-related Financial Disclosures (TCFD). We have considered the 1.5°C and 2°C scenarios to assess four prioritized areas of transition risks and opportunities: Refrigerants, Renewable energy, Food Waste and Climate Integration & reporting. We assessed the level of impact of each transition risk and opportunity in reference to categories in our ERM framework, which include finance, customer satisfaction and sales, reputation and operations
Physical climate scenarios Customized publicly available physical scenario	Company-wide	1.5ºC	In 2022, we conducted a climate risk assessment for our operations. To assess the potential impact of physical risks, we used geospatial mapping and the most recently published climate models to analyze our operating sites. We have considered the primary and secondary risk exposures of five physical risks at a localized level using the 1.5°C, 2°C and 4°C scenarios adopted by the IPCC. The climate risks and potential impacts are not unique to Empire and will affect food retailers globally as well as other businesses and communities. The physical risks further studied are: Chronic physical risk - Temperature rise and Acute physical risk - Extreme heat, extreme rain & flooding, Wildfires, Hurricanes.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The focal questions that we are seeking to address are:
1) The analysis of our physical risk on our relevant assets and market geographies, including identifying hazards, exposures and impact. These risks will be grouped into acute and chronic risks
2) The analysis of our transition risks

Results of the climate-related scenario analysis with respect to the focal questions

In 2022, we conducted our first scenario analysis and climate risk assessment for our operations. As part of the assessment, we developed an initial inventory of climate-related risks and opportunities based on historical events that impacted our business, forward-looking trends, government policies, business strategy and stakeholder interviews. We utilized scenario analyses as a tool in our climate risk assessment to understand the potential impacts of climate-related physical risks, transition risks, and opportunities on our operations.

1) Physical Risk: To analyze the potential impact of physical risks to our stores, we used geospatial mapping and the most recently published climate models. We have considered the primary and secondary risk exposures of five physical risks at a localized level using the 1.5°C, 2°C and 4°C scenarios adopted by the IPCC. The physical risks studied are: Chronic physical risk - Temperature rise, Acute physical risk - Extreme heat, extreme rain & flooding, Wildfires, Hurricanes. Our climate risk assessment identified extreme heat as a priority area of focus both in preparing for these extreme events, and our mitigation and adaptation strategy planning.

2) We have considered the 1.5°C and 2°C scenarios to assess four prioritized areas of transition risk and opportunity: Refrigerants, Renewable energy, Food Waste and Climate Integration & reporting. We assessed the level of impact of each transition risk and opportunity in reference to categories in our ERM framework, which include finance, customer satisfaction and sales, reputation and operations. Representing a significant portion of our Scope 1 emissions, refrigerants were identified as a priority area of focus. Emerging regulations will further increase the need for action in order to meet our climate action targets and adhere to future government policy.

This inaugural physical risk assessment did not cover supply chain related risks and opportunities (i.e. Scope 3 emissions, which make up over 90% of our GHG emissions). Deepening our understanding of climate risks and opportunities in our supply chain is critical to our work ahead. We aim to conduct a scenario analysis of commodity and supply chain impacts in a future phase

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Risks and opportunities related to the growing demand from customers for transparency, naturality, and food and drinks with low carbon footprint, have influenced our product-related strategy and portfolio. Indeed, our Climate Action work will impact our assortment in the years to come as we work towards the goal of net zero Scope 3 emissions by 2050. Growing our assortment of lower carbon foods and products, working with producers and suppliers on food production practices, such as regenerative agriculture, and continuously improving data capture and tracking will all play an increasingly important role in our efforts to decarbonize. 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. We remain focused on supporting local supplier partners 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. In fiscal 2023 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 194 new local suppliers, an increase of 12 % from fiscal 2022. We also helped 20 supplier partners scale regionally so they could reach more customers, including helping to take 11 companies national. In addition to our five regionally based and dedicated Local Development Teams, we support local supplier partners through an annual product roadshow and intake events and by rolling out portals on our banner websites that make it easier for

		small companies to engage with us.
Supply chain and/or value chain	Yes	The primary segment of our supply chain where climate-related risks and opportunities have influenced business strategy is engagement with our suppliers. As one of the largest grocery retailers in the country, we're holding our supplier partners accountable too, because we believe we have a shared responsibility to create a more sustainable industry. Sourcing and Merchandising - Engaging Supplier Partners We have set a target for a minimum of 64% of our suppliers, by spend, to set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. We have partnered with the CDP Supply Chain program to provide practical resources to our supplier partners so they can measure and disclose their GHG emissions and have access to resources to support them with target-setting. To support the launch of CDP Supply Chain, in fiscal 2023 we ran Climate Action training with our supplier-facing teams in merchandising and strategic sourcing. Looking ahead, we will use data-driven insights to identify collaboration opportunities, prioritize suppliers for further engagement, and to improve Scope 3 measurement. Fuel sales Our goal is to reduce Scope 3 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. Looking ahead, we plan to collaborate with our fuel suppliers to increase the availability of lower carbon-intensity fuel.
Investment in R&D	Yes	Climate-related risks and opportunities have been influenced by our R&D investment strategy. The commitment to take action on plastic waste reduction influenced our business strategy and helped us foster innovation to a great extent. In FY2022, we launched a national Plastic Waste Challenge to find a commercially viable and sustainable alternative for in-store wrapped seafood meat and produce packaging. In fiscal 2023, we began planning towards piloting a compostable replacement for unrecyclable packaging for

		meat products. The pilot is planned to begin in Halifax, Nova Scotia. The pilot project is the latest phase in our national Plastic Waste Challenge, launched in fiscal 2022 in partnership with IGNITE Atlantic, Divert NS and the Atlantic Canada Opportunities Agency (ACOA). Drawing on submissions from nearly 20 companies and presentations from six finalists, Ontario-based Eco Guardian won the $25,000 challenge and the opportunity to pilot its sugarcane and bamboo-derived packaging in stores. Further, innovation and sustainability have been identified as key drivers of success for our Own Brands team. Our product developers use tools such as Mintel and Technomics to identify key food and retail trends that can guide the development of products to supplement our Own Brands portfolio.
Operations	Yes	a. We continue to focus on energy efficiency in our stores and distribution centres. We are taking steps to reduce energy consumption and optimize the efficiency of our buildings through high-impact projects. Initiatives planned for fiscal 2024 include ongoing lighting retrofits, upgrades to HVAC controllers, and high efficiency, variable speed HVAC motor systems installations. In addition, we will upgrade our building management software by harnessing the power of artificial intelligence and machine learning (AIML) technology. b. Renewable energy is an important component of our roadmap to decarbonize our operations. We are prioritizing our activities in targeted provinces, taking the carbon intensity of provincial grids into account. In fiscal 2024, we plan to deliver solar rooftop projects in corporate stores in Nova Scotia. Beyond these projects, we aim to mobilize a portfolio of renewable energy projects, including the purchase of renewable energy, to address Scope 2 emissions and establish leadership in the Canadian marketplace. c. Understanding that emissions from transport are an important contributor to our country's emissions and knowing that transition to a lower-carbon economy requires a strong electric vehicles (EV) charging infrastructure, we are making it easier for our customers to charge their EVs while shopping in our stores by expanding charging infrastructure. In fiscal 2023 our IGA team met its goal of installing 100 EV charging stations at 50 stores. Thanks to fast-charging technology, customers can recharge their EVs in about 20 minutes while completing their shopping. Since

		the inception of our charging network in November 2020, drivers have saved over 1 million kilograms of GHGs, the equivalent of planting 25,790 trees that grow for 10 years. Also, managing energy responsibly also means focusing on the transportation of goods. Based on our latest carbon inventory (CY2022), our fleet is responsible for approximately 19 % of total Scope 1 emissions in our operations. Our Transportation Strategy & Innovation Team is leading the planning, development and rollout of key programs to help us achieve cost efficiencies and reduce our impact on the environment.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation Access to capital	Investments for our Climate Action Plan: Approximately $50 million allocated toward sustainability initiatives such as refrigeration system upgrades, HVAC system upgrades and other energy efficiency initiatives -https://www.empireco.ca/news/empire-reports-fourth-quarter-and-fiscal-2023-results

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
389,840

Base year Scope 2 emissions covered by target (metric tons CO2e)
357,030

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

4,545,725

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

746,870

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

55

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

336,091.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

400,460

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

232,360

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

4,158,409

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

632,820

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

27.7643547557

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Our Near Term Science Based Targets have been reviewed and approved by the Science Based Target Initiative and are aligned to 1.5C, using 2019 as our baseline year. The target covers Scope 1& 2 emissions.

Plan for achieving target, and progress made to the end of the reporting year

The Phase 1 of our Climate Action Plan is from fiscal 2024 to fiscal 2026 and we will be working to achieve our near-term targets by focusing on areas that are most critical to our emissions output. As we aim to reduce our Scope 1 and 2 emissions by 2030, the primarily focus is on decarbonizing our corporate stores, offices and warehouses through reducing our energy consumption and optimize the efficiency of our buildings through high-impact projects. Also, we are prioritizing a transition to refrigerants with low or zero GWP for all new corporate stores and most renovation projects.
Renewable energy is another important component of our roadmap helping us to decarbonize our operations along with focus on fleet electrification.

Progress against the target:
We continue to see a downward trend in combined Scope 1 and 2 emissions (reduction of 15 per cent in calendar year 2022 compared to our 2019 base year), primarily due to reductions in Scope 2 emissions.

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Abs 2

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 11: Use of sold products

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

4,545,725

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

4,545,725

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4,545,725

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

28

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

3,272,922

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

4,158,409

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

4,158,409

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4,158,409

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

30.430160834

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Our goal is to reduce Scope 3 emissions from fuel sold at our filling stations company wide by 28% by 2030.

Plan for achieving target, and progress made to the end of the reporting year

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. Looking ahead, we plan to collaborate with our fuel suppliers to increase the availability of lower carbon-intensity fuel. Based on our latest inventory (CY2022), the percentage reduction of emissions from fuel sold over our baseline year 2019 is 9%.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management
metric tons of waste generated

Target denominator (intensity targets only)

square foot

Base year

2016

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

32

% of target achieved relative to base year [auto-calculated]

64

Target status in reporting year

Underway

Is this target part of an emissions target?

No.

Is this target part of an overarching initiative?

Other, please specify

Please explain target coverage and identify any exclusions

We are committed to reducing food waste in our operations by 50 per cent by 2025, measuring and reporting on our progress using the globally recognized Food Loss and Waste Accounting and Reporting Standard.
We measure against this target based on the reduction of surplus food per square foot of retail space in our corporate grocery store operations (when reporting using the SASB Food Retailers standard) and based on both our corporate and franchise store operations in our other external disclosures (e.g. our annual Sustainable Business Report).
The assumptions below were made to calculate food waste per square foot:
• Includes all retail and non-retail square footage of our stores
• Excludes all non-food banners, as well as Farm Boy and Longo's
• Excludes oil, fat and bone

• Excludes packaging weight

Plan for achieving target, and progress made to the end of the reporting year

To reach this target, we're working with like-minded 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 strategy has three areas of focus:
1. Prevention: Preventing food loss and waste from happening in our stores, warehouses and across our supply chain through initiatives including in-store and app-based markdowns, and updating our operational practices and guidelines
2. Re-use and Redistribution: Re-using and re-distributing as much surplus food as possible through donations and repurposing for people and animal use
3. Alternatives to landfill: Finding alternative waste streams to landfill including composting

List the actions which contributed most to achieving this target

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	146	2,408
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Fan motor components

Estimated annual CO2e savings (metric tonnes CO2e)

2,408

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

We carried out installation of digital discus compressors and SMC fan motors—components used in our refrigerator and air-conditioning systems—to another 146 locations.

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

440

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
Empire's family banner 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 2022, Longo's generated 1,619,208 kWh of solar energy—enough energy to power 140 homes for a year..

Initiative category & Initiative type
Transportation
Other, please specify
Making it easier for our customers to charge their electric vehicles

Estimated annual CO2e savings (metric tonnes CO2e)
195

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 9: Downstream transportation and distribution

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
In fiscal 2023 our IGA team met its goal of installing 100 EV charging stations at 50 stores. Thanks to fast-charging technology, customers can recharge their EVs in about 20 minutes while completing their shopping. Since the inception of our charging network in November 2020, drivers have saved 1,005,640 kilograms of GHGs, the equivalent of planting 25,790 trees that grow for 10 years.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The company ensures that it is compliant with regulatory requirements/standards, including climate change mitigation requirements by continually reviewing new regulations through industry groups and internal analysis.
Dedicated budget for energy efficiency	The company's annual capital and maintenance budgets includes funds for Climate Action Plan. This plan includes our strategic planning related to our GHG emissions reductions approach and the investments we are going to make over the next 10 years. This plan prioritizes energy efficiency and low-carbon abatement projects that would define our journey towards decarbonization. As part of our Climate Action Plan, we aim to pursue renewable energy projects such as rooftop solar panels on stores and warehouses and Renewable Energy Certificates to reduce Scope 2 emissions
Employee engagement	Companies' agenda is to drive programs that help develop environmental conservation skills for our front-line staff. Our Sustainability Team delivers engagement through multiple channels to drive employee engagement. One of the examples is the recently piloted sustainability training and engagement program with our Longo's team called the Green Champions. Through the program, teammates build their knowledge about sustainability, explore ways to protect the environment and learn how to influence and drive change in their store. The online training program teaches teammates about the company's sustainability commitments and how they can be part of achieving them. We aim to expand the program to both office and frontline teammates across our store network over the coming years.
Financial optimization calculations	As part of our Climate Action Plan, our Real Estate uses Energy Optimization tools to select projects that maximize energy efficiency to maximize net profit on near-term and long-term horizons
Internal incentives/recognition programs	In fiscal 2023, all Named Executive Officers (NEOs) had 10% of their Profit-Sharing Plan (PSP) target award associated with specific goals tied to ESG performance. 5% was tied to specific Sustainability metrics and 5% to DE&I metrics.
Internal finance mechanisms	Energy efficiency projects that meet the company's capital investment hurdle rate.
Lower return on investment (ROI) specification	As part of our Climate Action Plan Fund, projects with higher emission reduction paybacks are prioritized. E.g.: transition to our existing refrigeration units to CO_2 Refrigeration units.

Other	Audits are done with our vendor/partner network to build confidence in the feasibility of projects. We have partnered with regional utility companies to help us identify, evaluate and implement cost-effective energy efficiency equipment and process improvements.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Low-Carbon Investment (LCI) Registry Taxonomy

Type of product(s) or service(s)

Other

Other, please specify

Fast charging EV charging stations

Description of product(s) or service(s)

We are making it easier for our customers to charge their electric vehicles (EVs) while shopping in our stores by expanding charging infrastructure. In fiscal 2023 our IGA team met its goal of installing 100 EV charging stations at 50 stores. Thanks to fast-charging technology, customers can recharge their EVs in about 20 minutes while completing their shopping. Since the inception of our charging network in November 2020, drivers have saved 1,005,640 kilograms of GHGs, the equivalent of planting 25,790 trees that grow for 10 years.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1,000

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

389,840

Comment

We developed a GHG inventory with the help of an external consultant by using the GHG Protocol to define our organizational and operational boundaries and to determine the activities that contribute to each category of Scope 1, Scope 2, Scope 3 emissions.

Scope 1:

1. 2019 GHG inventory includes all our grocery and related business banners in operation in 2019, including corporate and franchise sites.
2. Emissions sources include natural gas, propane and fuel oil used for heating and store operations, as well as refrigerant emissions, fuel from corporate fleet Voilà fleet, and diesel in onsite generators.
3. 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.

Reported emissions for CY19, CY20 and CY21 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 (Scope 1 emissions).

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)
357,030

Comment
Scope 2 emissions:

1) This encompasses all sources of electricity consumption.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not Applicable because none of our operations purchase electricity from suppliers directly.

Scope 3 category 1: Purchased goods and services

Base year start
January 1, 2019

Base year end
December 31, 2019

Base year emissions (metric tons CO2e)
17,825,033

Comment
The category includes emissions related to goods and services purchased in the reporting year. The emissions were estimated using the Scope 3 evaluator tool based on the financial data for purchased goods and services across grocery banners, related business, wholesale and private label banners.

Scope 3 category 2: Capital goods

Base year start
January 1, 2019

Base year end
December 31, 2019

Base year emissions (metric tons CO2e)

152,599

Comment

The category includes emissions related to capital goods purchased in the reporting year. The emissions were estimated using the Scope 3 evaluator tool based on the spend data including new equipment and machinery spend, building and construction activities, vehicles and transportation of capital goods.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

196,795

Comment

The emissions include relevant upstream emissions from fuel and energy reported. This includes emissions related to transmission and distribution (T&D) losses for electricity purchased from grid. well-to-tank emissions related to fuels and electricity.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

176,626

Comment

The category includes emissions related to transportation and distribution services purchased in the reporting year, including inbound and outbound logistics and transportation and distribution between our own facilities.

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

146,513

Comment

The category includes emissions related to disposal and treatment of waste generated in our operations in the reporting year. The emissions were calculated using emissions factors based on the waste generated by type of disposal (e.g. landfill, recyclables, organic etc.)

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

4,250

Comment

The category includes emissions related to transportation of employees for business-related activities during the reporting year. This includes transportation of employees for business-related activities in vehicles owned or operated by third parties, including aircraft and passenger cars.

Scope 3 category 7: Employee commuting

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

49,184

Comment

The category includes emissions related to transportation of employees between their homes and their worksites during the reporting year

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This category is not applicable as under the operational control consolidation approach, we have reported emissions related to upstream leased assets of our corporate stores as Scope 1 and 2.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

117

Comment

This includes emissions related to downstream transportation activity due to e-commerce business of Longo's.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This category is not applicable as we do not sell intermediate products. We sell products direct to the consumers for their own use.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

4,545,725

Comment

This category includes emissions related to products that contribute to 'Direct use phase emissions'. This includes fuel sold at gas stations and retail products that consume electricity. Fuel sold at gas stations was included, as this would contribute the majority of our emissions in this category. Any other products that consume electricity comprise a very small portion of our business and is immaterial compared to fuel.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

The emissions in this category due to end-of-life treatment of our sold products will be negligible. As per our estimates (using revenue, average cost of products, and a conservative assumption of 50% of products by weight being disposed in landfill) the approximate emissions would be less than 2% of total Scope 3 emissions.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not applicable as there are no downstream leased assets.

Scope 3 category 14: Franchises

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

314,167

Comment

This category includes emissions related to electricity, natural gas, diesel, propane and fuel oil consumed by our non-corporate sites.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

Comment

The emission from this category are deemed immaterial and hence excluded in our base year 2019.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

400,460

Start date

January 1, 2022

End date

December 31, 2022

Comment

Scope 1 emissions for CY 2022

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

360,880

Start date

January 1, 2021

End date

December 31, 2021

Comment

Scope 1 emissions for CY 2021
Reported emissions for CY19, CY20 and CY21 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 (Scope 1 emissions)

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

232,360

Start date

January 1, 2022

End date

December 31, 2022

Comment

Scope 2 emissions for CY 2022

Past year 1

Scope 2, location-based

262,960

Start date

January 1, 2021

End date

December 31, 2021

Comment

Scope 2 emissions for CY 2021

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Refrigeration emissions across Quebec corporate stores and two banners – Foodland (Ontario) and Needs

Scope(s) or Scope 3 category(ies)

Scope 1

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

1.4

Estimated percentage of total Scope 3 emissions this excluded source represents

Explain why this source is excluded

Refrigeration emissions across these banners – Foodland (Ontario), and Needs are not included in the GHG inventory.

The refrigerant data for these banners was not readily available during the preparation of the GHG inventory, as they were not integrated in the data collection software system. We are working on integrating these banners in the system. In order to collect this historical data, we would need to request this data directly from maintenance service providers individually for each banner/site and compile manually.

Explain how you estimated the percentage of emissions this excluded source represents

These sites also comprise ~7% of the square foot for all corporate sites. Based on average refrigerants emission from other corporate sites, it is expected that refrigerants from these stores would amount to about 2 - 3% of Scope 1 emission, and 1 - 2% of Scope 1 and 2 emissions combined. Given the level of effort to retrieve this data and the low impact on scope 1 and 2 emissions, they were excluded.

Source of excluded emissions

Purchased goods and services (3rd party data Centre)

Scope(s) or Scope 3 category(ies)

Scope 3: Purchased goods and services

Relevance of Scope 1 emissions from this source

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Emissions are relevant and calculated, but not disclosed

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Estimated percentage of total Scope 3 emissions this excluded source represents

0

Explain why this source is excluded

Our Longo's operation engaged with one third-party data centre service provider, which is considered outside the organizational boundary. The emissions from this data centre have not been accounted in Scope 3 emissions; however, based on spend-based approach (using Scope 3 screening tool), estimated emissions from this data centre would be 0.0005% of total Scope 3 emissions. This emissions source has been excluded considering the quantum of the estimated emissions to be considered relevant.

Explain how you estimated the percentage of emissions this excluded source represents

Based on spend-based approach (using Scope 3 screening tool), estimated emissions from this data centre would be 0.0005% of total Scope 3 emissions. This emissions source has been excluded considering the quantum of the estimated emissions to be considered relevant.

Source of excluded emissions

Upstream transportation and distribution

Scope(s) or Scope 3 category(ies)

Scope 3: Upstream transportation and distribution

Relevance of Scope 1 emissions from this source

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Emissions are relevant and calculated, but not disclosed

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Estimated percentage of total Scope 3 emissions this excluded source represents

0.2

Explain why this source is excluded

We have excluded third-party transportation and distribution costs related to inbound transportation for grocery, frozen meat and dairy (GFMD) business, and third-party warehousing of seasonal products. Using the Scope 3 screening tool, the associated emissions would be 0.15% of total Scope 3 emissions in 2019 which is our base year.

Explain how you estimated the percentage of emissions this excluded source represents

Using the Scope 3 screening tool, the associated emissions would be 0.15% of total Scope 3 emissions in 2019 which is our base year.

Source of excluded emissions

Downstream transportation and distribution

Scope(s) or Scope 3 category(ies)

Scope 3: Downstream transportation and distribution

Relevance of Scope 1 emissions from this source

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Emissions are relevant and calculated, but not disclosed

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Estimated percentage of total Scope 3 emissions this excluded source represents

0

Explain why this source is excluded

We have excluded downstream transportation and distribution costs related delivery to end consumers of pharmacy products. Using the Scope 3 screening tool, the associated emissions would be 0.01% of total Scope 3 emissions in 2019 our base year.

Explain how you estimated the percentage of emissions this excluded source represents

Using the Scope 3 screening tool, the associated emissions would be 0.01% of total Scope 3 emissions in 2019 our base year.

Source of excluded emissions

End of life treatment

Scope(s) or Scope 3 category(ies)

Scope 3: End-of-life treatment of sold products

Relevance of Scope 1 emissions from this source

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Emissions are relevant and calculated, but not disclosed

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Estimated percentage of total Scope 3 emissions this excluded source represents

1.3

Explain why this source is excluded

We do not have visibility on the end use of products with respect to waste disposal and treatment and thus we have used an estimation approach to calculate emissions from this category. We have used our annual sales revenue (CAD) as proxy and converted to average weight of product sold (tonnes) using monthly average cost of food and other products by Statistics Canada. We have made a conservative assumption that 50% of our products (includes food and packaging) by weight are wasted by end consumers and disposed in landfill. As per the study on food waste in Canada by Value Chain Management International, almost 23% of total food sold at retail is wasted by end consumers in households. Hence, our assumption of 50% products wasted by end consumers can be considered conservative. Using this approach, the estimated emissions from end of life of our products is about 1.3% of total Scope 3 emissions.

Explain how you estimated the percentage of emissions this excluded source represents

We have used an estimation approach to calculate emissions from this category. We have used our annual sales revenue (CAD) as proxy and converted to average weight of product sold (tonnes) using monthly average cost of food and other products by Statistics Canada

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

18,515,161

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category includes emissions related to goods and services purchased in the reporting year. The emissions were estimated using the Scope 3 evaluator tool based on the financial data for purchased goods and services across grocery banners, related business, wholesale and private label banners.

Exclusion: Purchased goods and services (3rd party data Centre)

Our Longo's operation engaged with one third-party data centre service provider, which is considered outside the organizational boundary. The emissions from this data centre have not been accounted in Scope 3 emissions; however, based on spend-based approach (using Scope 3 screening tool), estimated emissions from this data centre would be 0.0005% of total Scope 3 emissions. This emissions source has been excluded considering the quantum of the estimated emissions to be considered relevant.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

398,157

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category includes emissions related to capital goods purchased in the reporting year. The emissions were estimated using the Scope 3 evaluator tool based on the spend data including new equipment and machinery spend, IT, building and construction activities, vehicles and transportation of capital goods

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

171,456

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The emissions include relevant upstream emissions from fuel and energy reported. This includes emissions related to transmission and distribution (T&D) losses for electricity purchased from grid. well-to-tank emissions related to fuels and electricity.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

245,398

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category includes emissions related to transportation and distribution services purchased in the reporting year, including inbound and outbound logistics and transportation and distribution between our own facilities.
Exclusion:
We have excluded third-party transportation and distribution costs related to inbound transportation for grocery, frozen meat and dairy (GFMD) business, and third-party warehousing of seasonal products. Using the Scope 3 screening tool, the associated emissions would be 0.15% of total Scope 3 emissions in 2019 which is our base year.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

95,785

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The category includes emissions related to disposal and treatment of waste generated in Sobeys' operations in the reporting year. The emissions were calculated using emissions factors based on the waste generated by type of disposal (e.g. landfill, recyclables, organic etc.).

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,869

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The category includes emissions related to transportation of employees for business related activities during the reporting year. This includes transportation of employees for business-related activities in vehicles owned or operated by third parties, including aircraft and passenger cars.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

39,280

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The category includes emissions related to transportation of employees between their homes and their worksites during the reporting year

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable as under the operational control consolidation approach, we have reported emissions related to upstream leased assets of our corporate stores as Scope 1 and 2.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

637

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This includes emissions related to downstream transportation activity due to e-commerce business of Longo's.
Exclusion:
We have excluded downstream transportation and distribution costs related delivery to end consumers of pharmacy products. Using the Scope 3 screening tool, the associated emissions would be 0.01% of total Scope 3 emissions in 2019 our base year.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable as we do not sell intermediate products. We sell products direct to the consumers for their own use

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4,158,409

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This category includes emissions related to products that contribute to 'Direct use phase emissions'. This includes fuel sold at gas stations and retail products that consume electricity. Fuel sold at gas stations was included, as this would contribute the majority of our emissions in this category. Any other products that consume electricity comprise a very small portion of our business and is immaterial compared to fuel.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

We do not have visibility on the end use of products with respect to waste disposal and treatment and thus have used an estimation approach to calculate emissions from this category. We have used our annual sales revenue (CAD) as proxy and converted to average weight of product sold (tonnes) using monthly average cost of food and other products by Statistics Canada. We have made a conservative assumption that 50% of our products (includes food and packaging) by weight are wasted by end consumers and disposed in landfill. As per the study on food waste in Canada by Value Chain Management International, almost 23% of total food sold at retail is wasted by end consumers in households. Hence, our assumption of 50% products wasted by end consumers can be considered conservative. Using this approach, the estimated emissions from end of life of our products is about 1.3% of total Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable as there are no downstream leased assets.

Franchises

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

282,932

Emissions calculation methodology

Average data method
Franchise-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category includes emissions related to electricity, natural gas, diesel, propane and fuel oil consumed by our non-corporate sites.
Exclusions:
Refrigeration emissions across Quebec franchise stores - Refrigerants for these stores were not readily available, as they were not included in the Verisae system. Therefore, the data would need to be requested from suppliers individually for each store and compiled manually. Given the level of effort to retrieve this data and the low impact on scope 3 emissions, they were excluded.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,342

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1, 2021

End date

December 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)

20,108,793

Scope 3: Capital goods (metric tons CO2e)

291,795

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

145,651

Scope 3: Upstream transportation and distribution (metric tons CO2e)

194,857

Scope 3: Waste generated in operations (metric tons CO2e)

172,081

Scope 3: Business travel (metric tons CO2e)

1,024

Scope 3: Employee commuting (metric tons CO2e)

53,782

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

117

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

4,144,816

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

250,587

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

26.4

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

632,820

Metric denominator

square foot

Metric denominator: Unit total

23,967,665

Scope 2 figure used

Location-based

% change from previous year

1

Direction of change

Increased

Reason(s) for change

Other, please specify

Fluctuation in Fugitive emissions

Please explain

The overall Scope 1 & 2 emissions have increased from 2021, the primary reason for increase is Scope 1 emissions: Fluctuation in Fugitive emissions and data improvement in Mobile emissions. The Scope 2 emissions from 2021 has decreased as a result of

decline in energy consumption and grid decarbonisation.
a. The year-over-year fluctuation in Scope 1 emissions is driven primarily by fugitive emissions (refrigeration-related emissions) and mobile combustion emissions (fuel consumption in company owned vehicles). Data improvements in capturing refrigerant leakages and improving our methodology for data collection on fuel consumption for company-owned vehicles have impacted year-over-year values for Scope 1 emissions. Our focus on addressing refrigeration emissions and fleet electrification (amongst other fleet-related activities) will help to reduce Scope 1 emissions.
b. Scope 2 emissions: Energy performance: Overall energy consumption (natural gas and electricity) continues to decline due to energy efficiency projects across the business and Grid Decarbonization: Scope 2 emissions continued to decrease due to grid decarbonization, particularly in Alberta, Nova Scotia and Ontario.

We are making progress towards our targets to reduce Scope 1 and 2 emissions, demonstrating the impact of our ongoing investments in energy efficiency. We continue to see a downward trend in combined Scope 1 and 2 emissions (reduction of 15 per cent in calendar year 2022 compared to our 2019 base year).

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Canada	400,460

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Retail Sites	96,399
Retail Support Centres (RSCs)	12,895

Offices	569
Company owned Vehicles	74,836
Refrigeration Leaks	214,527
Fuel used in diesel generators	1,234

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	232,360	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity - Retail Sites	198,248	
Electricity - Retail Support centres	26,050	
Electricity - Offices	8,064	

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption			
Other emissions reduction activities			
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			Mobile combustion emissions - improving our methodology for data collection on fuel consumption for company-owned vehicles have impacted year-over-year values for Scope 1 emissions
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			The gross global emissions (Scope 1 + 2) for this reporting year are 632,820 metric tons of CO2e. Our gross global emissions for the previous reporting year were 623,840 metric tons of CO2e. This means that the total change in emissions is 8,980 metric tons of CO2e, equal to a 1% increase. According to the formula in the explanation of terms, above: (8,980/623,840) * 100 = 1%.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1,640,392	1,640,392

Consumption of purchased or acquired electricity		0	933,859.63	933,859.63
Total energy consumption			2,574,251.6	2,574,251.6

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

5,276

Comment

Fuel oil consumption: 5,276 MWh

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

642,438

Comment

Natural Gas consumption: 642,438 MWh

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

992,678

Comment

Propane consumption: 13,927 MWh
Diesel- stationery combustion/DG sets - 26,148 MWh
Diesel mobile - 904789 MWh
Gasoline mobile - 47814 MWh

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

1,640,392

Comment

Fuel oil consumption: 5,276 MWh
Natural Gas consumption: 642,438 MWh
Propane consumption: 13,927 MWh
Diesel- stationery combustion/DG sets - 26,148 MWh
Diesel mobile - 904789 MWh
Gasoline mobile - 47814 MWh
Total - 1,640,392 MWh

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Canada

Consumption of purchased electricity (MWh)

933,859.63

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

933,859.63

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Canada federal fuel charge
Newfoundland and Labrador carbon tax
Nova Scotia CaT - ETS
Québec CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Nova Scotia CaT - ETS

% of Scope 1 emissions covered by the ETS

% of Scope 2 emissions covered by the ETS

Period start date

Period end date

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e

Verified Scope 2 emissions in metric tons CO2e

Details of ownership

Comment

Québec CaT - ETS

% of Scope 1 emissions covered by the ETS

% of Scope 2 emissions covered by the ETS

Period start date

Period end date

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e

Verified Scope 2 emissions in metric tons CO2e

Details of ownership

Comment

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Canada federal fuel charge

Period start date

Period end date

% of total Scope 1 emissions covered by tax

Total cost of tax paid

Comment

Newfoundland and Labrador carbon tax

Period start date

Period end date

% of total Scope 1 emissions covered by tax

Total cost of tax paid

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We aim to reduce our emissions through investments in energy saving devices and optimization of fleets. We take compliance very seriously when it comes to carbon pricing regulations. We have several positions within the company responsible for managing and monitoring our carbon tax obligations.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Other, please specify

Influence our suppliers to to set science-based targets on their Scope 1 and 2 emissions

Details of engagement

Other, please specify

We have set a target for a minimum of 64% of our suppliers, by spend, to set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027.

% of suppliers by number

64

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

64

Rationale for the coverage of your engagement

We have set a target for a minimum of 64% of our suppliers, by spend, to set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. The target is based on the SBTi requirement to cover two third of our Scope 3 emissions.

Impact of engagement, including measures of success

We have launched the CDP supply chain in fiscal 23 and have partnered with the CDP Supply Chain program to provide practical resources to our supplier partners so they can measure and disclose their GHG emissions and have access to resources to support them with target-setting. Looking ahead, we will use data-driven insights to identify collaboration opportunities, prioritize suppliers for further engagement, and to improve Scope 3 measurement.

Comment

We recognize that not everyone is at the same place in their emissions-reduction journey, which is why we are taking a thoughtful and supportive approach to make progress towards greater consistency and collaboration on GHG reduction.

Type of engagement

Other, please specify

Engage local growers and producers to bring their products into our stores

Details of engagement

Other, please specify

Encourage local suppliers and promote their products with lower footprint in our stores

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

To reduce emissions in our offerings and supporting our communities, we are strongly support local producers, growers and suppliers across Canada. And we're always on the lookout for fresh ideas, collaborating with local and national partners who share our passion for innovating to find better choices for our customers and communities.

Impact of engagement, including measures of success

Our focus is to be a leader in supporting and investing in local suppliers and producers. In fiscal 2023 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 194 new local suppliers, an increase of 12 per cent from fiscal 2022. We also helped 20 supplier partners scale regionally so they could reach more customers, including helping to take 11 companies national. We have added more than 2500 SKUs of local products to support the local community and help them reach more customers. In addition to our five regionally based and dedicated Local Development Teams, we support local supplier partners through an annual product roadshow and intake events and by rolling out portals on our banner websites that make it easier for small companies to engage with us.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Through its customer-facing blog, OurPart.ca, launched in FY21, Sobeys is committed to utilizing its customer reach to positively inform and educate the communities it services and operates in. 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 in our teams and with our supplier partners and communities to advance sustainability

initiatives. Aligned with our business-wide sustainability strategy and pillars, OurPart™ includes stories focused on a range of topics, including:
• Waste reduction
• Supplier partnerships
• Climate action
• Sourcing ethically and sustainably

Impact of engagement, including measures of success

Ongoing Customer Engagement
We maintain an ongoing focus on customer engagement and education. For example, in fiscal 2023 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 continued to expand technology-based innovations that enrich customer experience, including expanding the availability of EV chargers at our stores in Quebec.

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 Circular Innovation Council to create a customer-facing campaign promoting 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 help individuals reduce their food waste. The seventh year of the “Food Fight” program was completed in September 2022, bringing the total participants participation to approximately 20,000 people since 2015.

Responsible Marketing
We also 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. 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.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We recognize that meeting our Scope 3-related targets means working closely with our supplier partners and other external organizations to help them align and integrate with our plan. Not all our supplier partners are at the same stage in their emissions-reduction journey, which is why we are taking a thoughtful and supportive approach to make progress towards greater consistency and collaboration. This includes maintaining an open dialogue with supplier partners to understand their progress towards setting science-based targets, clearly communicating our targets and plan, and working collaboratively to build capacity and shared understanding.
Our long-term goal is to achieve 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 by 28 per cent by 2030. The federal government's Clean Fuel Regulations will support this target. The balance of this emissions reduction work will be achieved through collaboration with our f uel suppliers.
The scale and challenge of decarbonizing our supply chain is significant and will require transformational change. Indeed, our Climate Action work will impact our assortment in the years to come as we work towards the goal of net zero Scope 3 emissions by 2050. Growing our assortment of lower carbon foods and products, working with producers and suppliers on food production practices, such as regenerative agriculture, and continuously improving data capture and tracking will all play an increasingly important role in our efforts to decarbonize.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

A Letter from Our Leaders
Since the launch of Empire's Climate Action Plan last year, the need to reduce

emissions around the world has become more urgent. The UN warned the planet is at a "climate crossroads" in its latest Intergovernmental Panel on Climate Change report. At Empire, we're proud of the tangible progress we have made toward achieving clear, science-based targets that exceed the Paris Agreement's 1.5C pathway. This year, as part of our commitment to continuous improvement and transparency, we're pleased to share our first report aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) along with our Sustainable Business Report to provide more information about how we manage climate risk .
All sustainability efforts require collaboration. Empire continues to work closely with our supplier partners on climate action, sustainable and ethical sourcing, and a range of other issues that matter to our customers, investors, workforce, and stakeholders. This year we are launching the CDP Supply Chain program to empower our suppliers to elevate their sustainability practices.
Sobeys Sustainable Business Report can be accessed at:
http://SobeysSBReport.ca

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

AAs one of the largest grocery retailers in Canada, we have a responsibility to create a more sustainable industry. Strong partnerships are integral to the way we do business at Empire, and our sustainability journey is all about the progress we make together. All the good that we do as a business (including our sustainability commitments) happens in collaboration with our teams, suppliers, customers and communities.
a. Work with industry associations to advocate for collective action to tackle climate change across the grocery industry. Our membership and collaboration with RCC (Retail Council of Canada) is an example of this engagement.
b. We have committed to SBTi, SBTs are internationally recognized and validated greenhouse gas (GHG) reduction targets that align with the Paris Agreement. We have received validation for our near-term Scope 1 and 2 targets through the Science Based Targets initiative (SBTi). In alignment with SBTi requirements, our targets address emissions from our operations, fleet and distribution (Scope 1 & 2), as well our extended value chain (Scope 3).
c. We have partnered with the CDP Supply Chain program to provide practical resources to our supplier partners so they can measure and disclose their GHG emissions and have access to resources to support them with target-setting. To support the launch of CDP Supply Chain, in fiscal 2023 we ran Climate Action training with our supplier-facing teams in merchandising and strategic sourcing. Looking ahead, we will use data-driven insights to identify collaboration opportunities, prioritize suppliers for further engagement, and to improve Scope 3 measurement.
d. Like us, our suppliers recognize that we are at a critical juncture and are partnering with Empire. Our goal is to reduce Scope 3 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. Looking ahead, we plan to collaborate with our fuel suppliers to increase the availability of lower carbon-intensity fuel. intensity fuel.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Retail Council of Canada (RCC)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

RCC advocates that with emerging climate policy, shifting consumer preferences, rising investor interest, rapidly changing technologies and an evolving supply chain, it is key that retailers begin taking action to mitigate greenhouse gas emissions. We are aligned with RCC's position on climate change and the action required to mitigate GHG emissions. We are participating members of RCC's Climate Risks & Opportunities Working Group , which was created in 2022.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Page/Section reference

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Other, please specify Science Based Target Initiative	SBTs are internationally recognized and validated greenhouse gas (GHG) reduction targets that align with the Paris Agreement. We have received validation for our near-term Scope 1 and 2 targets through the Science Based Targets initiative (SBTi). In alignment with SBTi requirements, our targets address emissions from our operations, fleet and distribution (Scope 1 & 2), as well our extended value chain (Scope 3).

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Corporate Governance & Social Responsibility Committee of our Board of Directors provides oversight over our material ESG issues to ensure delivery in our actions and accountability in the execution of our goals. The SVP Innovation and Sustainability is responsible for the sustainability and climate-related initiatives that are presented to and approved by the Corporate Governance and Social Responsibility Committee. The SVP's role is to ensure that our sustainability approach aligns with business strategy and is integrated into all relevant business functions. In our fiscal 2022, the Audit Committee of the Board updated its mandate to include ESG metrics, including climate-related metrics, as part of its approval of corporate disclosures. This Committee reviews all material ESG metrics, including our greenhouse gas emissions, once per year.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify Consumer Goods Forum Zero Net Deforestation	

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Law & policy Other, please specify we've updated our Sustainable Palm Oil Policy (initially adopted in 2016), to advance our commitment to source 100 per cent physical trace certified sustainable palm oil by 2025 for our Own Brands products

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify We report our performance against the indicators annually in Sustainable Business Report.

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or	Content of biodiversity-related	Sustainable Business Report 2023 - https://sobeyssbreport.com/wp-

other voluntary communications	policies or commitments	content/uploads/2022/08/fiscal-2022_sustainable_business_report_en.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Mohit Grover - SVP Innovation and Sustainability	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms