

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of 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>

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Canada

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Quebec sites	Quebec sites are not included.
Farm Boy	Sobeys Inc. acquired Farm Boy in the province of Ontario and is working towards improve data availability for its Farm Boy sites to include in future CDP disclosures.
Franchise sites	Coverage reported for 51% corporate sites. At present, we are able to report data for 51% of our Corporate sites within the Sobeys Inc. network. We are not reporting on franchise sites. We are currently working towards identifying and improving data available to include in future CDP disclosures.
E-commerce	Voila is the e-commerce segment of the Sobeys Inc. launched in 2020. At this time, data from Voila sites are not included and will be added going forward.
Longos	Sobeys' parent company, Empire, purchased 51% stake in Longo's and is working towards improve data availability for its Longos sites to include in future CDP disclosures.

W0.7

(W0.7) 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 CUSIP number	291842407
Yes, a Ticker symbol	EMP .A

Yes, an ISIN code	CA2918434077
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W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	<p>Direct Use: We have over 1,600 stores in all 10 provinces in Canada under multiple retail brands. Availability of fresh water is vital for the successful operation of our stores. We use fresh water for handwashing, in-store food preparation, home-meal replacement (HMR) products, drinking, gardening in our garden centres, restrooms and so much more.</p> <p>Indirect Use: In the current reporting year, we have not conducted a water risk assessment across the value chain. As a first step, we have completed our first scenario analysis and climate risk assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD). One of our identified priority physical risks is extreme rain and flooding impacting our operations. As water is a crucial component of agricultural and dairy productions as well as manufacturing of food, the availability of safe freshwater is critical to our business.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	<p>In our infrastructure we currently do not use recycled or brackish waters within its direct operations.</p> <p>In our indirect operations, we are aware that recycled and brackish water is commonly used as cooling water for power generation, and that some of our utility providers may be using it for this purpose. We have not engaged with our utility providers about this.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	51-75	Other, please specify Site frequency varies depending on their location and service provider., with monthly, or quarterly measurement frequencies.	Water withdrawals are measured by our water utility service provides, and volume consumption is shared with us via utility bills.	Our operations (retail stores, retail service centers (RSC) and other facilities) primarily use water from their respective municipal water sources. Water usage is captured per the billing meters (varying per the sourced municipal billing cycle) into our utility maintenance systems. However, oversight over water withdrawal and monitoring is also dependent on the ownership arrangements of our facilities owned/leased/rented.
Water withdrawals – volumes by source	Not monitored			The responsibility for supplying water is shared between the provincial, territorial, federal and municipal governments. Therefore, we do not track water withdrawals by source as we rely on the respective provinces and municipalities for our water supply.

Water withdrawals quality	Not monitored			<p>Water quality is tested routinely at the bottling facility for Big 8. Big 8 is a member of the Canadian Bottled Water Association and is Safe Quality Food (SQF) certified.</p> <p>The responsibility for supplying safe drinking water is shared between the provincial, territorial, federal and municipal governments. Therefore, we do not track water withdrawals quality for our stores as we rely on the respective provinces and municipalities for our water supply.</p>
Water discharges – total volumes	Not monitored			We currently do not monitor water discharges – total volumes.
Water discharges – volumes by destination	Not monitored			We currently do not monitor water discharges – total volumes.
Water discharges – volumes by treatment method	Not relevant			Discharge of water from our sites and facilities does not require special treatment prior to the discharge of the water into the municipal wastewater system.
Water discharge quality – by	Not relevant			Discharge of water from our sites and facilities does not

standard effluent parameters				require any quality testing prior to the discharge of the water and can be directly discharged into the municipal sewers.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			Discharge of water from our sites and facilities does not require any quality testing prior to the discharge of the water and can be directly discharged into the municipal sewers.
Water discharge quality – temperature	Not relevant			Discharge of water from our sites and facilities does not require any quality testing prior to the discharge of the water and can be directly discharged into the municipal sewers.
Water consumption – total volume				
Water recycled/reused	Not relevant			We do not currently monitor water recycled/reused.
The provision of fully-functioning, safely managed WASH services to all workers	100%			We have over 1,600 stores in all 10 provinces and office locations in 7 provinces across Canada and provides water, sanitation and hygiene (WASH) services at locations. In addition to these services, our Office Services Team also

				supplies literature throughout the buildings and facilities, regarding sanitation and, hygiene.
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W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	6,556.29	Higher	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	Improvement in our methodology for data collection on water use result in greater accuracy in our reporting and increased transparency to the use at each monitored site. As such, our withdrawal volumes present as a reduction from previous years, however, when we account for

						these data refinements , we are showing an increase in total withdrawal volumes. This increase would represent the growth in our business and use of water by the sites we have added to our operations this year.
Total discharges						
Total consumption						

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes		This is our first year of		About the same	Investment in water-smart	WRI Aqueduct	We have operations

			measurement			technology/process		across Canada and we are aware, through the WRI Aqueduct tool, that some areas where we operate are under water stress. We have not yet assessed the total % of sites implicated by this and how it affects our operations.
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W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1				

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

Products contain hazardous substances

Row 1	Yes
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W1.4a

(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
List of substances (Canadian Environmental Protection Act)	Don't know	<p>We use various chemicals for cleaning and similar tasks in our stores, office, and warehouse, that are deemed hazardous under WHMIS – they could be corrosive, flammable, toxic etc.</p> <p>Every employee who could come in contact with them has to complete WHMIS training to be knowledgeable about them. Every applicable product has a Safety Data Sheet and label associated with it outlining all the precautionary steps required for that specific material.</p>

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	We are planning to do so within the next two years	We are aiming to do so in the next two years via our work on Nature. Indeed we aim to reduce our impact on Nature by reducing waste and integrating nature-related risks and opportunities in business decisions. We aim to develop understanding on TNFD (Taskforce on Nature-related Financial Disclosures).
Other value chain partners (e.g., customers)	No	We are planning to do so within the next two years	We've completed our 1st TCFD report and a climate risk assessment in which we've identified the regions where our customers would be impacted by physical risks, such as flooding.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Canada

Other, please specify

Atlantic Provinces: Nova Scotia

Type of impact driver & Primary impact driver

Acute physical

Cyclone, hurricane, typhoon

Primary impact

Supply chain disruption

Description of impact

In September, 2022, Hurricane Fiona, impacted parts of Atlantic Canada. On record, this is the most intense tropical cyclone to have impacted Canada impacting Nova Scotia, P.E.I, New Brunswick, Quebec, and New Foundland. The storm caused major flooding, with record high water levels. The resulting power outtages, road washouts, and wind related damage affected operation of our stores and caused disruption to our supply chain. Majority of Sobeys, Foodland, Lawtons, participating Co-ops grocery stores, and Pete's Frootique stores in Halifax, Colchester, Guysborough, Pictou and Antigonish counties, as well as all of Cape Breton and Prince Edward Island experienced closures. Disruptions lasted from a few hours to over a week as road closures, and power outages were restored.

Primary response

Develop flood emergency plans

Total financial impact

Description of response

Our Crisis Management Framework (CMF) and Emergency Event Guidelines help us prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. We have implemented a CMF to provide guidance across the business in the event of a crisis, such as Hurricane Fiona, which disrupted our store operations, back-

office operations, and distribution. Each crisis scenario is assigned leads from the Crisis Management Team, Executive Committee, and core teams that 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.

Furthermore, 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.

Country/Area & River basin

Canada

Other, please specify

National Canadian and International growers and producers of our products

Type of impact driver & Primary impact driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary impact

Reduction or disruption in production capacity

Description of impact

We source products globally and the regions where we source from may be impacted when there are droughts or water related climate events, such as flooding and hurricanes. This can impact product availability, costing and quality.

Primary response

Engage with suppliers

Total financial impact

Description of response

We have partnered with the CDP Supply Chain program and have the opportunity to engage with our suppliers in learning and understanding current and future water related risks in our supply chain.

Country/Area & River basin

Canada

Other, please specify

Flooding in Manitoba, Red River Basin

Type of impact driver & Primary impact driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary impact

Supply chain disruption

Description of impact

In spring 2022, Manitoba experienced record snow and rain fall over still frozen or saturated ground, causing flooding water levels of lakes and rivers. Winnipeg experienced the wettest spring on record. The series of floods affected the operation of our stores and caused disruptions to our supply chain, particularly in the Winnipeg area. We experienced delays during the weather event as road closures, and power outages were restored.

Primary response

Develop flood emergency plans

Total financial impact

Description of response

Our Crisis Management Framework (CMF) and Emergency Event Guidelines help us prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. We have implemented a CMF to provide guidance across the business in the event of a crisis, such as flooding, which disrupted our store operations, back-office operations, and distribution. Each crisis scenario is assigned leads from the Crisis Management Team, Executive Committee, and core teams that lead the response to the event.

Our Emergency Event Guidelines outline the actions we take to mitigate and monitor emergencies. Each store and RSC (distribution centre) has an emergency response plan on site. These guidelines are implemented by the Director of Operations, District Operator, maintenance solution centers and onsite staff.

Furthermore, 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.

Country/Area & River basin

Canada

Other, please specify

Flooding, and hail in Alberta, Manitoba, Saskatchewan

Type of impact driver & Primary impact driver

Acute physical

Heavy precipitation (rain, hail, snow/ice)

Primary impact

Supply chain disruption

Description of impact

In July 2022, a series of storm complexes impacted the Prairie provinces, bringing heavy rain, large hail and damaging wind gusts and tornadoes, with localized flooding. Large hailstones along the Queen Elizabeth 2 highway resulted in disruption to a main transit corridor, with impacts to our supply chain. particularly in the Calgary and Edmonton region, where our warehouses and over 50% of our stores are located. The disruption impacted access to our stores by delivery trucks, employees and customers.

Primary response

Develop flood emergency plans

Total financial impact

Description of response

Our Crisis Management Framework (CMF) and Emergency Event Guidelines help us prepare for, identify, respond to, and recover from a crisis event efficiently and effectively. We have implemented a CMF to provide guidance across the business in the event of a crisis, such as hail and heavy rain resulting in flooding, which disrupted our store operations, back-office operations, and distribution. Each crisis scenario is assigned leads from the Crisis Management Team, Executive Committee, and core teams that lead the response to the event.

Our Emergency Event Guidelines outline the actions we take to mitigate and monitor emergencies. Each store and RSC (distribution centre) has an emergency response plan on site. These guidelines are implemented by the Director of Operations, District Operator, maintenance solution centers and onsite staff.

Furthermore, 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.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

Identification and classification of potential water pollutants	Please explain
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Row 1	No, we do not identify and classify our potential water pollutants	
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W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

No, water risks-related are not assessed

W3.3c

(W3.3c) Why does your organization not undertake a water-related risk assessment?

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	We aim to address water-related risks in the next few years. The completion of our first climate risk assessment has been prioritized over the last year which allowed us to better understand the variety of risks for our business, including water related risks in the context of climate change.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Through our operating companies and our equity-accounted investments, we are 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 work to minimize regulatory and reputation risks. Our impacts extend farther than our own facilities, especially throughout our value chain and the communities we operate in.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	300	1-25	<p>Over the past year, we completed a climate risk assessment which included a regional view of future exposure to identified physical risks by 2030 across 1.5C, 2C and 4C temperature scenarios.</p> <p>As it relates to water risk from extreme rain frequency and intensity (flooding), our findings show that high exposure regions across Canada are similar across all temperature scenarios by 2030, but demonstrate varied magnitude of impacts.</p> <p>The hazards associated with these increased extreme rainfall events are likely to lead to an increase in flooding potential, damage to property and assets and supply chain disruption.</p> <p>Based on our climate risk assessment, we estimate that approximately 300 of our facilities are exposed to water risk at the 2C temperature scenario under the 2030 time horizon.</p>

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Canada
 Other, please specify

Number of facilities exposed to water risk

1,000

% company-wide facilities this represents

51-75

% company’s total global revenue that could be affected

Comment

We cannot disclose this information for competitive reasons.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Canada
Fraser River

Type of risk & Primary risk driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Closure of operations

Company-specific description

Flooding in the Fraser River basin, depending on the magnitude, has the potential to impact our operations in the region and cause disruptions to our supply chain.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Virtually certain

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

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Working with our Real Estate team, 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, specifically related to extreme rain and flooding.

In the climate risk assessment we completed over the past year, extreme rain intensity and frequency, with the result of flooding, is identified as one of our priority acute physical risks, affecting our stores and warehouses under the 1.5, 2.0 and 4.0 degree celsius scenarios, across the 2030 and 2050 horizons.

Cost of response

Explanation of cost of response

Country/Area & River basin

Canada
Saguenay (Riviere)

Type of risk & Primary risk driver

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

Primary potential impact

Closure of operations

Company-specific description

Heavy precipitation in the Saquenay basin, depending on the magnitude, has the potential to shut down our operations in the region and cause disruptions to our supply chain, impacting operations across Canada.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Virtually certain

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

Primary response to risk

Develop flood emergency plans

Description of response

Working with our Real Estate team, 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, specifically related to extreme rain and flooding.

In the climate risk assessment we completed over the past year, extreme rain intensity and frequency, with the result of flooding, is identified as one of our priority acute physical risks, affecting our stores and warehouses under the 1.5, 2.0 and 4.0 degree celsius scenarios, across the 2030 and 2050 horizons.

Cost of response

Explanation of cost of response

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	We have not yet undertaken the supply chain risk assessment for water or climate, but plan to do so in the near future.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

We are currently piloting the Clean Works technology in its Commissary in Calgary to understand how it can help reduce water consumption in those types of facilities. Clean Works technology is used for cleaning produce items, and is shown to effectively reduce pathogens, increase shelf life and greatly reduce water consumption

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

We do not disclose the potential financial impact for competitive reasons.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board Chair	The Board delegates oversight of our material Environmental Social and Governance (ESG) issues, including water-related issues, 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.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing and guiding scenario analysis Reviewing and guiding risk management policies Reviewing and guiding strategy	<p>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.</p> <p>The SVP Innovation and Sustainability is responsible for the sustainability and 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.</p> <p>In our fiscal 2022, the Audit Committee of the Board updated its mandate to include ESG metrics, as part of its approval of corporate disclosures.</p>

			This Committee reviews all material ESG metrics once per year.
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W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	<p>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</p> <p>For details kindly refer to: 2023 Management Information Circular available at Empire's website: https://www.empireco.ca/en/</p>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

Name of the position(s) and/or committee(s)

Other, please specify
SVP Innovation and Sustainability

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Name of the position(s) and/or committee(s)

Other, please specify
 Director, Corporate Sustainability

Water-related responsibilities of this position

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Not reported to board

Please explain

Name of the position(s) and/or committee(s)

Other, please specify
 Vice President, Treasury, IR, ESG Finance

Water-related responsibilities of this position

Other, please specify
 ESG Data control

Frequency of reporting to the board on water-related issues

Annually

Please explain

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	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. Additionally, we have an Environmental and Sustainability Key Performance Indicator (“KPI”) and a Diversity, Equity and Inclusion (“DE&I”) KPI in the Company’s Profit Sharing Plan.
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W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Please explain
Long-term business objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We have completed a climate risk assessment for our direct operations which does include acute water-related physical risks such as extreme rainfall frequency and intensity. Building from this, we will further integrate the finding of our climate risk assessment into our business strategy and decision making, striving to strengthen our performance and resilience. We will assess the impact of other water-related issues in our operations and supply chain as part of future work on climate and nature-related topics.
Strategy for achieving long-term objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We have completed a climate risk assessment for our direct operations which does include acute water-related physical risks such as extreme rainfall frequency and intensity. Building from this, we will further integrate the finding of our climate risk assessment into our business strategy and decision making, striving to strengthen our performance and resilience. We will assess the impact of other water-related issues in our operations and supply chain as part of future work on climate and nature-related topics.

Financial planning	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We have completed a climate risk assessment for our direct operations which does include acute water-related physical risks such as extreme rainfall frequency and intensity. Building from this, we will further integrate the finding of our climate risk assessment into financial planning, striving to strengthen our performance and resilience. We will assess the impact of other water-related issues in our operations and supply chain as part of future work on climate and nature-related topics.
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W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

We cannot disclose this information for competitive reasons.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	We have completed a scenario analysis to identify and manage climate-related impacts in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Conducting this analysis has enabled us to better understand our potentially material climate-related risks and integrate them into our enterprise risk management approach. We have identified potential acute and chronic climate-related risks and assess their business impacts against different climate scenarios and future time horizons. We have identified potential opportunities, including resource efficiency and improved

		resilience in the transition to a low-carbon economy. As we now have validated science-based near-term GHG emissions reduction targets, following the TCFD recommendations will continue to improve our governance, measurement and tracking of our targets.
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W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>We completed a climate risk assessment covering our portfolio, including stores, offices, and warehouses, which were assessed against our emergency Risk Management (ERM) Framework vulnerability categories. Each site was assigned an exposure rating according to the magnitude of projected changes.</p> <p>We used geospatial mapping and the most recently published climate models to analyze the potential impact of physical risks to our operating sites and considered the risk exposures at a localized level using the 1.5°C, 2°C and 4°C scenarios adopted by the IPCC.</p> <p>Specific to Extreme Rain physical hazard (which is separated into extreme rain frequency, and extreme rain intensity), we used Regional Canadian Government (CMIP6 based) data, against 2030 and 2050 time horizons,</p>	<p>The findings related to extreme rain frequency and intensity (flooding) indicate that sites located close to the coast of British Columbia, Nova Scotia, New Brunswick, and Newfoundland and Labrador experience the highest number of extreme rain days per year, and are the most exposed to extreme rain and flood risk.</p> <p>Across all scenarios and time horizons, projected increases to the frequency of extreme rain days and intensity are greatest at sites located close to the coast in British Columbia, Ontario, Quebec, Nova Scotia, and Newfoundland and Labrador,</p> <p>Larger increases in the frequency of extreme rainfall occur under both 1.5°C and 4°C scenarios and at more distant time horizons.</p> <p>The largest increase to intensity occur under both 2 degree and 4 degree C</p>	<p>We have started to integrate the findings from our climate risk assessment into climate action planning, and corporate governance.</p>

	<p>and SSP1-2.6, SSP2-4.5, SSP5-8.5 scenarios. We only considered the medium and long term time horizons in our assessment.</p> <p>Our estimates of the exposure to all identified physical risks, are determined using historical financial information for each operating site, including the annual sales of each site as of the 2022 fiscal year-end and the insured value of the property, equipment, and inventory as well as the square footage of each property.</p> <p>The exposure to extreme rain affecting our sites, based on our ERM framework rating is likely to almost certain likelihood.</p>	<p>scenarios and at more distant time horizons.</p>	
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W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain

Row 1	No, but we plan to address this within the next two years	Important but not an immediate business priority	We have not yet completed an assessment to inform whether our products and/or services would be classified as low water impact.
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W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, but we plan to within the next two years

W8.1c

(W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	Our scenario analysis and climate risk assessment completed over the past year has given us a preliminary understanding of our exposure to water-related risks such as extreme rain frequency and intensity in our operations. Looking ahead, we are aiming to complete a climate risk assessment of our supply chain, deepening our understanding of areas within our supply chain that may be exposed to water-related physical risks, such as drought. We also aim to evaluate nature-based risks and opportunities. We aim to conduct an assessment aligned with the TNFD (Taskforce on Nature-related Financial Disclosures). The outcome of this work may impact future target setting on material topics.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – but we plan to within the next two years	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – but we plan to within the next two years	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – but we plan to within the next two years	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
Row 1	No – but we plan to within the next two years	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used		None	

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	Please explain
Plastic packaging used	None	

W11. Sign off

W-FI

(W-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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	SVP of 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 indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms