

Welcome to your CDP Climate Change Questionnaire 2022

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 Inc. (or "Sobeys"), a wholly-owned subsidiary. Sobeys is proudly Canadian, with more than 115 years of experience in the food retail business. As one of only two national grocery retailers in Canada, we serve the food shopping needs of Canadians with approximately 1,500 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo's and Lawtons Drugs, as well as more than 350 retail fuel locations. Empire also runs e-commerce grocery retail businesses, including its' newest banner, Voilà.

Our five core retail food formats and related businesses are designed to ensure that we have the right offering in the right-sized stores for each individual market we serve – from our full-service format to the convenience format, each tailored to satisfy the unique shopping needs of our customers.

Our core values are our strength and the foundation of who we are: **Customer-Driven, People-Powered, Community-Engaged and Results-Oriented**. And, our purpose – we are a family nurturing families – is our collective passion and mission to nurture the things that make life better, including great experiences, families, communities and the lives of our 130,000 teammates from coast-to-coast.

More information on Sobeys Inc. can be found at <https://corporate.sobeys.com/>

We take responsibility for the impact we have on the planet and our communities. Our actions are guided by our commitment to positively impact **People** and the **Planet**, and to serve **Products** that nurture the diverse needs of Canadian families, both today and in the future.

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.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2021	December 31, 2021	Yes	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	291843407

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(s)	Please explain
Board-level committee	<p>Corporate Governance & Social Responsibility Committee:</p> <p>Sustainability leadership and accountability is firmly embedded in our overarching governance approach. The Corporate Governance & Social Responsibility Committee provides oversight over our Environment Social and Governance (ESG) issues to ensure delivery of our actions and accountability in the execution. This work includes identifying, monitoring and implementing initiatives to mitigate risk, deliver on our commitments, and report key metrics and progress on our goals.</p> <p>Key responsibilities of our Corporate Governance & Social Responsibility Committee include:</p> <ul style="list-style-type: none"> • Annually assessing the effectiveness of the Board as a whole, the effectiveness of the committees of the Board and the contributions of individual Directors, and reporting to the Board on the results of the assessments, including recommended actions to address any issues arising from the assessments • Recommending to the Board the composition of the committees of the Board • Receiving and reviewing periodic reports of the Company’s policies, activities and progress pertaining to social responsibility initiatives, including sustainability, as well as updates on regulatory and general market developments relating to such matters • Assisting the Board in fulfilling its responsibilities as they relate to corporate governance and social responsibility <p>In FY2022, the Corporate Governance & Social Responsibility Committee:</p> <ul style="list-style-type: none"> • Received and reviewed updates and recommendations on the Company policies, activities and progress pertaining to social responsibility initiatives, strategies and action plans, including in the area of sustainability (e.g. energy management, removal of single-use plastics, food waste reduction) as well as updates on regulatory and general market developments relating to such matters. In particular, the Committee: • Reviewed ESG trends and how investor-related disclosures are evolving, including the Sustainability Accounting Standards Board (SASB) • Reviewed the 2021 Sustainable Business Report, including updates to the materiality assessment and the various reported-on metrics • Requested additional ESG education seminars for Committee and Board • Recommended that the full Board be briefed on critical ESG-related aspects

<p>Other, please specify</p> <p>Board of Directors</p>	<p>We believe that the highest standards of corporate governance are essential to the effective management of our business and to building sustainable value for our stakeholders. Key Environment Social and Governance (ESG) responsibilities of our Board are:</p> <ul style="list-style-type: none"> • Overseeing the development of the Company’s corporate governance policies, principles and guidelines • Developing and monitoring compliance with the Company’s Code of Business Conduct and Ethics for directors, officers and employees, including Ethics Line reporting • Overseeing stewardship of the Company, including the strategic planning process, approval of the strategic plan, identification of principal risks and implementation of systems to manage these risks • Encouraging a culture of ethical conduct by appointing officers of high integrity and monitoring their performance • Delegating certain ESG responsibilities to the Corporate Governance & Social Responsibility Committee, the HR Committee and the Audit Committee, which are each verified on applicable ESG issues on a regular basis • Overseeing the ethical, legal and social conduct of the Company <p>In FY2022, the board of directors -</p> <ul style="list-style-type: none"> • Reviewed ESG trends and how investor-related disclosures are evolving, including a scan of key ESG-related frameworks and standards (e.g. SASB, TCFD) • Received updates on sustainability strategy and ESG ratings performance, benchmarked against comparator companies • Discussed evolution of sustainability governance, strategy and operational integration • Received updates on initiatives, including the company’s plan to set a science-based net zero target to be delivered via a bold new Climate Action Plan
<p>Board-level committee</p>	<p>Executive Committee - Key responsibilities of this board committed include:</p> <ul style="list-style-type: none"> • Leading business and sustainability strategy development and review • Overseeing leadership committees and operational teams responsible for implementing sustainability strategy <p>In FY 2022, the Executive Committee:</p> <ul style="list-style-type: none"> • With the support of third-party expertise, reviewed ESG trends and how investor-related disclosures are evolving, with a particular focus on GHG emissions reductions and targets • Led discussions and oversaw process to develop a bold new Climate Action Plan, including clear targets and phased approach • Reviewed progress against established sustainability goals and commitments, including on animal welfare and food waste

	<ul style="list-style-type: none"> • Contributed to discussions about the evolution of Sustainable Business Strategy in our business • Received updates on progress and performance across a range of other key sustainability areas, including DE&I, community investment, health, safety, mental wellbeing, and plastics and packaging • Reviewed the 2021 Sustainable Business Report, including updates to the materiality assessment and the various reported-on metrics
Chief Executive Officer (CEO)	Our CEO provides strategic input on ESG issues and oversees key sustainability initiatives across the three pillars of People, Planet, Products. The SVP Innovation, Sustainability and Strategy informs the CEO on sustainability issues and initiatives on a weekly basis.
Other C-Suite Officer	SVP Innovation, Sustainability and Strategy focuses on enhancing our existing and new ESG initiatives. Reporting directly to the President & CEO, and providing quarterly updates to our Board of Directors, the SVP Innovation, Sustainability and Strategy oversees the success of our ESG goals including measurement our progress and tracking of goals, setting standard reporting mechanisms and disclosures where required.

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	<ul style="list-style-type: none"> Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<p>For CY 2021, Corporate Governance & Social Responsibility Committee reviewed ESG trends and how investor-related disclosures are evolving, including the Sustainability Accounting Standards Board (SASB)</p> <ul style="list-style-type: none"> • Received an update on the fiduciary duties of board members in relation to ESG matters • Reviewed the 2021 Sustainable Business Report including updates to the materiality assessment and the various reported-on metrics • Received updates on initiatives including the company’s plan to set a science-based net zero target and how it would be implemented via a bold, new Climate Action Plan, GHG emissions reductions, energy management, labour practices, food waste and plastics reduction • Requested additional ESG education seminars for Committee and Board

		The SVP Innovation, Sustainability and Strategy is responsible for the sustainability and climate-related initiatives that are presented to and approved by the Corporate Governance and Social Responsibility Committee of the Board of Directors. His role is to ensure that Sobeys sustainability approach aligns with business strategy and is integrated into all our operations.
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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: 2022 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.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify	Managing climate-related risks and opportunities	Quarterly
Chief Executive Officer (CEO)	Managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify SVP Innovation, Sustainability and Strategy	Both assessing and managing climate-related risks and opportunities	Quarterly

Other, please specify Director, Corporate Sustainability	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Climate-related issues are formally captured under the “Climate Action” focus area of Sobeys corporate Sustainability Strategy. “Climate Action” is one of four focus areas in the strategy, including Waste Reduction, Sustainable Sourcing and Supplier Partnerships. The strategy itself (and thereby any climate-related issues) is governed and monitored according to the following:

The Sustainable Business Council, made up of cross-functional business leaders across the Company, meets quarterly to ratify, govern and ensure accountability through KPI integration of the Sustainable Business Strategy and its related activities and reporting. Further, the objective of the Sustainable Business Council is to foster collaboration and coordination with functional leaders and subject matter owners across our business. The council tackles emerging ESG issues and gathers strategic input to address government regulatory compliance gaps or opportunities.

Reporting to the CEO, is the SVP Innovation, Sustainability and Strategy, who takes on the sustainability leadership in developing long-term strategy and projects. The SVP Innovation, Strategy and Sustainability ensures the Company’s Sustainability strategy aligns with and bolsters corporate business strategy and operations, while enabling the national Sustainability team to effectively implement strategy, meet regulatory compliance and manage ESG risks.

Reporting to the SVP Innovation, Sustainability and Strategy, is the Director of Corporate Sustainability, who manages the Sustainability Team. The Director develops and updates the Company’s Sustainability strategy, sets action plans and engages stakeholders to effectively implement strategic goals and report on progress. The Sustainability team works cross-functionally across the business to review existing initiatives, determine key gaps, and develop long-term strategies and goals related to sustainability.

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
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Row 1	No, not currently but we plan to introduce them in the next two years	
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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	5	Operational and financial planning
Medium-term	5	10	Strategic and capital planning
Long-term	10	30	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, Sobeys is exposed to several risks in the normal course of business that have the potential to affect operating performance. Therefore, a substantive impact for Sobeys 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.

Sobeys continually works to minimize regulatory and reputation risks. Sobeys 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 its operations, Empire has an Enterprise Risk Management program in place. As part of this process, the 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. In order to fulfil this, the SVP Innovation, Sustainability and Strategy updates the Board of Directors quarterly on all sustainability issues, assessments and initiatives being championed by the company.

The Board of Directors also oversee the stewardship of the Company, including the strategic planning process, approval of the strategic plan, identification of principal risks and implementation of systems to manage these risks. For FY2022, they received updates on sustainability strategy and ESG ratings performance, benchmarked against comparator companies. They also discussed evolution of sustainability governance, strategy and operational integration, along with receiving updates on initiatives including the company's plan to set a science-based net zero target to be delivered via a bold, new Climate Action Plan.

The Corporate Governance & Social Responsibility Committee is accountable for developing, monitoring and ensuring compliance with corporate governance policies. For FY2022, they received an update on the fiduciary duties of board members in relation to ESG matters and reviewed the 2021 Sustainable Business Report including updates to the materiality assessment and the various reported-on metrics, along with updates on initiatives including the company's plan to set a science-based net zero target and how it would be implemented via a bold, new Climate Action Plan, GHG emissions reductions, energy management, labour practices, food waste and plastics reduction. In FY2022, the Corporate Governance & Social Responsibility Committee also requested (and received) additional ESG education seminars for Committee and Board.

Executive Committee leads the development and review of business and sustainability

strategy. It also oversees the leadership committees and operational teams responsible for implementing sustainability strategy. In FY2022, they reviewed ESG trends and how investor-related disclosures are evolving, with a particular focus on GHG emissions reductions and targets. They also led discussions and oversaw process to develop a bold, new Climate Action Plan, including clear targets and phased approach and reviewed progress against established sustainability goals and commitments, including on animal welfare and food waste. They further contributed to discussions about the evolution of Sustainable Business Strategy in our business.

Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

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

Empire is also working to identify and manage climate-related impacts in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Conducting an assessment according to the TCFD recommendations will enable us to better understand our material climate-related risks and integrate them into our enterprise risk management approach. As part of this work, we will leverage third-party experts to identify potential acute and chronic climate-related risks and assess their business impacts against different climate scenarios and future time horizons. We will also aim to identify potential opportunities, including resource efficiency and improved resilience in the transition to a low-carbon economy. As we have committed to science-based GHG emissions reduction targets in 2022, following the TCFD recommendations will also improve our governance, measurement and tracking of our targets.

C2.2a

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

Relevance & inclusion	Please explain
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Current regulation	Relevant, always included	<p>The government of Canada released single-use plastic items prohibition regulation on June 22, 2022, enacted the Canadian Net-Zero Emissions Accountability Act in June 2021 to set a nation-wide target to achieve Net-Zero emissions by 2050, and activated the phase 2 of the Canada-wide strategy on zero plastic waste in 2020. Further, the public health guidance continuously changed and evolved during the entire FY2022 with provinces transitioning away from restrictions and lockdowns to living with COVID-19 and communities reopening slowly.</p> <p>Therefore, in response to this continuous evolution of legislations on all three levels of the government, staying abreast, assessing and complying with the dynamically changing climate related policy landscape is critical for Empire to achieve our commitment to take care of our customers.</p>
Emerging regulation	Relevant, always included	<p>Sobeys works with numerous government bodies and trade associations to monitor emerging environmental regulations and policies that are expected to impact the retail industry in Canada.</p> <p>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.</p> <p>For e.g.: COVID-19 remained the single largest health and safety challenge we faced in fiscal year 2022. Dynamically changing public health regulations continued to affect our teams, requiring ongoing elevated protocols, procedures, and protective equipment requirements. Through extensive collaboration and active engagement with public health bodies and trade associations like RCC, we were able to closely monitor emerging Covid-19 regulations and policies affecting the Canadian retail industry.</p>
Technology	Relevant, always included	<p>As a national retailer with approximately 1,500 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 OurPart™ 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.</p> <p>For example, Our Longo's team to date has installed solar panels at</p>

		eight stores and at the team’s Support Centre, turning under-utilized rooftops into clean energy generating stations. In 2021, Longo’s generated 1,836,506 kWh of solar energy – enough energy to power 157 homes for a year.
Legal	Relevant, always included	<p>Empire, under its Enterprise Risk Management strategy continuously monitors legal risks. 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.</p> <p>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.</p>
Market	Relevant, always included	<p>Market-specific risks are monitored and evaluated by our company. For e.g. - 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 regulations and physical damage arising from extreme disasters. This could likely negatively impact our economic growth, inflation and investment returns. Therefore, our climate risk assessment for example 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.</p>
Reputation	Relevant, always included	<p>Sobeys understands that brand reputation is an intangible asset that needs to be protected. We mitigate this risk by continuously and transparently disclosing our progress made towards our climate-related actions via multiple channels including CDP Report, our annual information report, our annual corporate sustainability report, along with other ESG platforms and interfaces.</p> <p>We also have a dedicated external communication team that routinely responds to customer, media, investor and NGO inquiries related to environmental issues.</p>
Acute physical	Relevant, sometimes included	<p>Sobeys plans for extreme weather events in remote or problematic areas with a monitoring system to ensure food chain safety and 24/7 store support maintenance via a response team. Sobeys Inc. has a crisis management framework that provides guidance to all stakeholders across all areas of the business in the event a crisis event is triggered (including, environmental events).</p> <p>For example:</p> <ol style="list-style-type: none"> 1) We have a product recovery process to protect fragile grocery with the national coverage of refrigerated trucks. 2) A portion of our network is protected with electrical generators to

		allow for the stores to operate without utility 3) The store operation team has a process for crisis management for all banners
Chronic physical	Relevant, sometimes included	Sobeys is undertaking mitigation work in various areas including emissions reduction initiatives, which also contributes to reduced risks. For example: 1) Sobeys is working towards developing better controls for humidity in our stores caused by heat waves. 2) We are moving forward with advanced analytic intelligence to predict and react quicker to any systems issues and pre-adjust systems to be ready for changes in weather like heat waves. 3) We have adjusted our system design criteria with higher maximum temperature to allow for rising temperatures resulting from climate change.

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

Emerging regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Sobeys has stores in areas of Canada that are subject to a carbon pricing scheme. Upon analysis, Sobeys operation costs will potentially increase due to this. Sobeys has stakeholders in various functions of the business managing our carbon tax obligations.

Time horizon

Short-term

Likelihood

Very likely

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

The financial impact is difficult to estimate at this time.

Cost of response to risk

Description of response and explanation of cost calculation

We maintain our obligations to pay carbon tax on fuel according to the specific mechanisms set up in each province. Sobeys continues to engage with governments through industry groups to ensure that any new regulations are transparent, implemented fairly, and have a reasonable timeline.

Comment

Financial impact and cost of management have not been estimated.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Shifts in consumer preferences

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

If Sobeys is perceived by stakeholders as failing to respond in an appropriate and timely manner to climate change, we could face reputational risks.

Time horizon

Short-term

Likelihood

More likely than not

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

The financial impact is difficult to estimate because there is no standard method to specifically quantify demand for products based on reputation.

Cost of response to risk

Description of response and explanation of cost calculation

Sobeys continually mitigates this risk by monitoring for and responding to climate-related development. The company also routinely responds to customer questions related to environmental issues.

Comment

Financial impact and cost of management have not been estimated.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Sobeys has seen consumer behaviour evolve over time due to an increased awareness of the environmental and social impacts of retail products. Therefore, it is our belief that consumer buying decisions will continue to be influenced by their perception of the products impact which may influence the kind of products Sobeys offers.

Time horizon

Medium-term

Likelihood

Very 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

The financial impact is difficult to estimate at this time.

Cost of response to risk

Description of response and explanation of cost calculation

Research shows the importance of sustainability, the healthiness of plant-based products, and the appearance and appeal/popularity of sustainably sourced food is important to consumers. From this, it is apparent that providing more details and information on why and how our assortment of products is sustainable (including its sources), ensure that it's fairly priced/affordable, will help us to keep our products in line with the changing consumer demands.

For eg: We have partnered with Ocean Wise, a global organization based in Vancouver on a mission to protect our oceans. Ocean Wise helps us select sustainable products and highlight them amongst the fish and seafood offerings. When our shopper sees the Ocean Wise symbol next to fish and seafood items or on packaging, it is an assurance of sustainable sources and an ocean friendly product.

Comment

Financial impact and cost of management have not been estimated.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Changes in precipitation extremes and adverse weather conditions can impact our produce product suppliers and commodity availability. Reduced resources could result in reduced production capacity.

Time horizon

Medium-term

Likelihood

More likely than not

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

Unusual or severe weather conditions can affect shopping patterns and foot traffic, which could lead to lost sales and/or increased waste generation. Natural disasters or extreme weather conditions can result in damage to our stores or facilities, which could prevent us from properly serving our customers.

Cost of response to risk

Description of response and explanation of cost calculation

In response to the adverse potential impacts that climate change can cause to our supply chain, we have developed a strategic roadmap to mitigate climate related impacts in the commodity areas that most material to our business, specifically for our private label products. We are undertaking a TCFD analysis to better understand our risks and put in mitigation measures. This analysis will equip us to strategize and take tactical actions to mitigate climate change impacts, for the identified commodities.

Comment

Financial impact and cost of management have not been estimated.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

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

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Our operations can be impacted by severe weather events such as, heavy rainfall, flooding, torrential winds, forest fires, hurricanes, and power outages.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

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

Potential financial impact and Cost of management have not been estimated.

Cost of response to risk

Description of response and explanation of cost calculation

Sobeys plans for extreme weather events in remote or problematic areas with a monitoring system to ensure food chain safety and 24/7 store support maintenance via a response team. Sobeys has a crisis management framework that provides guidance to all stakeholders across all areas of the business in the event a crisis event is triggered (including, environmental events).

For example:

- 1) We have a product recovery process to protect fragile grocery with the national coverage of refrigerated trucks.
- 2) A portion of our network is protected with electrical generators to allow for the stores to operate without utility.
- 3) The store operation team has a process for crisis management for all banners.

Comment

Financial impact and cost of management 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

As part of our Climate Action Plan, we have identified the opportunity to reduce our operational emissions by 2030 through projects that will help us decarbonise our corporate stores, offices and warehouses. To achieve this, we will build on our Energy Efficiency Initiative, initiated in 2019 to reduce energy consumption at these sites, offices and retail service centres.

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

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 over 1000 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 imminent 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). 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.

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

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-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

For competitive reasons, Sobeys does not disclose the financial impact figure.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Managing energy responsibly also means focusing on the transportation side of our business. Our fleet is responsible for 23 per cent 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. Key programs include:

- Investing in analytics technology
- Investing in alternative fuels
- Investing in electrification

Over the years we have also invested 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. Along with our plans to improve the efficiency of our supply chain fleet, we are also planning to electrify our fleet.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Time horizon

Short-term

Likelihood

Likely

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

For competitive reasons, Sobeys does not disclose the financial impact figure.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Approved projects with the potential to access public sector incentives are assessed and the submission for these incentives are managed by dedicated resources in our Strategic Sourcing department.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Other, please specify

Employee

Primary potential financial impact

Other, please specify

Company-specific description

By actively engaging our employees in sustainability initiatives while soliciting feedback, we believe our sustainability efforts will continue to grow and new ideas will be brought forward to push the business forward. Ideas can come from anywhere in the business. Sobeys staff are routinely communicated to regarding sustainability initiatives through the corporate network. Employees across the business are encouraged to provide suggestions/ideas to the Sustainability team for review.

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

Potential financial impact and cost to realize opportunity have not been estimated

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Enable employees across the business to provide input and suggestions on how the company can be more sustainable.

Comment

Sobeys in initiating a employee engagement program called Green Champions in FY 2023. The goal of the program is

- To educate, inspire and build ambassadorship in youth leaders to lead sustainability action in our stores and to present innovative solutions to senior leaders.
- To provide an opportunity to inform our frontline teammates about Sobeys' sustainability commitments but also engage them in bringing those commitments to life in our operations.

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. Sobeys is 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

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

For competitive reasons, Sobeys Inc. does not disclose the financial impact figure.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Sobeys works with teams internally and externally to identify areas where emissions can be reduced in stores, distribution centres and warehouses.

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

Replacement of older transportation equipment (specifically tractors) with new, more efficient models. There is a reduction in fuel consumption due to improved fuel economy (e.g., Miles per gallon) as well as reductions in repair and maintenance costs.

Time horizon

Short-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

For competitive reasons, Sobeys does not disclose the financial impact figure.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our Supply Chain department annually assesses opportunities to improve transportation efficiency and realize associated savings (e.g., costs, fuel consumption). In FY 21, we replaced 75 tractors and 106 trailers and achieved an approximately 15% improvement in the fuel economy. For FY22, market shortages impacted the number of replacements we completed but as part of our Climate Action Plan, we remain committed to investing in resource efficiency of our fleet.

Comment

C3. Business Strategy

C3.1

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

Row 1

Transition plan

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

Publicly available transition plan

No

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

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

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

 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	1.5°C	In FY 2022, Sobeys completed a target setting exercise in alignment with the SBTi net-zero standard, while we also consider various shared social-economic pathways (SSPs) from the International Institute for Applied Systems Analysis (IIASA). Our current target (set in FY 2023) is in alignment with the RCP 1.9 pathway. In light of transitioning to a low-carbon economy, Sobeys has committed to SBTi net-zero standard to reduce emissions in line with a 1.5 degree scenario. We will be undertaking a detailed transition and physical risk assessment as part of the TCFD scope of work.

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

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	<p>The influence of climate-related risks and opportunities is most evident in our sourcing of local products. These products typically have lower transportation-related carbon emissions as they have travelled shorter distances to reach our stores. Increased consumer demand and support for locally sourced and produced products, as well as our assessment that local food is an area of market differentiation, we have invested in building a national Local Field Merchandising Team to work with potential local growers and producers. Applying their wealth of knowledge in working with small businesses, and national grocery retailers, our regionally-based Local Development Managers (LDMs) work one-on-one with potential local suppliers. LDMs provide key information such as how to work with different banners across our network, the product considerations and requirements needed to be able to sell in our stores, customer and products insights driven by demand and regional demographics, and the importance of environmental considerations for each new product.</p> <p>Through the work of the Local Field Merchandising Team, in 2021 we welcomed 258 new local suppliers, who accounted for almost 15 per cent of local sales in our stores. We also helped 51 supplier partners scale so they could reach more customers, including helping to take 14 companies national.</p>
Supply chain and/or value chain	Yes	<p>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 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)</p>

		<p>happens in collaboration with our teams, suppliers, customers and communities.</p> <p>As part of our climate action plan, we're counting on our suppliers to help achieve the key targets we've identified and are working with them to set their own science-based emissions targets by 2027.</p> <p>W). To achieve this, our engagement strategy for suppliers will primarily focus on collaborating with our supply chain partners and providing them with resources and reporting tools to make it easier for them to set a GHG reduce aim for a minimum of 62 per cent of suppliers, by spend, setting science-based targets on their Scope 1 and 2 emissions within five years (by the end of calendar year 2027). This includes surveying our supplier partners to understand where they are today in their respective climate action journeys, clearly communicating our targets and plan, and working collaboratively to build capacity and shared understanding. We will share relevant information, knowledge and best practices with our supplier partners through a combination of online tools and in-person events and conversations. We will also build a robust reporting and reinforcement process aligned with CDP's supply chain program.</p> <p>We're also working closely with fuel suppliers at Empire gas stations to reduce emissions from fuel sold at Empire's filling stations by 28% by 2030.</p>
Investment in R&D	Yes	<p>The commitment to take action on plastic waste reduction influenced our business strategy and helped us foster innovation to a great extent. In FY2022, Sobeys launched a national Plastic Waste Challenge to find a commercially viable and sustainable alternative for in-store wrapped seafood meat and produce packaging. We've teamed up with IGNITE Atlantic, Divert NS, and the Atlantic Canada Opportunities Agency (ACOA) to identify possible innovative solutions from potential partners across the country to collaborate to solve the plastic packaging puzzle. We called on innovators, entrepreneurs, research hubs and packaging manufacturers to bring us their ideas, and we received an encouraging number of expressions of interest. The winning applicant will receive a \$25,000 cash prize and a chance to pilot the product in some of our Nova Scotia stores, as well as a 12-month residency package with Ignite Atlantic, a meeting with ACOA to discuss the potential for further</p>

		<p>development and up to an additional \$25,000 from Divert NS toward the cost of an in-store pilot. We look forward to sharing more on this exciting project over the year.</p> <p>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. In FY2023, the Own Brands team invested in a sustainability specialist role with the aim of supporting product R&D and identifying opportunities to expand the Own Brands assortment of sustainable products.</p>
Operations	Yes	<p>Understanding that emissions from transport are 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 at our IGA stores in Quebec and New Brunswick.</p> <p>EcoCharge is a new network of 100 fast-charging stations that are tailored to current and future electric vehicles. On the 22nd of each month, all fees collected for that day's charges are donated to a local charity. Since the inception of our charging network rollouts, we have helped drivers save 194,984 kilograms of GHGs, the equivalent of planting 4,999 trees that grow for 10 years.</p>

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	<p>Investments for our Climate Action Plan</p> <p>In fiscal 2022 we created a three-year plan that lays the foundations of 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.</p>

		<p>Further, 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. We also have targets to drive the electrification of 70 per cent of our supply chain fleet by fiscal 2033. By the same year, we plan to convert 80 per cent of our Voilà delivery vans to electric power sources.</p> <p>This investment is in continuation with our Energy Efficiency Initiative, a initiated in 2019 developed to reduce energy consumption and support our efforts with verified data. Over the past three years (2019-2021) we've taken the lead on reducing energy use in our stores, and implemented a range of energy efficiency initiatives, including upgrades to refrigeration, lighting and HVAC systems in over 1000 stores.</p>
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s transition to a 1.5°C world?

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?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	Other, please specify Sobeys Inc. has set near-term Science-based targets and net-zero targets in July 2022	We estimate that our emissions will reduce by 49% in the next five years towards the end of CY 2027	<p>Sobeys net-zero targets are:</p> <ul style="list-style-type: none"> • Achieve net-zero by 2040 for Scope 1 and 2 emissions (ahead of net-zero by 2050 and 1.5°C scenario) • Achieve net-zero by 2050 for Scope 3 emissions <p>Sobeys net-zero targets are:</p>

			<ul style="list-style-type: none"> • Scope 1 & 2 (absolute target): We commit to reducing absolute Scope 1 and Scope 2 GHG emissions by a minimum of 55% by 2030 from a 2019 base year • Scope 3 (supplier engagement-based target): We also commit that 62% of our suppliers, by spend, will set science-based reduction targets on their Scope 1 and 2 emissions in five years, and to a 28% reduction by 2030 in emissions from fuel sold
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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

22

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

44

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.

To reach this target, we're working with likeminded partners to reduce food waste in our stores and supply chain, ensure surplus food makes its way to the tables of families who are in need, and track the incredible food rescue and donation programs already in place at our stores across the country. Our food waste 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, marketing "ugly" produce 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

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
- Excludes oil, fat and bone
- Excludes packaging weight

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

To make progress towards our goal to reduce food waste by 50 per cent across our operations by 2025, we have formed a national partnership with Second Harvest, Canada’s largest food-rescue organization. This partnership has a national approach to implementation and to measuring our impact, while still empowering our stores to choose and partner with regional and local non-profit partners who understand community needs—something they have been doing for decades, leading to long-standing relationships with food banks and charitable organizations.

We remain on track to deploy the Second Harvest Food Rescue App coast to coast, connecting Canadian families in need with non-profit organizations that have received fresh, healthy food while also reducing surplus food. We successfully deployed the food-rescue program across our full-service stores (Sobeys, Thrifty Foods and Safeway) in fiscal 2022 and will complete rollout to our community grocery stores (IGA, Foodland/Co-Op and FreshCo) by mid-2022. We have also onboarded our Customer Fulfilment Centre for our e-commerce business, Voilà, and three Retail Support Centres to the food-rescue program.

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*	10	588,731
Implementation commenced*	0	0
Implemented*	2	2,935
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)

2,300

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

6-10 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 150 locations, saving over one million kilowatt hours each year

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

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

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

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Our Empire family banner Farm Boy converted 65% of its Distribution Centers to LED lighting in FY 2022. This will help reduce the overall operating costs in the facilities. They also launched 8 new stores in F22 designed with LED lighting.

Further, Farm Boy is converting existing lighting in 21 stores to LED in 21 and this retrofication project is expected to complete towards the end of F23.

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 (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

11-15 years

Estimated lifetime of the initiative

6-10 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 2021, Longo's generated 1,836,506 kWh of solar energy—enough energy to power 157 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: Other (downstream)

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

We are making it easier for our customers to charge their electric vehicles (EVs) while shopping in our stores by expanding charging infrastructure at our IGA stores in Quebec and New Brunswick. EcoCharge is a new network of 100 fast-charging stations that are tailored to current and future electric vehicles. Since the inception of our charging network rollouts, we have helped drivers save 194,984 kilograms of GHGs, the equivalent of planting 4,999 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. Further, Retail Engineering and Logistics departments remain focused on implementing cost-effective emissions reduction initiatives. The diverse scope of our employee engagement programs includes such things as prioritizing carpooling, employee education and waste diversion.
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	Internal incentives and recognition programs exist internally for responsible parties that drive environmental progression in the company.
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 CO2 Refrigeration units.
Other	<p>Audits are done with our vendor/partner network to build confidence in the feasibility of projects.</p> <p>We have partnered with regional utility companies to help us identify, evaluate and implement cost-effective energy efficiency equipment and process improvements.</p>

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 at our IGA stores in Quebec and New Brunswick. EcoCharge is a new network of 100 fast-charging stations that are tailored to current and future electric vehicles. On the 22nd of each month, all fees collected for that day's charges are donated to a local charity. Since the inception of our charging network rollouts, we have helped drivers save 194,984 kilograms of GHGs, the equivalent of planting 4,999 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

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

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?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Longo's

Details of structural change(s), including completion dates

Empire Company Limited (Sobeys's parent company) acquired Longo's in May, 2021.

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

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	GHG emissions for Longo's (scope 1,2 & 3) for 2019 have been included in Sobeys' 2019 base year emissions.

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)

427,074

Comment

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

Scope 1:

1. 2019 GHG inventory includes all Sobeys and Empire 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.

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 by Sobeys 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 by Sobeys 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)

205,299

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)

126,528

Comment

The category includes emissions related to transportation and distribution services purchased by Sobeys in the reporting year, including inbound and outbound logistics and transportation and distribution between Sobeys' 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 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.)

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)

50,811

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 Sobeys does not sell intermediate products. Sobeys sells 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)

Comment

Sobeys does not operate any investments.

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)

411,362

Start date

January 1, 2021

End date

December 31, 2021

Comment

Scope 1 emissions for CY 2021

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

499,679

Start date

January 1, 2020

End date

December 31, 2020

Comment

Scope 1 emissions for CY 2020

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

262,956

Start date

January 1, 2021

End date

December 31, 2021

Comment

Scope 2 emissions for CY 2021

Past year 1

Scope 2, location-based

277,014

Start date

January 1, 2020

End date

December 31, 2020

Comment

Scope 2 emissions for CY 2020

C6.4

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

Source

Emissions from refrigeration in stores and retail support centers

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

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

Refrigeration emissions across three banners – Foodland (Ontario), Needs and Farm Boy- 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 used by Sobeys. 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.

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

3

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

Based on the total square footage of these sites, the missing data can be estimated to be 3% of total Scope 1 emissions, which is less 5% of the exclusion threshold per the Science Based Targets initiative.

The missing refrigeration data has not been estimated as the refrigeration leakage emissions can be variable across sites/facilities. Using estimation approach may reflect further inaccuracy. If we had to extrapolate, the total emissions will be below the exclusion threshold of 5%.

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)

20,669,703

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 by Sobeys 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

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

291,795

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 by Sobeys 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.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

157,207

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)

71,561

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 by Sobeys in the reporting year, including inbound and outbound logistics and transportation and distribution between Sobeys' own facilities

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

142,073

Emissions calculation methodology

Waste-type-specific method

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

90

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)

1,024

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)

53,782

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)

117

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.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable as Sobeys does not sell intermediate products. Sobeys sells products direct to the consumers for their own use.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

4,144,816

Emissions calculation methodology

Methodology for direct use phase emissions, please specify
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

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.

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)

250,587

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.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Sobeys does not operate any investments.

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, 2020

End date

December 31, 2020

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

20,194,657

Scope 3: Capital goods (metric tons CO2e)

222,854

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

176,423

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

67,812

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

156,745

Scope 3: Business travel (metric tons CO2e)

5,538

Scope 3: Employee commuting (metric tons CO2e)

53,615

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)

3,906,930

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)

238,333

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

28.38

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

654,950

Metric denominator

square foot

Metric denominator: Unit total

23,757,923

Scope 2 figure used

Location-based

% change from previous year

10.8

Direction of change

Decreased

Reason for change

In 2018, we initiated a diagnostic assessment of the energy consumption in our buildings and related maintenance functions. Building on that assessment, we developed an Energy Management Program that included upgrading and retrofitting existing buildings to make them more energy-efficient and reduce GHG emissions across our operations. Therefore, as part of this project, we have been successful at reducing the energy consumption at our sites.

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/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	411,362

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	127,955
Retail Support Centres (RSCs)	14,652
Offices	1,127
Company owned Vehicles	124,110
Refrigeration Leaks	142,760
Fuel used in diesel generators	758

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	262,956	

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	226,681	
Electricity - Retail Support centres	35,165	
Electricity - Offices	1,111	

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?

Decreased

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)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities	102,375	Decreased	13	The gross global emissions (Scope 1 + 2) of Sobeys for this reporting year are 674,318 metric tons of CO2e. Its gross global emissions for the previous

				reporting year were 776,693 metric tons of CO2e. This means that the total change in emissions is 102,375 metric tons of CO2e, equal to a 13 % decrease, according to the formula in the explanation of terms, above: $(102,375/776,693) * 100 = 13\%$.
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

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	1,146,597	1,146,597
Consumption of purchased or acquired electricity		0	970,511	970,511
Total energy consumption		0	2,117,108	2,117,108

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	Yes

Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
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

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

5,842

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of cooling

0

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

511,060

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

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

Heating value

HHV

Total fuel MWh consumed by the organization

147,943

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Data provided for the volume of Propane fuel use in our operations in CY 2021

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

1,146,597

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of cooling

Comment

Natural Gas - 511,060 MWh

Fuel oil - 5,842 MWh

Propane - 147,943 MWh

Diesel- stationery combustion/DG sets - 7,582 MWh

Diesel-Mobile combustion/fleet - 474,169 MWh

Total - 1,146,597 MWh

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Canada

Consumption of electricity (MWh)

970,511

Consumption of heat, steam, and cooling (MWh)

1,146,597

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

2,117,108

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?

Sobeys aims to reduce our emissions through investments in energy saving devices and optimization of fleets. In order to comply with the schemes that we will be participating in, we will purchase carbon credits to offset our emissions as needed. Sobeys takes 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 originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

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

No, and we do not currently 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 set SBTi GHG reduction targets

Details of engagement

% of suppliers by number

% total procurement spend (direct and indirect)

58

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

80

Rationale for the coverage of your engagement

Included in this coverage are suppliers in categories of all purchased good and services and capital goods that represent the biggest drivers of our emissions. We will be building a robust reporting and reinforcement process aligned with CDP Supply Chain Program to collect climate change and carbon information from our suppliers.

Impact of engagement, including measures of success

We are surveying our supplier partners to understand where they are today in their respective climate action journeys, clearly communicating our targets and plan, and working collaboratively to build capacity and shared understanding. We share relevant information, knowledge and best practices with our supplier partners through a combination of online tools and in-person events and conversations. We are also building a robust reporting and reinforcement process aligned with CDP's supply chain program. Through our engagement strategy for suppliers, we are able to focus on collaborating with our supply chain partners and providing them with resources and reporting tools to make it easier for them to set a GHG reduction target.

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

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% 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

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

Impact of engagement, including measures of success

We were the first national grocer to partner with a vertical farming provider, joining forces with Infarm in 2020. In fiscal 2022 we strengthened that partnership, which will make it possible for even more of our customers nationwide to access sustainable and environmentally friendly produce with lower carbon emissions attached to them, grown right in our stores or in nearby growing centres. Infarm is building new large-scale growing centres in Calgary, Halifax, Winnipeg and Hamilton. The Hamilton centre will be the largest of its kind in North America, with a growing capacity of 37,000 square feet. In combination with existing growing centres, this expansion will supply more than 1000 of our stores nationally by 2023. These locally sourced products will have lower carbon emissions as they have travelled shorter distances to reach our stores. Therefore, these sustainably sourced and locally grown products are our testament to working with suppliers who follow ethical sourcing practices.

To help our supplier partners grow as entrepreneurs, we partner with a range of initiatives, including:

- R-Purpose MICRO: Business bootcamp focused on sustainability and innovation

We are committed to continue building the capacity of our sourcing and merchandising teams around sustainability-related issues relevant to their areas, and we are empowered to work with our supplier partners to improve sustainability along our entire

supply chain

Comment

We are not yet able to provide the impact of these partnerships on our emission reductions.

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 do OurPart™ 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

We know our customers want to enjoy and support locally sourced food and products—and we do too. Since 2018 we've hosted a series of cross-country roadshows to engage local growers and producers to bring their products into our stores. The roadshows use informative and interactive presentations to illustrate our commitment to local growers, celebrate our existing local partnerships and build new relationships. Some of our most recent winning suppliers include:

Founders: Daniel Kapeta and Amy Kopp

Product: Daniel's Dill Dip - <https://www.danielsdilldip.ca/>

Location: Medicine Hat, Alberta

Description: Vegan dip

Founder: Emily O'Brien

Product: Comeback Snacks - <https://www.comebacksnacks.com/>

Location: Hamilton, Ontario
Description: Gourmet popcorn

Founder: Fanta Camara
Product: Vitaliteas - <https://vitaliteas.ca/>
Location: Edmonton, Alberta
Description: Whole-leaf tea blends and spicy chai mixes

Founder: Jerome Samuels
Product: The Patty Shoppe - <https://thepattysshoppe.com/>
Location: Toronto, Ontario
Description: Jamaican-style beef patties.

Founder: Suzan Stupack
Product: The Stak Co - <https://thestakco.com/>
Location: Winnipeg, Manitoba
Description: "Ready-to-be-made" pulse-mix meal options

Founders: Ariel Gough & Edwina Govindsamy
Product: Bailly Fragrance
Location: Halifax, Nova Scotia
Description: Clean perfumes that are free of alcohol and phthalates

Product: Falavory Soup Seasoning Blends - <https://falavory.com/>
Location: New Brunswick
Founder: Courtney Orser
Description: Gourmet-quality soup seasoning blends

Product: Simpson Snacks - <https://simpsonsnacks.com/>
Founders: Stephanie and Jeremy Nimchuk
Location: Simpson, Saskatchewan
Description: Buttery ranch pretzels

Founders: Al and Jill Forster
Product: Chaser's Fresh Juice Vancouver
Location: Abbotsford, British Columbia
Description: Cold-pressed fruit juice

Comment

We are not yet able to provide the impact of these partnerships on our emission reductions.

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 do OurPart™ 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

In 2021 we welcomed 258 new local suppliers, who accounted for almost 15 per cent of local sales in our stores. We also helped 51 supplier partners scale so they could reach more customers, including helping to take 14 companies national.

Comment

We are not yet able to provide the impact of these partnerships on our emission reductions.

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

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

Impact of engagement, including measures of success

In fiscal 2022 we continued to build awareness with our customers through ongoing campaigns about how to reduce food waste. We partnered with other Canadian companies and organizations to create a customer-facing campaign to promote a range of waste-reduction behaviours and opportunities during Waste Reduction Week. We also encouraged customers to adopt the “4th R”: Reduce, Reuse, Recycle and Rescue. And 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. Titled “Food Fight,” the program has been active for six years, and we have reached more than 17,000 participants.

C12.1d

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

Sobeys and Empire 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 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. This includes surveying our supplier partners to understand where they are today in their respective climate action journeys, clearly communicating our targets and plan, and working collaboratively to build capacity and shared understanding. We will share relevant information, knowledge and best practices with our supplier partners through

a combination of online tools and in-person events and conversations. We will also build a robust reporting and reinforcement process aligned with CDP's supply chain program.

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

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

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 President & CEO

We are now more committed than ever to creating a sustainable business and industry through our Climate Action Plan which is grounded in science. This year, we set science-based targets (SBTs) that align and go beyond the Net Zero by 2050 (1.5°C aligned) scenario, which would meet the requirements of the Paris Agreement. For details on how we are committing to making a difference today and in the future, refer to our Climate Action Plan:

Specifically, our targets are:

o In the short term:

Scope 1 & 2 (absolute target): Reduce absolute Scope 1 and Scope 2 GHG emissions by a minimum of 55% by 2030 from a 2019 base year

Scope 3 (supplier engagement-based target): 62% of our suppliers by spend will set science-based reduction targets on their Scope 1 and 2 emissions in five years; and commit to a minimum 28% reduction in emissions from fuel sold by 2030

o In the long term, to achieve net zero by 2040 for Scope 1 and Scope 2 emissions, and net zero for Scope 3 emissions by 2050 according to the Science Based Targets initiative's (SBTi's) Net-Zero Standard.

Weblink: <https://corporate.sobeys.com/sustainable-business-report/climate-action/>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

As 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.

As part of our climate action plan, we're counting on our suppliers to help achieve the key targets we've identified and are working with them to set their own science-based emissions targets by 2027. We aim for a minimum of 62 per cent of suppliers, by spend, setting science-based targets on their Scope 1 and 2 emissions within five years (by the end of calendar year 2027). To achieve this, our engagement strategy for suppliers will primarily focus on collaborating with our supply chain partners and providing them with resources and reporting tools to make it easier for them to set a GHG reduction target. This includes surveying our supplier partners to understand where they are today in their respective climate action journeys, clearly communicating our targets and plan, and working collaboratively to build capacity and shared understanding. We will share relevant information, knowledge and best practices with our supplier partners through a combination of online tools and in-person events and conversations. We will also build a robust reporting and reinforcement process aligned with CDP's supply chain program. Like us, our suppliers recognize that we are at a critical juncture and are partnering with Empire. We're proud to share that we're already halfway towards reaching our Scope 3 target. We're also working closely with fuel suppliers at Empire gas stations to reduce emissions from fuel sold at Empire's filling stations by 28% by 2030.

C12.3b

(C12.3b) Provide details of the trade associations your organization 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 consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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. Empire Company Ltd and Sobeys 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, if applicable (currency as selected in C0.4) (optional)

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

 Fiscal-2022_Sustainable-Business_Report-EN (1).pdf

Page/Section reference

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Other metrics

Comment

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
Row 1	No, but we plan to have both within the next two years

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
Row 1	No, but we plan to do so within the next 2 years

C15.3

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

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) 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?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

C15.5

(C15.5) 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	No, we do not use indicators, but plan to within the next two years	

C15.6

(C15.6) 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 other voluntary communications	Other, please specify Our organization's initiatives on biodiversity-related issues for this reporting year	Within the attached, please refer to Section Environmental Management, subsection "Supporting Urban Pollinators"

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	SVP Innovation, Sustainability and Strategy	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