



Empire Company Limited & Sobeys Inc.

2025 Sustainable Business Report

Contents

Leader Message	5	Governance	18	Planet	40
About This Report	9	5.1 Key Governance Bodies	19	9.1 Climate Action	41
2.1 Forward-Looking Information	10	5.2 Code of Conduct & Policies	20	9.2 Food Waste	48
2.2 Non-GAAP Financial Measures & Financial Metrics	11	5.3 Executive Compensation	20	9.3 Environmental Management	52
About Us	12	5.4 Enterprise Risk Management	20	Products	56
3.2 Financial Highlights	13	5.5 Climate Risk	20	10.1 Human Rights	57
Strategy & Materiality	14	Cyber Security & Data Protection	21	10.2 Ethical & Sustainable Sourcing	60
4.1 Sustainability Approach	14	OurPart™	23	10.3 Product Quality & Safety	65
4.2 Engaging Our Stakeholders	15	People	24	10.4 Customer Experience & Engagement	68
4.3 Materiality Assessment	16	8.1 Diversity, Equity & Inclusion	25	10.5 Supplier Collaboration	71
4.4 Updated Sustainability Strategy	17	8.2 Community Investment	29		
		8.3 Health, Safety & Wellness	33		
		8.4 Employee Development & Experience	36		

People

We're focused on growing and empowering a diverse, equitable and inclusive workforce to enable our customers and communities to thrive.

Diversity, Equity & Inclusion

92%

of directors and above set DE&I performance and accountability goals.

Diversity, Equity & Inclusion



Completed verification for the Partnership Accreditation for Indigenous Relations.

Diversity, Equity & Inclusion

38%

representation of women at the senior leadership level.

Community Investment

~\$25 million

donated to support healthy bodies and minds in our communities (~\$7 million in corporate donations and ~\$18 million raised).

Planet

We're reducing our impacts and taking action on climate change to do **OurPart™** to protect our planet for future generations.

Climate Action

30.1%

reduction in Scope 1 and 2 targets compared to 2019 baseline.

Climate Action



Our goal is that 64% of suppliers (by spend) set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. We are over halfway to our target.

Food Waste

~30 million

lbs of surplus food donated, gaining recognition from Second Harvest as Canada's Top Food Rescue Partner for the third consecutive year.

Plastics & Packaging

13%

Achieved a 13% average conversion from single-use plastic to reusable containers through our pilot with Friendlier in Farm Boy's Southwestern Ontario stores.

Products

We're doing **OurPart™** by delivering sustainable and ethical product choices for our customers.

Ethical & Sustainable Sourcing

99%

of Own Brands seafood (by weight) is certified sustainable or recommended.

Ethical & Sustainable Sourcing

90%

of palm oil in Own Brands products is certified sustainable by physical trace and credits (RSPO-certified).

Supplier Collaboration

430+

women entrepreneurs supported in fiscal 2024 (across Canada, excluding Quebec).

Supplier Collaboration

Over
11,000

products from local suppliers and producers.

Empire Company Limited and Sobeys Inc.

2025 Sustainable Business Report

Prioritizing sustainability is a critical element of our ambition to be the best retailer in Canada. We’ve taken bold actions, including setting science-based climate targets, collaborating with supplier partners to address social and environmental risks in our supply chain, deepening our engagement with Indigenous Peoples, and continuing to invest in our teams and communities. Our sustainability strategy builds on this momentum so we can continue to deliver ethical and sustainable products that are good for people, good for the planet and good for fostering strong business performance.

[Download Fiscal 2025 Sustainable Business Report](#)



[Download Fiscal 2025 ESG Performance Metrics Table](#)



[Download Fiscal 2025 SASB Index](#)



[Download 2025 Climate-related Financial Disclosures Report](#)



A Letter From Our Head of Corporate Sustainability

Since our early days as a family-owned business in Nova Scotia starting in 1907, we’ve been proud to serve Canadians and grow alongside the communities we call home. Empire Company Limited remains committed to delivering the highest quality products and exceptional value, while focusing on integrating more sustainable business practices—because Canadians deserve the best.

Today, we continue to honour our roots by standing up for our customers, teammates and partners as we all face evolving global challenges. We believe a strong, sustainable food system in Canada is critical to our country’s economic resilience and food security. As a proudly Canadian grocery retailer, we are committed to strengthening domestic supply chains, investing in homegrown businesses and ensuring people across the country have access to the best locally sourced products.

Sustainability is a core part of our strategy to bring Canadians the very best. Empire continues to focus on eliminating food waste, supporting local food banks and strengthening Canada’s food ecosystem. We are making progress on our Climate Action Plan, which includes our target to achieve net-zero by 2040 for Scope 1 and 2 emissions by decarbonizing

our business and using energy and other resources sustainably. We are helping nurture healthy bodies and minds across Canada through investments in the more than 900 communities we serve, supporting youth mental health and contributing to other meaningful causes that are important to us, to our customers and to our teammates. Playing a leading role to advance Canada’s Grocery Code of Conduct, meanwhile, reflects Empire’s commitment to fairer industry practices and better outcomes for consumers.

We have always believed that sustainability is good for business and drives our growth strategy. Over the past year, we’ve made strategic investments to deliver more value to customers across all our banners. For example, we’ve expanded Own Brands with a focus on large-format, multicultural and value-oriented products to meet evolving customer needs. In addition, we have made our transportation network more efficient by enhancing our transportation management systems, optimizing delivery frequency and expanding our supply chain network.

Our business is deeply interconnected with the strength of our communities and our country, now and in the future. Empire’s progress as a sustainable business reflects the commitment of our customers,

the passion of our teammates, the collaboration of our supplier partners and the ongoing trust of our investors. Thank you for working with us and doing your part to build a stronger, more prosperous Canada.

signed “Joshua Goodman”

Joshua Goodman
Head of Corporate Sustainability
Empire Company Limited
July 2025



Joshua Goodman
Head of Corporate Sustainability, Empire Company Limited

Sustainability at Sobeys

Vision

Empower all to live sustainably in thriving communities

Pillars

- People
- Planet
- Products

Priorities

- Climate Action
- Community Investment
- Diversity, Equity & Inclusion
- Ethical & Sustainable Sourcing
- Food Waste
- Indigenous Relationships
- Plastics & Packaging

Our sustainability strategy builds on momentum, accelerates action and amplifies positive impacts for People and Planet through sustainable and ethical Products.

Empire is a national retailer with deep local roots; strong customer, supplier partner and teammate relationships across Canada; and supply chains that extend around the world. As such, we have the scale and commitment to empower people to live sustainably in thriving communities.

Our sustainability priorities are to keep driving progress in:

- **Climate Action:** Decarbonizing and transitioning our business and supply chain to thrive in a low-carbon economy through our Climate Action Plan
- **Plastics & Packaging:** Enabling our customers to buy, shop and live free of plastic waste

- **Food Waste:** Reducing food waste in our operations to feed people, not landfills
- **Ethical & Sustainable Sourcing:** Embedding responsible business practices in sourcing decisions, providing confidence that the products we sell are good for people and the planet



People

We're focused on growing and empowering a diverse, equitable and inclusive workforce to enable our customers and communities to thrive.

- Diversity, Equity & Inclusion
- Community Investment
- Health, Safety & Wellness
- Employee Development & Experience



Planet

We're reducing our impacts and taking action on climate change to do [OurPart™](#) to protect our planet for future generations.

- Climate Action
- Food Waste
- Environmental Management



Products

We're doing [OurPart™](#) by delivering sustainable and ethical product choices for our customers.

- Human Rights
- Ethical & Sustainable Sourcing
- Product Quality & Safety
- Customer Wellness & Experience
- Supplier Collaboration

OurPart™

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 our customers to do their part. Every step we take together, big or small, can make a difference.

[Learn More](#)

Empire is a proudly Canadian company, with 118 years of experience in the food retail business.

[Learn More](#)



About This Report

Report Scope

This report covers fiscal 2025, from May 5, 2024 to May 3, 2025, unless otherwise stated.

Report Boundaries

This report represents the sustainability commitments, targets, approach and progress of Empire Company Limited and Sobeys Inc. Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. It reflects the most current available data, methodologies, reporting frameworks and information provided to us, and should be interpreted in the context of the information presented in this report. Any prior reports or related disclosures that may be inconsistent with the information in this report should be considered, where applicable, amended, restated or superseded. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. This report covers Empire's food retailing business, as defined in Empire's 2025 Annual Information Form. This includes corporate and franchisee-owned retail food stores, including convenience and fuel stores, retail pharmacy stores and in-store pharmacies, and excludes investments and other operations. This report focuses on material environmental, social and governance (ESG) factors for Sobeys Inc. operations. This encompasses:

- Full-service, community and discount grocery banners
- Related businesses, including convenience, fuel, liquor, pharmacy, wholesale, Pete's Frootique and Big 8
- E-commerce grocery business

This report covers our more than 1,600 stores, 24 retail support centres, three customer fulfillment centres and related business locations in all 10 Canadian provinces, as well as 129,000 teammates.

Unless otherwise stated, data included in this report reflects all Sobeys Inc. operations, excluding Kim Phat, Longo's and Ricardo.

Report Methodology

This report includes disclosures aligned with and informed by the International Financial Reporting Standards (IFRS) S1 and S2, the Sustainability Accounting Standards Boards (SASB) Food Retailers & Distributors Standard and Drug Retailers Standard (available [here](#)), and the Task Force on Climate-Related Disclosures (TCFD). The regulatory landscape related to ESG disclosures continues to evolve, and we monitor these changes to ensure alignment with the standards issued by the International Sustainability Standards Board (ISSB). Empire intends to align with the IFRS S1 General Requirements for Disclosure of

Sustainability-related Financial Information (SI) and IFRS S2 Climate-Related Disclosures (S2) endorsed by the Canadian Sustainability Standards Board (CSSB) when required by the Canadian Securities Administrators (CSA).

Materiality

The information included in this report is based on the topics that are deemed material to the sustainability performance of Empire Company Limited and Sobeys Inc. For more information see the [Materiality](#) section.

Feedback

For related inquiries and the latest updates on our programs and commitments, please contact investor.relations@empireco.ca.



Learn More

This report is part of a suite of disclosures and resources through which we share updates on performance and progress, including:

- [Annual Reports](#)
- [Management Information Circulars](#)
- [Quarterly Reports](#)
- [Investor Centre](#)
- [OurPart™](#)

Additionally, some of our brands separately publish their sustainability-related commitments, performance and progress:

- [IGA](#)
- [Longo's](#)

Forward-Looking Information

This Sustainable Business Report (“SBR”) contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information is presented to provide insights related to the Company’s current plans and expectations regarding future events impacting Environmental, Social, and Governance (ESG) topics, including its targets. With the exception of confirmed facts and statements, other information may be based on the Company’s assumptions, predictions and estimations and may be considered as forward-looking information.

Forward-looking statements in this report include but are not limited to future goals and targets for the Company such as its targets towards its net-zero plans, Greenhouse Gas (GHG) emission reduction, fuel emission reduction, food waste reduction and supplier goals for science-based targets. Also included are plans to pursue limited assurance on select ESG metrics, diversity, equity and inclusion, sustainability initiatives planned for fiscal 2026, among other goals and targets outlined in different sections of this report. Further, our expectations relating to certifications for cyber security and data protection as well as our ability to detect, respond and protect our organization from cyber threats may be impacted by cyber threat developments and effectiveness of third-party vendors and advisors. The forward-looking statements included in this SBR may not be appropriate for other purposes outside of this report and may be identified by words or phrases such as “anticipates”, “believes”,

“could”, “estimates”, “expects”, “forecasts”, “foresees”, “intends”, “may”, “plans”, “predicts”, “projects”, “will”, “would” and other similar expressions or the negative of these terms.

Although the Company believes the predictions, forecasts, expectations and conclusions reflected in the forward-looking information are reasonable and truthfully represent its activities and expectations based on current circumstances and standards, it can provide no assurance that such matters will prove correct or remain applicable and attainable in the future and that actual forthcoming disclosures may differ from initially anticipated outcomes. This is

because the information is also subject to change due to the continually evolving ESG landscape, reporting requirements, uncertainty in sustainability-related disclosure regulations, changes in methodology for assessing metrics and targets, future economic forecasts and policies among other considerations, all of which of may impact the accuracy of the information. Updates and improvements to existing practices to enhance the accuracy and consistency of ESG information such as advancements in technology for emissions accounting may also impact net-zero plans, emission reduction targets and other metrics and targets alike.





By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors that may cause actual results to differ materially from forward-looking statements made. These risks include supplier relationships and negotiations, supply chain disruptions, customer behaviour and resource capacity. For more information on risks, uncertainties and assumptions that may impact the Company’s forward-looking statements, please refer to the Company’s Risk Management section of the fiscal 2025 annual Management’s Discussion & Analysis (“MD&A”).

Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this document reflects the Company’s current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

Non-GAAP Financial Measures & Financial Metrics

There are measures and metrics included in this report that do not have a standardized meaning under generally accepted accounting principles (“GAAP”), and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The intent of non-GAAP measures is to provide additional useful information to investors and analysts. Non-GAAP financial measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP. The Company’s definitions of the non-GAAP terms are as follows:

- **Earnings before interest, taxes, depreciation and amortization** (“EBITDA”) is calculated as net earnings before finance costs (net of finance income), income tax expense, depreciation and amortization of intangibles.
- **Adjusted EBITDA is EBITDA** excluding certain items to better analyze trends in performance. These items are excluded to allow for better period-over-period comparison of ongoing operating results. Adjusted EBITDA is reconciled to EBITDA in its respective subsection of the “Operating Results — Full Year” section of the MD&A for applicable years.
- **Adjusted net earnings** is net earnings, net of non-controlling interest, excluding certain items to better analyze trends in performance. These items are excluded to allow for better period-over-period comparison of ongoing operating results. Adjusted net earnings is reconciled in its respective subsection of the “Operating Results — Full Year” section of the MD&A for applicable years.

For a more complete description of Empire’s non-GAAP measures and metrics, please see Empire’s MD&A for the fiscal year ending May 3, 2025.

About Us

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate.

With approximately \$31 billion in annual sales and \$17 billion in assets, we employ approximately 129,000 people. Sobeys Inc. has more than 118 years of experience serving customers in the food retail

business. Sobeys Inc. is one of only two national Canadian grocers operating across all 10 provinces, with approximately 1,600 stores.

Sobeys Inc. oversees familiar banner names of Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Kim Phat, Longo's, Lawtons Drugs, Ricardo and Voilà, as well as more than 145 retail fuel locations. We also operate with five core retail food formats and

related businesses to ensure we are able to satisfy the unique shopping needs of our customers: full service, fresh service, community service, discount service, convenience service.

Across our banners and businesses from coast to coast, Sobeys Inc. fosters a culture of care, trust, respect and growth for its people and customers and their communities. Together, store teammates,

franchisees and diverse retail networks are dedicated to serving customer needs by providing exceptional shopping and food experiences.

Learn more

[Empire Co.](#)[Sobeys Inc.](#)

Teammates:

129,000

Total stores:

1,600

(excluding food stations and related convenience stores)

Total square footage:

43.1 m

Communities served:

900+

Financial Highlights

Sales

2.7%

10-year CAGR⁽³⁾

3.3%

5-year CAGR⁽³⁾

Adjusted EBITDA⁽¹⁾

6.2%

10-year CAGR⁽³⁾

5.1%

5-year CAGR⁽³⁾

Adjusted Net Earnings⁽¹⁾⁽²⁾

3.4%

10-year CAGR⁽³⁾

3.6%

5-year CAGR⁽³⁾

Dividends

8.3%

10-year CAGR⁽³⁾

10.8%

5-year CAGR⁽³⁾

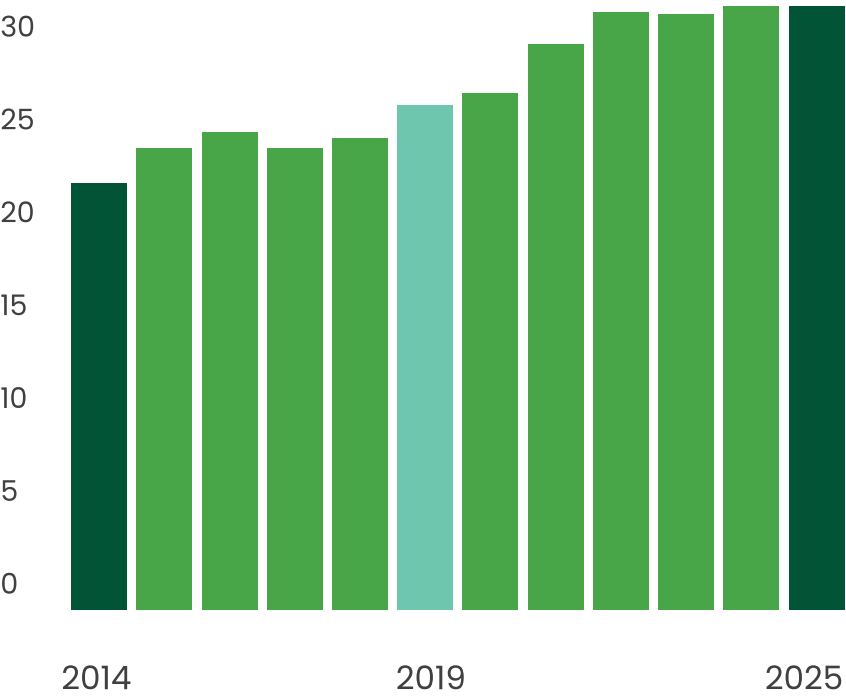
(1) See “Non-GAAP Financial Measures & Financial Metrics” section of Empire’s MD&A for a description of the types of costs and recoveries included.

(2) Attributable to owners of the Company.

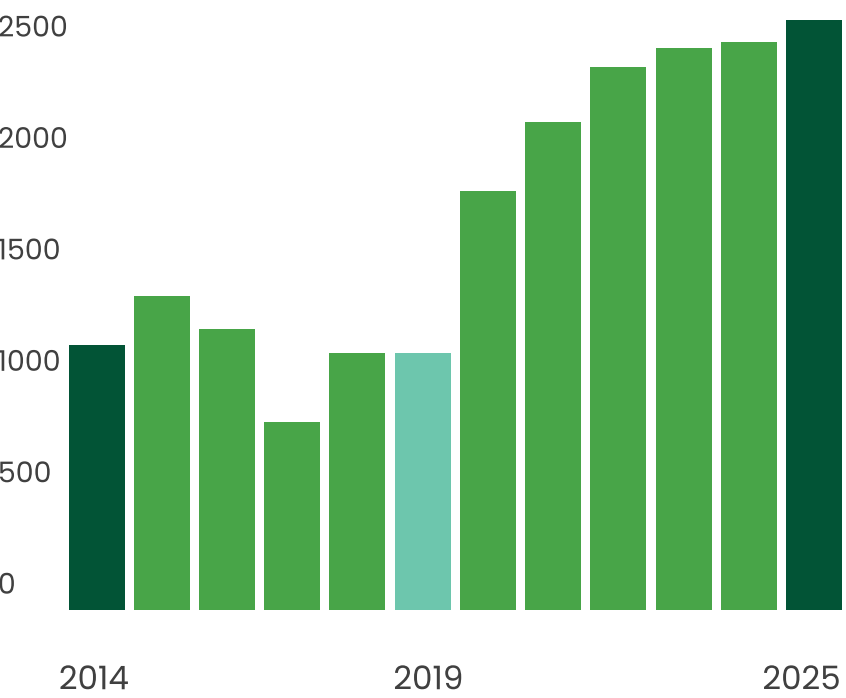
(3) Compound annual growth rate.

Additional financial information relating to Empire, including the Company’s Annual Information Form, can be found on the Company’s website at www.empireco.ca or on SEDAR+ at www.sedarplus.ca

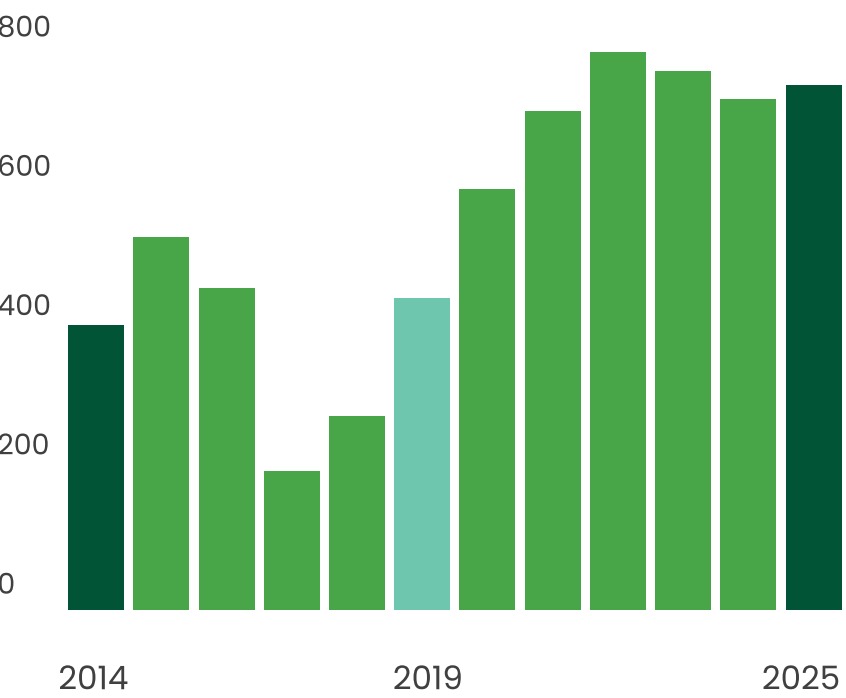
(\$ in billions)



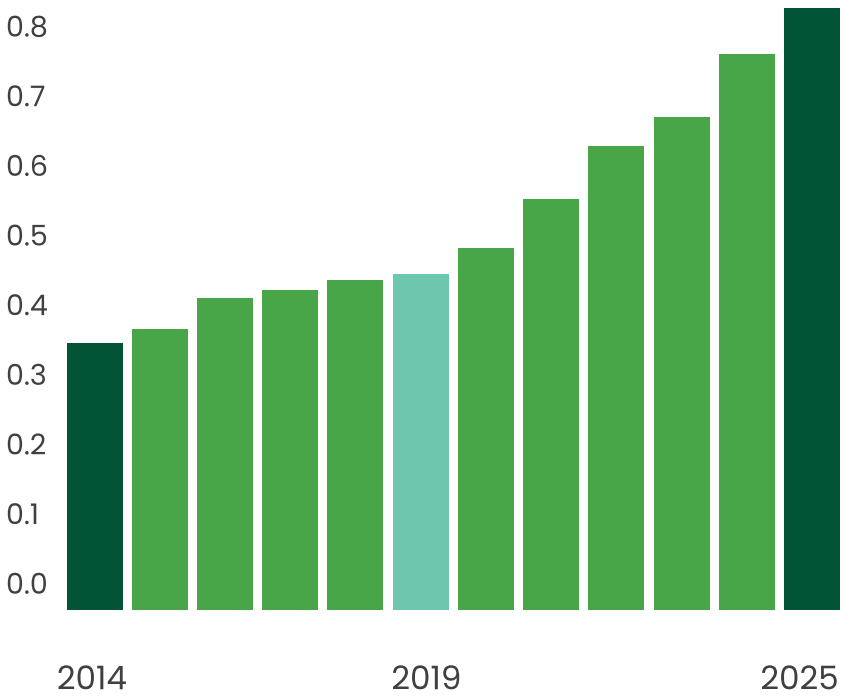
(\$ in millions)



(\$ in millions)



(\$ per share)



Sustainability Approach

We are focused on the environmental, social and governance (ESG) factors that matter most to our stakeholders—ensuring we have the right approach on materiality, strategy and governance to keep making strides in our sustainability journey. Along the way, we're committed to being upfront about our goals, progress, success stories and areas where we have more work to do.

1

We listen to our stakeholders and scan for ESG risks and opportunities



2

We determine material ESG factors including areas in which we can make a big impact



3

We shape and implement our sustainability strategy and governance to manage ESG factors and advance business strategy



4

We share our progress through our Sustainable Business Report and other ESG disclosures

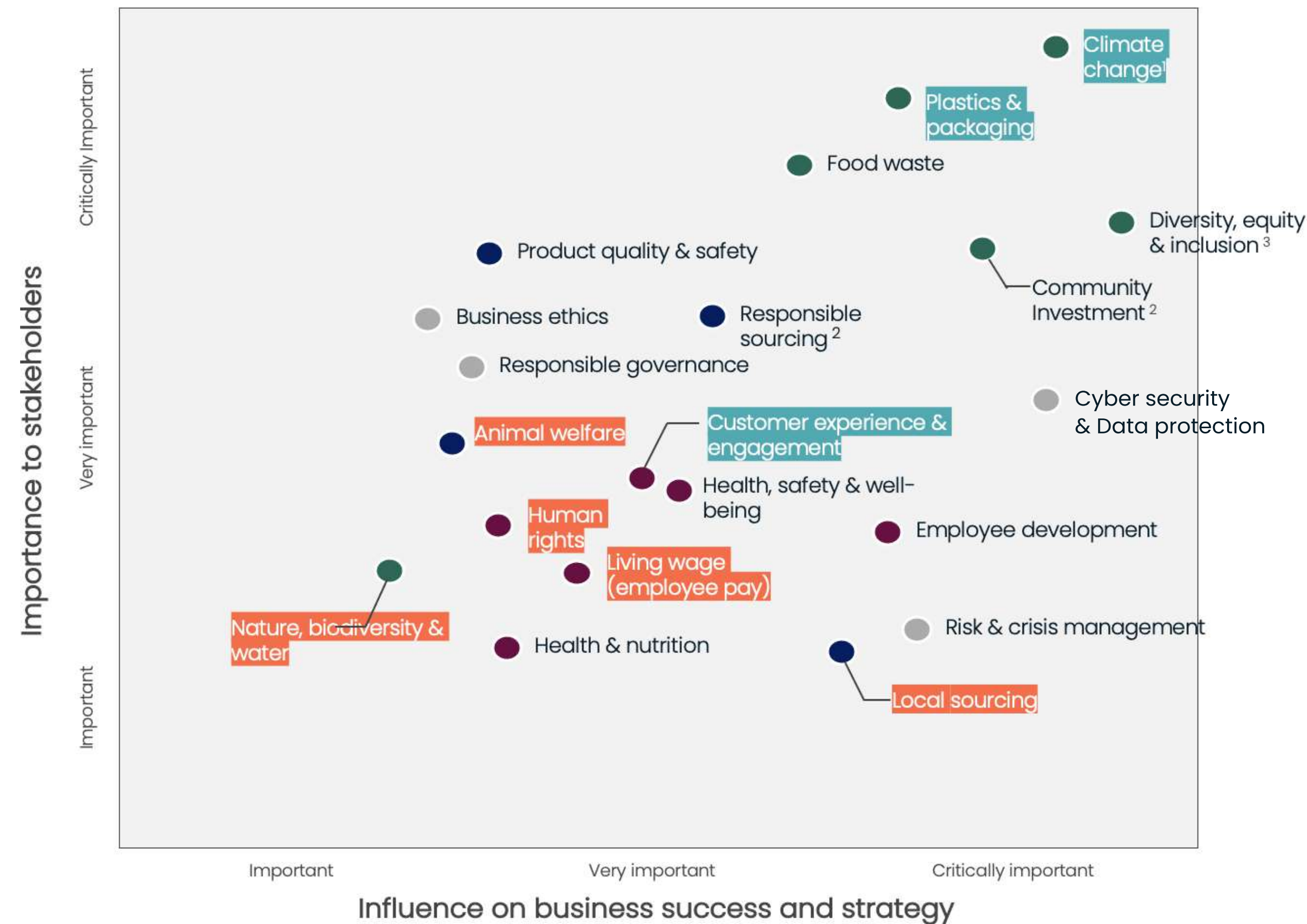
Engaging Our Stakeholders

Effective and meaningful engagement with our diverse stakeholder community is a vital part of how we do business and identify ESG-related risks and opportunities. We define stakeholders as groups and individuals who are impacted by our operations and corporate strategy and who, in turn, impact our business success.

Our stakeholders include:



Materiality Assessment



¹ Climate change includes reducing greenhouse gas (GHG) emissions in Sobeys operations and supply chain and efforts to adapt to the harmful impacts of climate change on our business and in our supply chain.

² Community Investment includes Sobeys' charitable and philanthropic activities, including the strategic focus on Food Accessibility and Affordability and Youth mental health.

³ D,E&I includes within the business and supplier diversity (i.e. the intentional procurement of products and services from businesses that are underrepresented).

We continue the work informed by our fiscal 2023 materiality assessment. In fiscal 2026, we plan to refresh our understanding of the sustainability issues that are most important to stakeholders and to business success. This matrix informs our sustainability strategy. We continue to share our progress on evolving ESG topics under the sustainability strategy pillars of People, Planet and Products.

Sustainability Strategy

To build on our momentum and to achieve the ambition of our business strategy, in fiscal 2024 we updated our three-year sustainability strategy. Working under the established sustainability pillars of People, Planet and Products, we've defined four priority areas to accelerate over the coming decade:

1. **Climate Action:** Decarbonize and transition our business and supply chain to thrive in a low carbon economy through our Climate Action Plan
2. **Plastics & Packaging:** Enable customers to shop, buy and live free of plastic waste
3. **Food Waste:** Reduce food waste in our operations and at home to feed people, not landfills
4. **Ethical & Sustainable Sourcing:** Embed responsible business practices in all sourcing decisions, providing confidence that products protect people and the planet

Underpinning these priorities are the governance, engagement, and reporting needed to achieve the proposed actions and continue to embed sustainability across our business and value chain.

Targets

Building on the science-based targets in our [Climate Action Plan](#), and in compliance with guidance from the Science Based Targets initiative (SBTi), we are taking steps to define specific targets for GHG emissions related to the forestry, land and agriculture (FLAG) sector. We are also assessing our FLAG-related emissions for Scope 3, Category 1—purchased goods and services, considering how and when best to set targets in collaboration with suppliers.

Disclosure Controls and Assurance

The mandate of the Audit Committee of the Empire Board of Directors includes reviewing applicable metrics and information contained in our annual Sustainable Business Report. In the future, we intend to seek third-party limited assurance for our Scope 1 and 2 emissions and will complete an assessment-readiness process as an initial step. Read more in [Climate Action](#).



Governance

Our governance approach to the environmental, social and governance issues reflected in this report is integrated with our approach to corporate governance and business strategy, ensuring we have the right combination of strong oversight and operational accountability. This work includes identifying, monitoring and implementing initiatives to mitigate risk, deliver on commitments and report on key metrics and progress.

See an overview of our governance for [ESG strategy, execution and factors.](#)

Analyst Spotlight

- [Management Information Circular](#)
- [Annual Information Form](#)
- [Annual Report](#)
- [Fiscal 2025 Climate-related Financial Disclosure Report](#)
- [Empire Board of Directors](#)
- [Empire Executive Leadership Team](#)
- [ESG Data and Policies](#)
- [Sustainable Governance Model](#)



On this page: **Key Governance Bodies** Code of Conduct and Policies



Board of Director

Responsibilities Include

- Overseeing the ethical, legal and social conduct of Empire
- Overseeing the development of corporate governance policies, principles and guidelines
- Developing and monitoring compliance with Empire’s Code of Business Conduct and Ethics for directors, officers and teammates, including Ethics Line reporting
- Overseeing stewardship of Empire, 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



Corporate Governance & Social Responsibility Committee

Responsibilities Include

- Assisting the board in fulfilling its responsibilities as they relate to corporate governance and social responsibility
- Receiving and reviewing periodic reports on Empire’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



Audit Committee

Responsibilities Include

- Assisting the board with oversight of policies and practices relating to integrity of financial and regulatory reporting and the enterprise risk management (ERM) framework and process
- Reviewing the applicable metrics and information contained in the Sustainable Business Report, including climate-related data
- Reviewing the status and adequacy of Empire’s efforts to ensure our businesses are conducted and facilities are operating in an ethical, legally compliant and socially responsible way
- Receiving quarterly reports on ethics line reporting matters



Human Resources Committee

Responsibilities Include

- Assisting the board in oversight of human resources strategy, policies and programs
- Monitoring, reviewing and providing guidance on people development initiatives, including talent management and employment diversity
- Receiving reports on human-resources-related matters received through the ethics and DE&I reporting lines
- Fulfilling the board’s responsibility for occupational health and safety



Executive Leadership Team; Operational Committee

Responsibilities Include

- Leading business and sustainability strategy development and review
- Overseeing leadership committees and operational teams responsible for implementing sustainability strategy



Sustainable Business Council

Responsibilities Include

- Building and driving accountability, including ensuring sustainability key performance indicators (KPIs) are integrated with functional teams
- Providing strategic direction on sustainability activities and reporting
- Reviewing sustainability performance
- Providing updates on corporate sustainability-related commitments, reporting and emerging topics
- Aligning on sustainability gaps and opportunities to address across functional teams

Code of Conduct & Policies

Our [Code of Business Conduct and Ethics](#) provides guidance to teammates and reaffirms our commitment to the highest possible personal and corporate standards of business conduct. Directors and teammates are required to acknowledge and agree to the code on a regular basis. We maintain an anonymous and confidential whistleblowing hotline.

The policies that guide and govern our actions include:

[Accessibility Standards for Customer Service Policy](#)



[Corporate Disclosure Policy](#)



[Empire Business Code of Conduct and Ethics](#)



[Majority Voting Policy \(Empire\)](#)



[Privacy Policy](#)



Executive Compensation

Our executive compensation program is designed to attract, motivate and retain a highly skilled executive team, directly aligning compensation to personal and corporate performance objectives—including ESG-related areas. In fiscal 2025, we continued to use DE&I KPIs to build broad leadership accountability for DE&I across all teams and banners. For leaders and teammates eligible for our profit-sharing plan, we use KPIs in support of our Climate Action Plan targets and food waste reduction commitment.

Enterprise Risk Management

As part of our enterprise risk management process, every year we identify, assess, manage and report on key risks to the organization and our objectives. These risks are reported in

[Empire’s Annual Report](#)



[Q4 F25 MD&A](#)



[F25 Annual Information Form](#)



Climate Risk

We recognize the potential adverse impact that climate change poses to our business. The comprehensive analysis we have undertaken to understand physical and transitional risks related to our business aligns us with the recommendations of the Task Force on Climate-Related Financial Disclosures. It also paves the way for reporting aligned with the recently released integrated Climate-related Disclosure Standards (CSDS 2) developed by the Canadian Sustainability Standards Board

(CSSB). CSDS 2 largely adopts the International Sustainability Standards Board (ISSB) standards with minor modifications for the Canadian market. These standards remain voluntary for all Canadian companies, as of this report’s publication. We will continue to update our risk assessment and reporting in line with evolving standards and requirements.

Learn more in our [Climate Action section](#) and [TCFD-Aligned Report](#).



Cyber Security & Data Protection

Why It Matters

Accurate and secure information is crucial to protect our operations and our customers, as well as for informed decision-making, efficient operations and maintaining our competitive edge in an increasingly digital marketplace. Any compromise could impact our business operations, cause financial losses and damage our reputation.

Analyst Spotlight

- [Materiality: Cyber Security & Data Protection](#)
- [Cyber Security & Data Protection Governance](#)
- [Privacy Policy](#)

Our Approach

Our cyber security approach prioritizes multi-layered protection across devices, applications, transactions, data and people. We continue to enhance our cyber security posture by refining our risk governance, supported by continuous monitoring and threat intelligence capabilities. We are committed to earning and keeping the trust of our customers, partners and stakeholders.

[Learn more](#) about how we govern our approach to cyber security and data protection.



Strengthening Our Cyber Security Foundations

Cyber security is foundational to our ambitious digital transformation initiatives, and we are continuously improving our approach. We continually refine and enhance our cyber security program, aligning key initiatives with ISO 27001 standards and industry best practices. We continue to advance on our cybersecurity roadmap, aligning closely with emerging business priorities and responding to evolving external risks.

Leveraging Tools and Processes

We operate extensive and complex information technology systems essential to executing our strategic business initiatives. Our team maintains a proactive cyber security stance leveraging a layered defence approach using multiple technologies and controls, enabling detection and response to potential threats. Our incident response plans ensure structured, consistent and timely mobilization of relevant teams and stakeholders. Additionally, security risk assessments, including threat risk assessments, vendor risk assessments and privacy impact assessments, are integral to all projects. We consistently apply thorough due diligence procedures for material new partnerships to uphold our standards of security and resilience.

Empowering Teammates to Be Cyber Safe

Teammate awareness, training and adherence to robust cyber security policies are foundational to our cyber security strategy. Our comprehensive Cyber Security Employee Awareness and Training program equips teammates with essential knowledge and skills, enabling informed decision-making and proactive engagement in helping to protect our organization from cyber threats.





OurPart™

The [OurPart™](#) website 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 to advance sustainability initiatives. [OurPart™](#) includes stories focused on many topics, including:

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.

Learn more at [OurPart™](#)



Waste reduction



Supplier partnerships



Climate action



Sourcing ethically and sustainably



People

- Diversity, Equity & Inclusion
- Community Investment
- Health, Safety & Wellness
- Employee Development & Experience

Diversity, Equity & Inclusion

Why It Matters

Our commitment to diversity, equity and inclusion (DE&I) is fuelled by our purpose and values. It shapes our culture and drives business success. As a *family nurturing families*, we embed it into everything we do. We believe fairness is foundational in driving real meaningful change. We know that it takes open minds and respect for distinct perspectives to build teams that truly represent the customers we serve and the communities we operate in.

Analyst Spotlight

- [Materiality: Diversity, Equity & Inclusion](#)
- [DE&I Governance](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Commitment Statement to Indigenous Peoples Across Canada](#)

75%

positive response rate in Employee Engagement Survey on culture of inclusion

Completed verification for the Partnership Accreditation in Indigenous Relations

38%

38% representation of women at the senior leadership level.

Our Approach

At Empire, we focus on DE&I as an integral part of how we do business. We aim to create a workplace that's welcoming for everyone, enhancing customer experiences and contributing to better communities.

[Learn more](#) about how we govern our approach to DE&I.



Renewing Our DE&I Strategy

Embracing DE&I helps us be more innovative and competitive by better understanding our customers and teammates. It helps us attract and retain great talent, which is critical to moving the business forward. And it helps us live our purpose—to be a *family nurturing families*.

Our strategy is focused on:

- 1 **Building a better workplace** by being inclusive of our diverse mix of teammates and embracing all perspectives

- 2 **Creating better customer experiences** by understanding and being inclusive of the diverse needs and preferences of customers
- 3 **Contributing to better communities** for everyone by supporting marginalized groups through community investment, sustainability and the important role stores play in their communities from coast to coast

In fiscal 2025, we focused on embedding DE&I into our business priorities, creating greater accountability measures, listening to marginalized teammates, co-creating action plans and expanding key performance indicators. We improved data transparency by improving how we track and communicate progress across the organization. We also advanced our commitment to Indigenous relations, continuing to make progress through the Canadian Council for Indigenous Business certification process.

Fostering Better Workplaces

This past year, we continued to nurture a Speak Freely environment throughout the Company to advance a culture of inclusion with teammates. This included offering training and resources to build greater inclusive engagement capabilities, while leaders at all levels created customized actions to engage their teams. Listening to and learning from marginalized teammates remains a key area of focus, as does strengthening the success of the Women's Inclusion

Network. This year, we also worked with teammates to co-develop action plans to address inclusivity barriers and created a program for people leaders on valuing cultural differences.

Ongoing Diversity of Teams Initiative

Attracting, growing and retaining a diverse workforce continues to be a key priority to ensure our business is reflective of Canada's communities. Our approach continues to focus on enhancing diversity at the team level to improve overall performance and to build a strong and diverse workforce succession pipeline for the future. This initiative has been supported by new hiring and selection practices, immigration supports and strategic partnerships to attract a broad and diverse range of talent. We continue to advance strategic community partnerships across Canada to highlight opportunities for prospective teammates, including by working with organizations such as BlackNorth Initiative, Community Economic Development and Employability Corporation (CEDEC), JVS Toronto, the Onyx Initiative, Canadian National Institute for the Blind (CNIB), Community Futures Treaty 7 and Pictou Landing First Nation. We have also equipped store managers with more information about diversity in our teams and communities, enabling them to evaluate how well stores reflect the communities we serve and to create meaningful action plans.



On this page: **Diversity, Equity & Inclusion** Community Investment Health, Safety & Wellness Employee Development & Experience

Implementing Supportive Policies

We hold each person in our company accountable for affirming their commitment to act with respect and integrity through these policies and in compliance with all relevant laws and regulations. We also operate a comprehensive Open Doors program, which empowers teammates to report workplace concerns related to inclusion. We aim to enhance our approach

to Indigenous relations and improve representation of diverse-owned businesses in our supply chain.

Focusing on Equitable Rewards

We are committed to pay equity for all teammates, regardless of gender, ethnicity or employment type. We conduct gender-based compensation analyses as part of our annual salary review process, reviewing pay differences to consider legitimate factors such

as position level, experience, tenure and contribution to role to address pay disparities. In addition, we complete gender pay equity analyses and post results in compliance with provincial pay equity legislation. Where required by provincial legislation, we have implemented pay equity plans. We have implemented a company-wide job evaluation system and merit-based salary structure, providing the same compensation levels to women and men in positions of equal value. Since 2021 we have also carried out an annual analysis of performance ratings and merit-based salary increases granted to women versus men. Wages for frontline retail and warehouse teammates are progressing based on hours worked, ensuring equal treatment for women and men.

In fiscal 2025, we continued to ensure that teammate salaries were market-competitive and equitable considering experience, skills and contribution of the individuals. Although this initiative focused on increasing overall internal equity, rather than gender pay equity, the objective and data-driven approach used was instrumental in achieving gender pay equity.

Better Customer Experiences and Supplier Relationships

We aim to create an inclusive customer experience that reflects diverse customer needs through the continued expansion of our multicultural offering. Our Supplier Diversity Strategy builds on the success of our Local Development Program to support new supplier

relationships. This effort helps to ensure that vendors are aligned with our goal to support diverse-owned businesses and that we reflect the communities we serve. Read more in [Supplier Collaboration](#).

Advancing Reconciliation Through Stronger Partnerships

We continue to strengthen relationships with Indigenous communities and to advance organization-wide reconciliation efforts through leadership actions, employment, business development and community relations.

In fiscal 2025, we completed the third and final phase of verification for the Partnership Accreditation in Indigenous Relations (PAIR) with the Canadian Council for Indigenous Business (CCIB). Our Commitment Statement to Indigenous Peoples Across Canada advances and reinforces the rights and needs of Indigenous people in our communities and workplaces. Through this process, CCIB affirms we are good business partners, a good employer for Indigenous peoples and committed to prosperity in Indigenous communities. We reinforce this commitment through our pledge to direct 10% of community donations towards Indigenous communities.



Highlights

Mi'kmaw Language Program

Increasing the visibility of Nova Scotia's first languages in our stores is one meaningful way we partner with Pictou Landing First Nation. Celebrating Mi'kmaw language with customers and teammates was launched at our Westside store in New Glasgow, N.S. Colourful signage and scannable QR codes share the Mi'kmaw word and pronunciation of 15 foods chosen by members of [Pictou Landing First Nation](#) based on cultural significance, including pie'skman (corn), samqwan (water) and wisawipuneksit (carrot).



Rainbow Registered Accreditation

An example of our continued support for 2SLGBTQIA+ teammates, in 2025 we achieved [Rainbow Registered Accreditation](#) in our three Atlantic region offices. This program, offered through Canada's 2SLGBTQIA+ Chamber of Commerce (CGLCC), recognizes businesses that have met a stringent set of standards to ensure 2SLGBTQIA+ customers, visitors and staff feel safe, welcomed and accepted.



Continued Focus on Listening and Learning

In fiscal 2025, we expanded our Inclusion Activator network to more than 215 teammates. We also held a series of listening and sharing sessions that create a safe space for teammates who identify with marginalized communities to discuss any barriers they face and any ideas for change. Based on that input, a new "Allies" listening and sharing session was introduced to deepen understanding and commitment to active allyship throughout the company. These sessions inform us as we develop new supporting programs and resources.



Champions

"Since joining the Diversity, Equity and Inclusion Council, I've had the privilege of witnessing the significant strides we've made to advance equity, inclusion and fairness. This progress is driven by unwavering executive support, a dedicated council and countless passionate individuals. Building on a deep-rooted legacy of community engagement, our DE&I efforts reflect the core values at the heart of our organization. Together, we are strengthening our ability to serve Canadians in all their diversity—from coast to coast."

— Yves Bélanger,
SVP Supply Chain, Sobeys Inc.



Learn more:

We're making our workplaces and communities more inclusive through our [health, safety and wellness work](#) and [community investment](#) initiatives.

Community Investment

Why It Matters

Our communities are all about how we come together as partners to make progress, tackle shared challenges and ensure everyone can prosper. Providing access to healthy and affordable food, nutrition, education and early interventions in child and youth mental health means healthier tomorrows for more Canadians.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Materiality: Community Investment](#)
- [Community Investment Governance](#)
- [Family of Support: Child & Youth Mental Health Initiative Impact Report](#)
- [Kids Help Phone Impact Reports](#)



Fiscal 2025 Performance Highlight

More than

\$25 million

donated to support healthy bodies and minds in our communities (~\$7.3 million in corporate donations and ~\$17.8 million raised)

Our Approach

Our commitment to being community engaged is embedded in our core values. Community investment is a major area of focus for our business and our teams—not only because we care about the places where we live and work but also because it delivers on our business strategy by inspiring customers and teammates.

Community consultation and input forms are an integral part of how we plan for and administer our community investment program. We offer an online Community Action Fund application form for an equitable and consistent approach for reviewing community donation requests.

[Learn more](#) about how we govern our approach to Community Investment.



Building on Our Pillars

Our Community Investment Strategy fosters Healthier Tomorrows for Canadians through work in two key pillars:

- 1 Nourishing Healthy Bodies:** Removing barriers to access healthy and affordable food
- 2 Nurturing Healthy Minds:** Ensuring more children and youth receive the mental health support they need at an early stage

These pillars are also fully integrated with our [DE&I Strategy](#), ensuring the ways we foster healthy bodies and minds are also focused on supporting Black, Indigenous and other under-represented communities. This framework consists of three streams of giving, totalling more than \$25 million in funds raised and donated in fiscal 2025:

\$19 million

through strategic partnerships and initiatives (over \$10,000)

More than \$700.000

in regional donations through our Community Action Fund and a streamlined online application process (\$1,000-\$10,000)

\$1.67 million

in local donations from individual stores (typically under \$1,000 each)

Partnering for Greater Impact

Key strategic partnerships include [Family of Support: Child & Youth Mental Health Initiative](#). Our inaugural partnership with The Sobey Foundation and Canada's Children's Hospital Foundations was launched in 2020. To date, the partnership has raised more than \$21 million to support 15 mental health



programs across Canada focused on increasing access to early-intervention mental health support for children and families. Other partners include more than 400 local food banks and meal programs, Special Olympics Canada, The Grocery Foundation and Kids Help Phone.

Meeting Our Commitments

In fiscal 2025 we achieved our commitment to ensure that 10% of our annual community investment

donations supported Black-led and Indigenous-led or informed organizations. Our **Healthier Tomorrows Individual Giving Program** is a voluntary program empowering teammates to donate directly from their paycheques to support their choice of more than 30 charities across Canada, with corporate matching opportunities throughout the year. We will continue to explore opportunities for new community investment partnerships and ways to build on our commitment.

On this page: Diversity, Equity & Inclusion Community Investment Health, Safety & Wellness Employee Development & Experience

Highlights

Partnership With Kids Help Phone

We partnered with [Kids Help Phone \(KHP\)](#) through a five-year, \$1.25-million commitment to support two vital community-based mental health programs, developed with Black and Indigenous leaders.

Since January 2020, KHP has supported youth across Canada through nearly 21.5 million interactions. In 2024 alone, KHP provided assistance 4.3 million times — over 12,000 interactions every single day. With support from Sobeys, KHP launched two key initiatives to broaden accessibility and meaningful engagements for equity-deserving communities. Finding Hope: Kids Help Phone’s Action Plan for Supporting First Nations, Inuit and Métis Young People introduced specialized programs and service features for Indigenous youth, who now make up 10% of KHP’s service users (compared to 5% of Canada’s population). RiseUp: Kids Help Phone’s Action Plan for Supporting Black Youth expanded programs and services tailored to African, Caribbean and Black youth, who now represent 8% of KHP’s service users (compared to 4% of Canada’s population).

Nurturing Healthy Bodies

In fiscal 2025, our teams continued to support access to healthy and affordable food for people in their communities. Thanks to the generosity of our customers and teammates, our 2024 Holiday Food

Bank Fundraiser raised and donated over \$7.2 million in food and funds in support of more than 400 food banks across the country. In Quebec, \$2.23 million was raised in support of provincial food networks. In addition to raising funds and sharing food, our teams also foster knowledge about healthy eating and living. For example, teammates at IGA continue to work

with [La Tablée des Chefs](#) to empower thousands of young people through schools and youth community centres. This program has now expanded outside Quebec. As well, through our ongoing partnership, [Special Olympics Canada](#) continues to provide nutrition sessions specifically designed for athletes with intellectual disabilities.

Supporting Healthy Bodies and Healthy Minds in Local Communities

We support Canadian communities through our Community Action Fund, including ongoing support for the Canadian Red Cross and local community responses to natural disasters.



Helping Kids Access Mental Health Services

Launched in 2020, the Family of Support: Child and Youth Mental Health Initiative helps kids from coast to coast access early mental health support. Now in its fifth year, our partnership with The Sobey Foundation and Canada’s Children’s Hospital Foundations was formed in response to the growing need for early interventions. Between 2020 and 2023, approximately 60,000 kids were assessed through programs supported by the partnership. Nearly 13,000 people have been trained to provide better care and support for children and youth experiencing mental health challenges. Hospitals across the country have created new spaces designed to provide better mental health care, reaching more than 93,000 children and families. The initiative’s 2024 Impact Report will be released in September 2025. To date, the partnership has raised and donated more than \$21 million to support early interventions in child and youth mental health.



Champions

“We are proud of our partnership with the Sobey Foundation and Empire Company Limited and inspired by the generosity that we see from team members, customers and suppliers from coast to coast. To date, Family of Support has raised and donated more than \$21 million. These funds have supported initiatives focused on early intervention, prevention, research and innovation; enabled the development of much-needed education and resource materials; and helped create programs and spaces designed to ensure that children and youth can get the mental health care they need where they need it.”

— Adam Starkman, President & CEO, Canada’s Children’s Hospital Foundations



Learn more:

We’re also focused on nurturing healthy bodies and minds through our focus on [health, safety and wellness](#) and commitment to [diversity, equity and inclusion](#).

On this page:

[Diversity, Equity & Inclusion](#)
[Community Investment](#)
[Health, Safety & Wellness](#)
[Employee Development & Experience](#)

Health, Safety & Wellness



Creating a unified national approach for safety programs

Why It Matters

Nothing is more important to us than the health and safety of our teammates and the people we serve. We are committed to supporting our teammates so they always feel physically and mentally safe, empowering them to be high performers and to deliver for our customers and communities.

Analyst Spotlight

- [Materiality: Health, Safety & Well-being](#)
- [Health, Safety & Wellness Governance](#)
- [Health and Safety Policy](#)



Our Approach

Our health, safety and wellness approach enables our business and people strategies by protecting and empowering our greatest strength—our teammates. We have a rigorous health and safety management system, which aligns with the standard CSA-Z1000.

[Learn more](#) about how we govern our approach to health, safety, and wellness.



Enhancing Prevention

As part of our strong commitment to teammate safety and wellbeing, in fiscal 2025 we continued to focus on enhancing our prevention programming, which fosters leader support for safety, by harmonizing the various banner and functional safety programs into one national program. We continued our focus on new teammates, ensuring that safety messages and resources were a key component in their onboarding experience, and offered a range of training courses for all teammates including Introduction to Health and Safety, Workplace Hazards Awareness, General Safety Rules and Knife Safety.

Advancing Our Safety Program

Ongoing work to boost our safety program in fiscal 2025 included:

- 1 **Enhancing** our safety culture through strong relationships with business leaders, creating top-level accountability
- 2 **Harmonizing** policies and procedures, from regional to national programs
- 3 **Leveraging analytics** to drive prevention programming initiatives, leading to year-over-year improvements in our Lost Time Incident Frequency rate and Severity rate

- 4 **Reducing injury severity and providing** more modified work opportunities when a teammate is injured

Staying Focused on Mental Health

We continued the implementation of our business-wide Mental Wellbeing Strategy, focusing on:

- 1 **Raising** awareness of mental health challenges across all lines of business
- 2 **Reducing** stigma around mental wellbeing in a measurable way
- 3 **Monitoring** key metrics to track the level of mental health issues, the utilization of resources and the impact our program is having with our teammates

Monitoring Our Performance

We have a wide range of safety metrics tracked by scope, period and location. These metrics are shared with operations leaders across the business every period. Based on this data, we set annual targets that are specific to regional retail operations and each location. Our experts meet every month with various business leaders to discuss performance, issues and notable items to ensure alignment with business priorities and focus on safety performance.

Working With Our Partners

Key partners in delivering our health and safety program include Blue Cross and Sun Life Canada, our main benefits providers. We also work closely with provincial bodies, including workers' compensation boards, to shape our approach and programming.

Highlights

Engaging Managers as Safety Leaders

We believe people leaders have an important role to play in reinforcing safety culture and processes. In fiscal 2025, our team of safety specialists continued to work closely with management teams in higher-risk locations to identify opportunities for enhanced safety leadership and performance. This approach reinforced managing safety performance as an area of accountability for leaders and involved these leaders in the creation and implementation of site-specific plans.



Implementing Corrective Findings and Actions Protocols

Our safety approach empowers our people to prevent incidents and to learn everything we can when something does go wrong to prevent similar events in future. Through regular inspections, audits and investigations, issues are identified that need to be addressed. These items are captured in our safety database, and it is the responsibility of the location management team to action these within a given timeframe. Reports are generated tracking these items, ensuring they are completed on time, which reduces hazards and prevents future injuries.



Champions

“Our health and safety program is about building a culture where everyone is committed to looking out for each other, no matter where they are or what they do. After all, safety is strongest when it’s a shared responsibility.”

— **Cindy Shaw,**
National Safety Manager, Sobeys Inc.



Learn more:

About how we’re improving [community health and wellbeing](#) too.



Employee Development & Experience



Recognized as one of Canada's Top 100 Employers in 2025, for the third consecutive year

Why It Matters

We are proud to be a people-powered business. Our ability to serve customers and communities, to advance our business strategy and to deliver strong returns for investors all starts with the energy and focus of our teammates. Investing in people so they can perform their best, feel engaged and grow rewarding careers is more important than ever.

Analyst Spotlight

- [Materiality: Employee Development](#)
- [Employee Development & Experience Governance](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Education Assistance Policy](#)



Our Approach

People Strategy

Being people-powered is one of our core values—and a critical enabler of our ability to deliver on our business strategy. Our multi-year People Strategy is advancing our ambition to be:

- A destination for great talent
- A leading Canadian employer
- Inspiration for a more equitable and inclusive Canada

[Learn more](#) about how we govern our approach to employee development and experience.



We aspire to improve teammate and manager experiences by making moments that matter really matter. Building on our purpose and values, we're delivering differentiated experiences that make this a special place to work, offering teammates opportunities to grow their careers and enjoy work that fits their lives.

We continued to make progress and refine our approach to teammate development and experience in fiscal 2025 in response to external trends and

challenges, including Canada's evolving labour market and shifting teammate expectations.

Our approach in this area continues to align with our comprehensive commitments to [DE&I](#), ensuring we are drawing on key experience and insights to create a more equitable teammate experience for all teammates, regardless of gender, ethnicity or cultural background.

Hearing From Our Teammates

In fiscal 2025, we conducted our fourth company-wide survey, hearing from corporate and franchise teammates. More than 59,000 teammates across the country shared their feedback, which is an overall participation rate of 81%. We also added a mid-year Employee Engagement survey for our corporate office teammates, which had a participation rate of 88%. We completed the fourth Store Satisfaction survey, using feedback to create action plans to improve overall store support. In addition to these three surveys, we heard from teammates through our DE&I listening series, where we focused on specific communities and developed targeted action plans. We also gather teammate feedback across key moments in the teammate experience. Insights from teammate feedback allow us to develop action plans to ensure that we are focusing on what is most important.

Supporting Teammate Development

We continue to invest in our people across several career pathways, offering individual support, mentorship, coaching and robust training, including programs tailored for store operations, merchandising, supply-chain management and leadership development. In fiscal 2025, we started to measure internal movements and internal hires to better understand teammate movements. Robust development plans support ongoing succession and talent planning for key roles.

We have been focused on providing and implementing:

- **Regular formal performance reviews** aligned with career development for all permanent teammates
- **Initiatives for talent recruitment, development and retention**—including developing strategies to adapt to meet teammate needs, providing greater assurance and predictability on shifts and wages and offering more career pathways
- **Posting open roles** as our guiding principle for open and transparent career development
- **Formal mechanisms to promote an open feedback culture**, including teammate experience surveys and new onboarding and exit surveys

- **Leader training** on how to deliver feedback and have tough conversations, combined with skills-based learning solutions for office-based teammates
- **Supporting teammate inclusion networks** and supporting their development priorities
- **Improvements to our operational data** to enable target-setting and build a stronger foundation for reporting, analysis and insights
- **Quantitative targets** and reporting on human capital development and risk assessment
- **Ongoing workplace succession planning** for key roles at all levels
- **Prioritizing team development** initiatives to quickly advance new teams to be high performers by focusing on alignment, communication and accountability
- **Supporting teammate engagement activities** to build collaboration and a strong cultural foundation

Looking ahead, we will continue to invest in the right combination of company-wide alignment around capabilities, skills development and performance expectations, while continuing to empower our banners to find the right solutions for regional and local team needs.



Highlights

Canada's Top Employers

We were thrilled to be recognized as one of Canada's Top 100 Employers for 2025, for the third consecutive year. This achievement reflects our values-based culture, unwavering commitment to diversity and focus on growth and development, embodying our purpose as a *family nurturing families*.



Nationwide Capabilities Building

In fiscal 2025, we provided leadership growth and development training for all office teammates, leveraging learning platforms to support development opportunities.



Investing in Teammate Growth and Development

This year we refreshed the My Journey platform for teammates, providing skills development resources to support their career growth. We also launched an updated Leadership Development Resource Guide to support growth and development, expanded our leadership programs to include all people leaders and added new courses for managers and directors. For our operations teams, several industry-leading programs are offered to support teammate growth and build rewarding careers. This includes development programs in supply chain, meat cutting, cake decorating, culinary skills, naturopathy, franchisee-in-training, department manager-in-training and store manager-in-training. Additional programs to support teammate growth include education assistance and scholarship programs.



Advancing Career Development

We recently introduced an updated management program that better supports teammates in today's labour market, improving cross-training, growth opportunities and succession planning. This program contributes to improved store conditions, stronger engagement and better collaboration.



Leadership Pipeline

Through a robust talent and succession strategy, we continue to build our leadership pipeline by nurturing the development of future leaders for critical roles at every level of the organization. By taking a systematic approach and orchestrating critical experiences, we can ensure that as promotion opportunities and the need for new leaders arise, we have several candidates with the skills and relevant experiences to advance. This fiscal year we've been particularly focused on Nova Scotia, with the intent to foster leaders and talent in our home province.



Recognizing Teammates

Our comprehensive teammate recognition programs include acknowledgement of high achievers, long-service programs and company values-based recognition programs. In fiscal 2025, we launched a refreshed and harmonized service award program across the organization that better reflects our values and our teammates. We also launched an Employee Share Ownership Program available to corporate, non-union teammates, helping them build financial wellbeing and share in the success of the company. We express our appreciation through in-store events for teammates including BBQs and celebrations of shared holidays.

National Recognition for Team Support and Culture

In 2024, Longo's earned a spot in Canada's Most Admired Corporate Cultures Hall of Fame, thanks to the team's dedication to creating a thriving workplace. Longo's was also proud to receive the Canadian Grocer Impact Award for Supporting Employees for its Dayforce Wallet program. Introduced in 2021, Dayforce Wallet allows team members to access their earned wages instantly after a shift.

Waterstone
CANADA'S
MOST
ADMIRABLE
CORPORATE
CULTURES

HALL OF FAME

Champions

"Working on our updated management program over the past few years has been one of the proudest and most fulfilling experiences of my career. Seeing this vision come to life—watching teammates break down silos that had been in place for so long, coming together as one united team, and building something better for our people and our customers—has been truly inspiring. The improvements in efficiency, the elevated shopping experience, and the new skills teammates have gained along the way have made this journey so worthwhile."

— Kelsey Cole,
Business Coordinator, Sobeys Inc.



Learn more:

Taking care of our teammates includes prioritizing their [health, safety and wellness](#) and empowering them through our commitment to [diversity, equity and inclusion](#).



Planet

- **Climate Action**
- **Food Waste**
- **Environmental Management**



On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

Climate Action



Net-zero by 2040 with validated science-based targets*

*for Scope 1 and 2 emissions, and net-zero for Scope 3 emissions by 2050

Why It Matters

As climate change has adverse impacts on our planet, including increasing the risk of extreme weather and other potential disruptions, we are taking action to reduce our GHG emissions and to make our business more resilient.

Analyst Spotlight

- [Material Topic: Climate Change](#)
- [Sustainable Governance Model](#)
- [Climate Action Plan Overview](#)
- [Sobeys 2024 CDP Climate Change Disclosures](#)
- [Fiscal 2025 Climate-related Financial Disclosures Report](#)
- [Environmental Policy](#)



Our Approach

Climate change is one of the top priorities in our [materiality assessment](#). Stakeholders have indicated they are interested in the steps we are taking to prepare for, adapt to and mitigate climate-related risks. Our aim is to cut our greenhouse gas (GHG) emissions to improve and optimize our operating performance while still delivering great customer experiences.

Our Climate Action Plan is aimed at reducing our GHG emissions and our transition towards decarbonizing our business and value chain. It demonstrates how doing [OurPart™](#) is a priority for our entire business.

[Learn more](#) about how we govern our approach to climate action.



Climate Action Plan: Phase 1 Progress

Our Climate Action Plan has many facets. One of the main focus areas is reducing emissions from refrigeration and improving energy efficiency. Refrigeration retrofits remain the most efficient means of reducing emissions with the added benefit of addressing any outstanding maintenance and energy efficiency issues. Achieving our objectives in those areas, coupled with grid decarbonization, will allow us

to realize the majority of GHG emissions needed to reach our 2030 reduction target. In the past year, we gained meaningful insight into our carbon footprint with a carbon abatement forecast update, leading to better decision making and allowing us to streamline our efforts.

In year two of our Climate Action Plan: Phase 1, which runs from fiscal 2024 to fiscal 2026, we continued our focus on reducing Scope 1 and 2 emissions associated with refrigeration in our stores and warehouses. In total, we have invested approximately \$91 million in more than 655 carbon-reduction projects across more than 155 company sites. As a result of these investments, we have achieved a total Scope 1 and 2 emissions reduction of 30% against our 2019 baseline emissions.



Our Targets

Net-Zero Targets:

- 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

Near-Term Science-Based Targets (validated):

- **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 to reducing absolute Scope 3 GHG emissions from use of sold products by 28% within the same timeframe, and that 64% of our suppliers by spend covering purchased goods and services will have science-based targets by 2027

Setting FLAG Targets for Scope 3

To comply with the Science Based Targets initiative (SBTi) guidance, we are required to establish specific targets for GHG emissions related to the forestry, land and agriculture (FLAG) sector. As a company that procures products and services, our FLAG targets must cover at least 67% of FLAG-related Scope 3 emissions. We are assessing potential FLAG-related targets for Scope 3, Category 1—purchased goods and services. We are collaborating with suppliers to collect the information required for FLAG emissions calculations. As not all our suppliers are at the same level of maturity on their climate journeys, we are taking a thoughtful approach to advance consistency and collaboration.

Empire & Sobeys Inc. Greenhouse Gas Emissions

Scope	2024	2023	2022	2019	% difference (2024-2023)	% difference (2024-2019)
Scope 1	314,387	338,089	340,790	396,300	-7%	-20.7%
Scope 2	212,245	217,073	232,360	357,030	-2.2%	-40.6%
Scope 3	15,233,336	18,279,106	17,414,110	18,478,700	-16.7 %	-17.6%
Total Scope 1, 2	526,632	555,162	573,150	753,330	-5.1%	-30.1%
Scope 1 & 2 Intensity (kgCO ₂ e/sq ft)	21.8	23.2	23.9	32.8	-6.2%	-33.6%

Note:

- We use the GHG Protocol to calculate our emissions. The 2019-2024 GHG inventory includes all Sobeys Inc. and Empire grocery and related business banners in operation since 2019, including corporate and franchise sites.
- Scope 1 emissions sources encompass natural gas, propane and fuel oil used for heating and operations in our stores, retail support centres and offices, as well as refrigerant emissions, fuel from corporate and Voilà fleet and diesel in onsite generators.
- Scope 1 emissions from refrigerant leakage include our corporate grocery sites where maintenance service providers are integrated with our maintenance-tracking and data-management system. We are continuously refining our data-collection processes.
- Scope 2 emissions sources encompass electricity consumption.
- Scope 3 emissions sources encompass purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 or 2), upstream transportation and distribution, waste generated in operations, business travel, employee commuting, down-stream transportation and distribution, use of sold products, franchises, and investment.

Scope 1, 2 and 3 GHG Emissions Trends and Performance Against Targets

We annually evaluate our methodology for collecting and assessing GHG emissions data, continuously improving our accuracy, transparency and consistency, then planning future actions for improvement.

As our emissions summary table shows, we continue to make progress reducing GHG emissions thanks to investments in energy efficiency and work with our suppliers. Scope 1 and 2 emissions are almost 30% lower compared to our 2019 base year, primarily due to reductions in Scope 2 emissions.

Scope 1 and 2 Emissions:

- **Key Factors Driving Reductions:**
 - **Refrigeration:** Emissions from refrigeration leaks declined by 12.7% YoY on account of conversion and retrofit projects delivered as part of our [Climate Action plan](#). Through these projects, we are transitioning our refrigeration systems to refrigerants with lower global warming potential, leading to lower leak-related emissions.
 - **Energy Efficiency:** Improved energy consumption (electricity and natural gas) in retail locations in most provinces due to energy efficiency projects and optimization of corporate site areas. Overall, the majority of Scope 2 emission reductions were the result of energy efficiency projects in 2024. Comparatively, grid decarbonization was the largest contributor to reductions in 2023.
 - **Grid Decarbonization:** The change in emissions associated with electricity consumption varied by province. The carbon intensity for electricity in Ontario and New Brunswick increased due to greater use of fossil fuels in power generation. The grids in Alberta and Saskatchewan, conversely, declined in carbon intensity on account of the use of cleaner generation sources. Overall, grid decarbonization was the second largest contributor to emission reductions in Scope 2 in 2024.
- **Key Factors Driving Increase:**
 - **Fleet Efficiency:** Increased fuel consumption in our owned fleet, including our e-commerce business Voilà, led to higher Scope 1 emissions in comparison to 2023.
 - **Organic Growth:** The growth in our overall retail footprint creates net new emissions for our carbon inventory.

Scope 3 Emissions:

- **Scope 3 emissions** decreased by 16.7% from 2024 and 17.6% compared to our 2019 base year. Purchased goods and services are our biggest drivers of emissions. We are continuously improving the accuracy of the data used to estimate emissions in this category.
- **Key Factors Driving Decrease:**
 - **Purchased Goods and Services Sold (Fuel and Convenience):** Emissions were lower in 2024 due to a decrease in total fuel sales.
 - **Franchises:** Emissions from electricity and natural gas consumption, as well as refrigerant leaks in franchise retail stores decreased from 2023.
 - **Transportation:** Increased efficiency in our use of third-party transportation.
- **Key Factors Driving Increases:**
 - **Capital Goods:** Increased spending on capital goods, partly due to Climate Action Plan projects, on equipment used in offices, warehouses, and stores.

Climate Action: Reducing Scope 1 & 2 Emissions

During Phase 1 of our plan, from fiscal 2024 to fiscal 2026, we are working to achieve near-term targets by focusing on areas that are most critical to reducing emissions outputs.

Scope	Target	Status	Key Activities	Way Forward
1 & 2	Annual reduction target (CY year over CY year): 5% Overall reduction from CY 2019 baseline: 30%	Reduction of 5.1% from CY 2023 Reduction of 30.1% from CY 2019 Completion of 155 projects in FY 2025 (year two of our three-year Climate Action Plan)	Progress: • Climate Action Plan investments: To date, \$91 million has been allocated, keeping us on track for 2030 • Refrigerant upgrades: Converted refrigerants at 150 sites, with 100 full retrofits • Energy efficiency: Completed over 150 LED lighting projects across stores, offices and warehouses • Fleet efficiency: 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 Pilots: • Solar panels: Installed at five sites, these systems cover approximately 20% of energy needs in certain locations • Closed refrigeration: Doors on cases at pilot Sobeys stores have demonstrated 50% energy savings during trials • Electrified HVAC systems: Over 300 systems have been installed to optimize energy consumption • AI and machine learning: We have deployed instances of a technological system that uses analytics to assess opportunities to enable predictive maintenance and lower energy use	Our strategy will continue to focus on refrigeration system upgrades and reducing energy consumption and emissions related to refrigerant leaks. As significant carbon footprint is generated from leaks, we can make important advances towards our 2030 climate action goals. We continue to apply our list of standardized environmental criteria to effectively select initiatives and ensure our real estate renovation projects contribute to emissions reductions. Expanded deployment of solar generation and EV charging facilities will increase renewable energy capacity. We will initiate a retail support centre energy-efficient program focusing on HVAC upgrades.

On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

GHG Emissions Validation

The mandate of the Audit Committee of our Board of Directors includes reviewing applicable metrics and information contained in our annual Sustainable Business Report. To ensure consistent, accurate and complete data, we have established a robust process which is applied to all sustainability disclosures. We will continue to assess and determine the appropriate level of assurance required for key performance metrics as our sustainability program and regulatory environment evolves. We are planning to conduct a readiness process assessment for third-party limited assurance of our Scope 1 and 2 data in fiscal 2026.

Engaging Our Supplier Partners on Climate Action

We know we cannot achieve our Scope 3 emissions reductions alone. Collaboration, partnership and action from suppliers, industry, government and customers are needed to achieve a more sustainable and low-carbon future. We remain committed to working collaboratively to decarbonize grocery supply chains in Canada and beyond.

We're aiming for a minimum of 64% of suppliers, by spend, to set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. With a current total of 57% of suppliers, by spend, with science-based targets, we are well on our way towards this goal. Additionally, we continued to partner with the CDP (formerly the Carbon Disclosure

Project) Supply Chain program to gain insights into supplier emissions data, climate target validation, data verification and more. To support this reporting cycle, we held climate action training with our supplier-facing teams as well as webinars for requested suppliers about CDP Supply Chain.

Our second Scope 3 target is to reduce emissions from fuel sold at our filling stations by 28% by 2030. We are continuing to comply with the National Clean Fuel Regulations, enabling us to achieve an estimated 12% reduction in emissions from fuel sold by 2030. The balance of this emissions-reduction work will be achieved through collaborations with our fuel suppliers, including plans to increase the availability of lower carbon-intensity fuel.

Understanding Climate Risks & Opportunities

The scale and challenge of mitigating climate risks to our business and supply chain are significant and require system-wide transformation across food production, transportation and operations. While our commitment is strong, our [Climate Action Plan](#) is dependent on geopolitical, economic, regulatory, supply, and other factors beyond the control of our business. We continue to integrate adaptation and mitigation strategies into our daily business operations and future planning. We provide quarterly reports as part of enterprise risk management tracking, which are shared with Company leadership and the board.



We also continue to meet with key teams across the business to share insights and strategies on adaptation.

See our [Climate-related Financial Disclosures Report](#) for more information.

Sharing Our Progress

Each year we submit performance data to CDP (formerly the Carbon Disclosure Project) covering our climate, forestry and water impacts. See our most recent [CDP disclosure](#) for more information.

Highlights

Driving Climate Action through in-Store Renovations

A year after completing numerous renovations at the Aberdeen Mall Sobeys in New Glasgow, Nova Scotia, the store's energy demand per square foot on an annual basis has dropped from approximately 46kWh/ft² to 42kWh/ft², marking another step forward in reducing our environmental footprint through targeted, energy-smart renovations.

We continue to roll out upgrades to stores across Canada. Sobeys' newly renovated Columbia location in Waterloo, Ontario showcases our commitment to

On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

climate action. The upgrades include a new CO₂-based refrigeration system that significantly reduces emissions, high-efficiency LED lighting to lower energy use and maintenance needs, and upgraded HVAC motors and rooftop unit controllers, including AI-driven energy management tools to cut overall energy demand. We expect to see similar reductions in energy use as with the Aberdeen location.



EV Charging Expansion

We're driving toward a more sustainable future with expanded EV charging access. In Quebec, with support from Fonds Éco IGA, six more IGA stores now offer on-site EV charging, bringing the total to 115 active ports. Longo's also launched a high-speed charging facility in North Oakville with seven Level 3 fast chargers and a 600-kilowatt hour battery system. Meanwhile, at our corporate offices, we are installing more chargers to support EV-driving teammates.



Customer-Facing Signage

Many of the carbon abatement projects we complete in stores take place behind the scenes. To ensure teammates and customers are informed and engaged in our sustainability efforts, we rolled out signage in more than 170 stores across Canada to communicate our environmental impact in those locations.



Strategic Partnerships

We're participating in a Strategic Energy Management pilot program with New Brunswick Power, which includes a complimentary high-level energy audit, to uncover no- or low-cost energy-saving opportunities.

By building stronger relationships with utility conservation teams, we're identifying more incentive opportunities and complimentary services to optimize electricity use across our accounts. We see the potential to use similar approaches to reduce natural gas use in the future.

In Ontario, some of our stores have enrolled in a three-year performance-based energy savings initiative. Incentives are earned for electricity reductions achieved through operational improvements or capital upgrades. With some participating locations already seeing reductions, we're engaging facility teams directly to analyze trends and develop custom plans to boost efficiency across multiple sites.

Supplier Climate Engagement

In 2025, our teams hosted supplier discussions to understand the barriers to establishing climate initiatives and targets. We focused on suppliers in high-emitting categories with large spend volumes and will continue these conversations to support our partners on their climate journeys. We are in the process of co-developing a targeted climate

action toolkit with local Canadian suppliers that are passionate about addressing climate change but have different capabilities to act. Through several supplier roundtables with partners across commodities and provinces, we gathered input to build a resource centre to provide practical support for local businesses.

Champions

We are very proud of the commitment Sobeys has made to sustainability in the communities we serve. We hope the progress we have made towards reducing our carbon emissions confirms our determination to reducing our impact on the planet."

— **Andrew Dickson, Director, Estimating and Analytics, Real Estate, Sobeys Inc.**



Learn more:

Our work to tackle climate change includes our focus on [environmental management](#) and [ethical and sustainable sourcing](#).

On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

Food Waste



As Canada's top food rescue partner with Second Harvest, Empire donated ~30 million pounds of surplus food to charities

Why It Matters

Nearly half of the food produced in Canada goes to waste—enough to feed more than 17 million people per year. Tackling surplus food is an important way to ensure more people get the meals they need to live healthy lives while also reducing environmental and social impacts.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Materiality: Food waste](#)
- [Sustainable Governance Model](#)
- [National Food Rescue Program](#)

Fiscal 2025 Performance Highlight

45%

reduction in food waste in our stores since 2016

13.9M+

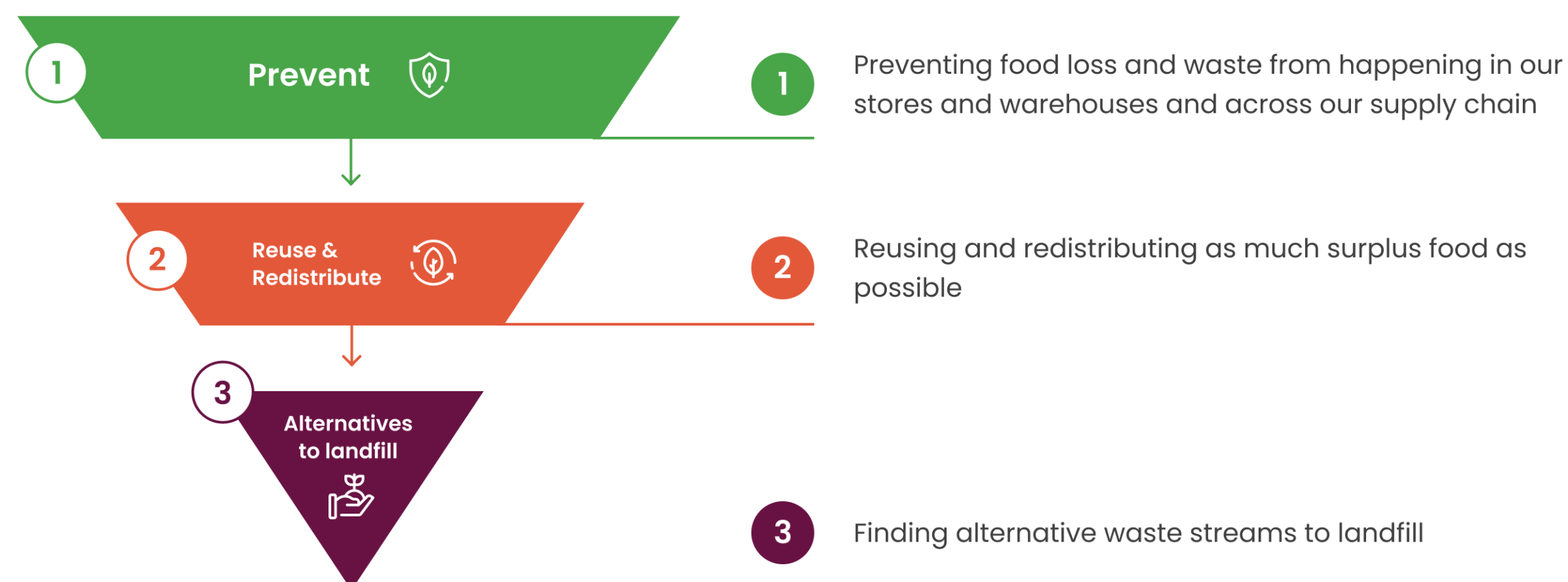
kilograms of surplus food donated to local charities from our stores and warehouses through our partnership with Second Harvest.

On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

Our Approach

We are committed to reducing food waste in our operations, measuring and reporting our progress using the globally recognized Food Loss and Waste Accounting and Reporting Standard. We work 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 reduction strategy has three areas of focus:



[Learn more](#) about how we govern our approach to food waste.



Preventing Food Loss and Waste

We build awareness, cultivate new behaviours and provide tools and systems that empower teammates and customers to reduce food waste. We partner with organizations that match surplus foods from donors with organizations in need, diverting even more food from landfills.

We have implemented a multi-tiered food-waste prevention program that store managers execute in our stores daily.

Redistributing Surplus Food—National Food Rescue Program

In partnership with Second Harvest, Canada's largest food rescue organization, we have deployed the Second Harvest Food Rescue App in our stores in all provinces except Quebec to help people access fresh, healthy food from non-profits while also reducing surplus food waste in our network. The food rescue program is integrated into all our retail support centres, Voilà customer fulfillment centres and Needs Convenience and fuel sites.

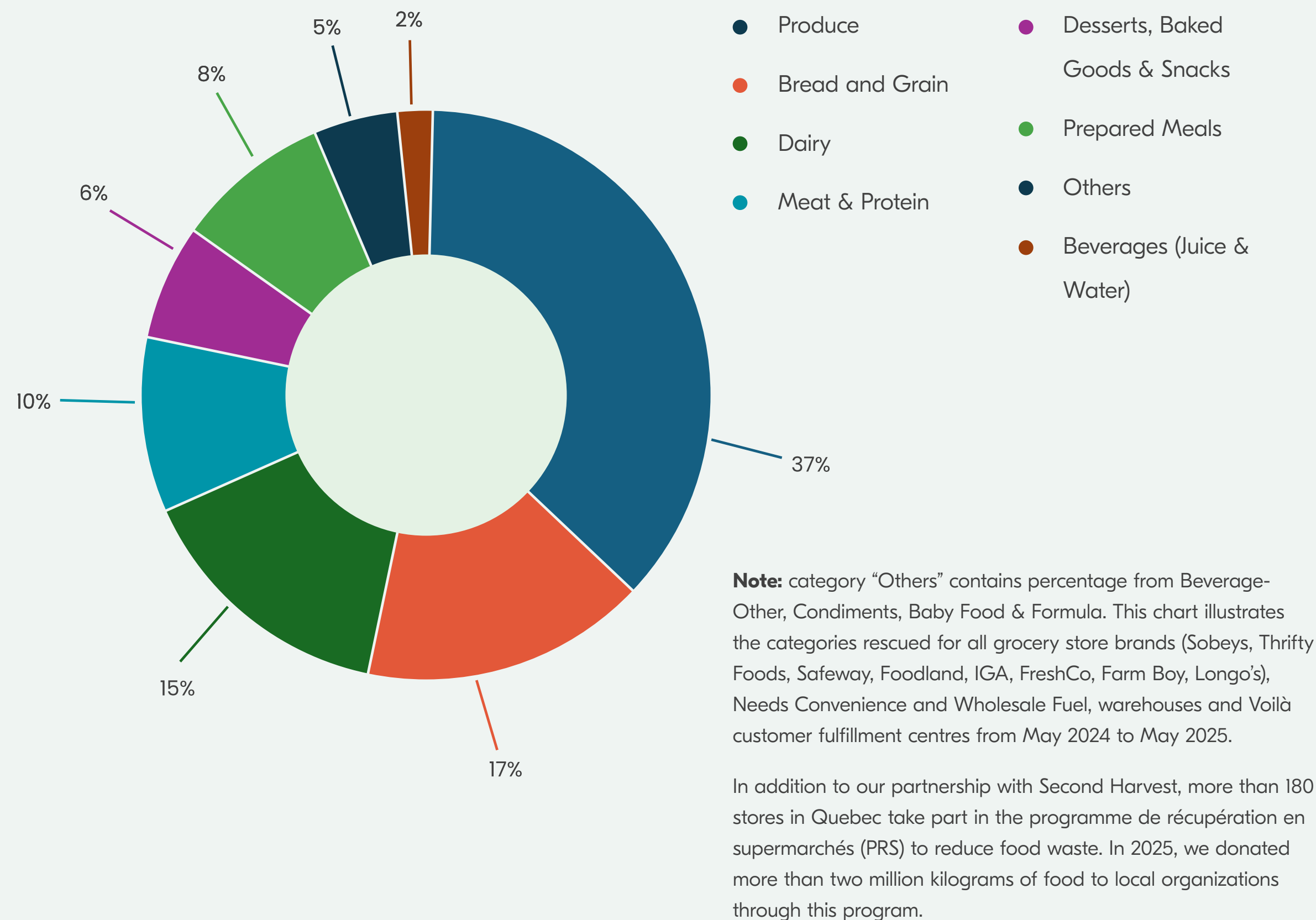
[Watch this video](#) to discover how to rescue some of the most commonly wasted foods



Our national food rescue program makes it easier for stores to donate surplus, perishable food such as produce, dairy and meat—foods that are difficult for local charitable partners to acquire. As these specific foods also have the highest environmental impact, it's even more important to divert them from landfills.



Fiscal 2025 Food Donations by Category through National Food Rescue Program



Save More, Waste Less With FoodHero

To support our goal to reduce food waste, we have launched the FoodHero program in stores across Canada. [FoodHero](#), a third-party mobile app, helps food retailers sell near-end-of-life products by connecting them with consumers who can purchase these items at special prices. FoodHero is available in over 800 participating Sobeys, Safeway, Thrifty Foods, IGA West and Foodland stores in English Canada and at participating IGA, IGA Extra, Tradition, Bonichoix and Rachelle Béry stores in Quebec.

Raising Awareness With Our Customers to Rescue Food at Home

We also continue to build awareness with our customers through our food rescue campaigns about how to reduce food waste at home. By encouraging customers to adopt the fourth “R” (Reduce, Reuse, Recycle and Rescue) through our campaign content, we continue to provide tips for food rescue at home, like how to turn compost-bound leftovers into cozy meals, or swapping in common ingredients to reduce food waste.

[Watch this video](#) to learn tips on rescuing food at home.



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 helped over 14,000 customers to reduce their food waste.

Expanding Our Food Waste Strategy

We have made important progress and ensured that significant volumes of food reach families in need instead of landfills. We are extremely proud to have achieved a 45% reduction in food waste in fiscal 2025, although we are unlikely to reach our previously set target of 50% by the end of this calendar year. Moving forward, our commitment to food rescue and helping people get the meals they need to live healthy lives will remain a top priority and we will continue to report on our performance annually. In addition, we will be amplifying our efforts to divert and repurpose surplus food not suitable for human consumption for animal feed, biobased materials and biochemical processing, as well as expanding our organic composting program. The objective of our amplified and multi-faceted approach will be to reduce and divert even more food waste and create additional sustainable partnerships with communities and stakeholders, while benefiting local economies.

Highlights

Canada's Top Food Rescue Partner With Second Harvest

For a third consecutive year, Sobeys was recognized as Second Harvest's Partner of the Year. In 2024, we donated approximately 30 million meals to food charities through our food rescue program. Second Harvest CEO Lori Nikkel said our work, along with that of other Second Harvest partners, "ensures that good food nourishes people instead of going to waste, strengthening communities and protecting our planet."

[Watch this video](#) to learn more about our partnership with Second Harvest.



Food Waste Apps Help Customers Save

Our partnership with the FoodHero mobile app enables stores to divert surplus food by offering it at discounted prices. The app makes it easy for customers to save up to 60% on proteins, baked goods, produce and more. FoodHero is now available in more than 850 participating stores across Canada, including Quebec. FoodHero complements existing in-store markdown programs across the country, helping to bring perfectly safe, delicious food that is nearing expiry to people's homes instead of landfills. This year we also offered a small pilot on the FoodHero app that offers produce boxes filled with a variety of fruits and vegetables, available at select IGA stores in Quebec. We aim to expand the program in the coming months.

Since 2022, Longo's has partnered with Too Good To Go, an online marketplace for surplus food. All Longo's stores use the app to save food from waste. Since the partnership began, over 134,000 meals have been saved and into the hands of customers.

Imperfect Produce at Low Cost

Fruitful Bargain is a program that recovers imperfect produce and highlights how safe, nutritious and delicious these products are for customers. Our stores follow strict guidelines, offering value to customers with discounts as much as 50%. In fiscal 2025, we have recovered over 1.1 million units that would otherwise have ended up in landfill.

Champions

"Waste not, want not' is an expression I've heard my whole life, and it holds true both at home and at work. The launch of FoodHero is that expression in action. Our consumers, me included, are grateful for the opportunity in a collective mission to reduce waste and provide quality food to families on a budget, which can lead to better and brighter futures for all."

— **Bernita Van Schothorst, Assistant Store Manager, Sobeys Inc.**



Learn more:

Our work to reduce food waste connects with our focus on [ethical and sustainable sourcing](#), [building stronger communities](#) and reducing plastics.



On this page: **Climate Action** **Food Waste** **Environmental Management**

Environmental Management

Why It Matters

We are committed to reducing our environmental impacts to ensure we are using resources sustainably and reducing waste, including in packaging. These efforts protect the communities where our teammates, customers and partners live and work. They also contribute to our progress in reducing climate-related impacts in our supply chain.

Analyst Spotlight

- [Materiality: Climate change; food waste; nature, biodiversity & water; plastics & packaging; responsible sourcing](#)
- [Environmental Policy](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Sustainable Governance Model](#)
- [Animal Welfare Statement](#)
- [Sobeys 2024 CDP Disclosure](#)
- [Sustainable Palm Oil Policy](#)
- [Sustainable Fish & Seafood Sourcing Guidelines](#)

Fiscal 2025 Performance Highlight

\$16 million

donated in partnership with Earth Day Canada to support environmental initiatives since 2008.



On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

Our Approach

Guided by Policies and Targets

Our Environmental Policy reinforces our commitment to environmental stewardship and underscores our dedication to safeguarding the environment. The policy, aligned with the ISO 14001:2015 standard, recognizes global environmental challenges and their relevance to our business, as well as the imperative to act. It addresses key impact areas defined by our materiality assessment and includes climate change, energy management, [food waste](#), plastics and packaging, and [ethical and sustainable sourcing](#).

[Learn more](#) about how we govern our waste.



We aim to comply with all applicable environmental laws and regulations and to demonstrate due diligence in the protection of the environment. Given the national reach of our operations, we keep up to date with all new, emerging and existing environmental regulations across all three levels of government in Canada.

Our approach to plastics and packaging is aligned with the Government of Canada’s **Action Plan on Zero Plastic Waste**. We support the government’s mandate to reduce plastic waste and enhance reuse and value recovery, and we remain committed

to eliminating banned plastic items. We also work closely to advance provincial and municipal waste goals. We are committed to eliminating plastic and packaging waste in our Own Brands and operations, to advancing circularity and to driving technological, organizational and social innovation across our value chain.

Advancing Our Commitment to Reducing Plastic Waste

In fiscal 2025, we continued to make progress on a multi-year plastics reduction strategy focused on:

- **Improving reuse:** Leading on circularity to make it easier for our customers to **shop plastic-waste-free** in stores and through Voilà (e-commerce)

- **Reducing plastic waste:** Advancing packaging improvements for our Own Brands and in-store packaging to make it easier for our customers to **buy plastic-waste-free products**
- **Improving value recovery:** Supporting Canadian innovation in plastic reduction through partnerships with industry, suppliers and processors to make it easier to **live plastic-waste-free**

Working With Suppliers and Partners

As part of our commitment to sustainable packaging solutions, we joined the Canada Plastics Pact (CPP), an initiative bringing together business, government

and organizations to drive a circular economy for plastics in Canada. Through this partnership, we work alongside industry leaders to accelerate packaging innovation, improve recyclability and reduce plastic waste in our supply chain.

As a member of the Retail Council of Canada, we participate in industry committees related to plastics and packaging, including the EPR Stewardship Committee and the Plastic Committee. We collaborate with the Circular Innovation Council, and we participate in numerous industry working groups where we regularly connect on best practices for packaging circularity in retail. We also work with supplier partners to address plastics and packaging across all product categories. Our waste management approach ensures we work collaboratively with external partners to reduce waste and manage it



responsibly. We participate in several industry-wide working committees, including the Retail Council of Canada’s Working Committees on Extended Producer Responsibility/Stewardship and Plastics and other working groups. We continue to work with Earth Day Canada/Jour de la Terre on strategic waste-management-related projects in Quebec.

Looking Ahead to Support Nature and Biodiversity

We aim to keep making progress on our Climate Action Plan by exploring more nature-based solutions. Informed by the guidance of the Taskforce on Nature-related Financial Disclosures (TNFD), we aim to assess our nature and biodiversity risks and opportunities to guide our planning. Opportunities may include collaborating with suppliers to adopt regenerative agriculture practices to improve soil health, increase biodiversity and enhance natural resources, while building more resilient food systems.

Highlights

Building on a Comprehensive Review

In fiscal 2025, we completed a comprehensive audit of in-store packaging, providing insights into packaging materials, recyclability and reduction opportunities for more than 2,900 items. We also commenced a review of all Own Brands packaging, which is expected to be completed in early fiscal 2026. This work will establish strategic objectives to increase packaging circularity, ensure regulatory compliance—including Extended Producer Responsibility (EPR) requirements—and drive innovation.



Innovative Pilots Focus on Reusable Containers

We partnered with [Friendlier](#) in stores across South-Western Ontario to offer customers a reusable container for the hot and cold salad bar. Since launching this pilot, we have achieved an average 13% conversion rate from single use plastic to reusable containers across participating stores.

Additionally, two of our Farm Boy Ottawa stores took part in a pilot project to reduce single-use plastics in hot bar and salad bar by offering reusable containers. The pilot is a unique collaboration between the [Circular Innovation Council](#), Environment and Climate Change Canada, the City of Ottawa and other retail

partners. We continue to explore opportunities with various partners to find solutions to reduce plastic waste.

Increasing Recycled Content in Floral Packaging

We are enhancing sustainability and the flow of materials through a circular economy in our floral packaging by transitioning to a bouquet sleeve that incorporates 90% post-consumer recycled (PCR). Currently on offer in Ontario and the Atlantic provinces, this new sleeve reduces plastic and the use of virgin materials while maintaining quality and freshness. We will explore opportunities to expand this floral packaging in other provinces.



On this page: [Climate Action](#) [Food Waste](#) [Environmental Management](#)

Expanding Bulk Windshield Washer Availability

Since 2023, we have installed 25 bulk windshield washer fluid stations in Quebec. This partnership with [EcoTank](#) has eliminated the equivalent of approximately 40,000 3.75-litre plastic jugs.



Building Green Champions

The Green Champions sustainability training and engagement program provides opportunities for teammates across our business to build their knowledge about sustainability, explore ways to protect the environment and learn how to influence and drive change in their stores and business areas. In 2024 we had participants from nine different office locations representing more than 20 different areas of the company. The online training program includes modules on circular economy, food waste, plastics and packaging, and climate action.



Leader in Battery Recycling

In 2023, Longo's became the first grocery chain in Ontario to offer a battery collection and recycling program in partnership with [Call2Recycle](#). In 2024, over 7,000 kilograms of batteries were collected from customers. Since the program launched, we have collected 8,876 kilograms of used batteries in our stores. Longo's again received Call2Recycle's Leader in Sustainability Award for 2024.



Action/Reduction Impacts in Quebec

More than 200 of our Quebec stores are now participating in Earth Day Canada's Action/Reduction waste management program, which aims to give a second life to cardboard, food waste and other store waste. Store teams receive customized training, support and tools to implement leading residual waste management approaches.



Champions

“We continuously explore ways to combine ethical and environmental responsibility with the beauty of floral. This involves working together with our suppliers to improve the distribution chain from seed to sale, ensuring fair working conditions and developing smart, circular packaging solutions. We have learned that sustainable packaging should never compromise the quality, appearance or perceived value of a premium product.”

— Lee Fanning, Category Manager — Floral, Sobeys Inc.



Learn more:

Our commitment to environmental management includes our work to take [climate action](#), [reduce food waste](#), and our focus on [ethical and sustainable sourcing](#).



Products

- Human Rights
- Ethical & Sustainable Sourcing
- Product Quality & Safety
- Customer Wellness & Experience
- Supplier Collaboration



Human Rights

Why It Matters

We are doing our part to uphold human rights and working to eliminate forced labour and child labour in supply chains. We collaborate with suppliers to provide customers with responsibly sourced products.

Analyst Spotlight

- [Materiality: Human Rights](#)
- [Commitment Statement to Indigenous Peoples Across Canada](#)
- [Empire Code of Business Conduct and Ethics](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Fighting Forced Labour and Child Labour FY2025 Report](#)
- [Health and Safety Policy](#)

Our Approach

We endorse the United Nations Universal Declaration of Human Rights, the Core Conventions of the International Labour Organization and the United Nations Convention on the Rights of the Child. Our policies, practices and ongoing commitment to protect human rights have been informed by these international codes and conventions.

[Learn more](#) about how we govern human rights risks in our supply chain.



Focus on Human Rights in Our Workplaces

We have internal policies and practices in place to ensure human rights are respected and to address any labour issues within our own operations. These include:

- The Empire Code of Business Conduct and Ethics, which requires all teammates working in our business to uphold shared values, act with integrity and comply with all applicable laws and regulations
- Our DE&I and people strategies, which further embed our commitments to foster inclusive and respectful workplaces

- Our Health & Safety Policy, which embeds our commitment to ensure safe and healthy work environments
- Our Commitment Statement to Indigenous Peoples Across Canada, which informs our approach to hiring, partnering and reconciliation

Focus on Human Rights in Our Supply Chain

In 2025, in compliance with federal legislation, we filed our second Fighting Forced Labour and Child Labour Report. The report outlines due diligence practices, starting with Empire's [Ethical and Sustainable Sourcing Policy \(ESSP\)](#). Learn more in [Ethical & Sustainable Sourcing](#).

Developing a New Human Rights Due Diligence Program

In fiscal 2025, we gathered input from internal stakeholders to develop a broader Human Rights Due Diligence Program to address supply chain risks, with a focus on forced labour and child labour. Program elements include:

- Reviewing and assessing policies and management systems
- Providing human rights risk training from a third party to key stakeholders

- Cascading training resources to national merchandising team to build understanding of human rights risks and capability to work with suppliers to support human rights risk management and mitigation
- Tracking progress and communicating about our effectiveness

As we improve our due diligence approach, we will also continue to strengthen existing supplier and purchasing initiatives that support human rights, including our work on sustainable palm oil, sustainable seafood and Fairtrade. Read more in [Ethical & Sustainable Sourcing](#).

Own Brands Due Diligence

We expect all suppliers to uphold ethical practices, and we hold our Own Brands suppliers to the same high standard. Own Brands suppliers are vetted for food safety and quality and are required to sign Supplier Minimum Quality Standards, which detail expectations in ethical manufacturing. Off-shore suppliers complete a mandatory social compliance audit. In fiscal 2025, all Own Brand suppliers were contacted to provide information, including third-party audit reports and details on their in-house programs and policies, to help verify that forced labour and child labour do not take place in their networks. For categories with identified risks (including at-risk

commodities or country-of-origin), we encourage Own Brands suppliers to provide SMETA (Sedex Members Ethical Trade Audit) reports, which are housed in our internal database.



On this page: **Human Rights** Ethical & Sustainable Sourcing Product Quality & Safety Customer Wellness & Experience Supplier Collaboration

Committed to Listening and Improving

Embedded into the ESSP is a grievance mechanism through which employees, suppliers or anyone with concerns can report potential violations. Concerns can be shared confidentially through the Ethics Line or submitted to a member of the Empire team. The Ethics Line is professionally supported by an independent organization, ClearView Connects. All grievances reported through this mechanism are thoroughly investigated and, where appropriate, directed to the Audit Committee of the Board of Directors.

Learn more:

Our commitment to human rights includes staying focused on [ethical and sustainable sourcing](#) while always looking out for our people and [suppliers](#).



Ethical & Sustainable Sourcing

Why It Matters

We're committed to using our scale and influence responsibly by taking steps to source more products that fulfill the growing customer demand for ethical and sustainable products.

Fiscal 2025 Performance Highlight

99%+

of Own Brands seafood (by weight) is certified sustainable or recommended

90%

of palm oil used in Own Brands products is certified sustainable by physical trace and credits

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Materiality: Responsible Sourcing](#)
- [Sustainable Governance Model](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Animal Welfare Statement](#)
- [Sustainable Fish & Seafood Sourcing Guidelines](#)
- [Sustainable Palm Oil Policy](#)
- [Fighting Forced Labour and Child Labour FY2025 Report](#)
- [Member - Sobeys Capital Incorporated - Roundtable on Sustainable Palm Oil \(RSPO\)](#)

Our Approach

Our key focus areas for ethical and sustainable sourcing include:



Animal welfare



Sustainable seafood



Sustainable palm oil



Fairtrade



Plant-based options

Our strategy for these topics is based on a multi-phase approach to gather supply-chain data to inform appropriate governance, commitments and continuous improvement. Our goal is to empower suppliers with clear policies, expectations and tools and to enable customers to make sustainable and healthy product choices.

Key stakeholders supporting our work in this area include the National Farm Animal Care Council (NFACC), Canadian Roundtable for Sustainable Beef (CRSB), Retail Council of Canada's Animal Welfare and Responsible Sourcing Committees, Sustainable Fisheries Partnership, Ocean Wise, Roundtable for Sustainable Palm Oil and Fairtrade Canada.

[Learn more](#) about how we govern our approach to ethical and sustainable sourcing.



Embedding Responsible Sourcing Across Our Supply Chain

Through our [Ethical and Sustainable Sourcing Policy \(ESSP\)](#), we continue to work across all product categories to embed responsible sourcing standards and expectations into purchasing processes. Applying to both direct and indirect suppliers, this policy communicates our expectation that they address the social and environmental impacts of their products by complying with all applicable laws and regulations

and upholding high standards of stewardship. It includes our zero-tolerance position on child labour and forced labour, along with a range of related due diligence practices that reduce human-rights-related risks in supply chains.

Growing Supplier Diversity

We are committed to fostering DE&I in our supplier partnerships. We recognize and take responsibility for the impact we have on suppliers and their communities, which is why it is imperative we practise inclusive sourcing. Our goal is to better support diversely owned businesses in our supply chain and reflect the communities we serve in our business practices. Diverse suppliers include businesses founded, owned, and led by women, visible minorities, Indigenous people, 2SLGBTQIA+ individuals and

people with disabilities. Our local and strategic sourcing teams are focused on equal-opportunity sourcing, diverse supplier mentorship and community connectedness.

In fiscal 2025, we completed the verification phase for our Partnership Accreditation for Indigenous Relations through the Canadian Council for Indigenous Business. Activities included holding an Indigenous supplier roundtable, providing training for teammates on PAIR and joining CCIB's Supply Change™ program as a Procurement Champion organization.

Learn more about our approach to [DE&I](#)



Ongoing Commitment to Animal Welfare

We’re committed to providing customers with options that align with their values. We believe in an approach grounded in science and collaboration, which is why we support the National Farm Animal Care Council (NFACC)’s process that standardizes and verifies farmed animal care throughout Canada.

Building on the publication of our [ESSP](#) and [Animal Welfare Statement](#) in fiscal 2023, we worked with suppliers, industry groups and animal welfare organizations to develop new and updated guidelines in four key areas:

Eggs:	We remain committed to continuing to work with suppliers and industry partners, such as the NFACC, to increase the availability of cage-free (including free-run, free-range and organic) and enriched-housing eggs, setting internal purchasing milestones and educating customers on the options available in stores. In fiscal 2025, 20% of total shell eggs sales were cage-free, with the remainder coming from enriched housing systems or conventional cages. Currently, many egg suppliers use both enriched housing systems and conventional cages, and it is difficult to get accurate data as to the proportions from each type of housing within the supply provided. As the transition from conventional cages to enriched housing systems continues, we will work with suppliers to get accurate data to help demonstrate our progress towards our commitment.
Sows:	We are aligned with industry efforts to phase out gestation crates. One large supplier for our Own Brands lean ground pork estimates that 75% of their sows are raised in loose housing systems.
Broiler Chickens:	Canadian farmers are required to implement the Chicken Farmers of Canada’s Raised by a Canadian Farmer Animal Care Program. We are working with producers so that broiler chickens we purchase are sourced from farms that meet NFACC stocking density requirements, and improve sourcing practices such as rendering chickens insensible through controlled-atmosphere stunning.
Beef and Dairy:	As a member of the Canadian Roundtable for Sustainable Beef, we support the Canadian beef industry to improve animal welfare and reduce environmental impacts. We also encourage sustainable farming practices including opportunities for carbon sequestration on grazing lands. We will continue to address animal welfare on a protein-by-protein basis, doing our part to encourage more ethical and sustainable production, including addressing climate impacts and supporting biodiversity and nature.

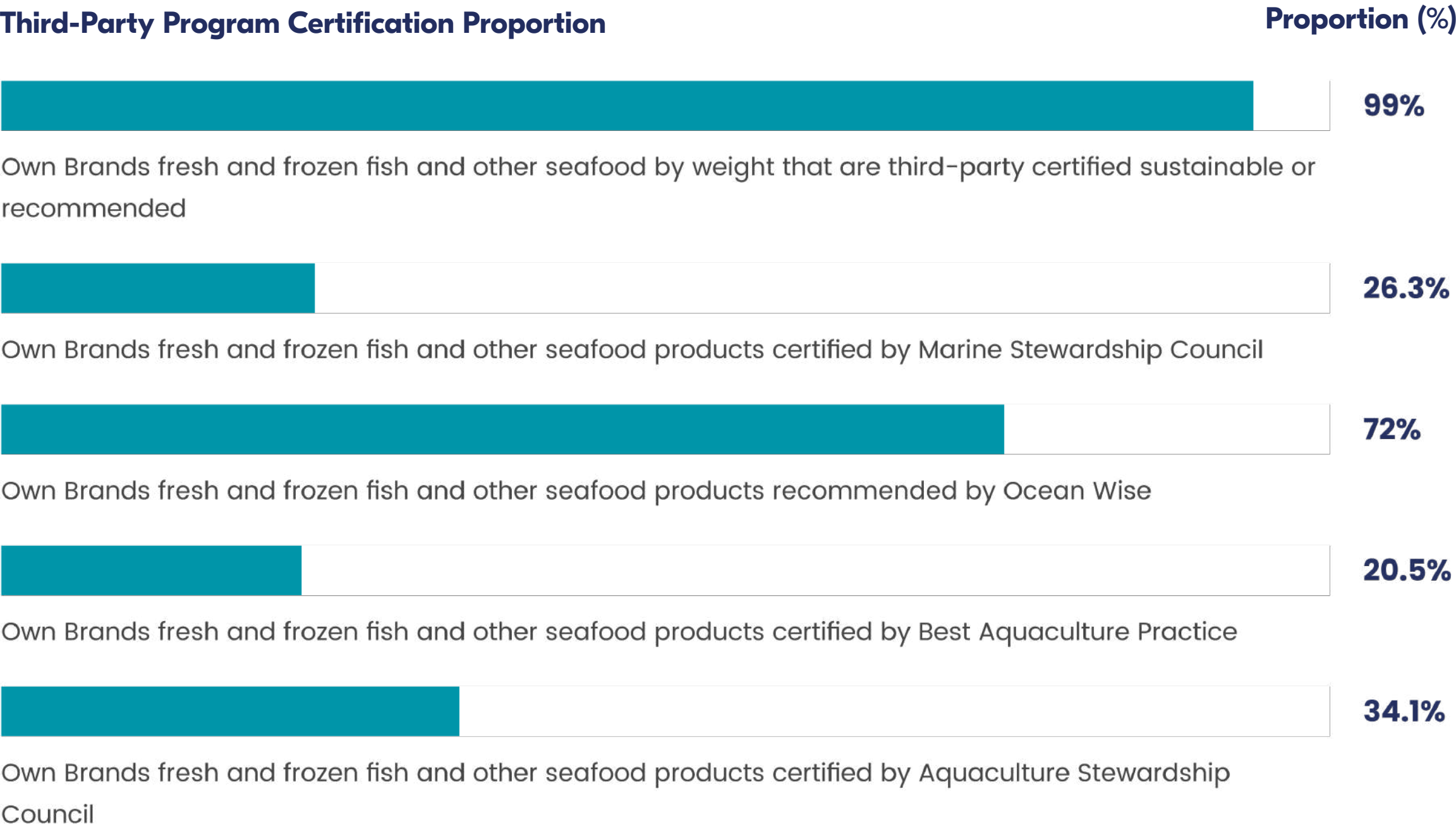
Supporting More Sustainable Seafood Practices

Through our Seafood Metrics initiative, delivered by the Sustainable Fisheries Partnership, suppliers gain a comprehensive understanding of the sustainability risks and opportunities associated with their source fisheries, including both wild-caught and farmed seafood. Businesses can evaluate the sustainability impacts of fish and seafood products, understand the effectiveness of existing improvement efforts and prioritize future opportunities. Seafood Metrics also supports traceability within supply chains by enabling suppliers to report place of origin. This empowers suppliers and our procurement teams to make informed decisions about the seafood they source.

After gathering information for two years through Seafood Metrics, our business and suppliers have reliable data on seafood origin, catch methods, certifications and human rights risks. A third party, Ocean Wise, audits and assesses the data to provide annual recommendations on alternative sources to eliminate or reduce non-sustainable species or fisheries across our seafood supply chain. We work closely with the Sustainable Fisheries Partnership to address gaps in our reporting and to ensure seafood data is accurate. Using this data, we have begun to update our seafood guidelines to be more reflective of the current environmental and social imperatives to

ensure our oceans are being fished responsibly. We aim to begin rolling out these guidelines with suppliers within the next year.

As we work towards expanding our sustainable seafood guidelines beyond our Own Brands products, we are certified by these third-party programs:



Sourcing Sustainable Palm Oil

Our [Sustainable Palm Oil Policy](#) includes the goal to source as close to 100% certified sustainable palm oil as possible in Own Brands products by December 31, 2025, as defined by the Roundtable on Sustainable Palm Oil (RSPO-certified) standard. Our approach to ensure suppliers meet our standards includes an annual survey and validating supplier certifications.

As of CY2024, 90% of palm oil used in Own Brands products is certified sustainable by physical trace and credits. To progress towards our goal of 100%, for the remainder of the year we will continue to work with suppliers to adopt sustainable palm oil practices and obtain RSPO-certified palm oil.

On this page: [Human Rights](#) [Ethical & Sustainable Sourcing](#) [Product Quality & Safety](#) [Customer Wellness & Experience](#) [Supplier Collaboration](#)

Ensuring Fair Pay for Growers Through Fairtrade

In fiscal 2025, Sobeys continued to purchase Fairtrade-certified products, generating Fairtrade Premium funds for farmers.

In addition to our Own Brands assortment of Fairtrade coffee and chocolate, we also provide an outlet for many national and international suppliers to make their Fairtrade products available across Canada. Some of these brands include:

Coffee	- Balzac's - Café Agga - Café Mystique - Café Napoleon - Café William - Canterbury Coffee - Crank Coffee - Ethical Bean Coffee - Fernwood Coffee Company	- Full Steam Coffee - Jumping Bean - Just Us! Coffee - Kicking Horse Coffee - Level Ground - Marley Coffee - One Coffee - Thai Mountain Coffee - Van Houtte Coffee
	Chocolate, Snacks & Baking	- Camino - Galerie au Chocolat - Green & Black's - Mid-Day Squares - OMGs - Prana - Theobroma Chocolate
Tea		- Celestial Organics - Clipper Tea - Four O'clock Tea - Numi Tea

Providing Plant-Based Options

We aim to give our customers a choice of great-tasting options from our broad assortment of fresh, nutritious produce, legumes and other plant-based products. All our stores offer a plant-based assortment, including alternatives to dairy and meat, and other plant-based proteins. Options include sustainably grown speciality mushrooms and microgreens, which combine high-efficiency production and many nutritional benefits.

Improved Ways to Choose Sustainable Products

Third-party certifications enable customers to feel confident about the products they enjoy. Through our Look For the Wellness program and Green C Compliments program, customers can identify products associated with better environmental outcomes, such as products that are organic, plant-based, vegan or third-party certified, as well as products without phosphates, parabens or sulfates. Read more about our approach to [customer wellness and experience](#).

Genetically Modified Organisms (GMOs)

We aim to help Canadian families eat better by offering a variety of produce aligned with their values. As part of our Sourcing Policy, we require all produce suppliers to identify which, if any, of their products are genetically modified (GMO). In fiscal 2025, almost all producers reported non-GMO, except for the Pinkglow pineapple.

Expanding Our Sustainable Canned Seafood Assortment

This year we expanded our range of sustainable Own Brands canned Compliments fish and seafood products. All Compliments canned tuna products have Marine Stewardship Council (MSC) certification, with other canned seafood products supporting sustainability through the Aquaculture Stewardship Council (ASC) certification.



Learn more:

Our commitment to ethical and sustainable sourcing connects with our focus on maintaining [food quality and safety](#), and [customer wellness and experience](#).

Product Quality & Safety

Why It Matters

Canadian families rely on us for food, pharmacy and other products to stay healthy and strong, so it's our responsibility to ensure everything in our stores is safe and of high quality.

Analyst Spotlight

- [Materiality: Product Quality & Safety](#)
- [Product Quality & Safety Governance](#)
- [Sobeys Food Safety Policy](#)

Our Approach

We partner with suppliers and manufacturers and work closely with regulators and industry oversight bodies to ensure we are meeting the highest standards and continuously improving our approach.

[Learn more](#) about how we govern our approach to product quality and safety.



Partners in Maintaining High Standards

Our Own Brands food supplier sites are audited annually to a [Global Food Safety Initiative \(GFSI\)](#) standard, ensuring that they have programs and procedures in place for quality and food safety. Of active Own Brands suppliers, 100% are GFSI certified.

Education for Teammates and Partners

We have a robust teammate education program focused on product quality and safety, including food safety training delivered as part of onboarding new teammates and annual training for existing teammates. All store operators and managers complete food handling certifications and are required to be recertified every five years. Consistent with Global Food Safety Initiative (GFSI) standards, our suppliers are also required to ensure all their employees are properly trained.

Robust Auditing Program

Our corporate and franchise grocery stores, warehouses and customer fulfillment centres participate in a rigorous, semi-annual audit process. These sites are audited twice each year against industry standards, internal food safety protocols and public health standards. Results drive the continuous improvement of our internal food safety programs. In fiscal 2025, we performed ordinary course warehouse and cross-dock audits, as well as thousands of food safety inspections at grocery stores.

Our company has developed policies and procedures based on industry best practices, as well as a risk-based technical audit form to ensure effective implementation and maintenance of food safety programs. Any issues identified during these audits are corrected by the site. Corrective and preventive actions are implemented by site teams to avoid recurrence, and this process is monitored and approved by our internal food safety management team.

Over the past two years, retail support centre-related inspection processes have been benchmarked against industry best practices. As a result, we have updated our inspection standard operating procedures to align with these practices. All teams across Canada have been trained on the changes made to these procedures, and we conduct annual audits to assess inspectors' knowledge and competencies.



Working With Suppliers

We require new suppliers to share their food safety checklists and certifications. As part of our quality assurance program, suppliers agree to cooperate with site audits and product testing. We also require suppliers to comply if any additional testing or product recalls are required. All Own Brands suppliers are required to hold GSFI certification and be annually certified by third-party auditors.

Unwavering Focus on Quality Control

Own Brands products are tested by a third-party laboratory to ensure that they continue to meet product specifications. Teammates analyze data to identify and assess risk, allowing us to proactively address potential food safety issues. This is a closed-loop process in which all Own Brands food safety complaints and concerns are logged and investigated as necessary. We work closely with the Canadian Food Inspection Agency (CFIA), Health Canada and the Public Health Agency of Canada (PHAC) to address consumer complaints and product investigations.

Driving Continuous Improvement

To continuously improve, we track and monitor regulatory inquiries from government bodies. Our teams engage with locations as soon as an information request is received. We have a fully closed system, which includes launching an investigation,

communicating with stakeholders to address matters and engaging with all levels of government to ensure issues are dealt with appropriately.

We invest in ongoing product quality and safety accreditation and training for our teammates and facilities, and we work hard to ensure suppliers also meet the same high standards. When we partner to develop a new Own Brands offering, product and supplier performance are continually evaluated, from development to launch and beyond.

Looking ahead, we will set new targets and priorities that will continue to ensure and enhance quality and safety for Own Brands products. We are also exploring and testing innovative tools and technologies to enhance our ability to grade against specifications and identify solutions to reduce waste.

Ensuring Recall Readiness

Consistent with government standards and internal quality standards, we move quickly to investigate and implement recalls as necessary when food safety and quality issues are identified. We perform an annual mock recall to ensure that our systems work effectively. Recall effectiveness is continuously monitored to ensure consistent recall execution across all banner stores. Additionally, all Own Brands suppliers must conduct mock recall exercises on a regular basis and will support recall initiatives when necessary.

Sharing Best Practices

Learning and sharing from industry best practices is integral to our overarching product quality and safety approach. That is why we believe it is important to be a member of the [Retail Council of Canada, I.E. Canada](#), and the [Canadian Produce Marketing Association](#), working with all levels of the supply chain on product safety and quality. We are proud to be a Sustaining Corporate Member of the Ontario Food Protection Association with representation on its Board of Directors. We are also members of the [Fruit and Vegetable Dispute Resolution Corporation](#).

Learn more:

Our commitment to ensure [product quality and safety](#) supports our focus on [customer wellness and experience](#).



Customer Wellness & Experience

Why It Matters

We're committed to exceptional customer shopping and food experiences every day. We work hard to offer customers healthy and nutritious choices, nurturing healthy bodies and minds across Canada.

Analyst Spotlight

- [Materiality: Health & Nutrition](#)



Our Approach

Delivering for our customers has been core to our values and our business strategy since day one. Customers look to us for reliable value, exceptional experiences and healthy and nutritious food options. Along with our focus on product quality and safety, our approach to health and nutrition is an important way we nurture our customers across Canada. It is also a cornerstone of our Community Investment Strategy, where we bring together our focus on nutritional expertise and long-standing community commitments to support healthy bodies and minds.

[Learn more](#) about how we govern our approach to customer experience and engagement.



Ongoing Customer Engagement

We maintain an ongoing focus on customer engagement and education. For example, we shine a spotlight on sustainable behaviours and options through [OurPart™](#), our customer-facing sustainability storytelling platform. We also delivered customer-facing campaigns focused on reducing food waste and making more sustainable purchasing choices.

Growing Own Brands Options

As more Canadians are choosing private-label

products, we are expanding our Own Brands offerings and maintaining our commitment to value and quality. Our commitment to customer health includes a focus on the nutritional quality of Own Brands products and identifying and meeting emerging customer needs.

This year, Own Brands developed an Ingredient Promise icon for applicable Compliments-branded products to enhance transparency about ingredient choices. Launching in fiscal 2026, the Ingredient Promise icon will appear on select products that meet our defined standards, indicating the absence of specific ingredients such as artificial flavours, synthetic colourings, MSG and hydrogenated oils.

Focused on Compliance

All Compliments products are designed to meet health and nutrition standards, such as Health Canada's 2016 sodium guidelines. We also use internal standards around product attributes such as flavours or colours. Great care goes into documenting and testing our products to ensure that product information is accurate and complete. Existing products go through external and internal third-party checks on a regular basis to ensure that they remain consistent over time.

To meet the new Canadian Food and Drug Regulation front-of-package (FOP) nutrition symbol labelling requirements, we identified Own Brands products exceeding the established thresholds for sodium, sugars and saturated fats, and we have

begun to apply the appropriate FOP nutrition labels where required. Where possible, these products have been reformulated to reduce sodium, sugars and saturated fats. We will continue to assess new and existing Own Brands products and use these regulations to inform new product development and reformulations.

Partnering to Ensure Quality

We work closely with suppliers when developing new Own Brands products to ensure third-party nutritional analysis is completed and all organic and other certifications are verified. Similar processes are in place to ensure all our Own Brands products meet or exceed standards for a range of requirements, including those high in protein or free of gluten, peanuts or artificial flavours and colours.

Our approach to product reformulation includes modernizing products where necessary, improving and maintaining quality, and ensuring consistency within product families. To maintain these standards, we engage with teammates to evaluate product performance and conduct site visits at manufacturing facilities to monitor production and ensure consistency is upheld. We leverage customer feedback to inform improvements and reformulations, demonstrating our dedication to delivering quality products. To reinforce our commitment to quality, our Compliments brand is backed by a [100% Guarantee program](#).

We also have many programs and initiatives in place to ensure our Own Brands products create added ecological and social value. See [Ethical & Sustainable Sourcing](#) for more information on our work in areas including sustainable seafood, palm oil and other products.



Highlights

Making Food Accessible for Remote Communities

The Sobeys Wholesale team continues to focus on relationships with customers in remote rural locations. We work closely with customers, third parties and organizations like the Canadian Council for Indigenous Business and Chiefs of Ontario to serve remote communities by truck, rail, winter road and plane. Sobeys Wholesale now serves more than 400 customers through this program.

Expanding Convenience With Instacart and Uber Eats

While Voilà remains our core e-commerce solution, with a highly differentiated offering, our recently launched partnerships with Instacart and Uber Eats offer additional convenience for customers interested in smaller, rapid home delivery orders.

Improving Access to Health Care

Our new 360Health Pharmacy & Wellness service helps customers access expert advice, educational programs and tools to support healthy habits and manage chronic conditions. The digital pharmacy service makes it simple to manage prescriptions, book clinical appointments and find care at any

pharmacy in the nationwide network. In New Brunswick, customers benefited from a pilot project at Lawtons, where pharmacists provided expanded care for chronic conditions like diabetes, cardiovascular disease, COPD and asthma, and offered testing for Strep A. Customers in Nova Scotia have improved access to care through the Community Pharmacy Primary Care Clinic expansion, and a Saskatchewan pharmacy pilot offers ear infection and pharyngitis assessment and treatment.

Showcasing Eco-Conscious Wellness Products

We are making it easier for customers to choose wellness and sustainability with the rollout of soaps in tablet form. Currently available in 42 stores in Quebec and New Brunswick (Rachelle Béry and IGA), these cabinets feature products from brands like TANIT (toothpaste and body care), The Unscented Company (home and body products) and Myni (cleaners and body care). All products are biodegradable, vegan and made in Canada with imported and domestic materials. This initiative reduces plastic waste and helps customers make more sustainable choices every day.

Learn more:

Nurturing the health and nutrition of our customers and communities is part of our commitment to [fostering healthy bodies and healthy minds](#).



Supplier Collaboration

Why It Matters

Fostering respectful supplier partnerships where we work together to deliver value is core to our values and how we deliver for Canadians.

See all our [ESG Data and Policies](#)

Analyst Spotlight

- [Materiality: Responsible Sourcing; Local Sourcing](#)
- [Ethical and Sustainable Sourcing Policy](#)
- [Sustainable Governance Model](#)

Fiscal 2025 Performance Highlights

438+

women entrepreneurs supported in fiscal 2025

1535

new local products introduced in our stores
nationally in 2025

48%

More than 48% of Own Brand products are 100% Canadian, Product of Canada or Made in Canada (per Canadian Food Inspection Agency and Competition Bureau Canada definitions)

Our Approach

We engage with suppliers to better understand how we can support and partner with them around the material risks to the grocery and retail sector. We believe strong collaboration across our supply chain can drive real change in how we tackle the world’s most pressing issues.

Collaborating as a Sector

Working in partnership with our suppliers is part of what sets our business apart. We believe everyone in our industry deserves to be treated fairly—which is why we have been a driving force behind advocating for a Grocery Code of Conduct in Canada. The code is designed to ensure fair dealings, enhance transparency and encourage collaboration, all while upholding healthy competition. We believe the code will safeguard stakeholders across the board—from our dedicated suppliers to the valued consumers we serve. Through our focus on bringing the code to fruition and our participation in other industry advocacy networks, we are working to address sector-wide risks and supplier requests, including providing data on various sustainability topics, such as greenhouse gas emissions, labour standards and climate targets.

Strong supplier partnerships are a critical component of our national, functionally led organization. Supplier engagement, feedback and support ensure we

successfully build growth plans for key categories; prioritize domestic manufacturing, production and supply chain solutions; manage risks; find opportunities to create efficiencies; and provide quality products and value to our customers. Working with our suppliers, we find new ways to support our stores and inspire our customers, while never losing sight of the need to deliver compelling value and build cost and margin discipline. We are also working to enable suppliers to more easily access the policies

and procedures they need to work with us. This process enables us to streamline our business to focus on investments and resources that add real value for us and our customers.

Managing Supplier Relationships

Our [Ethical and Sustainable Sourcing Policy \(ESSP\)](#) is the basis of our responsible sourcing approach with our suppliers. Read more in [Ethical & Sustainable Sourcing](#).

Operational responsibility for supplier partnerships sits under four streams:

- 1 National Sourcing
- 2 Own Brands
- 3 Local Sourcing
- 4 Strategic Sourcing





National Sourcing

Our national sourcing team is responsible for creating a strategy on which all national supplier negotiations, policies and procedures are based, including how we optimize supplier relationships, generate revenue and integrate sustainability commitments into merchandising activities. This includes understanding industry, regulatory, environmental and geopolitical impacts to ensure we remain responsive and compliant. This national approach means we collaborate more efficiently with suppliers while also securing greater investments from them and delivering value for customers.



Own Brands

Own Brands is committed to fostering strong, long-term partnerships with both Canadian and international producers and manufacturers. Through these relationships, we prioritize transparency, ethical and sustainable business practices, and continuous improvement, ensuring that all our suppliers—whether local or global—align with our values and commitment to delivering unique, safe and high-quality products to our customers. Own Brands believes in supporting the growth of local businesses and is dedicated to reinforcing our commitment to local sourcing as we continue to collaborate closely with Canadian suppliers towards a stronger and more resilient domestic supply chain.



Local Sourcing

We remain committed to supporting local suppliers and growers in the communities where they live and work, helping them serve these local markets, while providing them with an opportunity to scale their offerings to reach more customers across Canada. Supporting local “food-preneurs” and growers is one of Empire’s core strategic pillars. The local development team works directly with suppliers, offering the necessary support to help them enter the market and scale their brands across our retail banners.

In fiscal 2025, we continued to implement a strategy to foster local products and local entrepreneurs, with goals including improving food security, reducing transportation-related impacts and empowering customers to buy sustainable, local products. We welcomed 143 new local suppliers, and we also helped 26 Canadian suppliers scale to national or regional levels so they could reach more customers within their provinces or jurisdictions.

We support our local suppliers through regular meetings, webinars and industry events that make it easier for small companies to engage with us. Based on feedback from our local suppliers, we are launching a dedicated “Local Supplier Resources” section within our online supplier portal. This initiative is designed to provide information and support, helping small- and medium-sized businesses navigate their interactions with us.



Strategic Sourcing

Our strategic sourcing team focuses on ensuring the procurement process drives the best value for our business. Goods-not-for-resale suppliers that are deemed of material importance to the business are required to report annually against a range of performance factors, including ESG-related performance metrics, as part of our Supplier Relationship Management program.



Learning Together Through Sustainably Connected

To help our national sourcing and merchandising teams better incorporate sustainability considerations in their supplier interactions, in fiscal 2024 we launched the Sustainability Connected program. This program includes equipping teammates with more information on topics related to supplier diversity, climate action, packaging and ethical sourcing through quarterly newsletters and a learning portal.

Fostering Innovation

Working with our suppliers is also an important way we drive innovation and inspire our customers with new products and services.

Our produce team fosters innovation by developing new partnerships, enhancing existing partnerships to develop new products, and capitalizing on emerging trends or new technology solutions. We continue to focus on controlled environment agriculture (CEA), which optimizes indoor growing environments, such as greenhouses or vertical farms, creating availability for locally produced fruits and vegetables all year long. CEA enables us to diversify our sourcing, build resilience in our supply chains and provide new ways to feed Canadians well into the future.

The **IGA Local Accelerator** program supports Quebec-based producers that represent the best of the province's ingenuity and illustrate our shared goal

to promote quality, local products. In the last year, the program has allowed new companies to emerge and find their way to store shelves, including:

- **Nälkä:** Protein drink mixes—the perfect combination of protein, organic and local.
- **Gâteries Animalia:** Circular economy company offering 100% natural and regional treats for pets.
- **La Noix d'Érable:** Energizing and delicious snacks made from nuts and maple.
- **Face de Bœuf:** A family business specializing in the production and sale of beef raised in a controlled, carbon-neutral manner with a local approach and a focus on animal welfare.

To foster support for diverse entrepreneurs, we also partnered with [Venturepark Food Accelerator](#), a non-profit organization supporting early-stage entrepreneurs in food and wine industries.

- [Sobeys](#)
- [IGA](#)
- [Safeway](#)
- [Thrifty Foods](#)
- [Foodland](#)



Highlights

Buy Canadian

We are committed to championing local suppliers and helping customers shop Canadian with confidence. We’re proud to support Canadian suppliers through our Shop Canada program, which makes it easier for customers to identify and choose local products. Demand for Canadian-made goods continues to rise, and we’re responding by expanding our local sourcing and helping customers understand what origin labels really mean. From “Product of Canada” and “Made in Canada” to “100% Canadian,” our labels reflect Canadian Food Inspection Agency guidelines to ensure clear, accurate and compliant information. As part of our response to global trade challenges, we have accelerated efforts to find Canadian alternatives to tariff-impacted products.

Partnering With Local, Innovative Suppliers

Since 2018, we’ve celebrated our existing local partnerships while seeking opportunities to build new supplier relationships. We aim to curate brands from across the country that bring something unique and offer value to the communities we serve. Some of our most recent suppliers with a focus on sustainability (based on claims made by suppliers or information provided by them; they are not verified representations being made by Empire or Sobeys) include:



Donia Farms

Where: British Columbia

Product: Dairy products (milk, yogurt, butter, cheese)

What: A family dairy farm using grass-fed diets for their cows and sustainable farming practices, including circular water use and using cow manure as fertilizer.



Kingdom Coffee

Where: Alberta

Product: Coffee

What: A portion of every bag sold goes to help people without homes.



Piccola Cucina

Where: Manitoba

Product: Bakery

What: Ingredients for these gluten-free, dairy-free, almond-based products are sourced using sustainable practices.



Annointment

Where: New Brunswick

Product: Natural skincare

What: Sustainably packaged skincare products based on whole, certified organic and vegan, locally grown ingredients.



Earthli Plant-Powered Superfoods

Where: Nova Scotia

Product: Plant-based protein

What: Sustainably grown and zero-waste plant-based superfoods.



Zero Soap Co.

Where: Ontario

Product: Soap, skincare and lip balm

What: Products sold in zero-waste packaging.

Expanding Our Partnership With GoodLeaf

We launched a national partnership with [GoodLeaf Farms](#), a Canadian innovator in vertical farming. GoodLeaf specializes in growing leafy greens, including baby greens such as lettuce and spinach, nutrient-dense microgreens such as micro arugula and micro broccoli, and unique microgreen salad blends. With vertical farms in Guelph, Calgary and Montreal, GoodLeaf has the largest vertical farming network in North America, which enabled us to expand our CEA offering from coast to coast.

Extending Produce Shelf Life With HarvestHold Technology

Some produce items, such as broccoli, typically require large quantities of ice to preserve freshness throughout the supply chain. One box of broccoli typically requires about nine kilograms of ice, which is equivalent to about nine litres of water. [HarvestHold Fresh®](#) sheets gradually release 1-MCP, a well-established technology that slows the ripening process and extends the shelf life of produce. This eliminates the need for ice, saves water and still delivers the same or a better-quality experience. In 2024, this product saved about 5.7 million litres of water, according to the supplier.

Champions

“For well over a century, we have proudly partnered with Canadian suppliers, fostering relationships built on trust, shared values and the commitment to quality. As one of Canada’s largest grocery retailers, we are proud to showcase our collaborative efforts on our shelves. Each product reflects the hard work, ingenuity and passion of local artisans, farmers, growers and producers—true advocates for tradition and authenticity. Together, we celebrate the spirit of Canada, one aisle at a time.”

— **Stephanie Amos, Manager, Responsible Sourcing, Sobeys Inc.**



Learn more:

Our work to support innovative suppliers is helping us achieve our goals to take [climate action](#).





2025 Sustainable Business Report