



Recipe for Change™

2024 REPORT



Table of Contents

Letter from Our CEO	04
Company Overview	05
Recipe for Change	07
Planet	08
People	12
Product	17
Community	22
Appendices	28

Report Overview

Report Scope

The 2024 Recipe for Change Report covers Albertsons Companies' 2023 Fiscal Year (February 26, 2023 through February 24, 2024), unless otherwise noted. It includes details about strategies, practices and events within the company's value chain, sourcing decisions, internal distribution and warehousing, manufacturing facilities, retail operations and offices. The report highlights information about Recipe for Change's key ingredients (Climate Action; Diversity, Equity, Inclusion & Belonging; Waste Reduction & Circularity; and Community Stewardship) within four reporting pillars (Planet, People, Product and Community). Other material topics are included throughout the report.

Report Frameworks

Reporting is divided into four pillars: Planet, People, Product and Community. The Appendices include links from this report to the United Nations Sustainable Development Goals and Sustainability Accounting Standards Board (SASB).



Letter from Our CEO

Two years ago, Albertsons Companies launched *Recipe for Change*. We set ambitious goals and challenged ourselves to be deliberate and creative in how we run our business while making a positive difference in our communities and for the planet.

Recipe for Change brings together four key areas that are integral to driving our business—our planet, our people, our products and our communities—and in 2023, we continued to further embed this framework into everything we do.

Our Planet

A healthy planet is key to bringing our customers the best fresh products, and we are continuing to reduce the impact of our operations on the environment. We reduced our carbon emissions by 22% between 2019 and 2023, and in 2023 we completed more than 500 energy efficiency projects and converted more than 90 stores to lower climate-impact refrigerants.

Our People

It is a privilege knowing that more than 44,000 associates have completed over 20 years of service with Albertsons Companies. Our people are our greatest asset, and we will continue to do everything we can to ensure our company is a place where they can thrive and develop their careers.

Our Products

Reducing food waste has always been a priority across our operations. It is good for the planet and helps drive

an efficient business. Our associates' commitment to this effort is clear, and by the end of 2023, more than 97% of our stores were donating food to local food banks and pantries on a weekly basis from departments across our stores, including meat, dairy, service deli and more.

Our Communities

One in seven American households face food insecurity, meaning they don't know where their next meal will come from. Between 2019 and 2023, we enabled more than 1.15 billion meals by donating food from our stores and funds from our Nourishing Neighbors program.

I am incredibly proud of our progress to date, and our work doesn't stop here. Looking ahead, we must continue to deliver on our commitments through existing and new initiatives, such as:

- Driving new solutions to enhance our food donation program, reduce food waste and fund innovative programs to end the cycle of hunger in our neighborhoods.
- Expanding the testing and use of new technologies that improve our efficiency and reduce our carbon footprint.
- Pioneering programs with our vendor partners that drive customer engagement in our *Recipe for Change*.



Recipe for Change is still in its early days. Our progress so far is a tribute to the entire team at Albertsons Companies. While we still have much to do to reach our goals, I'd like to take a moment to thank our associates and recognize their hard work and dedication. Their passion for the communities they serve has made and will continue to make a lasting and positive impact.

A handwritten signature in black ink, appearing to read "Vivek Sankaran".

Vivek Sankaran
CEO

Albertsons Companies 2023 Overview

Albertsons Companies is a leading food and drug retailer in the United States. As of February 24, 2024, the company operated 2,269 retail stores with 1,725 pharmacies, 402 associated fuel centers, 22 dedicated distribution centers and 19 manufacturing facilities. The company operates stores across 34 states and the District of Columbia with more than 20 banners including Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, ACME, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen, Carrs, Kings Food Markets and Balducci's Food Lovers Market. The company is committed to helping people across the country live better lives by making a meaningful difference, neighborhood by neighborhood. In 2023, along with the Albertsons Companies Foundation, the company contributed more than \$350 million in food and financial support, including more than \$35 million through our Nourishing Neighbors program, to ensure those living in our communities and those impacted by disasters have enough to eat.



2,269
retail stores

\$79.2 billion
in sales

402
fuel stations

1,725 in-store
pharmacies

22 distribution
centers

19 manufacturing
facilities

35+ million
customers
per week

~40 million
loyalty members
(at the end of Q4 2023)

20+ well-known
banners

Four exclusive
billion-dollar
Own Brands

One of the largest retail
employers, providing
~285,000 jobs

With our Foundation,
donated more than
\$350 million
in food and financial support

Our Purpose

To bring people together around the joys of food and to inspire well-being.

Albertsons Companies has a rich history, bringing together more than 20 well-known banners with unique local identities that have deep roots in our communities and a strong heritage of service. We empower our associates to live our purpose in pursuit of earning customers for life. Our values guide our associates in creating effortless, inspiring, affordable and personal experiences that build long-lasting relationships with our customers.



We put people first.

Our associates are the connection to our customers and communities. We care for their well-being and invest in their personal and professional growth.



We are customer-driven.

We care about our customers and make decisions based on what's best for them. We are empowered to make a positive impact—big and small—in our customers' lives.



We value different perspectives.

We encourage open dialogue and healthy debate. We make better decisions when everyone's voice is heard.



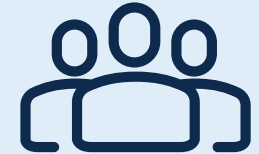
We raise the bar.

We stay curious and challenge the status quo to continually innovate and improve how we serve our customers and communities.



We act as owners.

We act with integrity, pride and passion. We hold ourselves accountable, anticipate customer needs and engage others constructively to deliver results that matter.



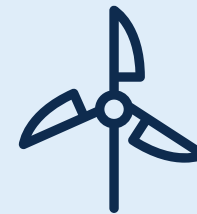
We are one team.

We value teamwork and camaraderie. We build relationships and recognize each other's contributions.



We build belonging.

We know a diverse and inclusive workforce is built on a foundation of courtesy, dignity and respect.



We are committed to a healthy future.

We work together and build partnerships to support our communities and the planet we share.

Recipe for Change™ 2023 Overview

At Albertsons Companies, we're working to make a real difference in the communities we serve and the planet we share. Our Recipe for Change is the embodiment of this commitment, combining the key ingredients to realize our ambitious vision.

Our Recipe for Change framework was developed in collaboration with leaders and associates across the company to ensure that our goals are grounded in our operations and aim to create meaningful change. This cross-functional approach helps to drive progress in our Recipe for Change focus areas and supports our company's purpose and values. We report quarterly to the Governance, Compliance and ESG Committee of our Board of Directors. In fiscal year 2023, our senior leadership had a portion of their annual bonus tied to goals supporting Recipe for Change initiatives.

Through our Recipe for Change, we are bringing together the ingredients for a better world—our planet, our people, our products and our communities—to make change a reality.



“We’re committed to bettering the communities we serve and the planet we share, and the proof is in the year-over-year progress we’ve made since announcing Recipe for Change. We’re keen to leverage and explore innovative practices to meet the challenges of today and continue to drive progress into the future. Thank you to the associates across our company who continue to raise the bar in their commitment to creating a healthy future.”

— **Suzanne Long**,
Chief Sustainability and
Transformation Officer





Great food isn't possible without a healthy planet.

We're committed to reducing our carbon footprint and nurturing the environment.

INCLUDED IN THIS SECTION

- KEY INGREDIENT: CLIMATE ACTION
- OPERATIONAL WASTE
- ELECTRIC VEHICLE CHARGING
- WATER STEWARDSHIP

A Better Tomorrow Starts at the Source

As part of our Recipe for Change, we're reducing carbon emissions across our operations and value chain.

Planet Highlights:

- Reduced carbon emissions by 22% in our own operations between 2019 and 2023.¹
- Completed more than 500 energy efficiency projects.
- Converted more than 90 stores to lower climate-impact refrigerants.
- Provided more than 818,000 charging sessions at our electric vehicle chargers.

As part of our focus on Climate Action, we're working to achieve Science Based Targets initiative (SBTi)-approved emissions reduction goals by 2030. These goals include reducing emissions in our own operations by 47% and in our downstream emissions from the use of sold goods by 27% by 2030, as well as engaging our top suppliers to set science-based targets by 2026.

Albertsons Companies' 2030 emissions reduction goal not only addresses emissions from our own operations (Scopes 1 and 2), but also material emissions from our value chain (Scope 3). Our emissions reduction goals are based on a 2019 baseline, and we annually report carbon emissions through CDP.

Looking beyond our 2030 goals, we're striving to achieve net zero emissions in our own operations by 2040.

Our Strategy to Reduce our Carbon Footprint

As part of our 2030 carbon reduction goal, Albertsons Companies created a comprehensive strategy to reduce emissions and engage our larger value chain. Our focus areas are as follows:

- Scope 1: Reduce emissions from our refrigeration systems.
- Scope 2: Reduce and optimize our energy demand and increase procurement of renewable energy.
- Scope 3: Engage our top suppliers to set science-based carbon reduction goals and create innovative opportunities to reduce the emissions from the fuel that customers buy and use.

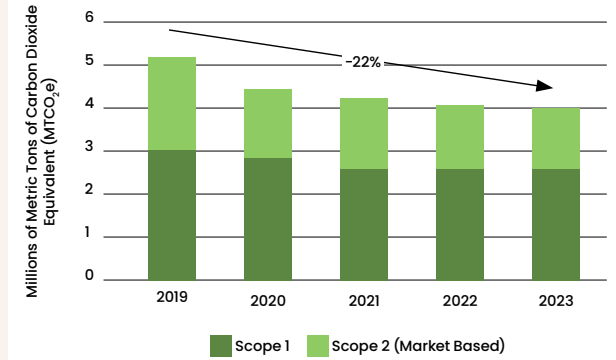
The sections below provide examples of projects and strategies we are leveraging to reduce our carbon footprint.

Our 2023 progress against our baseline year was as follows:

Carbon Footprint		
EMISSIONS CATEGORY	2019 BASELINE YEAR	2023
SCOPE 1	3,039,002	2,651,176
SCOPE 2 : LOCATION BASED	1,998,819	1,515,778
SCOPE 2 : MARKET BASED	2,130,132	1,353,188
SCOPE 1 & 2 : MARKET BASED TOTAL	5,169,134	4,004,364

In 2023, we updated our calculation methodology to incorporate AR6 emissions factors and better align with the Greenhouse Gas Protocol and IPCC AR6. This updated methodology was also used to recalculate our historic emissions (2019-2022).

Carbon Footprint - Own Operations



Refrigerants

As part of our Climate Action strategy, we have developed a roadmap to reduce our refrigerant leak rate and convert to lower climate-impact refrigerants in company operations. In 2023, we converted more than 90 stores to lower climate-impact refrigerants, and our 22 distribution centers and 19 manufacturing facilities primarily use ammonia refrigeration systems. We also expanded our use of automated leak detection systems to enhance our leak detection capabilities and maintain system efficiency.

We leverage strategic partnerships to continue to make progress in this space. We are members of the North American Sustainable Refrigeration Council which aims to provide recruitment, training and retention programs to combat the critical shortage of refrigeration technicians. We are also a customer collaborator in The Clean Fight, an accelerator program focused on decarbonizing the food service supply chain in New York state, including the storage, distribution and retail sale of food.²

¹ Our carbon emissions are calculated using the industry-standard Greenhouse Gas Protocol, which focuses on greenhouse gases covered by the Kyoto Protocol.

² The Clean Fight Customer Collaborators.

Energy Efficiency Projects

We completed more than 500 energy efficiency projects across Albertsons Companies' operations in 2023 to reduce our energy demand. Projects included installing LED lighting retrofits, doors on refrigerated cases and building management systems.

Our Massachusetts Shaw's stores were named a 2023 Mass Save Climate Leader for their efforts to reduce energy use.³ The program recognizes leaders that have implemented changes to increase energy efficiency and demonstrated a long-term commitment to reducing their carbon footprint.

Renewable Energy

We partner with third-party companies to generate renewable energy, where feasible. The United States Environmental Protection Agency's (US EPA) Green Power Partnership ranked Albertsons Companies number 17 in their Top 30 Retail Partner for calendar year 2023.⁴

We have two utility-grade wind turbines at our Tracy, California distribution center, and at the end of 2023, we had more than 50 locations with on-site solar generation.

We work with energy providers in our operating areas to purchase utility-scale and community renewable energy and renewable energy credits to meet our operational and Recipe for Change goals. Through these arrangements, we have purchased energy from several renewable energy sources.

In 2022, we began purchasing renewable energy in California from the Edwards Sanborn Solar Storage Project, which is currently the largest project in the United States to simultaneously combine solar photovoltaic energy generation and battery storage systems.⁵



Transportation

We continue to explore opportunities to reduce the environmental impact of our fleet, including utilizing zero-emission electric vehicles to supplement our existing distribution operations. At the end of 2023, the Albertsons Companies fleet had 23 electric-terminal tractors, nine battery-electric refrigerated trailers and two battery-electric class 8 day cab tractors in operation. In our distribution operations, more than 99% of our forklifts are electric.

Our entire private truck fleet is certified by the US EPA's SmartWay program to advance supply chain sustainability and freight transportation efficiency. Additionally, we purchased two drive-over tire reader devices for use in our Tracy, California and Salt Lake City, Utah distribution centers to improve fuel economy, reduce tire wear and minimize roadside service calls.

Value Chain Emissions

When calculating our 2019 baseline carbon footprint, we found that approximately 90% of our total carbon footprint is associated with emissions from our value chain (Scope 3). Within our value chain, two categories of emissions are considered most important—or material—per the Science Based Targets initiative and Greenhouse Gas Protocol: Purchased Goods and Services (Category 1) and Use of Sold Goods (Category 11).

Purchased Goods and Services, which make up the majority of the carbon footprint of our value chain, includes the tens of thousands of product offerings across our stores, as well as the items we buy and sell to operate our stores, distribution centers, manufacturing facilities and offices. To address these emissions, we are engaging our top suppliers by emissions to set their own science-based carbon reduction targets, aiming to have them set, commit to set and/or track their progress against existing targets. At the end of 2023, more than 80 of our top suppliers met these requirements. Throughout the year, we engaged with the vendor community through conferences and leadership meetings to educate suppliers on our goals and explore partnership opportunities to work toward collectively delivering on this commitment.

The Use of Sold Goods category includes the emissions associated with the use of the fuels we sell to our customers through our fuel stations and propane offerings. We continue to evaluate innovative opportunities, such as expanding electric vehicle charging operations at our stores, as well as monitoring regulatory requirements and fuel purchasing trends, to better understand the availability and adoption of alternative energy vehicles to best prioritize where to install electric vehicle charging.

Learn more about our current electric vehicle charging offerings in the [Electric Vehicle Charging](#) section.

³ 2023 Mass Save Climate Leader - Shaws Supermarkets.

⁴ Green Power Partnership Top 30 Retail | US EPA.

⁵ Edwards & Sanborn Solar and Energy Storage | Mortenson.



Operational Waste

Throughout 2023, our company recycled over 865 million pounds of cardboard and 25 million pounds of plastic bags and films. Our soft plastic recycling program includes the recycling of pallet wrap, which ensures the secure transportation of products, as well as the plastic bags and films customers return to our stores. These plastics are collected in customer-facing recycling bins that are designed to collect soft plastics, a service that is not available through most curbside recycling programs. As part of our 2023 Earth Month campaign, we partnered with Kellogg's to educate customers in our Southern California and Mid-Atlantic divisions on materials that can be recycled in our soft plastic recycling program by using signs featuring well-known characters such as Tony the Tiger® and Toucan Sam®.

In 2023, we found innovative solutions to divert materials that would otherwise become waste in our operations. For example, over 20,000 pounds of expired hand sanitizer were diverted via a wastewater treatment recycling process, and more than 400 pounds of nonsaleable vodka were distilled back into ethanol and used as an ingredient for fuel blending. Information regarding our strategies to prevent food waste from reaching landfills can be found in the [Food Waste](#) section of this report.

Electric Vehicle Charging

As part of our efforts to support the planet we share, we also strive to help our customers reduce their carbon footprints. At the end of 2023, we had nearly 400 electric vehicle chargers across our portfolio that provided more than 17 million kWh to our customers through over 818,000 charging sessions. This is enough energy to drive the average electric vehicle more than 47 million miles.⁶

Water Stewardship

We are monitoring and reducing water usage in our facilities while maintaining high food safety and sanitation requirements. In 2023, we completed a water risk analysis for our operational footprint to better understand how to prioritize water usage reduction efforts. We continue to drive leak prevention using an algorithm to track water consumption and investigate abnormal fluctuations to quickly minimize negative impacts.



⁶ Green Power Equivalency Calculator | US EPA1.





Our people are our greatest asset.

We're committed to fostering the personal and professional well-being of every Albertsons Companies associate so they can thrive at work, develop their careers and create customers for life.

INCLUDED IN THIS SECTION

- KEY INGREDIENT: DIVERSITY, EQUITY, INCLUSION & BELONGING
- ASSOCIATE RETENTION & DEVELOPMENT
- ASSOCIATE HEALTH & SAFETY

We Build Belonging

To achieve our business ambition of earning customers for life, we know an inclusive workplace that powers our business success is built on a foundation of courtesy, dignity and respect, for associates and customers alike.

As part of our Recipe for Change, we are committed to cultivating a workforce that reflects and values the rich diversity of the communities we serve and fostering an inclusive culture that embraces differences.

People Highlights:

- Increased engagement with Associate Resource Groups (ARGs) to more than 7,000 members.
- Achieved a 100 score from Disability Equality Index, receiving “Best Place to Work for Disability Inclusion” designation.
- More than 44,000 associates completed over 20 years of service with the company.



Diversity, Equity, Inclusion & Belonging Framework

INCLUSION & BELONGING

Ensure that each associate's voice is heard, valued, leveraged and integrated into the workplace. Cultivate a supportive, welcoming, inclusive and equitable work environment that allows all associates to feel connected to the company's purpose and success and contribute to the company's ambition to gain customers for life.

HIRING & PROMOTIONS

Albertsons hires and promotes based on skills and abilities and strives to increase the pool of candidates considered for promotion and have diverse slates and interviewers for all management roles.

TALENT DEVELOPMENT

Embed inclusivity into the lifecycles of talent development and succession planning. Raise awareness about training and development opportunities.

IMPACTFUL ASSOCIATE RESOURCE GROUPS

Promote ARGs and empower them as a resource for leadership development, associate engagement and belonging, sharing ideas and concerns and supporting the company's initiatives, including our aspiration to reflect and support the vibrant and thriving communities in which we live and work.

COMMUNITY ENGAGEMENT

Use financial support and volunteerism to promote inclusion, fairness and equality while strengthening ties with customers and diverse suppliers to better represent, support and understand the communities we serve.

MEANINGFUL METRICS

Establish people-focused priorities and metrics to share progress and encourage inclusive workplaces and communities.

“At Albertsons Companies, our ability to delight our customers lies in creating a workplace where authenticity is embraced, respected and valued. In 2023, we built on our deep commitment to creating an environment of trust by integrating ‘belonging’ as an anchor to our people strategy.”

— **Monique Lanaux**

VVP, Chief Diversity, Equity, Inclusion and Belonging Officer



Representation

Albertsons Companies leverages people metrics to evaluate our progress toward creating an inclusive and supportive workplace for all. We report our workforce demographic data annually to the US Equal Employment Opportunity Commission. Access our [EEO-1](#) report for more information.

Diversity Councils

Albertsons Companies' National Diversity Council, led by CEO Vivek Sankaran, drives efforts to advance inclusion and belonging across the company. The council, comprised of executive sponsors and leaders, is dedicated to fostering inclusion and belonging and making our company and stores an exemplary place to work and shop for all associates and customers. We have established Diversity Councils across our 12 operating divisions and within our Technology & Engineering, Digital & Consumer and Supply Chain departments.

Inclusion & Belonging

In 2022, Albertsons Companies launched an enterprise-wide inclusion index to help gauge inclusivity and belonging in company culture. Associates can confidentially share feedback on these and other topics through our annual engagement survey.

In 2023, the company received a score of 100 from the Disability Equality Index, securing designation as a "Best Place to Work for Disability Inclusion."⁷

Throughout the year, we provided learning opportunities to promote inclusion and belonging, such as:

- Organizing leadership discussions and biannual meetings to promote inclusivity, complemented by monthly online trainings.

- Expanding a company-wide mentorship program open to all, including ARG members and allies, with more than 200 employee matches to foster growth and development.
- Delivering our "Leaders Make Others Better" workshop focused on providing tools to build relationships and strengthening leadership capabilities in the areas of trust, feedback and coaching for all management-level associates.
- Offering leadership programs and coaching for associates at various stages of their careers, including McKinsey Connected Leadership.

⁷ [Albertsons Companies, Inc. - Albertsons Companies Earns Top Score on 2023 Disability Equality Index®](#)



Associate Resource Groups

Our ARGs organize a variety of events aimed at nurturing a sense of community among all our associates, ensuring that each individual feels respected, valued and provided with equal opportunities for success, and empowering associates to better serve communities where we do business. Our ARGs are open to all associates in corporate and division offices, as well as field leadership in many of our retail stores and supply chain facilities. Interest and engagement with our ARGs continued to grow in 2023, as we launched our ninth ARG, the Women of Color Alliance, and expanded the total ARG memberships to more than 7,000 associates. Our ARGs include an allyship component to enable the participation of any associate who wants to support and take action within a group.



Providing a forum for African American associates and allies to partner together along with the company in an effort to develop our current and future leadership with a focus on corporate diversity and business goals.



Creating an inclusive culture that celebrates, attracts, retains and grows our Asian American associates while positively impacting the business and our community.



Providing awareness, celebration and opportunities within a space of support for people who have diverse abilities, their caretakers and allies at Albertsons Companies and beyond.



Building a more diverse and inclusive workplace by celebrating the pride of being Hispanic through engagement in our company and the communities we serve.



Facilitating the development and growth of a healthy and supportive work environment for lesbian, gay, bisexual, transgender and queer associates.



Working together to better the lives of our associates, the communities we serve and the planet we share by providing opportunities for all associates to participate in community events and increasing our collective knowledge of resource conservation so we can understand the impacts of our actions on our environment.



Cultivating an inclusive and empowering environment for women of color within our organization. Through advocacy, mentorship and community building, we strive to promote professional growth, amplify voices and foster a culture of belonging and support. Together, we aim to drive positive change, advance equity and inspire future generations of leaders.



Advancing and facilitating an inclusive culture through collaboration that supports women's advancement within Albertsons Companies, through mentorship, education and community outreach. It is our goal to have influence and impact to increase our presence and voice.



Helping veterans and their families transition to the private sector through recruitment, retention and networking. We are a strategic partner that promotes a culture of equity, diversity and inclusion through shared experiences, continuous learning and associate development and engagement.

Supporting Small Businesses and Diverse Suppliers

We are steadfast in our mission to create growth opportunities for small businesses and diverse suppliers, helping to amplify their product visibility on our shelves so we can offer a wide range of products that support our mission to create customers for life among all communities.

To help support our suppliers, Albertsons Companies partners with a third-party to offer an early payment program for qualified vendors. This program is particularly helpful for small businesses, as it helps alleviate financial challenges by making working capital more accessible.

In 2020, we began hosting an annual event to provide diverse-owned businesses the chance to learn about opportunities to partner with Albertsons Companies. In 2023, we proudly conducted our fourth annual event to help diverse businesses showcase their brands to members of our merchandising team. Due to increased consumer demand for multicultural products, we also work to elevate the visibility of diverse suppliers through heritage celebrations in our stores throughout the year.

People

Associate Retention & Development

Albertsons Companies' commitment to our purpose and values continues to shape our approach to retaining and developing a highly skilled and ethical workforce that sets us apart and brings these values to life.

Retention

At the end of 2023, we employed approximately 285,000 associates and are proud that a significant number of our associates celebrated milestone anniversaries with our company. More than 61,000 of these individuals commemorated at least 15 years of service, and more than 44,000 celebrated over 20 years of service.

Training and Development

We offer formal and informal learning and development opportunities to all associates. Courses are offered through eLearning and on-demand content, virtual and in-person classes, on-the-job training, virtual reality, mentoring programs and more. We also partner with industry associations to provide access to relevant continuing retail education opportunities through colleges around the country.

In 2023, our sixth cohort of leaders completed our Assistant Store Director Training, an immersive program that prepares high-potential frontline supervisors for the next steps in their careers through business- and industry-specific experiential learning. We also offer a Retail Leadership Development program to provide soft skills and leadership training for our store department managers as well as a Foundational Leadership Skills curriculum for all people leaders to develop their skills through self-study and instructor-led workshops.

Associate Health & Safety

The health and safety of our associates remains at the forefront of our business, and we remain committed to the prevention of injury and illness through strong health and safety management, employee empowerment, accountability and strict compliance with health and safety regulations. We are also focused on fostering a safe, open and accountable work environment, and we provide a hotline for all associates to report workplace concerns and violations.





Our footprint is directly tied to what we make and sell.

We're committed to creating and sourcing sustainable products and reducing unnecessary packaging and food waste.

INCLUDED IN THIS SECTION

- KEY INGREDIENT: WASTE REDUCTION & CIRCULARITY
- SUSTAINABLE PRODUCTS & INGREDIENTS
- CUSTOMER HEALTH & WELL-BEING
- ANIMAL WELFARE



Less Waste, More Hope

As part of our Recipe for Change, we're working to reduce food waste going to landfill, improve the packaging of our Own Brands products and transition to a more circular economy.

Product Highlights:

- Donated food from more than 97% of stores on a weekly basis by the end of 2023.
- Diverted more than 325 million pounds of inedible food waste from landfill.
- Over 7,000 Own Brands packaged goods have recycling labels.
- Donated more than \$1 million from Extending Smiles debi lilly design™ bouquets since 2019.

Food Waste

Reducing food waste has been a long-standing priority across our stores, distribution centers and manufacturing facilities. These efforts are not only good for the planet and our communities but also help drive efficiency to meet our business goals.

The United States Department of Agriculture (USDA) estimates that more than a third of food is wasted across the US food supply chain, from farms to transportation, stores and in customers' homes.⁸ Given this issue impacts the entire grocery industry, we have joined groups such as the USDA/US EPA Food Loss and Waste Champions and the Pacific Coast Food Waste Commitment (PCFWC) to work with our peers to find and implement solutions. Through these groups, we are establishing methodologies to measure and report our food waste baseline and progress.

Our Strategy to Eliminate Food Waste to Landfill

Albertsons Companies aims to achieve zero food waste going to landfill in alignment with industry standards and definitions,⁹ which require diversion rates of at least 90% of food waste from our stores, distribution centers and manufacturing facilities. Based on the US EPA's Wasted Food Scale,¹⁰ our strategy to reduce food waste focuses on three workstreams: preventing food waste, donating edible food and diverting inedible food waste.

Preventing Food Waste

Ensuring that food never becomes waste is good for our business and the planet. We leverage a variety of innovative methods and technologies to prevent food waste, including solutions that improve our ordering and production forecasts. In 2023, we expanded our use of Afresh technology to our meat and seafood departments, which empowers our team members to use artificial intelligence to enhance order accuracy, minimize excess inventory and improve product freshness for customers.

We also collaborate with peers across the food system to reduce waste upstream of our operations. For example, through the PCFWC Whole Chain project, we are working with fresh strawberry and frozen potato supply chains to identify causes of food waste upstream of Albertsons Companies' stores.

Donating Edible Food

As part of our Fresh Rescue food donation program, our Recipe for Change, Food Safety and Retail Operations teams collaborated to increase the breadth and depth of donations across our store departments, including meat, dairy and service deli. At the end of 2023, more than 97% of our stores were donating food on at least a weekly basis. These donations go to a wide variety of local food recovery organizations across our footprint. In 2023, we donated more than 92 million pounds of food to our local Feeding America affiliates, which is the equivalent of 76 million meals.



We leverage our strong community ties to explore programs and partnerships that advance innovative and localized food donation solutions. In 2023, we partnered with Uber to pilot Uber Direct in the Washington, DC area to create a reliable delivery program to donate surplus food to local food recovery organizations facing transportation issues. With funding from the National Science Foundation, we partnered with Johns Hopkins University and the Maryland Institute College of Art to research, identify and implement recommendations from frontline associates on how to improve our in-store food donation programs. Additionally, we partnered with Divert and the Alameda County Food Bank to pilot a new technological solution that increased food recovery by 20%.

See the [Community Stewardship](#) section of this report to learn more about our hunger relief efforts.

Diverting Inedible Food Waste

Throughout 2023, many of our stores participated in inedible food waste diversion programs, diverting more than 325 million pounds of food waste from going to landfill. These programs encompass methods such as anaerobic digestion, composting and repurposing food waste into animal feed. The anaerobic digestion process transforms food waste into valuable soil enhancers while generating clean, renewable natural gas.

⁸ Food Loss and Waste | USDA

⁹ Policies | Zero Waste International Alliance

¹⁰ Wasted Food Scale | US EPA

Plastics & Packaging

Albertsons Companies is committed to improving the recyclability, reusability and compostability of our Own Brands product packaging. Our Own Brands consist of trusted household names that are exclusive to our stores, such as O Organics®, Lucerne®, Open Nature®, Signature SELECT®, Primo Taglio®, debi lilly design™, Waterfront Bistro®, Soleil®, ReadyMeals® and Value Corner®.

Our 2023 Own Brands consumer-facing primary and secondary plastic packaging footprint was approximately 64,000 metric tons. This volume included the plastic packaging used for our Own Brands and store-made products purchased through our stores and e-commerce platforms, as well as company-operated and third-party delivery services. We work closely with our suppliers to better understand our footprint and identify areas for improvement. A significant portion of our primary plastic footprint is recyclable, reusable or compostable.

We continue to actively seek innovative methods to transition to packaging that is reusable, recyclable and/or compostable, as well as to expand our utilization of post-consumer recycled content. In 2023, we converted the floral sleeves used for our floral bouquets to high-density polyethylene plastic that can be recycled at stores with soft plastic recycling bins. In addition, we have begun to transition our Own Brands packaged salad containers to use resealable film lids to reduce plastic usage while maintaining product freshness. In 2023, all divisions transitioned to using produce bags with 30% post-industrial recycled content. All of our Own Brands products, which include more than 7,000 packaged goods, now incorporate the How2Recycle label system, enhancing the clarity of our recyclability statements. Over 40,000 of our store-made items include language on scale labels guiding customers to our recycling webpage. These labels assist our customers in correctly discarding and recycling the packaging of our Own Brands products, helping to reduce the amount of plastic that is sent to landfills when possible.



Product

Sustainable Products & Ingredients¹¹

Responsible Seafood

Through our Responsible Seafood Program, we are working to improve transparency within our seafood supply chain. This initiative not only helps our customers feel confident in the source of our products but also supports the protection of ocean resources and the fair treatment of those working in the seafood industry.

Our Responsible Seafood Program has extensive requirements for our suppliers, and our responsible seafood partners at FishWise help us continue to enhance traceability and transparency as well as to implement best practices within our fresh and frozen seafood and sushi supply chains.

We're proud that all seafood in our Waterfront Bistro and Open Nature brands display our Responsible Choice™ logo. This logo makes shopping for responsible seafood simpler by indicating which products meet our Responsible Seafood Policy. Additionally, all wild-caught and farm-raised salmon, shrimp, surimi and tuna used in our prepared sushi meet our Responsible Seafood Policy.

When possible, we work to advance the seafood industry through advocacy efforts and participating in collaborative partnerships. In 2023, we donated more than \$28,000 to purchase ropeless lobster fishing gear for suppliers to trial through the National Ocean and Atmospheric Administration Northeast Fisheries Science Center.

Fair Trade

We offer a diverse range of Fair Trade Certified™ items including produce, chocolate, coffee and more within Albertsons Companies' Own Brands. Every O Organics coffee product carries the Fair Trade Certified seal, and in calendar year 2023, these products generated over \$965,000 to community development funds. These funds support the livelihoods of coffee growers, their families and communities.

The Fair Trade certification standards address soil and water conservation and ensure farmers earn fair wages and operate in safe conditions.



debi lilly design

Every purchase of a debi lilly design Extending Smiles bouquet contributes \$0.75 to a philanthropic cause. In calendar year 2023, these purchases generated more than \$133,000 in donations, benefiting various organizations such as the National Domestic Violence Hotline, Homes For Our Troops, Trinity Health and Family Promise. Since its launch in 2019, Extending Smiles contributions have provided more than \$1 million to help those in need.

Local Product Offerings

For years, we have been building strong relationships with local suppliers and farmers in an effort to help our communities thrive. Each division sources goods from their communities, and in 2023 we offered more than 26,900 local products company-wide. From the renowned Idaho potatoes in our Idaho stores to Northeastern apples in our Shaw's and Star Market stores, local produce is a cornerstone of our offerings.

Reducing Food Waste in Produce

We are continuously exploring opportunities to reduce produce food waste through partnerships with our produce suppliers and in our distribution and retail operations. By piloting longer-term purchasing agreements, we support farmers in better planning which helps reduce on-farm food waste. Additionally, nine Albertsons Companies divisions offer packaged greens grown in greenhouses and other controlled-environment agriculture systems, which can reduce farm-level food waste through optimized growing conditions. In our operations, we're committed to offering our customers the freshest produce possible, and we continue to optimize produce ordering, fulfillment and storage practices to provide just-in-time products to help reduce waste in our stores and customers' homes.

¹¹ Defined in our 2020 Materiality Assessment as the sourcing of products and ingredients that address reduction of social and environmental impacts, which includes standards such as Fair Trade, organic, responsible seafood, etc.

Customer Health & Well-Being

In 2023, Albertsons Companies' pharmacy teams held more than 7,200 vaccine clinics in collaboration with schools, nursing homes, local businesses and other organizations, ensuring that vaccinations were accessible throughout our communities. Our dedicated pharmacists delivered six million vaccines to protect the communities we operate in and promote preventative health measures.

Many of our pharmacies are equipped with Drug Take Back Kiosks, enabling the safe disposal of medications that are no longer needed, are unwanted or have expired. Last year, we safely disposed of over 198,000 pounds of these products. This initiative prevents the potential misuse of medications that may remain in homes, which can lead to accidental poisonings or substance abuse. Moreover, improper disposal of unwanted or expired medications can negatively impact our environment by contaminating water sources and disrupting ecosystems.

Animal Welfare

We maintain our commitment to prioritizing animal health and welfare. We lean on animal science experts for policy guidance and on suppliers to make the best decisions for the animals they are raising and handling while ensuring supply for our customers.

In 2023, more than 60% of liquid and shell eggs available in our stores were sourced from cage-free environments. In addition, Albertsons Companies' *O Organics* and *Open Nature* brands exclusively offer cage-free shell and liquid eggs, and all *Own Brands*' hardboiled eggs are from cage-free farms.

For information on our Animal Welfare policies, please visit our [website](#).





We're at our best when we are stewards of our communities.

We're committed to reducing food insecurity and lifting up the neighborhoods we serve.

INCLUDED IN THIS SECTION

- KEY INGREDIENT: COMMUNITY STEWARDSHIP
- MAKING A DIFFERENCE WITH OUR VENDOR PARTNERS
- ASSOCIATE-SPONSORED FUNDING
- TAKING CARE OF OUR LOCAL COMMUNITIES



Extending Our Table

As part of our Recipe for Change, we're committed to fighting food insecurity at a local level so all our neighbors thrive.

Community Highlights:

- Enabled more than 1.15 billion meals through our store food donation and Nourishing Neighbors programs between 2019 and 2023.
- Donated more than 92 million pounds of food from in-store donations, equivalent to over 76 million meals enabled.
- Raised over \$35 million through Nourishing Neighbors program, enabling more than 143 million meals.
- Enrolled 100,000 eligible neighbors in Supplemental Nutrition Assistance Program (SNAP) benefits.

More than 44 million Americans, including 13.4 million children, face the challenge of food insecurity.¹² As part of our efforts to help our neighbors in need, we work to address hunger locally by enabling meals through surplus food donations from stores and funds raised by the Albertsons Companies Foundation. We also leverage our robust local connections to identify and support innovative programs and partnerships that offer community-specific solutions that seek to end the cycle of hunger.

Over One Billion Meals Enabled

Thanks to the dedication of our associates and generosity of our customers, we enabled more than 1.15 billion meals between 2019 and 2023, achieving our goal to enable one billion meals seven years ahead of our 2030 target. Our progress truly demonstrates our commitment to fighting food insecurity in the communities we serve.

Three primary factors contributed to our early success in this program. In April 2020, as our communities were facing the challenges of COVID-19, Albertsons Companies contributed \$53 million to enable emergency food assistance, providing millions of meals to those in need. In 2022, we launched enhanced store food donation guidelines that increased our community impact. Lastly, the generosity of our customers allowed us to expand the impact of Albertsons Companies Foundation's Nourishing Neighbors program.

As we celebrate this achievement, our commitment to helping break the cycle of hunger persists. We are working to set a new Community Stewardship goal that will consider the evolving needs of our communities and reflect the progress we've made since announcing Recipe for Change.

Albertsons Companies Store Food Donations

Each year, our stores donate millions of pounds of food to local food banks, pantries and other organizations that are on the front lines in the fight against hunger. We are proud to be a Feeding America Visionary Partner. In 2023, we donated more than 92 million pounds of food from our stores, distribution centers and manufacturing facilities, which is the equivalent of enabling over 76 million meals. See the [Product](#) section of this report to learn more about our store food donation program.

Beyond these contributions, our stores support hunger relief efforts through charitable activities such as food drives and volunteer initiatives. For example, our Jewel-Osco division held the annual Jewel-Osco Holiday Food Packing event at the Northern Illinois Food Bank, where nearly 100 associates packed boxes and backpacks for affiliated food pantries and schools. A total of 53,000 pounds of food was packed, resulting in more than 52,000 Thanksgiving meals for our neighbors in need.

Albertsons Companies Foundation's Nourishing Neighbors Program

Nourishing Neighbors, the signature cause platform of the Albertsons Companies Foundation, seeks to ensure at-risk children, adults, seniors and families

have access to the food they need to prosper. Through programs that fund initiatives such as breakfasts for kids, holiday dinners and school pantries, Nourishing Neighbors works to ensure all our communities' tables and pantries are full so our neighbors can learn, grow and succeed.



In 2023, Nourishing Neighbors raised more than \$35 million, enabling over 143 million meals to be donated to our communities, including those affected by disasters. This included a \$7 million donation from Albertsons Companies' O Organics Fight Hunger, Serve Hope campaign¹³ to combat hunger for school-aged children during summer months. These Nourishing Neighbors funds enabled more than 770 grants to support more than 48 million individuals.

2023 Nourishing Neighbors highlights include:

- Enabling nearly 19 million nutritious breakfasts to children through the Nourishing Neighbors breakfast campaign.



¹² Household Food Security in the United States in 2022

¹³ Albertsons Companies, Inc. - Albertsons Companies' O Organics® Launches "Fight Hunger, Serve Hope" Cause Program to Address Summer Food Insecurity

- Providing gift cards to over 343,000 families to purchase food during the holidays.
- Donating more than \$1 million to support meals for families affected by the wildfires in Maui, Hawaii.

Ensuring Kids Start the Day with Breakfast

Research by Deloitte and No Kid Hungry Center for Best Practices¹⁴ has revealed that breakfast can have a positive impact on students' academic performance and attendance. The Albertsons Companies Foundation's Nourishing Neighbors program is working to ensure kids have access to breakfast, in and out of school. Funds raised are allocated as grants to various organizations that improve school breakfast programs, offer weekend breakfast backpacks, provide meals during summer breaks and support numerous other initiatives centered around breakfast. Since the inception of our Nourishing Neighbors program in 2014, we have facilitated the provision of nearly 247 million breakfasts to children in need.

Engaging Students in Finding Solutions in Their Communities

The Explore. Act. Tell. initiative empowers youth to address food scarcity within their local communities by fostering awareness and action. Supported by the Albertsons Companies Foundation's Nourishing Neighbors program and the Foundation for Impact on Literacy and Learning, the initiative guides students to investigate community hunger issues, develop actionable strategies to combat food insecurity and create and share public service messages to inspire community involvement.

In 2023, more than 64,000 middle and high school students participated in the initiative, and over 117,000 students in more than 1,200 schools have participated since the program started in 2020.

Nourishing Neighbors Innovation Spark Grants

In 2023, the Albertsons Companies Foundation launched the Nourishing Neighbors Innovation Spark Grants to foster creative solutions and support organizations committed to breaking the cycle of hunger. The Foundation has dedicated \$3 million grants, spanning three years, to three organizations which aid single mothers to overcome poverty, offer financial guidance to low-income households and support food insecure college students.¹⁵

Improving Food Access

By incorporating Electronic Benefits Transfer (EBT) functionality into our e-commerce systems, we've made it possible for SNAP beneficiaries to apply their benefits toward online grocery purchases, enhancing the accessibility of wholesome food options for families and individuals dependent on EBT SNAP assistance.

Our Seattle division collaborates with the Washington State Department of Health to address food insecurity, through a produce incentive program. This program enables select healthcare sites to provide patients experiencing food insecurity with "prescriptions" for fruits and vegetables that can be used like cash to buy produce at Safeway stores in Washington state. Additionally, the Albertsons Companies Foundation funds a SNAP produce match program for our stores in Alaska where EBT customers receive a \$20 coupon for produce on their next shopping trip when they spend \$20 on fresh fruit and vegetables.

Supporting the White House Conference on Hunger, Nutrition, and Health

In support of the White House Conference on Hunger, Nutrition, and Health, we made commitments that aim to help break the cycle of hunger and empower nutrition and health through technology and information. Our progress

towards these commitments included contributions from both Albertsons Companies and the Albertsons Companies Foundation. In addition to the 143 million meals enabled in 2023, the Albertsons Companies Foundation also enrolled 100,000 neighbors in SNAP benefits. In parallel, Albertsons Companies leveraged technology and information to empower nutrition and health by:

- Offering evidence-based nutrition recommendations to our Sincerely Health users, earning eight million interactions.
- Launching two health campaigns that utilized in-store events and digital platforms to increase awareness of MyPlate Dietary Guidelines.¹⁶
- Providing 10 million customers access to Albertsons Companies' Meal Plans tool, which offers thousands of recipes spanning breakfast, lunch, dinner and dessert that can be filtered by dietary preference, food restrictions and serving size.
- Introducing 1,000 nutritious and approachable recipes and enhancing our meals and shoppable recipes functionality on our e-commerce website and mobile app.
- Doubling the number of stores with ReadyMeals to over 1,350.

Additional details about the White House Conference on Hunger, Nutrition, and Health are available [here](#).

¹⁴ [Ending Childhood Hunger: A Social Impact Analysis | No Kid Hungry Center of Best Practices](#)

¹⁵ [Albertsons Companies Foundation Awards \\$9 Million in Multiyear Grants to Innovative Nonprofits Committed to Ending the Cycle of Hunger](#)

¹⁶ [MyPlate | U.S. Department of Agriculture](#)



"There are millions of Americans who need access to nutritious food and qualify for federal food assistance programs, but they may not know how to enroll or get the support they need. At Albertsons Companies, we are committed to helping to break the cycle of hunger and inspire well-being. Through the generous donations made by our customers at checkout, our Nourishing Neighbors program is able to support local organizations dedicated to helping with enrollment, outreach, transportation and other issues that might prevent people from participating in federal meal programs."

— **Christy Duncan Anderson**
President and Executive Director, Albertsons Companies Foundation

Making a Difference with Our Vendor Partners

In 2023, many of our vendor partners leaned in to raise awareness and address food insecurity in the communities we serve through in-store campaigns and public events. Examples include:

- Kellanova partnered with the Albertsons Companies Foundation for the fourth annual Feed the Love campaign to donate \$50,000 to communities in need, enabling approximately 200,000 meals.
- Mondelēz's Triscuit brand gave \$160,000 to the Albertsons Companies Foundation to support local hunger relief organizations in each division.
- Albertsons Companies Foundation partnered with WK Kellogg Co.'s Mission Tiger to support the sports program at Eastwood Middle School in El Paso, Texas during the Tony the Tiger Bowl. New equipment, such as footballs to baseball helmets, was donated to help the school's athletic initiatives succeed.

- Our Portland division partnered with Tillamook County Creamery Association to help Oregon State University (OSU) students facing food insecurity. Together with OSU football fans, we donated 800 pounds of collected canned food and 9,000 pounds of Tillamook products to OSU campus' Basic Needs Center and other local food recovery organizations.

Associate-Sponsored Funding

The We Care program, an initiative of the Albertsons Companies Foundation, is a program voluntarily funded by Albertsons Companies associates to provide our communities and colleagues disaster relief and personal hardship assistance. In 2023, the program distributed grants exceeding \$1.5 million to more than 680 associates in need.



Taking Care of Our Local Communities

In 2023, Albertsons Companies' divisions and stores provided many opportunities for associates and customers to get involved and help their local communities.

Denver Division



Our Denver division held its 14th Annual Bagging Challenge, which raised over \$257,000 to support nonprofit organizations including the Special Olympics, Muscular Dystrophy Association and Easterseals.

Intermountain Division



Our Intermountain division partnered with Kellanova and the Albertsons Companies Foundation to donate \$100,000 to design and stock a food pantry at a local high school.

Portland Division



Our Portland division raised over \$1 million at the 4th Annual Safeway Albertsons Foundation Invitational, including a \$250,000 donation to the Maurice Lucas Foundation to support youth education and sports.

Northern California Division



Our Northern California division hosted two community service days where associates volunteered at various Bay Area nonprofits and donated more than 800 turkeys to local organizations for Thanksgiving meal distributions.

Southern California Division



Our Southern California division partnered with the local Special Olympics chapter for the 35th year to support the Special Olympic Summer Games. Over 150 associate volunteers made and distributed 5,500 lunches for athletes, coaches and volunteers.

Shaw's Division



Our Shaw's and Star Market division donated over \$2.2 million to Best Buddies International since 2016 and participated in the annual Hyannis Port Challenge to raise awareness and funds.

United Division



Our United division hosted its 32nd Annual Jacky Pierce Charity Classic golf tournament. Together with its vendor partners, the division raised \$500,000 to support 26 nonprofit organizations across Texas and New Mexico.

Southern Division



Our Southern division donated \$450,000 over a two-year period to the North Texas Food Bank and Tarrant Area Food Bank to sponsor two mobile units that help neighbors apply for supplemental food assistance programs.

Seattle Division



Our Seattle division presented the Seattle Children's Hospital with a check of \$1.4 million to support pediatric cancer immunotherapy research.

Jewel-Osco Division



Our Jewel-Osco division donated more than \$350,000 to Skills for Chicagoland's Future. Through the partnership, more than 1,000 program participants have been hired in our Chicago area stores.

Southwest Division



Our Southwest division partnered with the Arizona Cardinals to pack 10 pallets of food and thousands of meals for the United Food Bank and donated funds to enable more than 125,000 meals.

Mid-Atlantic Division



Our Mid-Atlantic division donated over \$250,000 to Bringing Home Hope to support more than 1,870 families facing cancer to help them purchase groceries and pay utility bills.

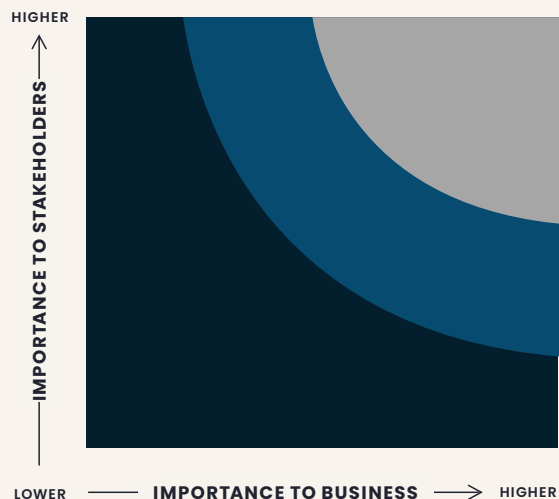
Appendices

Appendix I: 2023 Progress and Alignment with United Nations Sustainable Development Goals

PILLAR	2023 PROGRESS	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOAL	REPORT REFERENCE
PLANET	<ul style="list-style-type: none"> Completed more than 500 energy efficiency projects. Increased generation and procurement of renewable energy. 	7. Affordable and Clean Energy	<ul style="list-style-type: none"> Planet: Energy Efficiency – Page 10 Planet: Renewable Energy – Page 10
	<ul style="list-style-type: none"> Reduced carbon emissions by 22% in our own operations between 2019 and 2023. 	13. Climate Action	<ul style="list-style-type: none"> Planet: Climate Action – Page 09
	<ul style="list-style-type: none"> Recycled over 865 million pounds of cardboard and 25 million pounds of plastic bags and films. 	12. Responsible Consumption and Production	<ul style="list-style-type: none"> Planet: Operational Waste – Page 11
PEOPLE	<ul style="list-style-type: none"> Launched our 9th Associate Resource Group, the Women of Color Alliance. 	5. Gender Equality	<ul style="list-style-type: none"> People: Associate Resource Groups – Page 15
	<ul style="list-style-type: none"> Provided training and opportunities for growth. Conducted our sixth cohort of leaders in our Assistant Store Director Training. 	8. Decent Work and Economic Growth	<ul style="list-style-type: none"> People: Training and Development – Page 16
PRODUCT	<ul style="list-style-type: none"> Diverted 325 million pounds of food waste from going to landfill. Converted bouquet floral sleeves to recyclable plastic. Transitioned to using produce bags with 30% post-industrial recycled content. Offered Responsible Seafood, Fair Trade Certified coffee, local products, etc. 	12. Responsible Consumption and Production	<ul style="list-style-type: none"> Product: Diverting Inedible Food Waste – Page 18 Product: Plastics & Packaging – Page 19 Product: Sustainable Products & Ingredients – Page 20
	<ul style="list-style-type: none"> Donated more than \$28,000 to purchase ropeless lobster fishing gear for suppliers to trial through the National Ocean and Atmospheric Administration Northeast Fisheries Science Center. 	14. Life Below Water	<ul style="list-style-type: none"> Product: Responsible Seafood – Page 20
COMMUNITY	<ul style="list-style-type: none"> Enabled more than 1.15 billion meals through our store food donation and Nourishing Neighbors programs between 2019 and 2023. Donated food from more than 97% of stores on a weekly basis by the end of fiscal year 2023. Donated more than \$1 million to support meals for families affected by the wildfires in Maui, Hawaii. Helped 100,000 eligible neighbors enroll in SNAP benefits. 	2. Zero Hunger	<ul style="list-style-type: none"> Community: Over One Billion Meals Enabled – Page 23 Community: Albertsons Companies Store Food Donations – Page 23 Community: Albertsons Companies Foundation's Nourishing Neighbors Program – Page 24 Community: Supporting the White House Conference on Hunger, Nutrition, and Health – Page 24

Appendix 2: Materiality Assessment

In 2020, we refreshed our Materiality Assessment to prioritize how we address ESG. This assessment identified our internal and external stakeholders' top-ranking ESG topic areas, and the outcome shaped our Recipe for Change. We analyzed the most critical ESG topics specific to our business and industry, and we worked with stakeholders to better understand where we should focus our efforts. We conducted interviews and surveys with internal business leaders, customers, investors, suppliers and industry groups and included insights from industry reports and ESG rating agencies. Based on the responses received, we aggregated topics into ranked, or tiered, priorities.



TIER 1 Invest time and resources to set goals, advance our efforts and regularly report on progress.

TIER 2 Proactively manage performance and report on continuous improvement.

TIER 3 Develop policies, position statements and brand standards as needed and report on activities as appropriate.

The Results of Our Materiality Assessment

- Climate Action (*focus on energy and emissions*)
- Community Stewardship
- Diversity, Equity & Inclusion
- Waste Reduction & Circularity (*focus on food waste, plastics and consumer packaging*)

- Customer Health & Wellness
- Supplier Environmental Stewardship
- Supplier Social Responsibility
- Sustainable Products & Ingredients

- Animal Welfare
- Product Marketing & Transparency
- Water Stewardship

FOUNDATIONAL TOPICS Focus on internal excellence to minimize risk and meet or exceed regulatory requirements.

- Data Privacy & Security
- Associate Attraction, Development & Retention
- Associate Health & Safety
- Governance Ethics & Compliance
- Food & Product Safety
- Resilience & Adaptation

Appendix 3: SASB Table

TOPIC	ACCOUNTING METRIC	2023 DATA	UNIT OF MEASURE	CODE
FLEET FUEL MANAGEMENT	Fleet fuel consumed, percentage renewable	2,723,066 31.6%	Gigajoules (GJ), Percentage (%)	FB-FR-110A.1
AIR EMISSIONS FROM REFRIGERATION	Gross global Scope 1 emissions from refrigerants	2,030,323 ¹⁷	Metric tons (t) CO ₂ e	FB-FR-110B.1
MANAGEMENT OF ENVIRONMENTAL & SOCIAL IMPACTS IN THE SUPPLY CHAIN	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	See <i>Animal Welfare</i> section	N/A	FB-FR-430A.3
MANAGEMENT OF ENVIRONMENTAL & SOCIAL IMPACTS IN THE SUPPLY CHAIN	Discussion of strategies to reduce the environmental impact of packaging	See <i>Plastics & Packaging</i> section	N/A	FB-FR-430A.4
ACTIVITY METRICS	Number of (1) retail locations and (2) distribution centers	(1) 2,269 (2) 22	Number	FB-FR-000.A

¹⁷ Our carbon emissions are calculated using the industry-standard Greenhouse Gas Protocol, which focuses on greenhouse gases covered by the Kyoto Protocol. Additional details can be found in the [Climate Action](#) section.

