

A Jim Pattison business

2022 Summary Environmental Stewardship Initiatives ROI

Pattison Food Group is a Jim Pattison business and Canada's largest Western-based provider of food and health products. Headquartered in British Columbia, Canada, we have been in business for 107 years. We proudly employ more than 30,000 team members who are committed to achieving long-term growth and share a passion for giving back to the communities where we do business. Together, we leverage each other's collective strengths to enhance efficiencies across our respective organizations. Our largest and signature company is Save-On-Foods. Pattison Food Group has a long track record of environmental leadership – earning regional, national and international recognition over the past several decades.

Our customers raise important questions and bring forward local, provincial, national, and even global opportunities for our company to make a difference. Below are three of our highest priority areas of impact and innovation:

- **Our commitment to the circular economy and zero waste:** with a focus on food waste, and plastics & packaging as key areas of concentration, we work to reduce our operational waste year over year, to eliminate all possible aspects being sent to landfill.
- **Our commitment climate change:** we contribute to combating climate change by working to ensure the ongoing reduction of carbon emission from our operations. We are focused on improving our ability to measure, track, and lower total operational emissions.
- **Our commitment to responsible and transparent supply chains:** we are working with partners to assess opportunities that will dramatically enhance our ability to ensure that our supply networks reflect our standards and business ethics.

Our Stores

When we build stores, we use smart technology designed to reduce energy consumption.

- SOF Environmental Programs (such as LED conversions) have reduced our energy consumption by more than 30% in electricity costs year over year (that's the same as powering 34 of our stores per year, for free).
- SOF refrigeration conversion programs are reducing the impact to the environment by more than 50%.
- As of 2017, all new SOF Stores, where geographically possible, will open with CO2 systems to further advance these goals.

Products We Sell

SOF sells eco-friendly products including our own enviro-wise line of Private label products.

- Whenever possible, we are converting our packing to include post-consumer recycled content and looking for ways to live up to our decades-long continuous improvement commitment centred around reduction of packaging overall.
- Our private label Western Family branded water bottles are all made from post-consumer recycled plastic.
- SOF has strong focus on sustainable sourcing, including our long-standing commitment to sustainable seafood and by extension, the health of our oceans. This includes a long-standing partnership with OceanWise on seafood sustainability, education and plastic reduction programs

- We continue to deploy proactive strategies to encourage consumers to reduce, reuse and recycle.

Plastics and Packaging

In 2022 the company kept TONNES of waste out of our landfills and waste streams in keeping with initiatives we have been running for over 30 years, diverting:

- Nearly 19,000 Metric Tonnes of Cardboard
- over 550 Metric Tonnes of plastic film and plastic bags via plastic bag collection bins in our stores

In addition, we offer, and actively promote the use of reusable alternatives to carrying groceries home - from bags to boxes to totes. In 2017, SOF was one of the first Canadian retailers to voluntarily implement a charge to consumers for single-use plastic and paper checkstand bags; in the first full year, the company plastic bag use by 38%. To date, this has stopped over 300 million plastic bags from ever entering our system and ultimately hitting our landfills.

We are a founding member of the Canada Plastic Pact and are currently working with PAC Global to align with the Golden Design Rules, expanding our ability to use recycled plastics in all aspects of our business while limiting materials sent needlessly to landfill.

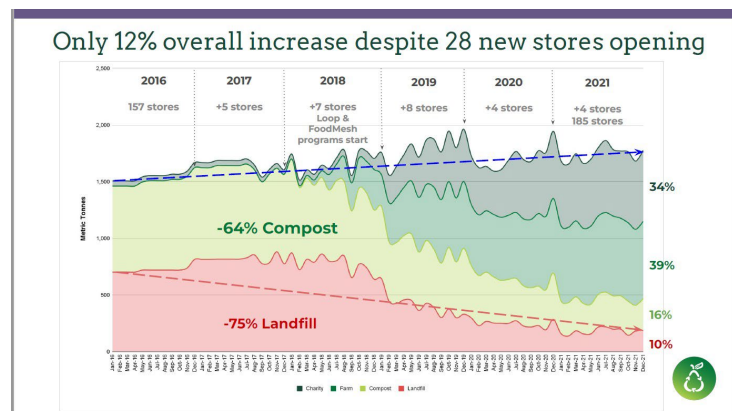
Food Waste

In 2018, SOF formalized its effort on reducing Food Waste and measuring results, with a stated goal to reduce it by 50%, by 2025. The company achieved that goal in June of 2019, and set a new target of zero food waste to landfill and sewer by 2022.

Today, 100% of SOF stores are diverting potentially wasted food and organics to best and highest use, and the focus on continuous improvement continues

We look at it from three points of view

1. Prevention
2. Diversion and,
3. Response



Prevention:

- Despite adding 28 new stores between 2016 and 2021, our overall tonnage increased by only 12% (and decreased by 10% if excluding new stores)

Diversion to Better and Higher Use:

- Surplus food diversion is providing thousands of people in need with quality food support – in fact, over 40 million healthy meals since we started formally tracking it in 2018.
- Over 2,000 family farms across the country are benefitting from free animal feed and compost

Climate impacts:

- 50,570 tonnes in GHG emissions reductions (22%) (2016-2022)

22% GHG decrease thanks to donations to charities



While food waste tonnage increase by 12% due to the addition of 28 new stores, GHG emissions decreased by 22% thanks to diverting food waste for human consumption instead of landfill.



Waste Diversion

- Our store-wide battery recycling program launched in 2022. We were recently announced as Call2Recycle's Leader in Sustainability for 2022, helping them divert 4.4 million kilograms of batteries from landfill.
- In 2022 we partnered with Fraser Valley Renewables to divert our inedible organics from landfill – to be used as energy for Fortis BC and free high-grade compost for local farmers in BC's lower mainland.

Environmental Remediation

In partnership with PrintReleaf, we have offset a large portion of our printing activities with reforestation projects. Since working with PrintReleaf in 2021, we have now planted 16,606 trees or 630 trees per month.

Collaborating for Change

SOF leaders have extensive experience participating in board committees, governance and cross-sectoral collaborative sustainability projects and initiatives involving varying combinations of stakeholder groups including business, industry, government and non-government organizations.

SOF is an active GMC Plastic & Packaging Innovation participant. This Collaborative Network and its working committees, represented by senior leaders of the top 10 companies in grocery retail and CPG companies, collaborate on the development of best practices and innovation in the lifecycle of packaging production, use and recycling as well as in advancing a Circular Economy framework focused on the phasing-out of non-recyclable or contaminating materials in packaging and establishing an innovation pathway on chemical recycling of plastics in Canada.

Some other examples include:

- Canada's National Zero Waste Council Management Board
- National Food Policy Advisory Council
- Canada Plastic Pact
- Circular Economy Leadership Canada Partner
- Encorp Pacific Board of Directors
- National Agri-Food Sustainability Index member
- Canadian Centre for Food Integrity Board
- BC Agriculture in the Classroom Foundation Board of Directors
- Food Banks BC Board of Directors
- Multi-Material Stewardship Manitoba Board of Directors
- Multi-Materials Stewardship Western Advisory Committee