



# 2023 Environmental Social Governance Report





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# Report Overview

## Report Scope

The 2023 Environmental, Social, Governance (ESG) Report covers Albertsons Companies' 2022 Fiscal Year (February 27, 2022–February 25, 2023), unless otherwise noted. It includes details about strategies, practices, and events within our up- and downstream supply chains, sourcing decisions, internal distribution and warehousing, manufacturing plants, retail operations, and offices. We highlight information about our Recipe for Change key ingredients (Climate Action, Diversity, Equity & Inclusion, Waste Reduction & Circularity, and Community Stewardship) within our four reporting pillars (Planet, People, Product, and Community). Other material topics are included throughout the report.

## Report Frameworks

Our reporting is primarily broken out into four pillars: Planet, People, Product, and Community. In the Appendices, we call out links from our report to the United Nations Sustainable Development Goals and Sustainability Accounting Standards Board (SASB).



# Letter from Our CEO

Last year, Albertsons Companies introduced *Recipe for Change*, a framework focused on maximizing our positive impact across four pillars: Planet, People, Product, and Community. By bringing together our long-term goals and strategies into a unified platform, we further solidified our commitment to support the communities we serve and the planet we share while delivering business results.

In 2022, we continued making meaningful progress toward our *Recipe for Change* commitments and embedding these goals throughout our operations. We're pleased to share our results with you in this year's report.

For our neighborhoods to thrive, we need a healthy planet. That's why we're committed to reducing our carbon footprint and nurturing the environment. Between 2019 and 2022, we reduced carbon emissions in our own operations by 21%, continuing to make progress toward our 2030 science-based emissions reduction goals. We achieved this by completing more than 1,100 energy efficiency and 85 refrigeration projects. In addition, we recycled more than 850 million pounds of cardboard and 27 million pounds of plastic film and bags.

We're committed to creating a diverse, equitable and inclusive workplace—one that ensures every associate is celebrated and has equal access to opportunities and resources. In 2022, we launched our company-

wide inclusion index and are leveraging the results to continue to foster a company culture where associates feel they can be themselves and share their individual perspectives. In addition, we added our newest associate resource group—*diverseABILITY*—focused on driving inclusion for people with diverse abilities, their caretakers, and allies.

As a company, we're continually looking for opportunities to expand our sustainable product selection and reduce unnecessary packaging and food waste. In 2022, we rolled out standardized recycling communications on more than 7,000 Own Brands packaged products and 40,000 store-made products so our customers have the information they need to easily recycle packaging after use. Additionally, we rolled out nearly 1,000 new soft plastics recycling bins in stores and worked with consumer-packaged goods (CPG) partners to help educate and engage customers in their use.

Our local grocery stores have deep connections in the communities they serve, giving us a unique opportunity to help our neighborhoods thrive. One way we do this is by helping fight food insecurity at the local level through meal donations, charitable giving, and partnerships designed to help break the cycle of hunger. Since 2019, we have enabled more than 950 million meals through store food donations and our Albertsons Companies Foundation's



Nourishing Neighbors program. In 2022, in support of the White House Conference on Hunger, Nutrition, and Health, we expanded our commitment by setting new goals and initiatives designed to further address food insecurity as well as empower nutrition and health.

Finally, I'd like to thank the entire Albertsons Companies team for its passion and commitment to living our purpose and positively impacting the communities we so proudly serve. Together, we will continue to create better lives, vibrant neighborhoods, and a healthier planet.

**Vivek Sankaran**  
CEO



# Albertsons Companies 2022 Overview

Albertsons Companies is a leading food and drug retailer in the United States. As of February 25, 2023, the Company operated 2,271 retail stores with 1,722 pharmacies, 401 associated fuel centers, 22 dedicated distribution centers, and 19 manufacturing facilities. The Company operates stores across 34 states and the District of Columbia with 24 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 2022, along with the Albertsons Companies Foundation, the Company contributed more than \$200 million in food and financial support, including more than \$40 million through our Nourishing Neighbors Program to ensure those living in our communities and those impacted by disasters have enough to eat.



**2,271**  
retail stores

**24 well-known**  
banners

**401**  
fuel stations

**1,722 in-store**  
pharmacies

**22 distribution**  
centers

**19 manufacturing**  
facilities

**34+ million**  
customers  
per week

**34+ million**  
loyalty members  
(at the end of Q4 2022)

**\$77.6 billion**  
in sales

Four exclusive  
**billion-dollar**  
Own Brands

One of the largest retail  
employers, providing  
approximately  
**290,000 jobs**

With our Foundation  
we donated  
**\$200+ million**  
in food and financial support

# Our Purpose

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

Our company has a rich history, bringing together 24 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 our ambition to earn customers for life. Our values guide our associates in creating effortless, inspiring, affordable, and personal experiences that build deep, long-lasting relationships with our customers.



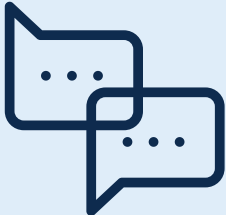
### We put people first.

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.



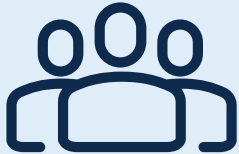
### We raise the bar.

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.



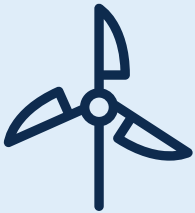
### We are one team.

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® 2022 Overview



We're working to make a real difference in the communities we serve and the planet we share. Our Recipe for Change brings together the key ingredients we need to achieve our bold ambitions.

View highlights of our Recipe for Change framework below and learn more about our goals and progress throughout this report.

## Our Goals



### 47% carbon reduction

in our operations by 2030.<sup>1</sup>

Achieve

### net zero emissions

in our operations by 2040.



Increase

### diverse representation

within our management.

Foster an

### inclusive culture

that embraces differences.



Increase the

### recyclability, reusability, and/or compostability

of Own Brands Packaging by 2025.

### Zero food waste

going to landfill by 2030.



Champion innovative programs and partnerships to help

### break the cycle of hunger.

Enable the donation of

### 1 billion meals

by 2030.

## Our Progress

### Reduced carbon emissions by 21%

in our own operations between 2019 and 2022.<sup>1</sup>

### Established an inclusion index

to foster a culture that puts people first and values diverse perspectives.

### Standardized recycling communications

for 7,000+ Own Brands products and 40,000+ store-made products.

### Enabled 254 million meals

through our store food donation and Nourishing Neighbors programs, totaling more than 950 million meals since 2019.

<sup>1</sup>Scope 1 and 2 emissions



"The progress we saw in 2022 would not have been possible without the passion and dedication of our associates. Because of them, we made meaningful changes that are improving food donations in our communities, reducing our emissions, and increasing inclusion and belonging within our teams. In the year ahead, we plan to continue to expand engagement with Recipe for Change, including partnering with our vendors to drive industry change and increasing customer involvement in achieving our goals. By bringing others along on our journey, we can make change a reality and better support the communities we serve and the planet we share."

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

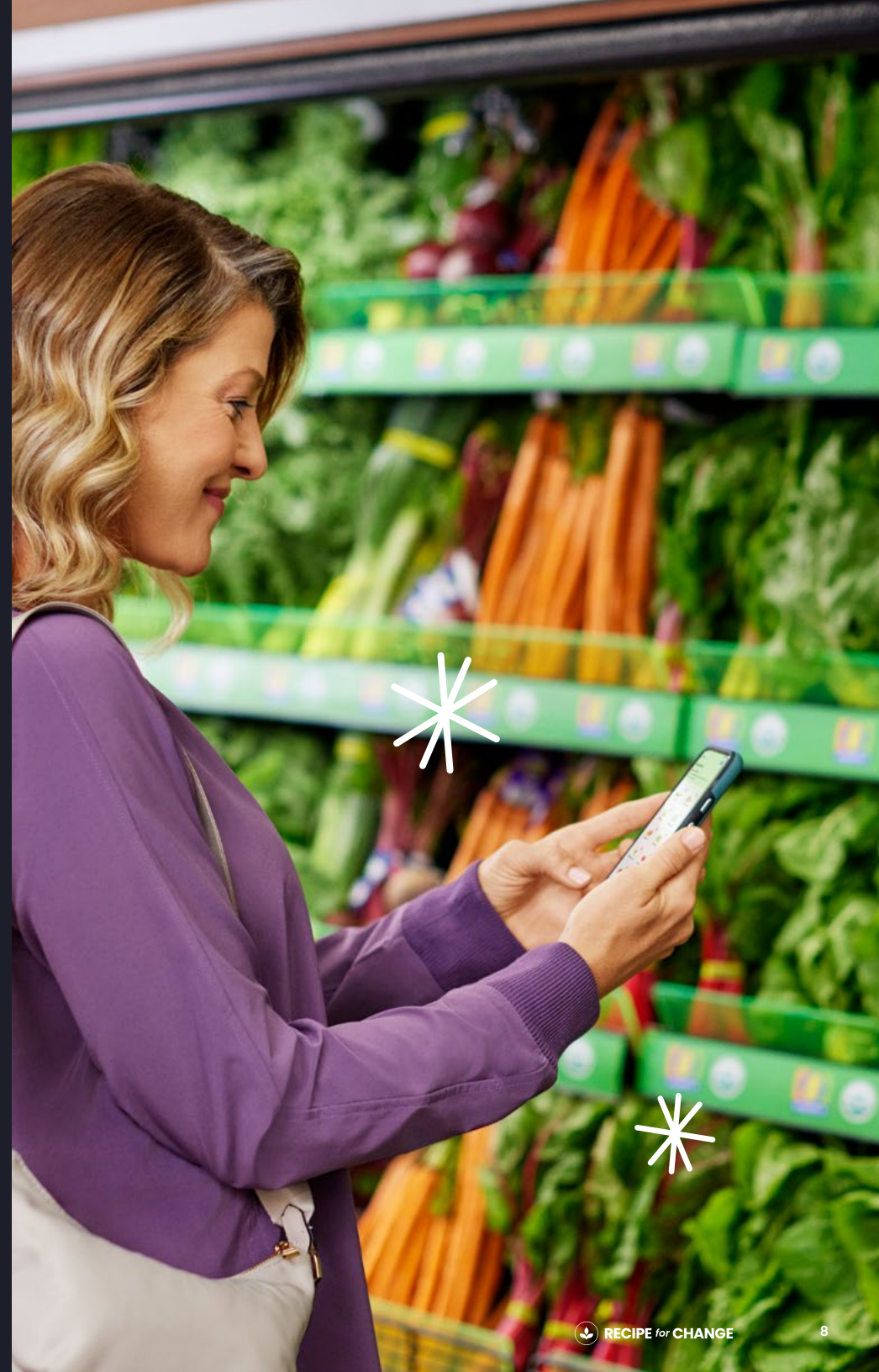


# Great food isn't possible without a healthy planet.

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

## INCLUDED IN THIS SECTION

- KEY INGREDIENT: CLIMATE ACTION
- OPERATIONAL WASTE
- WATER STEWARDSHIP





## A Better Tomorrow Starts at the Source

As part of our Recipe for Change, we're letting science lead the way in our goal to reduce carbon emissions across our operations and value chain.

### Our Goals:

- Achieve Science Based Target initiative (SBTi) approved emissions reduction goals by 2030.
  - Reduce emissions in our own operations by 47%.
  - Reduce downstream emissions from the use of sold goods by 27%.
  - Engage our top suppliers to set science-based targets by 2026.
- Achieve net zero emissions in our own operations by 2040.

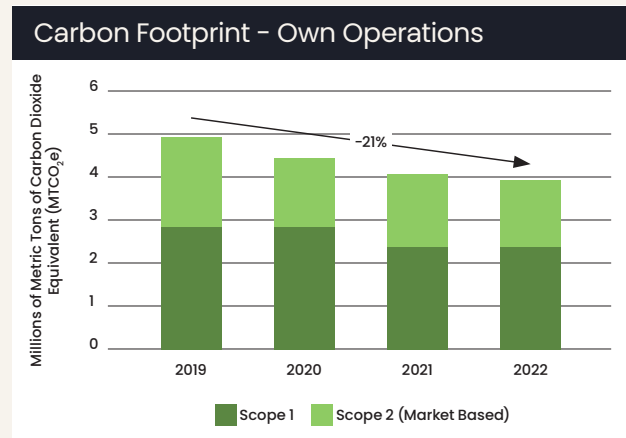
A carbon emission reduction target is considered “science-based” when it aligns with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement, which calls for pursuing efforts to limit global warming to 1.5°C above preindustrial levels.

Albertsons Companies' 2030 emissions reduction goal has been approved by the Science Based Targets initiative (SBTi), the gold standard for emissions goals developed by the CDP, World Resources Institute, World Wildlife Fund, and the United Nations Global Compact. The SBTi standards require companies to not only address emissions from their own operations (Scopes 1 and 2), but also material emissions from their value chain (Scope 3). Our emissions reduction goals are based on a 2019 baseline, and we annually report carbon emissions through the CDP's Climate Change Disclosure.

Our 2022 progress against our baseline year is as follows:

Carbon Footprint		
EMISSIONS CATEGORY	2019 BASELINE YEAR	2022
SCOPE 1	2,828,955	2,499,308
SCOPE 2 - LOCATION BASED	1,998,819	1,623,637
SCOPE 2 - MARKET BASED	2,130,132	1,400,857
SCOPE 1 & 2 MARKET BASED TOTAL	4,959,087	3,900,165
SCOPE 3 CATEGORY I PURCHASED GOODS AND SERVICES	30,363,100	WE WILL EVALUATE OUR CALCULATION PROCESS IN 2023 TO UPDATE THIS CATEGORY
SCOPE 3 CATEGORY II USE OF SOLD PRODUCTS	10,241,700	9,704,066

See 2021/2022 ESG Report for 2020 and 2021 data.



Additional details on our carbon footprint can be found in our annual CDP Climate Change Disclosures.

## 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 customers buy and use.

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

### Energy Efficiency Projects

We completed more than 1,100 energy efficiency projects across our operations in 2022 to reduce our energy demand. Projects included installing LED lighting retrofits, doors on refrigerated cases, building management systems, and more.

Our Shaw's stores in Massachusetts were named one of the 2022 Mass Save Climate Leaders for their efforts to reduce energy use.<sup>2</sup> 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

Where feasible, we use our facilities to generate renewable energy. The EPA's Green Power Partnership ranked Albertsons Companies at #11 in their Top 30 Retail Partner rankings for Calendar Year 2022.<sup>3</sup>

<sup>2</sup>2022 Mass Saves Climate Leaders

<sup>3</sup>Green Power Partnership Top 30 Retail | US EPA

We have two utility grade turbines at our Tracy, CA distribution center, and at the end of 2022 we had more than 50 locations with on-site solar generation, with plans to install more in the coming year.

We work with energy providers in our operating areas to purchase utility-scale renewable energy and renewable energy credits. Through these arrangements, we have been able to participate in buying energy from a solar farm in Arizona and source renewable energy for Safeway stores in Virginia.

In 2022, we entered into an agreement to purchase 18% of the total MW generated from the first phase of the Edwards Sanborn Solar Storage Project, the largest ground-mounted solar array project construction on an Air Force base. Once completed, the Southern California site will be the largest project in the world to simultaneously combine solar photovoltaic and battery storage systems.

### Refrigerants

As part of our Climate Action strategy, we have developed a roadmap to reduce our refrigerant leakage rate and convert to lower global warming potential refrigerants in our operations.

We have committed capital to these projects and are working with our operating divisions to ensure we drive execution in support of local, state, and national refrigerant goals and requirements.

In 2022, we completed more than 85 projects to transition stores to lower global warming potential refrigerants. We also currently have 3 stores that utilize carbon dioxide (CO<sub>2</sub>) refrigerant systems, with plans to further expand in the coming year. Our 22 distribution centers and 19 manufacturing facilities primarily use ammonia refrigeration systems.

In addition, we increased our focus on strategic innovation and partnerships in early refrigerant leak detection technology and forming innovative collaborations with leading universities and research organizations.

### Transportation

As part of our Climate Action efforts, we continue to increase the sustainability of our truck fleet. Our entire private truck fleet is certified by the EPA's SmartWay program to advance supply chain sustainability and freight transportation efficiency.

We continue to explore opportunities that reduce the impact of our fleet, including utilizing electric vehicles to supplement our existing distribution operations. At the end of 2022, 89% of our forklifts were electric, and our fleet includes 18 electric terminal tractors, 9 battery-electric refrigerated trailers, and 2 battery-electric trucks. We are piloting nitrogen transportation refrigeration units to reduce emissions from our refrigerated trailers, as well as new technology for tire monitoring in an effort to improve fuel economy.

### Value Chain Emissions

When calculating our 2019 baseline carbon footprint, we found that 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: 1) Purchased Goods and Services and 2) Use of Sold Goods.

Purchased Goods and Services 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. This category of emissions makes up the majority of the carbon footprint of our value chain. To address these emissions, we set an SBTi-approved goal to engage more than 200 of our top suppliers by emissions on setting their own science-based carbon reduction targets. We aim to have these suppliers set, commit to setting, and/or track their progress against an existing target by 2026. At the end of 2022, more than 80 of our suppliers met these requirements. Throughout the year, we engaged with the vendor community through webinars, conferences, and leadership meetings to educate suppliers on our goals and explore partnership opportunities to ensure we collectively deliver 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 how innovative opportunities to reduce the emissions associated with these products can tie into our fuel and merchandising strategies. As part of this, we are monitoring regulatory and purchasing trends in our market areas to better understand the availability and adoption of alternative and low-carbon fuels as well as electric and alternative-energy vehicles.

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





### Operational Waste

In 2022, we recycled more than 850 million pounds of cardboard and 27 million pounds of plastic bags and film. This includes the pallet wrap used to safely distribute products as well as plastic bags and film returned by our customers, a service available in many of our stores.

To expand our existing recycling services for plastic bags and wraps, we rolled out new and improved recycling bins in nearly 1,000 stores in California, Connecticut, Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, and Washington, D.C. These bins provide access to soft plastics recycling, a service that is not available to the majority of our customers through curbside recycling.

For more details on our soft plastic recycling bins, see the [Plastics & Packaging](#) section of this report. Learn about our efforts to eliminate food waste going to landfill in the [Food Waste](#) section of this report.

### Electric Vehicle Charging

As part of our efforts to support the planet we share, we strive to help our customers reduce their carbon footprints, too. At the end of 2022, we had more than 300 electric vehicle chargers across our portfolio that our customers used for more than 500,000 charging sessions.

### Water Stewardship

We work to reduce the water usage in our facilities while maintaining high food safety and sanitation requirements. Focusing on leak prevention has been key to our water conservation efforts. We use a computer algorithm to track water consumption and detect water usage fluctuations. If an abnormal increase in water use is detected, we investigate the problem and address it quickly to minimize negative impacts.





# Our people are our greatest asset.

We're committed to fostering the personal and professional well-being of every Albertsons Companies associate.

## INCLUDED IN THIS SECTION

- KEY INGREDIENT: DIVERSITY, EQUITY & INCLUSION
- ASSOCIATE ATTRACTION, RETENTION & DEVELOPMENT







## We Build Belonging

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

### Our Goals:

- Increase diverse representation within our management to reflect the communities we serve.
- Foster an inclusive culture that embraces our differences and drives innovation to accelerate growth.
- Ensure all associates have equal access to opportunities and resources.



## Diversity, Equity & Inclusion

We have a 6-part Diversity, Equity & Inclusion (DE&I) framework to guide our efforts toward achieving our goals.

### INCLUSION & BELONGING

Ensure that each associate's voice is heard and integrated into the workplace. Cultivate a supportive, welcoming, inclusive, and equitable work environment that allows associates to feel connected to the company's purpose and success.

### IMPACTFUL ASSOCIATE RESOURCE GROUPS

Promote Associate Resource Groups (ARGs) and empower them as a resource for leadership development, associate engagement and belonging, sharing ideas and concerns, and supporting the company's initiatives.

### HIRING & PROMOTIONS

Strive to increase the pool of diverse candidates considered for promotion and have diverse slates and interviewers for all management roles.

### COMMUNITY ENGAGEMENT

Use financial support and volunteerism to promote racial equality and social justice while strengthening ties with customers, diverse suppliers, and the communities we serve.

### TALENT DEVELOPMENT

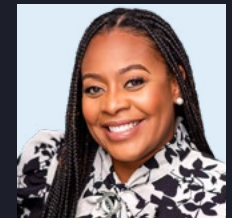
Embed Diversity, Equity & Inclusion into the lifecycles of talent development and succession planning. Raise awareness about training and development opportunities.

### MEANINGFUL METRICS

Set targets and establish diversity metrics to ensure successful and sustainable outcomes with recruitment, retention, development, and promotion goals.

"Our leadership is driving collective action to build belonging by embedding Diversity, Equity & Inclusion into the fabric of our company. We remain deeply committed to building a culture that puts people first, where diverse perspectives are valued and ensures that everyone—customers, associates, business partners, and people in the neighborhoods we serve—is treated with courtesy, dignity, and respect."

— **Monique Lanoux**  
GVP, Chief Diversity, Equity, Inclusion & Belonging Officer



## Representation

Over the past few years, Albertsons Companies has made strides in improving the representation of diverse associates in our management and across the company to reflect the communities we serve. In 2022, we expanded the ways that associates can self-identify within gender and ethnicity designations.

## Diversity Councils

Our National Diversity Council is chaired by our CEO Vivek Sankaran and works to advance DE&I across Albertsons Companies. This group of executive sponsors and leaders is focused on promoting and growing Diversity, Equity & Inclusion to help our company be the best place to work and shop. We have Diversity Councils for our 12 operating divisions and individual councils for our Technology & Engineering, Digital & Consumer, and Supply Chain departments.

## Social Justice Grant Program

In 2020, we launched our Social Justice Grant program to support efforts to promote equality in the communities we serve. Since its inception, our Social Justice Grant program has donated over \$3 million towards organizations that share this mission. In 2022, we donated to numerous organizations that strengthen civic engagement, develop multicultural professionals, and support efforts to promote diversity and equality.

## Representation at Albertsons Companies

	2021			2022		
	VP & ABOVE	COMPANY WIDE	US DEMOGRAPHICS	VP & ABOVE	COMPANY WIDE	US DEMOGRAPHICS
<b>GENDER</b>						
MALE	67%	51%	49%	68%	50%	50%
FEMALE	33%	49%	51%	32%	49%	50%
NON-BINARY				0%	<1%	
NON-DISCLOSED				0%	<1%	
<b>ETHNICITY</b>						
WHITE	75%	54%	59%	71%	52%	59%
PEOPLE OF COLOR	21%	39%	39%	29%	45%	44%
BLACK/AFRICAN AMERICAN	5%	11%	14%	5%	10%	14%
HISPANIC/LATINO	4%	21%	19%	6%	21%	19%
ASIAN/ASIAN AMERICAN	12%	7%	6%	14%	6%	6%
TWO OR MORE RACES (MULTI-ETHNIC)				3%	7%	3%
NATIVE-HAWAIIAN/PACIFIC ISLANDER				<1%	<1%	<1%
NATIVE AMERICAN OR ALASKA NATIVE				<1%	1%	1%
OTHER/NON-DISCLOSED	4%	7%	5%	0%	3%	0%

U.S. Demographics data from U.S. Census Bureau. Cells colored grey were not available before 2022. See 2021/2022 ESG Report for 2020 data. 2021 data does not include United. Ethnicity data is from U.S. operations only.





## Inclusion

In 2022, over 80% of our associates shared their voice by participating in our annual engagement survey, a 9% increase in companywide participation from the previous year. This survey serves as the foundation for our enterprise-wide inclusion index which gauges how many associates feel we have created an inclusive work environment and how we can continue to improve and grow our programs. During 2022, we offered opportunities for associates to learn more about DE&I, including:

- Training over 15,000 leaders through our “Leading with Inclusion” workshops—a highly interactive experience designed to heighten awareness around bias and provide tools to support associates’ ability to create a more inclusive work environment that celebrates courageous conversations.
- Providing three distinct and curated programs focused on Black, Hispanic and Latino, and Asian leaders that offer an Executive Leadership curriculum for senior leaders and a Management Accelerator program for early-career to mid-career managers.
- Launching an Associate Resource Group mentorship program designed to provide a valuable partnership between two people based on a mutual commitment to growth and development.
- Offering micro-learning modules for all leaders that cover DE&I topics and enable leaders to build cultural competency.
- Facilitating leadership discussions on how to be more inclusive, holding bi-annual store and supply chain huddles on this topic, and providing monthly online training modules.

Our Associate Resource Groups (ARGs) help enable an inclusive and welcoming culture among our associates. 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. Last year we increased membership across our ARGs to more than 5,000 associates.

In 2022, we added our newest associate resource group—diverseABILITY—an ARG focused on driving inclusion for people with diverse abilities, their caretakers, and allies. Other ARGs include the Women’s Inspiration and Inclusion Network, the Hispanic Leadership Network, the Asian Network, the African American Leadership Council, the Pride Alliance, the Recipe for Change Alliance, and the Veterans Associate Resource Group.

Our ARGs host events throughout the year to build belonging amongst our associates and to create an environment where everyone is respected, valued and has equal opportunity to succeed. One such event in 2022 was our Women’s Inspiration and Inclusion Network’s Purple Spirit Award program. In partnership with Mars’ M&M’S® brand, and in support of the launch of their new Purple character, we celebrated women who are flipping the status quo within our own organization and embody Albertsons Companies’ values. Three winners were selected from over 270 nominees across the organization and joined members of the Senior Leadership team at an event to kick off Women’s History Month.



## Supplier Diversity

We believe in fostering diversity and inclusion not only among our associates, but also among our business partners. We are dedicated to providing opportunities for diverse suppliers to grow their business and increase the presence of their products on shelves. Given that one of the biggest hurdles for small businesses is access to working capital, we have launched an expanded early payment program to determine the best time and terms for payments for diverse-owned businesses. The goal is to help these companies alleviate immediate capital challenges by making working capital more accessible.

Last year, we hosted our third supplier summit to broaden our reach to businesses that are over 50% owned and controlled/operated by one of the following ethnicities or categories: African American, Asian American, Hispanic, LGBTQIA+, Native American, Service-Disabled Veteran, or Female.

We work to elevate the visibility of our diverse suppliers through heritage celebrations throughout the year. For example, our Jewel-Osco division hosted its annual Black History Month celebration which supported more than 35 local and minority-owned brands, while giving back to the community with in-store events and charitable donations from our Foundation. Similarly, our Mid-Atlantic division hosted Lunar New Year events with product samples, dance performances, activity tables and more for shoppers to learn about the Year of the Rabbit.



## Employee Retention & Development

Our 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 on a daily basis.

### Retention

At the end of 2022, we employed approximately 290,000 associates and are proud that a significant number of our associates celebrated milestone anniversaries with our company. More than 63,000 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, and in 2022 our in-store, supply chain, and office associates together completed more than 4 million courses through various platforms.

Courses are offered through eLearning and on-demand content, virtual and in-person classes, on-the-job training, VR (virtual reality), mentoring programs, and more.

We also launched two enterprise-wide programs that focus on enhancing the capabilities of our leaders. First, our Assistant Store Director Training is an immersive program that prepares high potential frontline supervisors for the next step in their career through business and industry-specific experiential learning. Second, our Foundational Leadership Skills curriculum was designed for all people leaders to develop their leadership skills through self-study and instructor-led workshops.

We have also partnered with industry associations to provide access to relevant continuing retail education opportunities through colleges around the country. Additional details on Learning and Development can be found in our [2022 10-K Filing](#).





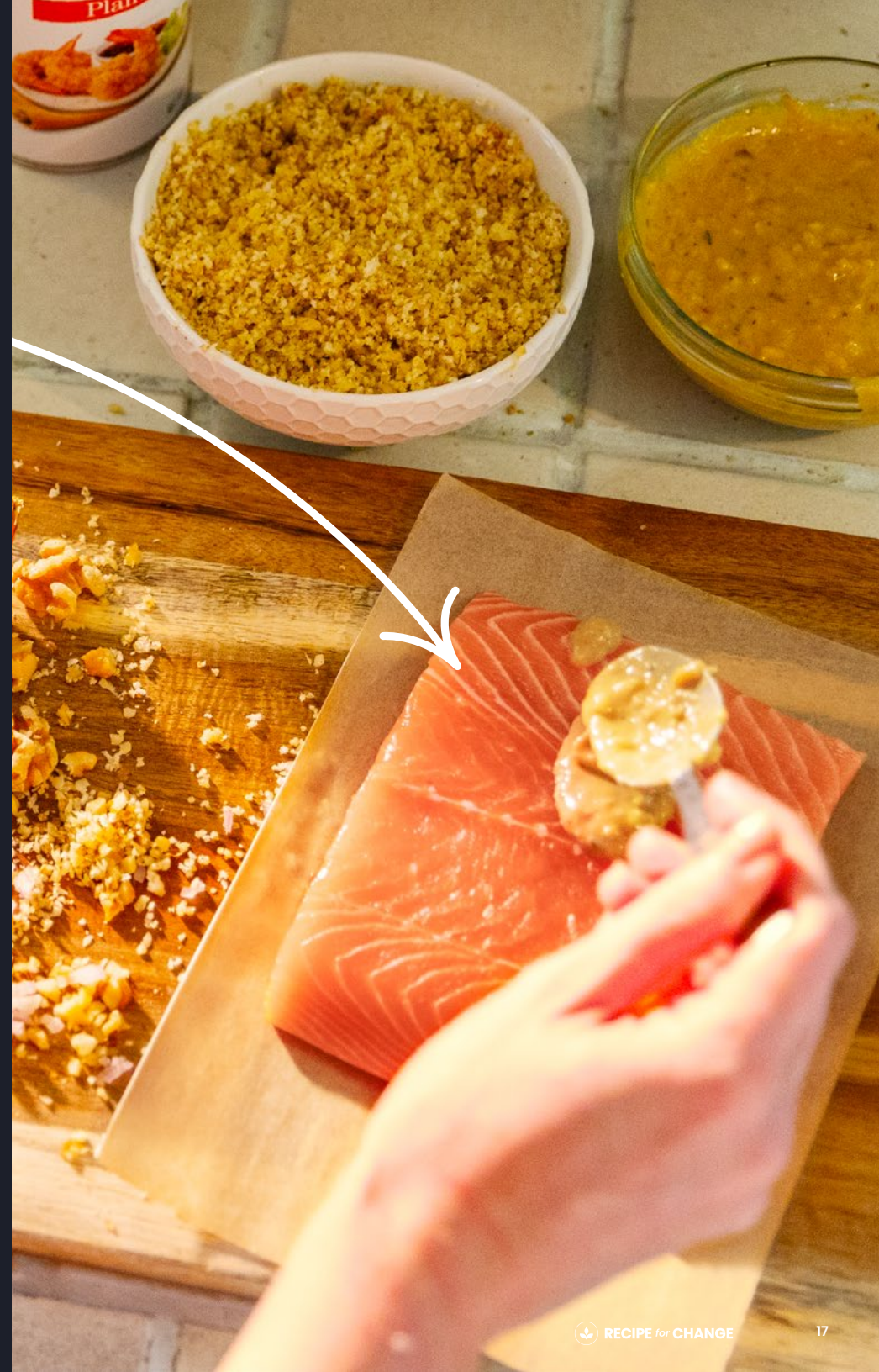


# Our footprint is directly tied to what we make and sell.

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
- SUPPLIER ENVIRONMENTAL STEWARDSHIP AND SOCIAL RESPONSIBILITY
- ANIMAL WELFARE





# Waste Reduction & Circularity

## Less Waste, More Hope

As part of our Recipe for Change, we are working to eliminate food waste going to landfill, reducing plastics and packaging in our Own Brands products, and accelerating our transition to a more circular economy.

### Our Goals:

- Zero food waste going to landfill by 2030.<sup>4</sup>
- Increase the recyclability, reusability and/or compostability of our Own Brands packaging by 2025.

### Food Waste

Reducing food waste has been a long-standing priority across our stores, distribution centers, and manufacturing plants. The USDA estimates that up to 30-40% of food is wasted across the U.S. food supply chain, from farms to transportation, stores, and homes.<sup>5</sup>

We are members of the USDA and U.S. EPA's Food Loss and Waste Champions as well as the Pacific Coast Food Waste Commitment and work across our industry to identify opportunities and best practices to reduce and report food waste. We are establishing methodologies to measure and report our food waste baseline and progress toward our company-wide zero food waste to landfill goal.

### Our Strategy to Achieve Zero Food Waste to Landfill

To meet our food waste goal, our stores, distribution centers, and manufacturing plants must divert at least 90% of food waste from landfill. We leverage the U.S. EPA's food recovery hierarchy to prioritize our actions, including preventing food waste, donating edible food, and diverting inedible food waste.

### Preventing Food Waste

We leverage a variety of innovative methods and technologies to prevent food from ever becoming waste. One way we accomplish this is by using technology to accurately order and produce the correct amount and assortment of products for our customers.

In 2022, we completed the rollout of the Afresh technology across nearly all Albertsons Companies' stores. This capability enables associates to leverage artificial intelligence to improve ordering, reduce unsold food, and consequently lessen greenhouse gas (GHG) emissions.

Additionally, we are leveraging other innovative solutions to help prevent food waste both in stores and in customers' homes. In 2022, we expanded the use of leading-edge food preservation solutions to help food stay fresh longer for our customers and piloted an innovative discounted food application in select stores in our Seattle division.

### Donating Edible Food

In 2022, we greatly expanded our network of local food donation partners as well as our store donation guidelines to continue to help support our neighbors in need. At the end of 2022, more than 90% of our stores were donating food on at least a weekly basis, with donation programs available across all departments in our stores, including produce, meat, seafood, service deli, and much more.

Many of the local food recovery organizations we work with are part of the Feeding America network. In 2022, we were a Feeding America Visionary Partner, donating more than 80 million pounds of food from our stores, the equivalent of more than 65 million meals. As part of our work to continuously improve our programs, we're collaborating with Johns Hopkins University and the Maryland Institute College of Art to further increase associate engagement in food donation and identify best practices.



These programs are just a few of the many efforts we're making to support our 2030 goals to eliminate sending food waste to landfill and enable 1 billion meals. See the [Community Stewardship](#) section of this report to learn more about our hunger relief efforts.

### Diverting Inedible Food

In 2022, we diverted more than 321 million pounds of food and trimmings through inedible food waste diversion programs that are in place in the majority of our stores. These solutions included anaerobic digestion, compost, and animal feed operations. Anaerobic digestion turns food waste into a rich soil amendment and can also create renewable natural gas. As part of our efforts to explore and expand innovative partnerships and solutions, nearly 100 of our stores now divert food waste through a low-carbon animal feed upcycling solution.

<sup>4</sup> Zero Waste | Cal Recycle

<sup>5</sup> Why should we care about food waste? | USDA



## Plastics and Packaging

As part of our Plastics and Packaging Pledge, 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®, ready meals®, and Value Corner®.

Our Own Brands primary plastic packaging footprint is approximately 68,000 metric tons annually. This baseline includes the plastic packaging used for our Own Brands and store-made products purchased through our stores, e-commerce platforms, 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 annual primary plastic footprint is recyclable, reusable or compostable, and/or includes post-consumer recycled (PCR) content.

We're exploring new and innovative ways to increase the percentage of reusable, recyclable, and/or compostable packaging and our use of post-consumer recycled content. In our milk and beverage manufacturing plants, we are exploring opportunities to increase post-consumer recycled plastic content in packaging components such as bottles, jugs and bottle caps, and using recycled paperboard in our multi-pack cartons.

### Standardized Recycling Communications

In 2022, we achieved our goal to provide recycling instructions on more than 7,000 Own Brands packaged products through How2Recycle labels and QR codes. In addition, more than 40,000 store-made items now feature recycling information on scale labels and other packaging, directing customers to an informative new recycling page.

Moving forward, all new Own Brands products will feature the How2Recycle labeling system to improve the reliability and transparency of recyclability claims. This label helps

customers know how to properly dispose of and recycle our Own Brands product packaging to help keep plastic out of the landfill whenever possible.

### Reducing Single-Use Bags

In 2021, we launched a program to increase the number of items our associates place in each bag which continued to help us reduce the number of single-use bags used in each transaction in 2022. In addition, last year 7 of our divisions had stores utilizing more durable plastic bags that contain recycled plastic content, are re-usable 125 times, and are washable. Between these two factors, in 2022, we used 428 million fewer single-use bags than the previous year.

<sup>6</sup> Estimation may be adjusted as new and improved data becomes available from vendors





## Sustainable Products & Ingredients

### Responsible Seafood

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

Our Responsible Seafood Program has extensive data requirements that provide us with traceability and transparency within our fresh and frozen seafood supply chains. In 2022, in collaboration with FishWise—our responsible seafood partner—we assessed over 330,000 individual products—totaling more than 50 million pounds of seafood—against our rigorous seafood standards.

We're proud that all seafood in our Waterfront Bistro and Open Nature brands display our Responsible Choice™ logo. This logo means we know the journey our seafood takes from the ocean or farm to our shelves and makes shopping for responsible seafood simpler by indicating which products meet our Responsible Seafood Policy and Commitment.



Each year, we work with select seafood suppliers to undertake in-depth collaborative reviews of policies and processes to identify opportunities to incorporate best practices into the seafood supply chain.

### Fair Trade

We offer a variety of Fair Trade Certified™ products including produce, chocolate, coffee, and more within our Own Brands portfolio. All our O Organics® coffee is Fair Trade Certified, and purchases made in 2022 generated more than \$800,000 in community development funds to support coffee farmers, their families, and communities.



Fair Trade protects the environment through standards covering topics such as soil and water quality and ensures that hard-working farmers earn fair wages and operate in safe conditions.

### debi lilly design™

Each debi lilly design Extending Smiles bouquet purchased enables a donation to a charitable organization. In 2022, more than \$192,000 was raised for organizations including the National Domestic Violence Hotline, Homes For Our Troops, Trinity Health, and others.

### Using Biodegradable Ingredients

In 2022, the U.S. Department of Agriculture BioPreferred® Program recognized Albertsons Companies as a BioPreferred Program Champion for our long-term commitment to using renewable materials, reducing our reliance on petroleum, supporting the bioeconomy, and bettering the planet. We have 17 products in our Open Nature brand that utilize biodegradable ingredients.



### Local Product Offerings

We've spent decades nurturing partnerships with suppliers and farmers in our communities, helping to create jobs so our neighbors can thrive. Across our company, we offer more than 26,900 unique local products. Each of our operating divisions has local goods from their communities, allowing us to offer the highest-quality products available in each area. Whether it's sourcing world-famous Idaho potatoes for our Idaho stores or Northeastern apples for our Shaw's and Star Market stores, local offerings are often at the heart of our produce operations.

In 2022, we expanded the availability of packaged salads grown using vertical farming across our Intermountain and Denver divisions. Vertical farming enables local produce to be grown and harvested year-round and reduces the environmental impact. Five of our operating divisions offer these products, and we continue to evaluate opportunities to expand this program as more vertical farming options become available across the country. The U.S. Department of Agriculture found that when compared to traditional agriculture, vertical farming methods reduce food waste while also producing lower carbon emissions and require less water usage while providing high nutrient products.<sup>7</sup>

<sup>7</sup> Vertical farming | United Nations Climate Champions



## Customer Health & Well-Being

In 2022, we held over 5,700 vaccine clinics at schools, nursing homes, local businesses and other organizations to help ensure community members have access to immunizations. Our pharmacists administered over 7 million vaccines to patients to protect the communities we operate in and promote preventative health measures.

In our Denver division, for example, we partnered with 365 Health, a non-profit organization focused on providing health tests and vaccinations to communities in need, and completed over 100 flu and Covid clinics—administering over 4,300 vaccines.

The majority of our pharmacies offer Drug Take Back Kiosks for proper disposal of unused, unwanted, or expired medications, and in 2022 we collected nearly 100,000 pounds of these products. Responsible disposal of over-the-counter and prescription medications can help avoid misuse, as medications left in the home can contribute to accidental poisonings or drug abuse. In addition, unwanted or expired medications can negatively impact our environment by polluting waterways and disrupting ecosystems if the medications are improperly discarded.

## Supplier Environmental Stewardship and Social Responsibility

Albertsons Companies is always working to improve the sustainability of the products we offer, including in our Own Brands products. Our sourcing team is shifting our buying choices toward ingredients that are produced in more socially and environmentally responsible ways, and we provide our suppliers with commodity-specific requirements as part of our Supplier Sustainability Guidelines.

## Animal Welfare

Maintaining high animal care standards is important to Albertsons Companies, and we prioritize implementing science-based animal welfare policies that ensure safe and humane treatment. In 2022, 48% of our liquid and shell eggs were cage-free. In addition, all O Organics and Open Nature shell and liquid eggs and all Own Brands hardboiled eggs are cage-free.

Last year we expanded our commitment to broiler chicken welfare and aim to have 50% of O Organics chicken supply chain certified to Global Animal Partnership

Step 3 (GAP-3) standards by 2024. In 2022, the national chicken supply chain faced national animal health risks from Highly Pathogenic Avian Influenza (HPAI), and many suppliers moved flocks indoors to protect the health of the animals. Despite these challenges, more than 27% of our O Organics chicken supply was either GAP-2 or GAP-3 certified in 2022. Additional details about our Animal Welfare policies can be found on 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
- COMMUNITY GIVING
- SUPPORTING ASSOCIATES







## 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.

### Our Goals:

- Enable 1 billion meals for our neighbors in need by 2030.
- Champion innovative programs and partnerships to help break the cycle of hunger in the communities we serve.

Food insecurity is a complex issue impacting more than 33 million people in the United States, including 9.3 million children.<sup>8</sup> As we continue our commitment to fighting hunger at a local level, we are leveraging our strong community ties to explore programs and partnerships that advance innovative and localized solutions to break the cycle of hunger.

## Donating Food from Our Stores

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 a Feeding America Visionary Partner, and in 2022 we donated more than 80 million pounds of food from our stores, distribution centers, and manufacturing plants—the equivalent of enabling more than 65 million meals.

In 2022, we built out our relationships with local food donation partners and expanded our store donation guidelines to get more food to those in need in our communities. At the end of last year, more than 90% of our stores were donating food on at least a weekly basis, with programs available across all departments in our stores, including produce, meat, seafood, service deli, and much more. Our stores work with food donation partners to

ensure they are donating food categories and quantities that food banks can accept and distribute to those in need.

Our stores also support hunger relief through other charitable efforts, such as in-store food drives and volunteer events.

## Albertsons Companies Foundation's Nourishing Neighbors Program

Nourishing Neighbors, a charitable program of Albertsons Companies Foundation, seeks to ensure at-risk children, adults, seniors, and families have access to the food they need to thrive. 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 that our neighbors can learn, grow and succeed.



In 2022, Nourishing Neighbors raised over \$40 million, enabling the donation of more than 188 million meals to ensure those living in our communities, as well as those impacted by disasters, have enough to eat. These funds supported over 2,000 organizations, impacting over

600 million lives. Our 2022 Nourishing Neighbors giving highlights included:

- Over 28 million healthy breakfasts for children through our Nourishing Neighbors breakfast campaign.
- Gift cards for more than 250,000 families to purchase meals to fill their holiday tables.
- \$8 million to support meals for families impacted by the war in Ukraine.

## Ensuring Kids Start the Day with Breakfast

A study conducted by Deloitte and No Kid Hungry Center for Best Practices<sup>9</sup> showed that ensuring kids start the day with breakfast can have a dramatic positive effect by helping students perform better in class and attend more days of school each year. We raise money to ensure all kids have access to breakfast every day. These funds provide grants to organizations that enhance school breakfasts, provide weekend breakfast backpack programs, supply summer breakfast meals, and many other breakfast-related programs. Since 2014, our Nourishing Neighbors program has enabled over 225 million breakfasts to kids in need.

<sup>8</sup> 2021 Data. USDA will release 2022 values in October 2023.  
 Source: Household Food Security in the United States in 2021 (usda.gov)  
<sup>9</sup> Ending Childhood Hunger: A Social Impact Analysis | No Kid Hungry Center of Best Practices



## Engaging Students in Finding Solutions in Their Communities

Explore. Act. Tell. (EAT) teaches young people how to become aware of food insecurity issues in their neighborhoods. Funded by the Albertsons Companies Foundation's Nourishing Neighbors program and the Foundation for Impact on Literacy and Learning, students identify solutions for food insecurity by:

- Exploring the topic of hunger in their community.
- Designing ways to act on solutions.
- Producing public service announcements encouraging others to take action.

The Nourishing Neighbors program engaged over 20,000 middle and high school students in the EAT program in 2022. Since the program began in 2020, over 57,000 students, 780 schools, and 950 educators have participated in this program.

## Teaming Up with State Governments to Increase Access to Healthy Foods

Our Seattle division is collaborating with the Washington State Department of Health on a variety of programs to address food insecurity. The Fruit and Vegetable Prescription Program allows select healthcare sites to provide patients experiencing food insecurity with "prescriptions" for fruits and vegetables. These "prescriptions" can then be used like cash to buy produce at Safeway stores in Washington. Our Seattle division also participates in the SNAP (Supplemental Nutrition Assistance Program) Produce Match program, which provides shoppers using Electronic Benefits Transfer (EBT) who spend at least \$10 on fresh fruit and vegetables a \$5 coupon for produce on their next shopping trip.

## Improving Food Access

In 2022, we began rolling out a new online service for EBT recipients across our stores, where approved by the USDA. The integration of EBT services enables SNAP customers to use their benefits when purchasing groceries online, ensuring that families and individuals who rely on EBT SNAP benefits have greater access to nutritious food.

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

In support of the 2022 White House Conference on Hunger, Nutrition, and Health, Albertsons Companies expanded our commitment to fighting hunger and inspiring healthy eating by announcing new goals and initiatives. The following commitments, which complement our Recipe for Change efforts, are designed to help break the cycle of hunger and empower nutrition and health through technology and information:

### Addressing Hunger with Nourishing Neighbors

- Enable the donation of over 100 million meals in 2023 and 1 billion meals by 2030.
- Help 50,000 eligible neighbors enroll in SNAP and Women Infants and Children (WIC) benefits in 2023.

### Empowering Nutrition and Health through Technology and Information

- Provide 50 million evidence-based nutrition recommendations to digital customers by 2024.
- Launch six health campaigns by 2025 utilizing in-store events and digital platforms to increase awareness of MyPlate Dietary Guidelines.<sup>10</sup>
- Provide 100 million customers access to recipe and meal planning tools by 2025.

- Introduce 1,000 new nutritious and approachable recipes, and further enhance tools to help make healthier living an easy and sustainable choice.
- Expand the availability of ready meals<sup>®</sup> from 600 to 1,100 stores by the end of the 2022 fiscal year. ready meals<sup>®</sup> offer nutritious meals designed by culinary experts and dieticians made fresh in-store every day.

We will report our progress as we work toward achieving these goals. Additional details about the White House Conference on Hunger, Nutrition, and Health are available [here](#).

## Associate-Sponsored Funding

The Albertsons Companies Foundation's We Care program is a voluntary associate-sponsored disaster relief and personal hardship fund that provides support to our communities and fellow associates in times of crisis. In 2022, more than \$1 million was given out in grants to 190 associates.



## Partnering with CPGs

In 2022, divisions across the company teamed up with Kellogg's Frosted Flakes<sup>®</sup> Mission Tiger<sup>™</sup> to donate over \$200,000 to school athletic programs. Our Southwest division teamed up with the Tony the Tiger<sup>®</sup> Sun Bowl to provide the Parkland Pre-Engineering Middle School sports program with \$30,000 for new equipment. Acme stores in our Mid-Atlantic division partnered with Frosted Flakes to donate \$100,000 to support flag football programs in the Philadelphia School District.

<sup>10</sup>MyPlate | U.S. Department of Agriculture



"Research shows that a large percentage of EBT recipients face mobility challenges due to a disability, lack of transportation, or caring for young children, which can prevent them from physically shopping at a store. As a trusted community grocer committed to helping solve food insecurity, we want to make healthy foods available to those at risk by offering dignified and convenient shopping options."

— Susan Morris  
Chief Operations Officer



## Taking Care of Our Local Communities

Thanks to our associates' passion, generous customer donations, and collaborative efforts with community partners, our stores provide the opportunity to mobilize funding efforts and actively engage customers in helping their local communities.

### Denver Division

During the holidays, our Denver division supported 85 local non-profits raising over \$1.8 million for those in need. They continued their fundraising efforts in February to help support the Children's Hospital Colorado, raising over \$150,000.



### Intermountain Division

Our Intermountain division donated more than \$165,000 to the Idaho Foodbank to provide Thanksgiving and Christmas meals for individuals and families through our Holiday Giving Program.



### Jewel-Osco Division

The Jewel-Osco Asian Diversity & Inclusion Associate Resource Group participated in a food packing event with the Northern Illinois Food Bank. The team packed 16,370 pounds of food, the equivalent of more than 13,600 meals, setting a new record for the number of pallets packed in a single volunteer shift.



### Mid-Atlantic Division

Our Mid-Atlantic division hosted the 23rd Annual Safeway Feast of Sharing in Washington, D.C., where 5,000 nutritious holiday meals boxes were handed out to neighbors in need. In addition, volunteers packed 5,000 gift bags with winter clothing accessories and toiletry kits, and the Safeway pharmacy team hosted a flu shot and vaccine clinic.



### Northern California Division

When the Special Olympics Summer Games returned for the first time since 2019, our Northern California division kicked off the opening ceremony and volunteered at the event. As an annual partner of the Special Olympics, we're proud to support the Summer Games and cheer on associates that participated as athletes.



### Portland Division

In Portland, our stores partner with KGW8, their local NBC affiliate, for the annual Great Food Drive. In 2022, the division donated over 2 million meals to support their neighbors in need.





**Shaw's Division**

Since 2015, Shaw's and Star Market have raised over \$6.6 million for Boston Children's Hospital—every year more successful than the last. In 2022, through the generosity of our customers, associates, and vendor partners, the Give a Smile fundraising campaign raised over \$1.3 million to provide lifesaving care for kids.



**Seattle Division**

The Seattle division's Nourish Everyone campaign raised more than \$4 million to distribute grocery cards via food banks, schools, health clinics, and senior centers throughout Washington and Alaska. These cards enable access to fresh and non-food products that are not typically available at food banks and are redeemable at stores during evenings and weekends when food banks are typically closed.



**Southern California Division**

Our Southern California division's Women's Inspiration and Inclusion Network came together to raise funds and participate in the Susan G. Komen More Than Pink walk. The team raised more than \$112,000 to support the cause, with one associate raising more than \$105,000, making them one of the highest individual fundraisers in the Orange County walk.



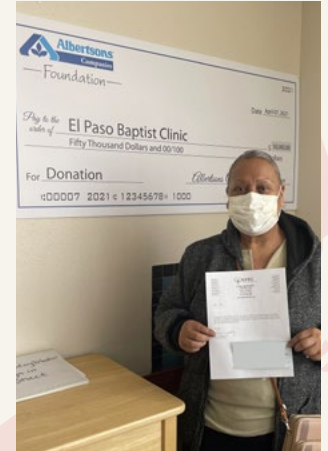
**Southern Division**

In 2022, our Southern division raised nearly \$150,000 to support local Children's Miracle Network Hospitals to ensure more children can receive the treatment they need to grow up and become our tomorrow.



**Southwest Division**

In our Southwest division, our Foundation annually partners with nonprofit healthcare organizations that serve the uninsured and under insured populations across our regions to ensure residents have access to important services including screenings and vaccinations. Participating nonprofits include Mission of Mercy, Baptist Clinic of El Paso, Rio Grande Cancer Foundation, school districts, and others.



**United Division**

Our United division supports the South Plains Food Bank to help those in need in their communities. Team members regularly volunteer to build food boxes for our senior communities across the South Plains, reaching over 3,500 seniors each month.





# ESG Governance

Our company is locally great and nationally strong thanks to our divisions' localized expertise, our corporate teams' support, and our Board of Directors' oversight.

This helps us identify and act upon the greatest opportunities to support the communities we serve and the planet we share.

## INCLUDED IN THIS SECTION

- ESG GOVERNANCE
- BOARD DIVERSITY
- ETHICS & COMPLIANCE
- FOOD & PRODUCT SAFETY
- DATA PRIVACY & SECURITY
- GOVERNMENT RELATIONS



# Governance

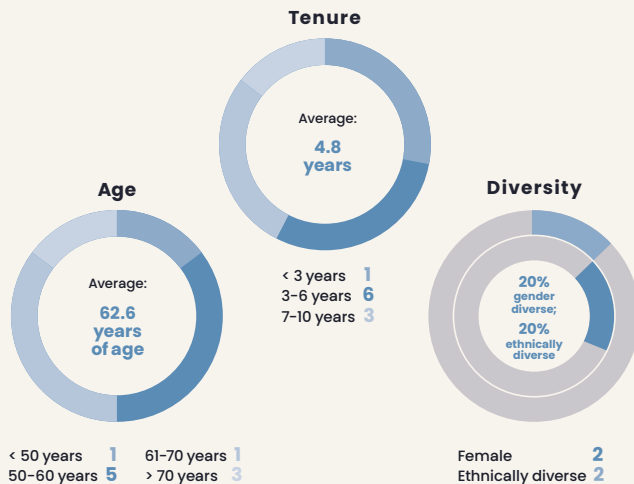
## ESG Governance

Albertsons Companies is committed to responsible corporate governance. Our ESG Team collaborates with teams and leaders across our company to help drive and report on our environmental and social impact. When we developed our *Recipe for Change* framework in 2021, we sought counsel from leaders throughout our company that work on our focus areas to set goals that will create meaningful change. We received regular feedback and final approval from our Senior Leadership team; the Governance, Compliance & ESG Committee of our Board of Directors (Board); and the broader Board to establish our platform and goals. Management teams regularly report on applicable risks and opportunities to the relevant Board committees or the full Board of Directors.

For 2022 executive compensation, our senior leadership team had 10% of their annual bonus tied to performance metrics, including items such as carbon reduction, food donation, and DE&I. These goals ensure that *Recipe for Change* is engrained in our business at all levels.

## Board Diversity

Our Board broadly construes diversity to mean diversity of backgrounds, experience, qualifications, skills, age, and expertise, among other factors, which when taken together best serve our Company and our stockholders.



In selecting board members, our Board considers, in addition to the core attributes, the range of talents, experience, and expertise that are needed and complementary to those that are currently represented on the Board. The Board seeks to achieve a mix of members whose experience and backgrounds are relevant to the Company’s strategic priorities and the scope and complexity of our business. For more information about our Board of Directors and Governance, please see our Proxy Statement on the Investors section of our [website](#).

## Ethics & Compliance

Our Ethics and Compliance Program focuses on both “doing things right” and “doing the right thing.” Each day, in order to maintain our high standards regarding personal and organizational integrity, we strive to conduct business in a way that creates and maintains the trust of our customers, communities, and stakeholders. Underlying this commitment is our Code of Business Conduct and Ethics, which highlights our expectation to uphold the high standards that are the foundation of our continued success.

## Food & Product Safety

Albertsons Companies adheres to the highest standards in food quality and safety, from the store level up through our national operations. We take a proactive approach to ensuring our products are safe for our customers. To ensure that we maintain the highest standards of quality, we participate in the Global Food Safety Initiative (GFSI), a collaborative initiative among food safety experts and service providers from retail, manufacturing, food service and supply chain sectors.

## Data Privacy & Security

Ensuring the privacy and security of our customers’ data is foundational to the way we operate. Our privacy policies are available on our website, and outline how we collect, use, process, and share the data our customers entrust to us, including health data covered by the Health Insurance Portability and Accountability Act (HIPAA).

## Government Affairs

We actively engage in political processes and seek to shape public policy issues and position the brand as a trusted industry thought leader on behalf of our business, associates, and the customers and communities we serve. We are committed to conducting political activities in accordance with the highest standards of ethics and in full compliance with applicable laws and regulations governing political activities. Political actions or contributions on behalf of the Company may be made only if permitted by law and approved in advance by the Government Affairs department.

We focus our Government Affairs efforts on five key topics: public policy; community investment and societal impact; political contributions; diversity, equity, and inclusion; and governance. In 2022, Albertsons Companies expanded its commitment to fighting hunger and inspiring healthy eating in support of the White House Conference on Hunger, Nutrition, and Health. These new goals and initiatives, which complement our *Recipe for Change* platform, include helping over 50,000 eligible neighbors enroll in SNAP and WIC benefits in 2023 and providing 50 million evidence-based nutrition recommendations to digital customers by 2024. Learn more about our commitments associated with the White House Conference on Hunger, Nutrition, and Health in the [Community Stewardship](#) section.





# Appendices

## Appendix I: Goals and 2022 Progress

TOPIC	GOAL	2022 PROGRESS	REPORT REFERENCE
CLIMATE ACTION	Reduce scope 1 and 2 emissions by 47% by 2030 from a 2019 baseline	<ul style="list-style-type: none"> <li>21% reduction from a 2019 baseline.</li> </ul>	<a href="#">Climate Action</a> – Page 9
	Engage top suppliers to set science-based carbon reduction goals based on a 2019 baseline	<ul style="list-style-type: none"> <li>More than 80 suppliers have set, committed to setting, and/or tracked their progress against science-based reduction targets.</li> </ul>	<a href="#">Value Chain Emissions</a> – Page 10
	Reduce emissions from the use of sold goods by 27.5% from a 2019 baseline	<ul style="list-style-type: none"> <li>More than a 5% reduction from a 2019 baseline.</li> </ul>	<a href="#">Value Chain Emissions</a> – Page 10
DIVERSITY, EQUITY & INCLUSION	Increase diverse representation within our management	<ul style="list-style-type: none"> <li>In 2022, we expanded the ways that associates can self-identify within gender and ethnicity designations.</li> </ul>	<a href="#">Representation</a> – Page 14
	Foster an inclusive culture that embraces differences	<ul style="list-style-type: none"> <li>Established an inclusion index to foster a culture that puts people first and values diverse perspectives.</li> </ul>	<a href="#">Inclusion</a> – Page 15
	Ensure all associates have equal access to opportunities and resources	<ul style="list-style-type: none"> <li>Continued to expand programs and offer training and development opportunities.</li> </ul>	<a href="#">Inclusion</a> – Page 15 <a href="#">Training &amp; Development</a> – Page 16
WASTE REDUCTION & CIRCULARITY	Zero food waste to landfill	<ul style="list-style-type: none"> <li>Continued efforts to prevent food waste, donate edible food, and divert inedible food from landfill. Expanded store food donation programs to include new categories and had over 90% of stores donating weekly by the end of 2022.</li> <li>Diverted more than 321 million pounds of food and trimmings through inedible food waste diversion programs that are in place in the majority of our stores.</li> </ul>	<a href="#">Preventing Food Waste</a> – Page 18 <a href="#">Donating Edible Food</a> – Page 18 <a href="#">Diverting Inedible Food</a> – Page 18
	Increase the recyclability, reusability, and/or compostability of our Own Brands packaging by 2025	<ul style="list-style-type: none"> <li>Established our Own Brands primary plastics and packaging baseline.</li> <li>Achieved providing standardized recycling communications on all Own Brands products by 2022.</li> </ul>	<a href="#">Plastics and Packaging</a> – Page 19 <a href="#">Recycling Communications</a> – Page 19
COMMUNITY STEWARDSHIP	Enable the donation of 1 billion meals by 2030	<ul style="list-style-type: none"> <li>Enabled 254 million meals in 2022, and more than 950 million meals since 2019.</li> </ul>	<a href="#">Donating Food from our Stores</a> – Page 23 <a href="#">Albertsons Companies Foundation Nourishing Neighbors Program</a> – Page 23
	Champion innovative programs and partnerships to help break the cycle of hunger	<ul style="list-style-type: none"> <li>Continued to build partnerships and launch new programs to help break the cycle of hunger.</li> </ul>	<a href="#">Engaging Students in Finding Solutions in Their Communities</a> – Page 24 <a href="#">Teaming Up with State Governments to Increase Access to Healthy Foods</a> – Page 24 <a href="#">Improving Food Access</a> – Page 24 <a href="#">Supporting the White House Conference on Hunger, Nutrition, and Health</a> – Page 24

Appendix 2:  
United Nations Sustainable Development Goals

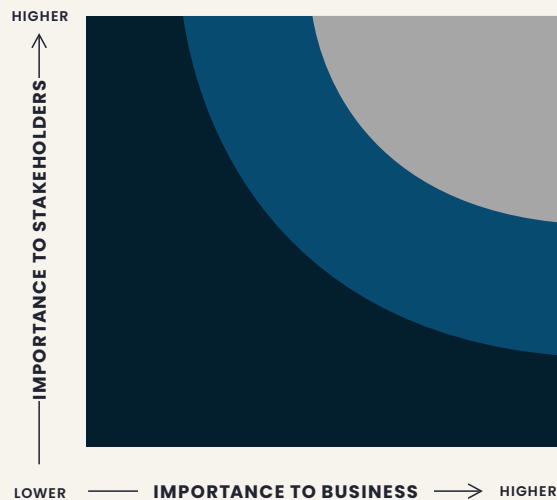


SUSTAINABLE DEVELOPMENT GOAL	EFFORTS BY ALBERTSONS COMPANIES	REFERENCES IN REPORT
2. ZERO HUNGER	<ul style="list-style-type: none"> <li>• Goal to <b>enable the donation of 1 billion meals</b> by 2030</li> <li>• <b>Donating food from stores</b> to local hunger relief organizations</li> <li>• <b>Fundraising</b> for local hunger relief organizations in our stores</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Recipe for Change</a> - Page 7</li> <li>• <a href="#">Product: Food Waste</a> - Page 18</li> <li>• <a href="#">Community</a> - Page 23</li> </ul>
5. GENDER EQUALITY	<ul style="list-style-type: none"> <li>• Goal to reflect the communities we serve and <b>increase diverse representation</b> at our management level</li> <li>• Supporting <b>women-owned businesses</b> through our Supplier Diversity Program</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Recipe for Change</a> - Page 7</li> <li>• <a href="#">People: Diversity, Equity &amp; Inclusion</a> - Page 13</li> <li>• <a href="#">People: Supplier Diversity</a> - Page 16</li> </ul>
7. AFFORDABLE & CLEAN ENERGY	<ul style="list-style-type: none"> <li>• Increasing generation and procurement of <b>renewable energy</b></li> <li>• Continuing to implement projects to improve our <b>energy efficiency</b></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Planet: Climate Action</a> - Page 9</li> </ul>
8. DECENT WORK & ECONOMIC GROWTH	<ul style="list-style-type: none"> <li>• Providing <b>training and opportunities for growth</b></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">People: Training and Development</a> - Page 16</li> </ul>
11. SUSTAINABLE CITIES & COMMUNITIES	<ul style="list-style-type: none"> <li>• Providing funds for <b>disaster relief</b></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Community</a> - Page 23</li> </ul>
12. RESPONSIBLE CONSUMPTION & PRODUCTION	<ul style="list-style-type: none"> <li>• Committed to zero <b>food waste</b> to landfill by 2030</li> <li>• Continuing work toward our <b>Plastics and Packaging Pledge</b>, and established our Own Brands primary plastics and packaging baseline</li> <li>• <b>Provide sustainable products and ingredients offerings</b>, including local offerings, USDA BioPreferred ingredients, Fair Trade-certified coffee, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Recipe for Change</a> - Page 7</li> <li>• <a href="#">Product: Waste Reduction &amp; Circularity</a> - Page 18</li> <li>• <a href="#">Product: Sustainable Products &amp; Ingredients</a> - Page 20</li> </ul>
13. CLIMATE ACTION	<ul style="list-style-type: none"> <li>• Science Based Targets initiative (SBTi) approved <b>carbon reduction goal aligned with a 1.5°C pathway</b></li> <li>• <b>2040 net zero goal</b> in our own operations</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Recipe for Change</a> - Page 7</li> <li>• <a href="#">Planet: Climate Action</a> - Page 9</li> </ul>
14. LIFE BELOW WATER	<ul style="list-style-type: none"> <li>• Implementing our <b>Responsible Seafood Policy and Commitment</b></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Product: Sustainable Products &amp; Ingredients</a> - Page 20</li> </ul>



## Appendix 3: 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 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
- Employee Attraction, Development & Retention
- Employee Health & Safety
- Governance Ethics & Compliance
- Food & Product Safety
- Resilience & Adaptation

## Appendix 4: SASB Table

TOPIC	ACCOUNTING METRIC	2022 DATA	UNIT OF MEASURE	CODE
FLEET FUEL MANAGEMENT	Fleet fuel consumed, percentage renewable	3,084,296   32.17%	Gigajoules (GJ), Percentage (%)	FB-FR-110A.1
AIR EMISSIONS FROM REFRIGERATION	Gross global Scope 1 emissions from refrigerants	1,799,033	Metric tons (t) CO <sub>2</sub> e	FB-FR-110B.1
AIR EMISSIONS FROM REFRIGERATION	Percentage of refrigerants consumed with zero ozone-depleting potential	94.96%	Percentage (%) by weight	FB-FR-110B.2
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 <a href="#">Animal Welfare</a> 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 <a href="#">Plastics &amp; Packaging</a> section	N/A	FB-FR-430A.4
ACTIVITY METRICS	Number of (1) retail locations and (2) distribution centers	(1) 2,271 (2) 22	Number	FB-FR-000.A

