

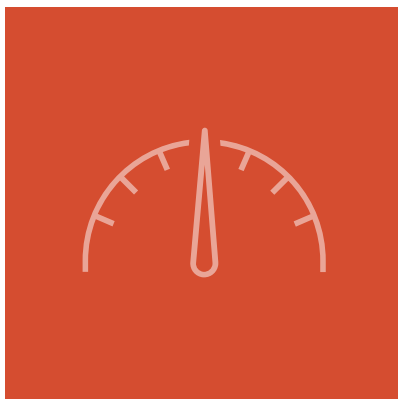
ADVANCE
a culture
of inclusion



MEASURE
progress and
impact



ATTRACT,
grow, and retain
diversity of teams



ACCELERATE
DE&I into business
outcomes to
improve equity
and better serve
customers



Our Strategy and Commitments



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A Message from Our President and CEO



At Sobeys Inc. we always strive to do what is right. Our company has a rich history serving Canadians for more than 110 years, and it is a priority for us to ensure our teams, business practices and partners reflect the diversity of our customers and the communities we serve.

Our purpose is to be a family nurturing families and we prioritize fostering a culture of trust, care and respect. DE&I, innovation and business success go hand in hand.

In 2017, we launched our Diversity and Inclusion strategy. The strategy was focused on the advancement of women and addressing unconscious bias. Since then, we've:

- Truly integrated diversity, equity and inclusion into customer-focused inclusion initiatives like Sensory Friendly Shopping and Script Talk (label reading to support visually impaired in pharmacies).
- Established Strategic Partnerships with the Network of Executive Women; Canadian Centre of Diversity and Inclusion; Catalyst; Pride at Work; and Egale Canada, to name a few.
- Built regular celebration of key inclusion moments into our culture, through awareness campaigns for Black History Month; International Women's Day; PRIDE; National Indigenous History Month; and Disability Employment Awareness Month.
- Celebrated our success with industry awards for our Star Women in Grocery; and inclusion strategy through the Canadian Centre of Diversity & Inclusion.

And this is only the beginning. Now, just a few years later, we're ready to broaden our shoulders and reach higher. Focusing on truly embedding "inclusion for all" into all facets of our business, we've:

- Designed a new strategy by listening to our teammates. We led meaningful engagement sessions with Black and Indigenous teammates and community experts to gain feedback and insights to inform the next phase of our strategy.
- Signed the BlackNorth pledge committing to work alongside other organizations to address anti-Black systemic racism and advance DE&I within our own organizations, and systematically in Canada. I am personally a Board member of the BlackNorth initiative.
- Refreshed our DE&I strategy with five new commitments focused on concrete outcomes.

The true test of commitment is action – and we're holding ourselves accountable to our DE&I strategy. We have worked hard to ensure that we aren't just listening but making tangible progress within our organization and the broader communities we serve.

The next few pages outline our 2020 DE&I strategy and commitments. Please read through them and identify how your team can help bring our strategy to life every day.

A handwritten signature in black ink that reads "Michael Medline". The signature is written in a cursive, flowing style.

Michael Medline
President & CEO
Empire Company Limited

Diversity, Equity and Inclusion: A Common Language

For us to talk about, understand, and make DE&I a priority, we need to start by building a common language. Here's what we mean when we say Diversity, Equity and Inclusion at Sobeys Inc.

Diversity

Is what our teams are made of. It shows up in the composition of teams within our organization. It is about the variety of differences and similarities that exist between people. Our diverse identities, abilities, perspectives, and characteristics as a collective is what leads to a strong organization.

To fully understand our diversity today, we need a clear picture of our demographics. With that in mind, we will undertake an **expanded self-identification process and ask you to participate.**

Equity

Is giving everyone what they need to be successful in the work environment. Our work in equity will safeguard fair treatment of all individuals. For example, equality is giving everyone a shoe and equity is giving everyone a shoe that fits.

Inclusion

It is the conscious choice we make and actions we take to ensure everyone is valued, respected and involved. We all have a role to play in creating an inclusive environment at Sobeys.



We are a family
nurturing families



Nous sommes une famille
qui nourrit l'esprit de famille

DE&I and Our Purpose and Values

Across our banners and businesses from coast-to-coast, we foster a family culture of care, **trust and respect with each other**.

Our core values are our strength and the foundation of who we are: Customer-Driven, People-Powered, Community-Engaged and Results-Oriented. Our values have always directed us toward a workplace that is good for people, **all** people. We are respectful and inclusive, and that is reflected in our **People-Powered** value.

Along with our values, **fairness is a fundamental principle** for Sobeys – and it guides us to build a fair and equitable environment where all can thrive as individuals.



**DIVERSITY
EQUITY
AND
INCLUSION**

Our Vision for Diversity, Equity and Inclusion at Sobeys

Sobeys **amplifies innovation** and creates exceptional customer experiences by **cultivating a fair, equitable, and inclusive** environment, and **growing team diversity** to reflect the communities we serve so that all can contribute, **thrive and win together**.

What does that really mean?

To be **truly innovative and provide an exceptional customer experience**, we must have diversity, equity, and inclusion. It is as simple as that. Together, diversity, equity, and inclusion support creative thinking and problem solving to get to the results we need to succeed and make better decisions. This happens when we bring together different perspectives and experiences and ensure everyone is heard.

Looking at our teams, we need to help our teammates understand their role in building a **fair, equitable, and inclusive environment, and to feel empowered to take action**. For example:

- Teammates know and demonstrate inclusive behaviours every day, making people feel valued, involved, and respected.
- Teammates have the courage and support they need to speak up when we need to do better.
- Teammates are empowered to take a hard look at our structures and systems and refine them to ensure they are inclusive.

It also means we need a **diverse and broad talent pool** from which to draw upon and build our teams. This means a respect for differences in identity such as, but not limited to, age, gender, ethnicity, sexual orientation, ability, Indigenous status, education, and religion.

When we get this right, everyone wins – our teammates, our customers, our communities, our suppliers, our franchisees, our affiliates, and our business.

Our Five Renewed Commitments

How We Got There

This vision for DE&I has evolved since we began this work in 2017. Our initial focus was on the advancement of women where we have made significant strides with a growth rate of **20% at the Director level and 38% at the VP/SVP level.**

In March 2020, we expanded our strategy with a broader mandate of inclusion for all with an intentional focus on equity. Our strategic goals are:

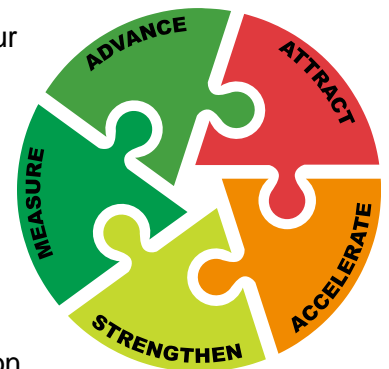
- **Create the Best Teams** – Attract and retain the best talent, from a broad and diverse talent pool to compete and thrive.
- **Leverage DE&I to Amplify Innovation** – Enable a diverse, equitable and inclusive workforce that can design innovative ways to fulfill unmet customer needs.
- **Cultivate an environment of Inclusion** – Equip all employees to understand their role in building a fair and inclusive environment and enable them to take action. Structures and systems refined to work well for everyone.
- **Embed DE&I into Everything We Do** – Design a holistic approach to integrate DE&I into the fabric of Sobeys.

In late May 2020, global protests have increased attention on anti-Black racism and the Black Lives Matter movement and have magnified visible inequities at the personal and professional level. An intentional decision was made for the Company to focus internally and to listen and learn and from Black teammates to determine meaningful and sustainable long-term actions. **As a result, the following five renewed commitments with concrete outcomes and actions have emerged:**

1. Advance a culture of inclusion: Inclusion will be at the core of our culture – how we do things and interact with each other. We will address barriers reinforcing anti-Black racism and systemic racism overall and ensure our organization is a trusting place for healthy, ongoing dialogue on crucial topics.

2. Attract, grow, and retain diversity of teams: We want the best, high performing teams. Tapping into talent from a broad, diverse talent pool is fundamental to achieving that. We will focus on attracting, developing, and retaining diverse teams across our workforce with focus on Black, Indigenous and marginalized communities.

3. Accelerate DE&I into business outcomes to improve equity and better serve customers: We recognize how important it is to work with our store teams and supplier partners to advance DE&I as a top priority. We need to make DE&I part of how we do business – to innovate and better serve our customers, suppliers and affiliates.

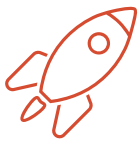


4. Strengthen our communities: Sobeys plays a far-reaching role within and across 1500 communities in Canada. We will partner with Black and other marginalized groups to help build solutions addressing pervasive social issues aligned with our purpose, including critical areas such as access to healthy and affordable food.

5. Measure progress and impact: What gets measured gets done. DE&I measures will be embedded into performance metrics, and progress will be monitored through quarterly scorecards to ensure transformational outcomes are achieved. We will communicate and celebrate our accomplishments.

Our Commitments in Action

What matters most is how these commitments will come to life in specific, tangible ways. To deliver on them, we are taking immediate action in the following ways.



Launching an Inclusive Leadership development initiative, focusing on DE&I awareness and setting clear expectations for the safe and inclusive culture we want to create for our teammates.



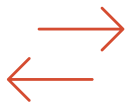
Introducing a company-wide program to educate and raise awareness on DE&I and anti-racism for our leaders and teammates.



Continuing open discussions with Black teammates and expanding our discussions to include Indigenous teammates and broader collaboration across our organization.



Encouraging a more transparent and receptive, “Speak-Freely”, culture, where teammates can engage in healthy and respectful dialogue on tough topics and beyond.



Communicating pathways through which teammates can raise issues and concerns without fear of retaliation or penalty.



Expanding the definition for self-identification and collecting the diversity data we need to provide us with greater clarity in identifying actions and measuring progress towards a truly inclusive and equitable organization.



Evaluating our HR systems and processes to identify systemic biases that impede equity and fairness in decision-making.

These are just some of the highlights in our work in DE&I, planned and underway, which is deep and comprehensive. One of our goals is to make DE&I part of everything we do – it touches all parts of what we do and who we are and is a key priority for all at Sobeys.

What You Can Do

We all have a role to play in delivering on our five renewed commitments and actions for DE&I. Reviewing this briefing is the first step – understanding our DE&I Strategy and Commitments is something we ask of all teammates. We also ask that you:

Educate yourself. Spend some time researching and reading about Diversity, Equity and Inclusion more broadly. Visit our [Jam Page](#) for resources and updates. We are going to work to build our capability in DE&I across the organization – therefore, actively participate in the education and support available to you.

Commit to being inclusive. Here are 5 ways to be more inclusive every day:

- Listen – sometimes just by listening you can make space for someone who may not otherwise have a voice.
- Consider everyone’s views and perspectives – this will bring new ideas to the table and will also help expand yours.
- Speak up – if you see something, say something – don’t watch someone being mistreated and walk away without doing something about it.
- Check your assumptions – are they true? Are you making assumptions based on the individual you met or based on a stereotype?
- Be authentic – when you fully present your authentic self to others you encourage them to be authentic too.

What else can you do?

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More on what you can do to contribute to our DE&I Strategy and Commitments will follow in the coming months. We are going to work hard to build our collective capability in DE&I, including how to demonstrate inclusive behaviours day-to-day and be an ally in the workplace.

And remember – Diversity, Equity, and Inclusion is for everyone, by everyone. It will take all of us to create the change we want to see. And when we get it right, everyone wins.