



**Southeastern
Grocers**

Environmental, Social & Governance 2023 Progress Report





Overview

Southeastern Grocers' (SEG) annual Environmental, Social and Governance (ESG) report showcases our progress in sustainability, community engagement and values-driven operations.

We have proudly aligned our objectives with six specific United Nations Sustainable Development Goals to address hunger, health, education, inequalities, responsible consumption and production, and ocean conservation.

At SEG, we are committed to prioritizing people, products and our planet, fostering a responsible approach to business practices and a sustainable future for all.

United Nations Sustainable Development Goals



Environmental



Relocalize Partnership

In 2023, SEG partnered with Relocalize to pioneer a revolutionary way of producing and distributing packaged ice that is better for consumers, communities and the environment. This initiative utilizes the world's first autonomous, hyperlocal microfactory powered by AI and robotics.



- **100%** of production labor is self-contained to the microfactory at one of SEG's distribution centers in Jacksonville, Florida
- SE Grocers Party Cubes have expanded from two to **six** Winn-Dixie stores and liquor stores in Florida
- Packaging is **100%** recycle-ready and plastic-negative
- Relocalize removes **2 pounds** of ocean plastic for each pound of plastic used
- Improves ice quality and reduces costs compared to traditional bagged ice
- Produces **zero water waste** and reduces trucking CO2 emissions by 90%

SEG & Relocalize's partnership on SE Grocers Party Cubes was recognized by Progressive Grocer's 2023 Editors' Picks for product innovation and collaboration.

2023 Transparency Winner

SEG was proudly recognized by Retail Leaders and RIS News for the 2023 Retail Sustainability Transparency Award. One of our biggest accomplishments in sustainable practices is the implementation of expiration date management software to help identify upcoming expired products and enable our stores to sell through all inventory efficiently. By using this technology, we significantly reduce food waste and ensure that our customers have access to fresh, high-quality products while reducing our environmental footprint.



Animal Welfare & Pollinator Health

SEG is committed to developing initiatives that promote fair practices for animal welfare and pollinator health in the Southeast and beyond by collaborating with supplier partners and nonprofits to cultivate resilient communities and sustainable products.



In 2023, SEG supported local nonprofits dedicated to preserving pollinator health, including donating to Tree Hill Nature Center in Jacksonville, Florida, to plant pollinator habitats in parking lot medians, and Schoolyard Roots in Tuscaloosa, Alabama, to install pollinator beds at elementary schools to provide educational opportunities.

Environmental



Greenhouse Gases

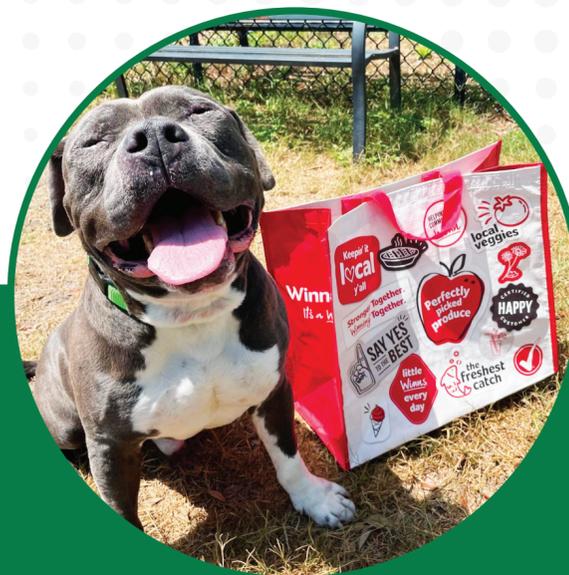
In 2023, SEG continued to reduce greenhouse gases and our impact on climate change. Our emissions continue to trend down.

- Optimize efficient usage of our hot and cold food bars, refrigerators, ovens, stoves and more
- Upstream transportation and distribution fleet decreased total mileage by nearly **9%** and reduced emissions by over **3%**

New Tesla Supercharger stations

- 365,000** charging sessions
- ↑ 42%** increase from 2022
- 3** new charging stations added throughout Alabama and Florida
- 24** stalls now available in Metairie, Louisiana (100% increase)

The expansion of these charging stations aligns with our sustainability commitments and will enable continued reductions in greenhouse gas emissions as more customers in the communities we serve utilize electric vehicles.



Waste

We remained dedicated to reducing waste wherever and whenever possible in 2023.

- Recycled **3,417,552 pounds** of plastic and **54,109 tons** of cardboard
- Supported proper disposal of **15,521** devices through ecoATM partnership
- Eliminated nearly **125,000 pounds** of paper through paperless receipts and reduced printing
- Eliminated **1.95 million*** single-use plastic bags and donated **\$65,000** to support local schools and nonprofits, including animal welfare, education, health and wellness, hunger and disaster relief organizations and more through the Community Bag Program

*Southeastern Grocers estimates one reusable bag will be used at least six times per year, and each time a reusable bag is used, it equates to five single-use bags not used; this means for every reusable bag that is sold, 30 single-use bags are not used.

Social

People-First Culture

“We’re in the people business;
we just happen to sell groceries.™”

Newsweek’s list of America’s Greatest Workplaces

Fortune’s Best Large Workplaces in Retail

Newsweek’s list of Most Trustworthy Companies in America

Forbes’ Best Brands for Social Impact

Newsweek’s list of America’s Greatest Workplaces for Diversity

Newsweek’s list of America’s Greatest Workplaces for Women

Newsweek’s list of America’s Greatest Workplaces for Parents and Families



Great Place To Work
Certified for the fourth
consecutive year



Belonging, Inclusion & Diversity (BID) Initiatives

MOSAIC: We deepened our unwavering commitment to belonging, inclusion and diversity (BID) with our newly formed associate resource group – Mobility, Support, Accessibility and Inclusion in the Community (MOSAIC). The purpose of MOSAIC is to educate, advocate and celebrate SEG associates of all abilities by sharing experiences, providing educational training around disabilities, and advocating for disability diversity, equality, inclusion and accessibility.

Introducing BID Champions: We appointed two BID Champions to serve as advocates for diversity and inclusion initiatives within each district and help raise awareness and drive positive change at the local level. By having champions in each district, we are ensuring these efforts are spread across our organization and the communities we serve.

WeSEG Conference: Our third annual WeSEG Conference was centered around the theme of allyship and the importance of embracing change. We delved into the concept of allyship, explored various dimensions of diversity and highlighted the benefits of collaborative efforts with participants.

BID Survey Launch: We conducted our inaugural BID survey to gain insights into how we support our associates across all organizational levels. This voluntary survey shows a commitment to understanding the experiences and perceptions of our associates regarding diversity and inclusion, enhancing our understanding of their needs and experiences within our company. By engaging with associates at all levels, promoting awareness and providing opportunities for learning and discussion, our organization is taking meaningful steps towards building a culture of allyship and acceptance.

47%

of in-store associates are diverse (ethnicity)

21%

of directors and above are diverse

27%

of directors and above are female



In celebration of our newly formed associate resource group – **MOSAIC** – SEG proudly donated \$5,000 to The Jericho School for Children with Autism.

Social

Supplier Diversity

We focus our supplier diversity strategy on providing the communities we serve with relevant products and bringing innovation, business solutions and success stories to our business and the industry.

In 2023, we increased our diverse supplier count by more than 13% and our Local & Diverse Supplier Connect, launched in partnership with RangeMe, received the highest engagement with significant growth in category submissions since launch. The event's purpose is to foster an inclusive opportunity for suppliers to join our winning network with a focus on:

- Local partners that have manufacturing plants located in our five-state footprint.
- Diverse partners that are at least 51% owned, operated and managed by women; Black, Indigenous, Asian, Hispanic, LGBTQ+ people; military veterans or people with disabilities.



We welcomed two new Own Brand diverse suppliers in 2023:

- SE Grocers Plantain Chips from Ecuador-based supplier Life Food Products
- SE Grocers Soda Crackers from Dominican Republic-based supplier Grupo Bocol

Educational Scholarships

As part of SEG's commitment to furthering education and investing in the development of our associates, we award full- and part-time associates with college scholarships.

- **\$84,000** awarded in scholarships to 28 associates
- **\$212,000** in scholarships provided since 2020

Yalena “Yaya” Arias began her career with SEG when she was 16 years old and always knew she wanted to grow her career in human resources. She worked diligently through SEG’s Retail Leaders program, ultimately becoming a Customer Service Manager in Pensacola, Florida. Yaya later became a Retail Training Specialist, while also completing her studies for a B.A.S. degree in Business Administration with a concentration in Human Resource Management from Pensacola State College. Currently, Yaya proudly serves as a Human Resources Business Partner for SEG’s South Florida region.



“The SEG scholarship program is just one example of how SEG cares about its associates and their development. Being a part of the SEG community is bigger than working for a grocery store. It’s working with a team of individuals who show they care passionately about you, your dreams and aspirations. SEG continues to show how they care about their people and about what truly motivates them to be the best version of themselves.” – **Yaya Arias, SEG Scholarship Recipient**

SEG Cares Foundation

The SEG Cares Foundation allows us to help our most valuable asset, our people, during their greatest times of need. In 2023, **we donated \$223,733 to more than 210 associates and their families** facing hardships, including displaced housing, unexpected death or illness, loss of wages during major hospitalization or emergency travel.



Diverse Supplier Spotlight

Goya has been a proud Hispanic-owned supplier partner of ours for more than 40 years! Prudencio Unanue Ortiz was a man of the people. His love of Latin food brought him from Spain to Puerto Rico and eventually to New York and New Jersey. Prudencio and his wife, Carolina, knew there were customers who required high-quality Latino foods, such as olives, olive oil and sardines. Their distribution company was originally known as Unanue & Sons, and in 1961 it became Goya Foods.



Social

Charitable Giving

The SEG Gives Foundation aligns giving with causes that are priorities to the communities SEG serves, including the fight against hunger, support for military service members and their families, relief to those affected by extreme weather and natural disasters and championing belonging, inclusion and diversity by combating social injustice to bridge the gap of inequities faced by many individuals, families and communities.

In 2023, SEG, together with the SEG Gives Foundation, proudly donated more than **\$3.7 million** back to the local communities we serve.



Fighting Hunger

Feeding people is not only our business, it's our passion. We believe it is our responsibility to help families put food on the table, and we are steadfastly committed to fortifying the well-being of our local communities. Since 2005, we have partnered with Feeding America® to fight food insecurity and have contributed more than 265 million pounds of food through our Food Rescue Program.

- **\$560,000** donated to support hunger relief
- **13 million pounds** of food donated
- **25** mobile food pantry events



Disaster Relief

As a grocer serving five coastal states in the Southeast, our communities have weathered many storms, and we know firsthand the devastation these catastrophic events leave in their wake. We have partnered with the American Red Cross for more than 70 years to help our community members recover and rebuild when disaster strikes, and have donated more than \$11.9 million over the lifetime of our partnership.

- **\$460,000** donated to support emergency preparedness and disaster relief efforts
- Northeast Florida American Red Cross **Community Partner of the Year**



Military Families & Veterans

To honor our brave military members and their families who sacrifice so much for our country, we are proud to partner with multiple military and veteran organizations, including Folds of Honor.

- **\$750,000+** donated to Folds of Honor, funding 150 scholarships to the children and spouses of fallen and disabled military members
- **11%** Veterans Day discount to veterans and active-duty military service members who shopped with us on 11/11



Belonging, Inclusion & Diversity

SEG celebrates our diverse associates, customers and communities, and cultivates an environment that champions inclusion and belonging within our company and the unique neighborhoods we serve.

SEG's Romay Davis Belonging, Inclusion and Diversity Grant program supports organizations that work to address racial disparities in health care, food insecurity and education, while building a more inclusive and equitable future for all.

- **\$1 million** milestone in BID grants since 2020
- 40 nonprofits received **\$400,000** in BID grant funding in 2023





Governance

Effective corporate governance allows SEG to build trust inside and outside of our stores and Store Support Center.

BID Strategy

In 2023, SEG established a five-year Belonging, Inclusion and Diversity (BID) strategy to cultivate a diverse, equitable and inclusive environment for associates and customers.

Some initiatives include enhancing our diverse interview panel and candidate pools, pay and promotion analysis, supplier program accessibility, associate resource groups, BID champions and more. We've defined 2023 as our data baseline and will chart progress toward our goals on a quarterly and annual basis.

Leadership Development

Exceptional leadership is the foundation of successful organizations and sustainable achievement. SEG University, our corporate leadership development platform, established the Empowered Leadership, Advanced Leadership and Next Degree Leadership programs in 2021.

In 2023 alone, 134 associate participants had the opportunity to invest in their career development. Since 2021, 44% of SEG's leadership program participants were promoted.

Our associates, customers and communities can trust that we are the grocer they can always count on for a secure, safe and rewarding place to work and shop.

- **Forbes'** America's Most Cybersecure Companies
- **Newsweek's** America's Best Loyalty Programs

In 2023, we offered three voluntary Diversity Training topics:

- How to be an Ally for Co-Workers with Disabilities
- What is Psychological Safety
- Creating a Supportive Environment for Working Parents, Guardians and Caregivers



Conclusion

SEG is dedicated to being a responsible and trusted grocer that prioritizes the needs of both present and future generations. We believe in taking purposeful steps for lasting change and instilling sustainability in every aspect of our business.

By working together with our supplier partners, customers and communities, we have made significant strides in our efforts to nourish and sustain our communities and our associates, and we will continue to do so for years to come.

The report was compiled by our Environmental, Social and Governance (ESG) team to the best of our abilities. Figures were estimated and calculated in good faith. The report was reviewed by management; however, it has not been third-party verified. The company may consider third-party verification in the future.

This report encompasses 2023, unless otherwise noted. Southeastern Grocers operates a continually changing business and throughout 2023 maintained operations of Fresco y Más; therefore, this report is inclusive of the subsidiary's operations. Southeastern Grocers takes on no responsibility to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.