

SUSTAINABILITY

REPORT





Images courtesy of Feeding America

WE REMAIN
DEDICATED TO
KEEPING OUR
PLANET STRONG
AND HEALTHY.



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Images courtesy of Feeding America



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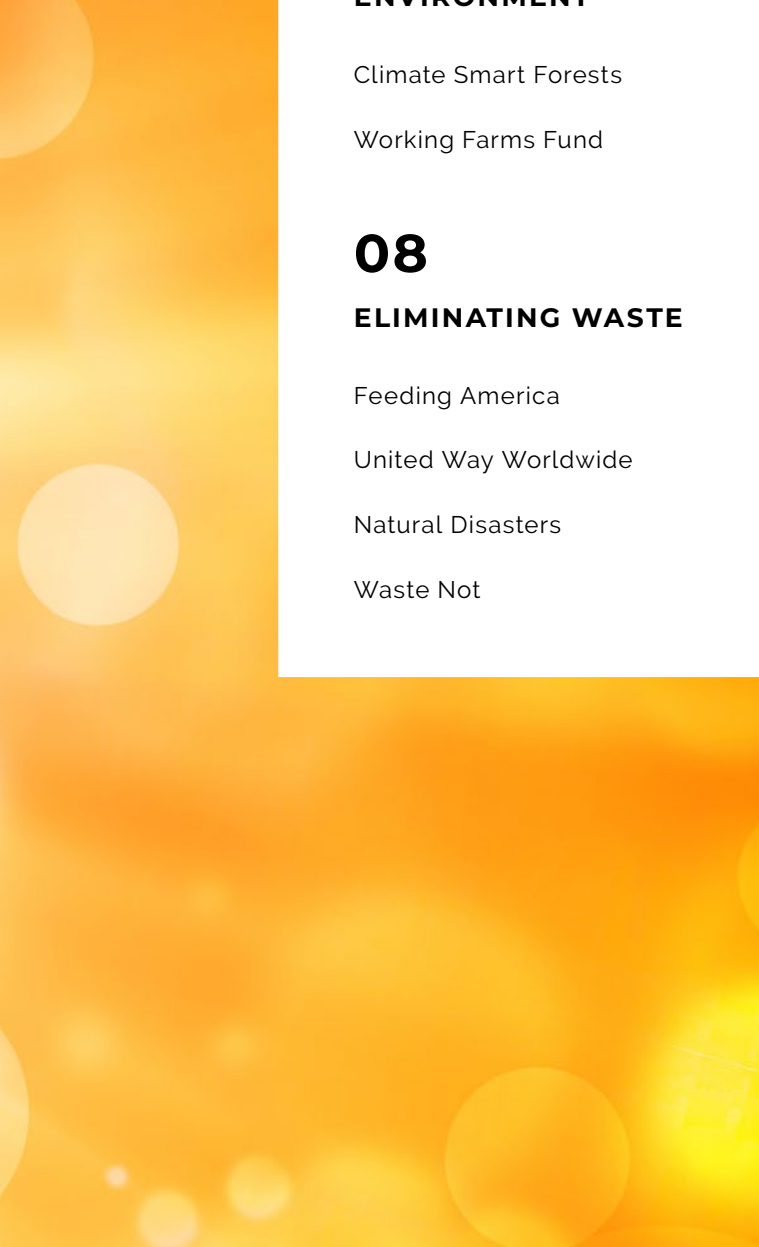
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↓ 6%

**annual reduction in
greenhouse gas (GHG)
emissions in**

2021

Our Mission & Vision

CONTINUOUSLY MAKING OUR COMMUNITIES BETTER

At C&S Wholesale Grocers (C&S), our commitment to the environment is at the core of our business operations and the passion that drives our employees every day. In 2020, the C&S Sustainability Committee set forth a comprehensive strategic action roadmap — *The Green Path Forward*, which established Company best practices and targets in the following focus areas:

- » Preserving the Environment
- » Working to Eliminate Waste
- » Lessening our Carbon Footprint

In each of these areas the Company has an overall goal to improve operational efficiencies, focused on reducing waste and energy consumption by 5% every year through 2025. These goals are communicated and supported throughout C&S. It is not just the role of the C&S Sustainability Committee Leaders, but every employee, to make sure that we are achieving these targets and changing our communities for the better.

We are proud of this work and of our employees for their unrelenting dedication to achieving these important milestones. Even in the midst of the challenging times that we are all dealing with, we remain dedicated to keeping our planet strong and healthy.



C&S SUSTAINABILITY COMMITTEE **LEADERS**

Chair

Bryan Granger
Senior Vice President of Compliance & Administration

Members

Pete Bassignani
Director of Operations, Warehouse Operations

Mike Hunsicker
Senior Analyst of Logistics Programs

Alex Murch
Vice President of Fleet & Warehouse Asset Management

Andrew Bonnette
Senior Analyst of Strategic Sourcing

James Jones
Senior Director of Automation, Design, & Construction

Erin Rausch
Purchasing Manager of Strategic Sourcing

Jeanne Burns
Vice President of Operations Law & Real Estate, Compliance

Jamielee King
Vice President of Non-Perishable Procurement

Mike Remy
Senior Director of Operational Network Strategy

Victor DeJesus
Program Manager of Continuous Improvement, Warehouse Operations

Lauren La Bruno
Vice President of Communications, Change Management & Community Relations

Lesley Schafer
Senior Manager of Refrigeration, Facilities

Alana Fiero
Specialist of Communications and Community Relations

Derek Medders
Senior Manager of Refrigeration, Facilities

Warren Wilhoit
Director of Environment & OSHA Compliance

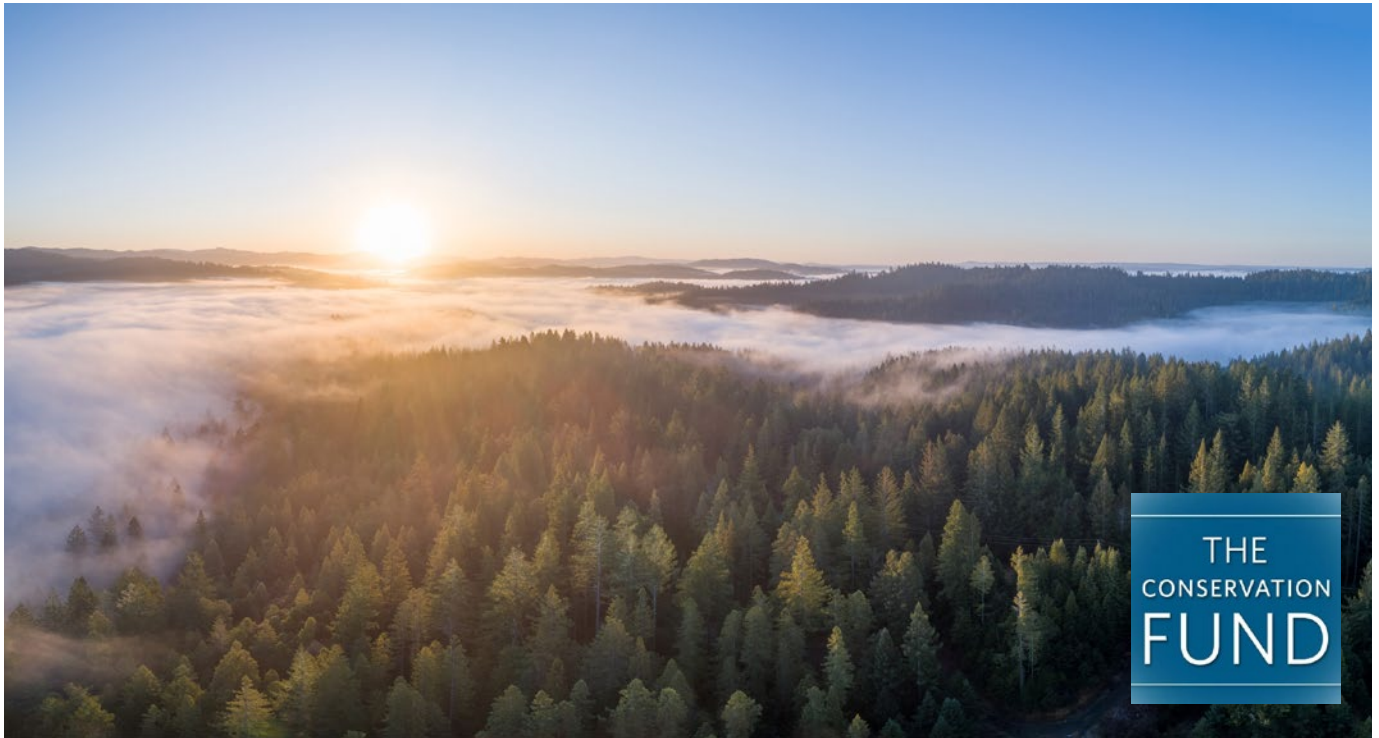


Image courtesy of The Conservation Fund | Photographer Ivan LaBianca

PRESERVING THE ENVIRONMENT

1

C&S's strong partnership with The Conservation Fund has enabled us to make a significant impact throughout the United States. Through our financial support of their Climate Smart Forests Program and Working Farms Fund, C&S has been able to drive significant long-term changes in preserving our environment.

CLIMATE SMART FORESTS

Protecting forests from fragmentation and conversion into non-forest uses is an immediate, actionable and proven way to remove carbon dioxide from the atmosphere. Forests in the U.S. sequester more than a half-billion metric tons of CO₂ per year — 60 times more carbon than any other natural land ecosystem. Protected forests are an essential tool for mitigating climate change, while also benefiting wildlife habitat and sustaining jobs in rural communities.

FORESTS IN THE U.S. SEQUESTER MORE THAN A HALF-BILLION METRIC TONS OF CO₂ PER YEAR — 60 TIMES MORE CARBON THAN ANY OTHER NATURAL LAND ECOSYSTEM.

WORKING FARMS FUND

The Working Farms Fund program is a first-of-its-kind program that creates a pathway to farm ownership for next generation farmers. This Fund protects at-risk farmland and connects farmers to technical assistance and new markets to grow a more sustainable local food system. C&S is proud to support this Fund, which directly secures support for:

- » Farm acquisition due diligence.
- » Farm start-up infrastructure investment.
- » Coordination of conservation easement funding for permanent farm protection.
- » Farmer outreach and screening to build a pipeline of next generation farmers for the program.
- » Coordination of farmer support services, including technical assistance and new market opportunities for farmers.



Image courtesy of Atlanta Harvest | Photographer Asa Ysrael



Images courtesy of Feeding America



ELIMINATING WASTE

2

As an industry leader in wholesale grocery supply, C&S always looks for ways to eliminate food waste and help those who are food insecure. In each of our communities, we have strong ties to local partners who help us ensure that those most vulnerable in our communities are fed. In 2021, C&S donated more than 5,000 tons of food to 26 food banks across the United States.



C&S has supported the Feeding America network of food banks since 1994 and together, we helped provide millions of meals to neighbors in need. C&S works with Feeding America on many child hunger initiatives, including the Backpack and School Pantry programs. In addition, C&S provides donations of food, funds and disaster-relief items to 26 member food banks and lobbying efforts to provide additional help to those that are food insecure. When it comes to food, many are faced with endless decisions. For millions of people in America, a daily meal is a choice between food and other critical needs — like medicine, utilities or childcare. Our strong partnership with Feeding America helps support families in need.



IN 2021, C&S RAISED MORE THAN \$840,000 FOR UNITED WAY ORGANIZATIONS ACROSS THE COUNTRY.



For almost 20 years, C&S has been a proud sponsor of the United Way. Their life-changing work champions programs that enable early childhood success and support young adults by creating healthy communities and ensuring financial stability for families. Each year, employees across the Company take the pledge to provide resources to continue these initiatives in a special workplace campaign.

In 2021, we recognized that everything was not back to normal, but we value our commitments to making our communities better and designed a special United Way Workplace digital campaign to continue our support. C&S raised more than \$840,000 for United Way organizations across the country.



Images courtesy of the United Way

NATURAL DISASTERS

C&S is a part of communities throughout the United States. When disaster hits, we are among the first to help rebuild the community with the support of food, water and monetary donations. In 2021, natural disasters were at an all-time high and C&S worked tirelessly to help those in need.



When Houston was battered by Winter Storm Uri in February 2021, C&S worked with local food banks to send food and water while rescue efforts were underway. During the wildfires that ravaged the Pacific Northwest, C&S supplied financial assistance to Rogue Climate, which enabled them to provide much needed food, water and personal care items to local residents.



Image courtesy of the American Red Cross



When Hurricane Ida wreaked havoc on Louisiana, C&S continued operations to keep food on shelves while also supporting on-the-ground efforts, including partnering with the American Red Cross to send several shipments of food and water, keeping our own employees and their families safe, and helping local first responders and other key infrastructure companies with direct support.

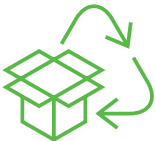
In December 2021, when the devastating tornado outbreaks occurred in Kentucky, Tennessee, Missouri and Arkansas, C&S donated to our valued partner, the American Red Cross, to help them set-up emergency shelters and assess the local damage to determine where support was most needed.



WASTE NOT

A critical part of *The Green Path Forward* is to ensure that C&S minimizes waste in operations. The Company leverages “Waste-to-Energy” outlets and composting options where available, while increasing our recyclable material strategies to support the diversion of waste from landfills.

IN 2021, WE KEPT A LOT OF WASTE OUT OF LANDFILLS:



Cardboard



**15,355
tons**



**Plastic
Shrink Wrap**



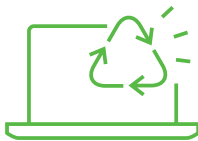
**3,226
tons**



**Warehouse
Paper**



**104
tons**

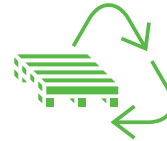


eWaste



(computers, printers)

**6
tons**



**Wooden
Pallets**



**19,730
tons**



Image courtesy of Feeding America

LESSENING OUR CARBON FOOTPRINT

3

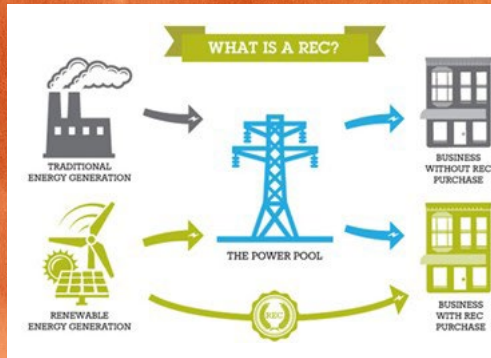
While C&S has blazed a path in our industry, we work very hard not to increase our carbon footprint. In 2021, we took our efforts to the next level — investing in upgrades throughout our network.



LED LIGHTING

Over the years, C&S has made significant investments in LED interior lighting across our network. In 2021, C&S began upgrading our exterior lighting to LEDs at multiple facilities. In addition, at any sites that have not been totally upgraded to LED, our Facilities teams installed LED replacement lights when old fixtures expired. Our goal over time is that all our facilities will be fully LED, which will save millions of kilowatt hours per year.





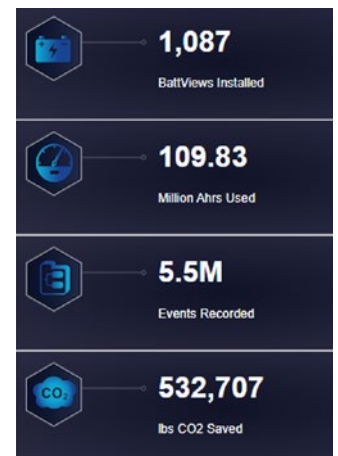
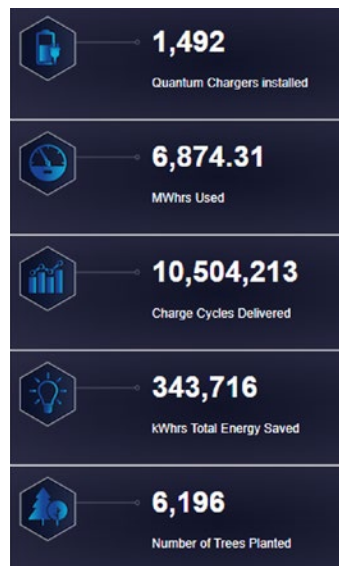
RENEWABLE ENERGY CERTIFICATES (REC)

C&S has made several investments in Renewable Energy Certificates (RECs) in support of the development of clean and renewable energy. These RECs are made up of 100% wind power from sources in the United States. Plans are underway to increase our REC usage in the future.



BATTERY TECHNOLOGY

The launch of our Battery Management System (iBOS), which led to a 3.8% reduction in batteries and a 2.5% reduction in chargers, drove C&S to move forward with a newer technology from Advanced Charging Technologies (ACT), driving further savings. C&S is leveraging ACT, a new battery management system, moving forward throughout our network. An online portal enables us to monitor site usage. In 2021, C&S added one site for a total of three total sites that are completely ACT installed. In our other facilities, if we have to replace a charger, we install an ACT. All facilities are on their digital platform. Within that platform, there is a tracker that follows the categories here, including, CO2 reduction in pounds:





GREEN REFRIGERATION

C&S has made tremendous investments in green refrigeration systems. We use a natural refrigerant (anhydrous ammonia — NH_3) within almost 100% of our warehouses. As a refrigerant, ammonia offers three distinct advantages over other commonly used industrial refrigerants. First, ammonia is environmentally compatible. It does not deplete the ozone layer and does not contribute to climate change. Second, ammonia has superior thermodynamic qualities, as a result ammonia refrigeration systems use less electricity. Third, ammonia's recognizable odor is its greatest safety asset. Unlike most other industrial refrigerants that have no odor, ammonia refrigeration has a proven safety record in part because leaks are not likely to escape detection.

C&S has made every effort to switch our entire network to natural refrigerant. In fact, only one facility remains that utilizes a non-natural refrigerant, with a plan currently underway to convert that facility to 100% natural. Our corporate refrigeration team is heavily involved with the International Institute of Ammonia Refrigeration (IIAR), with strategic initiatives, which align with our **The Green Path Forward**. The IIAR is a technical member organization with industry representation from all facets of the natural refrigeration

community, including manufacturers, engineers, contractors, end-users, academics, scientists, trainers and more. IIAR monitors federal regulatory and legislative proposals involving the use of ammonia and other natural refrigerants regarding the industrial refrigeration community. Through its involvement with coalitions involving other organizations and member companies dealing with ammonia, IIAR strives to ensure that the viewpoints of all our members are heard by Congress and federal agencies.

In addition, C&S made significant investments to increase our system efficiency in 2021, including:

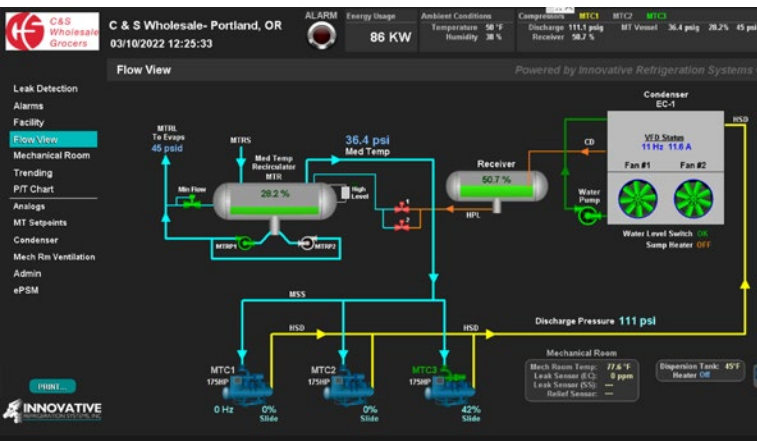
- » The installation of new evaporative condensers with variable frequency drives (VFDs) at seven locations.
- » Upgraded refrigeration control systems at two facilities, which enabled much more efficient operations and the monitoring of system operations, while also allowing for quick adjustments to improve operating efficiency.
- » In addition, C&S added operational improvements at five additional freezer facilities following a pilot study in Aberdeen, and energy savings tracking is in place to determine effectiveness for future locations!





REGULATORY COMPLIANCE

This year, C&S migrated all our ammonia refrigerated sites into a computerized maintenance and compliance software program called ePSM. This software helps us stay on top of all maintenance and regulatory requirements for our ammonia refrigerated facilities. This in turn ensures our compliance with both OSHA and EPA and also ensures the safety of our employees, the environment and the communities we serve. We continue to carefully manage our AST & UST fuel tanks by maintaining compliance with all federal and state requirements. We renewed our partnership with Covanta in Hawaii to drive down our carbon footprint by utilizing their burn-to-energy facility that takes our warehouse refuse and turns it into power for the island. C&S is also continuing efforts to stay compliant with the regulated waste we generate at our distribution centers. We continue to complete maintenance projects annually to maintain our storm water controls at our sites, which protects the ecosystems around our facilities as well as the communities at large.



WE FOLLOW A PERPETUAL REPLACEMENT CYCLE, CONSTANTLY ADDING NEW TRACTORS AND TRAILERS TO OUR FLEET WITH THE LATEST INNOVATIONS.

CLEAN DRIVING

C&S operates a constantly evolving Transportation fleet, maintaining late-model tractors and trailers with ever lighter materials and more fuel-efficient technology. Over the last five years, C&S has followed a perpetual replacement cycle, introducing 1,050 new tractors and 3,500 new trailers with the latest innovations.

After two successful pilots in 2021, C&S formally launched the network-wide use of smart refrigeration profiles on our trailers. Smart profiles allow for consistency in trailer refrigeration unit (TRU) settings and operating efficiencies. Pilot studies revealed a 5-7% reduction in fuel consumption when operating on a smart profile, due to constant, automatic optimization. Smart profiles also provide for better temperature integrity and an easier user experience, which reduces the risk of food waste. Currently, 76% of refrigerated trailers in our fleet are smart-capable, and C&S anticipates 100% by 2025!





Standard equipment specs are geared toward fuel economy and include aerodynamic add-ons, low-rolling resistance tires, tire inflation systems, electric standby refrigeration units (allows for plugging in), solar roof panels and lightweight aluminum wheels. In the face of ongoing supply chain disruption, C&S has taken important steps to ensure transportation efficient operations, including:

- » Improving trailer fill to maximize cases-per-shipment and reduce miles.
- » Reducing overloads (overflow pallets) to cut down on extra shipments.
- » Combining inbound order pickups when ordered quantities cannot be fulfilled.
- » Piloting work to reduce otherwise empty miles by aligning public freight opportunities to our distribution network.



WE CONTINUOUSLY MAKE
OUR WORK ENVIRONMENT
AND COMMUNITIES BETTER.

sustain

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