



C&S Wholesale Grocers Sustainability Report



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IT'S A LEGACY

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DEAR CUSTOMERS, PARTNERS AND FRIENDS:

I am very proud of the work that the C&S team does every day. Not only do we feed our communities, but we also operate in a way that ensures our planet is healthy for generations to come.

This year, we made many strides in our strategic sustainability goals contained within C&S's *The Green Path Forward*. The team also added new objectives and found even more opportunities to ensure that our daily work is good for the environment.

As always, the proof of these efforts is in the results. Please take the time to read through this report and see the incredible work that has been achieved, which is due to the commitment and dedication of thousands of C&S employees.

I may be partial but I think you will agree their passion truly highlights why C&S IS THE BEST.

Sincerely,

Bob Palmer, Chief Executive Officer



C&S VALUES

At C&S Wholesale Grocers, LLC (C&S), we play an integral role in serving our country's most important infrastructure — nourishing our communities. It's more than a job. It's a legacy. We keep our values alive through a culture that embraces differences, promotes innovation and is focused on giving back:

- » We work as one team.
- » Every person matters.
- » We're tenacious in fulfilling our commitments.
- » We challenge the status quo.
- » We continuously make our work environment and communities better.

It's these values that transform our daily work into a mission.

THE GREEN PATH FORWARD

C&S continuously works to enrich the lives of our families, friends and neighbors. In fact, it is one of our values! For more than 104 years, it's been our legacy and our passion to operate in a way that not only drives our growth but also helps others. That's why in 2020, the Company formalized its sustainability plans with a clear strategic action roadmap, *The Green Path Forward*. This plan details all our collective efforts into one clear, concise set of objectives that serve as guideposts for our daily work in three key focus areas:

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

With less than three years into our roadmap, we have many programs and initiatives underway that are driving our sustainability goals. In fact, C&S has achieved a 12% reduction in its measured network year over year in greenhouse gas (GHG) emissions versus our overall goal of 5%. And we aren't stopping. Each year, our cross-functional Sustainability Committee Leaders leverage their knowledge, expertise and daily work to drive incremental eco-friendly best practices within their respective teams and across the Company.

SUSTAINABILITY COMMITTEE LEADERS

CHAIR

Bryan Granger
Senior Vice President of Operations Law & Compliance

MEMBERS

Pete Bassignani
Director of Operations, Warehouse Operations

Andrew Bonnette
Senior Analyst of Strategic Sourcing

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

Victor DeJesus
Program Manager of Continuous Improvement, Warehouse Operations

Nicole Feml
Executive Assistant, Offices of the CEO and CHRO

Alana Fiero
Senior Specialist of Communications and Community Relations

Mike Hunsicker
Senior Analyst of Logistics Programs

James Jones
Senior Director of Automation, Design & Construction

Jamielee King
Vice President of Non-Perishable Procurement

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

Derek Medders
Senior Manager of Refrigeration, Facilities

Alex Murch
Vice President of Fleet & Warehouse Asset Management

Erin Rausch
Purchasing Manager of Strategic Sourcing

Mike Remy
Senior Director of Operational Network Strategy

Lesley Schafer
Senior Manager of Refrigeration, Facilities

Warren Wilhoit
Director of Environment & OSHA Compliance

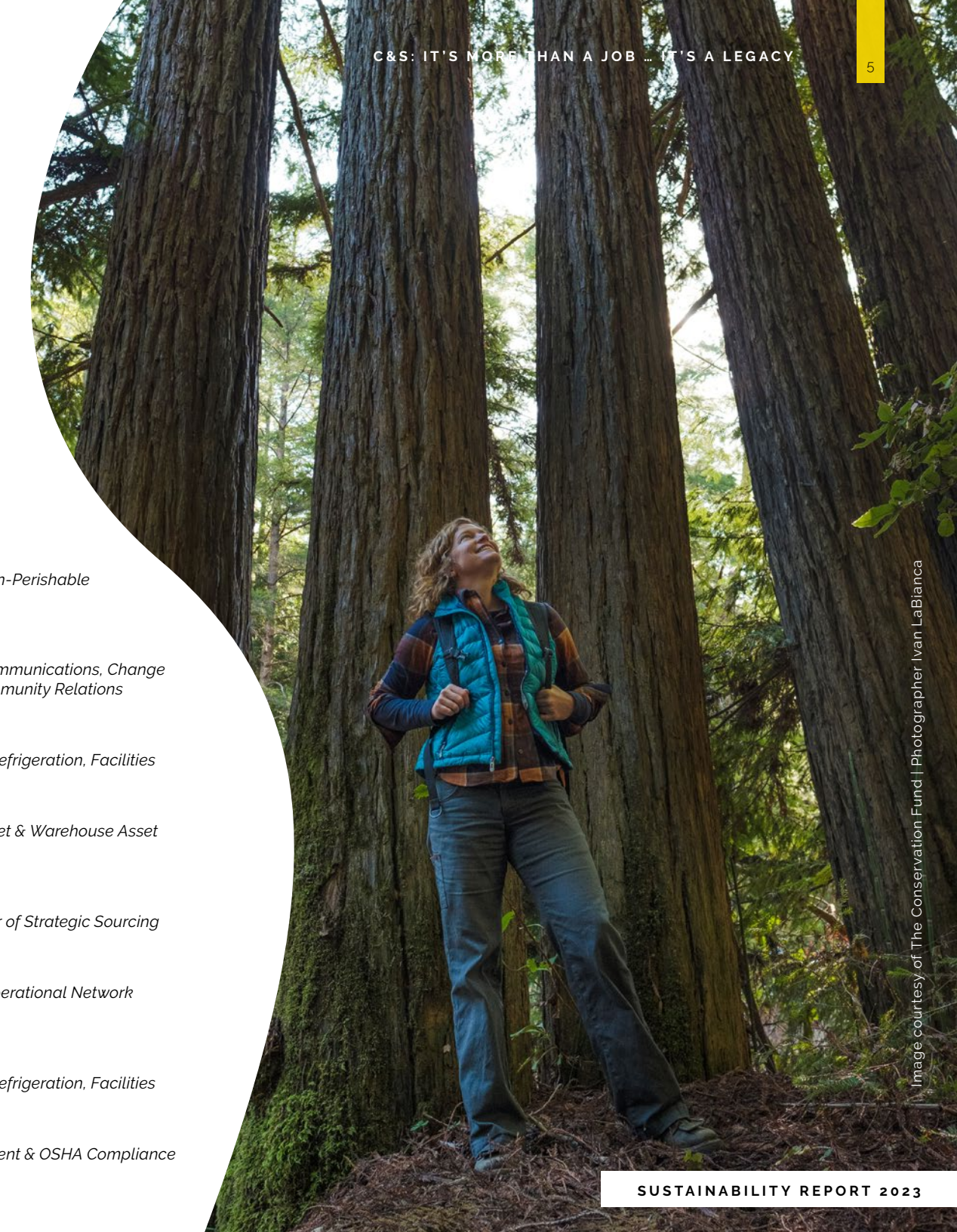


Image courtesy of The Conservation Fund | Photographer Ivan LaBianca

THE CONSERVATION FUND

Since 2007, C&S has partnered with The Conservation Fund on projects that conserve land and combat climate change. The Conservation Fund works to protect America's land and water resources through land acquisition, sustainable community / economic development and leadership training. This strategic organization has worked in all 50 states since 1985 to protect more than 8.8 million acres of land. C&S has focused its support of this important organization on two of The Conservation Fund's most critical initiatives — climate smart forests and the Working Farms Fund.



Image courtesy of The Conservation Fund | Photographer Addison Hill



CLIMATE SMART FORESTS

Well-managed forests are crucial in the fight against climate change and serve as a vital green infrastructure, providing wildlife habitat and capturing and storing vast quantities of carbon dioxide. Forests in the United States sequester more than a half-billion metric tons of carbon dioxide (CO₂) per year — 60 times more carbon than any other natural land ecosystem.

The Conservation Fund works to sustainably manage America's forests to provide environmental and economic benefits for many generations. C&S's efforts to support carbon offsets in 2022 helped ensure the sustainable management of Buckeye Forest, which contains almost 20,000 acres of redwood trees

along California's North Coast. The Redwood Coast of California is one of the most iconic and rare ecosystems in the world, known for its beauty and wildlife. Redwood forests store more carbon per acre than any other forest.

Through The Conservation Fund's pioneering approach, this forest is being managed for maximum absorption of harmful greenhouse gases that contribute to global warming. C&S's purchase of carbon offsets provides a reliable and measurable metric for sequestration of CO₂, while also supporting forestland acquisition, forest management, habitat restoration and the monitoring of carbon projects over time.

WORKING FARMS FUND

The Working Farms Fund supports a new and diverse generation of farmers to expand food production, while permanently protecting significant farmland in key metropolitan areas that produce the highest return of food for people. Today more than ever before, our food system is facing a variety of challenges. Communities across the country are losing 40 acres of farmland every hour. The average age of a farmer in the U.S. is 58 years old and climate change is delivering more unpredictable weather and farming patterns. C&S has partnered with The Conservation Fund's Working Farms Fund initiative to help address these critical issues. Starting in 2021 with the first farm launch in the

Atlanta, Georgia area, the program has grown in the last year realizing many important milestones, including:

- » 10 new farms purchased and growing healthy food.
- » 745 acres of farmland permanently protected for future generations.
- » 40 next-generation farmers now have access to land and affordable farmland ownership.
- » \$6.7 million value of farmland acquired to date.
- » 75% of farm businesses are minority / immigrant / women owned.
- » 3 institutional buyers are purchasing food and expanding markets for our farmers.

In addition, the program is growing with seven farms in Atlanta, Georgia, and three farms in Chicago, Illinois. There are also plans underway to expand the program into the Charlotte, North Carolina, area with more geographies in review for the future!



Image courtesy of The Conservation Fund | Photographer Addison Hill



ELIMINATING WASTE

A fundamental part of C&S's *The Green Path Forward* is to ensure that our daily operations leverage best practices to reduce waste at every opportunity possible. C&S leaders consistently review waste-to-energy outlets and composting options where available, while also focusing on our recyclable material strategies, to support the diversion of solid waste from landfills.

In 2022, C&S kept ALL the below out of our landfills:



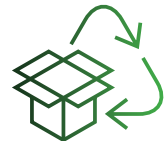
C&S Loaded OCC Bale Trailer



Warehouse Paper



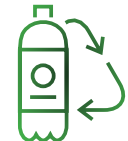
79 tons



Cardboard



13,542 tons



Plastic Shrink Wrap



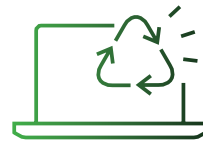
2,335 tons



Wooden Pallets



14,453 tons



eWaste



(computers, printers)

3 tons

Image courtesy of Feeding America

RESCUING FOOD



According to ReFED¹, a national nonprofit working to end food loss, each year 119 billion pounds of food are wasted in the United States. This not only has a substantial impact on our conservation efforts but also has catastrophic implications for the millions of Americans that go hungry each day. C&S has always understood that keeping our communities fed is essential to a healthy planet. In 2022, C&S donated more than 5,300 tons of food to 28 Feeding America member food banks across the country.

Feeding America is the largest charity dedicated to ending hunger in the United States. Since 1994, C&S has supported Feeding America's food banks, pantries and local programs to help those facing food insecurity. Through their local community resources, C&S has been able to ensure equitable access to nutritious food in partnership with local food banks in the communities we serve.

1 www.refed.org



Image courtesy of American Red Cross



Since 2004, C&S has been a proud supporter of the United Way. The United Way helps make life better for more than 48 million people in 1,100 communities, with sustained efforts to improve education and literacy, economic mobility and access to health. Partnering with the United Way gives employees across C&S an opportunity to get involved whether through donation and / or volunteerism in support of causes that matter to them within their local communities. C&S employees donated more than \$800,000 during the 2022-2023 United Way Workplace Campaign. Together, we're making a difference in the communities we serve.



C&S has been a long-standing partner to the American Red Cross to help keep our communities fed and rebuild as devastating weather events impact the lives of our friends and neighbors. During 2022, C&S helped provide food, water and assistance to those impacted:

- » C&S donated more than \$20,000 in financial support for general disaster relief needs in the United States.
- » For Hurricane Ian victims and survivors, C&S donated \$50,000 in financial aid, as well as food and water supplies for volunteers. In addition, C&S provided food donations to our valued employees impacted by the ravages of this hurricane.

C&S also directly works with our local community officials to help during times of crisis. The Company provided bottled water to the Houston Fire Department during a boil water notice and the City of Baltimore during a recent flooding and subsequent E. coli breakout.



BATTERY TECHNOLOGY

C&S continues to leverage Advanced Charging Technologies (ACT), the recognized leader in integrated solutions for forklift battery and charging technologies at several of our warehouses. An online portal, ACT View enables the team to monitor site usage. In 2022, C&S added five sites for a total of eight that are completely ACT installed. In our other facilities, when a charger needs to be replaced, the team installs an ACT. C&S facilities are tracked with a digital platform that follows the categories below, including CO₂ usage reduction:



2022 Jacksonville Tractor Lineup

FLEET SUSTAINABILITY

In 2022, C&S remained on track with our perpetual asset replacement strategy goal. Our tractor fleet continues to maintain a 100% replacement cycle. In addition, our trailer fleet is still on pace at 85% replaced — with a target of 100% by the year 2027. Almost all of our diesel powered assets have been replaced with much more efficient technology over recent years, allowing us to reduce diesel gallon consumption and emissions. In addition, C&S has achieved almost 100% of our plan for scrap recycling old assets. The team continuously looks at a variety of innovations and alternative energy solutions, including electric yard trucks and electric shore power for refrigerated trailers running in our yards. C&S continues to review opportunities to equip our assets with preferred aerodynamic and lightweight fuel-efficient components despite global automotive supply challenges.

Smart profiles have been installed in 84% of C&S's refrigerated trailer fleet, and we are on target to reach our goal of 100% by the year 2025. Currently, the team is focused on equipment specification improvements to ensure driver safety, including cameras and real-time AI-drive coaching. In 2023, C&S is planning to pilot six new Wabash National refrigerated trailers built with technology to further reduce fuel consumption through new insulation and construction techniques.

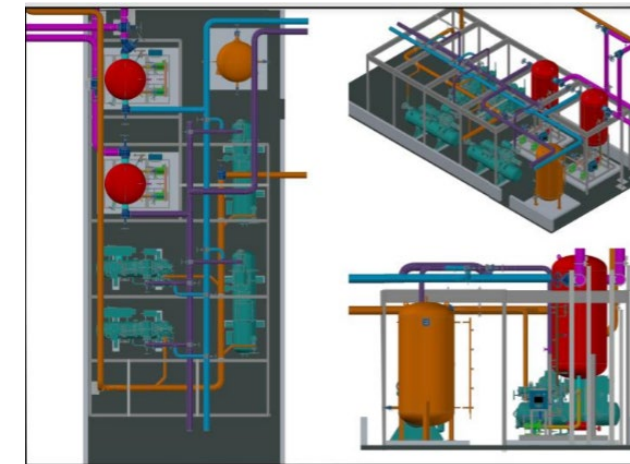
GREEN REFRIGERATION

Hydrofluorocarbons (HFCs) are potent greenhouse gases (GHG) intentionally developed as replacements for ozone-depleting substances (ODS) in refrigeration. They have global warming potentials (GWPs), which are a measure of the relative climate impact of a GHG that can be hundreds to thousands of times greater than CO₂. HFC use is growing worldwide due to the phase-out of ODS and increasing use of refrigeration and air-conditioning equipment globally. The American Innovation and Manufacturing (AIM) Act was enacted by Congress in December 2020 and directs the EPA to address HFCs by phasing out production and consumption; maximizing reclamation; minimizing releases from equipment; and facilitating the transition to next-generation technologies.

C&S has made tremendous investments in green refrigeration systems. We use a natural refrigerant within almost 100% of our warehouses. As a refrigerant, ammonia offers three distinct advantages over other commonly used industrial refrigerants. First, ammonia is the most environmentally friendly refrigerant. It belongs to the "natural" refrigerants group, and it has both GWP and ODP equal to zero. Second, ammonia has superior thermodynamic qualities and as a result, ammonia refrigeration systems use less electricity.

C&S has made every effort to switch our entire warehousing network to natural refrigerant. In 2022, C&S launched a three-year phased project to completely convert our Robesonia, Pennsylvania, warehouse from freon to ammonia. The team has

already installed a portion of the new equipment at the facility. The remaining equipment installations will happen over the remainder of the year with a planned start-up of late 2023.



New Engine Room Layout

In addition, C&S made significant investments to increase our warehouse refrigeration system efficiency in 2022, including these important milestones:

- » Upgraded our refrigeration control systems at two facilities, which enabled more efficient operations and the monitoring of system operations, while also allowing for quick adjustments to improve operating efficiency; and
- » Upgraded our compressor control panels for three facilities to increase operations efficiency. →



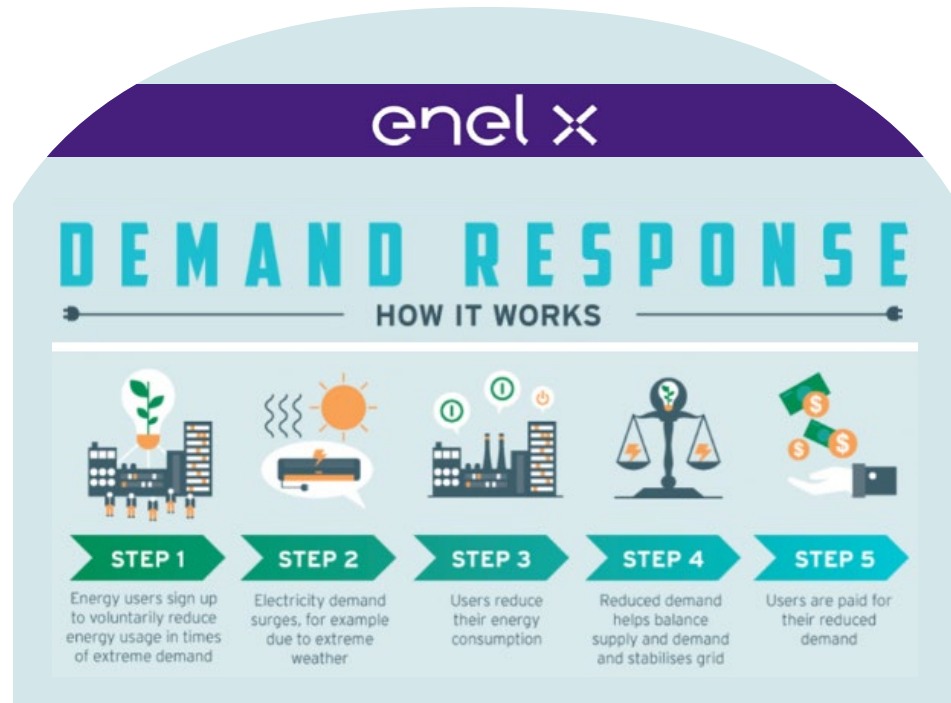
- TRAIN YOUR PEOPLE**
- TUNE YOUR SYSTEMS**
- TRACK YOUR PERFORMANCE**
- TRANSFORM YOUR EQUIPMENT**

This year, C&S launched pilot projects for a Refrigeration Management Software Program at two warehouse locations. If the projected 5% energy usage savings are realized, C&S plans to deploy this program at all refrigerated warehouses. The pilot includes:

- » A centralized platform for refrigeration system energy data;
- » A user interface to generate custom views, reporting and access to real-time energy data, energy action item tracking and performance benchmarking;
- » Real-time metering and data flow support at 15-minute intervals; and
- » Predictive energy model benchmarking.

DEMAND RESPONSE

C&S is actively participating in demand response programs with Enel X – the largest provider worldwide. The Enel X Demand Response Program provides partners with the opportunity to play a significant role in the operation of the electric grid by reducing or shifting electricity use during peak periods in response to time-based rates or other incentives. As part of our partnership, C&S facility leaders work closely with Enel X to shift energy usage away from times when the grid is in high demand. During a curtailment, Enel X notifies C&S about a strain on the utility grid and our facility directors immediately carry out a carefully orchestrated plan to shut down as much power as possible without interrupting operations. The most recent data shows that C&S performed at 88% of the nominated commitment of KW usage reduction by following through with these curtailment shutdowns.



RETAIL OPERATIONS

In 2022, C&S officially opened 11 Grand Union stores in two states, including New York and Vermont. These supermarkets offer competitive prices on a wide variety of fresh foods and an extensive assortment of brand name groceries, as well as signature private brands. The team is quickly aligning our retail operations to be a part of *The Green Path Forward*. In fact, we are converting our R22 refrigerant to more efficient refrigerant at nine retail Grand Union store locations. The existing refrigeration systems at these stores are utilizing R22 [higher ozone depleting potential (0.5) and global warming potential (1,810) refrigerant]. This will be replaced with a refrigerant known as R438A (MO99) that has a zero-ozone depleting potential rating. Although not a natural refrigerant, it follows the AIM Act and C&S is working to improve the immediate problem with a longer-term solution already in place for conversions in the future. In addition, there are many plans already underway in 2023 to have Grand Union go greener. The C&S team is planning LED lighting conversions at nine Grand Union stores to be completed in 2023.

REGULATORY COMPLIANCE

C&S completed the migration of all ammonia refrigerated sites to Electronic Process Safety Management Program in 2021. In 2022, the team focused on refining our programming to ensure sustained compliance in all locations, while also adding two newly acquired sites into the system. To decrease our potential greenhouse gas emissions, C&S converted the remaining portion of our Plant City, Florida, facility from freon to ammonia over the past year. This site is now completely functioning on a natural environmentally friendly refrigerant.

Recently, C&S completed upgrades to the monitoring system of an Underground Storage Tank at our headquarters in Keene, New Hampshire, to ensure tank functionality. In 2023, C&S plans to assess several solar projects, as well as programs to ensure storm water and regulated waste programs stay on track at all facilities in the Company. These initiatives are essential programs in our ongoing commitment to protect the environment.



Plant City, Florida Facility Undergoes Conversion from Freon to Ammonia

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