



People



**Corporate Social
Responsibility
Report 2020**

Product



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Message from Anthony

At Southeastern Grocers (SEG), our associates, customers and communities are at the heart of everything we do.

Providing our customers and communities with a shopping experience they can always count on is *why* we exist—and it’s that commitment to being a trusted retailer that inspires us every day to take actions that will bring about a brighter, healthier, happier tomorrow.

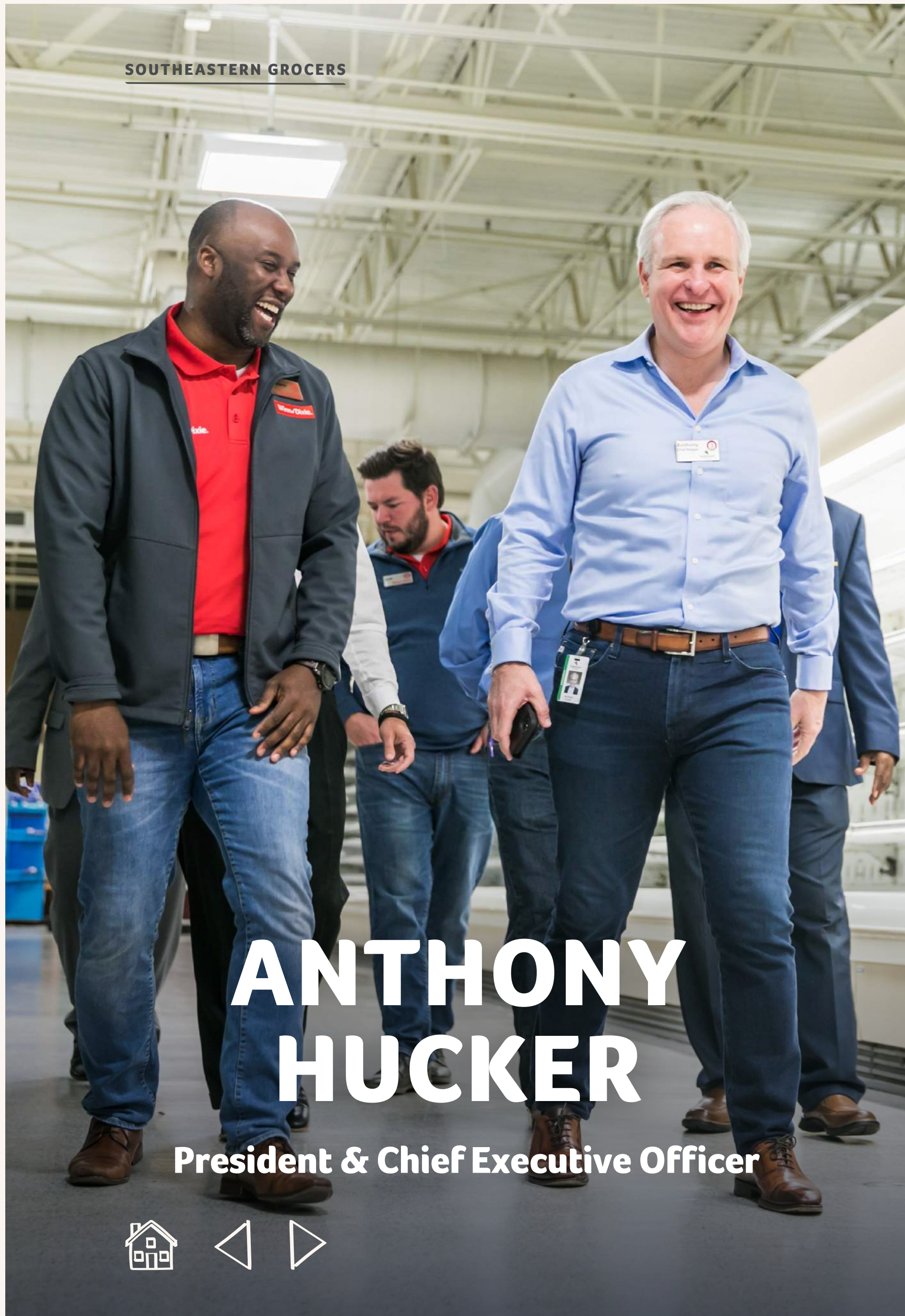
As a people-first organization, it’s important to us that we take purposeful steps for lasting change to ensure the health, strength and safety of our communities. We are committed to a culture of belonging and fostering an inclusive environment where differences are celebrated and everyone is empowered to be their full, authentic selves.

This is why I am pleased to share our inaugural **corporate social responsibility (CSR) report** with you. This report encompasses the work SEG achieved in 2020 to support our people, products and the planet.

ANTHONY HUCKER

President & Chief Executive Officer

**I HAVE ALWAYS SAID,
WE’RE IN THE PEOPLE BUSINESS; WE JUST
HAPPEN TO SELL GROCERIESSM.**



This is true whether you are an associate working in our stores or store support centers or if you are a customer shopping with us. This commitment extends beyond our walls and into the communities we serve.

We are also proud to work with diverse suppliers and those who prioritize sustainability and respect the safety and health of their people, animals and land. As the world shifts toward more sustainable practices, we support our suppliers in this quest.

AS THE WORLD SHIFTS TOWARD MORE SUSTAINABLE PRACTICES, WE SUPPORT OUR SUPPLIERS IN THIS QUEST.

Ultimately, we believe in being reliable, which means understanding how our business impacts the environment and tracking our footprint. The last section of this report outlines our efforts toward respecting our planet. We aim to lessen the amount of waste we generate and encourage recycling at our retail locations and distribution centers.

Plus, we are increasing efficiencies through lighting, refrigeration, water use and beyond in our stores.

We strive to constantly improve, and as we step forward, we are excited to continue building on our efforts to support our associates, customers and communities for generations to come. We will be formalizing our CSR journey, with plans to evaluate our high-impact areas and create goals to support those initiatives. We also look forward to expanding our commitments to sustainability through our operations and the products we supply.

Join us on our sustainability journey, and read more about our efforts in this inaugural report. We truly are stronger together.

Sincerely,

Anthony E. Hucker

Anthony Hucker

President & CEO

You can always count on me!



About Southeastern Grocers

Southeastern Grocers is the parent company of Fresco y Más, Harveys Supermarket and Winn-Dixie grocery stores, liquor stores and pharmacies.

These well-known retailers are respected brands throughout the Southeast. Each holds a deep heritage and a proud history of giving back to their communities. Our talented and caring associates are passionate about serving their communities and are committed to providing shopping experiences our customers can always count on.

We believe:

- * In our purpose: *You can always count on us!*
- * In our Way of Being: We put people first. We care passionately. We do the right thing. We constantly improve.
- * In being R.E.A.L.: Reliable, Empathetic, Accountable Leaders.



Overview

In our first corporate social responsibility report, we are highlighting our efforts during 2020 and identifying avenues for the future of Southeastern Grocers' corporate social responsibility journey.

We recognize that corporate social responsibility is comprised of strategies that lift up our people through racial equity, social justice, economic advancement, education and health, while identifying how we affect climate change and the environment. Read on to learn how we're supporting our people, products and planet.



Sustainable Development Goals

We aligned our work with the United Nations' Sustainable Development Goals (SDGs).

These goals are a call for action by all governments, corporations and other organizations to promote prosperity while protecting the planet.

Of the 17 goals, we are proud to highlight six that we use as guideposts. You'll see these icons spotlighting our efforts throughout the report.



ZERO HUNGER

We help reduce food insecurity through in-store donations, roundup programs and giving initiatives. In response to COVID-19, we ramped up our efforts to eliminate hunger as the virus amplified already food-insecure communities.



GOOD HEALTH AND WELL-BEING

We have the responsibility to be good stewards of public health. Through our pharmacy initiatives, in which we aim to reduce health care inequalities, we contribute to many of the United Nations' Good Health and Well-Being indicators.



QUALITY EDUCATION

We believe in constantly improving; therefore education is fundamental to our values. Through donations, grants and scholarship programs, we commit to promoting lifelong learning and inclusive, quality education for all.



REDUCED INEQUALITY

We are committed to a culture of belonging, inclusion and diversity, where differences are celebrated and everyone is empowered to be their full, authentic selves. This year, we expanded our commitment to belonging through a number of internal and external initiatives.



RESPONSIBLE CONSUMPTION AND PRODUCTION

We're proud of our partnerships with best-in-class suppliers, efficient use of resources and updates that reduce our greenhouse gas and water footprints. We know that meeting the needs of tomorrow starts with efficiencies today.

LIFE BELOW WATER



WATER

We support the conservation of ocean resources and through our seafood sustainability commitment, we aim to do just that.



SECTION ONE

People

**At Southeastern Grocers, we put people first. The following pages highlight our response to COVID-19, fostering a culture of belonging, inclusion and diversity and efforts to lift up our communities. We're in the people business; we just happen to sell groceriesSM.
Read on to learn more.**



COVID-19 response

The pandemic has changed our world in endless ways and we stepped up to help those helping us, from associates to health care workers to the community.

HELPING HEROES

In April 2020, Southeastern Grocers surprised thousands of health care professionals and first responders with free groceries during a designated shopping hour for community heroes.

They are on the front lines every day, working tirelessly to make our communities safer. We wanted to make sure they felt appreciated.

As part of Operation Warp Speed, we are continuing to collaborate with state and federal officials to ensure we are able to administer as many COVID-19 vaccines as possible in 2021.

**LOOKING
AHEAD**





*exclusions include refrigerated and controlled substances

FOOD DONATION

The SEG Gives Foundation donated \$250,000 to Feeding America’s COVID-19 Response fund as well as \$50,000 in shelf-stable products to food banks that were having a hard time keeping their shelves stocked.

CONTACTLESS \$5 BAGS

Stores encouraged customers to purchase \$5 touch-free hunger donation bags at the register during checkout. **\$1.3M was raised to provide immediate food assistance to local food banks.**

PHARMACY

CONTACTLESS

DELIVERY

To protect those most vulnerable to COVID-19, we updated our contactless delivery options:

- 1) Prepaid curbside delivery
- 2) In partnership with ScriptDrop, we launched a same-day delivery* program available to those who are within a 5-mile radius of one of our over 200 pharmacies
- 3) 1-2 day USPS home delivery for any number of prescriptions

HAND SANITIZER

DONATION

The SEG Gives Foundation partnered with our Northeast Florida neighbors at the St. Augustine Distillery to donate more than 2,000 1-liter bottles of hand sanitizer to police and fire departments serving on the front lines in Duval, St. Johns, Clay, Nassau and Flagler counties.

Belonging, inclusion & diversity

Southeastern Grocers is committed to a culture of belonging and fostering an inclusive environment where we celebrate differences and everyone is empowered to be their full, authentic selves.



BELONGING, INCLUSION & DIVERSITY

After multiple and ongoing listening sessions with our Black associates, we learned it is not enough to simply have diversity and it is also not enough to have a sense of inclusion; we must also have a culture of belonging. We're listening to ensure our associates feel valued for their contributions and celebrated for their many unique talents and abilities to foster a culture of belonging, inclusion and diversity.

Our President and CEO Anthony Hucker signed the National Coalition for Racial Justice and Equity's Anti-Racism CEO Pledge, which calls on leaders to move forward with intention to actively dismantle organizational structures and norms perpetuating racism. Furthermore, we invited all of our associates to sign the organization's Anti-Racism Ally Pledge.

As a people-first organization, empowering our associates to be leaders in support of belonging, inclusion and diversity is important to us. For too long, the Black community has had a one-sided conversation about systemic racism and we must all join this conversation. As leaders, we must listen, empathize and take action. We stand with our Black associates, customers and communities and we condemn all acts of violence and racism.

Our environment is only as inclusive as our leaders. Inclusive leaders ensure others know their value and contributions. This is why we created SEG's R. E. A. L. Guide to Allyship, a valued resource to having empathetic and courageous conversations with our teams and taking bold actions to make it clear that we always put people first.

RECRUITMENT

Southeastern Grocers is partnering with Historically Black Colleges and Universities to increase our diversity recruiting efforts and promote our culture of belonging, inclusion and diversity for all current and potential associates.

EXECUTIVE DIVERSITY

It is important that our executive board represent our associates. Therefore, we have 43% female representation and diversity to ensure our associates can look to leadership and identify.



To promote inclusive leadership from all of our associates, we offer continuing education on such topics as unconscious bias and gender identity and expression.

These adaptive trainings help us constantly improve by providing tools to engage in open dialogue. Our goal is to create the best possible work environment for everyone, and we can start with meaningful conversations.

Through our associate resource groups, we foster an inclusive community where we hope everyone feels seen and heard. These groups include:

- ★ Women's Development Network: Women associates and allies
- ★ SEG Pride: LGBTQ+ associates and allies
- ★ Pa'lante: Hispanic associates and allies
- ★ Emerging Leaders: Early in career professionals and allies
- ★ African Americans F.O.C.U.S. (Fostering Organizational Culture to Unite SEG): Black/African American associates and allies
- ★ ASPIRE: Asian & Pacific Islander associates and allies
- ★ Military Families: Veteran associates, military families and allies



**Click here to read our
Belonging, Inclusion &
Diversity statement**





GREAT PLACE TO WORK

In 2017, our executive team set out to ensure Southeastern Grocers would become a great place to work, aiming to create a better working environment for all. After collaborating with the Great Place to Work Institute (GPTW) and surveying associates, SEG officially earned the title in 2020 with over 75% of the team saying “Southeastern Grocers is a great place to work!”

We also found:

- * **86%** feel good about our community involvement
- * **85%** feel welcomed when joining the company
- * **84%** believe management is competent at running the business
- * **84%** feel pride in the company’s accomplishments
- * **82%** believe associates are given a lot of responsibility

WE ARE LISTENING

To constantly improve our company culture and to ensure all SEGers are engaged and feel a sense of belonging at work, we seek associate feedback through our biannual We Are Listening survey.

Some highlights:

- * **90%** have the tools they need to excel
- * **89%** trust immediate management
- * **87%** trust their fellow associates
- * **86%** trust the leadership team
- * **85%** would recommend a family member or friend to work with us

Belonging, inclusion and diversity results:

- * My leadership’s decisions and behaviors show a commitment to our culture of belonging, inclusion and diversity. – **92% satisfaction**
- * My team is committed to creating an inclusive and diverse work environment. – **91% satisfaction**
- * I feel free to express my ideas, opinions and perspectives with the people I work with. – **88% satisfaction**



Romay Davis Belonging, Inclusion and Diversity grant program

NEW
IN
2020

In 2020, the SEG Gives Foundation created the Romay Davis Belonging, Inclusion and Diversity grant program to support nonprofits serving diverse populations throughout the Southeast in the fight for racial equity and social justice, and address racial disparities in education, food insecurity and health care.

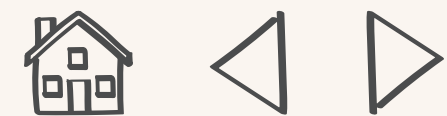
The program is fittingly named after Winn-Dixie's own 20-year associate Romay Davis of Montgomery, Alabama who, at 101 years old, has led an extraordinary life breaking barriers and shattering glass ceilings by challenging society's limited beliefs. Growing up during a time when women and people of color faced restricted rights, Romay served in

World War II, graduated from New York University and thrived in a 30-year fashion career. After retirement, she earned a master's degree and a Black Belt in Taekwondo.

Through this grant program, we hope to provide inspiration and opportunities for others in our community to break barriers and push for equality. Organizations across our footprint were invited to apply for grants to address racial disparities. On Oct. 29, in celebration of Romay's 101st birthday, the SEG Gives Foundation awarded nine nonprofits with a total of \$100,000.

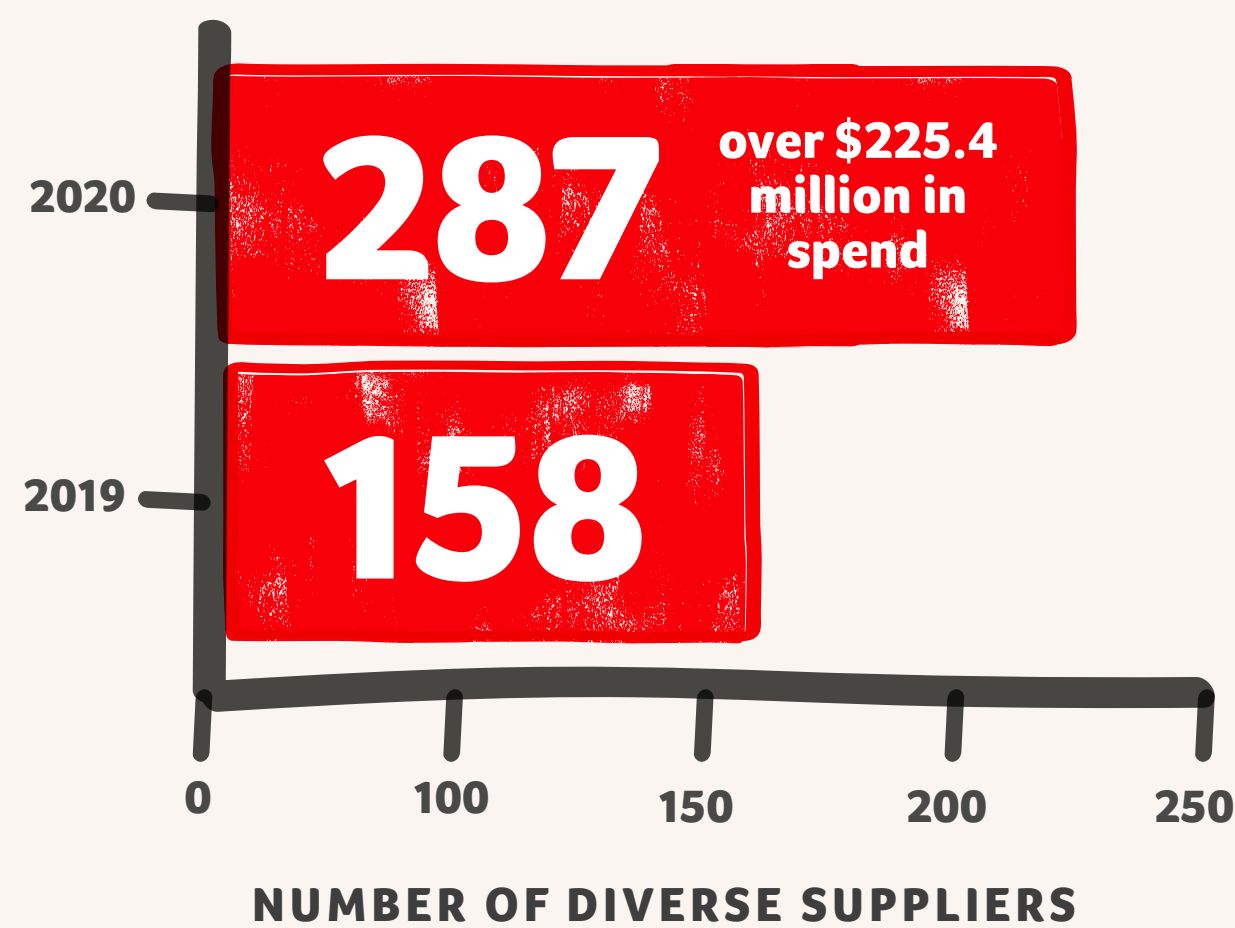


**A total of
\$100,000***
was donated to our
communities to support
belonging, inclusion
and diversity



SUPPLIER DIVERSITY

To extend our commitment to belonging, inclusion and diversity beyond our team and community partnerships, we partner with diverse suppliers. The graph below illustrates an increase in sourcing from diverse suppliers from 2019 to 2020.



In the fall of 2020, Southeastern Grocers became a member of the National LGBTQ+ Chamber of Commerce (NGLCC), a nonprofit dedicated to advancing the economic opportunities of the LGBTQ+ community. This partnership provides supplier diversity resources and is in service of our commitment to a culture of belonging. Our LGBTQ+ associate resource group and allies benefit from this partnership too, with access to webinars, best practice sharing and emerging trends.



Named for the Cuban family's great grandmother, Conchita Foods dishes out Hispanic staples.

From black beans to guava paste, cookies and more, we're proud to offer products from the over 80-year-old brand. Conchita allows us to support Cuban culture and bring customers the quality they know and love.





In 2020, we
 donated more than
13.4 million
 meals
 through retail
 donations

Fighting hunger

The SEG Gives Foundation is comprised of charitable pillars. The first pillar of our commitment is to fighting food insecurity.

We partner with Feeding America®, the nation’s leading domestic hunger-relief organization, and its local food bank partners.



31

Mobile food pantries with \$425,000 in product donations



500+

Associate volunteers at events



370,000

Bags of shelf-stable food donated through \$5 hunger relief bags



14,000,000

Pounds of food donated from our stores.

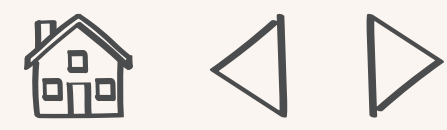


THANKSGIVING

We partnered with:

- * Birmingham Area Food Bank
- * City of Hialeah
- * Dare to Care, a Ministry of the Faith Center
- * Feeding the Gulf Coast
- * Feeding Northeast Florida
- * Feeding Tampa Bay
- * MacDill Air Force Base
- * Miami League of Cities
- * Barnabus Center in Nassau County
- * The New Orleans Saints
- * Serve & Connect
- * USO of Greater Jacksonville

In 2020, 8,675+ Thanksgiving meals were donated to those in need.



Military & veterans

The second pillar of our SEG Gives Foundation benefits those who have served our country and their families. In 2020, we donated more than \$2,706,000 to national and local veterans organizations.

FOLDS OF HONOR

In honor of the sacrifices made by military members and their families, we are proud to partner with Folds of Honor and support their mission to provide educational scholarships to the families of injured or fallen military members.

During our first “roundup” donation program in 2019, our customers helped to raise \$1,216,000 for Folds of Honor, providing 243 scholarships.

In 2020, we set out to raise \$2 million for Folds of Honor by Independence Day. Thanks to our generous associates and customers, we surpassed our goal and raised more than **\$2.5 million, which funded 504 educational scholarships.**

USO OF GREATER JACKSONVILLE

In 2020, we donated \$25,000 and 300 Thanksgiving meals to USO families in Jacksonville.

VETERANS DAY, NOV. 11

We also donated \$80,000 to local veteran and military organizations, and offered veterans and active military an 11% discount in honor of Veterans Day.



Disaster relief



We live and operate in an area prone to natural disasters, which is why the third pillar of the SEG Gives Foundation is focused on disaster relief.

The SEG Gives Foundation donated \$350,000 to the American Red Cross to help them prepare for an active hurricane season and assist in their efforts to prevent and respond to home fires. Because 2020 was the most active hurricane season on record, our customers generously added an additional \$267,500, **bringing our total donations to over \$617,500, plus \$22,000 worth of clean water and ice.**

Our partnership with the American Red Cross spans more than 50 years and totals to more than \$10 million. The SEG Gives Foundation is proud to be an official Red Cross Disaster Responder Partner.

OUR POLICY:

NO ASSOCIATE LEFT BEHIND

Our human resources team contacts every associate in a disaster area and will not stop until they have connected with every single one.

This means we reach out to local shelters and hospitals, as well as contact friends, family and utilize social media to make sure our associates are accounted for. **No method is too creative to ensure the safety of our associates!**



Health-related support

OCHSNER HOSPITAL FOR CHILDREN

Nationally recognized for clinical quality and patient safety, Ochsner Hospital for Children is the leading health system in Louisiana. They offer unmatched pediatric care for everything from well-child checkups and immunizations to cancer care and heart transplants.

In 2020, we contributed more than \$87,000 to Ochsner Health in support of their Children’s Hospital and Cancer Programs.

Southeastern Grocers’ successful Mardi Gras initiatives have raised more than \$200,000 for Ochsner Hospital for Children over the last four years.

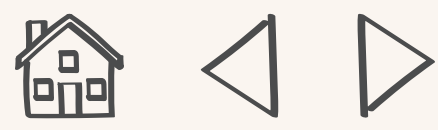
AMERICAN HEART ASSOCIATION

In 2020, Southeastern Grocers and our customers donated more than \$346,000 to the American Heart Association’s Life is Why We Give™ campaign to help pave the way for the next generation of advancements in preventing heart disease and stroke.

BREAST CANCER

Through our roundup program, our generous customers have raised over \$203,000 for the American Cancer Society’s Making Strides Against Breast Cancer initiative.

Ochsner and Winn-Dixie celebrate Mardi Gras with young patients, February 2018.



SEG Cares

Associates helping associates

Our SEG Cares Foundation is a nonprofit funded by donations from our Fresco y Más, Harveys, Winn-Dixie and Store Support associates.

The Foundation gives associates the opportunity to help one another when faced with an unexpected hardship. Each year, we provide relief to associates facing crisis. All donations are tax-deductible and can be made easily through payroll deduction.

Whether helping fellow associates rebuild after severe storms or helping them through other challenging times, our SEG Cares fund provides real help to our associates when they need it most.

In 2020, we
donated more than
\$150k
to associates
in need

WAYS SEG CARES HELPS



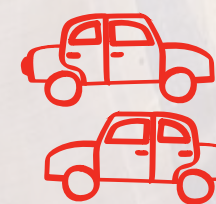
Displaced Housing: Assistance is provided if an associate's home has been destroyed or became unsafe due to natural disaster or if they are facing domestic violence.



Associate Death: If an associate passes away, SEG Cares can help with the funeral costs.



Loss of SEG Wages: If an associate is unable to work due to major illness or hospitalization of themselves or an immediate family member, SEG Cares can help offset the burden of lost wages.



Emergency Travel: SEG Cares can help if an associate must travel to receive medical treatment or for an immediate family member's death and cannot afford the travel costs.





Community bag program

Our community bag program makes it easy for our customers to contribute to their community while reducing single-use plastic bag consumption.

With every purchase of the \$2.50 reusable Community Bag, \$1 is donated to a local nonprofit. When a customer purchases the Community Bag featuring the Giving Tag, they can direct the \$1 donation to a local nonprofit that is important to them. If the customer does not direct the donation within seven days, the \$1 donation will benefit the store's chosen nonprofit of the month.

In 2020, our customers donated
\$133,153

Since inception, this program has raised funds for over 4,600 local nonprofits.

Some highlights from this year's donations:

- * **Over 629** local hunger-relief nonprofits supported
- * **Over 164,300** meals provided to hunger-relief nonprofits



Pharmacy

We are proud to be a health and wellness partner our customers can always count on.

We administer vaccines, provide wellness screenings and work to change the payor paradigm to include more covered services at the pharmacy. The goal: create more equitable access to health care.

During 2020, our pharmacies administered more than 100,000 vaccines.

Florida legislature passed a bill in the summer of 2020 that allows our pharmacists to better serve our communities. Florida pharmacists are now able to diagnose and treat certain nonchronic health conditions, among other expanded responsibilities, which will facilitate quicker recoveries and slow community spread.

MEDICATION THERAPY

TREATMENT

Our pharmacists provide Medication Therapy Management (MTM), using direct patient care to impact health outcomes of our patients. Part of this program consists of pharmacists ensuring prescribed medication is doing what it's supposed to.

In 2020, SEG pharmacists were able to perform over **45,000 services**, in part, because of the expanded MTM via telephone program. Outcomes MTM, the first nationally recognized Medication Therapy Management program administrator, rated Southeastern Grocers' pharmacies as number one in the country.*

**among all medium-sized pharmacies*

eTrueNorth

To help close the health care gap, our pharmacists utilize eTrueNorth tools and provide biometric health screenings such as

- * cholesterol levels
- * body mass index
- * glucose levels and more

These screenings help customers identify undiagnosed conditions and better manage chronic conditions.

eTrueNorth found customers who participate are more likely to visit a doctor when they otherwise would not, working to support healthy communities at a reasonable cost.



OPIOID AWARENESS PROGRAM

The opioid epidemic has threatened the health and safety of our communities, and we have the responsibility to be good stewards of public health. As such, our pharmacists can distribute naloxone, a drug administered for an opioid overdose, without a prescription to help save someone's life.

The summer of 2020 marked the launch of our Opioid Awareness Program. The program includes drug take-back lockboxes in six Jacksonville, Florida pharmacies. Through a partnership with LifeInCheck, in-store lockboxes are available to anonymously dispose of unused opioids.

The goal of this pilot is to eliminate excess opioids from the community and ensure they're only used for their intended purposes.



3 GOOD HEALTH AND WELL-BEING

Responsible marketing

We've always believed in the highest marketing standards, and in 2020, we formalized our responsible marketing statement:

At Southeastern Grocers, we are committed to doing our best for our communities and the people we serve. Being in the people business, we are guided by the highest ethical business practices and operate under these responsible marketing principles:

- ★ We put our communities first, always
- ★ We act and speak up when we see injustice
- ★ We abide by all marketing laws and regulations
- ★ We do not market adult products to minors
- ★ We accurately and honestly communicate products and values
- ★ We protect customers' personal information through data security and quality privacy practices

**NEW
IN
2020**



SECTION TWO

Product

We believe in sourcing responsibly, from our local partners to increasing our selection of plant-based meat offerings. We pride ourselves on bringing quality to our shelves and your home.



Produce

Produce has to be fresh and safe to meet our standards. Southeastern Grocers requires all suppliers to be USDA Good Agricultural Practices certified, also known as “GAP.”

This voluntary certification requires audits every 15 months and ensures the highest level of food safety. All suppliers are required to submit documentation, and when necessary, we conduct audits to validate USDA organic practices.

**No
GMOs &
Radiation**



Supporting



Buying locally and seasonally supports our communities and means fresher produce for our customers! It also means reduced food loss because the less food travels, the lesser the opportunity for damage in transit. SEG is proud to lift up our communities and mitigate waste.

In 2020, we sold more Georgia peaches than any other retailer*

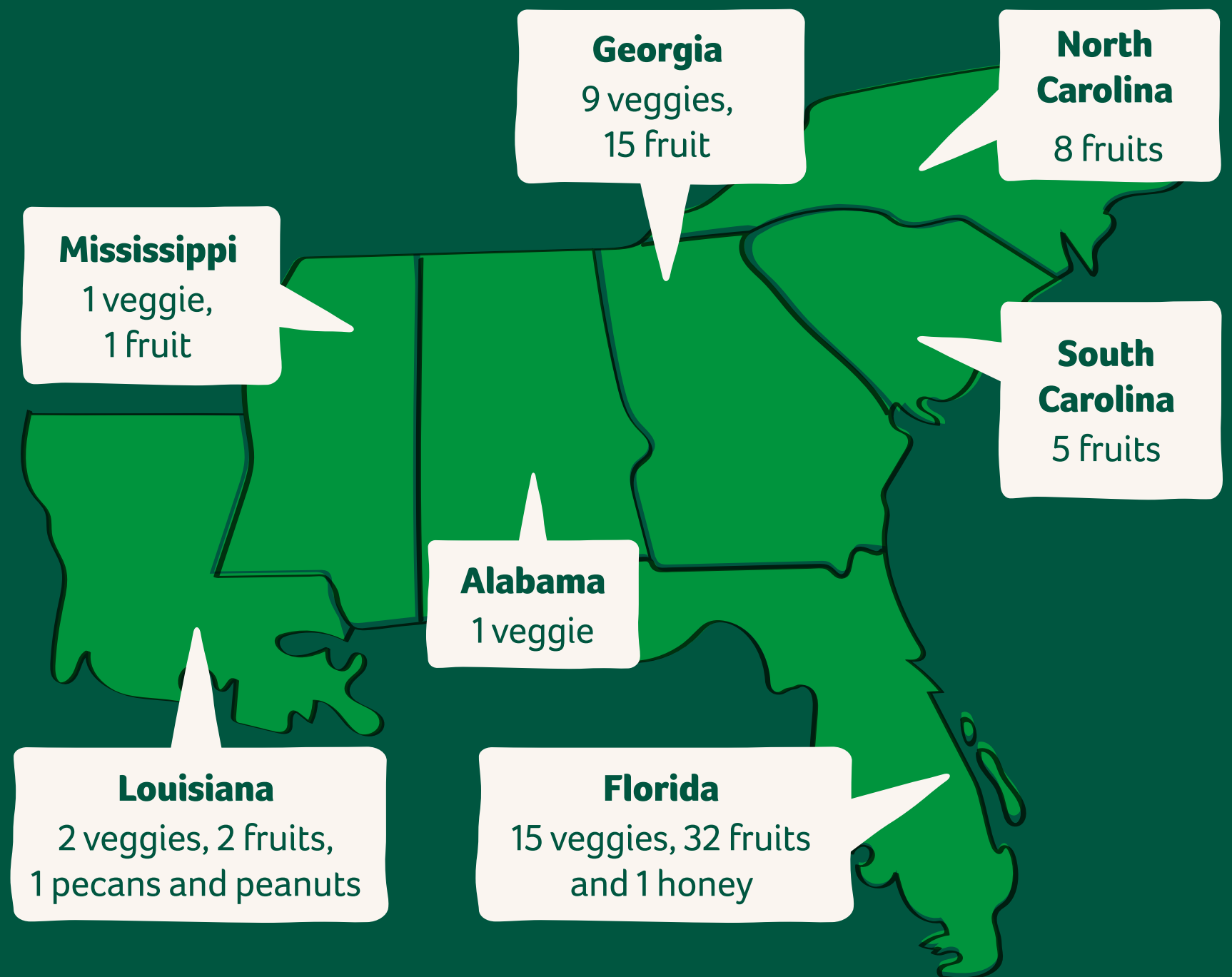
**on a per store average*



OUR POLICY
Whenever possible, Southeastern Grocers sources produce from local farms and orchards.



In 2020, we worked with 93 local suppliers



IN 2020

We sold
10M
local green bell
peppers and
cucumbers

We sold
4M
lbs. of local
tomatoes

We sold
1.1M
local Muscadine
grapes

We sold
1.1M
local strawberries
per month



Supporting Local

In 2020,
we purchased over

150

varieties of fruits & veggies
from growers in the Southeast

When in season,
**all stores sell local and
organic produce**



SUPPLIER SPOTLIGHT



Astin Farms[!] Florida



We partner with several suppliers who have best-in-class practices, one of which is Florida-based Astin Farms.

The 1,500-acre, three-generation family farm grows strawberries and blueberries. They demonstrate the highest standards of food safety and treatment of migratory workers. They adhere to seven sets of guidelines set forth by the U.S. Food and Drug Administration (FDA), USDA and global organizations. Valuing transparency, they have been certified and audited by PrimisGFS on agriculture water quality, soil amendments, employee health, sustainability and other factors. As they surpass standards, commit to transparency and continue to set a high bar for produce sustainability, we're proud to source from a responsible business.



Meat



We work with suppliers who keep animal rights at the forefront.

All suppliers must demonstrate proven animal welfare standards and compliance. This is important to us and it's important to our customers, so we continue to engage with respected organizations and experts in the field to ensure that we're setting a high standard for best practices.

Specifically, our top meat suppliers are incorporating sustainability into their business models and supply chains; enabling Southeastern Grocers to provide products that our customers can feel good about.

We procure
76.5% of our fresh beef from within the United States



Plant-based meat

The first half of 2020 saw a huge demand for plant-based meat — a 700% leap in sales for the substitute to be exact.

In response, we've upped our offerings from one product to 10. Why is this sustainable? Some meat production methods are a significant source of greenhouse gas emissions. Conversely, some vegetarian diets have a much smaller greenhouse gas footprint, water footprint and land footprint.

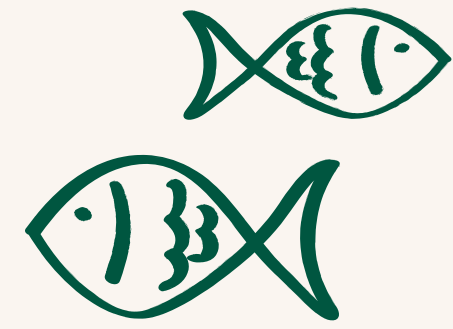
In a study from the University of Michigan, the production of a 4-ounce Beyond Meat's Beyond Burger has 90% fewer carbon dioxide emissions, 99% less water demand and 93% less impact on land than 4 ounces of U.S. beef.

**NEW
IN
2020**

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Seafood[!]



We believe that food and sustainability are intertwined.

Whether our seafood is fresh or frozen, our mission is to provide consistent, high-quality seafood that is delicious, fresh and sourced responsibly.



Collectively, with our suppliers, we work with leading seafood sustainability organizations to demonstrate our commitments to sustainability and social responsibility of the seafood sector, specifically:

- * The Global Aquaculture Alliance (GAA) to ensure our farm-raised seafood supplier partners are adhering to the Best Aquaculture Practice (BAP)
- * The Sustainable Fisheries Partnership (SFP) serves as a sustainable seafood collaborator
- * The Marine Stewardship Council/National Marine Fishing Service to certify and manage sustainable practices
- * World Wildlife Fund to determine sustainable fisheries



FARM-RAISED

All farm-raised seafood, fresh and frozen is BAP certified.

WILD CAUGHT

All wild-caught shrimp and lobster are sourced from sustainable fisheries, which are MSC certified or equivalent. More broadly, we fully disclose the country of origin, method of catch and source location of our wild caught seafood.

TUNA

Southeastern Grocers works closely with our suppliers to ensure 100% of our tuna is responsibly sourced and dolphin-safe. We're very proud to have set this rigid standard and successfully continued in this commitment since 2017. Furthermore, in 2018, we signed the Indian Ocean Tuna Commission's letter supporting Global Tuna Sustainability.

AT-RISK SPECIES

Some species are particularly at risk to overfishing and other unsustainable practices. To help protect these groups, we do not sell bigeye tuna, orange roughy, shark and monkfish.

OCEAN PLASTIC

As a business operating in coastal areas, we can't stand to see plastics in our waterways. We called on our suppliers to share their efforts to reduce plastics in supply chains.

A win: Freshwater shrimp have moved from a 12 ounce to a 1-pound bag, reducing the overall plastic in this process.

OUR PROMISE

We are committed to providing our customers with a large selection of sustainably sourced seafood. We have the highest expectations for our product and our suppliers to ensure quality product is available. We demonstrate this commitment by making the promise directly on our products with the Quality Promise of Sustainably Sourced Seafood stamp.



Eggs & dairy'

We work with suppliers who keep animal rights at the forefront, especially in staple products like eggs and dairy.

To ensure the health and safety of animals in the egg production process, suppliers adhere to the American Humane™ Certified Cage-Free Standards or Humane Farm Animal Care Standards.

All SE Grocers eggs are 100% cage-free. More broadly, we are working with our suppliers to ensure a sustainable transition to 100% cage-free eggs across all branded eggs by 2025. Our progress to date: **20% of eggs sold are from chickens raised in a cage-free environment.**

We do what's right: When one of our dairy suppliers was engaging in inhumane animal welfare practices, we were one of the only grocery retailers to pull the product from our shelves. Only after an extensive review and third-party verification of compliant practices did we reintroduce the product. At SEG, we believe in respecting the animals we depend on and act accordingly when we see injustice.





Aurora Organic Dairy, Colorado



A supplier to our Naturally Better dairy milk has values and ethics that align with our own.

These Colorado dairy farmers believe healthy, well-cared-for cows produce better quality milk and we agree! Not only do they prohibit practices like branding, tail docking and electric prodding, among others, they also have best-in-class feed and facilities.

All cows receive 30% or more of their feed intake from certified organic pasture for a minimum of 120 days each year. They are consistently monitored by nutritionists and have access to shade and protection from the elements. Ultimately, their dairy farms were designed to maximize cow comfort and safety.

The farm has well-defined policies on animal and human rights and sustainability. By establishing goals and reporting their progress, they demonstrate their commitment to transparent business operations. Furthermore, they welcome on-farm, peer-reviewed animal research for the betterment of animal science. The team also committed to the United Nations' Sustainable Development Goals.

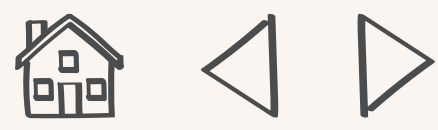
We are happy to expand our partnership with Aurora Organic Dairy. In 2020, our offerings grew from six products to 10. Just another one of our suppliers we couldn't be happier to work with.



naturally better

What makes our Naturally Better line naturally better?

When you see this logo, you know the products are high-quality natural and organic options that fit your lifestyle and dietary choices. Dairy-free and gluten-free options are available. See the full list of ingredients that don't make the Naturally Better cut **here**.



Paper products and packaging

Trees are a valuable carbon sink and promote biodiversity; therefore we aim to be good stewards of our natural resources.

Our SE Grocers Essentials paper plates are made with materials that are certified by the Sustainable Forestry Initiative. SE Grocers Naturally Better dinner plates are made from sugar cane fiber, avoiding the use of trees altogether, and are biodegradable and compostable*.

Packaging

We're diving into our packaging to identify where we can reduce, introduce reusables and promote recyclable, compostable and biodegradable packaging. Stay tuned!

**at industrial facilities*



**NEW
IN
2020**

Each store is equipped with copier paper made from sawmill waste, which is manufactured at wind and hydropowered facilities. The result: saved trees and a lower carbon dioxide and water footprint.



SECTION THREE

Planet

For years, we have been quietly practicing environmental sustainability. From partnerships with companies supporting a circular economy to efforts on electric and water efficiency, the following pages are filled with stories demonstrating an ingrained value: We do the right thing!



Waste management

We evaluated our overall waste breakdown.

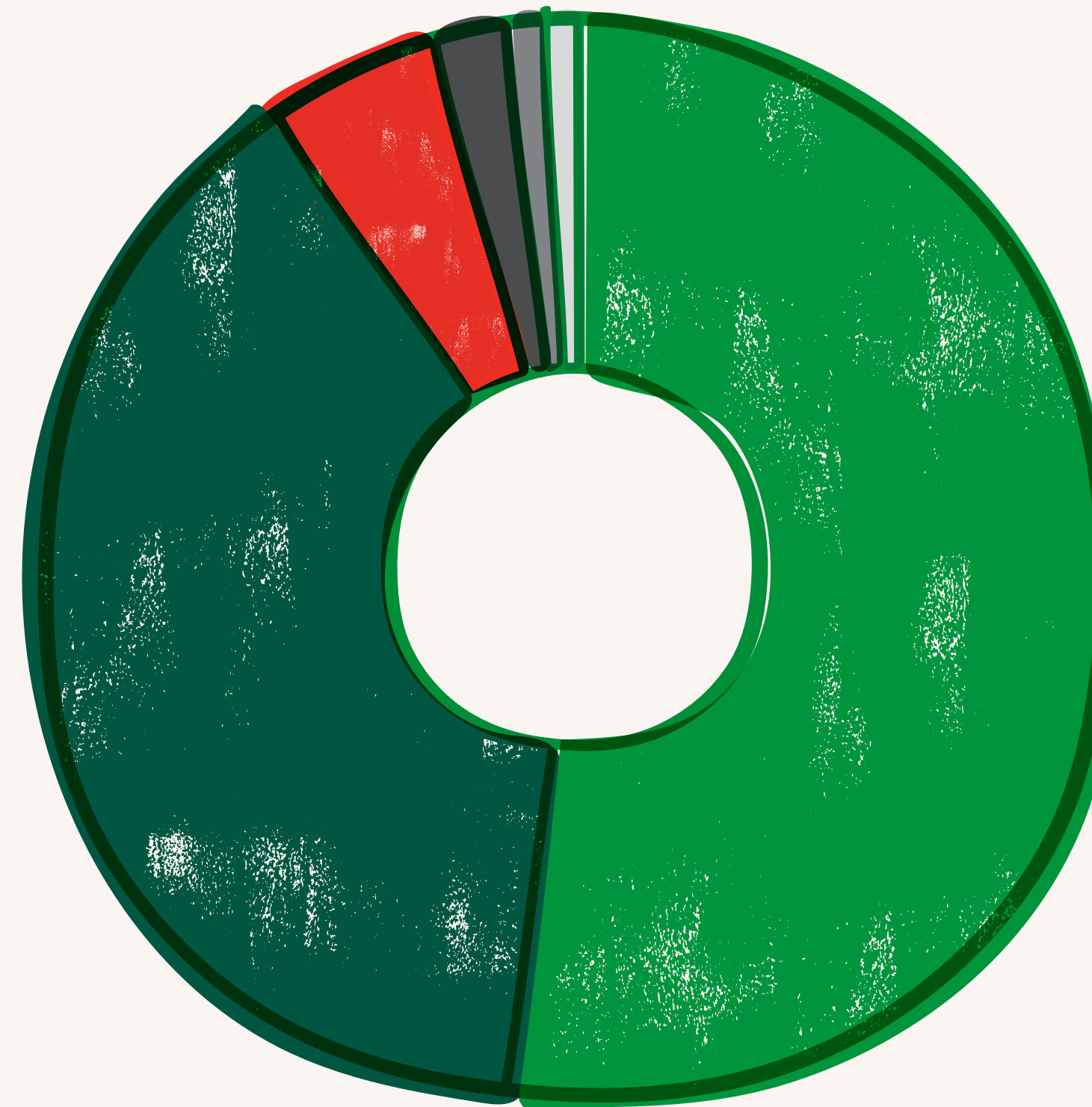
These learnings provide a path toward the most efficient use of resources and identify opportunities to reduce, reuse and recycle, guiding action to improve how we manage our waste.

In September 2018, our Store Support Center expanded our recycling program to include more conveniently located recycling bins for associates and accompanied each bin with proper signage on what can and cannot be recycled.

52%
Cardboard

39%
Waste

5%
Donations



2%
Fat & Bone

1%
Used oil

1%
Compost



Waste management

CARDBOARD

Cardboard presents an opportunity to create a more circular economy, in which products are continuously cycled instead of sent to landfills. In the wake of COVID-19, this is even more essential as the demand for recycled cardboard and paper content has skyrocketed to create toilet paper and boxes for e-commerce.

We look to play our part. All of our distribution centers and stores are equipped with a baler to supply high-quality content to manufacturers. To ensure minimally contaminated bales, we educate our associates on what can and cannot be recycled. Furthermore, we tag each bale of recycled content with the store number.

In the event a bale is contaminated, we can then determine the origin store and provide continuing education to eliminate any future contamination to our recycled content.

We average about 65,000 tons of high-quality recycled cardboard each year, which can then be remanufactured into new products.

In 2020, we recycled even more: over 74,000 tons of cardboard, saving 1.25 million trees.



STYROFOAM



From an economics standpoint, Styrofoam is an extremely challenging material to recycle and, if placed curbside, as opposed to other take-back programs, it will most likely be sent to a landfill or incinerated. Understanding this challenge and respecting that our consumers want sustainable options, in June 2019, we began the transition of our Naturally Better Chicken from Styrofoam trays to plastic trays, which are more readily recyclable.

As of January 2020, this initiative was completed. Now we're looking to eliminate Styrofoam from other areas of our supply chain.





PLASTIC BAGS

The ubiquitous bags have garnered quite a bit of attention. While there is no denying their effectiveness, they cause some environmental problems which we would like to mitigate. We encourage customers to bring totes, sell reusable Community Bags and train our staff to maximize the utility of the traditional plastic bag by filling to an average of six items.

Through our Community Bag program, designed to help customers support local charities (more details on page 23) and the environment, **customers averted the use of over 4 million plastic bags in 2020 alone!**

Where we cannot reduce or reuse, we recycle. Often when plastic bags and film products enter recycling streams, they get caught in machinery halting the recycling process, causing expensive repairs only to be thrown in the trash. Understanding this challenge, we sell used plastic bags, paper towel wrappers and other film plastic to Trex. Trex then remanufactures the material into decking for homes and commercial use.

What's the most sustainable bag choice?
The reusable bag you already own!



Some states and municipalities have enacted legislative bans on the plastic bag. Conversely, in Florida and Mississippi, legislation exists that prevents the creation of such bans. In response, some municipalities have asked for voluntary partnerships not to offer plastic bags.

In October 2017, the picturesque Village of Key Biscayne asked Southeastern Grocers to voluntarily stop offering plastic bags.

We jumped on the opportunity to support their goal to keep plastic bags out of the beautiful ecosystems we share. **In 2019, we avoided the use of over 2.1 million plastic bags.** With COVID-19 forcing us to cook from home, we reintroduced plastic bags to ensure we could meet customer demand; however we still welcome customer reusable bags*.

*customers must bag their own groceries

During the summer of 2020, we expanded our partnership with Trex. Now, each store has a clearly labeled Mega Bin for customers to return their used plastic bags and film and back-of-store bins for intermediary packaging. This will enable an even stronger partnership with Trex, keeping more materials out of the landfill. We even expanded our partnership to recycle the stock pill bottles our pharmacists receive from distributors.

During 2020, SEG stores and customers recycled 4 million pounds of plastics. Contributing to the manufacturing of enough decking material to cover almost 25 football fields.

PLASTIC STRAWS

The odd shape of a straw is challenging for most recycling machinery to process and, therefore, they're typically sent to landfills. We've decided to swap plastic straws for paper in our delis to reduce plastic consumption. By the end of 2020, we made a full transition to paper straws. This will result in:

234,000
fewer plastic straws
in our supply chain each year.
Stacked end-to-end,
that's 28 miles of plastic straws!



Food waste & loss

Food loss between growers and the retail location, and food waste thrown away at the retailer and in homes, is an inefficient use of resources.

The Environmental Protection Agency (EPA) estimates that, as a nation, 22% of municipal waste is uneaten food products. When sent to landfills, these products and other organic waste generate methane emissions, a particularly warming greenhouse gas; analogous to a wool blanket if carbon dioxide is a cotton sheet.

At Southeastern Grocers, we aim to be a part of the solution and thereby follow the EPA Food Recovery Hierarchy to ensure we limit the greenhouse gas emissions associated with our waste.

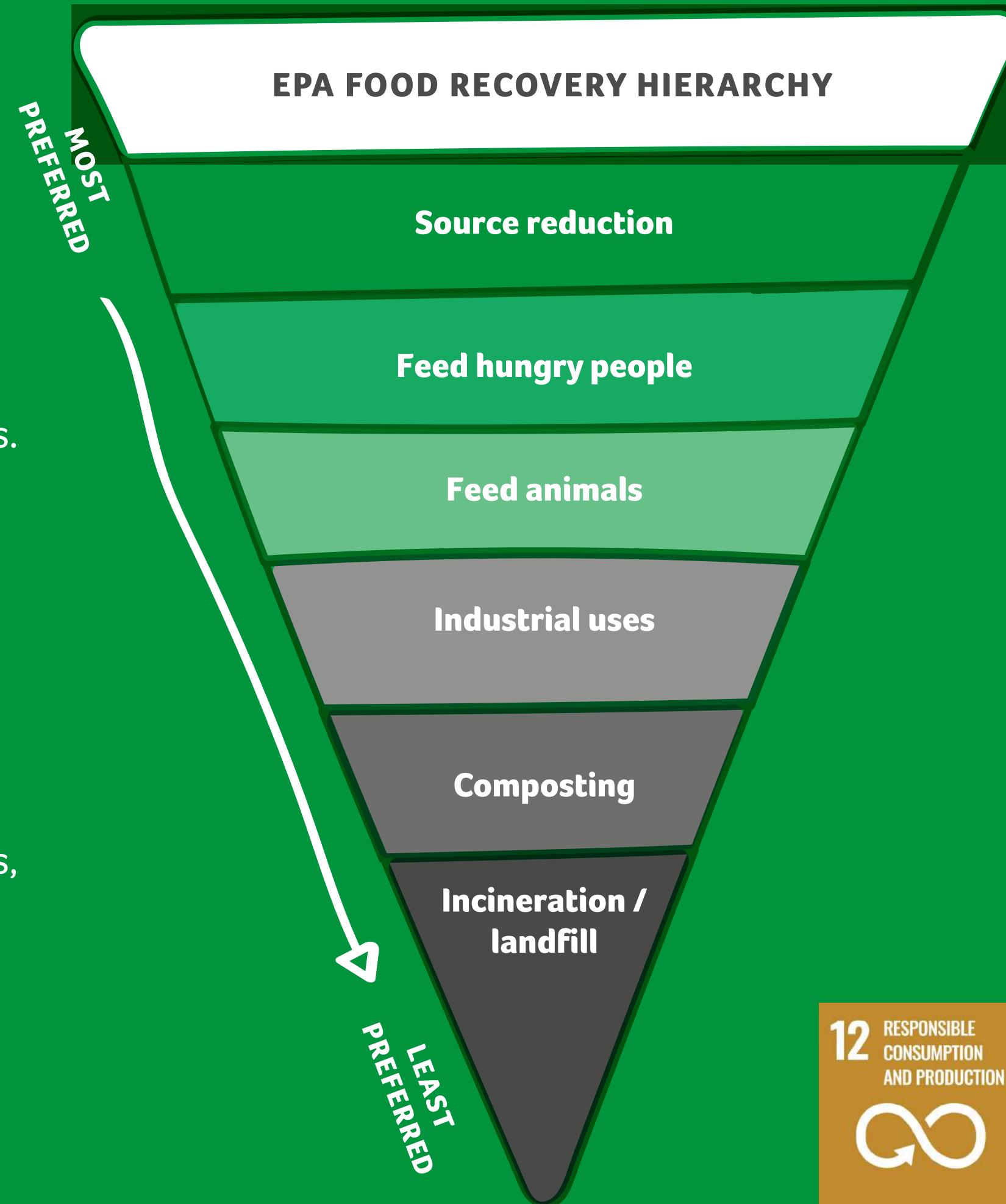


SOURCE REDUCTION

We strategically purchase our products to ensure supply meets demand. Not only does this reduce food waste/loss, but it is also good business sense. However, in the event of a surplus, we've expanded a successful trial of an inventory date check system which will allow for timely discounts. The goal: higher sell-through rates to prevent wasted resources while continuing to give our customers the best value!

FEED HUNGRY PEOPLE

Southeastern Grocers is committed to fighting food insecurity in our communities, and when we have a surplus, we donate to our Food Rescue and Bread Donation programs in partnership with Feeding America®, the nation's leading domestic hunger-relief charity. (See page 17 for more details.)



FEED ANIMALS

When food products cannot be used for human consumption, we work with partner organizations that process scraps and sell to farms for animal feed.

INDUSTRIAL USES

All inedible parts like fat, bones and used cooking oil are processed by partner companies to be converted into usable materials. In 2020, we recycled 7.9 million pounds of material, which can be used in low emissions fuel, animal feed, or other products. Another step toward a more circular economy.

COMPOSTING

In a subset of stores, our partner organization takes food waste and processes it into compost for farmers to use in their fields. Compost contains beneficial micronutrients that enrich soil, mitigate pests, prevent the spread of weeds and reduce the need for chemical fertilizers.



Energy

OUR STORES

To ensure each store operates as energy efficiently as possible, we've partnered with City Facilities Management. One way we ensure efficiencies is through the utilization of their SPARK software. After identifying the store's optimal efficiency, the program remotely monitors for consistent deviations from the baseline energy demand.

This partnership began in 2019 in a subset of stores and by the end of 2020, 388 stores were equipped with SPARK monitoring capabilities.

In 2018, we started our transition to all LED lighting in our stores and our parking lots.

**NEW
IN
2020**

During 2020, we transitioned another 79 stores to LED light bulbs, bringing the total number of stores with LEDs to 240. On average, LED bulbs use 30% less energy than fluorescent and 75% less energy than incandescent, making this switch good for the planet and good for business.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



REFRIGERATION

Refrigeration has the potential for positive impact on two fronts. First, some refrigerant gasses contribute to the greenhouse gas effect and some are ozone-depleting gasses, or both. Therefore, quality refrigerants help us on our sustainability journey.

One specific refrigerant, R-22, which contributes to the greenhouse gas effect and depletes the ozone layer, is being phased out of the market. In 2020, we retrofitted 60 stores and, in an agreement with the EPA, are ahead of schedule to retrofit and replace all remaining appropriate units.

Second, refrigeration is our largest energy consumer, which means efficiency is our top priority. To ensure systems are running optimally, we identify leaks and loose seals.

By the end of 2020, 168 stores were equipped with full-store remote refrigeration monitoring down to the individual refrigerated case, with the goal to deploy the technology fleetwide.

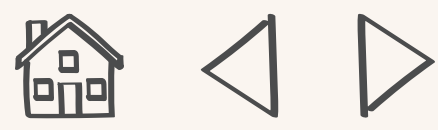
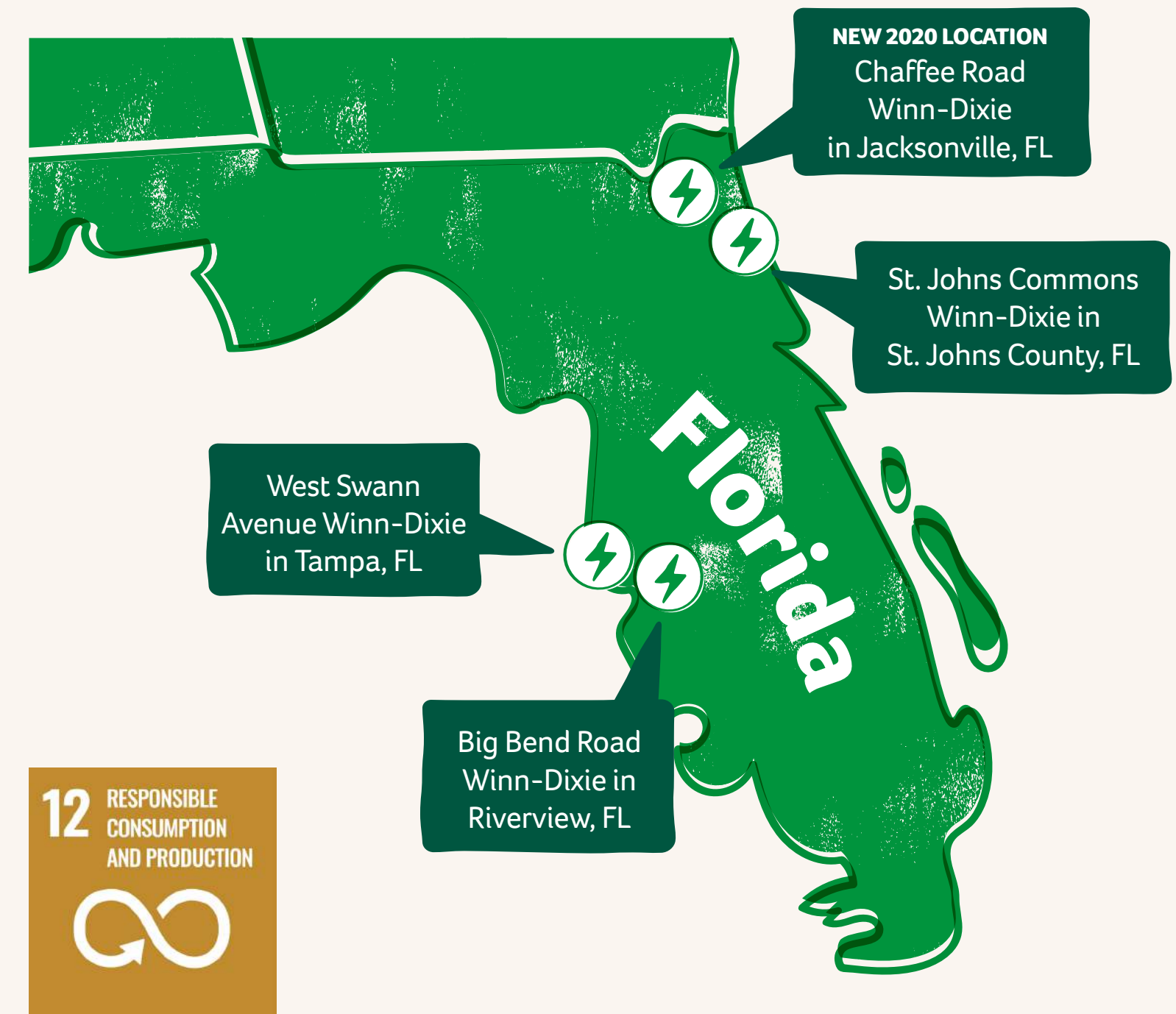
Through the full-store monitoring program, we can immediately detect anomalies preventing wasted energy and food.

GREENHOUSE GAS FOOTPRINT

The transition to LEDs, the use of energy management systems, the transition to quality refrigerants and support of electric vehicles are part of our efforts to respect the climate we rely on. As such, we are calculating our greenhouse gas footprint to identify opportunities that will enable a sustainable reduction of the emissions within the scope of our business.

ELECTRIC VEHICLE CHARGING STATIONS

In 2018, we began installing Tesla electric vehicle Supercharger stations, with more to come! We're happy to support reduced fossil fuel consumption.



Water

We evaluated each store for water anomalies, and at the start of 2020, we found 10 stores with particularly high water use*.

Because we respect our resources, with our partners at City Facilities Management we determined the cause of the problem and fixed it. These efforts will save over 30 million gallons of water over the course of a year,** equivalent to 60 Olympic-size pools.



* compared to 2015 figures
** compared to 2019 figures



Conclusion

At Southeastern Grocers, we are committed to our way of being, which means we put people first, care passionately, do the right thing and constantly improve! Supporting our people, from our associates to our customers and communities, is first and foremost.

We recognize that prosperity includes addressing social needs while simultaneously addressing environmental protections. We look forward to building on the trust we have developed and projects we are exploring to shape the sustainable world of tomorrow. **Please join us on our journey toward a sustainable future.**





Southeastern Grocers

Disclaimer: The report was compiled by our Corporate Social Responsibility (CSR) 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 2020, unless otherwise noted. Southeastern Grocers operates a continually changing business and throughout 2020 maintained operations of BI-LO; 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.