

September 2020

EMPIRE  
COMPANY LIMITED

# Code of Business Conduct and Ethics

Backstage and Management Employees (Stores, RSC, and Office)

Empire Company Limited (“Empire”, or the “Company”) is a proud, Canadian company headquartered in Stellarton, Nova Scotia.

Our Company found its start in 1907 in Pictou County, Nova Scotia, and today has grown to be a team serving more than 900 communities across Canada.

Empire’s key businesses are food retailing and related real estate. Over the years, through market expansion, mergers and acquisitions, Empire has grown its presence across the country to become one of Canada’s two national retail grocery and food distributors.

Today, Empire and its family of brands (Sobeys, Sobeys extra, Sobeys Liquor, IGA, IGA extra, Safeway, Safeway Liquor, Farm Boy, Foodland, FreshCo, Urban Fresh, Les Marchés Tradition, Marché Bonichoix, Thrifty Foods, Thrifty Foods Liquor, Rachele Béry, Lawtons Drugs, Needs convenience, Voisin, Boni-Soir, IGA express, Sobeys Express, Le Dépanneur, Earl R Ward & Co, Pete’s Frootique & Fine Foods, Fast Fuel and Voilà) operate approximately 1,500 stores in all 10 provinces.

Empire and its subsidiaries, franchisees, and affiliates employ approximately 127,000 people and together, are dedicated to advancing the Company’s purpose: *We are a family nurturing families.*

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### Where do I learn more?

3	Many of the topics covered in the Code are further explained and governed by specific policies and procedures, which can be accessed from our Company’s intranet sites, in your employment location, or from our Human Resources Department. See the section entitled “For More Information”.
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### What if I have questions?

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10	<b>What if I have questions?</b>
10	Further questions about the Code can be answered by your direct supervisor or HR Business Partner. Contact information for additional support or anonymous questions or concerns can be found on page 17 in the “Help with Our Code” section.
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# Message from the CEO



Dear teammate,

Since 1907, our company has taken a family-based approach to our business. We are—and always have been—a family nurturing families. We take care of each other, our customers, and our communities. Together, we nurture the things that make life better.

Our business has thrived, changed, and evolved substantially since we found our start in Stellarton, Nova Scotia, more than 110 years ago. Our customers, suppliers, and business partners have always credited Empire Company (and all of its banners) for being a strong, beloved Canadian business because we are friendly, approachable, and authentic. We are recognized for having a trustworthy reputation and a strong customer and community focus.

The strength and trust we've built in our brand means everything to us. Whether you are a member of our store, distribution centre, or office teams—we are all responsible for maintaining, strengthening, and protecting our brand and integrity.

On our team, we are fair and ethical in our decisions. Our Code of Business Conduct and Ethics outlines the behaviours that are expected of us (mostly common sense), so use this Code as a guide to help determine your actions. Your direct supervisor and your HR Business Partner are available to make sure, together, we always do the right thing.

Common sense is usually the best place to start. But always remember that great teams make great decisions together. We know that our people make the difference. Thank you for the passion and commitment you bring to your work every single day.

I'm proud to be your teammate.

**MICHAEL MEDLINE**

President and CEO,  
Empire Company Limited

# Our Empire Code of Business Conduct and Ethics

In this Code of Business Conduct and Ethics ("the Code"), the terms "Empire", "the Company", "we", "us", "our", and "team" refer to Empire Company Limited, its corporate retail banners and related businesses, as well as officers, members of the board of directors, all office employees, and leaders working in corporate stores, RSC, and Office.



Each member of Empire Company and its family of brands is expected to uphold and adhere to the Code and to act legally and ethically on behalf of the Company.

Behaving ethically means acting in a fair manner with the utmost integrity. It goes beyond legal compliance and requires common sense and good judgement.

Together, we are a team who:

- is guided by our Core Values;
- leads by example;
- ensures transparency and accountability;
- rejects all forms of harassment, abuse, and discrimination;
- protects our brand and strong reputation;
- makes decisions in the best interests of the Company;
- protects the Company's assets and information; and
- complies with all applicable laws and regulations.

Employees in leadership roles must always promote ethical behaviour, encourage employees to raise concerns, and quickly address questions on our Code. The Code outlines when leadership approval is required in decision making.

While this Code cannot cover every scenario, it provides guidelines on ethical business conduct and appropriate decision-making. As a general rule, before you take action, ask yourself:

1. Is this action legal and in accordance with Company policy?
2. Is this decision in the best interests of the Company?
3. Does this action have the potential to harm colleagues, customers, suppliers, shareholders, and other parties involved in our business?
4. If my actions became public, how would they be reported and interpreted in the media and by my family and friends? How would I justify them?

# Our Core Values

At Empire, we believe our brand, success, and reputation have been built on strong relationships that are founded in honesty, integrity, and transparency.

As proud members of the team, we know how we treat each other, our customers, supplier partners, and competitors, reflects our culture and our brand.

All our relationships and actions should be guided by our Core Values; supported by our Code of Business Conduct and Ethics.



# Our Customers



## CUSTOMER - DRIVEN

Always place the customer first.

We are expected to always place the customer first. This means:

- We make our customers our priority by providing top-quality products and services at every interaction;
- We continue to make food and drug safety our top priority;
- We serve our customers with pride in a way that is always respectful, genuine, and inclusive;
- We adhere to the philosophy of truth in advertising;
- We respect and keep the personal information of our customers and patients confidential; and
- We comply with the letter and spirit of all applicable laws.



# Our People

We are expected to create a work environment in which our people make a difference.

This means:

- We are respectful and genuine;
- We embrace diversity and inclusion and recognize the valuable contributions and unique perspectives of all employees;
- We enable everyone to work without being harassed, intimidated, or facing discrimination;
- We value and promote workplace health and safety; and
- We respect the confidentiality of employees' personal information.

"The strength of any organization is the people involved. The weakness of any business, almost without exception, is the lack of competent and caring management and employees."

Frank H. Sobey



## PEOPLE - POWERED

Our people make the difference.



# Our Communities

We are expected to proudly serve our communities. This means:

- We are committed to responsible community involvement;
- We have a prominent presence in the community and are committed to responsible corporate citizenship; and
- We regularly give back to the communities we proudly serve.

## Relationship with the Public and Community

Empire and our retail banners make contributions to organizations in the communities we serve and encourage our teammates and board members to do the same. However, the use of Company funds, goods, or services for such purposes must be authorized in writing in advance by your Vice President (or above leader) and vetted by the Community Investment department.

If you choose to volunteer with a charitable or political organization that is not part of a sanctioned work event, you must do so on your own time and the volunteering cannot have the potential to interfere with your duties to Empire or create a conflict of interest, actual or perceived, as explained in the “Outside Work Activities” section. Furthermore, comments and actions should be explicitly disclosed as a reflection of your own views and not be attributed to the Company.

Also, as outlined in the “Outside Work Activities” section, any involvement that may create a conflict of interest must receive advance written approval, which may be withdrawn by the Company. Any questions should be discussed with your direct supervisor.



## COMMUNITY - ENGAGED

Proudly serve our communities.



## Social Media and Media Relations

How, when, and what we communicate is vital to upholding our corporate reputation and the success of the Company.

Everything you do can have an impact on the Company’s brand. Your requirement to act ethically and responsibly also applies to your use of social media. You are personally responsible for statements you make, content you share, publish, or otherwise disseminate on social media and digital forums. Personal communications should not include confidential information, Company logos, or other trademarks and must respect copyright, privacy, and other applicable laws.

Unless approved by Communications & Corporate Affairs, employees are not permitted to speak to the news media or otherwise speak on behalf of the Company. All requests by media or others for comments on behalf of the Company must be sent to the Communications & Corporate Affairs department for consideration.

## Supplier Partners and Competitors

At Empire, we deal fairly with our supplier partners, distributors, and competitors at all times. We seek to outperform our competition in an honest and ethical manner.

## Our Results



We always act with independence and in the best interests of the Company when dealing with our supplier partners, distributors, and competitors and comply with applicable competition laws.

Fair dealing extends to how we obtain information about our competitors. We do not condone:

- engaging in industrial espionage or theft;
- buying information about our competitors gained illegally from others;
- coercing or encouraging competitors' employees into divulging confidential information; or
- selling or divulging confidential information about the Company to competitors.

If employees sit on committees of regulatory, professional, or other trade associations with competitors, they should discuss the nature of their planned involvement with their Vice President (or above leader) to gain approval for, and clarification of, their role on such committees or with such associations. The Company provides regular training on competition law and all employees are encouraged to attend these sessions.



### **RESULTS - ORIENTED**

Get it done with  
passion and  
integrity.

We are expected to get our work done with passion and integrity by making decisions that are in the best interests of the Company. This means:

- we never use our positions within Empire to influence or bypass Company procedures for personal benefit or the benefit of friends, family, or colleagues;
- we do not accept products or services from suppliers for personal use at less than fair market value;
- we select supplier partners with the best overall package in terms of price, product, and services that will meet the Company's needs;
- we do not assist or work for a competitor or start a business that competes with Empire; and
- we avoid not only actual conflicts of interest, but situations where there could be a perception of a conflict of interest. Simply put, we avoid situations where our personal interests are, could be perceived to be, or have the potential to be, at odds with those of the Company.

# Conflict of Interest

## What is a Conflict of Interest?

A conflict of interest arises when a member of our team is, or could appear to be, acting under or influenced by considerations that are not aligned with the Company's best interests.

As such, a conflict of interest can arise when an employee's judgement is clouded by their own personal interests or relationships.

## What Do I Do If I Know of a Conflict of Interest?

Report it to your Vice President (or above leader) immediately or make an anonymous report to the Ethics Line. When in doubt, always err on the side of preventative disclosure and reporting.



# Common Conflict of Interest Scenarios

## Business Functions and Meals

Business functions can be important to help build relationships in Empire's best interests. Invitations to business functions (which can include cultural or sporting events) and meals from business or supplier partners can be accepted as long as the occasion is business-related, the location and nature of the event is in good taste, and the event is not a frequent and recurring occurrence.

The key consideration is whether attending the business function or meal will reduce, or be perceived as reducing, your ability to make objective decisions in the best interests of the Company. Employees may never benefit personally from Company business with suppliers or others, or derive personal gain from transactions made on behalf of the Company.

Attending business functions or meals where the person or organization inviting you will not be present is discouraged.

All invitations, regardless of whether the inviting party attends, must be shared with your direct supervisor, who is responsible for informing their Vice President (or above leader).



### Accepting Gifts

Infrequent, unsolicited gifts from a supplier or business partner of nominal value (\$50 Canadian or less) are generally acceptable. All gifts of greater than \$50 Canadian must be disclosed to your direct supervisor, who is responsible for informing their Vice President (or above leader). These gifts will then be given to a charitable organization, auctioned off with the proceeds donated to charity, used at new store openings, or pooled for periodic employee raffles.

Gifts of cash or cash equivalents (gift cards, gift certificates, vouchers, etc.) are never acceptable.

The Executive Vice President, Human Resources may, at their discretion, approve exceptions to these event/gift guidelines in writing.

### Soliciting Gifts from Supplier Partners

With advance written approval from your Vice President (or above leader), it is acceptable to solicit support from supplier partners for charitable events approved by the Company. We must always respect suppliers' decisions regarding support of charitable causes and not allow their decisions to influence our business decisions.

### Family and Personal Relationships

Sometimes our personal and business lives overlap. If you find yourself in a position where you are considering a business relationship with a relative, spouse, close friend, or their employer, it could compromise your ability, or appear to compromise your ability, to act in the best interests of the Company.

You are required to discuss the following situations with your direct supervisor, who is responsible for informing their Vice President (or above leader) and Human Resources:

- the hiring of a relative or close friend;
- purchasing goods or services for Company use from a family member or close friend; and
- a family member or person with whom you have a close personal relationship is a major shareholder of, or employed by, a competitor at a manager or above level.



## Conflict of Interest Q&A

### Outside Work Activities

You may complete work (paid or unpaid, including participation on boards of directors) for other parties on your own time, provided the work does not have the potential to interfere with your duties to the Company. Outside work activities must be disclosed to your direct supervisor, who is responsible for informing their Vice President (or above leader), before committing to any outside work.

Team members are expected to exercise good judgment and common sense and to discuss any questions or concerns with their direct supervisor.

Any work that may create a conflict of interest, actual or perceived, must be approved in advance by your direct supervisor, who is responsible for informing their Vice President (or above leader).

As a general guideline, positions of potential concern (whether paid or unpaid) are those which could reasonably require you to act in a manner that is contrary to the Company's best interests (e.g. work for a supplier, distributor, or competitor of the Company) or are otherwise inconsistent with the values and interests of the Company as set out in this Code.

The Company reserves the right to withdraw its approval of outside work.

I attended an industry-sponsored sporting event and received a prize for winning. Am I allowed to keep it?

Yes, you may keep prizes won at industry-sponsored events.





I have been offered a sample of product by a supplier. Am I allowed to accept it?

Yes, but only an amount sufficient to conduct a product evaluation or test.



I have been invited to attend a business trip sponsored by a supplier. May I attend?

Before accepting the invitation, you must seek approval in writing from the executive officer (SVP or above) responsible for your function. Once approved, travel arrangements must be made in accordance with the Company's travel policy.



# Protecting Our Assets and Reputation

How we treat Company property and information is vital to the success of the Company and its reputation. As such, we must be guided by the best interests of the Company when using Company property, doing work for the Company, and in the handling of Company information.

## Confidential and Proprietary Information

All information concerning the Company and its business, regardless of how it is stored or transmitted, including financial information, information regarding Company property (defined below), personal information about employees and customers, as well as information provided by suppliers on a confidential basis, must be considered and treated as confidential information, unless it has been publicly disclosed by the Company.

Unauthorized disclosure of Confidential Information can severely damage the Company.

Confidential Information must not be disclosed to anyone, inside or outside the Company, except as required in the normal course of business.

We comply with privacy legislation. If working with personal information, you must be aware of the relevant laws and requirements. If questions arise, contact the Chief Privacy Officer ([privacy@sobeys.com](mailto:privacy@sobeys.com)).

Requests by outside individuals or firms for confidential information must be directed to the Vice President of Communications & Corporate Affairs.



# Company Securities and Governance

## Company Property

We must protect all Company property against theft, vandalism, sabotage, and unauthorized use or consumption at your place of business and off the premises. Company property must be used in the best interests of the Company.

## What is Considered Company Property?

Company property includes, but is not limited to, products sold at the retail and wholesale level, all equipment, vehicles, technological devices and networks, electronic information, financial assets (e.g. cash, gift cards, financial reports), intellectual property, and Company trademarks, including logos.

## Integrity of Books and Records

We must ensure proper, accurate, and timely documentation of Company business transactions.

## Ongoing Obligations

Certain duties of employees, including those regarding the protection of confidential information and Company property, may continue after your departure from the Company.

If you leave the Company, any confidential information and/or Company property in your possession must remain with the Company.

At Empire, we must comply with applicable securities and corporate law, as well as best practices in how we govern ourselves as a Company.

## Trading of Company Securities

As employees and board members, sometimes we are in possession of "inside information", which is information that the public does not have, but which could be expected to influence investment decisions or the share price. The following activities are strictly prohibited:

- insider trading: trading securities of the Company with knowledge of inside information relating to the Company; and
- tipping: disclosing inside information relating to the Company other than in the necessary course of business.

## Company Governance

The Company's executive officers and board of directors are ultimately responsible for the management and stewardship of the Company. In their roles, they must act in accordance with their fiduciary duties, as well as applicable law and Company policies.

This Code will be periodically reviewed by the Company's executive officers and the board of directors.



## For More Information

Many of the commitments contained in this Code are explained in greater detail in key policies that may be relevant to you. We encourage you to consult the applicable policies, which are available through the Company's intranet sites, in your employment location or the Human Resources Department. Depending on your role and location, the following might be relevant to you:

- Alcohol and Drug Policy
- Corporate Disclosure Policy
- Employee Public Statement and Social Media Policy
- Health and Safety Policy Statement
- Employment of Relatives Policy
- Insider Trading and Tipping and Insider Reporting Policy
- IT Acceptable Use Policy
- News Media Relations Policy
- Privacy Commitment
- Respectful Workplace Policy and Prevention Plan
- Banner-specific Policies and Working Rules



# Help with Our Code

It is our shared responsibility to ensure we act in a legal and ethical way. You are responsible for knowing, understanding, and complying with our Code. If you have a question about any of your actions, you should immediately speak with your direct supervisor or your HR Business Partner to obtain clarification of the Company's position.

All team members are required, upon first joining the Company and annually thereafter, to sign an acknowledgment confirming that they have read and understand the Code and will comply with its provisions.

## Reporting Breaches of the Code

Your duty to comply with this Code includes reporting suspected violations. There will be no repercussions against any employee making a report in good faith or raising questions or concerns about any matter related to the Code. "Good faith" means that you provide complete and accurate information that you believe to be true. See to the right for the contact information for the Ethics Line.

Employees are encouraged to first discuss the situation with their direct supervisor, their HR Business Partner, or a senior leader they feel comfortable speaking with.

## Consequences for Breach of the Code

Any breach of the Code, or indication of a potential breach, may result in immediate disciplinary action up to, and including, termination.

## Ethics Line

The Ethics Line provides employees, suppliers, or other third parties with a confidential way to report concerns regarding actions or behaviours that are unethical, illegal, or potentially damaging to the Company's reputation, the integrity of its brands, or that are in contravention of the Code.

Connecting with the Ethics Line is completely confidential. The Ethics Line is professionally supported by an organization independent of Empire. Employees are not required to identify themselves when making a report.

You can connect with the Ethics Line in three ways:



**Empire Company Limited  
Code of Business Conduct and  
Ethics Acknowledgement**

I, \_\_\_\_\_, in my role  
of \_\_\_\_\_,  
acknowledge having received  
and read the contents of the  
Empire Company Limited Code  
of Business Conduct and Ethics  
and I understand the behaviours  
that are expected of me.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Signature



Sobey's

Sobey's  
LIQUOR

Urban FRESH

IGA

SAFEWAY

SAFEWAY  
LIQUOR

FOODLAND

FRESH CO  
Lowering food prices

Lawtons  
DRUGS

Needs

THRIFTY  
FOODS™

THRIFTY  
FOODS  
LIQUOR

RACHELLE BÉRY  
épicerie santé

voilà