The Empire Group of Companies directly and through our affiliates and franchisees, have always recognized the importance of our respective employees becoming involved with and supporting the growth and development of the communities in which they live and work.

These grassroots efforts have contributed in a significant way to the well being of communities across Canada.

At the same time, through the support of various Sobey Foundations, we have also directed support primarily to the areas of health and education, and community activities throughout Atlantic Canada. This is a region where the Sobey Family and indeed Empire believe we have a particular responsibility to provide leadership as a major corporation headquartered in the region.

Empire is proud to sponsor numerous charitable initiatives through our operating companies and franchisees as well as through the Sobey Foundation. Our primary emphasis is on programs that promote the well being and health of families and children. This support is strengthened and enhanced by the volunteer efforts of thousands of employees in communities across Canada. In fiscal 2006, Empire management volunteered time to support community based programs such as the Dalhousie Medical Research Foundation, the Aberdeen Hospital Foundation and Summer Street Industries Foundation.

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**Educational Support**

We believe that quality education is an important contributor to the future growth and well being of our communities and to the employment opportunities for our young people. As a result, the Empire Group of Companies and the Sobey Foundations have placed a special focus on education and scholarships:

- **Sobeys Inc. Scholarship Program** – which assists employees and their families across Canada, pursuing university education via $1,000 scholarships.

- **Frank H. Sobey Fund for Excellence in Business Studies** – assisting business students at universities in Atlantic Canada via six $10,000 scholarships.

In fiscal 2006 Empire, Sobeys, and the Sobey Foundation, took the lead with a $2 million contribution to the “Hearts and Minds” Capital Campaign for Saint Mary’s University in Halifax.

As well, Sobeys combines its focus on food with our emphasis on education and community support by funding Sobeys Culinary Centres – two major teaching kitchens at community colleges in Halifax and Toronto, which opened in fiscal 2006. The funding for these centres was approximately $1 million. These centres also serve as test kitchens for Compliments food innovations.
Cultural Support

Since 1981, the Sobey Art Foundation has built on the vision of the late Frank H. Sobey, a dedicated collector and supporter of Canadian art and has assembled one of the finest collections of 19th and 20th century Canadian art at Crombie House in Abercrombie, Nova Scotia. In 2001, we extended the vision to the future, extending support to contemporary art, with the creation of the bi-annual Sobey Art Award. This award – which at $50,000 is the richest of its kind in Canada – is designed to provide assistance for young artists (under 39 years of age) while increasing public awareness of their work. The third of these awards will be presented in fiscal 2007. Commencing in fiscal 2008, we are pleased to announce that the Sobey Art Award will become an annual event. For information about this award, please visit the website at www.sobeyartaward.ca.

Community Support

Grassroots efforts by our community based operations have contributed in a significant way to the well being of communities across Canada.

As a prime example, Sobeys food stores under all our banners and in all regions have been major supporters of local food banks. They have launched creative campaigns ranging from Fill ’er Up in Moncton to Hampers of Hope, Pot of Soup, Campers for Hampers and Fame for Food in Western Canada and the Food for Thought school snack program in PEI. Other food and health related programs include Smart Options diabetes information and products, Cook for the Cure for the Canadian Cancer Society, and Good for You healthy living recipe cards in Newfoundland.

Empire Theatres’ management and staff have worked closely with Sobeys in support of food banks, toy drives and Kids’ Help Phone – and they have also provided extensive support to the Atlantic Film Festival and ViewFinders – a celebration of film for young people.

Management and employees of ECL Properties have focused primarily on communities in Atlantic Canada where we are long established in the commercial property market – supporting business development organizations as well as family and health oriented charities such as the Special Olympics, the Children’s Aid Society’s Families for Christmas program, and the Dragon Boat Race on the River for Breast Cancer Research.
We have always understood the importance of giving something back, and Empire and our operating companies have extended our involvement in community and philanthropy programs to all parts of Canada as our businesses have expanded.

Sobeys’ Value Champions

Sobeys celebrates its core values and the employees who exemplify them, by honouring Value Champions – employees who bring the values to life everyday, on the job and in their communities. They are nominated by their peers, and celebrated in all four Sobeys’ regions, and nationwide.

Outstanding examples in the past year include:

• **Debbie Fraser**, Sobeys store manager in Halifax, Nova Scotia, and **Greville Nifort**, Sobeys manager trainee in Bedford, Nova Scotia, who spent Labour Day weekend last year responding to a last-minute request from the Canadian Navy – sourcing and pulling together the supplies needed for relief ships for Hurricane Katrina.

• **René-Paul Coly**, grocery manager of an IGA extra store in Saint-Romuald, Quebec who has assisted many community building organizations and initiatives as a volunteer, and is currently Vice-President for La Société de Saint-Vincent-de-Paul, a major charitable organization in Quebec – helping to bring relief to people in need.

• **Frank Ritacca**, store manager of a Sobeys in Brampton, Ontario, who helped raise awareness as well as funds for Spinal Muscular Atrophy (the childhood version of Lou Gehrig’s Disease) – with a special barbecue last May, at his store and two other Sobeys stores in Brampton.

• **Larry Swenarchuk**, foreman of a Sobeys distribution centre in Winnipeg, Manitoba, who has been recognized for extraordinary personal commitment as a foster parent to many children with special needs and disabilities over the years; he and his wife are currently caring for two girls and a boy who could be called “miracle children”, each with a host of physical and mental disabilities.

• **Angeline Tham**, a Sobeys corporate employee in Toronto, Ontario, provides first aid training through St. John Ambulance and constantly volunteers her time and talents to help other employees – from organizing first aid courses during her lunch hours and ensuring new parents’ car seats are properly installed to organizing events that make new employees feel welcome and part of a team.

The leadership examples of these employees, and the efforts of people in all our businesses across Canada, have helped demonstrate our values in action. While expanding value, we have strengthened our roots in the communities where we operate.