



**save
a lot**

Growing Together Responsibly

2022 ESG Report



2022 ESG Report

Table of Contents

Message from the CEO	3
About Save A Lot	4
Our Approach to ESG	7
Our People	9
Our Communities	18
Protecting the Environment	25
Corporate Governance	31





When Bill Moran founded Save A Lot more than 45 years ago, he understood the significant impact a limited assortment, discount grocer could have for communities. His passion to provide convenient access to fresh, high-quality groceries at a great everyday value continues to fuel our business today, reaching more than 840 different neighborhoods across the country. We are proud that his vision of committed service to stakeholders—customers, Retail Partners, vendors, and the communities where they operate remains an integral part of our mission.

The pandemic, in many ways, reshaped the grocery industry. Customers prioritize convenience now even more than they did just three years ago. When also factoring in the impact of continued record inflation, Save A Lot's unique business proposition is more relevant today than ever. Our longstanding commitment to private label products, along with our small-footprint business model, have become incredible assets as the broader grocery industry reshapes around us to meet the needs of the modern consumer.

2022 marked the end of Save A Lot's transformation into a licensed wholesaler, putting the operations of our stores into the hands of local owners with roots into and a unique understanding of the local communities in which the stores are located. Today, Save A Lot represents a viable business opportunity for more than 180 small- and medium-sized business owners (many of them multigenerational grocers) who are the lifeblood of our brand. In turn, we have shifted our focus to supporting those retailers, providing them with tools, including an assortment that emphasizes quality and value for customers, which serve as the foundation for a sustainable, profitable business.

As we look ahead into 2023 and beyond, Save A Lot has set our sights on responsible growth, partnering closely with our Retail Partners to identify new communities to serve and ensuring convenient consumer access to fresh, affordable, and healthy foods in as many neighborhoods as possible. Of course, we recognize that with growth comes the continued need to operate responsibly, with care and respect for our numerous stakeholders. We look ahead as our business adapts, incorporating conscious sustainability into all our business practices.

This report is a key step in our continued journey as a licensed wholesaler. It represents our opportunity to evaluate the progress we have made. It also serves as a foundation to build from in this next chapter for our storied brand.

We are proud to be Save A Lot and we look forward to continuing to serve others for many years to come.

Thank You.



Leon Bergmann
Save A Lot Chief Executive Officer

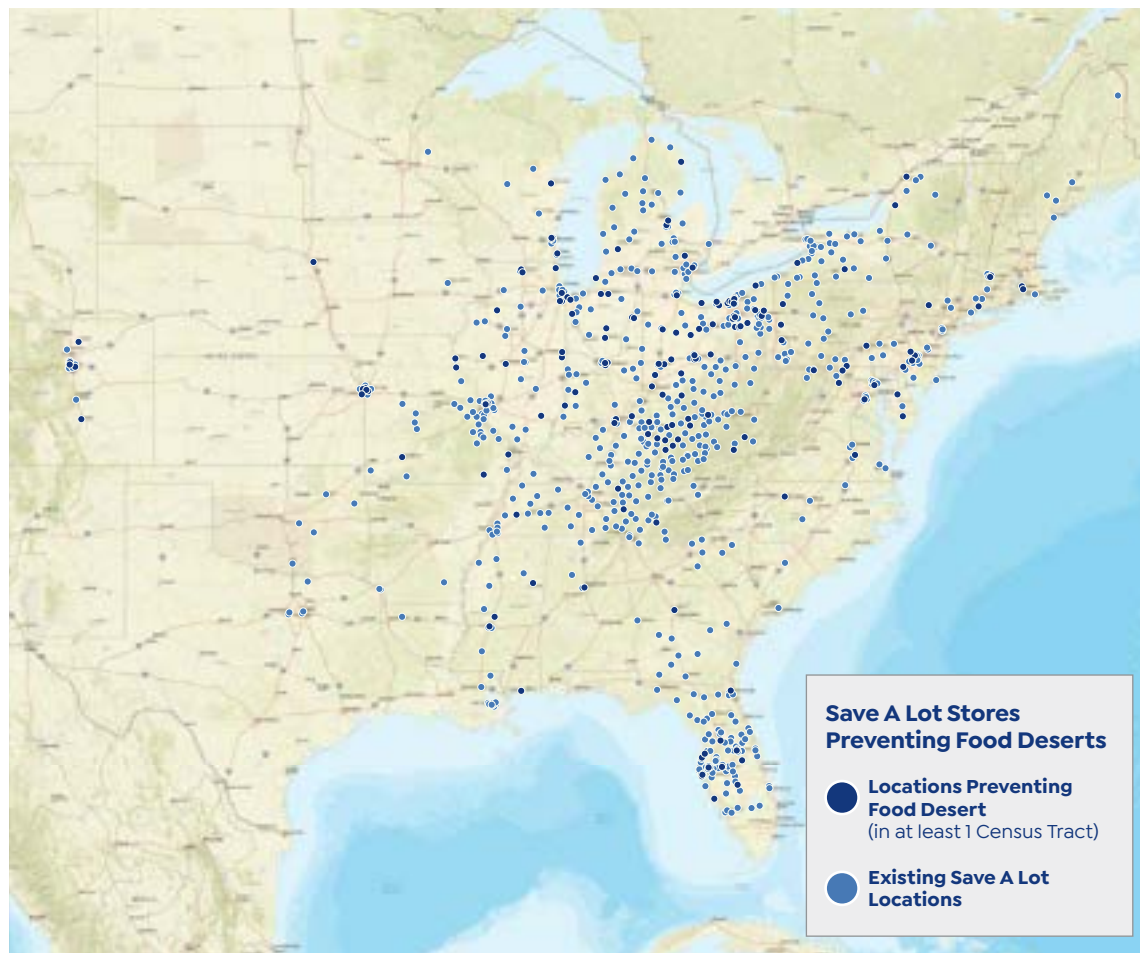
A solid red circle is positioned to the left of the section header text.

About Save A Lot

About Save A Lot: Business Snapshot

Save A Lot operates as a licensed wholesaler, serving over 180 independent, licensed Retail Partners who own and operate more than 840 Save A Lot store locations across 32 states. Serving a wide range of communities and customers, Save A Lot locations provide customers a convenient and affordable

full grocery shop through a curated assortment of high-quality private label brands, national brand products, USDA-inspected meat, farm-fresh fruits and vegetables, and other non-food items.



Our Purpose & Values

Save A Lot is guided by a larger vision and purpose to be a reliable, value-driven food solution for families across the country. We align our business to this framework, from our approach to serving our 180+ Retail Partners and their customers through every step of our supply chain process.

Our Vision

To be America's most loved discount retailer through our commitment to add unmatched value in every hometown we serve.

How We Deliver It

Be the best and easiest place to go to feed your family well and save money.

Our Values

Excellence

We hold each other accountable for achieving great results.

Respect

We take pride in inclusivity and treat everyone who comes through our doors with respect.

Simplicity

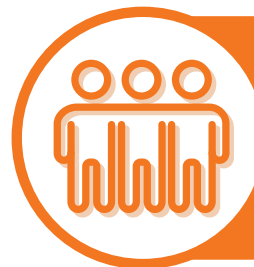
We look every day for ways to simplify how we work.

Heart

We're driven to make life better—for our customers, our partners, and our people.



Excellence



Respect



Simplicity



Heart

A solid red circle is located to the left of the section header, with a dashed white line extending from its top-left edge.

Our Approach to ESG

Our Approach to ESG

At Save A Lot, we believe that long term and meaningful success requires more than simply a strong bottom line: it's about building a sustainable business model that improves the lives of all stakeholders involved. To do this, we recognize that we must be intentional in the development of practices, policies and measures that will both promote and support that sustainability.

Our approach to ESG reflects the critical role Save A Lot plays in making safe, high quality, fresh, and affordable groceries available to the communities we serve. We care for our Team Members, their families, and our communities, and we are committed to preserving our role as a solution for many.

This ESG report, the first we have issued, marks Save A Lot's first steps in communicating the measures we take every day to create value for all our stakeholders and the world in which we live. The initiatives described in this report illustrate our actions today and serve as the foundation to more fully integrating this value-creation philosophy into our go-forward business approach.

To guide us in our journey, we have established an ESG Leadership Committee to support our ongoing focus on the measures we will continue to take to make Save A Lot a sustainable business. This dedicated group of the organization's senior leaders has ensured the Save A Lot ESG initiative be given the highest priority across the organization.

Making an Impact

Save A Lot embraces its opportunity to impact peoples' lives through a firm and unchanging commitment to our Team Members, customers, and the communities in which we operate. This organization invests in people—both the Team Members that work for Save A Lot and the communities we serve. We make a positive difference in peoples' lives through an intentional focus on:

- Creating and maintaining a workplace culture that supports and protects Team Members
- Establishing a connection with and supporting the communities that Save A Lot serves
- Ensuring we execute our business practices with consideration for long-term sustainability





Our People

Our People

Save A Lot strives to provide an inclusive work environment for our Team Members throughout the country, all of whom play a part in supporting our mission. We accomplish this through competitive pay and benefits that prioritize and promote a healthy lifestyle as well as intentional focus on and support of diversity and care for Team Members.

Workplace culture and the importance of ensuring Team Members feel valued and supported is critical to any organization's success. Team Members who are confident and who have the resources they need to contribute are better positioned to drive results.

At Save A Lot, our culture is centered on the belief that how we work together and empower our people can unlock breakthrough performance. We take a holistic approach to managing our Team Members by emphasizing positivity and teamwork with a focus on:

- Hiring
- Team Member Engagement
- Professional and Leadership Training
- Team Member Wellbeing
- Total Compensation
- Diversity, Equity & Inclusion
- Team Member Safety



Hiring

Our people are our greatest assets. In today's war for talent, a streamlined recruitment process, combined with a comprehensive total rewards strategy, is critical to attracting and retaining talent at Save A Lot.

To meet the demands of the market and continue to attract and select the highest caliber candidates, our Talent Acquisitions team maintains a robust and methodical hiring process. This includes partnering closely with organizational leaders to understand ongoing and opportunity-specific human capital needs and the timing around filling roles. Recruitment is conducted through proven approaches and processes and tied to our company values of Excellence, Respect, Heart, and Simplicity:

Simplified Application Process: Applicants can apply online or by mobile device. In many cases, we make same-day job offers.

Second Chance Employment: Save A Lot supports hiring and advancement of formerly incarcerated individuals. We took action to “ban the box” over a decade ago and removed any questions about prior criminal convictions on the initial job application. We provide conditional job offers to candidates before the background check and have individualized processes for all candidates who have a prior non-violent criminal record.

Sourcing and Selection Practices: We utilize our company website and other common job posting tools such as LinkedIn and Indeed, plus an internal candidate referral program. We offer interview training workshops and standardized interview questions for our leaders. Additionally, our Talent Acquisitions team does not request previous compensation to set pay for external candidates.



Engagement

Genuine engagement is at the heart of our people strategy, prioritizing the flow of open communication and the active solicitation of feedback from our teams. We accomplish this through:

- Quarterly enterprise-wide Town Halls to highlight important and timely business and priority updates
- Regular departmental Town Halls led by executive and functional leadership
- Written communications with Team Members:

Fresh News: a weekly newsletter sent to Support Center Team Members outlining business updates, upcoming initiatives, and engagement opportunities

Leadership Notes: a monthly Newsletter for People Leaders highlighting timely information and initiatives happening across the business to be shared throughout the organization

Workplace: an internal social network used to connect with Team Members across the business and participate in engagement opportunities

Screenly: a digital signage program in the Support Center that displays content to keep Team Members up to date on important information

Team Voice:

In September 2022, Save A Lot launched the Team Voice initiative across the organization. This comprehensive climate survey sought to solicit and assess Team Member opinions, feelings, perceptions, and expectations regarding a variety of factors pertinent to maintaining the organizational culture, such as opportunities for growth, management, working relationships and work environment. The online survey allowed Team Members to share anonymously their experience working at Save A Lot.

More than 68% of the organization participated in the survey, including 50% of Distribution Center Team Members and 94% of Support Center-based Team Members.

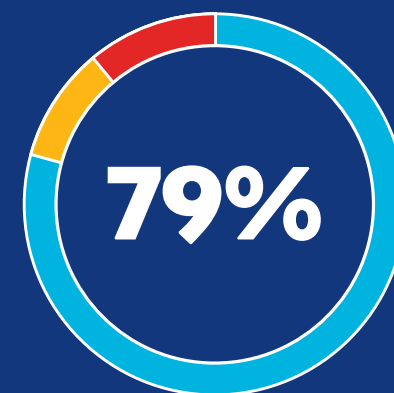
In addition to providing leadership with a snapshot of Team Member views and attitudes about Save A Lot, the survey strengthened a working environment in which Team Members feel recognized and heard. The survey highlighted strengths in the Save A Lot culture, including clarity and alignment around roles and responsibilities and People Leader relationships, as well as key areas of opportunity for further refinement.

Throughout 2023, leaders across the organization will share the results with their teams and develop initiatives to address strengths and opportunities while aligning them to action plans.

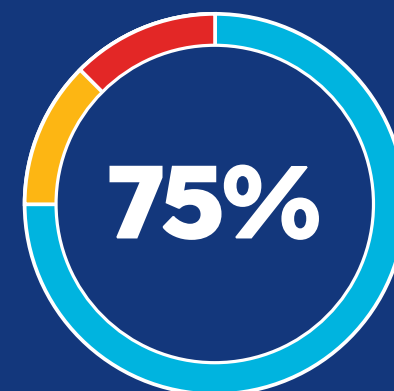
2022 Team Voice Survey

Team Members place a high importance on clarity and alignment and relationship with their People Leader.

Clarity & Alignment - Overall Favorability Score



People Leader Relations - Overall Favorability Score



Professional & Leadership Training

Providing our Team Members with robust training and development helps enable and enhance job performance while also cultivating new leaders. Whether individuals are new to the organization or a tenured Team Member, Save A Lot is committed to enabling both personal and professional development for all.

Onboarding

In 2022, we launched our new and improved Onboarding and Orientation path for Team Members within our Support Center and our Distribution network. Save A Lot now offers both an in-person and Virtual Orientation experience, to better support the hybrid model of today's modern workforce. This relaunch has helped deliver a consistent new hire experience and provides Team Members with valuable information on benefits, company history & philosophy, and career development. Whether they work at the Support Center, the Distribution Center, or remotely, all Save A Lot Team Members deserve an exceptional onboarding experience.

LEAD

Save A Lot wants to inspire the next generation of leaders. The LEAD Certification series (Leadership Excellence And Development) is designed to support Team Member growth into their next role within the company. LEAD is a six-month certification series focused on Self Awareness, Motivating Others, Personal Management Styles, Perception, and much more. The LEAD program also explores industry thought leaders such as Simon Sinek and The Golden Circle, John Adair's Action Centered Leadership, and Dan Pink's Power of Motivation.

Tuition Assistance

Save A Lot supports Team Member off-the-job learning to Team Members who are committed to advancing their Save A Lot career through our Tuition Assistance Program. All full-time Team Members with a minimum of twelve months tenure are eligible to participate. Team Members who meet all eligibility criteria can be reimbursed 100% of the eligible expenses up to \$2,500 and 75% of additional expenses for the remaining \$2,500 for a total reimbursement of \$5,000 in any calendar year.



LEAD Impact in 2022

118 Total Team Members completed LEAD in 2022.

118
Team
Members
Total

25 Support Center Team Members LEAD Certified

25
Support
Center

15 Distribution Team Members LEAD Certified

15
Distribution
Team

42 Field Team Members LEAD Certified

42
Field
Team

36 IT Team Members LEAD Certified

36
IT
Team

Course Evaluation (Scale 1-5)

Overall Course Rating – 4.62/5

Relevance to Role – 4.64/5

Recommend Course to Others – 5/5

Total Compensation

To continue to attract and retain top talent, Save A Lot offers Team Members a competitive and comprehensive compensation and benefits program. To ensure our competitiveness, Save A Lot regularly reviews and benchmarks our Total Rewards package, refreshing it whenever needed.

Benefits

Our approach is to offer our team choice and value in plans and programs that meet both individual and family needs. Benefits that we offered (a mix of company-subsidized and Team Member-funded) to our full-time Team Members in 2022 included the following:

- 401(k) Plan with up to a 4% Company Match
- Adoption Assistance
- Auto/Homeowners Insurance
- Corporate Mortgage Benefit Program
- Critical Illness and Hospital Indemnity Insurance
- Dental Insurance (2 options)
- Easily Accessible First Aid Kits and Automatic External Defibrillators
- Income Protection Benefits (Life Insurance, Accidental Death & Dismemberment, Short-term Disability, Long-Term Disability)
- Learning - Instructor Led and On-demand Training
- Legal Program
- Medical Insurance (3 options, including two Consumer Directed Health Plans)
- Personal Accident Insurance
- Recognition Programs
- Service Anniversary Recognition
- Tax Advantaged Savings and Reimbursement Accounts
- Team Member Assistance Program
- Team Member Discount Program
- Tobacco Cessation Programs
- Tuition Assistance
- Vision Insurance
- Wellness Rooms

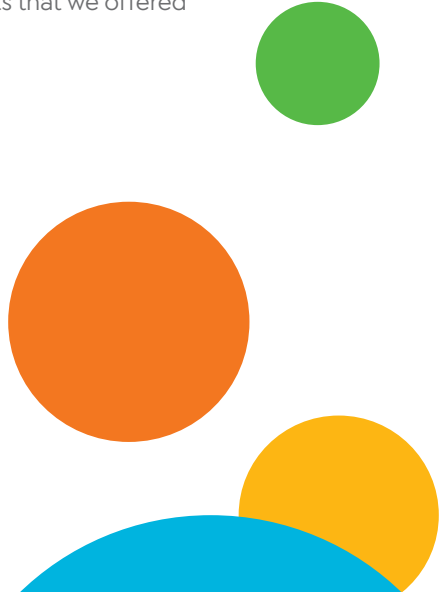
Annual Performance Incentives

Save A Lot has a performance-driven culture supported by a robust performance development plan with annual goal setting and mid-year and annual performance discussions. We hold annual reviews to ensure our Team Members are being fairly compensated based on their performance and market conditions.

In 2022 we expanded our annual bonus program to include more Team Members, basing incentives on a mix of business and personal performance. Based on this innovative change and the hard work being done at Save A Lot, more than 33% of our Team Members participated in the annual incentive (bonus) program.

Weekly Pay Cycles

We pay our Team Members weekly in order to provide them a consistent cash flow.



More than
33% of Save A Lot
Team Members
participated in the
annual incentive
program

Team Member Wellbeing

We are committed to helping our Team Members feel their best and live well. Save A Lot's Wellbeing Program supports Team Members' total health, giving them tools to get active, get healthy and live better every day. Administered through Virgin Pulse, Save A Lot's wellness incentive program is available to Team Members and their spouses, providing a personalized experience that makes it easy to earn rewards by making healthy decisions. Team Members

log in to the Virgin Pulse app to track healthy actions that fit their lifestyle and wellbeing goals, earning points that can be redeemed for cash, merchandise and even a credit applied to the Team Member's healthcare premiums.

In 2022, nearly 700 Team Members enrolled in the program.

Wellbeing by the Numbers:



Virgin Pulse Rewards

Virgin Pulse participants earn points by making healthy decisions. At 10,000 points, Team Members earn a \$900 "wellbeing credit" applied against their healthcare premiums.

Rewardable actions:

Preventive Exams (Medical, Dental, Vision)
Health Assessment
Biometric Screening
Complete a telephonic health coaching call via Virgin Pulse
Register for Anthem's Sydney Health app
20-Day Triple Tracker: 7,000 steps/15 active minutes/15 workout minutes
Join the company challenge
Set a wellbeing goal

Points Earned

3,000 each
2,000
2,000
2,000
2,000
400
2,000
2,000

Diversity, Equity & Inclusion

Save A Lot understands the importance of developing, appreciating, and maintaining a team that reflects the communities we serve. The organization instills an inclusive and diverse mindset in its leaders and throughout the organization by intentionally appreciating our diversity and exploring opportunities to support it. Several of the initiatives we participated in over the course of 2022 include:

Black History Month

During the month of February, we highlighted black-owned businesses in the St. Louis area and gave away gift cards to local black-owned restaurants.

International Women's Day

Each woman team member in the Support Center and the Distribution Centers was given a branded tumbler and a card to commemorate the vital role women play in our company and throughout the United States. In addition, leaders solicited and gathered stories from Team Members that celebrated the successes of women at Save A Lot. These stories were posted on Workplace and in the Fresh News newsletter.

Women Executives in Technology

Save A Lot hosted a discussion panel for women leaders in technology to recognize these leaders and share learnings with women.

Pride Month

During the month of June, we highlighted locally owned LGBTQIA+ businesses in the St. Louis area in the Fresh News newsletter and on Workplace. In addition, Save A Lot made Pride-themed Save A Lot t-shirts and sold them for a \$5 donation to support a local LGBTQIA+ organization.

Urban League

Save A Lot hosted an online "garage sale" at which we sold leftover Save A Lot branded items to Team Members. The proceeds of this sale were donated to the St. Louis Urban League, which supports the Black community throughout the St. Louis region.

Top Women in Grocery

Each year, the nationally acclaimed periodical, Progressive Grocer, dedicates an issue to the Top Women in Grocery. Save A Lot celebrates the contributions of women Team Members by nominating leaders here for this recognition. In 2022, 11 women from Save A Lot received the Top Women in Grocery award. Those leaders were recognized in Workplace and Fresh News as well as at an enterprise-wide Town Hall.



Safety

Ensuring the safety of our Team Members across the organization is a cornerstone commitment to our employee community. Our guiding philosophy is that every environmental, health and safety incident is preventable as we all adopt a preventative mindset. We are committed to providing comprehensive Safety Program training to our Team Members that begins with an overview of the Safety Program at orientation and includes annual training for specific Team Member roles.

Save A Lot has established a Distribution Center Safety Program to better support our Team Members in those facilities. In addition to the Safety related training, the DC Safety Program includes:

- Establishment of a Safety Committee at each DC
- Designation of Safety Captains at each DC
- Focus on sanitation
- Weekly Safety Program topics shared during shift huddles at each DC
- Annual fire and ammonia drills at each DC
- Onsite corporate audits of each DC conducted by the corporate Safety Manager

In 2022, 80% of the Save A Lot Distribution Centers recorded fewer recordable injuries than the year prior.

In addition, the Safety Program is launching an EHS Management Software that will allow Save A Lot leaders to track incidents, near misses and property damage, and to facilitate compliance with OSHA reporting requirements.



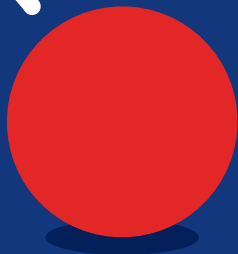


save a lot

PAY TO THE ORDER OF: **The Father Fred Foundation** \$ **13,523.00**

Thirteen thousand, five hundred twenty-three DOLLARS

PAYABLE FROM: **Traverse City Save A Lot**



Our Communities

Our Communities

In addition to the value that Save A Lot brings to communities in need of healthy, safe and fairly priced groceries, Save A Lot is also committed to giving back in the communities in which we live and work. At our corporate Support Center and Distribution Centers, and in partnership with our Retail Partners, we actively work with and support numerous charitable and community-based organizations throughout the United States.



Community Building: Locally Owned & Operated

One of Save A Lot's greatest assets is our network of independent license owners, many of whom live and work in the communities they serve. As a result, Save A Lot stores are well positioned to truly respond to the needs of the community, from customizing the in-store assortment to cater to local tastes, to having the flexibility to forge truly local partnerships. Whether supporting local charities through in-store fundraisers, product drives or events for customers, our stores are passionate about making a difference.

Positioned as a neighborhood discount grocer, Save A Lot provides a sustainable business solution to local entrepreneurs wherever there is a need for convenient access to fresh, healthy and affordable food. Save A Lot's unique license business model offers owners and operators flexibility that allows stores to operate and thrive where other larger conventional grocers often cannot. By leveraging a curated assortment of products, with an emphasis on the core items customers need most every day, Save A Lot locations can go to market in a smaller footprint, often as much as one-third the size of a conventional grocery store. The model also enables a leaner labor model, with lower operational costs. As a result, Save A Lot is sometimes the only store providing a complete grocery shop experience to customers, particularly in rural and dense urban areas.



Today 239 Save A Lot locations (more than ¼ of our network) operate in what would otherwise be classified as a “Food Desert” by the U.S. Department of Agriculture.

Food Deserts are defined by the U.S. Department of Agriculture as

“Urban neighborhoods and rural towns without ready access to fresh, healthy, affordable food.”

National Community Programming



Bags for A Brighter Holiday

Each holiday season, customers can help make a difference by purchasing a pre-filled bag of groceries to be donated to a local charity selected by the store. Each bag is stocked with private label and brand name food items, including pasta, stuffing mix, canned beans and other pantry staples from Save A Lot. As donations rise, so does the impact: Save A Lot makes additional

charitable contributions based on the number of bags donated. In 2022, customers donated more than 478,000 pounds of food—which Save A Lot matched with nearly \$80,000 in financial donations—to 116 local charities.

Support for No Kid Hungry on Giving Tuesday (Nov. 29)

In both 2021 and 2022, Save A Lot has supported No Kid Hungry, a national campaign to end childhood hunger in America, on Giving Tuesday. In 2022, the company donated \$6 for each Bag for A Brighter Holiday sold on November 29, resulting in a nearly \$9,000 donation.

Food Rescue & Food Donation

Not all food ends up in the hands of customers. Grocery items with damaged or mislabeled packaging are often unsellable. Similarly, consumers may shy away from purchasing items nearing their “best-by” dates—leading to unnecessary food waste. To help ensure as much product as possible reaches families, Save A Lot partners with food banks and other organizations to assist with food rescue activities. Save A Lot Distribution Centers maintain relationships with local partners to receive these donations and repurpose them for use in local pantries, shelters and other charitable organizations. Similarly, local Save A Lot locations often maintain relationships with local charity partners for food rescue opportunities. Many of these donations flow through food banks affiliated with Feeding America.

Supporting the St. Louis Community

Save A Lot maintains its St. Louis roots, identifying and activities and opportunities to demonstrate its own hometown commitment.

Fundraisers: In July 2022, the Save A Lot Support Center held a “garage sale,” offering outdated and retro Save A Lot merchandise for purchase to Save A Lot Team Members. All proceeds from the sale were donated to the Urban League of Metropolitan St. Louis.

Charitable Events: In June 2022, Save A Lot and its IT partner, Jade Global, led a joint effort to show support for the local police and fire department. Each agency selected a charity beneficiary; then both police and fire representatives were given two 90-second opportunities to grab as much food in the store as possible to be donated directly to the partner charity. At the conclusion of the event, Save A Lot and Jade Global made financial contributions to the charities equal to the dollar value of groceries collected. The event netted a total of \$10,000 in both cash and in-kind donations for two local charities: Riverview West Florissant Development Corporation and the St. Patrick’s Center.

Product Donations: Save A Lot regularly works with local organizations, churches and other nonprofits to help provide Save A Lot products to support successful events.



In 2022, Save A Lot locations donated nearly 1.2 million pounds of food to Feeding America affiliated food banks.

Local Events & Activations

Because our locations are locally owned and operated, every store has the flexibility to support the community where and how needed. Here are just a few examples of some of the projects and events our owners & operators are passionate about.

Louisville, KY. – Taylor Blvd. – Free Coat Exchange

Owners Jenny Kute & Craig Oeswein participate each November in the community's Free Coat Exchange program, serving as a location for anyone to either donate (or take) a winter coat for the cold season ahead. More than 300 customers and residents drop by to participate annually.

Hazard, KY. – Race Day Fundraiser & Community Event

The 89 stores owned and operated by Houchens Industries each take a highly localized approach to support the community. The Save A Lot location in Hazard, Ky., sponsors an annual Race Day, featuring a showcase of cars—from karts to classics to motorcycles—that has since evolved into a complete community event. The team's 27th event in 2022 included a food drive during the event that collected more than 18,000 pounds of food that was donated to the Hospice Care Center of Hazard. The stores also hosted a cookout and benefit auction for some local residents battling illnesses and needing a helping hand, which raised more than \$33,000.

Farmington, MO. – LIFE Center for Independent Living/Caroline's Carts

Brad Juliette and Eddie Wakefield, owners of six stores across eastern Missouri, have a heart for engaging with special needs customers. In March 2022, they partnered with the LIFE Center for Independent Living in Farmington, Mo, to raise money to purchase several Caroline's Carts to use in their stores in the area. These specially retrofitted carts integrate wheelchair seating into a shopping cart, allowing parents and caregivers to push one cart with their child and groceries.

Hillside, N.J. – Breast Cancer Awareness

The Save A Lot in Hillside, N.J. has a long-standing partnership with the local health department, supporting the organization's annual breast cancer awareness events. In October, owner Farhan Nasir sponsors the community's annual "Pink Shuffle on the Hillside," providing snacks and refreshments for walkers.



Local Events & Activations (contd.)

Alden, N.Y. – Meat Raffle Fundraiser for Local Fire Department

When the local fire department asked for help with a raffle and fundraiser, Dave McHenry, owner and operator of the Save A Lot in Alden, N.Y., stepped up to support. McHenry provided product for the department’s “Old Fashion Meat Raffle” – donating hams, turkeys, steaks and other meat items as raffle items (along with some Save A Lot Gift Cards) to help the department raise more than \$3,000.

Denver, CO. – Clinica Tepeyac

Leever Supermarkets, which owns and operates 14 stores around Denver (and another 15 in the Philadelphia area) maintains a long-standing partnership with Clinica Tepeyac, a Denver-area organization created to inspire lifelong health, wellbeing and humanity in the Hispanic community. In addition to an annual \$25,000 donation, Leever stores offer in-store fundraising opportunities for the clinic, where customers can add to their grocery total in store or donate at home using a QR code. Recently the group also launched a pilot in select stores where clinic patients receive \$1 vouchers for milk or water to redeem in store.

Denver-area stores also support the annual Univision-broadcast telethon for the Children’s Rehabilitation Institute TelethonUSA, which provides care to children with neurological, muscular and skeletal disabilities. In addition to an in-store fundraiser that raised more than \$16,000 in 2021, Leever also contributes an additional \$25,000 to the cause annually.

Houchens Stores – St. Jude Children’s Research Hospital

Save A Lot’s largest Retail Partner, Houchens Industries, runs a charitable in-store campaign across its 89 Save A Lot locations each year to benefit St. Jude Children’s Research Hospital. Through two month-long “pinup campaigns,” stores solicit donations from customers in exchange for cards of support that can be completed and pinned to a display wall in the store. The response is tremendous: Houchens annually raises more than \$100,000 to help fund the hospital’s mission of finding cures and saving children. Following the team’s second campaign in October 2022, Houchens crossed the milestone of over \$1 million cumulative raised for the hospital.



Disaster Relief

When disasters strike in a community, ensuring residents maintain access to clean water and available food supplies is critical. Save A Lot Retail Partners and stores often play this important role to their communities, working to quickly open their doors as soon as power and water are restored to an impacted area. Save A Lot also partners with retailers to help ensure local needs are met.

Jackson, MS

When local officials declared the water unsafe to drink in Jackson, Miss., Save A Lot responded by sending two truckloads of water for donation to local residents.

Flooding in Kentucky

Following historic flooding in communities across rural Kentucky in July 2022, local Retail Partners Houchens Industries and Saver Group sprang into action to serve the community's needs. Both retailers arranged for truckload deliveries of bottled water, handing out free products to residents. Houchens stores coordinated an in-store relief fundraiser, ultimately donating \$45,000 to the Red Cross and another \$120,000 to the Foundation for Appalachian Kentucky.

Crisis Response

The grocery industry's role as a "critical infrastructure" business means that Save A Lot must be prepared to effectively respond to a wide range of challenges. Even before the pandemic, Save A Lot had established and maintained a cross functional Crisis Team, comprised of leaders from across the organization, to work together to position and protect Save A Lot, its Team Members and resources most strategically in times of crisis. Smaller event-focused crisis Task Force teams have been established to mitigate threats created by hurricanes and severe weather, civil unrest and protests, and COVID 19. Each team takes a multipronged approach to a given situation, ensuring:

- The safety and wellbeing of impacted Team Members and, where relevant, our Retail Partners and their teams
- A focus on operational needs to minimize any business disruptions at both the Distribution Center and store level
- Consideration for how Save A Lot and our Retail Partners support recovery in impacted communities

As a discount grocer, Save A Lot takes seriously its responsibility to continue to provide safe and available food through any crisis.





**Protecting
the Environment**

Protecting The Environment: Our Philosophy

As a licensed wholesaler serving a network of more than 840 stores across 32 states, Save A Lot provides an accessible and affordable food source. As we pursue sustainable growth, we are conscious of the ways in which our operations can interact with our world. We are actively developing strategies to minimize our environmental footprint across our supply chain and in the communities where we operate, engraining environmental accountability throughout the entirety of Save A Lot's operations.

We are committed to our customers and communities to engage in best practices to reduce our environmental footprint. By conserving natural resources in fleet and facility operations we are taking steps to minimize our impact on the environment today and in the future. With this, we will ensure our commitment to the environment is as transparent and robust as possible, striving to incorporate strategic initiatives that go beyond the environmental regulatory and compliance landscape.

We are proud of the progress on and continuing attention to several sustainability initiatives:

- Fleet Fuel Management
- Energy Management
- Management of Air Emissions from Refrigeration
- Waste Diversion

Those initiatives are reviewed in the coming pages and reflect Save A Lot's commitment to these critical opportunities to make a difference in our world.



Fleet Fuel Management

Save A Lot's outbound delivery truck fleet is primarily outsourced to third-party dedicated carriers. As one of the country's largest discount grocers, our fleet moves products nationwide from Save A Lot's Distribution Centers to our locally owned hometown grocers. Since delivering quality fresh produce and fresh meat by truck is the core of our business, we continually work to improve fleet efficiency and reduce our environmental footprint through holistic fleet strategy. In 2022, Save A Lot acted to increase the fuel efficiency of our food distribution network including utilizing our transportation management system, partnering with a transportation management solutions provider, and continuously monitoring and upgrading our fleet.

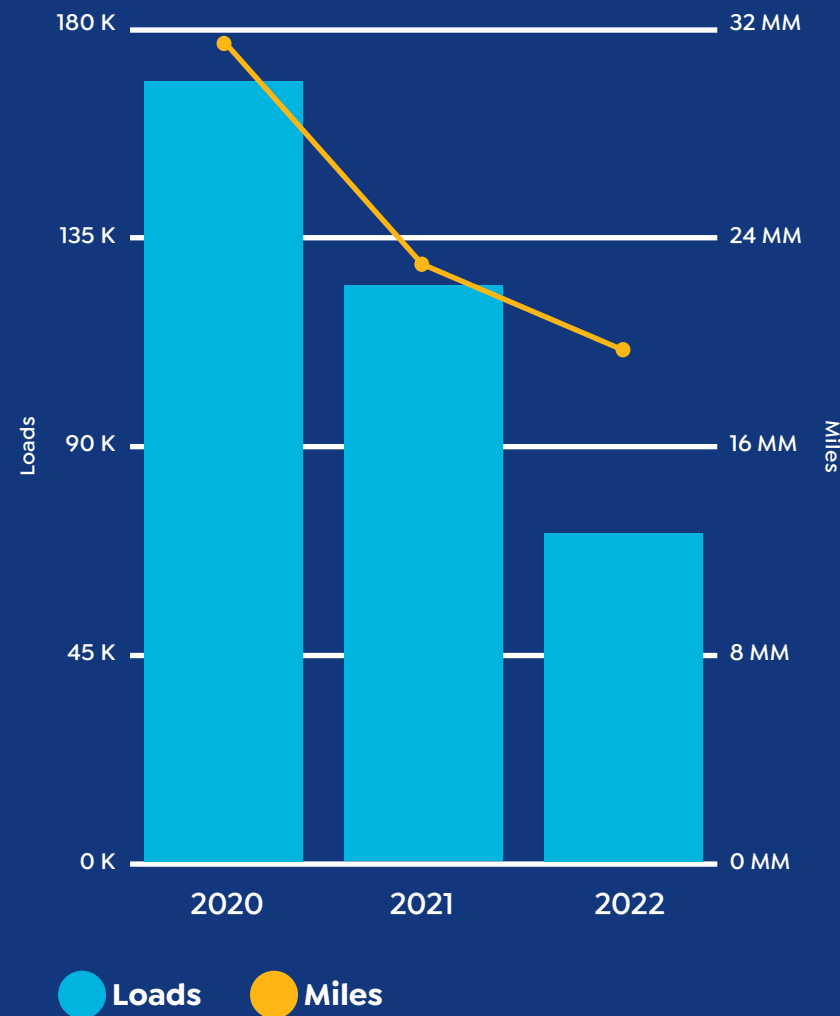
Our transportation management system ensures all orders to retail stores are shipped along the most efficient route considering the height and weight of our trucks. This system drives supply chain efficiencies in the transportation and delivery of our products.

Save A Lot knows the transportation sector is the largest source of greenhouse gases in the United States, accounting for approximately 27% of total greenhouse gas emissions. We partner with a transportation management solutions provider to empower our carriers with fuel consumption data to reduce costs and improve transportation network efficiency and sustainability. Fuel consumption data is reported to Save A Lot weekly, enabling our fleet fuel management team to monitor cost savings and efficiency.

Our delivery fleet is comprised of 579 trucks that are 4.33 years old on average. Our third-party dedicated carriers continuously examine the trucks to retire them at the end of their useful life. We replace retired trucks with new models featuring updated design and fuel-efficient technology. These new trucks provide a higher mileage per gallon, reducing fuel emissions on each route.

In 2021, we initiated a project to increase the amount of product in each delivery to our retail stores. Save A Lot has been able to serve all our stores with fewer trucks in our fleet and fewer miles driven, decreasing our fuel emissions. From 2021 to 2022, the number of tractors and trailers in our fleet decreased by 35%.

Loads & Miles



Energy Management

As a business that utilizes natural resources to operate, we have the obligation to ensure responsible consumption. To better understand the regional and local impacts of using these natural resources, we track and measure our energy usage. In addition to energy management, we understand that climate change and associated greenhouse gas emissions have the potential to impact our operations and how we serve our communities. With better knowledge of our environmental impact, we can be more strategic in how we act to reduce our environmental footprint and mitigate business risks associated with climate change.

To track our greenhouse gas emissions, we first must understand our emission sources. Following the Greenhouse Gas Protocol standards, we separate our emission sources into three scopes.



Scope 1: Direct emissions from sources that are owned or controlled by Save A Lot, and would include things like our delivery fleet, refrigeration systems, furnaces, etc.



Scope 2: Indirect emissions from electricity purchased from the grid to run our stores and Distribution Centers.



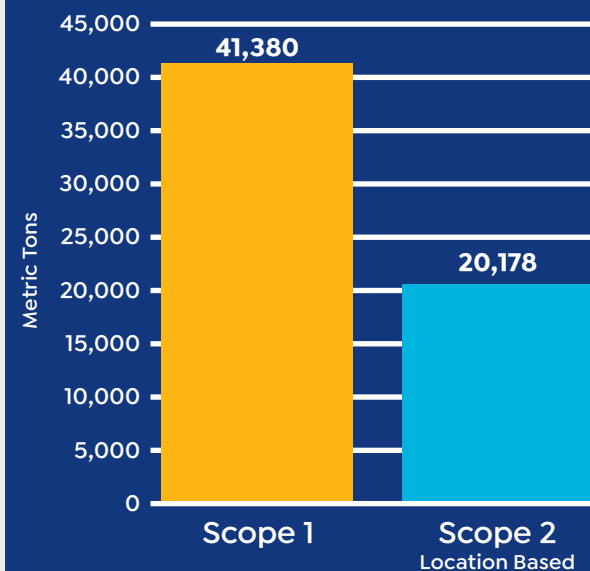
Scope 3: The emissions that are accounted for within scope 3 are activities that are associated with Save A Lot's business practices but are not directly emitted from controlled or owned assets. This scope includes all emissions related to both the upstream and downstream value chain. These sources can include employee commute, use of sold products, waste generated and much more.

We have baselined the scope 1 emissions of our outbound fleet and the scope 2 emissions of our Distribution Center and Support Center operations for 2022. With this scope 1 and 2 emissions baseline, Fleet Managers and Facility Managers can take steps to optimize the day-to-day management of our fleet and built environment and progress toward organizational sustainability goals.

The Scope 2 Greenhouse gases reported here were calculated using location-based scope 2 reporting. A location-based reporting approach reflects the average emissions intensity of grids on which energy consumption occurs and applies to all electricity grids. The advantage of this reporting approach is that it reflects actual generation and distribution of emissions.

Through Save A Lot's remodel program, in partnership with licensed Retail Partners, **more than 97 stores have been upgraded with LED lighting.**

Metric Tons of CO₂e Emissions By Scope

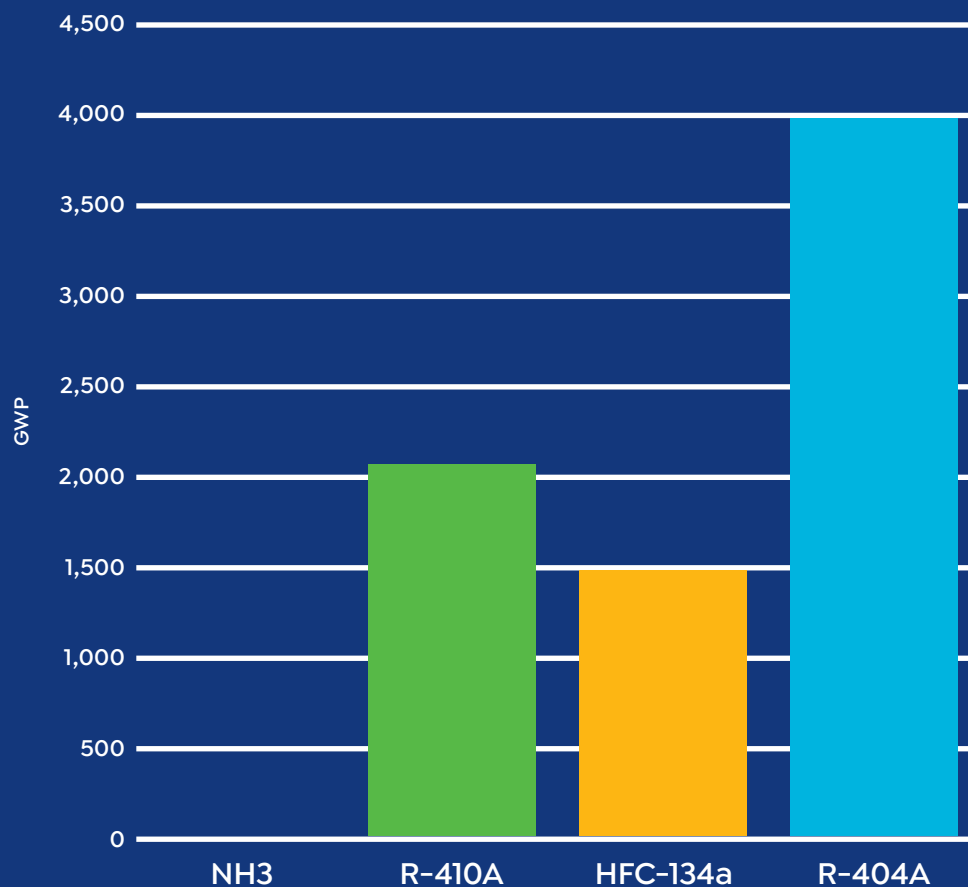


Air Emissions from Refrigeration

Refrigeration systems play a critical role in enabling us to deliver excellent products to our stores. We continue to invest in refrigeration solutions that conserve energy and consider environmental impacts. Save A Lot works to decrease air emissions from refrigeration in our Distribution Centers by shifting to low-impact refrigerants. Traditional refrigerants can have extremely high potential for global warming impact. Alternative ammonia (NH3) refrigeration systems have 0 global warming potential and require less electricity for operation. The Global Warming Potential (GWP) metric allows comparisons of the global warming impacts of different gases. Specifically, it measures how much energy the emissions of one ton of a gas will absorb over a given period, relative to the emissions of one ton of carbon dioxide (CO2). The larger the GWP, the more a given gas warms the Earth compared to CO2 over that period. NH3's GWP makes it a more environmentally friendly refrigerant compared to traditional refrigerants with GWP's of sometimes more than 3,000.

In 2022, 11 of 13 Distribution Centers were using ammonia refrigeration systems. Our plan is to continue this shift to low-impact, ammonia refrigeration systems in our Distribution Centers.

GWP of Common Refrigerants



Waste Diversion

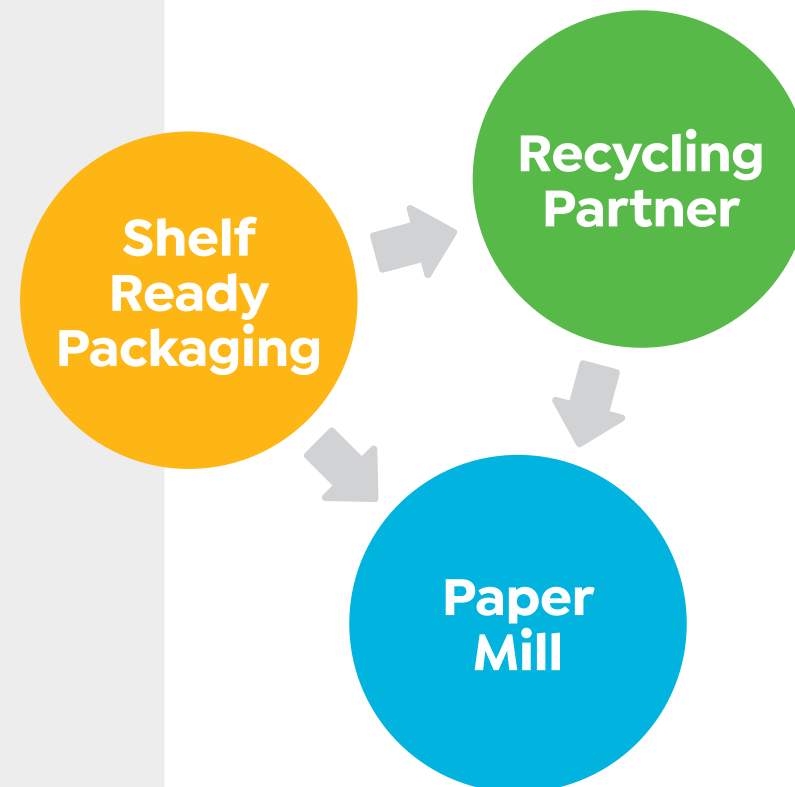
Save A Lot has taken additional steps to ensure waste from our business operations is tracked, measured, reduced, and responsibly managed. With this, we have implemented a corrugated cardboard recycling initiative at many of our retail stores. Our corrugated cardboard packaging enables us to transport products to our stores reliably and display our products easily on the shelf and requires less energy to produce than plastic packaging. Save A Lot strives to prevent these corrugated boxes from unnecessarily ending up in a landfill. Through our corrugated cardboard recycling program, shelf-ready packaging is diverted from the landfill and sent to paper mills to benefit the environment, the economy, and the communities we serve.

Cardboard Lifecycle at Save A Lot

- Stores send used cardboard packaging to a Distribution Center
- The Distribution Center receives the used cardboard packaging from stores
- Our recycling partner picks up the cardboard packaging from each Distribution Center
- Cardboard packaging is sold to paper mills and processors
- Cardboard is cleaned, shredded, and pulped
- Pulp is mixed with new cardboard fibers and dried into sheets
- Recycled cardboard is ready for reuse

Our corrugated cardboard recycling program benefits the environment by decreasing waste sent to landfills and conserving energy and natural resources used to create new cardboard. The program also increases economic security by tapping a domestic source of manufacturing materials and creating jobs in the recycling and manufacturing industry.

The US Environmental Protection Agency's Waste Reduction Model is used by organizations to estimate the potential greenhouse gas emissions reductions from several different waste management practices, including recycling. The model's emissions factor for recycling is 2.89 metric tons of CO₂e avoided for every ton of waste recycled instead of landfilled.



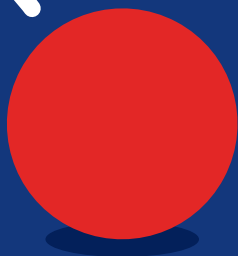
Recycling Spotlight:

Save A Lot's Austinburg, OH Distribution Center

**132
Stores
Served**
16% of total
network

4,265,100
Pounds
Diverted

6,163.07
metric tons
of CO₂e
prevented



Corporate Governance

Corporate Governance

Successful companies realize the critical importance of establishing and maintaining a focus on oversight of the company and measures to protect themselves in a rapidly evolving and highly regulated landscape. Effective corporate governance strategies are based on attention to operational imperatives and effective compliance leadership. This attention must include:

- Managing the demands of external and internal stakeholders
- Ensuring compliance with legal and regulatory requirements
- Regular and open reporting to Board of Directors

Save A Lot has embraced this responsibility and established effective leaders and resources to provide the level of governance needed in this competitive and challenging industry.



Board of Directors

Save A Lot's Board of Directors is committed to strong corporate governance with a focus on transparency and accountability. First established following the company's refinancing and recapitalization in April 2020, today the Board maintains responsibility for oversight of risk and financial performance for the organization. Most notably, the Board has played an important role in guiding Save A Lot through the successful completion of the company's business model transformation from a retail business to a licensed wholesaler. Save A Lot's Board is comprised of seven directors and three observers.

The Board maintains two working committees, each with three members.

The Audit Committee is charged with oversight of financial reporting and disclosure, with a direct view into external accounting teams and their performance. This committee also ensures Save A Lot adheres to established business conduct standards and helps guide risk assessment and management practices.

The Compensation Committee reviews and approves all forms of compensation to be provided to the executive officers and directors of the company. The committee establishes general compensation policies for the company and reviews, approves and oversees the administration of employee benefits plans, including stock options or purchase plans. Additionally, the committee periodically reviews succession planning policies.

ESG Oversight

Our Board prioritizes ensuring that Save A Lot acts as a responsible corporate citizen, creating value and positive impact for all stakeholders, including consumers, Retail Partners, suppliers, Team Members, local communities and investors alike. We recognize that developing and integrating initiatives to address responsible actions across the environmental, social and governance (ESG) spectrum is critical to our long-term success. This report marks a first step toward regularly communicating our commitments, our approach to them, and marking our progress in the journey.

Members of the Board:

Justin Shaw, Chairman of the Board
Operating Partner of CDPQ

Andrew Schultz, Audit Committee Chair
Managing Member, Woodbine Consulting

Michael Motz, Compensation Committee Chair
CEO, Staples U.S. Retail

Stéphane Gonthier
CEO, GardaWorld Cash Services

Fred Boehler
Former CEO, Americold Logistics

Cathy Skula
Operating Partner, The Riverside Company

Leon Bergmann
Save A Lot Chief Executive Officer

Greg Seketa, Board Observer
Executive Director, J.P. Morgan Asset Management

Mohammed Kaddaha, Board Observer
Senior Associate, CDPQ

Adam Searles, Board Observer
Managing Director & Co-Head of Research, Arbour Lane Capital Management

Executive Leadership Team

Save A Lot's Executive Leadership Team plays a critical role in delivering against the expectations and priorities set by the Board of Directors. Together this experienced team of leaders collaborates to ensure the organization's strategic focus is aligned to deliver results for shareholders, identifying opportunities to enhance and improve the functionality of the business model. Each leader maintains accountability to ensure his or her respective function has a clear, actionable strategy to deliver against the company's goals, and works together as a team to integrate business priorities.



Leon Bergmann
Chief Executive Officer



Mark Hutchens
Chief Financial & Transformation Officer



Trey Johnson
Chief Merchandising, Marketing & Sales Officer



Jennifer Hopper
Chief Digital & Information Officer



Chris Stanley
Senior Vice President of Distribution Operations



Mark Lacey
Senior Vice President of Human Resources & Governance, Risk & Compliance

Save A Lot Retailer Advisory Council

As a licensed wholesaler, one of Save A Lot's top priorities is maintaining positive engagement with our Retail Partners. In 2019, the Company established the Save A Lot Retailer Advisory Council (SRAC), comprised of eight Retail Partners, with six peer-elected and two appointed members. Elected members represent the breadth of ownership group size, which ranges from single-store owners to larger corporate owner groups managing 90+ locations.

The SRAC meets monthly with Save A Lot leadership, collaboratively acknowledging and tackling challenges and opportunities facing the network. The focus of the SRAC is to review and develop new and innovative ideas, programs and services as well as to guide prioritization and implementation. The discussions and outcomes from each meeting are published and shared through SAL Communications for all Retail Partners to track progress.

Brand Protection: Compliance

Regulatory Compliance.

Corporate and regulatory compliance is a critical safeguard for any company and leaders in this area must aggressively champion the integrity, accountability and ethics of organizations. While regulatory compliance has always been an essential part of the way Save A Lot does business, in 2022 the organization established the Governance, Risk & Compliance (GRC) group. That group of legal and regulatory leaders evolved out of the Legal and Compliance organization and focuses exclusively on meeting internal and external regulatory requirements and overseeing compliant workplaces.

The GRC team works to monitor the changing legislative and regulatory landscape and provide legal guidance to affected parts of the business to ensure compliance.

This effort has included remaining current and compliant with fast changing U.S. federal, state, and local guidelines and mandates that govern several components of Save A Lot's business. Those areas include:

- Safety
- Food Safety
- Environmental
- Retail/Commercial Laws
- Pricing

The GRC team manages the operational license and permit program to ensure that Save A Lot obtains and maintains the required licenses to legally conduct business.

Code of Conduct.

For Team Members, Save A Lot has enacted and follows a Code of Conduct, which details the essential framework for how employees conduct themselves in their daily work. The guidelines included in the Code of Conduct establish standards for personal and professional conduct. This critical tool can be found on the Save A Lot SharePoint site for Team Members to read and reference.

In addition, the Human Resources and GRC groups maintain a Team Member Handbook. This resource is provided to and acknowledged by all Save A Lot Team Members and includes expectations around specific policies and procedures.

Both the Code of Conduct and the Team Member Handbook are updated regularly, and those updates are communicated clearly to all Team Members.





Brand Protection: Information Security

The Information Security Team at Save A Lot operates under the guidance of our Chief Information Security Officer (CISO), who is a member of our Senior Leadership Team. This role is further bolstered by a Director of Information Security, who manages two specialized Information Security teams:

- IT Governance, Risk and Compliance
- IT Security Operations

Collectively, these two teams are responsible for developing and implementing Save A Lot's Information Security strategy, ensuring compliance with security standards, managing internal and external risk, directing identity and access management, conducting threat investigations, and responding to security events and incidents.

Save A Lot's Governance, Risk, and Compliance program adheres to several key standards:

- National Institute of Standards and Technology Cybersecurity Framework (NIST CSF)
- Center for Internet Security (CIS) controls and benchmark standards
- Payment Card Industry Data Security Standards (PCI-DSS)
- IT Requirements of Sarbanes-Oxley (SOX)

Our risk identification approach for Save A Lot includes:

- Continuous vulnerability scanning of our devices
- Periodic third-party penetration testing on both our internal and external networks
- Internal and external auditing teams periodically auditing key controls
- Annual third-party security program review and assessment
- Security intelligence programs to identify emerging threats
- Utilization of advanced threat-hunting technology

Annually, the Information Technology department performs a comprehensive evaluation of the security program and its overarching strategy. Upon reviewing the assessment, IT leadership fine-tunes the approach to accommodate the ever-changing threat landscape. Furthermore, IT engages in ongoing collaboration with business counterparts, ensuring that both Save A Lot and our vendors consistently adhere to security and privacy requirements through vigilant monitoring and assessment.

The CISO delivers quarterly reports on the status of the security program to Save A Lot's Executive Leadership Team (ELT) and the Board of Directors' Audit Committee, ensuring transparency and ongoing progress evaluation.



Brand Protection: Information Security (ctd)

Save A Lot's dedicated security operations team, in collaboration with a third-party managed security service provider, ensures that our security is continually monitored and supported. Incident and event management, endpoint detection and response, email protection, and perimeter security are all implemented, maintained, and monitored using best-of-breed technologies. Save A Lot embraces cutting-edge solutions in the field of security automation and response.

In addition to our information security measures and governance, Save A Lot has privacy and data classification policies that dictate how we collect, store, and share information provided by our team members, partners, and customers. Our private cloud systems are based in Microsoft Azure and feature multi-factor authentication and security logging for all access, and all data is encrypted in transit and at rest. Our on-premises systems at our support center are secure, featuring 24/7 video monitoring, a badge access system for entry, and visitor management processes and technology for guests.

At Save A Lot, we prioritize training and awareness. All team members using our technology must complete security awareness training upon hiring and annually thereafter, focusing on current internet threats or risks to Save A Lot's environment or industry sector.

Training measures include:

- Monthly phishing tests for team members with email accounts to determine if additional cybersecurity awareness training is necessary
- Security awareness training for all team members handling credit card data upon hiring and annually thereafter, in accordance with the current PCI-DSS
- Board of Directors Audit Committee reviewing metrics on security awareness training to ensure team members comply with security training and overall security efforts align with expectations
- Periodic simulations of security incidents conducted by the information security team and IT support teams



Brand Protection: Food Safety

Our customers are at the center of everything Save A Lot does, and we understand the critical importance of having safe, quality products in Save A Lot stores. The quality and safety of the products that we provide to our customers is the top priority at Save A Lot for Team Members at all levels.

Our Distribution Center Food Safety Program was established to meet regulatory requirements, protect consumers, and foster best practice standards across the organization. The program includes several critical initiatives designed to ensure the quality of the products we receive, store, and send out to stores.

The Save A Lot Food Safety Program is founded on several key initiatives:

- Conducting DC Site Visits for review of pest control and regulatory issues.
- Identifying and framing opportunities, challenges, and needs for the Distribution Center Food Safety Program
- Reviewing Food Defense Action Plan findings with Asset Protection Department to create strategies
- Creating and delivering operational Food Safety focused training solutions for Distribution Center Team Members
- Collaborating with Licensing group to support Food Safety regulatory licensing issues
- Collaborating with Safety group to coordinate Safety/Food Safety regulatory compliance
- Identifying regulatory risk and facilitating improvements for Food Safety assessments and issues; pest control; and site and building management.
- Provides Food Safety subject matter expertise for issues surrounding regulatory requirements, audits, and inquiries for the corporation.
- Collaborating with DC Facilities Team to develop a network DC Pest Control Program.

Brand Protection: Quality Assurance

Save A Lot understands that it must closely govern our relationships with suppliers to proactively ensure the high quality of products we receive and react to product related challenges. The Save A Lot Quality Assurance team has worked to establish a comprehensive Supplier Quality Manual that communicates Save A Lot standards to prospective and current suppliers in order to identify, assess and mitigate supplier risk.

The Quality Assurance team works out of the Test Kitchen in the Save A Lot Support Center and works every day to manage several critical product related initiatives, including:

- Remote Supplier Audits
- Supplier Database
- Customer Satisfaction and Consumer Preference Data Capture
- Training and Education Initiatives that support Quality and Sustainability
- Implementation of Monthly Food Safety-Quality Team Meeting (Field, DC, and Support Center engagement)
- Product Testing
- Customer Feedback (via toll free customer hotline and web reporting tool)

Product Recalls.

When Save A Lot is notified of any product quality issues or potential recalls, the Quality Assurance team takes lead on coordinating internally with Merchandising, Distribution and Operations and externally with the vendor and other included stakeholders or agencies. Together, the team issues recall notices and potential customer communications to stores and impacted retail partners. Product returns are tracked and logged both at the store and Distribution Center with all information provided back to the issuing vendor

Looking Ahead

Save A Lot has a 45-year history of positively impacting the lives of our people, our customers and the communities we serve. While this report provides a snapshot of where we are in our progress, it represents only one step in our ongoing journey—and commitment—to honor our core values of excellence and treating all people and communities with respect. We view our approach to ESG as an avenue through which we can continue to improve lives and we are excited to explore new opportunities. We are proud of the progress we have made in these areas and know there is more to do.

At our core, we are a business that exists to be a solution by providing access to fresh, affordable and healthy foods to families. Community is wired into the very heart and soul of our business model. We will continue to identify and prioritize the ways we can continue to make a positive impact for our team members, Retail Partners and customers, while also taking action to support sustainability for our environment and the company itself. Our ESG Leadership Committee will continue to explore ways to strengthen our ESG program and deliver even more success in living our mission.

We look forward to continuing to share our journey.



