FOR IMMEDIATE RELEASE
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Empire pledges net zero Scope 1 and 2 emissions by 2040 in bold new Climate Action Plan

- *Plan aims to significantly reduce greenhouse gas emissions, and sets science-based targets*

Stellarton, NS – Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced it is setting bold, science-based emissions reduction targets ("SBTs") in support of Canada's transition to a low-carbon economy. This is a significant step forward in the Company's plan to help combat climate change and is the latest step in the journey to commit and invest in sustainability.

Adopting science-based targets gives Empire and its subsidiary Sobeys Inc. a clear path to significantly reduce its carbon footprint and align with the 2015 Paris Agreement to limit global warming to 1.5°C by 2050. The Science Based Targets initiative ("SBTi") is an internationally recognized body that provides standards and guidance for organizations to set SBTs. Some key Empire initiatives aimed at reducing greenhouse gas ("GHG") emissions will include electrifying delivery and fleet vehicles, installing rooftop solar panels, lighting and refrigeration retrofits, working with the supplier community to help them set science-based targets, and reducing emissions from fuel sold at filling stations.

"At Empire we know that now is the time to act on the climate crisis. Committing to concrete, science-based targets is the way we will make a difference," said Michael Medline, President & CEO, Empire. "With the strong partnership and collaboration of our teams, suppliers, customers and communities, we can achieve our shared sustainability goals."

Empire's Scope 1 and 2 targets exceed the 1.5°C/Net Zero by 2050 trajectory set by the Paris Agreement, while its Scope 3 targets are aligned with SBTi requirements:*

Near-term Targets:

- Scope 1 & 2 (absolute target): Reduce absolute Scope 1 and Scope 2 GHG emissions by a minimum of 55% by 2030 from a 2019 base year (a targeted minimum annual reduction of 5% between 2019 - 2030); and
- Scope 3 (supplier engagement-based target): Work with supplier base such that 62% of our suppliers by spend will set science-based reduction targets on their Scope 1 and 2 emissions in five years, and commit to a minimum 28% reduction in emissions from fuel sold by 2030.

Long-term Targets:

- Achieve net zero, by 2040 for Scope 1 and Scope 2 emissions; and
- Achieve net zero for Scope 3 emissions by 2050 according to SBTi's Net-Zero Standard.

Empire's Scope 3 target represents the largest emissions reduction opportunity for the Company over the next five years, and the Company has already begun engaging with its suppliers to ensure it reaches its Scope 3 emissions goals.

"I am really excited about the road ahead. Today's announcement is a major step forward in our sustainability journey. We have a solid science-based plan, aligned with global standards," said Mohit Grover, SVP Innovation, Sustainability & Strategy at Empire. "Through our work on climate, we will uphold our values and commitment to sustainability."

Empire's three-year Climate Action Plan roadmap is detailed in its newly released 2022 Sustainable Business Report, alongside stories outlining the Company's progression in core environmental, social and governance ("ESG") areas.

Empire will also embed its sustainability commitments in its corporate governance practice through a newly established Sustainable Business Council ("the Council") launching in fiscal 2023, which includes leaders in Real Estate, Supply Chain and Logistics, Sourcing and Merchandising, and Fuel. In conjunction with Empire's external SBTi validation, the Council will ensure accurate accounting of carbon emissions for internal monitoring and external reporting. In the meantime, Empire will continue to improve its carbon accounting data and processes to ensure the Company delivers its 2030 targets.

Additionally, by the end of fiscal 2023, Empire will enhance external reporting by aligning its external disclosures with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), an internationally recognized group used by top organizations to identify, assess and manage climate-related risks.

**Note: Scope 1 refers to an entity's direct emissions; Scope 2 is an entity's indirect emissions through its energy use; and Scope 3 concerns emissions connected to an entity indirectly through its value chain, such as purchased goods and services.*

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned Sobeys Inc., and related real estate. With approximately $30.2 billion in annual sales and $16.6 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 130,000 people.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which are presented for the purpose of assisting the reader to understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "calls for" "anticipates", "expects", "believes", "estimates", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" and other similar expressions or the negative of these terms.

These statements include those relating to: climate and greenhouse gas emissions, including without limitation, emission targets; plans to electrify delivery and fleet vehicles, transition to low carbon sources, and partnering with suppliers to set science-based targets, all of which may be impacted by changes in renewable energy production, risks of technology defects from early adoptions, electricity grid decarbonization, economic conditions, availability of electric vehicles, governmental priority and stances on climate and emissions, supplier relationships and related negotiation, and carbon fuel supply and demand;

Additional risks are described in detail from time to time in documents filed by the Company with securities regulatory authorities in Canada. By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made.

For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2022 annual Management's Discussion and Analysis.

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