



## Our Commitment

As we wrap up 2024, we reflect on the progress we've made along our sustainability journey. It's been a busy year and in this year's Sustainability Commitment update, you'll find updates on our progress and details on the efforts we're taking to achieve our sustainability goals. We cover information from our latest fiscal year, which ended September 1, 2024 (FY24).

We have continued to grow globally, reaching more than 890 warehouses around the world. Consequently, we recognize the importance of continuing our work towards a more sustainable future for our members, employees, suppliers, shareholders, communities and the environment. We've also seen an evolving regulatory landscape and believe that our work in sustainability will help us prepare for these changes. We've learned a lot in the past year and are happy to share some of the key highlights:

**Our Climate Action Plan:** We continue to work towards our Scope 1, 2 and 3 emissions goals through executing on our Climate Action Plan. In particular, we have focused FY24 on 1) educating our employees and supply chain, 2) improving the way we measure, report and verify our climate-related information, and 3) testing new ideas and scaling those that have proven viable and effective. Highlights this year include launching our Scope 3 "STEP" (Supplier Targets, Transition Agriculture, Energy Solutions and Packaging Solutions) program with our buying teams to work on Scope 3 initiatives, increasing the percent of clean energy powering our global operations to 21% of our global purchased electricity, and rebaselining our Scope 3 data to be more comprehensive and accurate.

**People & Communities:** We continue to focus on taking care of our people and communities in which we operate, which consists of inclusion and development initiatives for our employees and charitable giving to our communities. Notable accomplishments this year include expanding our Workforce Dashboard beyond the U.S. to help our operators better understand and invest in their workforce, expanding our Supervisor in Training (SIT) program into Canada, and donating over \$84 million to local charities and over 177 million meals. We also continue to support minority-owned suppliers through our supplier inclusion efforts.

**Operations:** We continue to build on our STAR (Sustainability Technical Assistance Review) program to minimize water, waste, energy and emissions in our warehouses, and to meet environmental compliance obligations. This year, we introduced ENERGY STAR benchmarking to our STAR program, which helps our warehouse locations compare against similar buildings and learn about potential energy-saving opportunities. We also continuously seek ways to improve resource efficiency across our global operations, such as minimizing our water usage and prioritizing materials with recycled content where possible in the construction of new warehouses. Additionally, we've made progress towards using more renewable diesel in our California depot and business center fleets, replacing over 7 million gallons of diesel with renewable diesel. We installed 13 additional CO2-based refrigeration systems and expanded our onsite generation capabilities at our Mira Loma, California depot. We continue to see progress as our sustainability and operations teams collaborate closely.

**Merchandising:** Our six question framework has laid the foundation for our work on sustainability initiatives throughout our supply chain. In FY24, we focused on improving our performance across all six questions at an item level, engaging suppliers directly to encourage action and target-setting through platforms like CDP, piloting regenerative agriculture investments with partners, prioritizing human rights efforts through working with partners such as Equitable Food Initiative (EFI), CIERTO, and the Seafood Task Force (STF), and driving forward our commitment to the welfare and proper handling of animals. We recognize that our work on merchandising sustainability requires action at the item, supplier and industry levels.

In summary, we continue to make strides towards our sustainability goals and to collaborate across multiple business units to make progress. We are committed to continuous improvement as we pursue this journey to help our world thrive. We appreciate the support of our employees, suppliers, members and the communities and welcome their feedback as we evolve.



Ron Vachris  
Chief Executive Officer

