# 2025 ESG Report

Our continued dedication to people, the environment, and the communities we serve.

## *Letter from our Corporate Sponsor*

I am pleased to share our third Environmental, Social, and Governance (ESG) report—a continued reflection of our commitment to sustainable business practices and responsible corporate citizenship.

At AG, we believe that operating with integrity and maintaining a strong awareness of our environmental and social impact is not only the right thing to do, but essential to our long-term success. Guided by this belief, we have continued to build on our ESG efforts. This report highlights the progress we are making across our four foundational pillars:

**Cooperative –** Empowering the efforts of others through the strength of our business.
**Culture –** Celebrating and investing in the growth and success of our people.
**Community –** Supporting the neighborhoods we serve with deep-rooted dedication.
**Climate –** Advancing sustainable practices to help create a healthier future for our planet.

Over the past year, we have taken meaningful steps to reduce waste and promote sustainability within our facility. This includes the addition of recycling stations throughout our building and the removal of plastic water bottles in the caféteria, while promoting the use of reusable water bottles at water stations located across our facility.

As you review this report, we welcome your feedback and appreciate your continued partnership. Together, we can expand our impact and ensure that our business success remains aligned with social responsibility and environmental stewardship.

We look ahead with purpose, embracing both the opportunities and challenges before us, and remain confident in our collective ability to help build a more sustainable future.

**Russ Greenlaw**
*Chief Operating Officer*

***"At AG, we believe that operating with integrity and maintaining a strong awareness of our environmental and social impact is not only the right thing to do, but essential to our long-term success."***

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# Cooperative

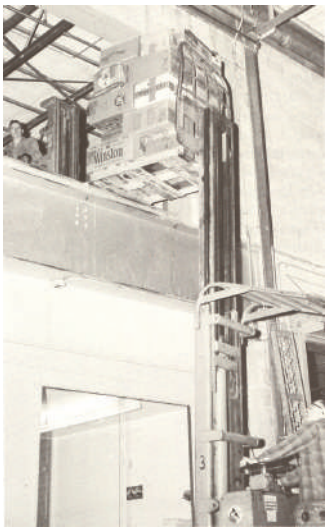
An opportunity to empower others' efforts through **our business.**

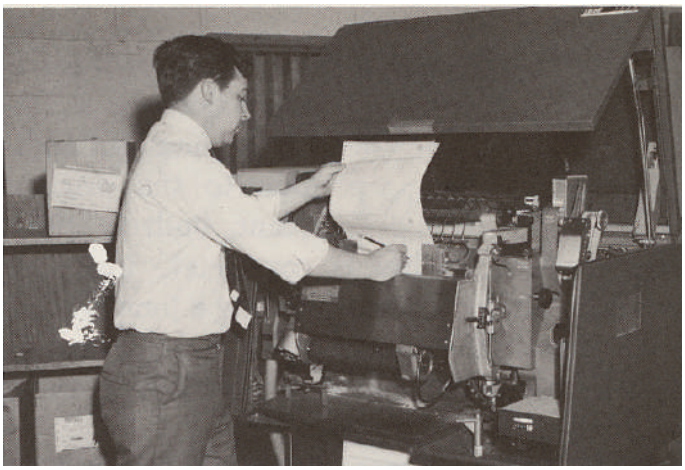
# Our History

In February 1946, with an investment of $1,000 each, a small, but enterprising group, consisting of 21 independent food retailers formed New Hampshire Wholesale Grocers. Their purpose in doing so was to grow and compete more favorably with the ever-increasing supermarket chain stores by combining their purchasing power.

Over the past 75+ years, AG has continued building upon that foundation to become what we are today: a wholesale grocery cooperative located in Pembroke, NH, that is dedicated to supplying independent supermarkets and convenience stores with both quality products and supportive services. At its core, a cooperative business model is intended to serve the communities in which it operates. For Associated Grocers of New England, this translates to hundreds of neighborhoods across the Northeast from northern Maine to upstate New York.

When considering this scope of reach, it becomes quite clear the impact we have and thus the incredible responsibility that comes with it. By leveraging the strength of the cooperative and each of its members, we are able to amplify that impact even further.





# Strengthening Our Cooperative Footprint

In 2024, AG expanded its footprint across the Northeast through the launch of operations in New York State and continued investments in its Vermont corporate store network. AG onboarded 19 new retail partners in New York, supported by coordinated efforts across Business Development, Sales, Transportation, and operations teams. In Vermont, AG focused on integrating three newly acquired stores—Essex, Woodstock, and Stowe—enhancing operations, visual standards, and customer experience to strengthen its long-term market presence. These initiatives laid the groundwork for continued growth, enhanced operational performance, and deeper partnerships with the communities and retailers we serve.

## RETAILER GROWTH SPOTLIGHT: *Marty's 1st Stop*

Marty's 1st Stop (Danville, Vermont), a family-owned independent grocery retailer and long-time AG member, is undertaking a major expansion project to meet increasing customer demand and enhance the shopping experience. The planned 10,000-square-foot addition will significantly increase store capacity and improve layout, providing more space for customers, associates, and expanded offerings.

AG has played an active role in the project, supporting store and kitchen design and providing ongoing guidance on retail operations, IT, and store development. This partnership demonstrates the value of cooperative membership and AG's role in empowering independent retailers to invest in their communities and grow their businesses sustainably.

*Source: The Shelby Report, "Marty's 1st Stop On Cusp Of Major Expansion In Danville, VT," June 2, 2025.*

# Organic Certification and Product Integrity

**Certified Organic Handler**
We're proud to share that AG is now recognized as a Certified Organic Handler—a designation that reflects our commitment to preserving the integrity of organic products from farm to retail.

As part of this certification, we adhere to strict standards to prevent contamination and commingling with non-organic items, maintain thorough records for full traceability and transparency, and ensure all products are properly labeled to meet certification requirements.

# AG ONE Rebrand and Cooperative Identity

**Evolving our brand to reflect who we are today**
As part of our ongoing rebranding efforts, AG launched AG ONE, a unified brand and identity framework designed to better reflect who we are as a cooperative and how we serve our members, customers, and communities. AG ONE represents a more consistent, modern expression of our purpose, values, and strategic direction across corporate and retail operations.

In 2025, AG introduced the first phase of the AG ONE rebrand, including the launch of a new bullet logo and updated visual branding in key corporate spaces, such as new building signage and lobby visuals. These updates help create a more cohesive and recognizable presence that reflects AG's evolution as a cooperative and aligns our brand with our long-term strategy.

Additional AG ONE branding and identity initiatives are planned for 2026 as we continue to evolve our visual identity, communication tools, and brand experience across the organization.

*AG ONE establishes who we are as a cooperative, while our cultural pillars define how we operate and live our values every day.*

# Cultural Pillars and Organizational Alignment

**Defining how we operate, lead, and work together**

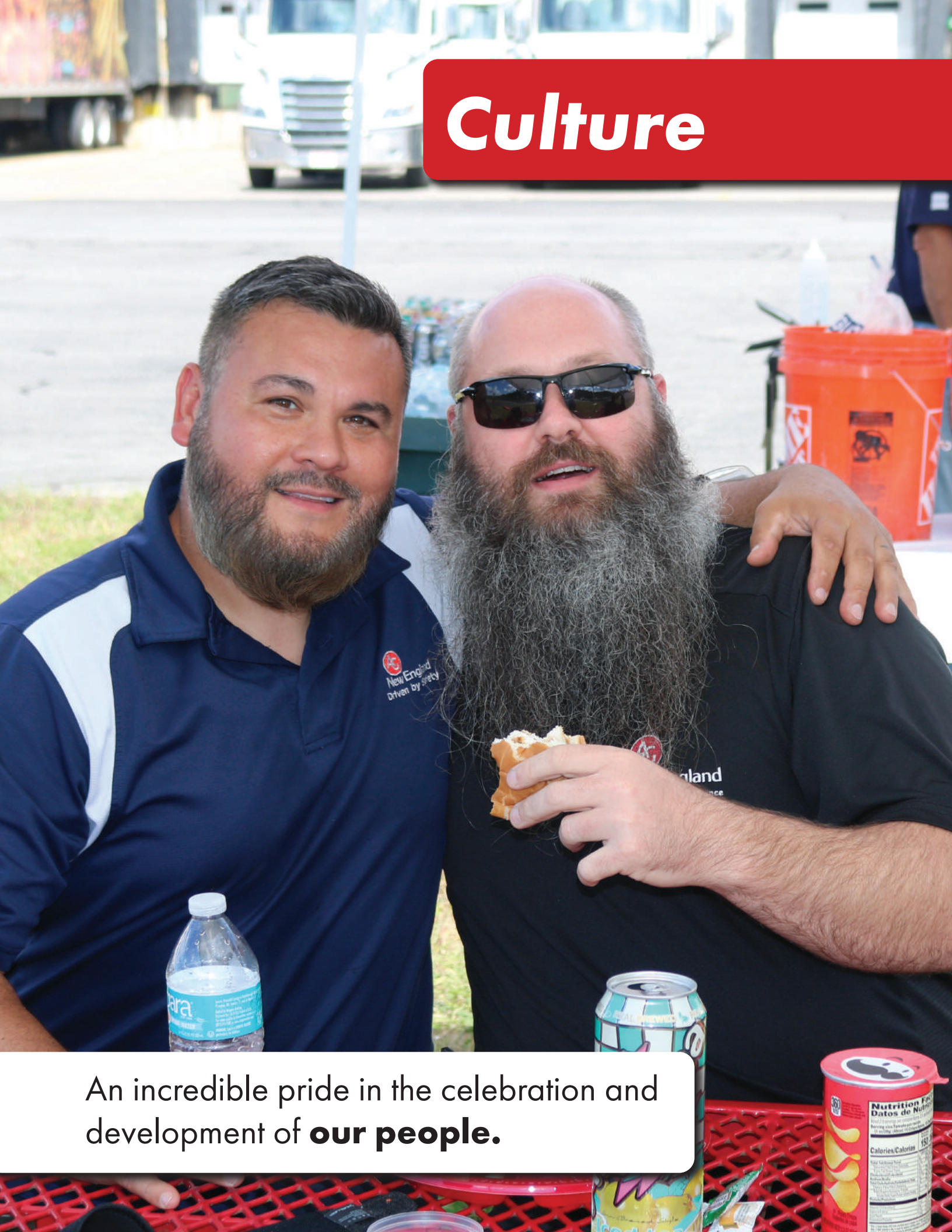
To support the AG ONE framework and strengthen organizational alignment, AG introduced five organizational pillars—People First, Accountable, Authentic, Innovative, and Community—to clearly define how we operate and how we show up for one another and for those we serve. The pillars provide a shared framework that guides decision-making, reinforces accountability, and supports long-term value creation across the cooperative.

To embed the pillars across AG, leaders participated in initial training sessions to align on expectations and real-world application, followed by company-wide town hall meetings to introduce the framework to all associates. Today, the pillars are being integrated into communication, performance recognition, and cultural initiatives across corporate and retail operations.

A key focus in 2025 was bringing the People First pillar to life through meaningful, employee-driven initiatives. In December, AG launched the People First Awards across corporate and store locations to recognize associates who actively support and uplift teammates, listen with intent, collaborate across departments, and make a positive impact on the organization. This recognition program reinforces the importance of People First behaviors in everyday work.

Looking ahead, AG will continue to build on this foundation and expand initiatives supporting the remaining pillars—Accountable, Authentic, Innovative, and Community—to ensure a balanced and intentional approach to cultural development. We will continue working closely with associates to identify initiatives that keep the pillars relevant, practical, and meaningful across all areas of the business.

# Culture




An incredible pride in the celebration and development of **our people.**

# Learning & Development

Investing in our team members' personal and professional development not only enhances their individual skills and capabilities but also strengthens our collective success as a company. Through comprehensive training programs, mentorship opportunities, and ongoing support, we empower our employees to reach their full potential, pursue new challenges, and drive innovation.

## Retail Learning Institute

Retail Learning Institute (RLI) is a worldwide organization with a focus on developing people within the retail food industry. Through their diverse course catalog, customizable learning paths, and mobile application, we've been able to elevate our Corporate Store associate training process to new heights. In 2025, over 2,500 trainings were completed by our AGSNH and AGSVT Corporate Store Associates.

## AG University

In 2025, our development program focused on leadership and organizational effectiveness, the skills needed to lead through change, develop teams to perform at their best, and foster a work environment where everyone can contribute and succeed. This year's program emphasized important themes of change management, communication, team building, self-confidence, leadership, and project management. These themes connect people, process, and performance to strengthen alignment and accountability across the organization.

In total, seven courses were offered in 2025, with a focus on team building, collaboration, communication, leadership, and change management. A total of 174 associates participated in AG University trainings, reflecting strong engagement in professional development across the organization.

Looking ahead, AG aims to increase participation in AG University by 15% in 2026 to continue expanding leadership capability and learning opportunities across the organization.

## Educational Reimbursement Program

The Educational Reimbursement Program supports associates' pursuit of continued education through a tiered, monetary reimbursement program. Additionally, AG has partnered with local institutions to offer employees and their families discounted tuition rates, ranging from 10-20% off.

## Mentorship Program

Our internal mentorship program offers a structured and supportive framework for fostering growth, development, and cross-functional collaboration within the organization. Designed to empower associates at all levels, the program connects participants with experienced senior leaders across AG who serve as mentors, offering personalized guidance, professional insight, and meaningful support. Looking ahead, the mentor program will take a brief hiatus in 2026 as our focus shifts to the rollout of AG ONE and our new Pillars, positioning us for even stronger alignment in future years.

# Recognition & Awards

Investing in our team members' personal and professional development not only enhances their individual skills and capabilities but also strengthens our collective success as a company. Through comprehensive training programs, mentorship opportunities, and ongoing support, we empower our employees to reach their full potential, pursue new challenges, and drive innovation.

Exceptional INDEPENDENTS AWARD

Co-op Lebanon, NH

Co-op Hanover, NH

Co-op White River Junction, VT

Fruit Center Marketplace, MA

Fruit Center Marketplace, MA

Mehuron's Supermarket, VT

ANNUAL Women of Influence in the food industry

**SHELLEY WRIGHT**

**REBECCA MERTZ**

Progressive GROCER GenNext

**KEVIN BOLSTRIDGE**

## CULTURE HIGHLIGHT: *Celebrating Our People*

In 2025, we implemented a Recognition Wall in a high-traffic hallway as a way to celebrate those who make a meaningful impact every day. The wall features rotating photos and write-ups of associates throughout the organization who exemplify our five pillars – ***People First, Accountable, Authentic, Innovative, and Community.*** Through this initiative, we've been able to recognize countless associates and continue putting our people first.

# Recognition & Awards

### Supporting Our Drivers

AG recognizes the critical role our drivers play in connecting products, people, and communities across our cooperative network. In 2025, AG observed Driver Appreciation Week to recognize and celebrate the contributions of our transportation team and their commitment to safety, reliability, and service.

Recognition initiatives like this reinforce AG's commitment to valuing frontline associates and supporting a culture of respect, engagement, and appreciation across the organization.

**We AG Our Drivers**

### Team Engagement and Collaboration

AG fosters a collaborative and engaging work environment through team-based activities that encourage connection, creativity, and skill development. In 2025, the Sales team participated in an in-person team-building session that included a collaborative "Battle of the Boards" activity, where teams worked together to design and present charcuterie displays.

This activity provided an opportunity for associates to strengthen teamwork and communication skills while building connection across the team. Activities like this support AG's commitment to fostering a positive, collaborative workplace culture and reinforce our People First approach to employee engagement.

### Seasonal Employee Appreciation

AG hosted an ice cream truck onsite for employees as part of the "Summer of Fun" program to recognize associate contributions and support engagement and morale.

# Recognition & Awards

### Snappy Gifting Platform

As part of our ongoing commitment to employee recognition and engagement, we use Snappy—a digital gifting platform that enables us to send thoughtful, personalized gifts to employees. Snappy supports timely appreciation and helps strengthen morale and connection in a meaningful, scalable way.

*In 2025, we sent a total of* **1,395** *Snappys*
**that's 169 more than in 2024, a nearly 14% increase!**

We continued the AG New Baby Collection, which provides expecting associates the opportunity to select a piece of AG-branded baby clothing. In 2025, three gifts from this collection were sent, celebrating and supporting our associates and their growing families.

**OUT OF THE 1,395 SNAPPYS SENT IN 2025**

**962** were for birthdays

**285** were for anniversaries

The remaining were one-off prizes or special recognitions.

# PalletFest: Celebrating Craftsmanship and Operational Excellence

In November 2025, AG hosted "PalletFest," transforming the warehouse into a celebration of creativity, craftsmanship, and friendly competition. The event encouraged associates to showcase their pallet-building skills while reinforcing best practices in stability, presentation, and efficiency.

Associates submitted photos of their completed pallets through supervisors, warehouse leads, and warehouse auditors, with the top ten advancing to a digital voting round. Employees then scored each pallet on a five-point scale, ultimately determining the finalists and winner.

PalletFest highlighted the pride and expertise of our warehouse teams, demonstrating how operational excellence and fun can go hand-in-hand. Events like this continue to strengthen workplace culture by recognizing the associates who help deliver for our customers every day.

2ND PLACE TIE

1ST PLACE

# Building a Culture of Excellence

## Employee Wellness and Engagement

In 2025, AG established a Wellness Committee to expand and coordinate initiatives focused on associate health, well-being, and engagement. The committee plans and hosts the annual Wellness Fair and oversees wellness-related programming throughout the year.

AG's ongoing Wellness Bucks program rewards associates for participating in approved wellness activities. In 2025, offerings included group lunchtime walks, participation in community 5K events, on-site yoga sessions, chair stretching and strength classes, and educational lunch-and-learn sessions. During the year, 32 associates redeemed Wellness Bucks awards for an additional paid day off in 2025, representing more than 1,600 Wellness Bucks accumulated through participation in wellness activities. While Wellness Bucks can carry over year to year, this milestone highlights strong engagement and commitment to wellness across the organization.

The committee significantly expanded wellness offerings compared to the prior year, reflecting AG's continued commitment to supporting the physical and mental well-being of our associates. These initiatives support our People First pillar by promoting healthy lifestyles, engagement, and a positive workplace culture.

## Living Our Culture

AG's five cultural pillars, **People First, Accountable, Authentic, Innovative, and Community**, are embedded in how we work, collaborate, and develop our people. They guide daily behaviors, inform leadership expectations, and shape how associates interact with one another, our members, and our customers. The pillars serve as a foundation for how we lead, grow, and create a shared understanding of expectations across the organization.

By reinforcing positive behaviors and accountability, the pillars provide a consistent framework for feedback, recognition, and professional development. This shared language helps associates connect their daily work to our broader mission and strengthens a culture grounded in trust, engagement, and continuous improvement.

The pillars are reflected across AG programs and initiatives, including recognition programs, wellness offerings, and leadership development efforts. Together, they ensure our culture continues to evolve with purpose, clarity, and shared commitment.

| PEOPLE FIRST | ACCOUNTABLE | AUTHENTIC | INNOVATIVE | COMMUNITY |
|---|---|---|---|---|
| We foster a culture where every voice matters, strengths are valued, and growth is supported through empathy, collaboration, and respect. | We lead with integrity, take ownership, and uphold a culture where ethical behavior and speaking up are the norm. | We build trust through honesty, transparency, and real connection, empowering people to show up fully and contribute with confidence. | We embrace curiosity and bold ideas, turning creativity into purposeful progress through continuous learning and growth. | We work as one team, supporting each other, our retailers, and our communities through collaboration and sustainable impact. |

# Community

A deep-rooted commitment to the support of **our neighborhoods.**

# Giving Back

Supporting the communities we serve has been a core part of AG's mission since day one, and it remains a guiding force in everything we do. We are deeply committed to giving back, working hand-in-hand with local organizations, and investing in the people and places that inspire us.

From charitable partnerships to hands-on volunteer work, our associates proudly contribute their time, talents, and resources to build meaningful relationships and create lasting, positive impact. At AG, community isn't just something we support, it's something we're part of.

## *Organizations We Support*

**Partnered Organizations**

- New Hampshire Businesses for Social Responsibility
- Special Olympics of New Hampshire
- NH Food Bank
- Boys & Girls Club
- Granite State Independent Living
- American Cancer Society
- American Red Cross
- Alex's Lemonade Stand

**Donations/Support**

- CamBam
- AG Golf Tournament
- Star Program
- Granite State Independent Living Golf Tournament
- Mac Off
- Pembroke Old Home Day
- Making Strides
- Men Wear Pink
- Blood Drives

# Community Impact

At AG, we believe strong communities are the foundation of a thriving business. That's why we're committed to creating positive, lasting impact through meaningful engagement, local partnerships, and associate-led initiatives. Whether it's supporting food access programs, sponsoring local events, or volunteering time and expertise, we aim to uplift the communities where we live and work.

Our approach goes beyond donations, we focus on building authentic relationships and delivering real value that reflects our cooperative spirit and shared commitment to making a difference.

Here's what some of the organizations we've partnered with have to say:

### *GIRLS AT WORK*

"I love Girls at Work. I got to learn how to build. Thank you for helping get me here."

### *FAMILIES IN TRANSITION*

"With your donation, you are playing a critical role in alleviating hunger, providing emergency shelter and support, and guiding people to safety in our community."

### *NH POLICE CADET TRAINING ACADEMY*

"Your donation will help keep this program thriving by providing financial assistance to cadets."

### *PEMBROKE ACADEMY KEY CLUB*

"Thank you for the food donations, as it allowed us to provide over 100 meals to the elderly in our community."

### *MCAULIFFE-SHEPARD DISCOVERY CENTER*

"Our corporate members are key to this next chapter. Your investment allows us to think bigger, reach further, and design programming that meets the evolving needs of our community. Together, we can build on this moment and turn heightened visibility into lasting impact."

# Community in Action

### Community Connection Program

AG's Community Connection Program allows associates the opportunity to opt-in for weekly payroll deductions that are dispersed to a variety of local organizations in need. Benefitting causes are first vetted by an internal committee to ensure funds are directed to organizations aligned with our mission and close to our employees' hearts. Additionally, AG contributes a 25% match to all employee donations. Together, this program has resulted in nearly $1.6 million in community donations over the past 22 years, with more than $66,000 contributed in 2025.

### Impact Hours

At AG, we recognize the power of giving back, and we believe it should be part of the workday. Through our Impact Hours program, associates receive 24 paid hours annually to volunteer in their communities in ways that matter most to them. Whether it's supporting local food banks, participating in neighborhood clean-up efforts, or lending a hand at community events, this time is designed to empower individuals to create meaningful change.

In 2025, associates used a total of 491 Impact Hours, representing a 24% increase in participation and far exceeding our 15% growth goal for the year. By surpassing this target, we demonstrated not only increased engagement but also meaningful momentum in our commitment to community service.

Looking ahead, we aim to keep that momentum strong by increasing Impact Hour participation by an additional 25% in 2026, further strengthening our connection to the communities we serve.

### Volunteer Opportunities

AG believes that giving back should be accessible, meaningful, and aligned with what matters most to our associates. Through our Impact Hours program, associates can participate in a wide range of volunteer opportunities, including supporting food banks, recovery and housing organizations, community events, and programs for children, families, and individuals with disabilities. Additional opportunities include environmental initiatives, animal welfare, community caregiving, and school and neighborhood support activities.

By offering both structured and flexible volunteering options, AG empowers associates to contribute in ways that reflect their interests and skills. These opportunities reinforce our Community and People First pillars by encouraging associates to engage locally and support causes that matter most to them.

## COMMUNITY PARTNERSHIP SPOTLIGHT: *The Friendly Kitchen*

***Focus Area: Food insecurity and homelessness.***

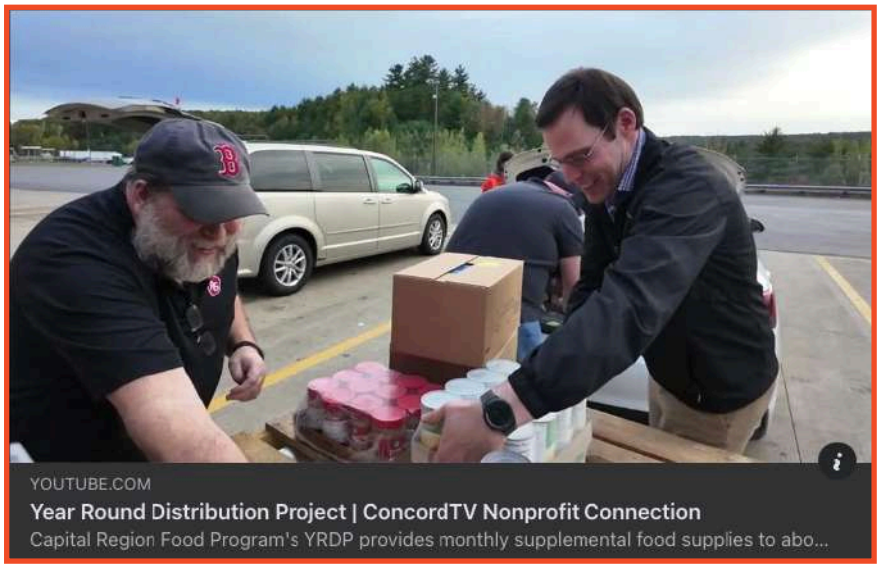
AG maintains a long-standing partnership with The Friendly Kitchen, Concord's only soup kitchen. Each month, AG associates donate, prepare, and serve both breakfast and dinner for individuals experiencing homelessness and food insecurity. Each service supports approximately 40–70 individuals.

This partnership reflects AG's commitment to addressing food insecurity and strengthening local communities through consistent, hands-on engagement.

# Neighbor 2 Neighbor Program

The Neighbor 2 Neighbor (N2N) program is a unique initiative that allows participating customers to accrue funding through the purchase of private label products from AG's Distribution Center. This funding is used to match charitable donations made by retailers to health and human service organizations in their local communities, extending the impact of local giving efforts.

For more than 20 years, the program has contributed over $1.2 million to support meaningful causes across AG's market area. As of 2025, 154 stores participate in the N2N Program. AG continues to support and promote N2N as a way to strengthen retailer-led community engagement and amplify charitable impact across the cooperative.
This program supports AG's Community pillar by empowering independent retailers to invest in the health and well-being of the communities they serve.




*Scan the QR code to watch a short video highlighting how AG and our partners are making a difference in local communities and advancing our commitment to community engagement across the regions we serve.*

# *Locally Loved:* Celebrating What Sets Our Retailers Apart

Locally Loved began as a small contest and has grown into a program designed to support independent retailers and the communities they serve. Independent grocers are central to local economies, and Locally Loved highlights what makes each store unique. From store-made products to items sourced from local producers, these offerings reflect community pride and strengthen the connection between retailers and their shoppers.

The program began with a simple question: how can we help our retailers showcase the stories behind their products? Our procurement team invited all of the retailers we serve to submit store-made items and share the stories behind them. The response was strong, showing both retailer engagement and a commitment to celebrating products that reflect their communities.

We selected one winner from each state we serve, along with a grand prize winner, and featured their stories at our Fall Food Show. The contest highlighted the creativity and dedication of our retailers and reinforced the opportunity to build a program that could scale across our network.

To expand Locally Loved, our marketing and merchandising teams collaborated to create a clear, no-cost program that removes barriers to participation. Retailers receive a complete set of marketing tools, including signage, stickers, shelf wobblers, and digital assets, making it easy to highlight local and store-made products.

As adoption continues to grow, retailers across our network are using Locally Loved to engage customers, support local producers, and reinforce their role as community partners. By highlighting meaningful products and authentic stories at scale, Locally Loved helps strengthen local economies, build customer trust, and support long-term sustainability for independent retailers.

> ***"Customers have noticed the difference, and it has been a great way to highlight our store-made and local products."***
>
> — John Bilodeau, Store Director, Sully's Allenstown

Locally Loved reflects our commitment to helping retailers succeed while investing in the communities where we live and work.

# Climate

An active pursuit of sustainable practices, fostering a healthier future for **our world.**

# ESG Committee Evolution

The Associated Grocers Green Awareness (AGGA) Committee was established in 2020 to reduce the Cooperative's environmental footprint through sustainability-focused initiatives across AG operations and membership. In 2023, AGGA representatives led internal employee engagement events, supported local legislative efforts, and participated in community networking with sustainability-focused businesses and professionals across New Hampshire.

Building on this foundation, AGGA merged with AG's Diversity, Equity, and Inclusion Committee in Winter 2024 to form the ESG Committee, creating a unified approach to environmental, social, and governance priorities. In 2025, the ESG Committee continued to support sustainability initiatives, social responsibility efforts, and strong corporate citizenship across the organization, expanding the scope and impact of its work across the cooperative.

# Our Distribution Center

To track and measure our ongoing progress, it's essential to understand our current performance. In 2023, The Ratio Institute conducted a comprehensive energy audit at AG's headquarters, providing valuable benchmarks to guide our future improvements. Below is an updated overview reflecting our continued commitment to energy efficiency.

**Air Infiltration**
AG's building structure and operational systems continue to effectively minimize air infiltration, optimizing both air quality and energy consumption throughout our facility.

**LED Lighting**
Since transitioning from fluorescent to LED lighting in 2012, AG has installed more than 800 LED fixtures in its Distribution Center to improve energy efficiency and reduce electricity consumption.

In 2025, AG's Distribution Center consumed approximately 5.14 million kilowatt-hours (kWh) of electricity across both dry and refrigerated operations. AG's long-standing transition to LED lighting continues to improve energy efficiency and reduce overall energy demand, contributing to AG's broader sustainability and emissions reduction goals. AG also continues to evaluate additional lighting and equipment upgrades to further reduce energy intensity across its facilities.

**Cardboard Recycling**
In 2025, AG's Distribution Center recycled over 2,269 tons of cardboard (4,538,030 pounds diverted from landfill), reinforcing our ongoing commitment to reducing landfill waste and promoting responsible material management. While this total reflects a decrease from the prior year, AG continues to focus on improving recycling efficiency through operational improvements, employee engagement, and strengthened recycling partnerships.

Looking ahead, AG will continue to evaluate opportunities to increase cardboard diversion and enhance waste reduction practices across our facilities.

# **Our Distribution Center** (cont.)

**Reclaim Program**
Not all damaged grocery items are wasted. For example, dented canned goods may be less visually appealing but often remain safe and usable. To address this, Associated Grocers of New England has established a formal reclamation process that participating retailers can utilize.

When damaged products are returned to the Distribution Center, they undergo a careful assessment. Depending on the condition, items may be resold through third parties, donated to state food banks, or, for perishables, provided to local farms for animal feed.

This program helps retailers minimize shrinkage losses while simultaneously reducing food waste across the supply chain, delivering both economic and environmental benefits.

# Reducing Waste & Enhancing Sustainability

Being a wholesale grocery distribution center that's just under 500,000 square feet, we require a wide variety of products and materials to operate successfully. However, AG is committed to minimizing our waste through local partnerships, proper handling, and innovative operations.

**Plastic Wrap**
While AG has recycled our Distribution Center's plastic wrap for years, we partnered with sustainability-focused decking company, Trex, in 2020 for a unique means of upcycling this film instead. Each year, we send Trex 40 tons of plastic which then gets manufactured into their high-performance decking material.

**IT Equipment**
Over the past year, AG successfully recycled 1,849 pounds of IT-related electronics and equipment, including computers, monitors, keyboards, and mice. Although this total reflects a slight decrease from the previous year, the reduction is a positive indicator of AG's efforts to extend the life cycle of devices and optimize technology usage across the organization.

As AG has taken on the management of technology in its corporate stores, the company continues to upgrade and responsibly recycle outdated equipment. By intentionally extending the lifespan of certain devices while phasing in newer, more energy-efficient systems, AG is reducing electronic waste and improving overall sustainability across its technology operations. These efforts support AG's commitment to responsible resource management and reducing environmental impact through lifecycle-focused technology practices.

# Reducing Waste, Enhancing Sustainability

### Paper Reduction and Digital Transition

AG took a significant step toward reducing paper waste by discontinuing the printing of its 4-page weekly flyers. This transition to digital communication significantly reduced paper consumption and supports AG's broader sustainability goals by minimizing resource use and waste generation.

AG continues to prioritize digital solutions and process improvements that reduce environmental impact while maintaining effective communication with retailers and customers.

### Culligan Water Coolers

In line with our ongoing sustainability efforts, the ESG Committee has introduced Culligan water coolers in key office locations, including near Retail Pricing, HR, and the caféteria. These coolers offer convenient access to high-quality hot and cold drinking water, with fast dispensing rates of up to 1.6 liters per minute for cold and 1.2 liters for hot.

The primary goal is to significantly reduce plastic bottle usage across the facility. Over time, we aim to fully eliminate our use of single-use plastic bottles, a costly and less sustainable resource. By making this shift, we anticipate reducing plastic waste by more than 10,000 bottles each year, supporting both landfill reduction and cost savings.

Each cooler also features antimicrobial spigots and drip trays, promoting a cleaner, healthier workplace. As part of this initiative, and in celebration of Earth Week, the ESG Committee also provided reusable water bottles to all AG employees to encourage sustainable habits and support this transition.

### Recycling Made Simple

As part of our commitment to reducing landfill waste, AG has implemented multi-stream recycling stations to make proper disposal easy and accessible for associates. These three-bin systems help sort materials effectively, ensuring more items are recycled and less ends up in the trash.

Each station includes clearly labeled bins for:

- **Bottles & Cans –** plastic items, cans, glass jars, bottles, and cartons.
- **Mixed Recyclables –** paper products, cardboard, bottles, cans, and plastic.
- **Trash –** items that cannot be recycled.

In 2025, AG expanded its recycling infrastructure by installing five additional recycling stations throughout the building, increasing access and encouraging greater participation in recycling efforts. By streamlining the sorting process and expanding recycling capacity, AG is supporting a cleaner facility, reducing contamination in the recycling stream, and advancing its broader sustainability goals.

# Reducing Waste, Enhancing Sustainability

### Food Shows and Food Donation

AG hosts two Food Shows each year, bringing together customers, employees, and vendors to explore new products, discuss industry trends, and build stronger business partnerships. As grocery-focused events, most featured items are perishable and non-perishable food products. While attendees are encouraged to sample and take home items, a portion of food often remains unused at the conclusion of each event.

To reduce waste and support our community, AG partners with the New Hampshire Food Bank to donate any untouched, safe-to-consume food. In 2025, vendors donated 35,450 pounds of assorted foods and household items, including produce, protein, dairy, and non-perishables—15,802 pounds from the Spring Food Show and 19,648 pounds from the Fall Food Show. These donations were made possible with the support of AG associates, volunteers, and participating vendors.

This initiative helps address food insecurity in our region while reinforcing AG's commitment to responsible event practices, waste reduction, and community support. This partnership supports AG's Community and Environmental sustainability priorities by diverting usable food from waste and providing nutritious resources to those in need.

### Highlighting Our ESG Journey on the Move

To reinforce our commitment to sustainability, we've refreshed the imagery on our AG trucks to prominently showcase our environmental initiatives. These new wraps highlight key aspects of our ESG efforts, helping to raise awareness and demonstrate our dedication to responsible practices as we serve our communities. Through this visible reminder, we aim to inspire action and emphasize sustainability as a core value at AG.

### Waste-to-Energy Partnership with WIN Waste Innovations

AG partners with WIN Waste Innovations to responsibly manage waste and support renewable energy generation through its Concord, New Hampshire waste-to-energy facility.

In 2025, approximately 85 tons of AG's waste were converted into renewable energy, helping power the equivalent of four homes for a year, avoiding the consumption of 83 barrels of oil, and reducing greenhouse gas emissions by an estimated 173 tons. This partnership supports AG's efforts to reduce landfill reliance and advance more sustainable waste management practices.

AG associates also toured the Concord facility in 2025 to learn more about waste-to-energy processes and strengthen collaboration on sustainability initiatives.

# Advanced Monitoring & Environmental Safety

### OpSense Monitoring System

The Associated Grocers Supermarkets of New Hampshire Group installed a case monitoring system called OpSense in all five locations. OpSense helps stores track case temperatures using wireless sensors and digital monitoring tools that continuously record the temperatures of refrigerated and frozen display cases.

Each store location has 25 to 35 sensors. These sensors log data automatically in real time, and send alerts if temperatures fall outside of the safe range. This allows staff to react quickly to potential equipment issues and food safety risks before they become a problem. The platform also stores temperature data for easy access during audits or inspections, reducing manually logging and ensuring consistent compliance with food safety standards. The set points are customizable and help to minimize false alarms for defrost cycles and other issues. Each store has a central hub that connects all the wireless sensors.

Recently, in one of the stores, OpSense sent a notification that a dairy case was rising above the safe temperature range, just before the store closed. Thanks to the alert, store employees were able to move the product into a walk-in cooler until the case was repaired—preventing spoilage and saving the inventory. This one incident alone covered the initial startup cost.

### Refrigerant Leak Detection

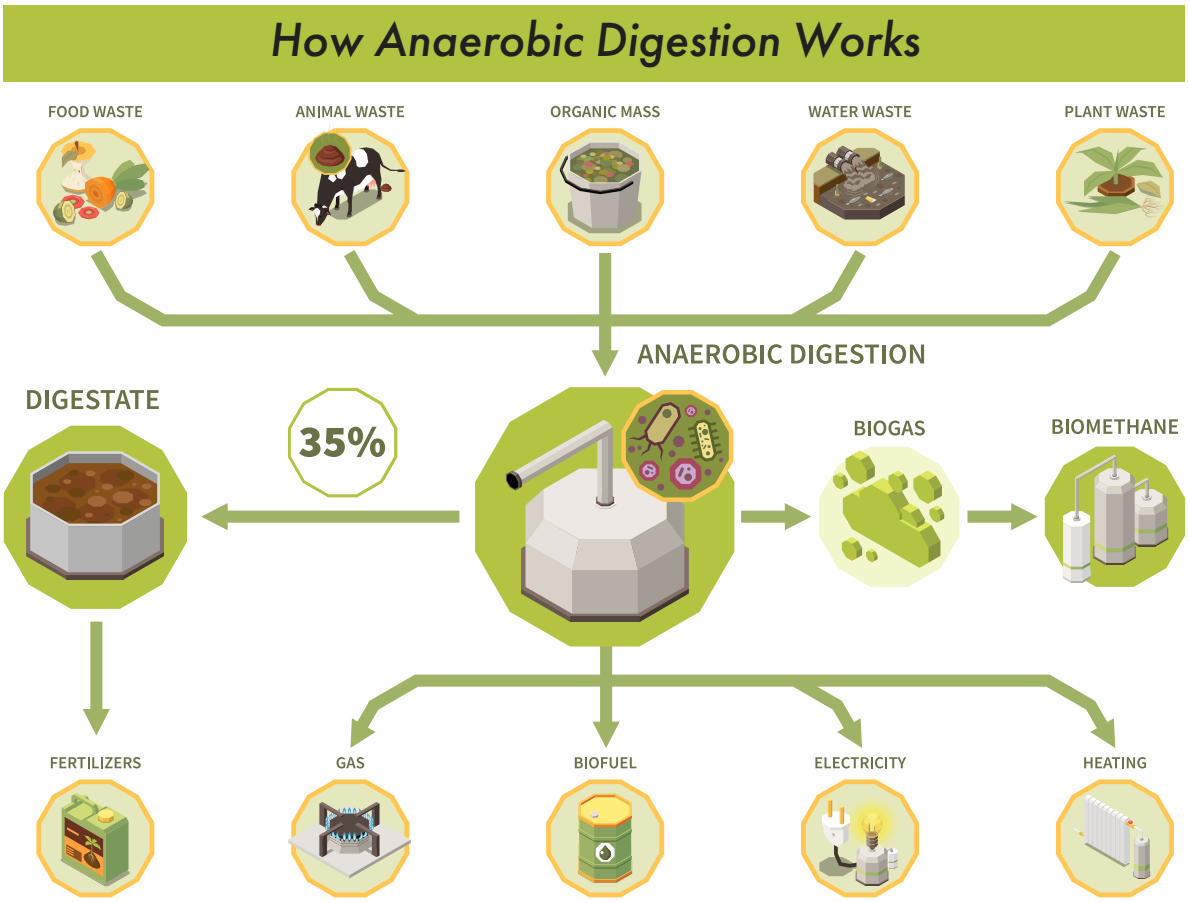
Vermont Corporate stores have installed the Climalife Gas Leak Detection system, with other states beginning to mandate similar devices. This system continuously monitors refrigerant levels and alerts designated store personnel if a leak is detected, allowing technicians to promptly address repairs. AG New Hampshire Corporate stores will soon install detectors from OpSense, the same provider used for refrigeration and freezer monitoring.

Installing refrigerant leak detection systems is essential for grocery stores to protect health, comply with environmental regulations, and reduce operational costs. Refrigerants used in cooling units can be harmful if leaked, posing risks to both people and the environment. Early detection prevents costly refrigerant loss, avoids equipment failures that could spoil perishables, and ensures compliance with regulations such as EPA Section 608 and F-Gas standards. This proactive approach also minimizes repair expenses and downtime, keeping stores running safely and efficiently.

# Collaborating for a Greener Future

**Recycle Works**

The Associated Grocers Supermarkets of New Hampshire recently teamed up with Recycle Works to help reduce food waste going into landfills. Each store has six large collection bins that get picked up every other week by Recycle Works. Each bin holds up to 250 pounds of food, packaging included. Recycle Works is a sustainability-focused company that specializes in waste reduction and recycling solutions for business. By partnering with Recycle Works in our stores, we are taking a proactive step towards environmental responsibility. Their services help us efficiently manage recyclable material such as cardboard, plastic, and food waste, reducing our overall landfill contribution. With customized recycling programs, Recycle Works supports our commitment to sustainability while helping us meet local and corporate environmental standards. This partnership not only improves our operational efficiency but also reinforces our dedication to a cleaner, greener community.



# *Closing Remarks*

*As we reflect on the progress highlighted in this report, we are proud of the steps AG has taken to strengthen our cooperative, support our associates, serve our communities, and reduce our environmental impact. The launch of our five pillars,* ***People First, Accountable, Authentic, Innovative, and Community****, marks an important milestone in defining who we are and how we show up for our members, customers, and each other.*

*Looking ahead, we remain committed to embedding these pillars across every part of our organization. We will continue to invest in our people, expand opportunities for learning and engagement, strengthen partnerships with independent retailers and community organizations, and advance responsible, sustainable business practices. Through collaboration, accountability, and innovation, we aim to build a cooperative that is resilient, inclusive, and prepared for the evolving needs of our industry and the communities we serve.*

*Together, we are shaping the future of AG, one grounded in shared values, meaningful impact, and long-term stewardship. We look forward to continuing this journey and creating lasting value for generations to come.*