

# Sobeys Inc.

## Activating the Full Food Loss and Waste Hierarchy at Retail Scale



### Company Overview

Sobeys Inc., a wholly owned subsidiary of Empire Company Limited, is a proudly Canadian food retailer with more than 118 years of experience in food retailing and related business ventures. Guided by its purpose of “a family nurturing families,” Sobeys operates at national scale, serving communities across Canada through a network of stores, distribution centres and supply chain partnerships.

Food is at the core of Sobeys’ business. With that comes both a responsibility and an opportunity: to ensure that food is valued, efficiently managed and directed to its highest possible use. As one of Canada’s largest grocery retailers, Sobeys sits at a critical control point in the food system, where consumer demand, product shelf life and operational decisions converge to influence food loss and waste outcomes across the value chain.

### The Challenge

Food loss and waste is a persistent and complex challenge across Canada’s food system. Nearly half of all food produced is lost or wasted, while food insecurity continues to grow, leaving millions of Canadians reliant on food banks and community support.

For Sobeys, avoidable food waste represents a direct financial cost, a missed opportunity to support communities and a significant environmental impact through greenhouse gas emissions. At retail, these challenges are particularly acute. Demand variability, merchandising standards and the perishable nature of fresh food create inherent risk, resulting in surplus product that may not be sold within its optimal window.

“Food loss and waste is not a single problem to solve — it is a system to manage. The opportunity lies in activating every pathway, at the same time, at scale.”

Recognizing this, Sobeys established an ambitious target in 2019: to reduce food waste across its operations by 50 percent by 2025, relative to a 2016 baseline. This commitment goes beyond the global target set under United Nations Sustainable Development Goal 12.3.

Achieving this target requires more than incremental improvements. It required a shift from viewing food waste as an operational byproduct to managing it as a system. Sobeys recognized that no single intervention would be sufficient. Instead, success would depend on activating multiple pathways simultaneously, aligned with the food recovery hierarchy and embedding those pathways into daily operations across the organization.

- Where Loss Occurs**  
Retail & Distribution
- Main Drivers:**  
Overstocking, demand variability, product nearing expiry, merchandising standards
- Solutions**  
Prevention, redistribution (Second Harvest), discount resale (FoodHero, in-store programs), circular recovery pathways
- Key Partners**  
Second Harvest, Banques alimentaires du Québec, FoodHero, Loop Resources, Entosystem
- Produce Focus**  
Mixed categories (high and medium perishability), with produce as a leading donation category
- Measurement**  
Real-time donation tracking platform, internal reporting systems, partner data integration
- Social / Environmental Impact**  
More food redirected to communities, significant GHG emissions avoided, reduced landfill reliance
- Financial Outcomes**  
Reduced disposal costs, improved inventory efficiency, revenue recovery through resale channels
- System Insight**  
Sobeys demonstrates how all levels of the food recovery hierarchy can be operationalized simultaneously at scale
- UN SDGs**  
2 – Zero Hunger  
12 – Responsible Consumption  
13 – Climate Action

# The Solution: A System Aligned with the Food Recovery Hierarchy

Sobeys developed a comprehensive food waste strategy structured around three priority areas: prevention, re-use and redistribution and alternatives to landfill. In practice, this strategy translates into a coordinated system that activates all levels of the food recovery hierarchy, ensuring that surplus food is directed to its highest possible use.

## Prevention (At the Source)

Prevention is the most effective way to reduce food waste and Sobeys has prioritized improving operational efficiency to minimize surplus before it occurs.

This includes enhanced forecasting and inventory management practices that better align supply with demand, as well as improved in-store handling, merchandising and markdown strategies to extend product life and encourage timely sale.

By focusing on prevention, Sobeys reduces both financial loss and operational complexity, while ensuring that less food enters the waste stream in the first place.

**“Waste not, want not is an expression I’ve heard my whole life, and it holds true both at home and at work. The launch of FoodHero is that expression in action. Our consumers are grateful for the opportunity in a collective mission to reduce waste and provide quality food to families on a budget.”**  
— Sobeys Store Operator

## Secondary Markets (Resale and Consumer Access)

Sobeys has also developed innovative pathways to keep food within the human food system through resale channels.

Through partnerships with platforms such as FoodHero, Sobeys enables customers to purchase near end-of-life products at discounted prices. FoodHero is now available in more than 850 participating stores and includes proteins, baked goods, produce and other items.



In addition, Sobeys has introduced an in-store produce reduction initiative available across all our banners. This program involves placing a rack in the produce department for items that cannot be repurposed through other channels and are packaged and sold to customers at a discounted price.

These programs provide consumers with affordable access to food while reducing waste and recovering value that would otherwise be lost. They also demonstrate how surplus food can be repositioned as a viable product rather than treated as waste.

## Redistribution to People (Donation)

At the heart of Sobeys' approach is their national food donation program in partnership with Second Harvest and Banques alimentaires du Québec, which enables a structured, scalable and technology-driven food rescue program.

“I’m incredibly proud of our partnership with Second Harvest, seeing how it strengthens how surplus food is redirected across Canada while helping combat food insecurity.”

— Head of Corporate Sustainability, Sobeys

More specifically, Second Harvest’s web-based food rescue platform, allows stores to connect in real time with charitable organizations. The system enables seamless coordination between stores and community partners, ensuring that surplus food can be quickly identified, matched and redistributed.

The program has been deployed across more than 1,200 locations nationwide and is fully integrated into store operations. As a result, Sobeys is able to donate approximately 30 million pounds of surplus food each year.

This approach represents a shift from ad hoc donation to a coordinated, data-driven system that improves efficiency, reduces greenhouse gas emissions and strengthens food security in communities across Canada.



A Second Harvest Volunteer sorts donated product for redistribution

## Animal Feed

For food that is no longer suitable for human consumption, Sobeys has developed partnerships that allow it to be repurposed as animal feed.

In collaboration with Loop Resources, a collective of farmers focused on environmental stewardship, Sobeys has piloted programs in select Alberta stores to divert organic waste into livestock feed and compost.

Initial results from the pilot show promising outcomes demonstrating the potential of this pathway to capture value from otherwise unusable material while supporting agricultural systems.

## Circular Processing and Upcycling

Sobeys continues to explore higher-value recovery pathways that move beyond traditional composting.

In Quebec, organic material that has already been diverted from landfill is further upgraded through Entosystem’s insect bioconversion process. This approach transforms food waste into inputs for animal feed and other applications, representing a more advanced circular solution.

By shifting material up the hierarchy from composting to higher-value uses, Sobeys is improving the overall efficiency and circularity of its waste management system.

## Composting and Residuals

Where no higher-value pathway is available, remaining organic material is directed to composting. Landfill remains a last resort, and Sobeys continues to prioritize diversion strategies that minimize reliance on disposal.

“There is no single solution to food loss and waste. What this demonstrates is the value of building a system that can respond in different ways, depending on the type of surplus.”

## Financial Implications

Implementing a comprehensive food waste strategy requires investment. Sobeys has invested in technology platforms, process improvements, staff training and partnerships with food recovery and diversion organizations. These efforts involve both upfront and ongoing costs. However, they also deliver meaningful financial benefits over time. These include reduced disposal and hauling costs, improved inventory efficiency and revenue recovery through resale channels. Importantly, these initiatives support a more resilient and efficient operating model, where waste is reduced, value is recovered and resources are used more effectively.

## Results and Impact

Sobeys' integrated approach has delivered significant environmental and social outcomes at scale.

In fiscal 2025, the company donated over 38.9 million pounds of food to local charities from participating stores and warehouses. Most notably, Sobeys has become the first retailer in Second Harvest's history to donate more than 100 million meals. Its food rescue program supports over 900 charities across Canada and has helped avert 185,957,710 kilograms of greenhouse gas emissions.

Produce plays a significant role in these outcomes. In 2025, produce represented 37 percent of donations made through the Second Harvest platform nationally and 18 percent of donations in Quebec.

Sobeys has been recognized as Second Harvest's Partner of the Year for four consecutive years, reflecting its leadership and ongoing commitment to reducing food waste and strengthening food security. Also, Sobeys was awarded the 360° Donor Award by Food Banks of Quebec for its outstanding contributions in food donations, service, and community impact.

These results are driven by strong collaboration between internal teams and external partners, as well as the integration of food recovery into core operations.

## Takeaway

Sobeys demonstrates that the food recovery hierarchy can be fully operationalized within a national retail system.

Key lessons:

- Leadership commitment and clear targets are essential
- Food recovery requires the cross-collaboration of multiple departments and must be embedded into daily operations
- Technology enables coordination and scale
- Partnerships are critical to building effective systems
- Multiple pathways must operate simultaneously to manage different types of surplus

Most importantly, Sobeys shows that food loss and waste is not simply a cost to manage. It is a system that, when designed effectively, can deliver economic value, environmental benefits and meaningful social impact at the same time.



Sobeys is nationally recognized for its leadership and ongoing commitment to reducing food waste and strengthening food security