

Moving with Purpose



THE
NORTH WEST
COMPANY

2021
Sustainability Report

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"Shooting the Rapids" by Frances Anne Hopkins, National Archives of Canada

A MESSAGE FROM OUR CEO

Moving with Purpose

As North West moves forward to embrace new challenges and new opportunities, we take pride in our long-standing role as a trusted community partner and are energized by our renewed commitment to positively affecting the lives of the people we serve every day. For us, the vision of a bright, sustainable future is the north star that guides us, unifies us and brings purpose to the work we do.



For the first time as CEO, I have the pleasure of introducing our company's Sustainability Report. I must first thank our former CEO, Edward Kennedy, for his unwavering commitment to North West's corporate integrity, which, in countless ways, underpins our sustainability efforts. This year's theme, "Moving with Purpose" is particularly meaningful as it shows the energy and focus we brought to our four pillars: communities, customers, employees and the environment. This Report is an

opportunity to explore and celebrate our 2021 achievements.

The first pillar, **stronger communities**, calls on us to be keenly aware of the character, strength and challenges of the communities we serve. Since North West's earliest beginnings, our success has been entwined with community vitality and the bonds we were able to forge together. The lessons we learned have left us humbled, proud and clear in our purpose. We must build partnerships, collaborate and adapt in ways that mutually benefit our company and the communities we serve.

The second pillar, **helping customers achieve a better quality of life**, is a natural extension of the first pillar, but with the focus on community members. Our approach emphasizes reliable access to everyday products that meet the lifestyle needs of the people we serve. We strive to earn their trust through our core business, from product selection through warehousing and transportation to receiving and stocking the shelves. As well, we support many community-led initiatives that enrich our customers' lives.

In Canada, our commitment to community members includes our response to the Canadian Truth and Reconciliation Commission. Reflecting on this sustainability report theme, moving with purpose, we can find no better example of work to be done boldly and wholeheartedly. We acknowledge with heavy hearts the tragedies that resulted from residential schools and other systemically biased institutions, and commit to actions that renew and strengthen our relationship with our over 175,000 Indigenous customers.

The third pillar, **empowered employees**, focuses on the 7,524 associates who gather every day to serve our customers. We are proud to have a diverse workforce but we, like so many other companies, have learned that more can be done to support and strengthen inclusion. We recommit to cultivating a diverse, inclusive and culturally-safe workplace. In 2021, we launched a corporate-wide Diversity, Equity and Inclusion survey as a way to listening and learning from our associates. We will use the feedback to develop a Diversity, Equity and Inclusion

In Canada, our commitment to community members includes our response to the Canadian Truth and Reconciliation Commission. Reflecting on this sustainability report theme, moving with purpose, we can find no better example of work to be done boldly and wholeheartedly.

Goals of our 2021 Sustainability Report:



Our 2021 Sustainability Report provides a transparent account of our corporate responsibility strategies, activities, tactics, and performance. It has been written for a broad range of stakeholders, including but not limited to our associates, customers, suppliers, investors and non-profits.

Our reporting is guided by frameworks such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) Standards, and the United Nations Sustainable Development Goals (SDGs).

As an essential service provider, The North West Company and its front-line associates have taken seriously the duty to ensure goods and services remain accessible to underserved communities in a safe manner.

The Sustainability Report has three key goals:

- To track progress on issues related to our four Sustainability Pillars;
- To provide further insight into the unique conditions faced by the small, remote, and emerging economies we serve, and to show how these conditions affect our approach to sustainability. This includes insights into our heightened role as an essential services provider in remote communities during the pandemic;
- To reveal the management structures, policies, and practices that shape our current approach to sustainability and will inform our sustainability and reporting efforts in the years to come. Structured into sections for each of our four Sustainability Pillars, the Report defines Commitments and Goals for each of these performance areas, along with actions taken by our company in 2021 to advance these priorities.

framework that prioritizes creating a more inclusive culture, developing diverse talents and advancing diverse partnerships. Valued, empowered employees are the bedrock of our business.

Respect for the environment, our fourth pillar, means providing practical, eco-friendly energy and product options to the communities we serve. 2021 marks the 10th year of our Greener Tomorrow program, which reinvested \$3.1 million in community-led environmental initiatives and kept millions of plastic bags out of landfills. Our investments in LED lights and energy-efficient equipment decreased greenhouse gas emissions by 5,400 tons per year, and solar energy projects further decreased emissions.

Finally, it is impossible to look at 2021 without putting our work into the context of the pandemic. We met huge challenges, learned to work differently and, almost counter-intuitively, engaged more deeply. I am inspired by our achievements and proud of how we “moved with purpose” toward being a positive presence for communities, customers, employees and the environment.

Daniel G. McConnell
President & CEO



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PILLAR 1:

Stronger Communities

The Soaring Eagle Friendship Centre's "Youth Cooking for Elders" program, a Healthy Horizons grant recipient in Hay River, NT

Overview

At North West, community has always been at the core of who we support. The communities where we live and work sustain businesses, employees and families. We recognize that our success is linked to their health and vitality, so our intent is to provide opportunities across our business to contribute to their prosperity. Given the breadth of our operations, our work spans from small community impact to a broad global reach.

With 226 stores across a broad geographic region and 7,524 associates, we have an extraordinary opportunity to support and strengthen our communities through our actions. We want to ensure that North West can be responsive and relevant to every community in which we operate. Through local community engagement and

volunteerism, our stores and distribution center teams across the country support local programs and organizations that bring support to families and address critical needs in their communities. To maximize our efforts, we collaborate with local organizations and non-profits. Through these associations, we can gather greater insights into community issues and support solutions developed by those who best understand the local needs.

At the heart of our support is North West's belief that every family should have access to affordable, healthy food choices. In 2021, North West made donations in excess of \$2.1 million, plus significant in-kind donations to non-profits, food banks and strategic partners.



2021 at a Glance



Donated \$2.1 Million

Contributed \$2.1 million in donations to non-profits, food banks and strategic partners.



3.3 Million pounds

Alaska Commercial Company delivered 3.3 million pounds of fresh, nutritious food to 115 communities throughout Alaska in 2021.



1,000 Baby Food Boxes

North West helped ship and distribute nearly 1,000 boxes of baby food to Garden Hill, God's Lake Narrows, Gods River, Lac Brochet, Tadoule Lake and York Landing in Manitoba.



\$429,478 in Grants

Awarded \$429,478 in grants in 2021 through North West's Healthy Horizons Foundation to fund nutrition, education and active-living programs for youth, impacting over 60 Indigenous communities served by Northern and NorthMart.

PILLAR 1: STRONGER COMMUNITIES

Commitments, Goals, Performance and Next Steps

Commitment: Provide significant social benefit by soliciting opinions from and seeking opportunities to collaborate with community leaders, groups and individuals.

GOALS	ACTIONS TAKEN IN 2021
<p>Relieve food insecurity pressures by participating in regional Food Security Work Groups, by advocating for a stronger charitable meal system and by extending the reach of hunger relief and nutrition programs.</p>	<ul style="list-style-type: none"> Partnered with Harvest Manitoba and the Assembly of Manitoba Chiefs to enable a donation of 1,000 boxes of baby food to Garden Hill, God’s Lake Narrows, Gods River, Lac Brochet, Tadoule Lake and York Landing in Manitoba. Alaska Commercial Company partnered with Indigenous leaders and organizations to continue the USDA Farmers to Families Food Box program, which leveraging the store network, delivered 1,000 boxes or 3.3 million pounds of food to families across rural Alaska. Cost-U-Less partnered with Kellogg’s to raise \$8,000 for meals to fight hunger in the Caribbean islands as part of the “Fighting for Hunger” campaign. NorthMart deployed \$11,500 worth of donations in Iqaluit and utilized its logistics network for emergency shipments of water in response to a community-wide water crisis.
<p>Build strong relationships with communities based on the recognition of rights, respect, cooperation and partnership.</p>	<ul style="list-style-type: none"> Engaged in ongoing consultation with political leadership at the national, regional and community level as the COVID-19 pandemic continued. Produced monthly update letters to each community leader including Chiefs and their Councils, mayors and Pandemic Committees and other stakeholders, sharing the current state of our stores’ operations, including safety protocols, pricing, staffing, product supply and strategies for circumstances impacting the community.

GOALS	ACTIONS TAKEN IN 2021
<p>Work with communities and entities to develop transformative business and partnership opportunities and build mutually beneficial partnerships within communities that support economic self-reliance.</p>	<ul style="list-style-type: none"> Entered into and continued 85 leasehold business partnerships with Indigenous communities; compounding economic benefit to remote economies.
<p>Develop store managers who are informed about the history, cultures and realities of their communities.</p>	<ul style="list-style-type: none"> Achieved 100 percent participation of new Northern/NorthMart store management trainees in an Indigenous Cultural Awareness program through our Training Centre.
<p>Support important community events and causes, particularly those that align with North West's Commitment to Reconciliation.</p>	<ul style="list-style-type: none"> Contributed more than \$2.1 million in donations, including support during the pandemic. Continued to support the City of Winnipeg's Indigenous Accord, sharing commitment on the journey toward Reconciliation.





SUCCESS STORIES

Alaska Commercial Company delivers 3.3 million pounds of fresh food to 115 communities

Continuing efforts to help Alaskans live better, Alaska Commercial Company (AC) sourced and delivered 3.3 million pounds of fresh, nutritious food to 115 communities throughout Alaska in 2021. As part of the USDA's Farmers to Families Food Box program, this included over 100,000 boxes of produce, dairy and meat between February and May 2021.

The food boxes were evenly allocated between rural villages and urban centers across Alaska and delivered free of charge to local non-profits who managed the distribution to families. "We are proud to partner with tribal governments, food banks, churches and other non-profits throughout the state to implement this food distribution program.

"AC's employees have shown up and worked harder than ever to ensure that rural Alaskans have access to fresh and healthy food."

**- Kyle Hill, President,
Alaska Commercial Company**

Alaska Commercial Company worked with 10 different airlines to ship the boxes to rural Alaska.



AC's employees have shown up and worked harder than ever to ensure that rural Alaskans have access to fresh and healthy food," said Kyle Hill, President at Alaska Commercial Company.

Each box contained 32 lbs of food and four produce items (potatoes, carrots, onions, apples), three dairy items (milk, cheese, yogurt), and two meat items (pre-cooked chicken, canned Alaskan salmon). Alaska Commercial Company worked with 10 different airlines to ship the boxes

to rural Alaska. Feedback throughout the state has been overwhelmingly positive.

"The Utqiagvik Presbyterian Church is proud to partner with Alaska Commercial Company on this food box program. We have distributed almost 100,000 lbs of fresh food to the community of Utqiagvik, and this program has been a great complement to our church's existing food programs," said Joseph Reid, Pastor of the Utqiagvik Presbyterian Church. "This food distribution is one of several initiatives AC is undertaking to increase access to healthy food in Alaska," noted Kyle Hill. "We are delighted to work with the USDA on this important initiative, and we hope the USDA continues to support communities in rural Alaska through similar programs."

SUCCESS STORIES

Donation Helps Families in Manitoba First Nation Communities



Top row: Community representatives from Garden Hill (left) and Councillors Dennis Mckay and Louie Amos Okemow from Gods River, MB received baby food donation for their community members.

Bottom row: Lac Brochet and York Landing's community representatives received the baby food donation.

Manitoba Chiefs reached out to Gardewine and The North West Company, who rallied around the cause and provided the assistance needed to get the baby food to the communities.

In February, North West helped ship nearly 1,000 boxes of baby food, which were distributed to Garden Hill, God's Lake Narrows, Gods River, Lac Brochet, Tadoule Lake and York Landing in Manitoba. In each community, the Northern Store Manager worked alongside community leaders and representatives to coordinate the delivery.

Many families have been affected during this pandemic, and this contribution helped secure nourishment for their little ones. Each community received organic baby food pouches, jarred baby food and liquid baby formula.

"It was quite a challenge for us to deliver the donation due to the pandemic, but Gods River's families were very grateful for the baby food received. We also had some jarred baby food left that we were able to give to the Awassis Agency in our community," said Dennis Mckay, Councillor, Gods River.

Thousands of First Nations families across Manitoba received assistance nourishing their families during a difficult time, thanks to the collective efforts of four Winnipeg-based organizations.

In late January, the Assembly of Manitoba Chiefs coordinated the distribution of a Harvest Manitoba donation of 16,000 lbs. of baby food to all First Nations communities in Manitoba. The Assembly of



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PILLAR 2:

Better Quality of Life for our Customers

Overview

Between the global COVID-19 pandemic and the ongoing pursuit of racial equity and social justice, our communities have faced significant challenges. Throughout the pandemic, we pivoted our business at all retail locations to support communities with essential products and services. Our pandemic response continues to focus on the health and safety of our staff and customers through enhanced cleaning and sanitization procedures, requiring face masks, physical distancing and offering curbside pickup and home delivery services in high-risk communities.

We also strive to use our business and philanthropic resources to address systemic disparities in society, seeking to advance equity for all. As a community partner to over 175,000 northern Indigenous Peoples in Canada, North West commits to advocating for truth and understanding about our collective past. We believe inclusive, equitable companies foster resilience and growth in communities, as individuals are able to achieve their full potential.

Serving communities lies at the heart of North West's community promise, with the goal of making a positive, progressive difference in each community. We aim to create value for communities in many ways, including:

- Providing convenient access to **healthy food products** through our vast distribution network
- Providing **meaningful employment** and helping develop our workforce through quality jobs, training, education and career paths
- Contributing to **local economic development** in markets where we operate to meet customer needs while supporting suppliers, jobs and inclusive economic growth
- Contributing to **community resilience** by enhancing **food security**
- Supporting **local organizations and causes** that matter to customers, associates and neighbours in our communities



2021 at a Glance



Wellness-Focused Concept Store a First in the North

Opened the first-of-its-kind wellness hub in Iqaluit, NU, developed in consultation with the Indigenous community, featuring “better-for-you” groceries, full pharmacy, optical services.



Healthier Food Options

North West continued to promote better nutrition and healthier food options to stores in North America through our Health Happy program.



Elder Support

Provided Elders in remote communities with free delivery service during COVID-19 lockdowns.



E-commerce Option

Utilized e-commerce and curbside pickup at all store locations to promote community safety and enhance the customer shopping experience.

PILLAR 2: BETTER QUALITY OF LIFE FOR OUR CUSTOMERS

Commitments, Goals, Performance and Next Steps

Commitment: Provide reliable access to everyday products and services that are as affordable as possible and meet the lifestyle needs of our customers.

GOALS	ACTIONS TAKEN IN 2021
<p>Promote and invest in affordable and accessible healthy food options for customers in our stores.</p>	<ul style="list-style-type: none">• Advocated for the expansion of the Nutrition North program which, combined with investments made by North West, has resulted in significant price savings for consumers on healthy food despite the fact that the Nutrition North program is not indexed for inflation.• North West continued to promote better nutrition and healthier food options to stores in North America through our Health Happy program.• Alaska Commercial Company (ACC) assembled and delivered 100,000 boxes of fresh produce, dairy and meat to 115 communities across rural Alaska.• Opened the first wellness hub Inuulisautinut Niuvirvik in Iqaluit, NU, developed through consultations with the Indigenous community to provide healthy grocery and product offerings, a full pharmacy and first-ever optical services.



GOALS	ACTIONS TAKEN IN 2021
<p>Enhance the in-store experience for customers through our retail initiatives.</p>	<ul style="list-style-type: none"> ▪ Utilized e-commerce and curbside pickup at all store locations to promote community safety and enhance the customer shopping experience. ▪ Provided Elders in remote communities with free delivery service during COVID-19 lockdowns. ▪ Based on community and customer requests, key items were rationed to ensure more customers were able to purchase staple goods. ▪ Partnered with more than 180 suppliers, transporters and community organizations to ensure a reliable supply chain for our customers.
<p>Ensure that Indigenous businesses have equitable access to business development opportunities at North West.</p>	<ul style="list-style-type: none"> ▪ Formalized an Indigenous Procurement Policy to ensure Indigenous businesses have equitable access to business development opportunities at North West.

Commitment: To advocate for policies and programs that enhance the quality of life for our customers.

GOALS	ACTIONS TAKEN IN 2021
<p>Advocate for improvements to the Nutrition North program and other social programs that impact our operating communities.</p>	<ul style="list-style-type: none"> ▪ Advocated for priority access to essential grocery items and cleaning supplies for northern communities in response to industry-wide shortages at the onset of the pandemic, and in consultation with stakeholders in the North. ▪ Heeded customer demand for greater access to quality health care for northern, remote communities. ▪ With northern Indigenous community support and guidance, we campaigned for higher Nutrition North Canada and seasonal transportation subsidies for a range of food items. This resulted in items becoming more accessible and affordable for our customers in the North.



SUCCESS STORIES

Inuulisautinut Niuvirvik opens in Iqaluit, Nunavut

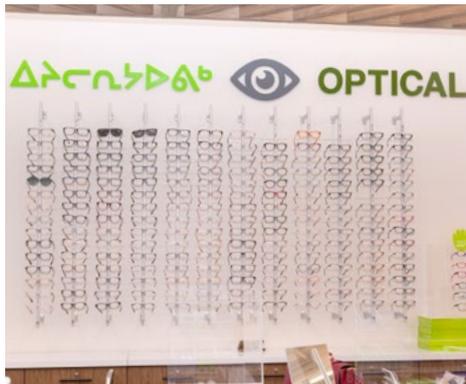
Wellness-focused concept store first in the North

Inuulisautinut Niuvirvik opened its doors in July 2021 to welcome Iqalummiut, neighbours and visitors to its first-of-a-kind wellness hub. Inuulisautinut Niuvirvik, a name chosen through a community contest, means “a place to get things for a healthy mind and body”, and it could not be more apt. Contest winner

Opah Picco sent her best wishes and added, “I am very pleased that this store will be readily identified by Inuit because of the name.”

From better-for-you groceries and Booster Juice, to full pharmacy and optical teams, Inuulisautinut Niuvirvik wants to help customers bring good health home. “Everything starts with

From better-for-you groceries and Booster Juice, to full pharmacy and optical teams, Inuulisautinut Niuvirvik wants to help customers bring good health home.



The optical centre is a first for Nunavut, offering full eye exams, prescription glasses and sunglasses, contact lenses and eyeglass repair, as well as dry eye education and other eye health advice.

a healthy you,” says store manager Tom Kennedy. “We worked hard to select products and develop recipes, blogs and signage to make healthy living easy.” As part of its wellness approach, Inuulisautinut Niuivirvik’s pharmacy team offers services beyond prescriptions. They can recommend non-prescription drugs, answer wellness and medication questions, help customers monitor blood pressure and glucose and set

up medication reminders and renewals.

The optical centre is a first for Nunavut, offering full eye exams, prescription glasses and sunglasses, contact lenses and eyeglass repair, as well as dry eye education and other eye health advice. Its advanced eye care system is the first of its kind in Canada. “We are very excited for this opportunity to provide Iqalummiut a new and extensive assortment of

healthier-for-you products, our first ever optical services and expanded pharmacy in our new Inuulisautinut Niuivirvik store,” says Mike Beaulieu, Vice-President of Canadian Store Operations, The North West Company. “There is a lot of excitement from customers about opening Nunavut’s first Booster Juice franchise located inside the store. We recognize the need to bring more healthy food choices north.”

“We are happy to welcome Inuulisautinut Niuivirvik to Iqaluit,” says Mayor Bell. “The community is excited about the new services and employment opportunities the store offers and, of course, the Booster Juice.”



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PILLAR 3:

Empowered Employees

Inuulisautinut Niuvirvik, Store opening, Iqaluit, NU



Overview

Helping employees connect to their talents and thrive is a key driver of how we invest in our team members. Developing teams where employees feel heard, respected and included is a core value and is also fundamental to creating an inclusive experience. We believe retail can be a springboard for economic opportunities in the communities we serve. By providing quality jobs, training and career paths, we aim to develop great talent and contribute to local employment and workforce development. We employ over 7,524 associates in 181 communities around the globe, offering a variety of career opportunities.

At North West, we value diversity, equity, and inclusion. We invest in our team by giving them opportunities to grow professionally, take care of themselves, their families and each other, and

make a difference in their communities. We believe these values are good for business and are simply the right thing to do. Our diverse perspectives help us broaden our approach to addressing challenges. We recognize the importance of increasing representation of employees from diverse backgrounds at every level of our organization. We know that diverse leaders attract and retain diverse teams, so we focus our efforts on hiring, retention, growth and development, including promotion of our employees.

To better understand what inclusion means for our employees, we conducted a global internal survey which led to North West's new diversity priorities, which include educational initiatives, continually improving our mentorship program, and delivering benefits for all our employees.



2021 at a Glance



Engaged 7,524 Associates in a Diversity, Equity & Inclusion Survey

Prepared and deployed a company-wide Diversity, Equity and Inclusion survey to all 7,524 associates, encouraging each to express their diversity and share their perspectives on systemic racism, discrimination and unconscious biases.



Indigenous Cultural Awareness

Reinforced corporate values with Indigenous Cultural Awareness Program to new and existing associates and managers, at all levels of the organization.



Mental Health & Wellness

Enabled a work-from-home option for office associates and promoted our Employee Assistance Program (EAP) that includes counseling and mental health services for employees and members of their immediate families.



Store Management Training

Continued to support a central Store Management training program in Winnipeg, achieving a 100% participation rate among new hires.

PILLAR 3: EMPOWERED EMPLOYEES

Commitments, Goals, Performance and Next Steps

Commitment: Cultivate a diverse, inclusive and culturally safe workforce

GOALS	ACTIONS TAKEN IN 2021
<p>Raise company-wide awareness of and sensitivity to the unique history, culture and relations of Indigenous Peoples in locations where we operate.</p>	<ul style="list-style-type: none"> Prepared and deployed a company-wide Diversity, Equity and Inclusion survey to all our associates, encouraging each to express their diversity and share their perspectives on systemic racism, discrimination and unconscious biases. Reinforced corporate values with Indigenous Cultural Awareness Program to new and existing associates and managers, at all levels of the organization. Delivered Cultural Awareness sessions to employees from our Canada and Alaska operations, including Gibraltar House.
<p>Recruit, engage, retain and improve advancement opportunities for Indigenous workers.</p>	<ul style="list-style-type: none"> As the largest private employer of Indigenous Peoples in Canada (with over 1,800 self-reported Indigenous employees), we are deeply committed to training, employing and retaining Indigenous staff, to hire and train locally in northern and remote communities, and to fill senior positions with local Indigenous employees. An Indigenous Advisory Committee comprised of 20 store employees was created to ensure that our Truth and Reconciliation efforts are addressing the needs of Indigenous people.



Commitment: Enhance employee effectiveness, welfare, and satisfaction by imparting our Company values of customer service, trust, enterprising ideas, passion for what we do, accountability and personal balance.

GOALS	ACTIONS TAKEN IN 2021
<p>Reinforce workplace health, safety and ethical practices through policies and practices that set clear expectations across the Company.</p>	<ul style="list-style-type: none"> ▪ Invested in safety measures and established rigorous cleaning routines in all of our facilities, including: <ul style="list-style-type: none"> - <i>Implemented enhanced cleaning procedures and provided hand sanitizer at each check lane.</i> - <i>Maintained and replaced plexiglass partitions at check lanes and in high-volume areas throughout our stores.</i> - <i>Provided reusable and disposable face masks for employees while encouraging healthy hygiene habits.</i> - <i>Required team members and customers to wear masks or face coverings while in our stores.</i> - <i>Promoted physical distancing procedures in our stores.</i> - <i>Implemented mandatory vaccine policies in our stores.</i> ▪ Continued to employ a Workforce Health & Safety Team to enhance safety throughout the company. ▪ Instituted programs designed to eliminate or reduce hazards at all our locations, including a comprehensive occupational injury and illness prevention program for all team members. ▪ Continued to sponsor training in First Aid, Fire Prevention, Emergency Planning, Violence Prevention, Safe Work Procedures and other key Health & Safety areas for North West management trainees.
<p>Offer programs to accommodate the needs of employees with diverse cultural backgrounds and lifestyles.</p>	<ul style="list-style-type: none"> ▪ Continued to offer flexible work hours to accommodate cultural and lifestyle practices for employees. ▪ Continued to offer sabbatical options for eligible employees with more than five years of service.
<p>Support associates with access to professional, confidential support services and programs.</p>	<ul style="list-style-type: none"> ▪ Enabled a work-from-home option for office associates and promoted our Employee Assistance Program (EAP) that includes counseling and mental health services for employees and members of their immediate families.
<p>Provide training programs to equip associates with the skills they need to improve career prospects and move to jobs with greater responsibility and higher pay.</p>	<ul style="list-style-type: none"> ▪ Continued to support a central Store Management training program in Winnipeg, achieving a 100% participation rate among new hires.

SUCCESS STORIES

North West staff recognized Orange Shirt Day across Canada and beyond



North West staff members from Gibraltar House wore orange on September 30.

Top row: Nor'Westers at the front and back of the operations joined together on Orange Shirt Day and showed their support by wearing orange. (Left) North West staff members from Cost-U-Less, Boca Raton, FL and Winnipeg Logistic Service Centre staff members.



Bottom row: AC Lakeside Store Manager Vince Winter with his team members at the patches stand they created (left); the information about Orange Shirt Day that was handed out; the store signage.



September 30 was chosen for Orange Shirt Day because September is the time of the year children were taken from their homes to attend residential schools. Starting this year, this date has also been designated as the National Day for Truth and Reconciliation in Canada.

The North West Company staff members showed their support and solidarity to victims of the residential school system by wearing orange at the end of September.

All Nor'Westers and their family members wore orange shirts on Orange Shirt Day to honour residential school survivors and remember the children who were lost. They also had the opportunity to listen to the testimony of a residential school survivor, which sparked their interest to learn and do more - creating meaningful dialogue among colleagues.

North West staff members from the Company's International Operations also learned the significance this

day holds and showed their support. Inspired by Orange Shirt Day, Vince Winter, AC Lakeside Store Manager, Sitka, AK, wanted to do more in his community and reached out to Claire Hill and Chuck Miller, members from Sitka Tribe of Alaska, for guidance and to come together to spearhead this movement.

On September 30, AC Lakeside offered orange patches to its employees and customers. The slogan "Every Child Matters" was translated to Tlingit - X'atulitseen HaaYatx'l - and they handed over reading material about the day to their customers and nearby students as a way to encourage them to seek more information about this dark chapter in our history.

"The whole event in itself was very impactful. We had a great turnout of Indigenous and non-Indigenous people. We're just in awe of the awareness that was created, the conversations it led to and are hopeful of the healing actions that will follow,"

said Vince Winter, AC Lakeside Store Manager. "Being able to partner with Claire Hill and Chuck Miller from the Sitka Tribe of Alaska, we were able to drive awareness citywide. If we don't take actions to heal, we are bound to pass it on, we need to break the cycle."

In addition to employee participation, North West also made orange t-shirts available for community members to purchase. Thanks to a partnership with Dreamcatcher Promotions, an Indigenous-owned and operated business, orange t-shirts were made available to over 120 communities through Northern and NorthMart stores across Canada. North West matched the proceeds from the sale of t-shirts and made a donation of \$46,300 to Orange Shirt Society to support their efforts in raising awareness of the cause and supporting residential school survivors and their families on their healing journey.



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PILLAR 4:

Respect for the Environment

Cost-U-Less St. Thomas, U.S. Virgin Islands

Overview

While the effects of a changing climate are felt by people and communities across the globe, we recognize climate change will have a disproportionate effect on many of the remote locations where we operate. **With stores in northern Canada, Alaska, the Caribbean and the Pacific Islands**, North West’s retail operations are exposed to extreme conditions that range from blizzards and extreme cold to hurricanes, typhoons and cyclones.

The continuing impact of climate change was directly felt in communities we serve in northern Canada, as forest fires resulted in evacuations

and eight temporary store closures. As a response to this crisis, our teams partnered with the Red Cross delivering same-day supplies and food hampers to evacuees temporarily staying in Winnipeg. This speaks volumes about how our teams continue to inspire us by taking to heart their role in each community.

In addition to emergency relief efforts, we are striving to make a longer term impact on climate change by incorporating eco-friendly practices across our business – from designing energy efficient buildings to limiting product packaging and waste.



2021 at a Glance



5,400 Tonnes

Lowered greenhouse gas emissions by 5,400 tonnes per year through investments in energy-efficient equipment in stores.



\$3.1M Reinvested in Communities

Worked with partners in 52 communities to reduce the use of plastic bags via our Greener Tomorrow program. Since 2011, proceeds from the program have resulted in more than \$3.1M reinvestment in Greener Tomorrow communities.



85 Refillable Water Vending Machine Systems

85 refillable water vending machine systems in operation at our stores. These systems recycle water, reduce plastic bottle waste and provide a cost-effective source of drinking water for customers in remote communities.



8.8 Million kWh

Saved 8.8 Million kWh, the result of investments in new LED lamps, energy-efficient refrigeration equipment, and other energy-saving devices in our stores. These measures are part of an ongoing suite of energy conservation policies, program, and actions implemented in northern locations using proven processes and technologies.

PILLAR 4: RESPECT FOR THE ENVIRONMENT

Commitments, Goals, Performance and Next Steps

Commitment: Minimize our environmental footprint.

GOALS	ACTIONS TAKEN IN 2021
<p>Promote energy saving initiatives in stores.</p>	<ul style="list-style-type: none"> • 100% of new construction projects to meet or exceed National Building Code energy efficiency standards and specifications. • Lowered net energy costs by \$2.8 million (8.8 kWh) and greenhouse emissions by 5,400 tonnes - the result of installing LED lamps, energy-efficient refrigeration equipment and other energy-saving devices in our stores; these measures are part of an ongoing suite of energy conservation policies, programs and actions implemented in northern locations using proven processes and technologies. Targeted reductions in 2022: \$2.95 million, 8.4 million kWh or 5,400 tonnes.
<p>Cultivate partnerships that can provide alternative energy solutions for our operations, with a focus on regions where government support makes these interventions financially viable.</p>	<ul style="list-style-type: none"> • Saved an estimated 176,000 kWh through an expanded partnership with Gwich'in Tribal Council for a new solar equipment installation in our NorthMart store in Inuvik, NT. • Saved an estimated 217,000 kWh by installing a new rooftop solar PV system in our Cost-U-Less store in St. Thomas, U.S.V.I. • Saved an estimated 46,600 kWh in a solar PV system installed in our Cost-U-Less store in Grand Cayman, Cayman Islands.
<p>Provide ongoing environmental management and training .</p>	<ul style="list-style-type: none"> • Coordinated policies and programs via our Environment Management Committee, including enhanced environmental training for associates in our operating communities.
<p>Meet ROI investment requirements for our renewable energy program in North West store locations.</p>	<ul style="list-style-type: none"> • Planned installation of rooftop solar panels at our fourth store in Iqaluit, NU, in 2022. • Identifying expansion opportunities of this program to other North West store locations in 2022.

Commitment: Provide sensible, eco-friendly energy and product options whenever possible to communities we serve.

GOALS	ACTIONS TAKEN IN 2021
<p>Offer environmentally preferable solutions to single-use plastic bags.</p>	<ul style="list-style-type: none"> Worked with partners in 52 communities to reduce the use of plastic bags via our Greener Tomorrow program. Since 2011, proceeds from the program have resulted in more than \$3.1 million in reinvestments to Greener Tomorrow communities.
<p>Reduce waste throughout our operations and supply chain.</p>	<ul style="list-style-type: none"> Implemented procedures to eliminate perishable food waste in the retail supply chain by improving food storage, shipping materials and technologies. 85 refillable water vending machine systems in operation at our stores. These systems recycle water, reduce plastic bottle waste and provide a cost-effective source of drinking water for customers in remote communities. Promoted the sale of safe-to-eat food products that are nearing the best before date. Unnecessarily discarding these items in favour of fresher products that must be air shipped to remote areas creates more food waste and uses more fossil fuels.



SUCCESS STORIES

Northern and NorthMart celebrate \$3-million mark in 10th year of Greener Tomorrow



Pictured above: Arviat Mayor Joe Jr. Savikataaq (right) and Assistant Senior Administration Officer Amber Kadjuk receiving the Greener Tomorrow funds to the Hamlet of Arviat to continue with the development of the Levi Angmack Elementary School Breakfast Program.

Learn more about the Arviat initiative [here](#).

Northern communities have reduced the use of plastic bags by 70% and raised more than \$3 million for local programs through the Greener Tomorrow program, now in its 10th year operating in Northern and NorthMart stores.

Every year, Northern and NorthMart stores run Greener Tomorrow with the ongoing support of community

All funds stay in the community in which they were raised and are reinvested into initiatives chosen by local leadership, supporting various environmental and social programs.

leaders and the environmental commitment of residents who shop at the stores. The program aims to reduce plastic bag use in participating communities by collecting a single bag fee for plastic grocery bags at Northern and NorthMart store checkouts, then donates the funds collected over the course of each year to support community programs.

2021 marks 10 years since the program was launched. Since then, Greener Tomorrow has expanded to Northern and NorthMart locations, raising \$3.1 million for community-led initiatives and reducing plastic bag use by nearly 70%, while keeping millions of plastic bags from landfills. Thanks to their efforts to protect their land and the environment, 28 of the participating communities have gone completely plastic bag-free over the past decade.

This year's Greener Tomorrow program will be disbursing over \$414,000 to 52 participating communities. All funds stay in the community in which they were raised and are reinvested into initiatives chosen by local leadership, supporting environmental and social programs such as community clean-ups, recycling programs, on-the-land programs, greenhouse programs and outdoor space improvements.

Managing our Approach

Sustainability reporting oversight

The Governance and Nominating Committee (“Governance Committee”) of The North West Company Board of Directors are accountable for overseeing our sustainability initiatives and receives regular updates from management on our sustainability work.

- *Further information on North West’s sustainability initiatives including references to applicable corporate disclosure is provided on our website at www.northwest.ca/sustainability*

Our approach

This Sustainability Report, along with our Roadmap before it, have established clear Executive and Board accountability for sustainability performance at The North West Company, and represent an agreed upon framework for ongoing sustainability efforts; a broad model for this framework is our comprehensive internal Risk Management approach.

Senior Management is actively engaged in advancing our sustainability program, leading regular presentations and reviews with the Board Governance Committee.



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Next steps

Sustainability is integrated within the Company’s strategic planning and risk management process. One of the initiatives we have planned on our sustainability roadmap is to gain a better understanding of our carbon footprint. North West is committed to doing our part to help reduce greenhouse gas (“GHG”) emissions and we are engaging consultants to assist us in measuring our GHG emissions, developing reporting and providing recommendations on developing and implementing an emission reduction strategy. In addition to our carbon-related strategy work, in 2022, we will continue to:

- *Improve areas where measures are imprecise or practical targets are not yet in place;*
- *Identify meaningful key performance indicators (KPIs);*
- *Continue to establish baselines for performance; and*
- *Ensure that information systems are in place to accurately capture the information we need.*

Sharing what we know

We recognize that we have an important and largely positive story to tell, and that our customers, communities and employees want to better understand how we think, what we are planning, and how we will account for the impact on people and places that our business creates.

In addition to this sustainability report, The North West Newsletter is another communication tool that highlights components of our Four Sustainability Pillars to many community leaders and government officials. This and future Sustainability Reports will extend this outreach to other important North West stakeholders, including suppliers, investors, governments and other interested community members.

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