



SPROUTS[®]
FARMERS MARKET

2024

Impact Report

Letter from the CEO

Our purpose is To Help People Live and Eat Better, and in 2024 our team members across the country brought our purpose to life like never before.

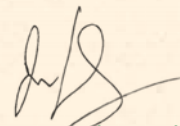
We foraged far and wide for small emerging brands that are passionate about making great-tasting food that's better for people and the planet. We brought our customers more attribute-based products that support healthy and sustainable living like organic, regenerative, grass fed, responsibly sourced, and non-GMO.

We opened 33 new stores, bringing access to healthier options to more communities from sea to shining sea. Three thousand new purpose-driven team members joined us and 18% of our workforce was promoted, creating more opportunity for them and their families. More team members than ever before earned bonuses in 2024, sharing in our financial success.

Our teams showed up for their local communities, donating 30 million meals to people in need and volunteered their time to serve others. Our Healthy Communities Foundation supported over three million children in nutrition education and access programs in local elementary schools.

Our Values of Care, Own It, and Love Being Different shine through in everything we do. The collaboration within our stores, our communities, and with our suppliers made 2024 our most impactful year yet. I'm proud to be a part of a team committed to doing better by offering products with purpose, caring for each other, and building a healthier future.

Thank you for shopping, working, and growing with us.



Jack Sinclair
Chief Executive Officer



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Students in Houston plant their school garden funded by the Sprouts Healthy Communities Foundation.

About Us

\$7.7B

in sales

33

new stores opened

7.6%

same store sales
growth

As one of the nation's largest and fastest-growing natural and organic specialty grocers, we provide communities with healthy, innovative products in an easy-to-shop, small-store format. Our purpose-driven team of 35,000 people is dedicated to offering lifestyle-friendly options—from organic and plant-based to gluten-free—while supporting sustainable practices. Headquartered in Phoenix, Arizona, and recently recognized as Progressive Grocer's Retailer of the Year, we operate over 440 stores across 24 states, with significant expansion planned for 2025 and beyond.

SPROUTS STORE FOOTPRINT



We Help People Live & Eat Better

Our Purpose is to Help People Live and Eat Better. It is the reason we exist, and every decision we make is rooted in making that Purpose come alive for our team members, communities, vendor partners, and the planet we all share.

Our Values

Every team member is responsible for bringing our Purpose to life in each decision they make and every action they take. Those decisions and actions are anchored in our Values.



**2024 SPROUTSKON EVENT BROUGHT TOGETHER STORE MANAGERS FROM
ACROSS THE COUNTRY TO CELEBRATE OUR PURPOSE.**

Care

We care for each other, our customers and our planet.

Own It

We work as a team to deliver excellence in all we do and celebrate our successes.

Love Being Different

Our diverse team members and products create a unique experience for our customers.



PURPOSEFUL STRATEGY

**Inspire & Engage
our Talent to
Create a Best
Place to Work**

Developing our culture of caring and inclusion with diverse talent and rewards

**Win with our
Target Customers**

Encouraging healthy living and wellness through innovative products and community partnerships that are better for the environment

**Customer
Engagement and
Personalization**

Digital forward strategy customized to our customers' dietary and lifestyle preferences reduces carbon footprint

**Market
Expansion**

Smaller format with less carbon intensive operations, taking advantage of infill expansion efficiencies

**Create an
Advantaged
Supply Chain**

Increasing freshness, reducing food waste, and lowering transportation miles

2024 IMPACT HIGHLIGHTS

\$20.59/HR
average pay rate for store team members

60%
of products sold had a social or environmental attribute

24%
of transactions linked to a Sprouts account

8%
carbon emissions reduction per sq. ft

170
local farmer relationships

\$31M
in bonuses paid to store team members

11%
of total sales from plant-based meat & dairy alternatives

2M
followers across social platforms

33
new stores opened in our smaller more efficient format

121M
pounds of recyclables recovered through our logistics program

38K
hours of leadership training delivered

3M
students participating in school garden education programs supported by the Sprouts Healthy Communities Foundation

\$1.7B
in Sprouts Brand sales delivering on health, quality, innovation, and sustainability

32
stores converted to lower global warming refrigerants

80%
of our stores are within 250 miles of a distribution center

2024 IMPACT REPORT

Impactful Products

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*Sprouts' sourcing team visiting
regenerative rice farm in California.*

Sprouts Brand Products

Sprouts Brand products are designed to meet our commitment to health and innovation. Our strict quality guidelines prevent the use of over 150 ingredients in our products. We offer our customers reliable choices that align with their needs and values. Our differentiated and delicious Sprouts Brand products are only available at Sprouts.

300

new Sprouts Brand
products launched

\$1.7B

in Sprouts
Brand sales

865

organic products

20%

of sales from
organic products



Foraging for Health & Innovation

Our foraging team scours the globe for hidden gems that will shape the future of food and make us a destination for new product discovery. We collaborate with small, entrepreneurial suppliers who share our dedication to health-focused innovation. We're proud to support emerging brands in all stages from concept to shelf.

Every new product undergoes a rigorous evaluation process, incorporating sustainability criteria such as a low-carbon footprint, ethical sourcing, and eco-friendly design. By promoting items that prioritize regenerative farming practices, upcycled ingredients, and sustainable packaging, we're driving meaningful progress toward a more sustainable and responsible food system.

865

innovation items
launched

27%

of innovation items earned
permanent shelf-space



**PLANT – BASED
PROBIOTIC YOGURT**



**NATURAL
IMMUNITY**



**NON-SEED ALGAE
COOKING OIL**



**SLEEP
SUPPORT**



**ORGANIC GRASS
FED KEFIR**



**MUSHROOM
ADAPTOGEN**



**SEA MOSS
BEVERAGE**

Organic & Beyond

Organic agriculture is a cornerstone of a sustainable food system. By prioritizing farming methods that avoid synthetic pesticides, fertilizers, and genetically modified organisms (GMOs), organic practices help improve soil health, conserve water, and promote biodiversity. These methods not only reduce environmental impact but also ensure cleaner, healthier food.

4,000+

organic
products in store

30%

of total sales are from
organic products

SPROUTS' ORGANIC SPRING MIX IS GROWN WITH PRACTICES THAT IMPROVE SOIL HEALTH AND BIODIVERSITY.



While organic is key to what we do and to a healthier food system, we are ambitious about going beyond organic to more regenerative agriculture practices where possible. While there is currently no uniform definition, regenerative agriculture focuses on nature-based solutions to regenerating the soil, such as diverse crop rotations, cover crops, and natural livestock grazing.

Supporting Local

Produce doesn't get fresher the longer it travels. That's why we focus on sourcing as much local produce as possible. We partner with local farmers across the country, building strong relationships to bring their harvest straight to our shelves. By sourcing locally, we're able to deliver fruits and vegetables that are picked at peak ripeness, ensuring the best taste and quality for our customers, and reducing food waste. These partnerships not only support small and regional growers but also reduce food miles, helping to create a more sustainable food system.

20%

of total produce sales were
from local growers

170

local farmers

*Sprouts is helping us bring
fresh, organic produce
to communities, creating
meaningful change
within the agricultural
industry, empowering
farmworkers, and promoting
sustainability.*

Scott Mabs
CEO, Homegrown Organic Farms



Plant-Based Growth

Plant-based eating is a powerful way to nourish your health and reduce your environmental footprint. Plant-based options are often packed with essential vitamins, minerals, fiber, and protein.

Plant-based foods often have a significantly lower carbon intensity than conventional animal-based agriculture, helping to reduce greenhouse gas emissions, improve land use, and minimize soil, air, and water pollution. We're passionate about discovering the latest and most innovative plant-based and vegan products to add to our shelves.



27%

increase in
plant-based sales



Treating Animals With Care

Promoting the health, comfort, and humane treatment of animals across our supply chain is essential to our values and purpose. To advance this commitment, we collaborate with suppliers, advocacy groups, and industry leaders to implement practices that foster progress and innovation. Regular assessments and discussions with our partners help us evaluate and improve practices both on farms and at processing sites.

100%

of eggs are cage-free or better

78%

of egg sales from
free-range or
pasture-raised farms



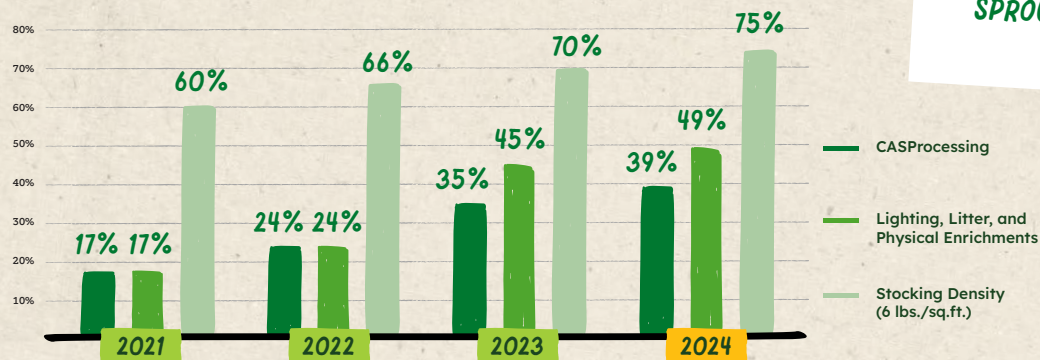
SPROUTS BRAND PASTURE RAISED HENS
ARE CERTIFIED HUMANE AND HAVE
108 SQ. FT. PER BIRD TO ROAM.

Sprouts Chicken Welfare Commitment

We're dedicated to improving the welfare of chickens in our supply chain through tenets of the Better Chicken Commitment. This initiative is part of our broader effort to ensure the humane treatment of animals to ensure they are able to act naturally.



CHICKEN WELFARE PROGRESS



*SPROUTS BRAND CHICKENS ROAMING
ON A FREE RANGE FARM*



Sprouts Organic Roasted Chicken

Raised with care from Pitman farms, these chickens thrive in an environment that prioritizes their well-being that meet Certified Humane® standards, allowing them to graze and forage freely outdoors. This approach supports the chickens' ability to exhibit natural behaviors, such as scratching, pecking, and roaming, which not only enhances their quality of life but also contributes to the improved quality of the meat.

Organic Grassfed Beef

Organic and grass-fed beef represent a healthier, more sustainable choice for our customers and the planet. By adhering to strict organic standards, this beef is raised without synthetic pesticides, antibiotics, or growth hormones, ensuring cleaner, more natural meat. Cattle that graze on nutrient-rich pastures live better lives, build healthier fats like omega-3s, and have a lower environmental impact compared to their grain-fed friends.



58%

of total beef sales were
from grassfed or organic
farms



Group-Housed Pork

We have concerns with gestation crates—small, restrictive enclosures for breeding pigs—and we’re taking meaningful steps to transition to more humane systems. By the end of 2024, we sourced 75% of whole and processed pork in our meat department from group-housed or gestation crate-free systems and have plans to reach 100% over time. This approach prioritizes the physical and mental well-being of the animals while advancing our commitment to ethical and sustainable farming practices.

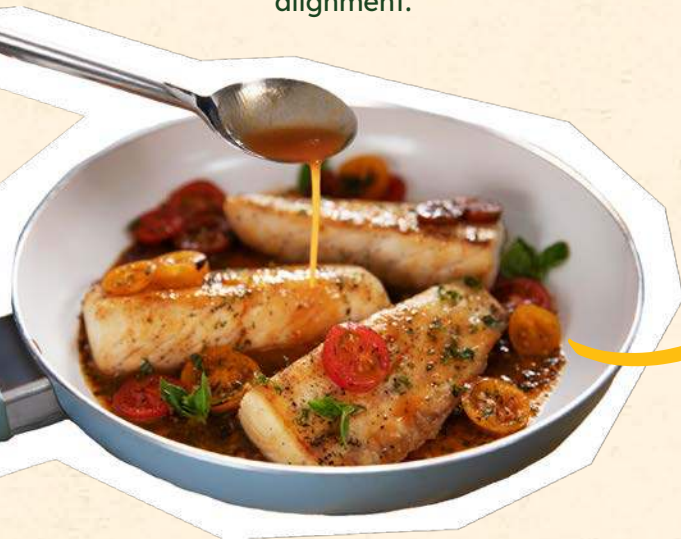
75%

of pork is sourced from
group housed or crate free
production systems



Sourcing Seafood Responsibly

Our responsibly sourced seafood is harvested in ways that protect fish populations and the marine environment for future generations. Our responsible seafood sourcing policy is shared with our suppliers and annual audits are performed to ensure alignment.



100%

of seafood meets our
responsible seafood policy

**PRODUCT
SPOTLIGHT**



Sprouts Cobia

Sprouts Cobia is raised in deep water open-ocean systems and are Aquaculture Stewardship Council (ASC) and Best Aquaculture Practices (BAP) Four Star certified.

Prioritizing Food Quality & Safety

Ensuring the safety and quality of our food is the foundation of everything we do. Our store teams and dedicated food safety professionals work diligently to maintain the highest standards.

Here are some of the ways we protect the integrity and quality of our food:

- Consistent food safety training for all team members
- Monthly food safety inspections at every store
- Supplier compliance with Global Food Safety Initiative standards
- Audits of Sprouts Brand manufacturers
- A robust recall framework ensuring 100% recovery compliance

6.5K

in-store food safety
inspections conducted

16K

food safety training
hours completed

Our food safety recognition program celebrates top-performing stores. The store with the highest food safety score earns the honor of holding the championship belt!



2024 IMPACT REPORT

Thriving Planet

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*Heirloom Coffee Regenerative Organic
Certified farm in Honduras.*

Waste Diversion

We are dedicated to minimizing waste and protecting the environment through a comprehensive zero-waste strategy. We focus on reducing, reusing, and recycling materials across all operations to divert waste from landfills.

A key part of our efforts is diverting food waste. By addressing this challenge, we not only reduce environmental impact but also help combat food insecurity. We have a robust food donation program, where unsold but safe-to-eat food is distributed to those in need. Food that does not meet our strict donation standards becomes either food for animals or gets composted and turned into nutrient-rich material for farmers.

71%

landfill
diversion rate

70M

pounds of
food recovered

100%

of stores have food
donation and food waste
recycling programs



WHEN UNSOLD FOOD FROM OUR STORES CANNOT BE DONATED, WE GIVE THIS FOOD A SECOND LIFE BY REPURPOSING IT TO FEED LOCAL CATTLE.

We partner with local farmers across the country, such as Stotz Dairy in Buckeye, AZ, to give unsellable food a second life by repurposing it to feed dairy cattle. While some food cannot be sold or donated due to quality or shelf-life limitations, it can still provide a nutritious diet for livestock. By collaborating with Stotz Dairy, Sprouts reinforces our commitment to a circular food system that minimizes environmental impact while contributing to the well-being of local farming communities.

Circularity

We strive to design Sprouts Brand packaging in ways that minimize environmental impact and promote responsible resource use. By prioritizing materials that can be recycled, reused, or composted, we look to reduce waste and resource use. Currently, 82% of Sprouts Brand primary packaging is recyclable, ensuring that most materials can re-enter the supply chain. We continually focus on how we can improve, including reducing reliance on virgin materials, transitioning to compostable options, and reducing unnecessary packaging.



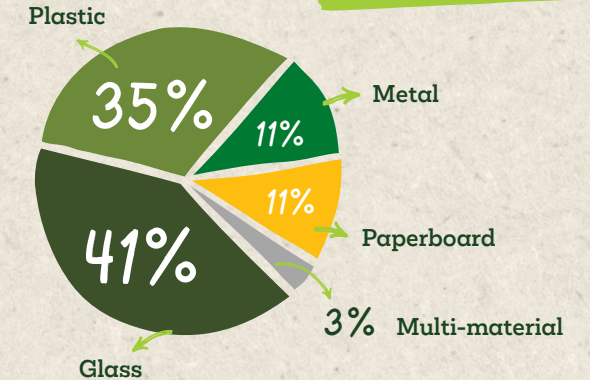
In 2024, by transitioning from non-recyclable waxed cardboard boxes to reusable plastic containers that can be used up to 120 times and recycled at end of life, we prevented over 1 million pounds of landfill waste while supporting a closed-loop packaging distribution system.



PRIMARY PACKAGING
RECYCLABILITY



PRIMARY PACKAGING BY
MATERIAL TYPE



Promoting Sustainable Bags

We've eliminated single-use bags from our checkout stands and are transitioning to home compostable bags in our produce, bulk, and meat departments over time. These initiatives reflect our commitment to sustainability and creating a circular economy that prioritizes resource conservation and eco-friendly alternatives.

35%

of stores have home compostable produce, meat, and bulk bags

75%

of customer transactions now use reusable bags or none at all



REUSABLE BULK BAGS



Lowering Emissions Intensity

Addressing carbon emissions is one of the most critical steps companies can take to combat climate change and protect our planet. We have committed to reduce our GHG intensity by 25% by 2033. In our stores, we employ several key practices to lower emissions:

Refrigeration

In 2024 we transitioned 32 of our stores to refrigeration systems with lower global warming potential (GWP), reducing emissions tied to cooling and preserving food.

LED Lighting

By using LED lighting throughout our stores, we significantly reduce energy consumption compared to traditional lighting. We have 68% of our stores with full LED lighting and open all new stores with this more efficient technology.

Optimized HVAC Systems

Our heating, ventilation, and air conditioning systems are designed to maximize energy efficiency and reduce overall energy use.

Energy Audits

We have conducted energy audits to identify additional opportunities for improving store design and operations, enabling us to refine our processes and achieve even greater efficiency.

68%

of stores have
LED lighting

8%

reduction in Scope
1 & 2 emissions
per sq. ft.



2024 IMPACT REPORT

Purposeful People

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Developing Our People

Our team members are the heart and soul of everything we do. We're deeply committed to investing in the personal and professional growth of our team. Through leadership development programs, on-the-job training, mentorship opportunities, and clear pathways for promotions, we empower team members to take the next steps in their careers.

We consistently invest in strengthening our culture leadership development, enhanced

hiring and promotion practices, and initiatives that reinforce our core Values and Purpose. These efforts have contributed to the highest team member retention rates in our company's history—a testament to the thriving, supportive environment we've built together and our shared commitment to making a difference.

\$21M

invested in team
member training
programs

1M

hours of in-store
training delivered

33K

leadership
development hours
delivered

\$100K

in scholarships
awarded to team
members and their
families

18%

of team members
promoted



Compensation & Benefits

The mental, physical, and financial well-being of our team members are essential to our success. We provide comprehensive benefit programs designed to empower our workforce, address their unique needs, and support their overall wellness. We strive to create a supportive environment where every team member can thrive—both at work and in their personal lives.

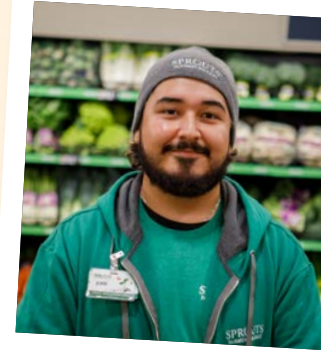
As a people-powered, purpose-driven company on a path of ambitious growth, we are committed to attracting and retaining the best talent to deliver for our customers, investors, communities, and stakeholders. This commitment drives our focus on building a comprehensive and competitive total rewards program that supports our team members' well-being and growth.

100% of team members
are eligible to earn a
bonus

\$20.59 average pay
rate for store
team members

\$23M in team member
discounts

\$31M in bonuses paid
to store team
members

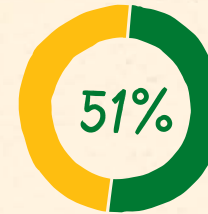


We Love Being Different

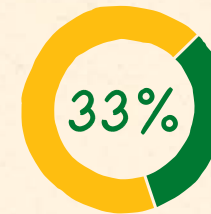
At Sprouts, our unique culture comes from our stores all the way to our executive leadership team. We're intentional about creating a workplace where our Values of Care, Love Being Different, and Own It come to life every day. The energy our team members bring to work every day is truly contagious, making Sprouts a special place to build a career.

Our core value of Love Being Different serves as the foundation of our inclusive, respectful, and caring culture. This value speaks to our growth strategy, how we curate our product assortment, how we operate our business, how we support our communities, and how we ensure every one of our team members can bring their whole self to work every day.

Female

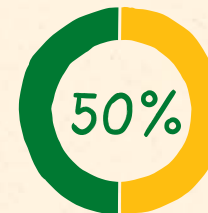


Entire Workforce
(support office, field)

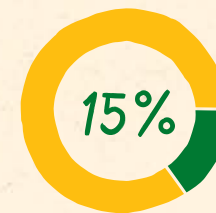


Leadership
(Vice President, Sr. Vice President, C-Suite)

Racially/Ethnically Diverse



Entire Workforce
(support office, field)



Leadership
(Vice President, Sr. Vice President, C-Suite)



our Team Member Resource Groups are at the heart of our efforts to foster an inclusive and supportive environment where everyone can thrive.



2024 IMPACT REPORT

Healthy Communities

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Reducing Food Insecurity —> 29



Sprouts Healthy Communities Foundation

The Sprouts Healthy Communities Foundation, established in 2015, is a nonprofit 501(c)3 organization focused on advancing nutrition education, nutrition access, and health and wellness programs in the states where Sprouts Farmers Market operates. Understanding that healthy habits are formed at a young age, the Foundation champions youth gardening and cooking programs that teach children skills for healthy eating and lifestyle choices that can be carried into adulthood.

\$4M

invested in
hyper-local grants

578

nonprofit
organizations
supported

450

educators and
organizations united at
Growing School
Gardens Summit

\$35M

in grants awarded
since 2015



SPROUTS[™]
HEALTHY COMMUNITIES
FOUNDATION



Reducing Food Insecurity

Access to healthy, nutritious food is essential for thriving communities, yet 34 million people in the United States, including 9 million children, face food insecurity each year, according to Feeding America. Many of these individuals lack access to fresh, nutrient-dense options like fruits and vegetables, which are critical for overall health and well-being.

600+

food rescue partners
nationwide

35M

pounds of food
recovered

29M

meals donated



2024 IMPACT REPORT

Responsible Business

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Leadership & Governance

Our Board of Directors plays an active role in overseeing our responsible business efforts. Each Board committee has specific responsibilities, with the Nominating and Corporate Governance Committee leading oversight of our sustainability activities and corporate governance practices. The Audit Committee ensures transparency by reviewing our impact disclosures and the internal controls behind them. Our Talent and Compensation Committee focuses on human capital strategies, including oversight of our efforts to inspire and engage our talent to make Sprouts a best place to work. Our Risk Committee oversees risk management, including cybersecurity and our social and environmental related risks. Independent Board member Kristen Blum, as Chairperson of the Sprouts Healthy Communities Foundation, provides leadership and visibility into the Foundation's mission and operations.

On the executive level, our Chief Sustainability Officer leads the charge, embedding sustainability initiatives into day-to-day operations across teams like Operations, Supply Chain, Marketing, and Merchandising. This ensures that sustainability and governance are not siloed but integrated throughout our business and strategy.

As a publicly traded company, we're dedicated to creating long-term value while addressing sustainability and governance topics of our many stakeholders. Each year, we engage directly with our largest shareholders—representing approximately 25% of outstanding shares in 2024—to discuss their impact investing and asset stewardship priorities. This feedback is shared with our Board and thoughtfully considered, often shaping our ongoing efforts and reports.

KRISTEN BLUM



**CHAIRPERSON OF
RISK COMMITTEE**



Board Composition & Independence

Our Board of Directors plays a critical role in guiding our company's long-term strategy and ensuring ethical, day-to-day operations. With a governance structure designed to promote principled actions, independent oversight, and thoughtful decision-making, our Board helps keep us on track to achieve our strategic goals while upholding our Values.

Our Board is made up of deeply experienced leaders with diverse backgrounds and complementary skill sets, bringing fresh perspectives and balanced expertise to the table. To ensure effective oversight, we've separated the roles of Chief Executive Officer and Chairman of the Board, providing clear lines of responsibility and fostering independent viewpoints in our business oversight.

To tackle specialized areas of governance, our Board has four standing committees—Audit, Talent and Compensation, Nominating and Corporate Governance, and Risk—each composed entirely of independent directors. These committees focus on critical aspects of compliance, performance, and strategy, with their duties outlined in our Proxy Statement.

SPROUTS BOARD OF DIRECTORS



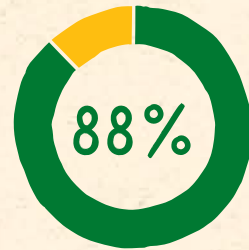
Dynamic Board

Our Board of Directors represents a range of backgrounds and experiences. Currently, 25% of our directors are female and 25% are ethnically diverse.

While we don't have a formal diversity policy, fostering diversity of thought, experience, and perspective is a key priority for our Nominating and Corporate Governance Committee. In evaluating director candidates, the committee considers ethnic and gender diversity, as well as differences in professional experience, education, skills, and other qualities that align with the needs of our Board.

Our efforts to prioritize diversity are reflected in the leadership roles held by our two female directors, Kristen Blum and Terri Funk Graham, and ethnically diverse director Hari Avula, who each serve as committee chairs.

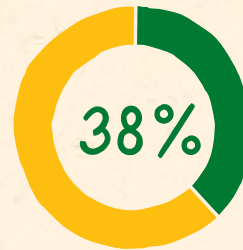
Board Demographics (as of December 29, 2024)



Independent

64

Average Age



Female or Racially/
Ethnically Diverse

7.6

Average Years
of Tenure

TERRI FUNK GRAHAM



**CHAIRPERSON OF THE
NOMINATING AND CORPORATE
GOVERNANCE COMMITTEE**

Through an annual review of Board composition, the committee ensures we remain focused on creating an inclusive and forward-thinking governance team with the requisite skill sets to oversee the execution of our strategy.

To learn more about our governance practices, visit our Investor Relations website at investors.sprouts.com, where you'll find committee charters, our Code of Ethics, governance documents, and public filings like our 2024 Annual Report and 2025 Proxy Statement.



Ethical Business Practices

Our Code of Conduct and Ethics is the guiding light that helps our Board, leadership, and team members work responsibly, ethically, and in compliance with the law. By upholding these principles, we maintain the trust of our customers as their preferred shopping destination, create a safe and welcoming workplace for our team members, and act as a responsible corporate citizen within the communities we serve.

No matter the role, every team member is expected to adhere to the highest standards of ethical conduct—whether interacting with customers, colleagues, vendors, or partners.



Human Rights

Our Commitment to Human Rights outlines our dedication to upholding internationally recognized human rights and embedding these principles into our operations and supply chain.

We are committed to establishing and maintaining a human rights due diligence framework to identify, assess, and address human rights risks throughout our supply chain. After completing our first risk assessment, we've engaged directly with suppliers in regions with less robust oversight to ensure transparency and ethical practices. Our purchasing team has received specialized human rights training, and we've integrated human rights risks into our enterprise risk management framework to prioritize accountability at every level.

Using a risk-based approach, we conducted several supplier social audits in 2024 and found no material concerns. We're also proud

to expand our offerings of products with supply chain social attributes, such as Fair Trade and EFI Certification for Responsibly Grown Farmworker Assured, which support living wages and meaningful community impact. At Sprouts, respecting human rights and implementing a robust due diligence framework are core to who we are.

\$161M

total sales of products with a Fair Trade or equivalent certification

1,200

Fair Trade or equivalent products in store



Code of Conduct and Whistleblower Protection

We proactively share our Code of Conduct and Ethics, along with our Team Member Handbook and Policies and Procedures, to ensure our team members have the tools and resources they need to uphold our high standards. From our CEO and senior financial officers to our Board members and every team member, we all adhere to comprehensive ethical guidelines designed to foster a culture of integrity.

Our Code covers essential topics, including nonretaliation policies, team member privacy, nondiscrimination and harassment, conflicts of interest, anti-corruption and anti-bribery, and environmental compliance. It also addresses professional conduct in areas such as quality and customer service, financial integrity, trade practices, and community involvement. To make reporting easy and confidential, we maintain a third-party administered Ethics

Helpline, operated by Navex, where team members can share concerns or ask questions in over 150 languages. The helpline ensures confidentiality and is accessible at 1-855-748-5773. We're committed to a zero-tolerance policy against retaliation for good faith reporting or cooperation in investigations.

Ethical accountability is reinforced at the highest levels: our Board's Audit and Risk Committees regularly review helpline reports to ensure transparency and action. Thanks to these efforts, we've maintained a clean record, free from monetary losses due to fraud, corruption or bribery.



Risk Management

Our enterprise risk management (ERM) program spans the entire organization, helping us identify, assess, and prioritize potential risks while implementing strategies to mitigate or avoid them. To ensure alignment and visibility at the highest level, our ERM team reports directly to our Chief Legal Officer.

Risk management is a team effort at Sprouts, with our Board's Risk Committee taking the lead. This committee oversees our processes, reviewing the ERM program and providing input on critical areas like cybersecurity, critical systems, team member safety and sustainability matters. They work hand-in-hand with other Board committees, each focused on risks specific to their areas of oversight. The full Board receives regular updates to ensure our key strategic risks are managed effectively and responsibly.

Government Affairs

Our Code of Conduct and Ethics makes it clear: there's no room for bribery, corruption, or unethical practices of any kind. We strictly prohibit paying, promising, offering, or authorizing any payment or valuable gift to government officials or political parties to influence decisions or gain an improper advantage.



Data Privacy

Respecting privacy and safeguarding personal information is essential to who we are. We're committed to managing the data we collect from our customers, team members, and vendors with care and security. Our Privacy Policy clearly outlines how we collect, use, share, and retain personal data, while also empowering customers with rights and choices regarding their information. We regularly review and update our policy to stay compliant with state privacy laws, ensuring transparency and trust every step of the way.



Cybersecurity

We know that cybersecurity is critical to our success and the trust of our customers, team members, and partners. Our reliance on technology spans every aspect of our operations—from point-of-sale systems and supply chain logistics to financial reporting and human resources—making strong data protection essential. Operating in a fast-paced retail environment, we face persistent cybersecurity threats like data breaches, ransomware, and phishing attacks, all of which are constantly evolving.

That's why we're committed to maintaining robust cybersecurity practices and continuously assessing and addressing potential risks. Under the oversight of our Board of Directors and its Risk Committee, our dedicated team—led by our Chief Technology Officer—works tirelessly to safeguard sensitive data. We also partner with specialized cybersecurity consultants and leverage third-party expertise to enhance our defenses.



Our proactive approach includes thorough vendor due diligence, ongoing evaluations, and investments in cutting-edge security tools such as email filtration, endpoint protection, data loss prevention, and business continuity technologies. To ensure our team is prepared, all full-time and part-time team members, as well as contractors, complete comprehensive security awareness training upon hire and annually, covering topics like phishing and current cybersecurity risks. Thanks to these efforts, no cybersecurity incidents have had a material adverse impact on our business to date.

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Material Topics

In 2023, we collaborated with a third-party ESG advisor to engage with diverse stakeholders and gain insights into the areas they consider most critical to our business. These stakeholders included Sprouts’ leadership and Board of Directors, team members, customers, investors, suppliers, non-governmental organizations, sustainability professionals, and academics.

To assess materiality, we benchmarked against industry peers and leading non-financial ratings frameworks, including SASB, MSCI, ISS ESG, and Sustainalytics. This comprehensive process evaluated over 150 metrics, identifying 15 key areas that stakeholders deemed most significant. To ensure transparency and focus, we have categorized these topics into three priority groups, reflecting where we plan to direct our resources and drive meaningful impact.

Core to Sprouts	Primary Areas of Focus	Additional Key Focus Areas
<p>Foundational areas at the heart of what we do – non-negotiables – and governance items required for a responsible business.</p> <ul style="list-style-type: none">• Food Quality & Safety• Healthy Food & Transparency• Ethics & Integrity• Board Composition & Independence• Data Privacy & Security• Board Oversight of ESG	<p>Actively invest and drive excellence with intentionality.</p> <ul style="list-style-type: none">• Sustainable & Responsible Sourcing• Team Member Engagement & Retention• Team Member Recruitment, Training, & Development• Diversity, Equity, & Inclusion• Community Engagement	<p>Continue to address and make progress over time.</p> <ul style="list-style-type: none">• Waste Management• Climate Change & GHG Emissions• Energy Management & Usage• Water Management

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), Percentage (%)	FB-FR-110a.1	3rd party logistics providers used for outbound deliveries
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	Metric tons CO2-e	FB-FR-110b.1	88,079 tCO2e
Air Emissions from Refrigeration	Percentage of refrigerants consumed with zero ozone depleting potential	Percentage (%) by weight	FB-FR-110b.2	100%
Air Emissions from Refrigeration	Average refrigerant emissions rate	Percentage (%)	FB-FR-110b.3	22%
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable energy	Gigajoules (GJ), Percentage (%)	FB-FR-130a.1	2,063,849 GJ, 100% grid Electricity, 0% renewable energy.
Food Waste Management	Amount of food waste generated, percentage diverted from the waste stream	Metric tons (t), Percentage (%)	FB-FR-150a.1	35,098 tons of food waste recovered. We are in the process to refine our approach to calculating food waste generated and will disclose in the future.
Data Security	(1) Number of data security breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected ¹	n/a	FB-FR-230a.1	Zero data breaches.
Data Security	Description of approach to identifying and addressing data security risks	Number, Percentage (%)	FB-FR-230a.2	Refer to Data Privacy and Cybersecurity sections.
Food Safety	High-risk food safety violation rate	Rate	FB-FR-250a.1	.28 high-risk food safety violation rate.
Food Safety	(1) Number of recalls, (2) number of units recalled, (3) percentage for private-label products	Number, Percentage (%)	FB-FR-250a.2	"(1) 17 class I food safety related recalls, (2) 66,514 class I recall units removed, (3) 3 of 17 (18%) class I recalls were private-label."
Product Health & Nutrition	Revenue from products labeled and marketed to promote health and nutrition attributes	U.S. Dollars (\$)	FB-FR-260a.1	\$4.03B in revenue from products labeled to promote health and nutrition.
Product Labeling & Marketing	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Number	FB-FR-270a.1	None

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Product Labeling & Marketing	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	U.S. Dollars (\$)	FB-FR-270a.2	None
Product Labeling & Marketing	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	U.S. Dollars (\$)	FB-FR-270a.3	(2) \$2.57B in revenue of products labeled as non-GMO.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store and distribution centers employees earning minimum wage, by region	U.S. Dollars (\$), Percentage (%)	FB-FR-310a.1	(1) \$20.59 (2) We do not report this publicly.
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	FB-FR-310a.2	0%
Labor Practices	(1) Number of work stoppages and (2) total days idle	Number, Days	FB-FR-310a.3	(1) Zero work stoppages, (2) Zero days idle.
Labor Practices	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	U.S. Dollars (\$)	FB-FR-310a.4	We do not report this publicly.
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	U.S. Dollars (\$)	FB-FR-430a.1	\$4.4B in revenue from third-party certified to an environmental and/or social standard.
Management of Environmental & Social Impacts in the Supply Chain	(1) Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation-crates	Percentage (%) by revenue	FB-FR-430a.2	"(1) 100% of eggs sold were from cage-free or better facilities. (2) 74% of Sprouts brand whole pork was sourced from group-housed or better housing systems."
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	n/a	FB-FR-430a.3	Sprouts conducts a variety of supply chain audits annually for supplier social and environmental performance.
Management of Environmental & Social Impacts in the Supply Chain	Description of strategies to reduce the environmental impact of packaging	n/a	FB-FR-430a.4	Refer to Circularity section within this report.

SASB Disclosure

The previous table lists how our environmental, social, and governance performance aligns with the Food Retailers & Distributors industry standards of the Sustainability Accounting Standards Board (SASB). The information shared covers our fiscal year from January 1, 2024, through December 29, 2024. SASB is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. We cannot yet report on all activity metrics under the SASB framework, but we anticipate using it as a roadmap for setting goals and reviewing processes going forward.

This Impact Report (this Report) contains information about Sprouts' impact strategy and performance. In addition to the information found in this Report and on sprouts.com, we externally report on our impact strategy, programs, and progress toward our goals in Sprouts' Annual Report on Form 10-K and Proxy Statement. All financial figures indicated in this Report are in U.S. dollars, unless otherwise noted.

This Report contains "forward-looking statements" that reflect our current views about future events and involve known risks and uncertainties that may cause our actual results to be materially different from those expressed by the forward-looking statements. Unless otherwise indicated, information included in this Report is as of our 2024 fiscal year ended December 29, 2024.

All references to "Sprouts" in this Report are to Sprouts Farmers Market, Inc., a Delaware corporation, and its consolidated subsidiaries.



SPROUTS[®]

FARMERS MARKET

Sprouts Farmers Market
5455 E. High Street, Suite 111
Phoenix, AZ 85054
sprouts.com

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