



APPLICANT GUIDE:

An Industry Challenge to Find an Alternative Food Grade Package for Meat and Seafood (the “Challenge”)

THE CHALLENGE - WHAT'S IT ABOUT?

Packaging plays a vital role in food transportation, quality, shelf-life, safety and security, and the food industry is heavily reliant upon plastics to transport, preserve and market products. Retailers and consumers alike are looking for ways to reduce their ecological footprint, which means finding ways to reduce the use of avoidable and hard-to-recycle plastics. Addressing and changing this situation presents many challenges but also many opportunities for creative and innovative solutions.

Sobeys Capital Incorporated (“Sobeys”) has shown leadership in addressing this critical problem. It was a leader amongst Canadian retail grocery chains when it became the first national grocer to eliminate single-use plastic grocery bags from check-out counters across all Sobeys family banner stores in May 2021. This goal alone has eliminated 800 million plastic bags annually. Sobeys is actively pursuing its ongoing commitment to reduce avoidable and hard-to-recycle plastics in its stores by looking for viable solutions for in-store wrapped meat, seafood and produce packaging. To that end, Sobeys is sponsoring this Challenge with a consortium of partners: Ignite Atlantic, Divert NS, and the Atlantic Canada Opportunities Agency (“ACOA”).

THE CHALLENGE STATEMENT & OBJECTIVE

“Find an alternative for the fish, meat and produce packaging for use in Sobeys’ stores, starting with a potential pilot in Nova Scotia.”

The main objective of the Challenge is to find a commercially viable packaging alternative solution for in-store wrapped seafood, meat, and in some cases, produce, that will be an alternative to the current packaging which is comprised of a Styrofoam tray, a moisture pad, and a plastic wrap.

WINNING PRIZE (THE “PRIZE”)*

The winner of the Challenge will receive:

- The opportunity to engage in discussions with Sobeys around a first-to-market pilot of their product in

Nova Scotia (subject to commercial feasibility as determined by Sobeys in its sole discretion, after consultation with the other Challenge partners);

- A cash prize of \$25,000 CAD provided by Sobeys;
- A 12-month residency package with Ignite Atlantic (valued at \$2,760). This package includes access to all locations (3 in Nova Scotia), resources (technology, equipment, discounts to select partner services) and access to all training and exclusive member-only events;
- Access to the Atlantic Canada Opportunities Agency programs and resources, subject to meeting the organization's applicable eligibility criteria.

Additionally, Divert NS will contribute up to \$25,000 in funding to be used towards the cost of the winning Applicant's potential pilot at Sobeys, payable by Divert NS to Sobeys in furtherance of such pilot.

*Non-cash elements of the Prize have no equivalent cash value. The prize is non-transferable and no substitutions will be made. The Prize must be accepted as awarded. The Sponsors reserve the right to substitute any element(s) of the Prize for one of equal or greater value for any reason. Applicants shall be responsible for all costs not expressly described as being included as part of the Prize, such as any fee associated with the receipt and/or use of the Prize.

ELIGIBILITY

This Challenge is open to legal residents of all provinces in Canada except Quebec, who have reached the age of majority in their province of residence on the date that they entered the Challenge. Void where prohibited by law. Employees, directors, and officers of the Administrators and Sponsors and any of their respective parent companies, affiliates, franchisees, subsidiaries, and any entity that they contract with specific to the Challenge, as well as the immediate family members, and any persons domiciled with any of the above (whether related or not), are not eligible to win the Prize. Applicants (each individual person or entity, an "Applicant") must meet one of the following criteria in order to be eligible to apply for/ participate in the Challenge and to receive the Prize:

An individual, legally resident in any province of Canada except Quebec, who has reached the age of majority in their province of residence on the date they enter the Challenge;

Small or medium-sized business or other for-profit or not-for-profit organization formed under legislation in effect in Canada (excluding Quebec) that is registered to do business in and has a place of business in Canada;

Indigenous organization or group located in any province of Canada except Quebec; or

Accredited post-secondary/academic institution located in any province of Canada except Quebec.

EVALUATION

Applicant submissions will be evaluated in two parts: first on a set of technical and product attributes and second on the viability for piloting and scaling the product for commercial application (the "Evaluation Criteria") as further set out below. Part one will comprise 45 points out of a total 80 point score and the second part will make up the remaining 35 points. Each of the numbered criteria below will be evaluated and scored using a scale of 1 to 5:

PART ONE – MATERIALS AND PRODUCT CHARACTERISTICS – 45 pts

ASPECT	DETAILS	POINTS
Recyclable	It must be recyclable - This means that it should be made out of a plastic that is recyclable in MRFs in Atlantic Canada	5
Food Safe	It must be food-safe and technically suitable for the packaging and preservation of Meat, Seafood, and Produce items in Fresh, Frozen, or Refrigerated states.	5
Sanitary	It must be sanitary and impart no harmful chemical residues or have foreign material impacts.	5
Approved for Food Contact	It must be suitable/approved for food contact and carry a Letter of No Objection from the CFIA.	5
Chemical-Free	It must not comprise of chemicals such as bisphenol A (BPA), bisphenol A (PFAS), etc. and must not be sourced from materials listed in California Prop 65	5
Durable to Transport	It must be durable during the transportation of the product from the manufacturing/packaging facilities to the store or point of purchase to the consumers home	5
Cost-Effective	It should be at a comparable price point to the current packaging product	5
Shelf-Life	It must be effective in keeping the Meat and seafood products safe during their expected shelf life	5
Presentable	It must comply with Sobeys Inc. 'presentation and label standards' in order to be operational in a grocery store	5

PART TWO – COMMERCIAL VIABILITY – 35 pts

ASPECT	DETAILS	POINTS
Stage of development	Applicants must demonstrate which stage of development their solution falls under. Lower points are given for solutions that are in the ideation and research stages. Higher points (3 or more) are given to solutions in the concept development and/or prototyping stages.	5
Sourcing of input materials	Applicants must provide information about the sourcing of materials used for their pitched solution, including documentation on the country of origin. The materials must be sustainable and affordable.	5
Compatibility with existing processes	The pitched solution should fit into the existing process as used by Sobeys Inc. and not create the need for additional solutions.	5
Need for testing	Applicants should identify and illustrate the need for product testing, to ensure the solution fits all standards. The needs must be time and cost estimated.	5
Viability to scale	Applicants must demonstrate their ability to produce the solution at a commercial scale to fit the needs of Sobeys Inc.	5
Compatible with existing MRF processes	The solution must meet all existing processes within Municipal Recycling Facilities. The applicants must demonstrate that the solution has been tested and will be compatible with these processes.	5
Level of investment required	Applicants should indicate the level of investment that is required to reach the product rollout stage of development.	5

Total Score – Part One 45 pts

Total Score – Part Two 35 pts

Total Score – 80 pts

CHALLENGE STAGES AND TIMELINE

Stage One – Challenge Ideation Workshop – February 2022

An ideation workshop took place on February 16, 2022, from The Pier Innovation Centre in Halifax. At the workshop, potential challenge participants had the opportunity to learn from industry, researchers, and other entrepreneurs about the current state of food packaging and why it is perceived to be unsustainable for the future. The Challenge Ideation Workshop provided Applicants with the chance to collaborate with others, form partnerships and ask questions to speakers.

Stage Two – Challenge Launch – March 2022

The Challenge will be formally launched on March 2, 2022. All information about the challenge, including the Applicant Guide, challenge timeline and instructions for application will be released.

Stage Three – Letter of Intent – March 2022

Interested challenge Applicants will then be invited to submit a one-page letter of intent that summarizes their proposed solution. A template will be provided for ease of use, and all submissions will be due by March 31st, 2022 11:59 PM AST (March 2, 2022 – March 31st, 2022 11:59 PM AST, being the “Application Period”) and submitted through the Challenge website portal as further detailed below. Once all submissions are reviewed, representatives from the Administrators and Sponsors will meet with Applicants individually to discuss their proposals and assess their needs for product development. Select Applicants (the “Stage Four Applicants”) (to be selected by the Administrators and Sponsors in their absolute and sole discretion) will advance to Stage Four, the product development phase of the Challenge. All Applicants who are not chosen to continue in the Challenge will be off-ramped to work with the Atlantic Group (Ignite Atlantic, ACOA and Divert NS) to continue development separately and outside of the Challenge. Those Applicants who are off-ramped will be given the opportunity to be an Ignite Atlantic resident to receive resources and support. They will also have the ability to be connected with potential funding sources.

Stage Four – Product Development – March to May

All Stage Four Applicants will be invited to develop their product and then to present their results to representatives of the Administrators and Sponsors during Stage Five of the Challenge, at a pitch competition.

Stage Five – Pitch – May

Stage Four Applicants will present their product prototype at a pitch competition to be held at a venue TBD. A panel of judges (to be selected by the Administrators and Sponsors at their sole discretion) will score the pitches based on the Evaluation Criteria listed above and the first place winner will be chosen.

Stage Six – Winner Announcement and Commencement of Pilot Phase – June to October

The first-place winner will have the opportunity to engage in discussions with Sobeys regarding a first-to-market pilot of their product in select Sobeys locations in Nova Scotia (subject to commercial feasibility, as determined by Sobeys in its sole discretion). For clarity, the winning Applicant agrees that Sobeys will have the opportunity to be first-to-market with the winning product.

ADDITIONAL TERMS AND CONDITIONS

1. Application

NO PURCHASE NECESSARY. To apply for the Challenge, visit the Challenge Website during the Application

Period (March 2, 2022 - March 31st, 2022 11:59 PM AST). The Challenge Website can be found at the following link: www.igniteatlantic.com/plastic-waste-challenge. Fill out your Application Form, read and accept the terms and conditions of the Challenge (as set out in this Applicant Guide), and comply with the entry requirements of these challenge rules. Applicants shall be solely responsible for all expenses incurred in connection with their participation in the Challenge, including any costs associated with the submission of their application, participation in subsequent stages of the Challenge (including but not limited to product development, testing, and pitch competition). In order to be declared the winner of the Challenge, you must sign a release form (the "Release"). The Release may be signed at the time presented to you or taken away and returned within ten days. Upon verification of the execution of the Release, you may be declared the winner. The winning Applicant shall provide Sobeys with the right to run the first-to-market pilot of their product.

2. Use of Personal Information and Data

By entering the Challenge and voluntarily providing your personal information and data as described in the Application Form or this Applicant Guide you agree to the collection, use and disclosure by the Administrators (and where applicable, the Sponsors), and their respective employees and/or authorized agents or third parties, of your personal information or data, for the purpose of administering the Challenge, including—but not limited to—contacting you with respect to the Challenge if you are a selected Applicant. Personally identifiable information will only be used to administer the Challenge and for no other purpose, except as specifically outlined in this Applicant Guide. Personally identifiable information will not be sold, shared, or disclosed by the Administrators to any third party, other than to the Sponsors or a third party engaged by the Administrators or Sponsors for the purpose of administering the Challenge, or if required by law.

3. Publicity Consent

By entering the Challenge as an Applicant, you agree that the Administrators and the Sponsors may use your name, comments, voice, likeness, municipality of residence and picture in any advertising, promotion or publicity carried out now or in the future, in any media without compensation or notice, and you grant to the Administrators and the Sponsors any and all rights to such use. You agree to cooperate with the Administrators and the Sponsors in arranging for photographs or other forms of publicity and to be available for photographs or other forms of publicity on reasonable notice.

4. Limitation of Liability / Release

By participating in the Challenge as an Applicant (and as a condition of acceptance of the Prize, if applicable), you, your heirs, executors, administrators, successors and assigns, release and forever discharge and hold harmless the Sponsors and the Administrators, and their direct and indirect parent companies, affiliates, subsidiaries, successors, assigns, agents, advisors, franchisees, shareholders, partners, representatives, their advertising, promotion and fulfillment agencies and each of their respective employees, officers, directors, agents and representatives (collectively, the "Released Parties"), from and against any and all losses, damages (including, without limitation, direct, indirect, incidental, consequential or punitive damages), rights, claims, actions, causes of action, personal injury, property damage or death, including without limitation all costs and liabilities of any kind including legal fees on a substantial indemnity scale, hereinafter called "Claims" and including without limitation any claims arising from any act of negligence of the Released Parties, that you now have, or may hereafter have against the Released Parties directly or indirectly resulting or arising from: (i) participation in the Challenge, or the awarding, acceptance, possession, use, or misuse or enjoyment of any Prize, and where applicable, traveling to, preparing for, or participating in, any Challenge related or Prize-related event or activity; or (ii) the publicity rights granted to the Sponsors and the Administrators. You specifically acknowledge that you understand that there may be serious risks of bodily injury, death, or property damage associated with the acceptance, possession, use and/or misuse of the Prize and attendance at any event or participation in certain Prize-related activities, and you voluntarily assume these risks. You also agree to indemnify, defend, and hold harmless the Released Parties from any and all Claims in respect of the foregoing.

5. Compliance with Rules

By entering the Challenge, you agree to abide by the entire Applicant Guide and the terms and conditions under which the Prize is awarded. Any decision made by the Sponsors and/or the Administrators in respect of this Challenge shall be final.

6. Confidentiality

During the Challenge, the Applicants, the Administrators, or the Sponsors may from time to time disclose (the "Disclosing Party") to one or more of the other parties (in each case, the "Receiving Party") certain Confidential Information (as hereinafter defined) of the Disclosing Party. In this Applicant Guide "Confidential Information" means any information which is of a confidential or secret nature of the Disclosing Party and designated as "Confidential Information" by such party. Notwithstanding the foregoing, the Receiving Party shall not have any obligation of confidentiality with regard to information that: (i) is lawfully within the public domain at the date of its disclosure to the Receiving Party or which thereafter lawfully enters the public domain through no fault of the Receiving Party (but only after it becomes part of the public domain); (ii) is already lawfully known to the Receiving Party at the time of its disclosure to the Receiving Party (including for clarity, any products, technologies or strategies separately being developed or discussed by the Receiving Party); (iii) was, following disclosure to the Receiving Party, received by the Receiving Party without obligation of confidence from a third party who the Receiving Party reasonably believes was lawfully in possession of such information free from any obligation of confidence.

The Receiving Party shall receive and maintain all Confidential Information of the Disclosing Party with the utmost degree of care and shall hold in the strictest confidence all Confidential Information of the Disclosing Party and, except as otherwise required by law, shall not without the prior written consent of the Disclosing Party disclose any Confidential Information of the Disclosing party to any person except employees, consultants, or advisors for the purposes of the Challenge. The Receiving Party may use the Confidential Information of the Disclosing Party for the purposes of the Challenge, and, except as provided herein, the Receiving Party shall not appropriate to its use or to the use of others, any Confidential Information of the Disclosing Party.

For the avoidance of doubt, the future production, development or use by the Administrators or Sponsors of any products, technologies, or strategies separately in developed or discussed by any of the Administrators or Sponsors, shall not constitute an infringement of Confidential Information or intellectual property of any Applicant.

7. Intellectual Property

Any product or solution proposed by the Applicants must not be created by methods or by using materials that would, in any way infringe any manner of intellectual property right. To the extent that any Applicant product or solution includes or involves any third-party know-how, content or other materials, Applicants shall ensure that they have and will continue to have all necessary consents, licenses, releases, and other authorizations in order to validly use and distribute same for the purposes contemplated hereunder.

The title to any Background Intellectual Property as well as Foreground Intellectual Property relating to any Applicant product or solution shall in all cases be vested with the applicable Applicant entering the Challenge.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Challenge and required for the carrying out of the Challenge or the exploitation of the Foreground Intellectual Property.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units,

practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Challenge, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the recipient as trade secrets or Confidential Information.

8. Rights to Terminate/Modify/Suspend Challenge

The Administrators and Sponsors retain the right, in their absolute discretion, to suspend, modify or terminate any aspect of the Challenge (including, but not limited to this Applicant Guide), or the Challenge in its entirety, at any time. The Administrators and Sponsors may make substitutions of equivalent kind or value in the event of the unavailability of the Prize (or component thereof) for any reason whatsoever. The Administrators and Sponsors may terminate or withdraw this Challenge at any time by posting a notice on the Challenge website. If the Challenge is terminated on any day prior to the normal Challenge end date (the "Termination Date"), the Administrators and Sponsors may decide to determine a winner from all eligible Applicants as of the Termination Date (the Winner to be determined in the sole discretion of the Administrators and Sponsors).

9. General Disqualification

Any attempt made by an Applicant or other individual or entity, to deliberately damage, manipulate or undermine the legitimate operation of the Challenge, including but not limited to any fraudulent claims, is a violation of the law. The Administrators and Sponsors reserve the right to seek remedies and damages from any such individual or entity which makes any such attempt. Any Applicant who, in the opinion of the Administrators or Sponsors, has failed to comply with the terms and conditions of this Applicant Guide (including failure to disclose requested information) or is determined to be engaging in any of the foregoing activities may be immediately disqualified from the Challenge.

10. Role of Parties

Sobeys Capital Incorporated, Ignite Atlantic, Divert NS, and ACOA are the Sponsors and the Administrators of this Challenge.

11. Trademarks

All Trademarks are and shall remain the property of their respective owners.

12. Jurisdiction

The Challenge is governed by the laws of Nova Scotia and the laws of Canada applicable therein, and is subject to all applicable federal, provincial and municipal laws and regulations and is void where prohibited by law. Participation constitutes your full and unconditional agreement to this Applicant Guide and the decisions of the Sponsors and Administrators, which are final and binding in all matters related to the Challenge. By entering the Challenge, you agree that the courts of Nova Scotia, Canada shall have jurisdiction to entertain any action or other legal proceedings based on any provision of this Applicant Guide and the running of this Challenge.

13. Miscellaneous

By entering the Challenge, Applicants further certify and agree to the following:

- All information, statements, materials and consents submitted in connection with their application (including but not limited to the Application Form) are accurate and complete;
- That, in the event of a discrepancy or contradiction, this Applicant Guide takes precedence over all other

documents pertaining to the Challenge;

- That Ignite Atlantic and the members of the jury cannot be held responsible for any rejected, lost, delayed, illegible, damaged or undeliverable applications or any delay or problem in the sending, processing, receiving or review of applications at any stage of the Challenge;
- That Ignite Atlantic may, at any time, require Applicants to provide further materials, substantiation, documents, or information for the purpose of verifying any aspect of the application.

14. Official Languages

French and English are the official languages of Canada. The Government of Canada is committed to supporting the vitality and development of the English and French language minorities in Canada and encouraging full recognition of the use of French and English in Canadian society. Applicants can apply and request that they be contacted and supported in the official language of their choice.

15. Contact

Send us your questions at: kiah-jade@igniteatlantic.com. We will endeavour to get back to you within two business days.

