Loblaw's plan to get to net-zero and fight climate change³

















ACHIEVE

2050

2011

We began disclosing GHG emissions for our corporate operations

2016

We set a goal to reduce our corporate operating emissions by 30% by 2030

2020

We achieved our 2030 target 10 years early

We extended our ambitions by setting a new net-zero carbon target, aligned to the

initiative (SBTi)

2021

Science Based Target

We aim to reduce our emissions by 50% (from 2020 baseline) for our enterprise operating footprint², and operate a zero emissions fleet¹

2030

We aim to achieve net-zero for our enterprise operating footprint² by focusing on emissions from heating, refrigerants and electricity

2040

We aim to achieve net-zero Scope 3 emissions

³ Fighting climate change for Loblaw means working to help mitigate the environmental causes and effects of climate change through measures such as: reducing CO2 emissions, reaching our net-zero targets, ensuring packaging compliance in accordance with the Golden Design Rules, and eliminating food waste1. 1 Plan development and processes utilized to measure progress against our targets leverages and are in accordance with internationally recognized methodology including as set out in the Paris Agreement, which aims to limit global temperature rise to 1.5 degrees Celsius.

¹ Short-haul, outbound, corporately owned and operated fleet

² Includes corporate, franchise food stores, and associate-owned drug store operations as well as corporate offices and distribution centres

We're dedicated to fighting climate change by curbing our environmental impact through minimizing the carbon emissions of our business. Our strategy is two pronged. We are working to reduce our direct emissions (Scope 1 and 2) through innovative approaches to energy management, refrigeration and transportation. We have also begun a broader effort to tackle our indirect emissions (Scope 3) by calling on our suppliers, colleagues, and customers to #JoinTheCarbonFight. These exciting collaborations have the potential to see us all, collectively, having an impact on the critical challenge of climate change.

2016 - 2022

Making Early Progress

In 2016, we committed to a 30% GHG reduction by 2030 from 2011 levels for our corporate operations. Through advances in energy management and equipment changes, we hit our 2030 goal in 2020, a decade early.

In 2021, we set a new goal - net-zero emissions across our entire enterprise by 2040, including corporate operations, franchised food stores, and associate-owned drug stores. Our strategy targets key areas: refrigerants, heating, electricity, and decarbonizing our fleet¹. Additionally, we reestablished our baseline to reflect 2020 emission levels.

2023 - 2040

#JoinTheCarbonFight

In 2023, we announced a new target to work toward 70% of Tier 1 suppliers by spend will have set targets reflecting the guidance set by the Science Based Targets initiative (SBTi), by 2027.

Ensuring inclusivity in our climate journey means supporting all suppliers particularly those that are small and those at the outset of their emission reporting endeavors. Loblaw will play an important role as a resource center, fostering training and knowledge exchange on emissions disclosure and reduction to support our vendors to #JoinTheCarbonFight.

We will use our reach to support sourcing initiatives that drive industry transformations in production practices. Our focus is on incorporating regenerative agriculture and encouraging suppliers to reduce emissions through improved farm management strategies and incentives.

Key Targets:

- We aim to reduce our enterprise operating footprint² by 50% from our 2020 baseline, and operate a zero emissions fleet¹, by 2030
- We aim to achieve net-zero for our enterprise operating footprint², by 2040

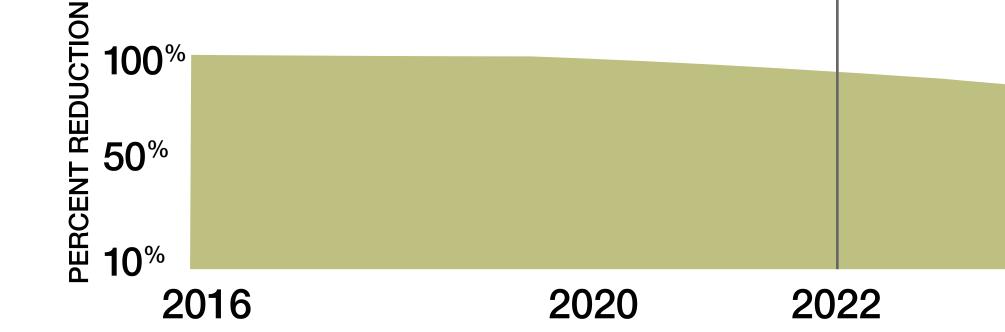
2040 and Beyond

Achieving Net-Zero Together

By 2040, we aim to have achieved net-zero for our enterprise-operating carbon footprint.

Once we have achieved net-zero for our enterprise operating footprint², the focus will be on working with our value chain partners to achieve net-zero for Scope 3 by 2050, while continuing to drive cutting edge energy management technology advancements.

Our plan is aligned with the Paris Agreement, which aims to limit global temperature rise to 1.5 degrees Celsius through collective action, and will focus on key areas include vendor commitments, sourcing, empowering our people, tackling food waste and circularity, and empowering our customers to consider the climate impacts of their choices.



2027

2030

2040

2050

100%

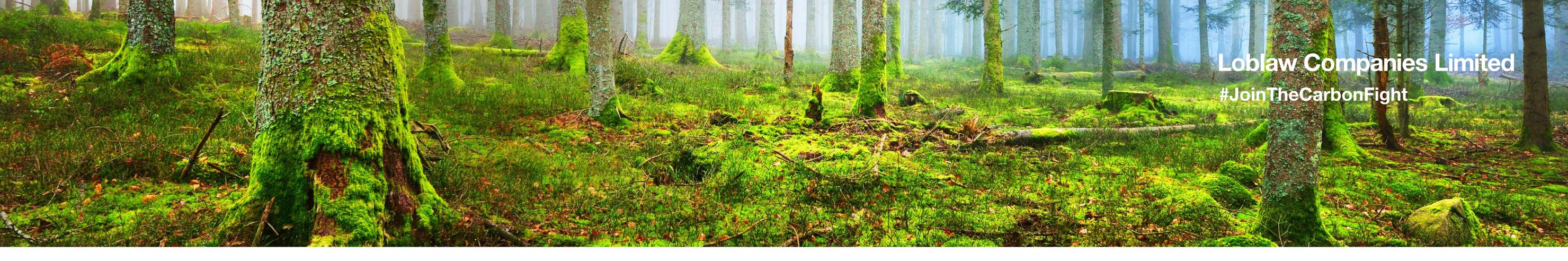
ANTICIPATED REDUCTION PATHWAY3

ACHIEVE NET-ZERO

¹ Short-haul, outbound, corporately owned and operated fleet

² Includes corporate, franchise food stores, and associate-owned drug store operations as well as corporate offices and distribution centres

³ Chart for illustration purposes



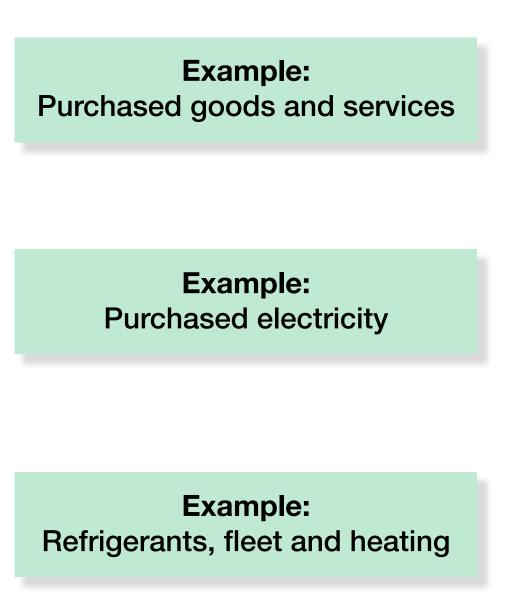
Our Carbon Footprint

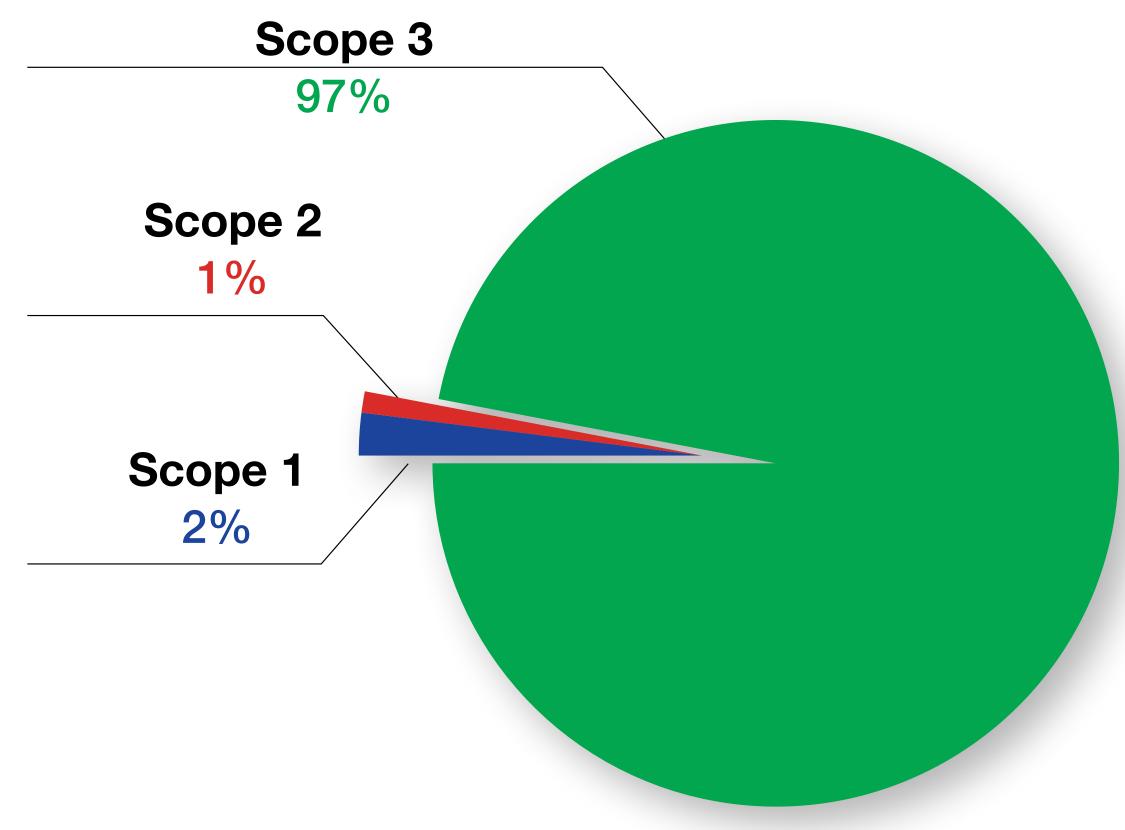
Our net-zero target hinges on a balanced approach addressing the three scopes of emissions. Scope 1, the direct emissions from owned sources, demand action given our ability to consider changes that impact our footprint.

Scope 2, the indirect emissions from purchased electricity, underscores the need for a transition to non-emitting energy sources.

However, the vast majority of emissions, Scope 3, stem indirectly from our value chain. Addressing these diverse contributors, from purchased goods and services to product end-of-life disposal, is vital. Strategies involving stakeholder engagement, supply chain optimizations, and innovative solutions are pivotal to achieve our net-zero goal by 2050.

Loblaw Companies Limited's Carbon Footprint







We are aware that there is a great deal of work to be done to address our Scope 3 emissions. However, we are ready and committed to taking on the challenge. We understand the importance of focusing on key areas where we can have the greatest impact, and we are actively building processes within our business to ensure the success of our efforts. We firmly believe that collaboration is key to achieving our goals. By working together with our colleagues, suppliers, customers, and other stakeholders, we aim to achieve our commitment to be net-zero by 2050.

OUR SUPPLIERS

OUR PEOPLE

OUR CUSTOMERS

Upstream



Downstream

Vendor Commitments

Engage with vendors to set their science-based carbon reduction targets¹

Support for Responsible Sourcing Practices

Expand opportunities for strategic sourcing across our purchased goods & services and capital goods

Empower our People

Empower our people to collaborate and deliver on our climate commitments

Food Waste and Food diversion programs

Achieve food waste commitments and launch bold circularity programs

Empowering our customers

Invest in initiatives that enable our customers to reduce their carbon footprint

Act as resource centre, fostering training and knowledge exchange on emissions reduction to ensure that 70% of Tier 1 suppliers by spend set science-based targets by 2027.

Collaborate in upstream partnerships, such as the Canadian Alliance for Net-Zero Agriculture (CANZA), our native plants product offerings with World Wildlife Fund (WWF), and our support of the Consumer Goods Forum (CGF).

Develop internal capabilities to further empower colleagues to act on our climate commitments across the entire enterprise, expanding the scope of impact and colleague engagement of our Carbon, Food Waste, and Plastics steering committees.

Foster a culture that seeks to eliminate waste in all its forms, partnering with food reclamation agencies to send zero food to landfill by 2030 and implement innovative reusable solutions that support a more circular economy.

Provide customers a robust shopping experience, ranging from electric vehicle charging stations to products designed with the planet in mind, like our PC® Planet FirstTM line.