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







2021









ACHIEVE NET-ZERO

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 Science Based Target initiative (SBTi)

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

2030

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

2040

We plan to achieve net-zero Scope 3 emissions

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

Our Net-Zero Action Plan Loblaw Companies Limited #JoinTheCarbonFight

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 will see us all, collectively, having our biggest 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 ensure 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 sustainable sourcing initiatives and 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:

2022

• Will reduce our enterprise operating footprint² by 50% from our 2020 baseline, and achieve our commitment to operate a zero emissions fleet¹, by 2030

2030

• We will achieve net-zero for our enterprise operating footprint², by 2040

2040 and Beyond

2040

Achieving Net-Zero Together

By 2040, we plan 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 science based and will focus on key areas include vendor commitments, sustainable sourcing, empowering our people, tackling food waste and circularity, and enabling low carbon living for our customers.



2027

2020

2016

100%

50%

10%

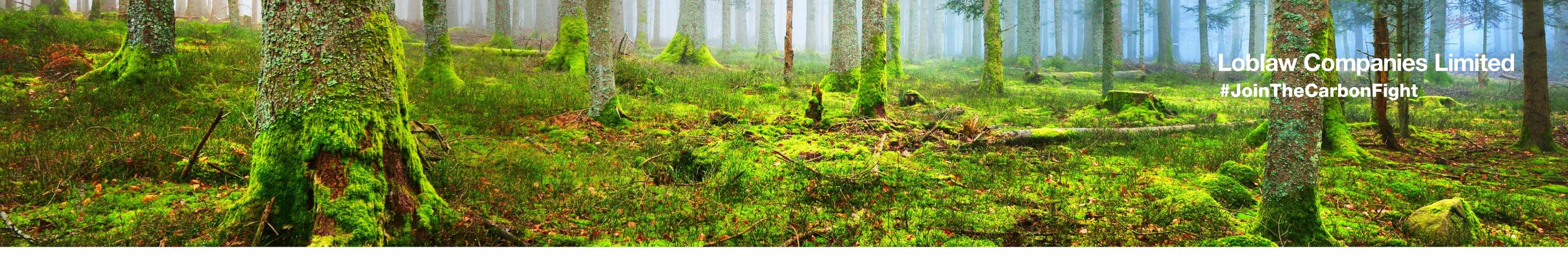
ACHIEVE NET-ZERO

2050

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



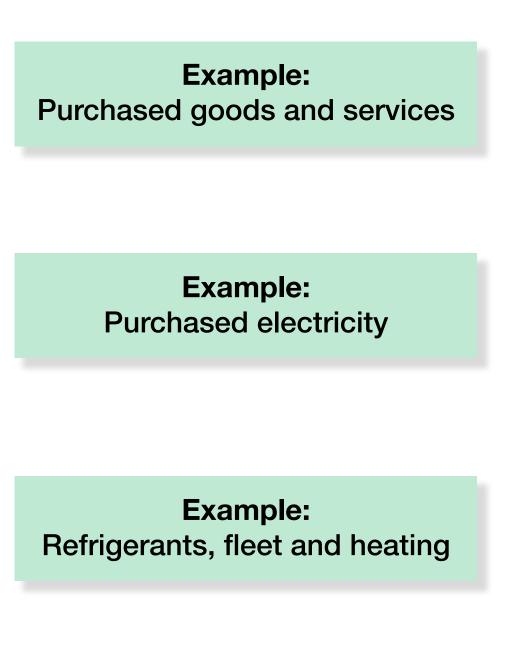
Our Carbon Footprint

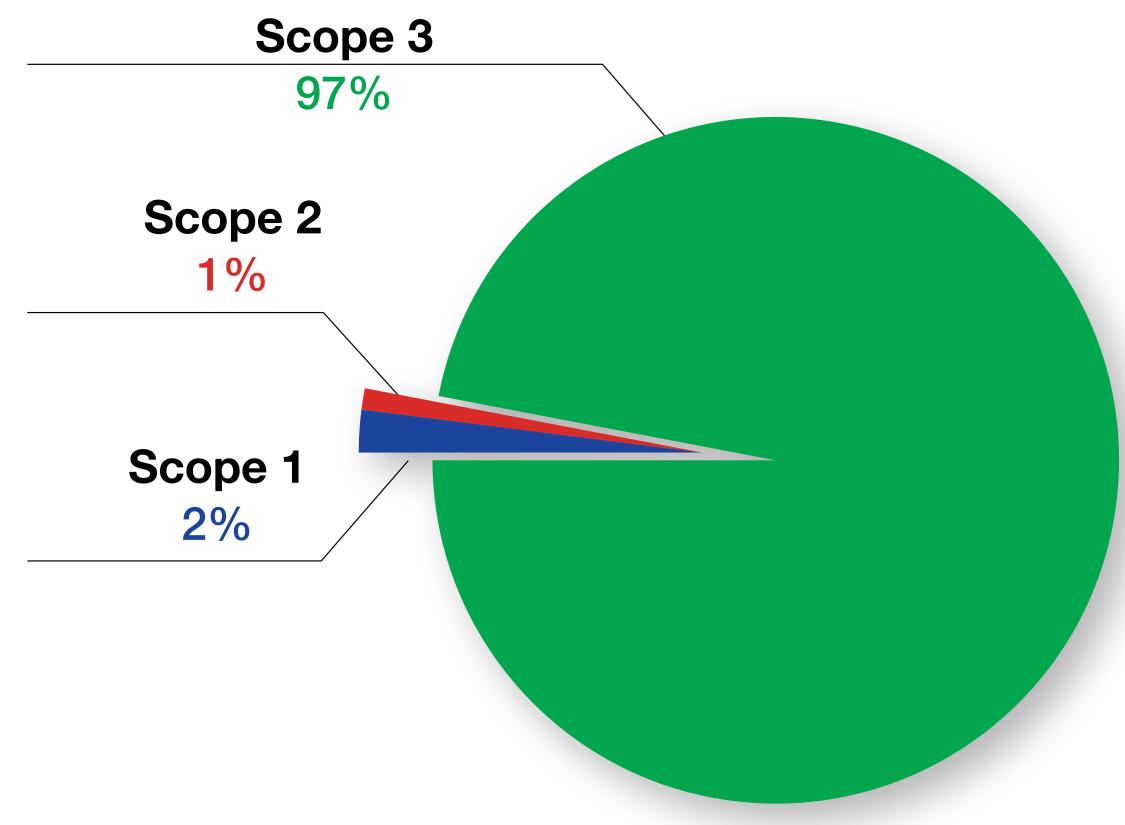
Our net-zero target hinges on a balanced approach addressing the three scopes of emissions. Scope 1, the direct emissions from owned sources, demands immediate action due to their tangible impact on the environment.

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





Tackling Scope 3

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 sustainability efforts. We firmly believe that collaboration is key to achieving our goals. By working together with our colleagues, suppliers, customers, and other stakeholders, we can achieve our commitment to be net-zero by 2050.

OUR SUPPLIERS

OUR PEOPLE

OUR CUSTOMERS

Upstream

Downstream

Vendor Commitments

Engage with vendors to set science-based carbon reduction targets

Sustainable Sourcing

Expand opportunities for sustainable 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 Circularity

Achieve food waste reduction commitments and launch bold circularity programs

Enable Low Carbon Living

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 sustainable shopping experience, ranging from electric vehicle charging stations to products designed with the planet in mind, like our PC® Planet First™ line.