

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



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 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.

Our Net-Zero Action Plan

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

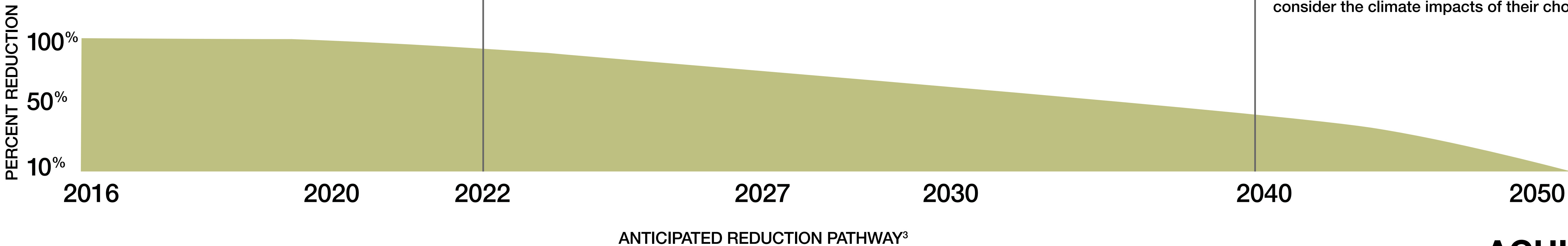
2040 and Beyond

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.



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

**ACHIEVE
NET-ZERO**



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.

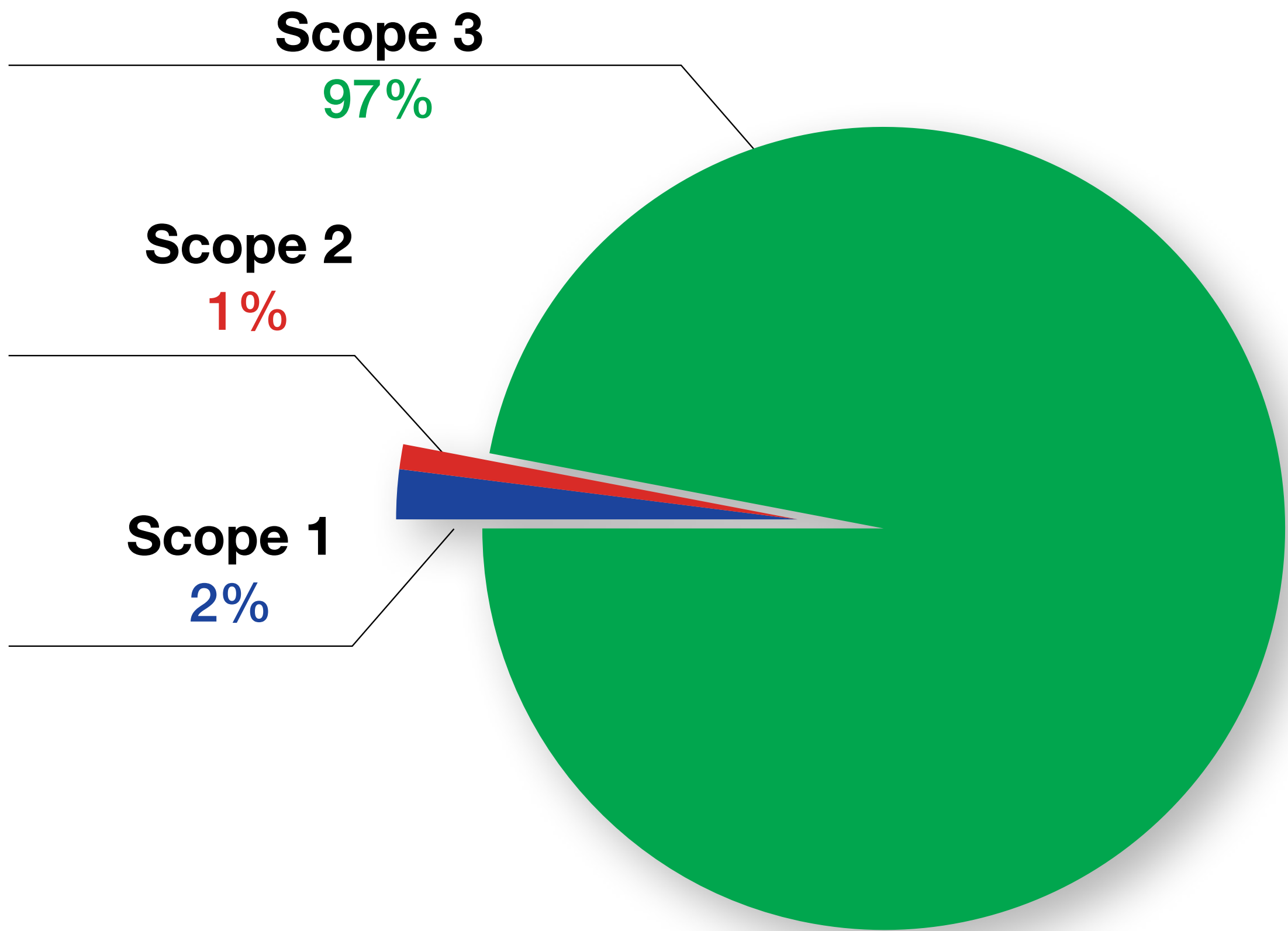
However, the vast majority of emissions, Scope 3, stem indirectly from our value chain. Addressing these diverse contributors, from purchased goods and services to product end-of-life disposal, is vital. Strategies involving stakeholder engagement, supply chain optimizations, and innovative solutions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

Example:
Purchased goods and services

Example:
Purchased electricity

Example:
Refrigerants, fleet and heating

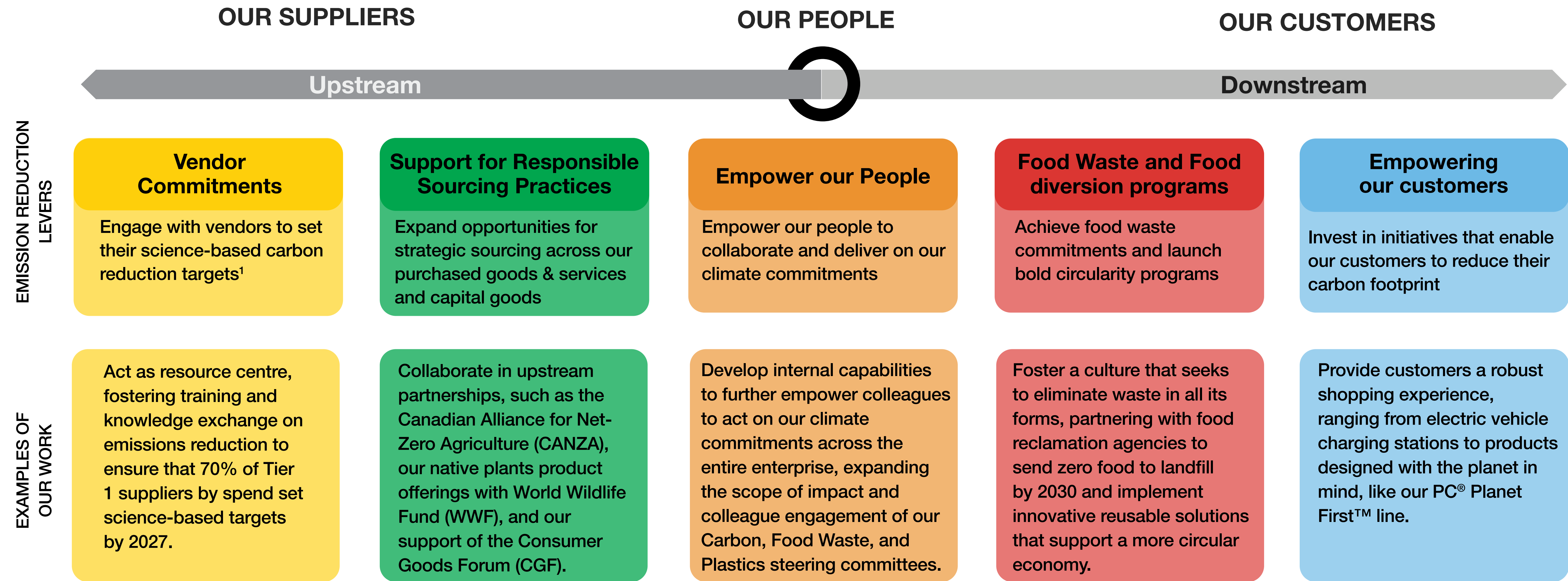
Loblaw Companies Limited’s Carbon Footprint





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 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.



¹ Science-based targets are defined as those aligned to limiting the global temperature increase to 1.5 degrees Celsius