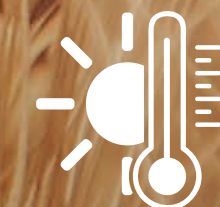


Loblaw's plan to get to **net-zero** and fight climate change



ACHIEVE
NET-ZERO

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

2021

We extended our ambitions by setting a new net-zero carbon target, aligned to the Science Based Target initiative (SBTi)

2030

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

2040

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

2050

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

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:

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

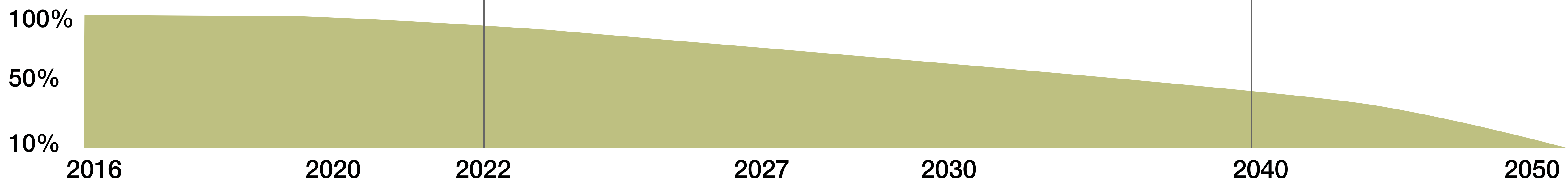
2040 and Beyond

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.



ANTICIPATED REDUCTION PATHWAY³

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, 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.

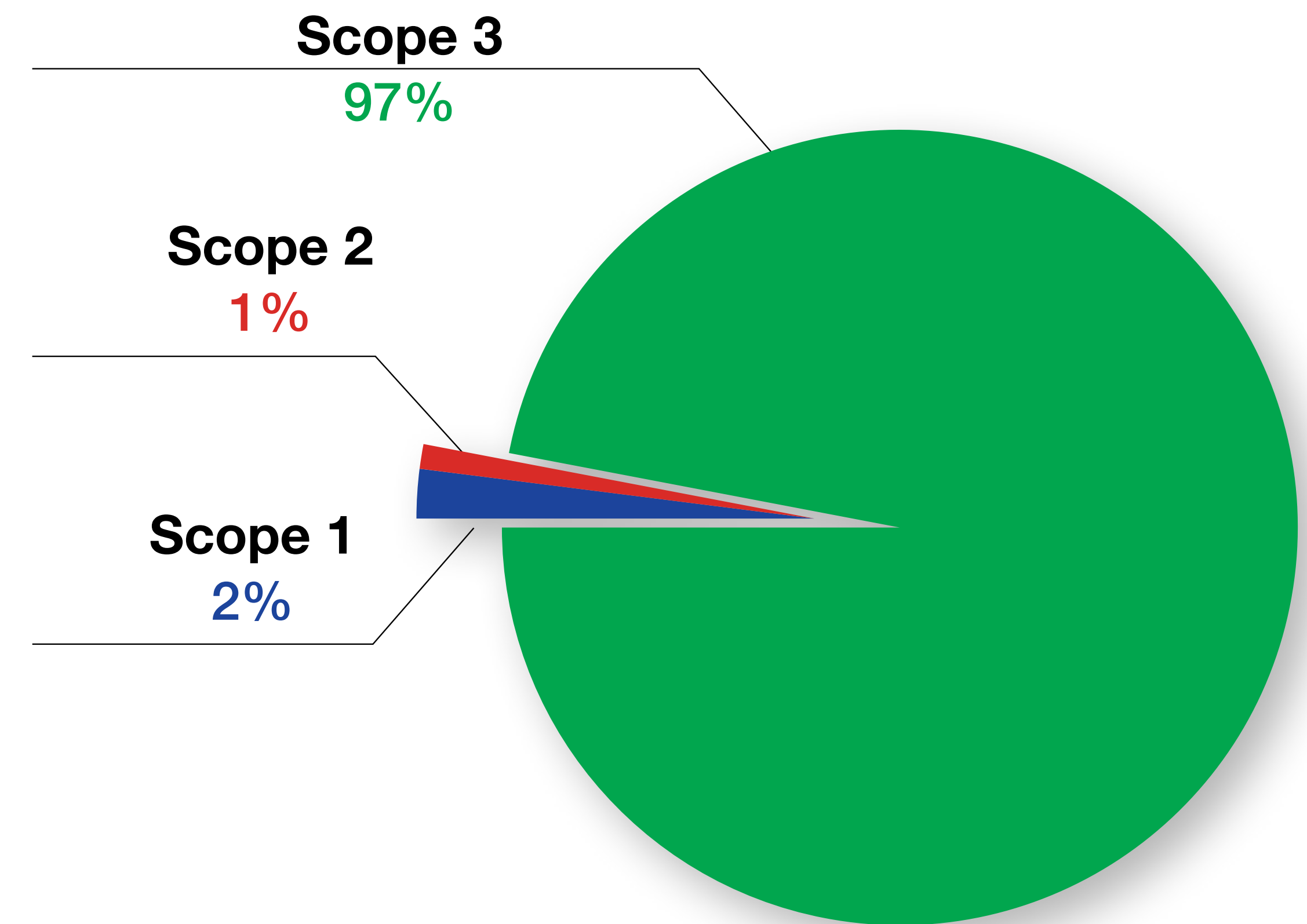
However, the vast majority of emissions, Scope 3, stem indirectly from our value chain. Addressing these diverse contributors, from purchased goods and services to product end-of-life disposal, is vital. Strategies involving stakeholder engagement, supply chain optimizations, and innovative solutions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

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 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.

