

**Loblaw Companies Limited**

**Annual General Meeting**

Event Date/Time: April 30, 2020 — 11:00 a.m. E.T.

Length: 45 minutes

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## **CORPORATE PARTICIPANTS**

### **Galen Weston**

*Loblaw Companies Limited — Executive Chairman*

### **Sarah Davis**

*Loblaw Companies Limited — President*

### **Nick Henn**

*Loblaw Companies Limited — Senior Vice President, Senior Counsel*

### **Kevin Groh**

*Loblaw Companies Limited*

### **Shawn Dalrymple**

*Loblaw Companies Limited*

## PRESENTATION

### Operator

Good morning. At this time, I would like to welcome everyone to the Loblaw Companies Limited Annual General Meeting.

I would now like to hand conference over to Mr. Galen Weston, the Executive Chairman. Please go ahead.

### Galen Weston — Executive Chairman, Loblaw Companies Limited

Good morning and welcome to the Sixty-fourth Annual General Meeting of Loblaw Companies Limited.

I'm Galen Weston, the Executive Chairman of the Company. Every year, we look forward to this meeting and the opportunity it provides to speak with our shareholders. Today, the social distancing measures in place as a result of COVID-19 means that we find ourselves unable to gather in person. While this meeting of shareholders will certainly be different than previous years, our team has worked to replicate as best we can our regular environment in a virtual format.

Joining me this morning via webcast are Sarah Davis, our President; Darren Myers, our Chief Financial Officer; and Nick Henn, our Senior Vice President, General Counsel. The nominee directors, auditors, and other members of the Loblaw Management team are also attending remotely, either by teleconference or webcast.

I would now like to call to order this annual meeting of shareholders of Loblaw Companies Limited. I will begin today's meeting by outlining how voting and questions will be addressed in this virtual format.

Usually, and this year is no exception, the majority of shareholders submit their proxies or voting instructions in advance of the meeting. Under our normal practice, shareholders or their proxies who wish to vote at the meeting will be required to attend the meeting in person. Instead, voting during today's meeting will be conducted through this online platform. When we're ready to table an item of business for a vote, you will see voting options appear on your screen. If you have voted in advance of the meeting, and do not wish to revoke your previously submitted proxies, then you do not need to do anything.

Another manner in which this virtual meeting will be different is with respect to questions, which will be accepted through this online platform. To submit a question, click on the Q&A messaging icon at the top of the online platform window. When submitting a question, please identify whether it relates to a motion being considered as part of the formal business of the meeting or whether it is general in nature. We will address questions directly related to a particular motion at the appropriate time of the meeting and save general questions until the end of the meeting.

Questions with common themes may be grouped together for efficiency. Please note that if you are logged into the virtual meeting as a guest, you will not be able to ask a question. Mr. Nick Henn, Senior Vice President, General Counsel of the Company, will read the questions allowed when requested and either I or a member of the Management team will respond. We will make every effort to answer all

your questions during today's Q&A period. However, in the interest of time, we will limit that portion of the meeting to 20 minutes and we'll address any unanswered questions in a timely manner afterwards.

Now, before we proceed with the formal part of the meeting, I would like to take a moment to acknowledge the unusual circumstances within which this year's AGM is taking place. With supermarkets and pharmacies in nearly every town across Canada, we have always considered our stores and colleagues to be an essential part of the communities we serve. But in March of this year, that term, essential, came into much sharper focus as governments at all levels shuttered the economy and sent almost everyone home. In that instant, COVID-19 transformed life across our country, and from the very outset, we have understood the importance of our role in serving Canadians from coast to coast. Our response was immediate and sought to ensure that families had food and drugs that they needed, all while keeping customers and colleagues safe. It included enhanced sanitization practices in all of our stores and pay protection programs so that nobody working in our business will be forced to choose between their income and their health. We took steps to support the most vulnerable members of our communities, dedicating the first hour of operation to seniors and those with disabilities, and we brought the price of home-delivered goods down, expanded free prescription deliveries, and waived all PC Express fees so that those who could not make it into our stores still had a reliable source of food and medication.

What followed was one of the most intense period in our Company's 101 year history. Tens of millions of Canadians rushed into our stores to stock up on the essentials their families needed amidst this uniquely uncertain time. It tested the stability of our supply chain and the determination of our people. Both held strong. But the incredible strain being placed upon every element of our Organization

was clear. That's why at the end of that first week, we reduced store hours to give our teams time to restock, clean and rest, we added additional safety measures such as plexiglass shields at our checkout, and we increased wages by approximately 15% in recognition of the unique demands being placed on our colleagues as they serve on the frontline of this pandemic.

In less than 10 days, the team at Loblaw did all this, quietly and quickly taking decisive action to ensure that during a period of so much uncertainty, our customers could count on the stores they know so well. In the weeks that followed, we partnered with Maple to offer virtual walk-in clinic visits for Canadians who were either unable or uncomfortable seeing a doctor in person. We made our own digital care platform, Medeo, available to physicians at no charge so that more of them would be able to connect with their patients online. We worked with SilverCloud's help to provide online stress management therapies for free during these anxious times. All of this to help Canadians stay healthy while staying at home.

During the time when we all felt vulnerable, we maintained our long-standing sense of responsibility to support those most vulnerable among us, releasing \$15 million in funding and gift cards for food banks and kids meal programs through our President's Choice Children's Charity.

All of these measures were taken in response to an unusual and unexpected set of circumstances, but each of them reflects an Organization that has always been focused on serving Canadians.

Well before COVID-19, that commitment was clearly on display in our stores throughout 2019. Today, I'm pleased that we'll be able to share some of these highlights with you during this annual

general meeting. I will now proceed with the formal part of the meeting. I would ask Mr. Nick Henn to act as secretary of the meeting, Computershare Investor Services, Inc. is acting as scrutineer of the meeting by way of its representatives, Patty Cibianis (phon) and Louise Waltonbury (phon).

Only shareholders of record at the close of business on March 9, 2020 or their proxies are entitled to take part in and vote at this meeting. To make the best use of our time, certain shareholders have been asked to move and second the motions which are called for in the notice of the meeting. A copy of the notice of the meeting and proof of its mailing has been filed with the Company. The scrutineer's report indicates that a quorum is present. I now declare that this annual meeting has been properly called and is duly constituted for the transaction of the business for which it has been called. Today's agenda will consist of the submission of the Company's 2019 annual financial statements followed by remarks from myself, and Sarah Davis, President of Loblaw Companies Limited, and then four resolutions. First, to elect the Board of Directors for next year. Second, to appoint the Company's external auditor for Fiscal 2020. Third, to consider an advisory resolution on the Company's approach to executive compensation. Fourth, to consider the shareholder proposal that was received.

We will deal with the formal items of business first, and at the conclusion of that business, we will move to our question-and-answer period for the announcement of voting results.

On behalf of those speaking today, I'd like to note that today's remarks may include forward-looking statements. Details regarding forward-looking statements are on screen and can be found in the Company's 2019 Annual Report and first quarter 2020 report to shareholders. Actual results could differ materially from the forecasts, projections, and conclusions in the forward-looking statements made

today. I should also note that during the meeting, we may pause from time to time to review messages from Nick Henn, the Secretary of the meeting as we coordinate from a distance. Thank you for your patience as we do so.

I would now like to place before the meeting the consolidated financial statements of the Company consisting of the consolidated statements of earnings, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, the consolidated balance sheets, and the consolidated statements of cash flow, together with the notes and Auditor's report to shareholders for the year ended December 28, 2019. These are included in the annual report which was provided to shareholders and can also be retrieved from the Financial Reporting section of the Loblaw Companies Limited website or SEDAR.

Each year, our annual report provides a view of the prior year's performance framed in a theme that reflects our Company's mindset. The cover of this year's report bears three words: live life well. They represent our purpose as a Company and a desire to help all Canadians live their lives as well as they can.

To share more about what that means to us and how it came to life over the last year, I would like to welcome our President, Sarah Davis, to say a few words.

**Sarah Davis** – President, Loblaw Companies Limited

Thank you, Galen, and good morning, everyone.

I want to begin with a quick summary of our 2019 results and then provide an update on our most important strategic initiatives.

In a competitive marketplace, our 2019 revenue grew 2.9% with same-store sales of 1.1% in food and 3.6% in drug. Our grocery divisions entered this year strong after mid-year adjustments. Shoppers Drug Mart, recently named Canada's most reputable brand, had a standout performance in front store and pharmacy. Joe Fresh refined its model to deliver modern style on a shorter schedule. And President's Choice Financial laid the foundation for important 2020 developments with a new online platform. This strong performance increased earnings per share by 6.4%. We returned almost a billion dollars to shareholders by repurchasing 3.7% of our common shares and increasing our dividend by 7.4%, our eighth consecutive annual increase.

We invested more than a billion dollars back into our business with a focus on store renovations, process and efficiency initiative, and on our three strategic pillars. In our first pillar, payments and rewards, we surpassed 18 million PC Optimum members, and loyalty hit a world-class scan rate of nearly seven of 10 transactions. Our data organization grew in scale and insights. In our second pillar, connected health care, we expanded our digital health watch system to more pharmacies, we drove higher physician uptake of our digital medical records and health platforms, and provided more patients and caregivers convenient e-prescribing and online services. Finally, in our everyday digital retail pillar, we crossed a major milestone reporting a billion dollars in online sales, doubling our 2018 results. At the same time, we launched a digital media business, a marketplace, online medical cannabis, and meal solutions. Each is showing promise and expanding our digital presence in Canadians' lives.

Beyond our key strategies, we continued our five-year \$250 million investment in our people. New digital scheduling is giving them more control over their lives and new training programs are giving them more skills and career options. We won awards for the best employer, a place where diversity is celebrated, and one of the top spots for people looking for a digital career. At the end of the year, Loblaw was named Brand of the Year citing everything from our captivating marketing campaigns to our ambitious sustainability efforts.

I'm proud of our 2019 performance. We entered 2020 on a roll, and then COVID hit. As Galen outlined, it had a major impact and we have mounted a major response. We have focused on running our operations and keeping people safe. But the new trading environment is also having an interesting effect on the strategic initiatives I've told you are most important for our future. It's happening right before our eyes.

As the industry uses fewer mass promotions and flyers, our loyalty program is delivering personalized value and communications to millions of Canadians. As the country's health infrastructure strains to respond to COVID, we are facilitating virtual physician consults and using our pharmacies as community health hubs. Of course, we have clearly entered a new chapter for e-commerce, where every one of our digital businesses is hitting new heights. Apparel is up, beauty is up, e-prescriptions and pharmacy delivery are up, and PC Express grocery volumes have tripled hitting levels we didn't expect for a few years. There is no question COVID-19 will leave a generation-defining mark. But as a business, we have to look at it as a moment in time. We must monitor the impact on our different businesses. We need to understand which old consumer behaviors will return and which new behaviors will continue, and we need to map these trends against our long-term strategy.

We feel very good on all fronts. Ultimately, our response to COVID-19 is showing Loblaw at its best. Galen introduced the idea of our purpose: helping Canadians live life well. It's a theme that has grown in importance and it was central to our 2020 kick-off meeting. We believe that Canada can be and should be the happiest and healthiest country in the world as measured by the health of its people, communities, and environment. We believe we have a vital role to play in that. We can make a difference because we are in virtually every community across the country. So when we commit to something, we can change things. We touch the lives of people on their best days, their worst days, their sick days, their celebration days, and on their everyday; and these days are like no other. They are not only validating our purpose and our strategy, they are validating our commitment to people.

We have thoughtfully and decisively invested hundreds of millions of dollars for the safety and security of our customers and colleagues through this pandemic. These are the right choices for the long term. Our people are returning this trust with an effort that has been tireless and caring for nearly two months straight. The pharmacists, cashiers, stock clerks, managers, franchise owners, truck drivers, distribution center pickers, vendor partners, and farmers: these are the people who are keeping you fed and well. These are the people who deserve our thanks today. During the pandemic, I've been sending daily notes of thanks and encouragement to our nearly 200,000 colleagues. Early on, I received a reply from a colleague in our replenishment team. He quoted Winston Churchill: "After all this is over, all that will matter is how we treated each other." I couldn't agree more.

I would now like to welcome Galen back to address the meeting.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you, Sarah.

Nick, were there any questions or comments submitted in connection with the financial statements?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

No, Galen. We've not received any questions on the financial statements.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you, Nick.

Before moving to the director election process, I'd like to take this opportunity to thank a particular Director who is not standing for reelection this year. Paul Beeston. Paul is retiring after having served on the Board for 16 years. During his tenure, we benefited from Paul's counsel and experience through some of the Company's most challenging and exciting times. Paul's presence has made a deep impression on all of us and we are professionally and personally better for it. I'd like to thank you, Paul, for your exemplary service, and we are sincerely grateful for your contributions over the years.

I'd also like to take a moment to introduce our new director nominee, Mr. Daniel Debow. Daniel brings with him a deep experience in the North American technology community where his contributions have been outstanding. Daniel will bring his unique perspective and experience to our Board and we're delighted to have him standing for election today.

A strong governance structure starts with the Board of Directors. The Board is responsible for supervising the Company's management on behalf of shareholders. Our Board is committed to high standards of accountability, integrity and ethics, and we believe that these hallmarks of good governance are fundamental to the Company's success and to safeguarding the long-term interests of its shareholders. Our Board plays a critical role in overseeing the Company's strategy, risk-management processes and leadership development. The Board also carries out several important duties directly and through its committees, including evaluating the Company's internal controls over financial reporting, and overseeing executive compensation and succession planning. With us today over webcast are several of your director nominees. This proposed slate of director nominees is well qualified to carry out the Board's mandate with deep leadership experience and strong strategic thinking. Those traits are complemented by impressive qualifications and expertise in retail, digital, risk-management, finance and strategy.

We'll now move to the nomination and election of Directors. Our Management Proxy Circular contains detailed biographies, setting out the valuable qualifications and diverse backgrounds of the director nominees proposed. Twelve Directors are to be elected. I'm pleased to report that based on proxies received by the scrutineer in advance of the meeting, each director nominee received votes in favour from at least 97% of votes cast. We will now consider the election of Directors. To facilitate the introduction of nominees, we refer you to the slide on the webcast. I declare the polls open on all resolutions.

Nick, were there any questions or comments submitted in connection with the nomination and election of Directors?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

No, Galen, we've not received any questions related to this item.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. As mentioned, I've taken the liberty of asking certain shareholders to make the motions for the election of Directors and other motions today. Could I please have a nomination for the election of Directors?

**Kevin Groh** — Shareholder, Loblaw Companies Limited

My name is Kevin Groh and I am a shareholder. Mr. Chairman, I nominate the following persons for election as Directors of the Company, to hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed: Paviter S. Binning, Scott B. Bonham, Warren Bryant, Christie J.B. Clark, Dan Debow, William A. Downe, M. Marianne Harris, Claudia Kotchka, Beth Pritchard, Sarah Raiss, Janice Fukakusa, Galen G. Weston.

**Shawn Dalrymple** — Shareholder, Loblaw Companies Limited

My name is Shawn Dalrymple and I am a shareholder. Mr. Chairman, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. I'll now call on Kevin to move that the nominations be closed.

**Kevin Groh** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I now move that the nominations be closed.

**Shawn Dalrymple** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. You've now heard the motion. I'll ask shareholders or their appointees to cast their votes through the online portal. As a reminder, if you've already voted or sent in your proxy, there's no need to do anything, unless of course you wish to change your vote. Thank you for casting your votes. The scrutineers will tabulate the votes cast and we will report on the results towards the end of the meeting.

We'll now move to the next item of business; the appointment of the auditor. Nick, were there any questions or comments submitted in connection with the appointment of the auditor?

**Nick Henn** — Executive Chairman, Loblaw Companies Limited

No, Galen, we've not received any questions related to this item.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. I'll now entertain a motion for the reappointment of the Auditor of the Company and the authorization of Directors to fix the auditors' remuneration.

**Kevin Groh** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I move that KPMG LLP Chartered Professional Accountants be reappointed Auditors of the Company until the next annual meeting of shareholders of the Company and that the Directors be authorized to fix the auditors' remuneration for the 2020 Fiscal Year.

Shawn Dalrymple

Mr. Chairman, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. You've now heard the motion. If you've not already done so, I'll ask shareholders or their appointees to cast their votes through the online portal. Thank you for casting your votes. The scrutineers will tabulate the votes cast and we will report on the results towards the end of the meeting.

The next item of business is the advisory resolution regarding the Company's approach to executive compensation. The resolution is more fully described on Page 18 of the Company's Management Proxy Circular. Nick, were there any questions or comments submitted in connection with this advisory resolution?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

No, Galen, we've not received any questions related to this item.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. I will now entertain a motion to approve on an advisory basis the Company's approach to executive compensation.

**Kevin Groh** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I move that the advisory resolution regarding the Company's approach to executive compensation as more fully described on Page 18 of the Management Proxy Circular be approved.

**Shawn Dalrymple** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

You've heard the motion. If you've not already done so, I will ask shareholders or their appointees to cast their votes through the online portal. Thank you for casting your votes. The scrutineers will tabulate the votes cast and we will report on these results towards the end of the meeting as well.

The next item of business to consider is the shareholder proposal submitted by the British Columbia Government and Service Employees' Union. In the format of this meeting, the representative of the BC Government and Services Employees' Union has agreed to have their introductory remarks and their proposal read by our General Counsel, Nick Henn. Nick, I'd now ask that you read the proposer's introductory remarks and proposal.

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

Thank you, Galen. The shareholder proposal is described in Schedule B of the Company's Management Proxy Circular. In addition to what is set out in Schedule B of the circular, the proposal has brought to our attention that certain pre-ambulatory statements were inadvertently omitted from Schedule B and in fact were intended to form part of the proposal that they wish for shareholders to consider. I will now read the introductory remarks provided by the BC Government and Services Employees' Union, and will subsequently read their proposal, including the previously omitted statements.

BCGEU would like to begin by thanking all level of workers for their hard work and bravery during the COVID-19 pandemic. As the largest food retailer in Canada, and given its position as a corporate leader in Canada, we submit that Loblaw should be assessing its human rights practices and disclosures against its global peers.

But Loblaw currently scores very poorly on human rights assessments conducted by internationally recognized bodies. The Corporate Human Rights Benchmark, CHRB, placed Loblaw 167 out of 196 companies analyzed globally. Loblaw failed to meet indicators on governance, commitments from the top, and board discussions, and failed to meet multiple indicators related to communication on key human rights risks. KnowTheChain gave Loblaw a total score of 16 out of 100, scoring it poorly on both commitments and governance.

Loblaw's lack of outward acknowledgment of human rights considerations at the board level is concerning. The gap between Loblaw's human rights practices and those of its global peers is wide, and

many of its global peers, including Walmart, Tesco, and Kroger, have invoked or adopted the UN guiding principles on business and human rights, and the 10 principles of the UN Global Compact.

Our proposal calls on the Board to memorialize responsibility for human rights matters in the Risk and Compliance Committee mandate. Without clear direction and delineation of responsibility at the board level, human rights practices at Loblaw will continue to lag its global peers.

Finally, meaningful human rights protection requires more than better use of terminology, as Loblaw states it will do in its response to our proposal. We urge all shareholders to vote for the proposal. The proposal is as follows:

Whereas the UN guiding principles on business and human rights state that companies have a responsibility to respect human rights within their operations and throughout their value chains, this responsibility compels that companies should know their human rights risks and impacts, take concrete steps to prevent, mitigate and remediate adverse impacts when they occur, and publicly communicate how they are addressing the most salient human rights issues. As shareholders, we look to the companies to manage their human rights risks and address their human rights impacts, as a demonstration for strong risk oversight and sound corporate governance. This is necessary and prudent at management and board levels in order to prevent, mitigate, and address potential and significant operational, financial, and reputational risks associated with negative human rights impacts, including throughout the value chain.

Loblaw's Risk and Compliance Committee is mandated to review actions taken by Management with respect to environmental and occupational health and safety matters. However, we believe the

Board should assign specific responsibility at the board level for oversight of human rights risks. Such top-level responsibility is necessary to effectively manage the Company's principal risks. Resolved, that shareholders request the Board of Directors of Loblaw enhance the mandate of the Risk and Compliance Committee to assign it with specific responsibility for human rights risk assessment, mitigation and prevention, as well as policy formulation and adoption. The supporting statement for this is, as part of the Board's responsibility for determining and addressing the Company's principal risks, proponents believe that the Board of Directors should embed respect to human rights and the Company's culture, knowledge and practices, and review the Company's efforts to manage the Company's salient human rights risks. There is increasing recognition that Company risks related to human rights violations such as reputational damage, fulfillment delays, and disruptions, and litigation, can adversely affect shareholder value.

KnowTheChain gave Loblaw a total score of 16 out of 100 scoring it poorly on monitoring, traceability, risk assessment, commitment and governance. The CHRB gave Loblaw a total score of 6.93 out of 100 placing at 167 out of 196 companies analyzed globally. Loblaw failed to meet indicators on governance, commitments from the top, Board discussions, and failed to identify, assess, track, and communicate on key human rights risks. Furthermore, the Loblaw Supplier Code of Conduct does not impose meaningful protections relating to paying a living wage in the supply chain, and Loblaw does not appear to make purchasing decisions in consideration of human rights risks. While Loblaw has stopped sourcing in certain countries in response to concerns over child labour, CHRB notes that Loblaw failed to meet indicators on the prohibition of child labour. Expanding the mandates of the Risks and Compliance Committee would better position Loblaw to quickly identify and mitigate human rights risks and would allow shareholders to better understand their potential impacts on shareholder value.

We urge shareholders to vote for this proposal.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. I direct your attention to Schedule B of the Company's Management Proxy Circular, which describes in detail the position of the Board on this matter. To those comments, I'd like to add the following:

The Board of Directors recommends that shareholders vote against this shareholder proposal. Loblaw has a robust governance framework in place which includes an in-depth risk monitoring and reporting process and strong corporate social responsibility programs overseen by the Risk and Compliance Committee of the Board. Through this framework, Loblaw assesses and protects human rights, both domestically and abroad. Colleagues are protected by a Code of Conduct that guides behaviors and identifies risks, including with respect to human rights. This Code is managed through Loblaw's Compliance and Ethics office, and it's reviewed and updated annually. The 2019 Ethics office worked with third-party experts on a reinvigorated integrity action line, a whistleblower program, and proactively marketed to its colleagues with a simple encouragement of speak up. This program will be extended further to suppliers in 2020.

Internationally, Loblaw's Supplier Code of Conduct applies to foreign producers and manufacturers making goods sold in our stores. The Code is focused on worker rights and protections with elements that clearly speak to the importance of protecting human rights in our supply chain. This includes controls on safety, child and forced labour, discrimination, abuse, harassment, freedom of association, and respect for working hours, wages and conditions. The Code is actively monitored and

sites are audited with violations reported immediately to Loblaw's responsible Executives. Human rights violations have resulted in factories being removed from Loblaw's supply chain.

In addition to assessing and mitigating risk, Loblaw has various programs to foster and promote human rights amongst its workforce of nearly 200,000 Canadians. This includes an Executive-led diversity and inclusion program that examines and celebrates the experience of colleagues who are females, from ethnic and visible minorities, including First Nations communities, LGBTQ, or living with disabilities. Additionally, Loblaw has been recognized as a corporate leader in environmental, social, and governance matters in a wide variety of reports. The benchmark scores noted in the motion relate to Company disclosures, not to actions. Loblaw prides itself on contributing to the wellbeing of Canadian and global communities through the products and services offered in our stores, on our efforts to promote health and wellness, and on giving back to the communities where we operate.

While the Board of Directors recommends voting against the shareholder proposal, Loblaw acknowledges that its publicly available materials do not fully reflect the Corporation's commitment to human rights. To that extent, in 2020, Loblaw will review its CSR policy and board-related documents to reassess the terminology and the clarity of the Corporation's commitment to human rights.

The Board of Directors recommends that shareholders vote against the shareholder proposal. We are joined by two leading independent proxy advisers in advising a vote against this shareholder proposal.

Nick, were there any questions or comments submitted in connection with this shareholder proposal?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

No, Galen, we've not received any questions related to the shareholder proposal.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. The Company has agreed to move and second the motion for expediency. I'll now ask that the motion be made to put the shareholders' proposal to a vote.

**Kevin Groh** — Shareholder, Loblaw Companies Limited

Mr. Chairman, on behalf of BCGEU and to facilitate the business of the meeting, I move that the Board of Directors of Loblaw enhance the mandate of the Risk and Compliance Committee to assign it with specific responsibility for human rights, risk assessment, mitigation, and prevention, as well as policy formulation and adoption.

**Shawn Dalrymple** — Shareholder, Loblaw Companies Limited

Mr. Chairman, on behalf of BCGEU and to facilitate the business of the meeting, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. You've heard the motion. If you have not already done so, I'd ask shareholders or their appointees to cast their votes through the online portal. Thank you for casting your votes. The scrutineers will tabulate the votes cast and we will report on the results towards the end of the meeting.

This brings us to the end of voting on items of business before this meeting, and I therefore declare the polls closed.

As we approach the end of today's remarks and prepare to open the meeting for questions, I'd like to share some final perspective as we look towards the future.

Throughout this pandemic, our focus has been anchored in an absolute commitment to do what's asked of us, while at the same time, keeping our colleagues and customers safe. Now, as we're seeing some promising signs that the broad government and community action is bending the curve of COVID-19 infections, conversations are turning to reopening our economy. Our own experience suggests that operating in this new reality is far from simple. And we're proud of the many ways in which we've risen to the challenge; frustrated by moments when we have fallen short. But throughout it all, it's become clear that this is a point in time when trust means more than just about anything. I believe and I hope that our actions have shown that Canadians can trust us to do the right thing.

As businesses look to reopen, we must all continue to do what's required to earn and hold the trust of Canadians as we transition to a new normal. For our part, customers can trust us to continue to provide the food and drug essentials that they need to make healthcare accessible through our pharmacies and virtual care services, and to support those who are most vulnerable in our communities. We will also continue working closely with all levels of government, in particular, to support a robust testing framework that allows Canadians to emerge from their homes safely and with confidence.

While we all continue to follow the guidance from the government on how best to protect each other, it can be tiring to wake up each day to such uncertainty. But if anything, the last seven weeks

have given me reason to be optimistic. During that time, I've been struck by the resilience and resolve showing up in all of the communities we serve, the kindness of our colleagues going above and beyond for our customers, and the gratitude they've been shown in return. This whole experience is a testament to the strength of people, both those who work in our stores and those who shop in them, and it's their actions that make me proud and thankful.

I'd now like to open the meeting for any questions. To submit a question or comment, click on the Q&A messaging icon at the top of the online platform window. As mentioned earlier, we will make every effort to answer all questions. However, in the interest of time, we will limit the question-and-answer period to 20 minutes. Any unanswered questions will be addressed after the meeting by members of our Management team. Questions with common themes may be grouped together for efficiency.

Nick, are there any questions?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

Galen, we have two questions. I will read the first one:

I take care of elderly parents who need to self isolate. We require kosher meats but local No Frills at Bathurst and Wilson does not offer pick up; and the Fortinos at Allen Road and Lawrence has stopped pickup, as they could not fulfill the orders in a timely fashion. This is unacceptable. The Fortinos situation needs to be fixed. Also, can you add pickup at the No Frills at Bathurst and Wilson?

Thank you.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you very much for your question. I'll ask Sarah Davis to answer it.

**Sarah Davis** – President, Loblaw Companies Limited

Hi, Allan (phon), it's Sarah, and that's a very good question.

We have seen a huge demand in our online services and I do appreciate the circumstance that you find yourself in. In terms of the No Frills that you mentioned, we don't have pickup in every one of our No Frills. We can look into that one in particular to see if we can add it there, but I can't commit to that right here today but I will commit that we will look into it.

On the Fortinos situation, I don't know the specifics of that one in particular, but I'm quite confident in saying that that was a temporary thing. I think the pickup should be back up and running in the Fortinos location that you mentioned. We were overwhelmed by the amount of demand that we had, so we did have to put some stops in place in order to have a reasonable amount of time delay. I will make sure, I'll check with the Fortinos team to make sure that they are up and running in order to serve you. Thank you very much for your question.

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

Okay. We have another question:

When you acquired Provigo, you pledged the commitment to Quebec. At this point in time, no Board member comes from Quebec. Have you explored some candidates from Quebec? I also note that no one comes from Eastern Canada.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

That's a great question. We continue to be absolutely committed to the province of Quebec and we're always exploring new potential directors to come into the Company. We have had a Quebec Director on the Board of Loblaw for many years since we acquired Provigo. It is worth just noting that we have two Quebec Directors on our George Weston Board, and they are very effective at providing a Quebec perspective in our Board discussions as we think about the strategy and tactics for the Company.

But it's a fair comment, both about the diversity of our Board representing Canada in the Atlantic Provinces and also in Quebec. So we'll make sure that we take that away and make sure we consider it as we consider new directors in the future. Thanks for your question.

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

We have a further question and I will read the question:

Does Loblaw have any plans to make the pay premium for employees permanent, to provide them with a living wage in the future?

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you for your question, Danielle (phon). I'll ask Sarah Davis to take that.

**Sarah Davis** – President, Loblaw Companies Limited

We did lead the industry in introducing the current pay premium in recognition of the extraordinary circumstances that our front-line colleagues faced. We are continuing to evaluate it as the COVID-19 crisis evolves. As you probably know, we have extended the time until May 15 and will continue to review it at that time.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you, Sarah, very much. Nick, are there any more questions?

**Nick Henn** — Senior Vice President, General Counsel, Loblaw Companies Limited

Galen, we have no further questions.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Okay. Terrific.

We have received the voting results from the scrutineer on the four items of business and there is no change to the voting percentages from earlier.

On the election of Directors, voting results show that each director nominee received votes in favour from at least 97% of votes cast. Accordingly, I declare that the proposed director nominees have

been duly elected to hold office until the next annual meeting, or until they resign or their successors are duly elected or appointed.

On the appointment of auditors, the voting results show that approximately 99% of votes cast were in favour of the reappointment of the KPMG LLP Chartered Professional Accountants as the Auditor of the Company. I declare that KPMG LLP Charter Professional Accountants are reappointed as auditors of the Company and that the Directors are authorized to fix the auditors' remuneration.

On the advisory vote on the Company's approach to executive compensation, approximately 94% of the votes cast were in favour of the Company's approach. I declare this motion to be passed.

On the shareholder proposal, the voting results show that 92% of the votes cast were against the proposal. As there are a greater number of votes against than in favour, this motion is not carried and the shareholder proposal is not passed.

The final voting results will be available after the meeting and posted to the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

As there is no further business, can I have a motion to terminate the meeting?

**Kevin Groh** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I move that the meeting terminate.

**Shawn Dalrymple** — Shareholder, Loblaw Companies Limited

Mr. Chairman, I second the motion.

**Galen Weston** — Executive Chairman, Loblaw Companies Limited

Thank you. I now declare the meeting terminated.

On behalf of the Company, I would like to thank you for taking the time to join us online or over the phone. I wish you all the best to you and your families and hope you stay safe and healthy.

Thank you very much.

**Operator**

This concludes today's conference call. Thank you for your participation. You may now disconnect.