

# The Way We Do Business

## 2009 Corporate Social Responsibility Report

We are proud of our progress and of our colleagues who carry out our corporate social responsibility commitments every day, in communities across Canada. Our 2009 report outlines the year's strategies, achievements and challenges.



## Our Commitment

Our CSR commitments link to our business through five pillars. Operations are reviewed and assessed against these pillars, and performance is reported through vehicles such as this CSR report.

[Read more](#)



## Welcome

As Canada's largest grocery retailer, Loblaw has an opportunity to make a real difference to our communities, our country and our planet with simple, committed actions.

[Read more](#)



## Highlights

1 2 3 4 5

### Grown Close to Home™

About 40% of produce found in Loblaw stores in July and August is sourced from Canadian growers as part of our popular Grown Close to Home program.

[Read more](#)



Targets and  
Achievements



## Welcome Message



Galen G. Weston  
Executive Chairman

**Loblaw is on a journey to become the best retailer in Canada once again. We are four years into a renewal program that is transforming our business and our culture. Although challenged by economic circumstances and increasingly competitive forces, we are making good progress while upholding our core values and embedding a firm commitment to corporate social responsibility. Our goal is to meet the needs of today while preparing to address the social impacts facing Canada in the future.**

### Related Links

[Targets & Achievements](#)

There are various long-term trends converging on the world of food in a way that will profoundly change almost everything about the way we eat:

- **Food safety** concerns are rising with the growing number of food recalls. Canadians are better educated, and care more about food sourcing and safety issues than ever before.
- **The health of Canadians** is increasingly linked to what they eat. Diet is a driving factor in four leading chronic health conditions – heart disease, obesity, diabetes and cancer. These conditions are placing an unsustainable burden on our health care system.
- **Population growth** is raising concerns about the availability and affordability of food around the world. Fish stocks are in decline, farmland is being converted into industrial uses and productive land is being bought up. Will food be affordable in this environment? How will rising food prices, availability, land use and population growth affect Canadians' food supply and diet? We fully expect that population-driven food security issues will intensify over the next decade or two.
- **Climate change** also affects the availability and affordability of food supplies. For example, agricultural production in California is facing serious threats from a shortage of water. We need to understand what is likely to happen to Canada's agricultural heartlands. Emissions trading for the reduction of carbon may impact food production.

The capacity of government and regulators to deal with these issues is challenging to say the least. We believe that as Canada's largest grocery retailer, Loblaw is well positioned to play a leading role in responding to these critical issues and effecting change.

We have found that there are two approaches to driving effective change. The first is when initiatives are led entirely by business. Loblaw has a clear track record of using its own brands to do so. For example, in 2008, we converted all of our *President's Choice* laundry detergents to 2x concentrate, dramatically reducing water and packaging waste, and clearing the path for others to follow suit. Our *Blue Menu* line, which now has more than 400 products, makes healthy eating choices affordable for our customers. These products are developed by dedicated product developers with an in-house team of nutrition researchers, registered dietitians and nutritionists, who follow *Canada's Food Guide*.

The second approach requires a greater degree of collaboration with key stakeholders to enact change. In 2009, we implemented a national five-cent charge for every plastic bag provided at checkout, to reduce plastic bag use. Partial proceeds from the sale of bags are being donated to WWF-Canada to create programs that encourage Canadians to take more environmental actions. These actions led to a 55% reduction in plastic bag consumption and 1.3 billion plastic bags being diverted from landfill by the end of 2009.

We also committed to source 100% of our seafood from sustainable sources by year-end 2013. As Canada's largest purchaser of seafood, we are working with many partners including WWF-Canada, the Marine Stewardship Council, seafood scientists, our vendors, and governments at the federal and provincial levels to facilitate this major shift.

In addition, we are engaging more frequently with policymakers. This past year, I was fortunate to attend the 2009 United Nations Climate Change Conference in Copenhagen as an advisor to the Canadian government. There, I experienced first-hand both the enormity of the challenges and the opportunity to collaborate on solutions.

By embedding corporate social responsibility into our core business strategy, Loblaw is helping tackle these complex issues in ways that enable us to compete successfully today while preparing for the world of tomorrow. It is a highly strategic, values-based approach to doing business that we believe helps us serve our customers better and, in so doing, makes Loblaw a higher-performing organization.

We are proud of the progress we are making and are pleased to share our challenges, strategies and achievements in this year's corporate social responsibility report.

Sincerely,

Galen G. Weston  
Executive Chairman  
Loblaw Companies Limited



## About Loblaw



Loblaw Companies Limited, a subsidiary of George Weston Limited, is Canada's largest food distributor and a leading provider of drugstore, general merchandise and financial products and services. Loblaw is also one of the largest private-sector employers in Canada.

### Who We Are

Through its portfolio of store formats, Loblaw is committed to providing Canadians with a wide, growing and successful range of products and services to meet the everyday household demands of customers. Loblaw is known for the quality, innovation and value of its food offering. It offers Canada's strongest private label program, including the unique *President's Choice*, *no name* and *Joe Fresh* Style brands. The Company is headquartered in Brampton, Ontario.



### Our Mission

To be Canada's best food, health and home retailer by exceeding customer expectations through innovative products at great prices. Driven by our responsibility to: Respect the Environment; Source with Integrity; Make a Positive Difference in Our Community; Reflect Our Nation's Diversity; and Be a Great Place to Work.

### Where to Find Us

#### West



#### Ontario



#### Quebec



#### Atlantic



### Related Links

[2009 Annual Report](#)  
[Company Profile](#)  
[Corporate Governance](#)  
[Board of Directors](#)  
[Code of Business Conduct](#)  
[Supplier Code of Conduct](#)

### 2009 Key Facts

\$30,735 million in sales

\$656 million in net earnings

613 corporate and 416  
franchised stores from  
coast to coast

27 Company and 5 third-party-  
operated distribution centres  
service our stores

More than 138,000 full-time  
and part-time colleagues

More than 13 million Canadians  
shop with us every week

22 banner stores across  
the country

Acquired T&T Supermarket Inc.,  
Canada's leading Asian  
supermarket chain

## CSR Overview



**Loblaw's mission is to be Canada's best food, health and home retailer by exceeding customer expectations through innovative products at great prices. Meeting our corporate social responsibility (CSR) obligations is the way we do business.**

### Related Links

[Targets & Achievements](#)

Our CSR commitments link to our business through five pillars: Respect the Environment; Source with Integrity; Make a Positive Difference in Our Community; Reflect Our Nation's Diversity; and Be a Great Place to Work. Operations are reviewed and assessed against these pillars, and performance is reported through vehicles such as this CSR report.

By publishing CSR objectives and progress in a public document, we help keep ourselves on track and motivated. It also enables others to get engaged and involved with our efforts. We welcome this dialogue in order to build our record of accountability and make a true difference.

[CSR Five Pillars](#)

[Awards](#)

### Respect the Environment

We recognize that as Canada's largest grocery retailer, we have an opportunity to make a real difference to our environment in ways that make good business sense. We are committed to:

- Reducing our carbon footprint and working with our suppliers and customers to do the same
- Diverting waste from landfill, taking a "reduce, reuse, recycle" approach to products and processes
- Driving innovation in *PC G.R.E.E.N* products to help customers reduce their environmental impacts without compromising performance

[Read more](#)

### Source with Integrity

Sourcing with integrity means working with our vendors to provide customers with quality products, while taking into account the economic and social impacts of those products. We are committed to:

- Sourcing ethically from Canadian and international vendors who uphold high standards of quality, integrity and social responsibility
- Sourcing locally to support Canadian farmers and give our customers fresh, wholesome food
- Working to ensure the health and vitality of our food sources, including oceans, which are at tremendous risk

[Read more](#)

### Make a Positive Difference in Our Community

We are proud of our Canadian heritage and committed to our nation's growth. With our large network of grocery stores from coast to coast, Loblaw plays a leading role in helping feed Canadians. We also provide jobs and support local economies, give generously to community programs, and get involved in local charities and events. We are committed to:

- Giving generously to community programs in the areas of: the *President's Choice* Children's Charity, healthy and active kids, feeding our neighbours, greening our communities, our Colleague Volunteer Grant Program, education and research.
- Encouraging Loblaw stores and colleagues to get involved in local charitable causes
- Helping Canadians make healthier food choices by providing healthy meal options

[Read more](#)



## Reflect Our Nation's Diversity

Canadians represent the world, originating from every corner of the globe. Loblaw recognizes this diversity as a source of national pride and strength. We strive to reflect this in the products we sell, the people we hire and the workplace culture we create. We are committed to:

- Reflecting the diverse communities in which our stores are located, both in the products we sell and in the colleagues who serve our customers
- Creating an inclusive, respectful work environment that values the range of perspectives, backgrounds, abilities, orientations and skills that our colleagues bring to the workplace

[Read more](#)

## Be a Great Place to Work

Loblaw colleagues are crucial to our success and represent our greatest strength. We work hard to meet their needs and show our appreciation for their contributions to our Company. We aim to build a culture of achievement where our colleagues are empowered and supported to meet and exceed customer expectations. We are committed to:

- Maintaining a safe workplace
- Building a culture that welcomes colleagues and encourages them to voice opinions, ask questions and contribute ideas that will make Loblaw more successful
- Giving colleagues the training they need to do their job well and to serve customers the way they would want to be served
- Recognizing and rewarding contributions

[Read more](#)

CSR Five Pillars

Awards

### Awards

We were privileged to have received these honours, among others, in 2009.

#### Best 50 Corporate Citizens in Canada

Loblaw ranked 10th in *Corporate Knights* magazine's ranking of the best 50 corporations for 2009, based on environment, social and governance indicators.



#### Canada's Top 100 Employers for 2010

Loblaw was proud to be named one of Canada's Top 100 Employers for 2010 in recognition of our efforts over the past few years to attract and retain employees and create a great workplace environment. For more information, please visit [Canada's Top 100 website](#) or [the Eluta website](#) for Loblaw specifics.



#### Jantzi-Maclean's 50 Most Socially Responsible Corporations

Loblaw was included in the Jantzi-Maclean's 50 Most Socially Responsible Corporations of 2009. This inaugural list honoured companies that are raising the standard of what it means to be a good corporate citizen. Loblaw was recognized for offering environmentally preferable product lines such as *PC Organics* and *PC G.R.E.E.N* and for our waste diversion goals and programs.

#### Ontario Waste Minimization Award

Loblaw was awarded a 2009 Ontario Waste Minimization Award by the [Recycling Council of Ontario](#) in recognition of excellence and commitment to a sustainable environment. Details of the Awards and its judging criteria can be found at [www.rco.on.ca/ontario\\_waste\\_minimization\\_awards](http://www.rco.on.ca/ontario_waste_minimization_awards).

## CSR Governance



**The Loblaw CSR Committee is responsible for championing corporate social responsibility across the Company. Committee members represent all areas of our business, and bring unique perspectives and abilities.**

### CSR Committee

With input from customers and colleagues, committee members work in teams to develop the priorities, metrics and accountabilities within the Company's five CSR pillars. Each member also works with his or her executive sponsor, who is ultimately responsible for integrating CSR into our culture, ensuring our commitments are met, and working with the CSR Committee to develop achievable and accountable goals.

The Committee is chaired by the Vice President of Corporate Affairs, who reports directly to the Executive Chairman and to the President & Deputy Chairman.

### Committee Members:

**Bob Chant**, Chair  
Vice President, Corporate Affairs

**Priya Bates**  
Senior Director, Internal Communications

**Eric Biddiscombe**  
Senior Director, Produce BU Planning

**Sherry Casey**  
Senior Director, Nutrition & Regulatory Affairs

**Andrew Clappen**  
Vice President, Quality Assurance

**Mario Fatica**  
Vice President, Planning Development & Approvals

**Sonya Fiorini**  
Senior Director, Corporate Social Responsibility

**Andrew Flemming**  
Senior Director, National Support

**Frank Gambioli**  
Senior Vice President, National Specialists

**Claudio Gemmiti**  
Vice President, Grocery

**David Gore**  
Senior Vice President, Legal Counsel

**Cristina Greto**  
Coordinator, Corporate Social Responsibility

**Peggy Hornell**  
Senior Director, Community Investment

**Julija Hunter**  
Vice President, Public Relations

**Walter Kraus**  
Senior Director, Environmental Affairs

**Shawn Makarenko**  
Director, Offshore

**Nan Oldroyd**  
Senior Director, Recruitment & Diversity

**Greg Ramier**  
Senior Vice President, Operations

**Mark Schembri**  
Vice President, National Maintenance

**Brian Springer**  
Vice President, Transport

**Inge van den Berg**  
Senior Vice President, Market & Ethnic Merchandising

**Todd Warnell**  
Senior Director, ATC & Special Projects

**Robert Wiebe**  
Senior Vice President, Transport

### Related Links

[Board Mandate and Committee Charters](#)  
[Company Profile](#)  
[Corporate Governance](#)  
[Board of Directors](#)  
[Code of Business Conduct](#)  
[Supplier Code of Conduct](#)



## Strategic Governance at Loblaw

The Board of Directors and management of Loblaw Companies Limited are committed to sound corporate governance practices and believe they contribute to the effective management of the corporation and its achievement of strategic and operational objectives.

Our website, [www.loblaw.ca](http://www.loblaw.ca), sets out key governance information including the following:

[Company Profile](#)

[Corporate Governance](#)

[Board of Directors](#)

[Code of Business Conduct](#)

[Supplier Code of Conduct](#)

## About this Report

The 2009 corporate social responsibility report details the corporate social responsibility performance of Loblaw Companies Limited from January 1, 2009 to December 31, 2009. It reports on all activities within Loblaw covering all corporate stores, store support centres and distribution centres.

We have aimed to provide a complete and balanced view of our CSR performance tailored to the expectations and interests of our stakeholders. Material issues were determined through stakeholder engagement initiatives conducted internally and by Canadian Business for Social Responsibility (CBSR). CBSR interviewed a broad range of stakeholders, including government, supplier and non-governmental organization (NGO) stakeholders who were chosen based on relevant subject expertise, availability and the nature of their relationship with Loblaw.

The report is also guided by the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines. Although we have not included a rating against the GRI, the guidelines are used as a benchmark.

This is the third year in which we have published a CSR report. The last report was published in April 2009. There have been no significant changes in scope, boundary or measurement methods applied since that report.

## Report Assurance

All CSR plans and stated goals, targets and objectives are reviewed and approved for publication by Loblaw Legal, Investor Relations and Internal Audit departments for accuracy and veracity. In addition, the CBSR provided a third-party check of the 2009 CSR report.

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## Partnerships and Memberships



Loblaw partners with a wide range of stakeholders in our efforts to meet our corporate social responsibility obligations and drive responsible business practices. Our partners include:

### Canadian Business for Social Responsibility

([www.cbsr.ca](http://www.cbsr.ca)) – CBSR is a non-profit, member-led organization that mobilizes Canadian companies to make powerful business decisions that improve performance and contribute to a better world. Loblaw has been a member of the CBSR network for the past three years, and has used its consulting services for stakeholder engagement and CSR reporting.



### WWF-Canada

([www.wwf.ca](http://www.wwf.ca)) – WWF-Canada and Loblaw partner on numerous initiatives designed to encourage Canadians to take planet-friendly actions every day. In 2009, Loblaw committed to providing a corporate donation and partial proceeds from the sale of plastic bags from our corporate stores to WWF-Canada. Over three years, the donation will total \$3 million.



© 1986 Panda symbol WWF-World Wide Fund For Nature (also known as World Wildlife Fund)

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### Marine Stewardship Council

([www.msc.org](http://www.msc.org)) – MSC is a world-leading certification organization whose mission is to use its eco-label and fisheries certification program to contribute to the health of the world's oceans by recognizing and rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with partners to transform the seafood market to a sustainable basis.



### Food Banks Canada

([www.foodbankscanada.ca](http://www.foodbankscanada.ca)) – As a long-time supporter of the food bank community, we have consolidated our commitment into a major national program to achieve an even greater impact on hunger reduction across the country. In April 2009, Loblaw launched the largest ever national retail food drive in Canada. Loblaw also invests significantly in Food Banks Canada's National Food Sharing System, enabling food to be distributed to food banks across Canada throughout the year.



### Our Initiatives

PC G.R.E.E.N Reusable Bags  
Responsible Aquaculture  
Food Banks



### Alpine Canada Alpin

([www.canski.org](http://www.canski.org)) – Loblaw is the exclusive wholesome foods partner and nutritional advisor to the Canadian Alpine Ski Teams.



### Canadian Council of Grocery Distributors

([www.ccgd.ca](http://www.ccgd.ca)) – Loblaw is a member of the Canadian Council of Grocery Distributors (CCGD), a not-for-profit organization committed to advancing and promoting the grocery and food service distribution industry in Canada, at both regional and national levels. CCGD members represent approximately \$121 billion in retail sales, of which \$42 billion comes from the food service sector. Together its members employ over 428,000 Canadians in more than 12,000 communities across Canada.



Canadian  
Council of  
Grocery  
Distributors

Conseil  
canadien des  
distributeurs en  
alimentation

### Recycling Council of Ontario

([www.rco.on.ca](http://www.rco.on.ca)) – Loblaw is a proud member of RCO. RCO plays an important role in raising awareness of the importance of recycling and works with Loblaw to help reduce waste.



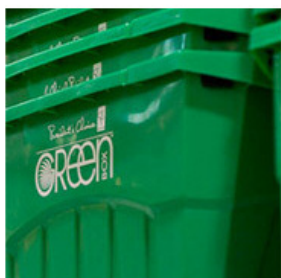
Recycling  
Council of  
Ontario

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## Targets and Achievements

☒ Target met ☐ Target almost met or on track ☐ Target not met or at initial stages



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Reflect Our Nation's Diversity

Be a Great Place to Work

### TARGETS - 2009

### PROGRESS

### ACHIEVEMENTS

Divert one billion plastic shopping bags from landfill by year end 2009.



Diverted 1.3 billion plastic bags from landfill cumulatively since 2007. On a single year basis, our customers used 55% fewer bags in 2009 than in the 2006 base year.

Divert 70% average overall waste generated by our stores from landfill in 2009.



Diverted 58% of store-generated waste nationally.

For corporate stores, we met our target in the Atlantic region with 73.54% of waste diverted from landfill. In Quebec, we diverted 57.83% of waste; in Ontario, 67.66%; and in the West, 39.74%.

For distribution centres, we achieved a 69% diversion rate nationally. The regional breakdown was Atlantic, 68.71%; Quebec, 64.49%; Ontario, 78.59%; and West 64.57%.

Stabilize current organic diversion programs and search for new waste diversion partnerships.



Executed agreements to convert organic waste into biogas and implemented regional composting initiatives to further stabilize organic diversion infrastructure.

Advance our biogas initiatives.



See above.

Reduce corporate store electricity use by 1% per square foot.



Reduced electricity consumption by 0.6%, below target largely because of extended store hours and additional lighting for some *Joe Fresh* departments.

Launch Ontario Rooftop Photovoltaic Project.



Completed our application in 2009, and announced the project in March 2010.

Reduce carbon emissions associated with electricity consumption by 1.5%.



Achieved a 1% reduction.

Improve transport fleet fuel efficiency by 2% per kilometre.



Achieved a 2% improvement.

Reduce refrigerant leak rate by 5%.



Reduced refrigerant leaks by 22%, with greenhouse gas emissions associated with these leaks reduced by 28%.

Work with industry partners to develop an industry-wide carbon footprint measure and improve data integrity by adjusting and monitoring internal data collection practices.



Collected three years of carbon footprint data, enabling us to confirm footprint data enabling us to confirm our baseline (2008).

Established company store and distribution centre carbon footprint with detailed segmentation at industry and corporate levels.



Use new sustainable construction standards to guide the design and construction of future Loblaw Company stores.	<input checked="" type="checkbox"/>	We will continue to utilize sustainable construction standards to guide the design and construction of all future Loblaw company stores and distribution centres.
Build our first distribution centre to Leadership in Energy and Environmental Design (LEED™) certification standards in Surrey, British Columbia.	<input checked="" type="checkbox"/>	Officially opened Surrey, British Columbia, distribution centre on November 2, 2009. Certification process is underway.
Decrease use of non-recyclable packaging on control brand products by 50% over five years.	<input checked="" type="checkbox"/>	On track to meet this target; 2009 achievements include replacing plastic egg cartons with fibreboard, and reducing plastic in private label water bottles.
Complete phase 2 of the packaging audit for general merchandise products in 2009.	<input checked="" type="checkbox"/>	Packaging audit complete.
Further expand our <i>PC G.R.E.E.N</i> product line-up.	<input checked="" type="checkbox"/>	Introduced five new products in 2009, bringing the total to 44.

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TARGETS – 2009	PROGRESS	ACHIEVEMENTS
Work toward the three-year target of increasing local produce sourcing by 10%.	<input checked="" type="checkbox"/>	16% produce growth during peak growing season.
Continue campaign to promote Canadian-grown produce.	<input checked="" type="checkbox"/>	Ran <i>Grown Close to Home™</i> campaign in July and August, including commercials and flyers showcasing Canadian growers, and improved in-store displays and point-of-sale materials.
Complete CSR audits prior to vendor set-up.	<input checked="" type="checkbox"/>	Successfully implemented CSR audit process prior to setting up each new vendor in the system.
Controlled process of all audits done prior to vendor set-up.	<input checked="" type="checkbox"/>	Implemented a controlled process so that we will not engage with any new vendors who have not signed the Loblaw Standard Terms and Conditions.
Expand vendor buying agreement (VBA) and CSR program to include all vendors.	<input checked="" type="checkbox"/>	Large majority of produce and general merchandise vendors were identified as compliant with our Standard Terms and Conditions by year end 2009.
Finalize and implement Loblaw Sustainable Seafood Commitment.	<input checked="" type="checkbox"/>	Launched our Sustainable Seafood Commitment in May 2009.
Add more MSC-certified seafood products.	<input checked="" type="checkbox"/>	Offer 16 MSC-certified products.
Expand our Fair Trade product line-up.	<input type="checkbox"/>	Products are only launched when there is sufficient consumer interest.

TARGETS – 2009	PROGRESS	ACHIEVEMENTS
Help more than 1,000 organizations through our Colleague Volunteer Grant Program.	<input type="checkbox"/>	Approved all 124 grant applications. This was a new program and colleague participation was lower than expected.
<b>Donations</b> \$4.4 million to support <i>President's Choice</i> Children's Charity (PCCC); healthy, active kids; feeding our neighbours through local food banks; greening our cities; local community initiatives; and the Colleague Volunteer Grant Program, in addition to ongoing corporate sponsorships.	<input checked="" type="checkbox"/>	Exceeded our target, donating \$5.4 million.
<b>Corporate sponsorship</b> \$5.25 million*	<input type="checkbox"/>	Provided \$4.4 million in sponsorships, below target largely as a result of implementing more rigorous program guidelines.
* Note: The 2009 target published in the 2008 Loblaw CSR Report was incorrect. The correct target is \$5.25 million.		
<b>Local</b> \$2.5 million	<input type="checkbox"/>	Donated \$1.473 million.
Raise \$1 million for <i>Give a Little, Help a Lot</i> campaign.	<input checked="" type="checkbox"/>	Raised \$1 million, benefitting YMCA, KidSport Canada, le Club des Petits Déjeuners du Québec, IWK Hospital, Janeway Hospital, SickKids, CHEO and London Health Sciences and various other charities as directed by our franchisees.
We will facilitate donations of \$10.9 million for PCCC and other local charities.	<input checked="" type="checkbox"/>	Exceeded our target, facilitating donations of \$17.07 million.
Grant \$10 million (which includes a \$1 million contribution to Breakfast for Learning).	<input checked="" type="checkbox"/>	Granted \$9.95 million.
Expand our <i>PC Blue Menu</i> product line-up, with more low-sodium products.	<input checked="" type="checkbox"/>	Launched 56 new products.

TARGETS – 2009	PROGRESS	ACHIEVEMENTS
Ensure Loblaw's top multicultural stores reflect the communities in which they are located.	<input checked="" type="checkbox"/>	We give colleagues the option to voluntarily declare if they are members of visible minorities in our <i>Tell it as it is</i> surveys. This input, as well as anecdotal evidence and our increased efforts to recruit more broadly, lead us to believe that we are achieving our objective.
Increase the percentage of female store managers from an average of 13% to 15%.	<input checked="" type="checkbox"/>	53.7% increase in female store managers from when we first started measuring our progress towards this goal in 2008.
Increase the number of people with disabilities in our store support centres.	<input checked="" type="checkbox"/>	Evidence leads us to believe that we are achieving our objective. We have many stores connecting with local community organizations to hire people with disabilities, and we have a focused initiative at our store support offices.
<b>Recruitment and retention</b> Recruit from identified local organizations in communities where top ethnic stores are located. Implement plan to recruit and retain female store managers based on target. Identify and recruit from specific disability organizations for store support positions.	<input checked="" type="checkbox"/>	Piloted the Inclusion Toolkit to help hiring managers and recruiters recruit diverse talent in local communities.
Double baseline sales over the next two years to increase product assortment, enhanced product promotion and greater involvement in local ethnic community activities.	<input checked="" type="checkbox"/>	Increased our multicultural offerings sales by 2.2%.

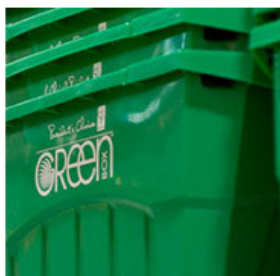


TARGETS – 2009	PROGRESS	ACHIEVEMENTS
Conduct monthly surveys of different segments of our colleague base.	<input checked="" type="checkbox"/>	Conducted monthly surveys among different segments of our colleague base. Each colleague has two opportunities a year to participate. Received 148,219 responses in 2009.
100% deployment of rapid action funds.	<input type="checkbox"/>	Rapid action funds not fully embedded in store culture yet.
5% reduction in turnover in 2009.	<input checked="" type="checkbox"/>	Achieved a 38% improvement in turnover compared to 2008.
Train 40,000 colleagues.	<input checked="" type="checkbox"/>	Trained 41,073 colleagues in 2009 through Learning Stores. As well, 29,473 store managers, distribution centre managers, and store support office colleagues attended instructor-led training through Learning & Training. Plus, 17,060 e-learning courses were completed by colleagues through our Loblaw Virtual Learning Centre.
Implement a health, safety and wellness strategy.	<input checked="" type="checkbox"/>	Established corporate wellness advisory committee, wellness mission statement and framework, and drafted 2010 wellness plan.
Reduce workplace injuries by 15% over the next three years.	<input checked="" type="checkbox"/>	Total accidents dropped by 17% year-over-year, with improvements in stores and distribution centres.

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### TARGETS - 2010

#### Plastic bags

Maintain single-use plastic shopping bag diversion rate of 55% nationally. Review and support programming in each region, as appropriate, to encourage reusable shopping bag use.

#### Waste diversion

Divert 70% of in-store and distribution centre waste nationally. Divert 80% of waste in the offices of all store support centres. Work with suppliers and provincial governments to identify opportunities to increase organic recycling. Expand organics diversion program into distribution centres. Continue to expand biogas initiatives with our partners by sending organic waste to Ottawa and London, Ontario facilities.

#### Carbon footprint

Review our long-term capital plans to establish an achievable carbon footprint target which will be identified in our 2010 CSR Report.

#### Energy efficiency

Reduce corporate stores' electricity use by 1% per square foot. Reduce carbon emissions associated with electricity consumption by 1.5%. Reduce refrigerant leaks by 5% relative to 2009.

#### Transportation

An additional 2% improvement in fleet fuel efficiency. Increase fuel economy by testing and investing in truck reefer hybrid technology. Conduct fuel efficiency training for all drivers.

#### Renewable energy

Execute four pilot rooftop photovoltaic projects in Ontario. Assess the projects and determine a rollout plan based on test results.

#### Construction

Continue to utilize sustainable construction standards to guide the design and construction of all future Loblaw company stores and distribution centres.

#### Packaging reduction

Reduce packaging of private label products by 5% over five years. Continue to drive non-recyclable packaging from private label brand products to achieve 50% reduction by 2013. Establish a target level for the use of recycled materials in control brand packaging. Work with industry partners to establish common metrics for packaging reduction and recycling.

#### PC G.R.E.E.N

Introduce six new PC G.R.E.E.N concepts.

## TARGETS – 2010

### Local sourcing

Continue to work with regional Canadian growers and governments to further increase volume of Canadian produce sold. Execute programming in promoting Canadian-grown produce. Develop Canadian sourcing policy.

### Safety and quality management

Maintain vendor CSR audit process. Ensure 100% compliance. Continue process of ensuring all vendors sign the Loblaw Standard Terms and Conditions. Roll out Standard Terms and Conditions to include direct store delivery (DSD) supplying vendors. Ensure 100% active offshore factories are CSR audit compliant.

### Sustainable seafood

By the end of 2013, 100% of Loblaw seafood will be sourced from sustainable sources. Implement a decision tree for sustainable seafood procurement. Continue to monitor and create a plan of action for at-risk species. Determine a plan of action for farmed Atlantic salmon. Implement customer education and feedback programs. Double the number of MSC-certified products in line with the progression of MSC certifications.

## TARGETS – 2010

### President's Choice Children's Charity (PCCC)

Assist more than 1,500 families and 2,500 nutrition programs across Canada. Increase support of Breakfast for Learning to \$2.6 million. Grant more than \$9.5 million to families with children with physical or developmental disabilities. Increase the connection between PCCC and Loblaw stores.

### Corporate sponsorships

Provide \$3.5 million in sponsorships, including Alpine Canada Alpin, gift cards and Save-A-Tape program. Refine gift cards program to support fundraising efforts of local charities.

### Community investment

Invest \$5.4 million in national initiatives associated with focus areas of PCCC, healthy active kids, feeding our neighbours, greening our communities, education and research. Develop two initiatives with WWF-Canada to mobilize Canadians to take action on the environment. Establish a Chair in Sustainable Agriculture. Strengthen our commitment to addressing hunger in Canada through *Extra Helping* food drives.

### Local investment

Invest \$2.6 million in local community initiatives. Partner every store with local food bank and Breakfast for Learning club. Make available \$100,000 for colleagues who volunteer for good causes in their community.

### Fundraising

Facilitate the donation of \$15 million across Canada. Raise \$1 million to support local charities through *Give a Little, Help a Lot* campaign. 100% of stores to support local food banks.

### PC Blue Menu

Continue to expand *PC Blue Menu* product offering. 10% sodium reduction for 150 reformulated private label products.



## TARGETS – 2010

### People

Ensure our stores reflect the communities in which they are located by recruiting locally. Leverage opportunities to learn from T&T Supermarket Inc. Increase the percentage of female store managers to 25%. Launch Woman@Loblaw initiatives aimed at developing and connecting female leaders. Hire more people with disabilities. Launch the Inclusion Toolkit nationally.

## TARGETS – 2010

### Colleague engagement

Conduct monthly colleague *Tell it as it is* surveys. Increase colleague engagement over the 2008 baseline by 2%. Reduce colleague turnover by 5%. Increase colleague recognition and reward through programs such as *Above and Beyond the Call of Duty* (ABCD) to recognize excellent customer service and *Great Place to Work* week.

### Training and development

Implement Best Store Leadership initiative to support the development of store managers as business leaders. Ensure consistent use of national orientation program across stores, distribution centres and store support offices.

### Health and safety

Reduce workplace injuries by 15% over the next three years. Implement wellness initiatives as per 2010 wellness plan, including the development of a three-year strategy. Celebrate National Health, Safety and Wellness Week.

## Respect the Environment



At Loblaw, we recognize that as Canada's largest grocery retailer, we have an opportunity to make a real difference to our environment, in ways that make good business sense.

### Our Priorities

- Reducing our carbon footprint and working with our suppliers and customers to do the same
- Diverting waste from landfill, taking a "reduce, reuse, recycle" approach to products and processes
- Driving innovation in PC G.R.E.E.N products to help customers reduce their environmental impacts without compromising performance

#### Waste Diversion

Since 2007, Loblaw has been working towards diverting at least 70% of waste from our stores and distribution centres from landfill. Given the size and complexity of our business and the nature of the issue, this is no simple task. [Read more](#)

Cumulatively since 2007, we have diverted

**1.3 billion\***

plastic bags from landfill.

\*On a single year basis, our customers used 55% fewer bags in 2009 than in our base year of 2006.

Waste Diversion

Reducing Our Carbon Footprint

PC G.R.E.E.N Products

#### Reducing Our Carbon Footprint

The greatest opportunity for Loblaw to reduce its carbon footprint and lower operating costs is in the way we manage energy. In 2009, we continued to make inroads, improving energy efficiency in our stores and transportation fleet, and advancing renewable energy technologies. [Read more](#)

**2%**

improvement in fuel efficiency per kilometre driven by our transportation fleet

Waste Diversion

Reducing Our Carbon Footprint

PC G.R.E.E.N Products

#### PC G.R.E.E.N Products

In April 2009, Loblaw celebrated the 20th anniversary of PC G.R.E.E.N. Since 1989, we have provided relevant product solutions, utilizing emergent green technologies to deliver high-performance alternatives to Canadians at great prices. [Read more](#)

**44**

PC G.R.E.E.N products on the market

Waste Diversion

Reducing Our Carbon Footprint

PC G.R.E.E.N Products

## Waste Diversion



Waste Diversion    Plastic Bags    Packaging    Organic Waste

**1.3 billion**  
plastic bags diverted from landfill\*

**69%**  
of waste diverted from all  
distribution centres nationally

**58%**  
of corporate store-generated waste  
diverted from landfill nationally

### Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
PC G.R.E.E.N Reusable Bags

\* Cumulatively since 2007, we have diverted 1.3 billion plastic bags from landfill. On a single year basis, our customers used 55% fewer bags in 2009 than in our base year of 2006.

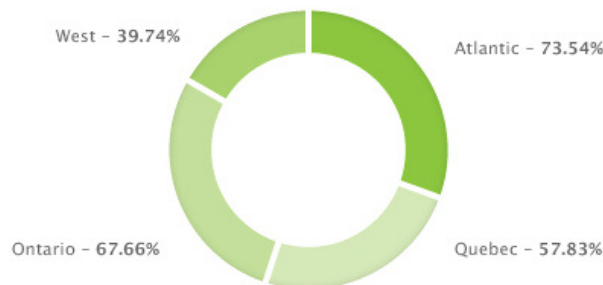
Waste is a key concern in the grocery industry. Stores and distribution centres generate waste in the form of food that goes bad and runs short of its code life, wood pallets, plastic and cardboard packaging, glass bottles and cans, and plastic shopping bags.

Since 2007, we have been working towards diverting at least 70% of waste from our stores and distribution centres from landfill. Given the size and complexity of our business, and the nature of the issue, this is no simple task. Our approach is to focus on the areas where we can make the biggest impact; reduce, reuse and recycle where we can; use our own brands to innovate and drive change; and collaborate with municipalities, private industry and other key stakeholders to build infrastructure and markets.

For Loblaw distribution centres, we have a rigorous system for tracking waste diversion data, and we are able to identify and implement opportunities for improvement.

Although we are getting closer to our diversion targets, only the Atlantic region achieved the 70% goal for diverting store-generated waste. The main challenge for Loblaw and our waste management vendors is in building more accessible and affordable diversion options across the whole country.

Waste Diversion by Region (Corporate Stores)



One of our great successes of the year was the plastic shopping bag reduction campaign. Thanks to the tremendous response of our customers, who shared our concern for protecting the environment, we achieved our goal of diverting one billion bags from landfill. What's more, our customers used 55% fewer bags in 2009 than in our base year of 2006.

In 2009, we also set the stage for fundamentally changing the way we manage organic waste. Loblaw established partnerships with two companies developing biogas facilities that will convert organic waste from select stores into a renewable energy source.

In addition, we maintained the strong commitment to waste diversion that has become normal business practice at our distribution centres and in store back rooms. We have been collecting corrugated cardboard and plastic film wrap for recycling for many years, and continued to do so throughout 2009, even though the value of corrugated cardboard waste dropped.

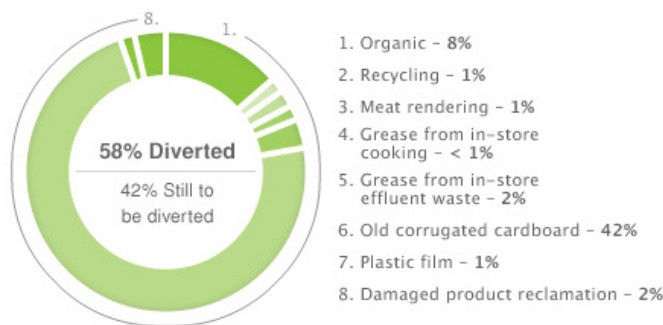


### Waste Diversion by Region (Distribution Centres)



The grocery industry as a whole has made good progress in managing softwood pallets that were traditionally used for shipping products. Today, reusable pallets are widely used within North America and there are options for recycling softwood pallets. We also have well-established processes for reclaiming unsaleable products and sending them to food banks whenever possible.

### Waste Diversion Summary (Corporate Stores)



\* Numbers do not include T&T acquisition, late 2009.

#### Waste Diversion Plastic Bags Packaging Organic Waste

In April 2007, Loblaw committed to the goal of diverting one billion plastic bags from landfill as a means of helping minimize the waste we produce and inspiring Canadians to take action for the environment. To bring about real change and promote reusable bag practices, we then took the big step of charging for plastic bags.

As of April 22, 2009, Loblaw corporate and participating franchise stores stopped providing complimentary plastic shopping bags at checkout. Instead, customers were asked to bring their own *PC G.R.E.E.N* or other reusable shopping bags or bins to the store or to buy plastic bags at five cents apiece. In 2009 alone, these actions led to a 55% reduction in the use of plastic bags coming from our stores.

Before making this change, we tested various approaches to identify best practices in reducing plastic shopping bag use. Our data revealed that stores that had been charging a nominal fee for plastic bags distributed almost 55% fewer bags than those stores providing plastic shopping bags for free. However, we were also sensitive to unique regional business environments, such as in Atlantic Canada, and were prepared to alter our approach as needed to help achieve the greater goal.

To further encourage Canadians to demonstrate their support for the environment, Loblaw committed to providing a corporate donation and partial proceeds from the sale of plastic bags from our corporate stores to WWF-Canada. Over three years, the donation will total \$3 million. The money supports WWF-Canada's national program to help Canadians reduce their daily environmental footprint through simple, planet-friendly actions.

### Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
*PC G.R.E.E.N* Reusable Bags

Packaging plays an essential role in protecting our products so that they reach our customers in the best possible condition. We work hard to ensure that both the amount and the type of packaging we use are appropriate.

Over the past two years, we conducted a packaging audit of our private label brands in food, health and beauty care, and general merchandise, to better understand the individual packaging components and establish a baseline for identifying reduction priorities and targets.

As a result of this exercise, we have established a target of reducing non-recyclable packaging on private label brands by 50% by 2013. We are also working towards a reduction in the total amount of packaging used on our private label brand products.

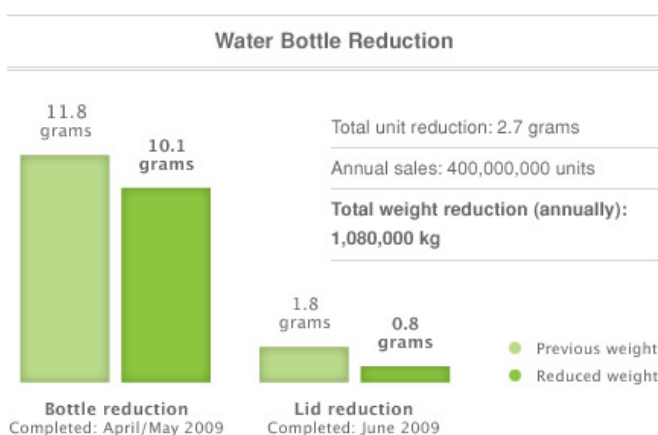
The challenges in achieving our goals include the need to:

- Preserve the freshness and flavour of products on the shelf
- Protect products from damage in transport and ensure food safety
- Promote the benefits of our products and communicate mandatory information to our customers
- Address the large volume of products we produce
- Work with variable municipal recycling programs across Canada

We have established firm action plans and, with the help of our vendors and suppliers, are committed to presenting great products in environmentally responsible packaging.

## Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
*PC G.R.E.E.N* Reusable Bags



### Non-Recyclable Packaging

In 2009, we removed the wax from more than 80% of our frozen product cartons so that they can be recycled. That is 33.7 million cartons a year that can now be diverted from landfills to recycling facilities.

We also replaced plastic egg cartons with fibreboard cartons, and multi-walled paper packages and tin ties for cookies with boxboard cartons.

Other actions in this area include working as part of the Canadian Council of Grocery Distributors to drive the standardization of materials collected and increase the type of recyclable materials collected by Canadian municipalities.

### Packaging Reduction

Increasing recyclability is great but we know that reducing packaging will produce the most long-term benefits. We are actively looking at ways to eliminate unnecessary packaging components and reduce the materials used. For example, in 2009, we reduced the amount of plastic resin used in our 500 millilitre water bottles and lids, eliminating more than one million kilograms of packaging annually.

In grocery stores, organic waste includes food waste such as spoiled fruits and vegetables as well as fat, oils and grease from in-store cooking. This type of waste is readily compostable.

At Loblaw, we have a clear process for treating organic waste. Our first aim is to reduce the amount produced, and then to reuse by composting or generating electricity.

One of our main challenges has been the limited number of diversion options in many parts of Canada. To date, we have realized success in Ontario, Quebec and Nova Scotia by partnering with businesses that are developing organic diversion technologies and facilities. Our goal is to help build infrastructure across Canada that makes diversion a more accessible and affordable option.

In 2009, Loblaw established partnerships with two companies that are developing facilities for converting organic waste into biogas, a green energy source that will then be sold to the provincial power grid:

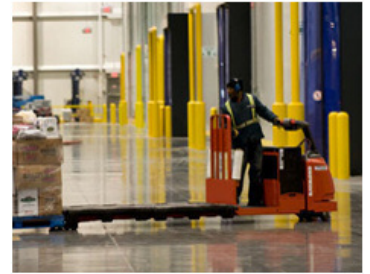
- We entered into an agreement with the Canadian firm with whom we first partnered some 10 years ago by installing organic resource recovery grinding mills at many of our Ontario stores. Under this new agreement, food and grease residuals from select Loblaw stores in Ontario and British Columbia will be collected, processed and fed into anaerobic digesters to produce biogas.
- We signed an agreement to supply organic waste from our corporate stores in southwestern Ontario to fuel a new biogas facility in London, Ontario. The 47 stores covered by this agreement are expected to provide organics that can generate the same amount of electricity as is consumed by approximately 225 homes annually, and reduce over 300 tonnes of CO<sub>2</sub> equivalent each year.

## Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
*PC G.R.E.E.N* Reusable Bags



## Reducing Our Carbon Footprint



### Reducing Our Carbon Footprint

### Energy Efficiency

### Transportation

### Renewable Energy

## 56 stores

have alternate refrigeration systems that significantly reduce refrigerant requirements

## 2%

improvement in fuel efficiency per kilometre driven by our transportation fleet

Plans for pilot

## solar energy

projects on Ontario store rooftops

### Our Initiatives

Surplus Produce

Improved Water Bottles

South Surrey Distribution Centre

PC G.R.E.E.N Reusable Bags

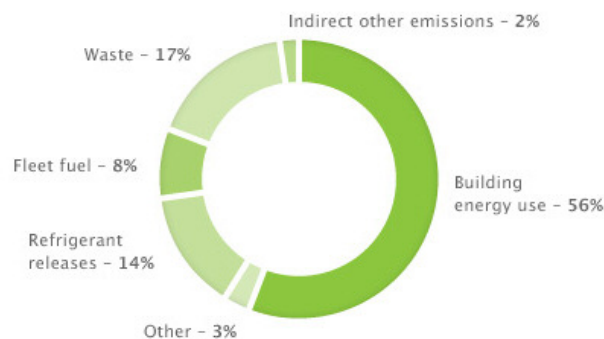
The greatest opportunity for Loblaw to reduce its carbon footprint and lower operating costs is in the way we manage energy. In 2009, we continued to make inroads, improving energy efficiency in our stores and transportation fleet and by piloting advanced renewable energy technologies.

One of our key accomplishments was to establish our carbon footprint. In 2009, our greenhouse gas emissions totaled 1,183,828,257.23 kilograms. The primary contributors were building energy consumption (electricity, gas and heating oil), refrigerant releases, fleet fuel and waste.

To determine our footprint, we used a grocery industry-developed calculator that is compliant with the World Resources Institute (WRI) Greenhouse Gas Protocol. Utilizing this tool, we can better understand, quantify and manage our greenhouse gas emissions.

### 2009 Total Greenhouse Gas Emissions

(1,183,828,257.23 kgs.)



\* Numbers do not include T&T acquisition, late 2009.

\* Non-scope emissions are hydrofluorocarbon refrigerant releases that we track, but are technically not reportable under the Greenhouse Gas Reporting Protocol.

\* Indirect other emissions generally refer to third-party transport emissions.

The grocery business is a large user of energy, especially in stores, where energy is needed for refrigeration, heating and lighting. Using the Canadian supermarket industry carbon footprint calculator, we have determined that approximately 73% of our carbon footprint is the result of the energy used in our buildings (stores, distribution centres and offices) and of releases of refrigerant gas used to remove the heat from chilled and frozen display fixtures.

Improving the energy efficiency of our stores is a key part of reducing our carbon footprint. In many cases, it involves piloting new technologies and then deploying those that make economic and environmental sense in our new stores. It also involves modifying systems and processes at existing stores to make incremental improvements.

At many of our stores, we are incorporating alternate refrigeration system designs that significantly reduce refrigerant requirements and associated refrigerant leaks. In 2008, we installed the first low-temperature CO<sub>2</sub> secondary loop refrigeration system for a large supermarket in North America. We have piloted four stores that capture all of the heat rejected from the refrigeration system and transfer it into the store. This heating system and the secondary loop systems can result in up to a 90% reduction in refrigerants in those stores.

Some of the other energy efficiency improvements made at new and existing stores include:

- Replacing open freezers with closed-door units that reduce the amount of air that escapes
- Adding pull-down curtains to refrigerated cases
- Upgrading lighting systems to include motion-activated LED lighting in freezer cases and in low-traffic areas of the store
- Installing automated energy management systems which reduce lighting and energy use during hours of non-operation and ensure that mechanical, electrical and refrigeration systems operate at maximum efficiency

The transportation of goods through our supply chain produces a significant amount of carbon. We are committed to operating the most sustainable fleet in North America and achieved a 2% improvement in fuel efficiency per kilometre driven in each of the past two years.

Our focus is primarily on truck emissions, rolling resistance, new technology and driver training. Here are some of the initiatives that helped lessen the environmental impact of our fleet in 2009:

**Bunk Heaters** – To reduce engine idling during loading and unloading, we began installing bunk heaters in tractor cabs to keep drivers warm in the cold winter months. This change lowers fuel consumption from 4.0 litres per hour when a tractor idles to 0.2 litres per hour. A pilot project conducted in Ottawa reduced idle time by 20% in participating vehicles. The program will be expanded across the country in 2010 to continue to reduce our idle time.

**Multi-Axle Trailers** – We continued to invest in multi-axle trailers for our primary freight routes in Ontario and Quebec, which enable us to pull more weight using the same power source. It means fewer trucks on the road, improved fuel efficiency and a reduced carbon footprint. In 2009 and 2010, we are introducing 40 new multi-axle trailers to our fleet.

**Tire Tests** – We tested super-single tires in our Atlantic and northern Ontario fleets over a one-year period. The main advantage of this new technology is that it reduces rolling resistance, which in turn improves fuel efficiency. Based on the results, all new tractors purchased in 2010 will be equipped with super-single tires.

**Cube Per Load** – One of the many benefits of our new transportation management system (TMS) is that it enables us to optimize the cube efficiency of trailers, significantly reducing the number of loads on the road.

**Tire Recap Program** – Instead of buying new tires, we recap our old ones as treads get worn. In 2009, we recapped 80% of our tires. This program helps to divert waste from landfill and reduce oil consumption – production of a new tire uses approximately 83 litres of oil, while the recapping process uses only 26 litres.

**Reduced Speed Limit** – We reduced the maximum speed limit for our fleet to increase fuel efficiency, and reduce wear and tear on equipment and the risk of accidents.

In 2010, we are preparing to upgrade our fleet with some of the most advanced emissions technologies in order to reduce environmental impacts. We are also completing the implementation of an integrated transportation management system, which significantly improved operating efficiency and reduced road mileage, leading to lower fuel consumption and emissions.

## Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
*PC G.R.E.E.N* Reusable Bags

## Our Initiatives

Surplus Produce  
Improved Water Bottles  
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*PC G.R.E.E.N* Reusable Bags

For the past several years, we have worked to identify opportunities to reduce the emissions associated with electricity consumption at our various locations. The challenge with many of these renewable energy technologies is their high cost. Loblaw looks for alternatives that are both socially and economically responsible.

#### Energy from the Sun

In 2009, we participated in the Ontario rooftop photovoltaic (PV) project following the provincial government introduction of the feed-in tariff (FIT) program to encourage green energy initiatives. The program offers stable prices under long-term contracts for energy generated from renewable sources, such as bio-energy, solar PV and wind.

Early indications suggest that this is a great opportunity to develop this renewable energy in an economically responsible manner. We have submitted 136 applications under the FIT program. In 2010, we will pilot rooftop solar photovoltaic installations at four Ontario stores (two at 500 kilowatts of electricity production, one at 250 kilowatts and one at 10 kilowatts).

#### Harnessing the Wind

At our *Atlantic Superstore* location in Porters Lake, Nova Scotia, we installed a wind turbine as part of a pilot program to help reduce carbon emissions and pursue distributed energy projects.

Working with Scotian WindFields Inc., we tested the wind patterns at the *Superstore* location for one year to confirm that the winds in the area would support a wind turbine. The turbine is expected to generate 154,000 kilowatt hours of energy per year. The *Superstore* will remain connected to the utility power grid with the wind turbine supplementing its energy needs.

We will use the results of this initiative to understand the feasibility of additional alternative energy opportunities.

**"In Nova Scotia, we have a great renewable energy source in our wind. The Atlantic *Superstore* project really shows the scale of wind technology. Whether projects are big or small, wind-generated energy can play a large role in reducing our dependency on non-renewable energy sources."**

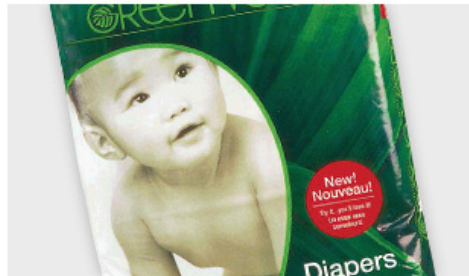
Barry Zwicker  
Chief Executive Officer,  
Scotian WindFields Inc.

## Our Initiatives

Surplus Produce  
Improved Water Bottles  
South Surrey Distribution Centre  
*PC G.R.E.E.N* Reusable Bags



## PC G.R.E.E.N Products



**20th  
anniversary**  
of PC G.R.E.E.N products

**44  
products**  
in the expanded line

In April 2009, Loblaw celebrated the 20th anniversary of *PC G.R.E.E.N*. Since 1989, we have provided relevant product solutions utilizing emergent green technologies to deliver high-performance alternatives to Canadians at great prices. *PC G.R.E.E.N* makes it easy for consumers to take steps towards reducing their carbon footprints.

In 2009, we expanded the *PC G.R.E.E.N* line to 44 products. One of the most revolutionary new products was the *PC G.R.E.E.N* Diaper. By using wood pulp harvested from sustainably managed forests and processing the diapers without chlorine bleach, we reduced the amount of harmful chemicals released to the environment. The hypoallergenic liner is fragrance- and dye-free.

However, as far as our research team is concerned, we are not quite there. They continue to work diligently on replacing most plastic components of the *PC G.R.E.E.N* Diapers with plant-based polymers to produce a diaper that is made from 100% renewable materials.

Other new products included:

- *PC G.R.E.E.N* 4-in-1 Phosphate-Free Dishwasher Detergent NEW IMPROVED FORMULA
- *PC G.R.E.E.N* 3x Concentrate Coldwater High-Efficiency Detergent
- *PC G.R.E.E.N* All-Purpose Cleaner

**"I have personally witnessed the painstaking attention to detail that goes into creating *PC G.R.E.E.N* products and ensuring that their impact on the environment is significantly lower than that of popular national brands. At the same time, they are tested to ensure that they are as effective for their intended use as the popular national brands."**

Colin Isaacs  
Environmentalist,  
Scientist and key independent advisor to *PC G.R.E.E.N*

### Our Initiatives

[Surplus Produce](#)  
[Improved Water Bottles](#)  
[South Surrey Distribution Centre](#)  
[PC G.R.E.E.N Reusable Bags](#)

## Our Initiatives



### Surplus Produce

In 2009, Loblaw began supplying large volumes of surplus produce that would otherwise be part of our organic waste stream to Ontario Christian Gleaners (OCG). OCG is a charitable organization run by volunteers who clean, dice, dry, mix and bag produce such as onions, carrots, peas, broccoli, cauliflower, peppers, beans, lentils, apples and pears into a nutritious soup mix and fruit snack ready for distribution. OCG donates the soup mix to reputable relief organizations to distribute the food where it is needed. For more information, please visit [www.ontariogleaners.org](http://www.ontariogleaners.org).



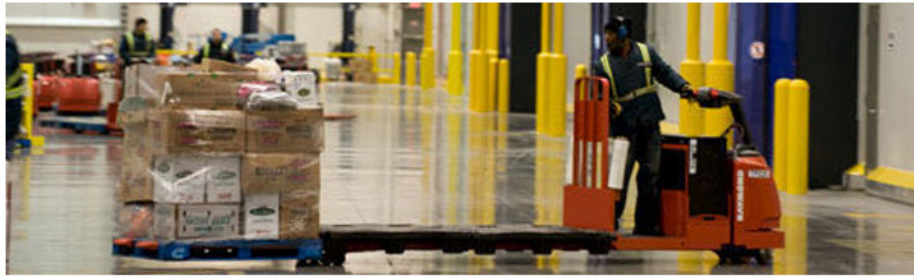
### Improved Water Bottles

In the drive to give consumers sustainable choices, Loblaw is partnering with our national supplier, Ice River Springs (IRS), to drive change in the bottled water industry. We are moving to a process that will manufacture PC water bottles from 100%-recycled polyethylene terephthalate (PET) plastic, removing all dependency on virgin PET.

In this process, IRS trucks will deliver bottled water to Loblaw distribution centres and, on the trip back to the IRS facility, pick up used PET bottles from municipal recycling facilities. At the bottling facility, they will be washed, chopped, ground and purified into food-grade recycled PET flake using state-of-the-art technology. The PET flake can then be blown into bottles and integrated into the manufacturing process.

Beyond water bottles, we believe that by recycling PET to make food-grade packaging, IRS is setting the stage for a variety of new packaging opportunities.



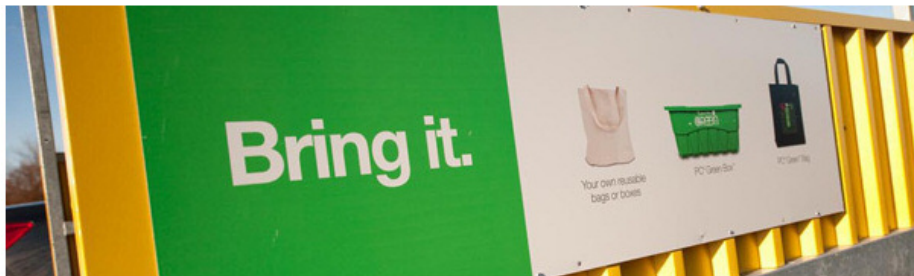


### South Surrey Distribution Centre

Our new Distribution Centre (DC) in South Surrey, British Columbia, has begun a two-year process to become Loblaw's first Leadership in Energy and Environmental Design (LEED™)-certified, green DC. Environmental features of the new facility include the following:

- All materials used inside the building have no or low levels of volatile organic compounds
- 100% of the wood used onsite is approved by the Forest Stewardship Council (FSC)
- Every effort has been made to use local and regional materials
- The recycled content of all building materials exceeds 25%
- More than 75% of the site waste has been diverted from landfill
- Water usage has been reduced by more than 30%
- Highly reflective roofing and efficient mechanical equipment have been installed to improve building energy performance
- All site lighting is night sky friendly and there is zero light trespass across the property

LEED certification is the recognized standard for measuring building sustainability. Achieving certification demonstrates that a building project is environmentally responsible, profitable and a healthy place to work.



### PC G.R.E.E.N Reusable Bags

The *PC G.R.E.E.N* reusable shopping bag was Loblaw's top-selling *PC G.R.E.E.N* product in 2009 thanks to the *Bring it* campaign aimed at diverting one billion plastic bags from landfill. Instead of using complimentary plastic shopping bags at checkout, customers were asked to bring *PC G.R.E.E.N* or other reusable shopping bags or bins to our stores or to buy plastic bags at five cents apiece. Partial proceeds from the sale of plastic bags are supporting WWF-Canada's national program to encourage Canadians to reduce their daily environmental footprint.



## Source with Integrity



For Loblaw, sourcing with integrity means working with our vendors to provide customers with quality products, while taking into account the economic, environmental and social impacts of those products. We are committed to doing business in a legal, ethical and socially responsible manner.

### Our Priorities

- Source ethically from Canadian and international vendors who share our values and uphold high standards of quality, integrity and social responsibility
- Source close to home to support Canadian farmers and give our customers fresh, wholesome food
- Work to ensure the health and vitality of our food sources, including oceans

### Sourcing Locally

As a proudly Canadian company, Loblaw is committed to supporting Canadian farmers and economies, and to bringing Canadians the exceptional flavours of produce picked at its peak. In 2009, we once again ran our highly successful *Grown Close to Home* program, which puts area growers front-and-centre during the peak of harvest season. [Read more](#)

**16%**

increase in sales of *Grown Close to Home* produce over the past two years

Sourcing Locally

Sustainable Seafood

Safety and Quality Management

### Sustainable Seafood

More than 70% of the world's fish stock is either fully exploited or over exploited. The crisis in our oceans has prompted us to think differently about how we source seafood and to work collaboratively with the fishing industry, environmentalists and scientists to ensure that there is seafood and fish for generations to come. [Read more](#)

**100%**

of Loblaw seafood will be sourced from sustainable sources by the end of 2013

Sourcing Locally

Sustainable Seafood

Safety and Quality Management

### Safety and Quality Management

Canadians are increasingly concerned about the safety of the food they put on their table and the sources of the products they bring into their homes. We share their concerns and have increased the scrutiny and rigour around the standards required for products to be sold in our stores. [Read more](#)

**984**

corporate social responsibility audits of offshore vendors conducted in 2009

Sourcing Locally

Sustainable Seafood

Safety and Quality Management

## Local Sourcing



**16%**

increase in sales of produce during our *Grown Close to Home* program over the past two years

**100**

new vendor relationships added from the 2008 to 2009 harvest seasons

### *Grown Close to Home™*

As a proudly Canadian company, Loblaw is committed to supporting local Canadian farmers and economies and to bringing Canadians the exceptional flavours of produce picked at its peak. We partner with more than 400 growers across Canada, with some of these relationships spanning over 40 years. We also continually work to expand our assortment of produce grown close to our stores and promote these products.

In 2009, we once again ran our highly successful *Grown Close to Home* program, which puts local growers front-and-centre during the peak of harvest season. Under the program, approximately 40% of produce found in Loblaw stores in July and August is sourced from Canadian growers. In-store signage highlights *Grown Close to Home* items.

We built on the program's success in 2009 by increasing direct-from-farm deliveries. This meant that many products reached Loblaw stores as fast as at local farmers' markets. We also showcased Canadian growers in commercials and flyers and improved in-store displays and point-of-sale materials to raise awareness and encourage more customers to buy locally.

Over the past two years, the *Grown Close to Home* program has increased produce sales by more than 16% during the local harvest period.

### Our Initiatives

- Vineland Growers Project
- Canadian Christmas Trees
- Grower Food Safety Audits
- MSC-Certified Products
- Responsible Aquaculture



## Sustainable Seafood



### 100%

of seafood will be sourced from sustainable sources by year end 2013

### 16

Marine Stewardship Council-certified products on our shelves, the most offered by any Canadian retailer

### 12-month

action plan for driving change

### Sustainable Seafood Commitment

The world's oceans are facing an unprecedented crisis, with over 70% of the world's fish stock either fully exploited or over exploited (Source: Food and Agriculture Organization of the United Nations). The crisis in our oceans has prompted us to think differently about how we source seafood and to work collaboratively with the fishing industry, environmentalists and scientists to ensure that there is seafood and fish for generations to come.

In 2009, Loblaw launched a comprehensive Sustainable Seafood Commitment, committing to source 100% of seafood sold in our stores from sustainable sources by year end 2013. This commitment covers all canned, frozen, fresh, wild and farmed seafood products, in all categories, private label and national brands.

As we determine the status of certain species that are at risk, we will stop selling those products temporarily and will only begin selling them again when we have found a sustainable third-party-certified source for those species.

We have a 12-month plan for putting the policy into action, which includes:

- Assessing all sources of seafood in order to develop a four-year implementation plan
- Working through our supply chain for private label seafood products to prepare for additional audits to meet Marine Stewardship Council (MSC) standards
- Identifying sources with no immediate improvement potential to be stopped or phased out as soon as possible, based on assessment results
- Confirming our policy decisions and communicating these with suppliers, distributors, colleagues, franchisees, customers, the general public and other external stakeholders

To help us live up to our commitment, Loblaw is partnering with WWF-Canada, MSC, marine scientists, conservation experts and fisheries. We also increased the number of frozen sustainable seafood products available to Canadians and now offer 16 MSC-certified products, the most of any Canadian retailer, and have plans to expand these product offerings, as more fisheries are certified as sustainable.

**"This initiative is one of the most ambitious and comprehensive steps we have seen from a grocery retailer in Canada, and indeed the world. When fulfilled, the Loblaw policy will go a long way to help conserve the well-being of our oceans and marine life, setting an important example for other retailers to follow."**

Gerald Butts  
President and CEO,  
WWF-Canada

### Our Initiatives

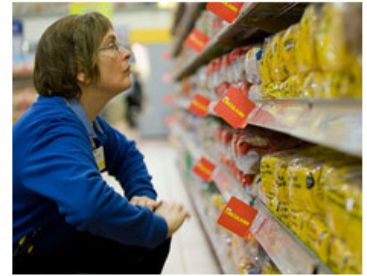
Vineland Growers Project  
Canadian Christmas Trees  
Grower Food Safety Audits  
MSC-Certified Products  
Responsible Aquaculture

### Related Links

[Sustainable Seafood Policy Initiative](#)  
(PDF 838KB)



## Safety and Quality Management



**984**

corporate social responsibility  
audits of offshore vendors

**1st**

Canadian retailer to sign up to the  
Global Food Safety Initiative

**864**

factories were identified as being  
CSR compliant

### Our Initiatives

[Vineland Growers Project](#)  
[Canadian Christmas Trees](#)  
[Grower Food Safety Audits](#)  
[MSC-Certified Products](#)  
[Responsible Aquaculture](#)

### Vendor Standards

Canadians are increasingly concerned about the safety of the food they put on their tables and the sources of the products they bring into their homes. We share their concerns and have increased the scrutiny and rigour around the standards required for products to be sold in our stores.

Loblaw was the first Canadian retailer to sign up to the Global Food Safety Initiative (GFSI), a mandatory minimum requirement for food manufacturers as of 2011. All vendors will be required to pass a rigorous annual independent third-party audit, which will set a new standard in safety and quality management in the Canadian food industry.

As part of an ongoing effort to inform our vendor community of the standard requirements of working with Loblaw, we completed a process of issuing Loblaw Standard Terms and Conditions (STC) to all food, produce and general merchandise vendors supplying Loblaw distribution centres through 2009. Newly listed and existing vendors will be required to complete and sign the Loblaw STC in order to partner with us.

At year end 2009, the large majority of produce and general merchandise vendors were identified as STC compliant. Food vendors received the Loblaw STC in late 2009 and will require follow-up and support through 2010 to complete. Approximately 10% of our vendors have been identified as discontinued through the Loblaw STC process.

Under the STC initiative, we also conducted CSR audits of our direct offshore vendors, including factories, mills, packing houses and growing locations. Through 2009, independent service provider audit firms carried out Loblaw-designated inspections of 984 factories, ensuring that products are being manufactured in a socially responsible way, including no child harassment, abuse or forced labour, fair pay and benefits, and health and safety aligning to applicable regulations.

Of the total:

- 114 factories were required to implement a corrective action plan with a follow-up audit in six months
- 6 factories were delisted because they failed to comply with Loblaw CSR standards

## Our Initiatives



### Vineland Growers Project

Most of the peaches and nectarines enjoyed in central and eastern Canada are grown in Vineland, Ontario. We have initiated a project with Vineland growers to help them compete successfully against imported fruit. The team is focused on product and packaging innovations to enhance the characteristics that customers value most in fruit, improve product display and promote local produce.



### Canadian Christmas Trees

To support tree farmers in Ontario and Quebec and encourage customers to join the grown-local movement, we promoted new six- to eight-foot tall *PC* Fraser Fir trees this past Christmas. Known for their lush green colour, fullness and needle retention, these premium-quality trees were 100% Canadian grown.



### Grower Food Safety Audits

While our objective is to work with as many Canadian growers as possible, we also insist that they meet Loblaw's high quality standards in order to sell their products. To date, 300 Canadian growers have undergone third-party audits of sites to assess criteria such as health and safety procedures, potable water, other production at the site, pest control procedures, sewage treatment and visitor policies. Eventually all growers will be required to undertake food safety audits to do business with Loblaw.

We also have 61 in-house quality assurance colleagues responsible for evaluating produce that arrives at our distribution centres. They test characteristics such as colour, size, sweetness and firmness to ensure that the product meets Loblaw specifications and quality standards.





#### MSC-Certified Products

Loblaw is committed to offering consumers sustainable choices and we continue to expand our line of Marine Stewardship Council (MSC)-certified products as they become available.

In 2009, we had a total of 16 MSC-certified products. Some of the newest products in our line-up were *Blue Menu* Wild Albacore Tuna Mini Loin, *Blue Menu* Wild Keta Salmon Cakes and *Blue Menu* Encrusted Wild Keta Salmon Fillets (in two flavours).

At this time, MSC is the only certification system that meets all of our needs for wild-caught seafood, is global in scope and is endorsed by leading international conservation organizations. MSC uses strong, performance-based standards and offers a credible, established label for chain-of-custody through the supply chain and for consumer education. In addition to the MSC, we will continue to evaluate our needs against other, similar organizations, while also considering input from stakeholders and scientific advisors.

Learn about the [Marine Stewardship Council](#).



#### Responsible Aquaculture

Farmed salmon is Loblaw's single largest selling fresh seafood item. In keeping with our commitment to sustainable seafood, we are supporting the Aquaculture Dialogues, facilitated by our partner, WWF-Canada, which are a series of roundtables where farmers, retailers, non-governmental organizations (NGOs), scientists and other aquaculture industry stakeholders worldwide are coming together to define appropriate aquaculture methods. By using a clear set of third-party-certified industry standards, we aim to minimize the key environmental and social impacts associated with aquaculture.



## Make a Positive Difference in Our Community



We are proud of our Canadian heritage and committed to our nation's growth. With our large network of grocery stores from coast to coast, Loblaw plays a leading role in helping feed Canadians. But there is more to it than that. We also provide jobs and support local economies, give generously to community programs and get involved in local charities and events.

### Our Priorities

- Giving generously to community programs in the areas of: the *President's Choice Children's Charity*, healthy and active kids, feeding our neighbours, greening our communities, our Colleague Volunteer Grant Program, education and research.
- Encouraging Loblaw stores and colleagues to get involved in local charitable causes
- Helping Canadians make healthier food choices by providing healthy meal options

### Economic Impact

Most Canadians recognize our stores for the food and merchandise we sell. However, we also inject millions of dollars annually into the Canadian economy as one of the largest private-sector employers and a major purchaser of Canadian goods and services. [Read more](#)

More than

**138,000**

colleagues work in corporate and franchised stores

Economic Impact | Supporting Our Community | **President's Choice Children's Charity**

### Supporting Our Community

We believe that giving our time, money and resources builds stronger communities and is essential to Loblaw's long-term success. We support charities at the national, regional and local levels.

**\$24 million**

donated to local charities by Loblaw, our stores and their colleagues, our franchisees and their employees, and our valued customers

Economic Impact | **Supporting Our Community** | President's Choice Children's Charity

### President's Choice Children's Charity

Loblaw created *President's Choice Children's Charity* (PCCC) to empower our colleagues, franchisees and their employees to support families in the communities where we have stores. PCCC is dedicated to helping children who are physically or developmentally challenged by removing obstacles that make everyday living difficult. As the National Premier Sponsor of Breakfast for Learning, we also help ensure that children across Canada attend school well-nourished and ready to learn. [Read more](#)

**1,649**

families received PCCC grants in 2009

Economic Impact | Supporting Our Community | **President's Choice Children's Charity**

## Economic Impact



2009 sales of

**\$30,735 million**

2009 net earnings of

**\$656 million**

**1,029**

corporate and franchised  
stores from coast to coast

### Our Initiatives

[Imagine](#)  
[Maple Leaf Gardens](#)  
[Food Banks](#)  
[Tree Canada](#)  
[Blue Menu Cereals](#)

Most Canadians recognize our stores for the food and merchandise we sell. However, we also inject millions of dollars annually into the Canadian economy, as one of the largest private-sector employers and a major purchaser of Canadian goods and services. Here are some of the additional ways in which Loblaw contributed to our nation's prosperity in 2009:

- Employed more than 138,000 full-time and part-time colleagues
- Trained more than 40,000 colleagues at our Learning Stores
- Invested \$1,067 million in capital projects



## Supporting Our Communities



More than

**1%**

of pre-tax profits donated to charities, earning Loblaw the Imagine Canada Caring Company designation

**\$3 million**

in donations planned over three years to WWF-Canada as part of our plastic bag reduction initiative

**\$1 million**

raised at store checkouts through the *Give a Little, Help a Lot* campaign for local charities

### Our Initiatives

Imagine  
Maple Leaf Gardens  
Food Banks  
Tree Canada  
Blue Menu Cereals

We believe that giving our time, money and resources builds stronger communities and is essential to Loblaw's long-term success. In 2009, Loblaw, our customers, colleagues, franchisees and their employees collectively donated more than \$24 million to local charities, programs and organizations across the country.

Our support is focused at the national, regional and local levels in the areas of: *President's Choice* Children's Charity; healthy active kids; feeding our neighbours; greening our communities; the Colleague Volunteer Grant Program education and research.

We provide our stores with resources to fund projects that benefit their communities. Store colleagues decide how the money is spent based on community need. In 2009, we donated \$1.45 million to these local initiatives.

Our Colleague Volunteer Grant Program invites colleagues to apply for a \$500 donation to an organization where they volunteer at least 40 hours a year. As awareness of this relatively new program grows, so too does participation, which increased by 50% in 2009. Our goal is to help more than 1,000 organizations a year.

Some of the other organizations and programs that benefitted from Loblaw fundraising efforts and corporate donations include WWF-Canada, Food Banks Canada, Tree Canada, Trans Canada Trail, SickKids Hospital, IWK Health Centre, Janeway Children's Hospital Foundation, KidsFest Running & Reading Clubs, YMCA Strong Kids Campaign, Toronto Community Foundation/Toronto Foundation for Student Success - Beyond 3:30 Program, Meal Exchange - Trick or Eat, NSTEP, la Tablée des chefs and le Club des petits déjeuners du Québec.



## President's Choice Children's Charity



**\$8.9 million**

granted to 1,649 Canadian families

**\$1 million**

to Breakfast for Learning

We created *President's Choice Children's Charity* (PCCC) some 20 years ago to empower our stores, colleagues, franchisees and their employees to support families in the communities where we have stores. One of the largest corporate charities in Canada, PCCC is dedicated to helping children who are physically or developmentally challenged by removing obstacles that make everyday living difficult.

In 2009, PCCC granted \$8.9 million to 1,649 Canadian families. Grants typically supported the purchase of assistive devices, vehicle adaptations, developmental and physical therapy, camp tuition, home improvements and respite care.

PCCC also donated \$1 million to **Breakfast for Learning** to support more than 2,900 nutrition programs in schools across the country. This makes PCCC the National Premier Sponsor of Breakfast for Learning. In Newfoundland and Labrador, Breakfast for Learning works in partnership with Kids Eat Smart Foundation. In Quebec, Breakfast for Learning provides funding to Club des petits déjeuners, in addition to providing direct program funding in this province.

<http://www.breakfastforlearning.ca>

The funds for PCCC were raised through corporate support from Loblaw, vendor contributions, and many fundraising initiatives organized by our stores, distribution centres, store support centres and individual colleagues, including the following:

- An in-store campaign raised over \$3.6 million thanks to the generosity of our customers and colleagues who donated toonies to the cause. This was more than a 90% increase over the previous year.
- Our colleague donation campaign raised over \$1.4 million. Each store, store support centre and distribution centre was encouraged to fill out pledge forms and hold fundraising events to raise the money. There were carnivals, pie in the face contests, dress down days, staff breakfasts, spaghetti dinners and more.

### Our Initiatives

Imagine  
Maple Leaf Gardens  
Food Banks  
Tree Canada  
Blue Menu Cereals

## Healthier Eating



**56**

new and improved *Blue Menu* products launched in 2009

**50+**

private label products with reduced sodium levels

**peanut-free**

favourites introduced from our *PC* brand, with prominent on-package logos and in-store signage

### Our Initiatives

[Imagine](#)  
[Maple Leaf Gardens](#)  
[Food Banks](#)  
[Tree Canada](#)  
[Blue Menu Cereals](#)

Healthier eating starts with fresh, wholesome vegetables, fruits, meat, whole grains and dairy products. Loblaw offers a variety of healthier foods to address many different health, lifestyle and diet regimes. We believe that we can play a key role in helping address the growing issue of obesity and its burden on health care. One of the areas in which we can have the greatest impact is in making healthier eating easy and affordable.

Our *Blue Menu* line, which now has more than 400 products, is one of Canada's largest healthier brands. Each product is designed to be healthier than the *PC* alternative, for the same great price. Items are developed by dedicated product developers and adhere to our strict *Blue Menu* nutritional standards, which are created by a team of nutrition researchers, registered dietitians and nutritionists following *Canada's Food Guide*. For a product to be part of the *Blue Menu* line, it must meet at least one of the following nutritional criteria: more omega-3 polyunsaturated fats, more fibre, fewer calories, less fat, soy protein or lower in sodium – all important pillars of good nutrition.

While the focus was originally on low-fat, low-calorie products, the emphasis today is on functional foods and a product that can support consumers' healthy eating goals. In 2009, we began offering products with prebiotic inulin. Prebiotics stimulate the growth of healthy bacteria in the gut, which is an important factor for good health. We also expanded our line of low-sodium and no-salt-added foods, including low-sodium ready-to-serve soups. To learn more, please see our [2009 President's Choice Healthy Insider's Report](#). We ran our second *Healthy Eating Challenge* in 2009. Ten Canadians from across the country followed our *Blue Menu* Healthy Eating Plans. They were aided by a registered dietitian and reported their successes and challenges through our *President's Choice* website ([www.pc.ca](http://www.pc.ca)). Participants also learned lessons on portion control, balance of nutrients and the importance of planned snacking.

**"We believe that small, simple steps are the best way to eat a little healthier and live well – even if you are on a budget. Eating better doesn't have to be complicated or lacking in flavour. We have worked hard to ensure that Blue Menu products offer busy Canadians an ever-expanding range of convenient, versatile products. No one should have to sacrifice their favourite foods to live a healthier lifestyle."**

Nadine Day  
Registered Dietitian,  
*PC* Product Development,  
Loblaw Companies Limited



## Our Initiatives



### Imagine

In 2009, Loblaw was designated as an Imagine Canada Caring Company, donating more than 1% of pre-tax profit to charitable and non-profit organizations. We also pledged our support of the principles of corporate citizenship and benchmarks for community investment established by Imagine Canada, acknowledging that we have an important stake in the prosperity, health and quality of life of the communities in which we operate.

[www.imaginecanada.ca](http://www.imaginecanada.ca)



### Maple Leaf Gardens

Loblaw is partnering with Ryerson University to develop a joint retail and recreation facility that will revitalize Maple Leaf Gardens in Toronto. The redevelopment will include a 70,000 square foot food store, a stand-alone *Joe Fresh Style* studio store and other associated retail. In addition, we have committed to raising \$20 million together with Ryerson through a joint fundraising campaign and to making a \$5 million corporate donation. The Government of Canada is providing Ryerson University with a grant of \$20 million under Canada's Economic Action Plan. The project is expected to revitalize the historic Toronto landmark, create jobs and provide long-lasting benefits to both Ryerson's students and the local community.



### Tree Canada

In 2009, Loblaw donated \$10,000 to Tree Canada to offset the carbon incurred on flights associated with our National Kick-Off employee meeting. We also donated \$150,000 to fund the planting of 50,000 native trees throughout Canada, in association with our promotion of 100% Canadian *PC Fraser Fir* trees at Christmas.

<http://www.treecanada.ca>





### Food Banks

For many years, Loblaw has assisted local food banks across the country through the donation of food from customer drives within our stores. We also provide food banks with gift cards to purchase the items they need most.

In 2009, we ran a national food drive campaign called *Extra Helping* aimed at raising two million pounds of food and \$1 million for food banks. To help meet the target, Loblaw partnered with Food Banks Canada, a national charitable organization representing the food bank community across Canada. According to Food Banks Canada, each month an estimated 800,000 Canadians are assisted by a food bank, and 37% are children. Food Banks Canada also noted that food banks across Canada are experiencing a significant increase in the number of people accessing their services.

The food drive took place in the spring and again in December in approximately 1,000 Loblaw stores across the country. Canadians were invited to purchase or bring in nutritious non-perishable food items and drop them into the donation bins in-store or to make a cash donation at the checkout counter or online. *Extra Helping* logos were featured on shelves to help shoppers quickly identify the most needed items. The logo was also featured on signs at store entrances, in-store displays, collection bins and at checkout to encourage cash donations.

The campaign significantly boosted food bank inventories, with food donations of 1.1 million pounds and cash donations of \$1.2 million. One hundred per cent of food donations and 70% of cash donations went to each store's local food bank, while 30% of cash donated was directed to provincial programs benefitting food banks. In addition, Loblaw made a corporate donation of \$250,000 to Food Banks Canada's National Food Sharing System.

**"Loblaw's *Extra Helping* campaign provides an exceptional opportunity for Canadians to support their local food banks and we are thankful for the investment made by Loblaw and its franchisees to address the issue of hunger across Canada."**

Katharine Schmidt  
Executive Director,  
Food Banks Canada



### Blue Menu Cereals

2009 was the year of great cereals. Our customers told us that they mixed granola cereal with our *Blue Menu* Bran Flakes and, in typical *PC* style, we made it easy by doing it for them in our new *Blue Menu* Fibre Plus Bran Cereal.

Our first protein-packed cereal was also introduced in 2009. *Blue Menu* On Track Cereal is a convenient way to get 13 grams of protein for breakfast. Convenience was also top of mind when the first *PC* frozen cereal offering was introduced. *Blue Menu* Steel Cut Oats Almond and Vanilla Flavour and Wild Blueberry Flavour are the perfect way to get steel cut oats in four minutes. All these were in addition to our great line-up of *Blue Menu* cereals including our best seller – *Blue Menu* Omega-3 Granola.

## Reflect Our Nation's Diversity



Canadians represent the world, originating from every corner of the globe. Loblaw recognizes this diversity as a source of national pride and strength. We strive to reflect this in the products we sell, the people we hire and the workplace culture we create.

### Our Priorities

- Reflect the diverse communities in which our stores are located, both in the products we sell and in our colleagues who serve our customers
- Create an inclusive, respectful work environment that values the range of perspectives, backgrounds, abilities, orientations and skills that our colleagues bring to the workplace



We Are Canadian  
[Launch Video](#)

### Our Stores

Loblaw works hard to meet the needs of all Canadians and has a strong record of introducing new and unique products that reflect our nation's evolving cultural mosaic. [Read more](#)

**2.2%**

increase in our multicultural product market share

Our Stores

Our People

### Our People

We firmly believe in the benefits that a diverse workforce can bring in helping us understand and respond to customer needs and in providing different perspectives and solutions to business challenges. [Read more](#)

**53.7%**

increase in women store managers

Our Stores

Our People



## Our Stores



Acquired T&T Supermarket Inc., Canada's

**largest**

Asian food retailer

Increased our ethnic offerings sales by

**2.2%**



Celebrated the diversity of our great country with our

**1000**

Tastes of Canada promotion



### Our Initiatives

*1000 Tastes of Canada*

Advancement of Women

Recruiting Diverse Talent

Loblaw works hard to meet the needs of all Canadians and has a strong record of introducing new and unique products that reflect our nation's evolving cultural mosaic.

Canada's most recent census reveals that immigrants are responsible for almost 70% of our population growth, and 75% of immigrants belong to a visible minority group. According to Statistics Canada's population projections, members of visible minority groups could account for roughly one-fifth of the total population by 2017 (2006 Statistics Canada census data). In line with our country's growing diversity, Loblaw stores and the assortment of products on our shelves are rapidly changing.

In 2009, we took a major step toward better serving the country's largest growing customer segment by acquiring T&T Supermarket Inc. (T&T), Canada's leading Asian food retailer. With 18 stores in British Columbia, Alberta and Ontario, T&T strives to provide Asian families with their favourite and familiar foods, while introducing the wide variety of Asian cuisine to Canada's multicultural society.

We also continued to expand our offering of imported products, increasing Loblaw's market share in this area by 2.2% in 2009. The goal is to offer the best authentic products from first-generation manufacturers so that new Canadians can find the tastes of home at their local store and older-generation Canadians can experience the authentic tastes of food from other parts of the world.

To make it easier to find the products people are looking for, we reorganized many of our stores. Once we understand the prevalence of ethnicities in a specific community, our product selection is tailored accordingly and items are stocked in dedicated aisles, with signage to promote them. We also promoted our multicultural offerings in local cultural newspapers, as well as in our first *Insider's Reports* published in Cantonese.

### Related Links

[We Are Canadian \(Video – 7MB\)](#)

**"Some of our customers have a nickname for us – The Asian Loblaws. Together with Loblaw, we will continue to celebrate our authenticity while maintaining and enhancing our customers' shopping experience. We look forward to continued growth and effectively serving Asian food to even more families across Canada."**

Cindy Lee  
CEO,  
T&T Supermarket Inc.



## Our People



### 53.7%

increase in women store managers  
from when we first started measuring  
our progress on this goal in 2008

### 34

of our most culturally diverse stores  
piloted an Inclusion Toolkit

We firmly believe in the benefits that a diverse workforce can bring in helping us understand customer needs and providing different perspectives and solutions to business challenges.

To spearhead our diversity efforts, we established the Inclusion Council, made up of senior leaders from across the organization. The Council is responsible for championing diversity, setting strategy and targets, and tracking progress. It is focused on three primary goals:

- Ensuring that our stores reflect the ethnicity of the communities in which they are located
- Increasing the percentage of women store managers to 25%
- Hiring more people with disabilities in stores and store support offices

To start, the Council pulled together census data on ethnicities in all of the Canadian communities in which Loblaw stores are located to establish the business case for diversity, identify our top ethnic stores and develop appropriate strategies.

They launched an easy-to-use Inclusion Toolkit in 2009 to help hiring managers and recruiters recruit, hire and onboard more diverse candidates. The toolkit includes advice and tools for recruiting through non-traditional methods, screening and interviewing objectively, and helping new employees get started at Loblaw. The toolkit was piloted at 34 of our most culturally diverse stores and in two store support departments and will be launched nationally in 2010.

To track progress, the Council created a diversity scorecard and will begin reporting to the Loblaw Management Board on a quarterly basis as of 2010.

### Our Initiatives

[1000 Tastes of Canada](#)  
[Advancement of Women](#)  
[Recruiting Diverse Talent](#)

### Related Links

[We Are Canadian](#) (Video – 7MB)

## Our Initiatives



### **1000 Tastes of Canada**

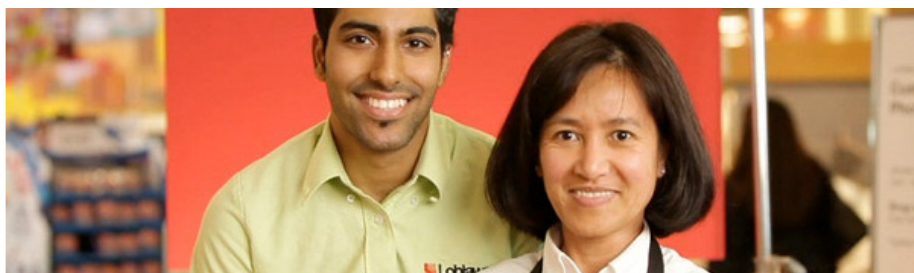
In 2009, Loblaw celebrated the diversity of our product line in our popular *President's Choice Summer Insider's Report* which featured more than 170 globally inspired tastes sold in our stores.

As part of the promotion, we hosted our *1000 Tastes of Canada* event to coincide with the 10-day Luminato arts festival. More than 1,000 white plates were posted to a wall where people were invited to share their favourite taste using permanent markers. In addition to offering free product samples, chefs from Loblaw cooking schools prepared platters of food from around the world, which were sold for \$5 apiece.



### **Advancement of Women**

Over the past two years, we have worked to increase the number of women in senior positions, primarily by promoting from within the organization. The most dramatic improvement has been among store managers. To date, we have achieved a 53.7% increase in women store managers from when we first started measuring progress in 2008. To improve on these numbers in 2010, we are launching a series of Women@Loblaw initiatives aimed at developing and connecting women leaders.



### **Recruiting Diverse Talent**

Loblaw recruiting has taken a giant step forward as we seek to increase the diversity of our workforce. Today, more and more of our stores reach out to their communities to hire as opposed to waiting for "walk in" applicants. They connect with neighbouring organizations to attract specific demographics, publish ads in local cultural newspapers and advertise within the store. In our store support offices, we have an initiative focused on hiring people with disabilities.

We also use the Web to expand our reach and recently implemented a new Applicant Tracking System (careers@Loblaw). Open jobs are also posted on websites, such as diversitycareers.ca which gives us visibility among a broad range of candidates including skilled immigrants/newcomers to Canada, visible minorities, women, aboriginals, persons with disabilities, mature workers and lesbian, gay, bisexual and transgendered people.



## Be a Great Place to Work



Loblaw colleagues are crucial to our success and represent our greatest strength. We work hard to meet their needs and show our appreciation for their contributions to our Company. We aim to build a culture of achievement where colleagues are empowered and supported to meet and exceed customer expectations.

### Our Priorities

- Build a culture that welcomes colleagues and encourages them to voice opinions, ask questions and contribute ideas that will make Loblaw more successful
- Maintain a safe workplace
- Give colleagues the training they need to do their job well and to serve customers the way they would want to be served
- Recognize and reward contributions

### Colleague Engagement

We recognize the importance to our business of engaging our colleagues and helping them reach their full potential. To this end, we have introduced processes such as our *Tell it as it is* colleague feedback survey, improved communications, launched a national service recognition program, and undertaken a series of programs aimed at retaining colleagues at store level.

[Read more](#)

**38%**

decline in total colleague turnover

Colleague Engagement

Health and Safety

Training and Development

### Health and Safety

We need and want our colleagues to be safe at work. We also believe that all workplace injuries can be prevented. We set a target of reducing workplace injuries by 50% from 2007 to 2012, and are implementing a multi-faceted, five-year safety improvement plan. [Read more](#)

**17%**

reduction in total accidents, resulting in 1,259 fewer colleagues being injured at work

Colleague Engagement

Health and Safety

Training and Development

### Training and Development

Loblaw has many on-the-job opportunities for colleagues to learn new skills and try different things. We also offer a variety of training programs to support colleagues at every stage of their career. [Read more](#)

**41,073**

store colleagues trained in Learning Stores

Colleague Engagement

Health and Safety

Training and Development



## Colleague Engagement



Named among Canada's

### Top 100

Employers for 2010, Greater Toronto's  
Top 90 Employers and the *Financial Post's*  
Ten Best Companies to Work For in 2010

### 38%

reduction in total  
colleague turnover

### 41,073

colleagues trained at our  
Learning Stores

### Our Initiatives

One of the Top 100 Canadian Employers  
[Tell It As It Is](#)

[Service Recognition Program](#)

[Health, Safety and Wellness Week](#)

[Loblaw Lowdown](#)

[National Kick-Off](#)

We recognize the importance to our business of engaging our colleagues and helping them reach their full potential. That is why we have introduced processes such as our *Tell it as it is* colleague feedback survey, improved communications, launched a national service recognition program and undertaken a series of programs aimed at retaining colleagues at store level, including:

- A national orientation program to ensure that every new colleague is properly welcomed into the organization and given the information and tools they need to settle in quickly. Following an initial orientation session on the first day of work, there are check-ins after the first week, the first month and the first three months.
- A buddy program, which partners each new colleague with a peer who can answer questions and help as needed.
- An upgraded job posting system that provides easy, online access to available positions throughout the Company. Many jobs are also advertised in our internal print newsletter in the regular *Loblaw Most Wanted* column.
- Enhanced training and development. [Learn more](#)
- A colleague referral program that rewards colleagues for referring a friend or family member who is subsequently hired by Loblaw. Depending on the position, the reward can vary from \$250 to \$2,000.

A small but important achievement is that Loblaw was named one of Canada's Top 100 Employers for 2010 in recognition of our efforts to attract and retain employees and create a great workplace environment.

## Health and Safety



**17%**

reduction in total accidents, resulting in 1,259 fewer colleagues being injured at work

**497**

fewer lost-time claims

**dock safety**

program launched

### Our Initiatives

[One of the Top 100 Canadian Employers](#)  
[Tell It As It Is](#)  
[Service Recognition Program](#)  
[Health, Safety and Wellness Week](#)  
[Loblaw Lowdown](#)  
[National Kick-Off](#)

We need and want our colleagues to be safe at work. We also believe that all workplace injuries can be prevented. To this end, we set a target of reducing workplace injuries by 50% from 2007 to 2012 and are implementing a multi-faceted, five-year safety improvement plan.

The plan introduces consistent health and safety management systems, annual objectives, improved accident reporting and analysis, clearly defined safe operating procedures for key tasks, targeted safety training and accident prevention programs and shared leadership. The focus is initially on compliance and prevention and will eventually shift to broader industry leadership.

Three years into the improvement plan, Loblaw has already achieved a 36% reduction in total accidents. In 2009 alone, total accidents were reduced by 17%, meaning that 1,259 fewer colleagues were injured at work. Lost-time accidents, which cause a colleague to miss his or her next shift, also decreased by 17%, resulting in 497 fewer lost-time claims.

Key elements of our 2009 safety plan were:

- The launch of a national health, safety and wellness management system, with consistent policies and procedures for all locations
- Ongoing implementation of the Intensive Care Action Plan, which rates stores and distribution centres on key accident statistics and focuses specific action on those requiring "intensive care"
- The introduction of ergonomic committees at all distribution centres, whose focus is on strains and sprains
- The launch of a dock safety program
- Our first health, safety and wellness week designed to promote health, safety and wellness among colleagues and customers

## Training and Development



**41,073**

colleagues trained at  
our Learning Stores

**17,060**

e-learning courses were  
completed by colleagues on our  
Loblaw Virtual Learning Centre

**191**

colleagues recruited through  
the grad@Loblaw program

### Our Initiatives

[One of the Top 100 Canadian Employers](#)  
[Tell It As It Is](#)

[Service Recognition Program](#)  
[Health, Safety and Wellness Week](#)  
[Loblaw Lowdown](#)  
[National Kick-Off](#)

Loblaw has many on-the-job opportunities for colleagues to learn new skills and try different things. We also offer a variety of training programs to support colleagues at every stage of their career.

In 2009, we launched grad@Loblaw, an 18-month paid program for recently graduated university and college students, including those who might already be working at a Loblaw location. Under the program, colleagues are hired as full-time salaried staff right from the start. They rotate through various roles, spending a few months working in a store, followed by time in our central merchandising operation and in their destination department, before settling into their regular job.

We committed to hiring 1,000 graduates into the program from 2009-2013 in an effort to build future talent. The first group of graduates started in April 2009 and a second group joined us in January 2010. For these first two intake phases, we received well over 8,000 applications, ultimately selecting 191 candidates.

We also continued to build on the momentum of our Learning Stores, training 41,073 colleagues in 2009. Learning Stores are fully equipped store models that act as training hubs for learning new skills and helping people excel in a changing environment. We operate 14 Learning Stores where colleagues are trained in all store departments and progress through bronze, silver and gold levels of certification.

As well, 29,473 colleagues attended instructor-led courses offered through our Learning and Training department and there were 17,060 e-learning courses completed through the Loblaw Virtual Learning Centre.



## Our Initiatives



### One of the Top 100 Canadian Employers

Loblaw was proud to be named one of Canada's Top 100 Employers for 2010 in recognition of our efforts to create a great workplace environment over the past few years.

Canada's Top 100 Employers is an annual competition to determine which employers lead their industries in offering top workplaces. Organizations are evaluated on criteria such as physical workplace, work atmosphere, benefits, vacation and time off, employee communications, training and skills development, performance management, and community involvement. Employers are compared to other organizations in their field to determine which offers the most progressive and forward-thinking programs.

Among the initiatives that earned Loblaw its place on the list were its action-oriented colleague engagement surveys, diversity focus, environmental leadership, colleague discounts on food and non-food items at corporate stores, formal training and educational support programs for new and existing colleagues, and a robust set of tools to communicate with colleagues across the country.

This was the first time that we entered this national competition and it gave us encouragement that we are on the right track to becoming a great place to work.

For more information, please visit [Canada's Top 100](#) website or the [Eluta website](#) for Loblaw specifics.



### Tell It As It Is

Our *Tell it as it is* survey gives colleagues the opportunity to provide confidential feedback on the Company, their managers and their jobs. Among notable 2009 results, a question about the quality of facilities saw a 6% improvement in stores and a 4% improvement in distribution centres, which we believe was due to our work on sprucing up lunchrooms and washrooms and purchasing more equipment to help colleagues on the job. We also saw a 3 percentage point improvement in answers to questions about the Company's vision for the future.



#### Service Recognition Program

In 2009, we launched a national service recognition program to celebrate colleague service milestones in a meaningful and timely way. As part of the program, colleagues who have worked at Loblaws for 10 years or more are given a day off with pay on each of their service anniversaries. At their 25-, 30-, 40-, 50- and 60-year anniversaries, colleagues also receive a lapel pin and a special gift, which are presented by their manager or a senior leadership team member.



#### Health, Safety and Wellness Week

Loblaws' first national Health, Safety and Wellness (HS&W) Week kicked off in May 2009 with the theme, "Accident Free, It starts with me." We wanted to promote HS&W among colleagues and customers, launch new tools, and achieve an accident-free week at all Loblaws facilities. Events included accident-free buttons worn by all colleagues, safety observations conducted by designated leaders and one-minute safety talks at the start of each communication huddle.



#### Loblaws Lowdown

We introduced a brand new colleague newsletter called *Loblaws Lowdown*. Issued seven times a year, the newsletter is sent to all our corporate stores and is available by e-mail subscription. *Loblaws Lowdown* tells colleagues what they may not hear in other corporate newsletters in a fun and casual way. It includes columns such as the *Soapbox*, which gives colleagues an opportunity to share concerns and recommendations about Loblaws and receive a response from the business. *Bragging Rights* tells others about the great things for which colleagues or stores have been recognized. *For the love of it* captures the innovative things colleagues are doing to improve their stores and communities.



#### **National Kick-Off**

In 2009, Loblaw brought close to 1,200 employees (including all corporate store managers, specialists, key office staff and executives) from across the country to one location to learn about our annual plan and priorities, experience new programs and products, and network with vendors. We also held an awards gala to recognize our best stores and business units. The 2009 National Kick-Off, themed around "It starts with me," helped participants realize that, regardless of their position in the organization, they all play an important role in helping Loblaw meet customer expectations and executing our plan.

## **Contact Us**

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