



2021
**Environmental,
Social and
Governance
Report**

Loblaws
Companies
Limited

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As Canada’s food and pharmacy leader, we play an important role in bringing about positive environmental and social change – both nationally and in the communities we serve. We aspire to lead this change where it matters most, and we are proud to share with our stakeholders the actions we are taking to address some of the pressing challenges facing Canadians and our business.

In this, our 15th annual report, we provide both a retrospective look at our efforts to date and introduce new goals for the years to come, keeping us accountable and focused on the issues that matter most to our company and our stakeholders. This includes determining sustainable solutions to material environmental, social and governance (ESG) risks and opportunities, establishing measurable targets, and ensuring transparent disclosure, proactive stakeholder engagement and robust governance practices.

Reading and understanding this report

This report covers Loblaw Companies Limited’s 2021 fiscal year, January 2, 2021 to January 1, 2022. Unless otherwise noted, data included in this report relates to this time period.

Our reporting and data measurement methods are consistent with those used in the 2020 CSR report, and only cover our corporate operations, which include our corporate-owned retail stores, distribution centres and offices. Where appropriate, we have also indicated the inclusion of franchisees and third-party specifics relating to Shoppers Drug Mart/ Pharmaprix associate owners.

Loblaw Companies Limited and its subsidiaries own a number of trademarks. These trademarks are the exclusive property of Loblaw Companies Limited or one of its subsidiaries.

Unless otherwise noted, all monetary figures in this report are presented in Canadian dollars.

This report is aligned with, and references select disclosures from the GRI Standards 2016, as well as the Sustainability Accounting Standards Board Drug Retailers Standard, Food Retailers Standard, Consumer Finance Standard, and Apparel Accessories and Footwear Standard. Please review the Appendix for further details.

For more information

For related inquiries, please contact us at esg@loblaw.ca.

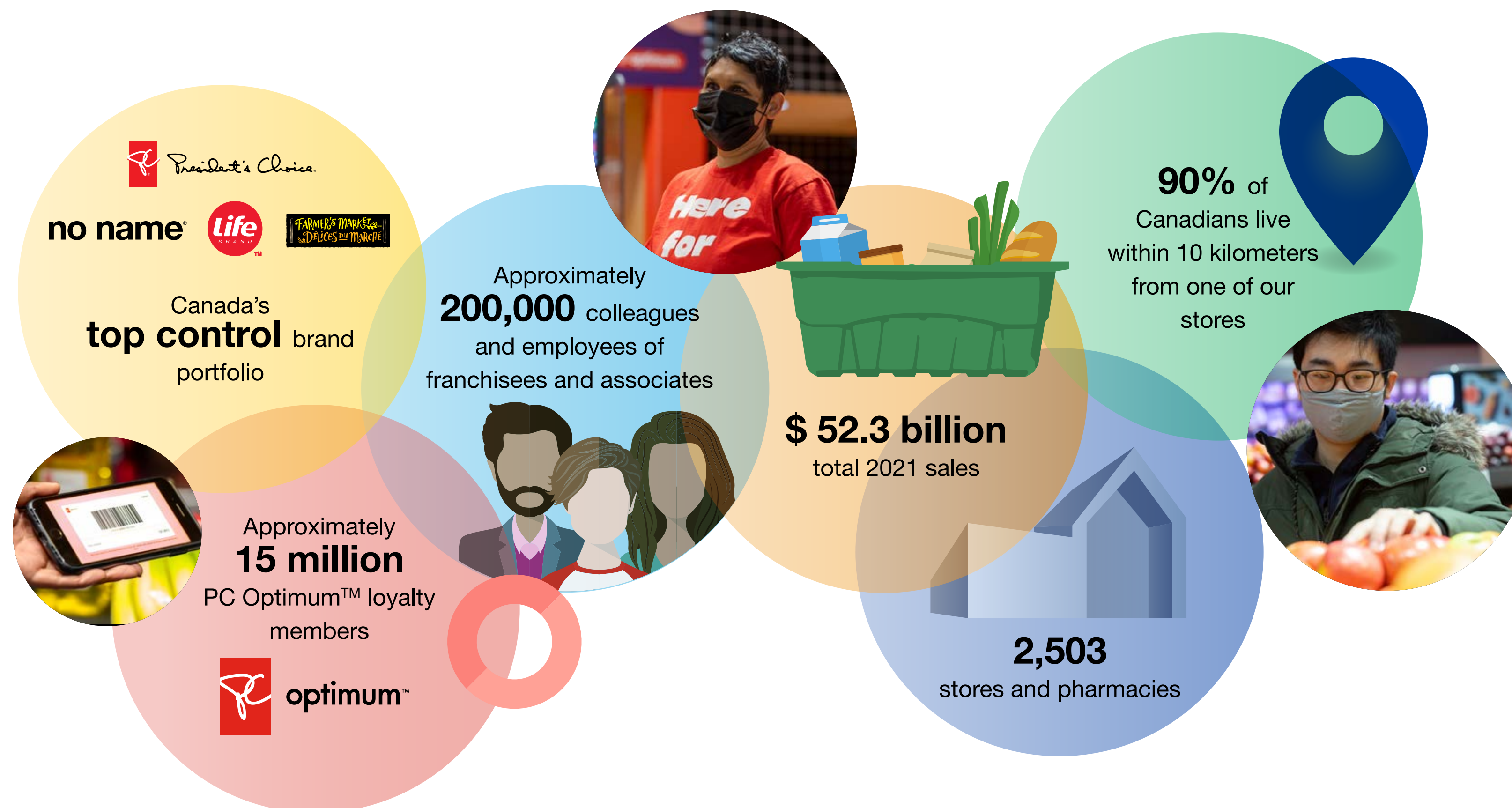
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About Loblaw

Loblaw is Canada's food and pharmacy leader, and the nation's largest retailer. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services and wireless mobile products and services. With more than 2,500 corporate, franchised and Associate-owned locations, Loblaw, its franchisees and Associate-owners employ approximately 200,000 full- and part-time employees, making it one of Canada's largest private sector employers.

Loblaw's purpose – Live Life Well® – is focused on the needs and well-being of Canadians who have millions of interactions with our business every year. Loblaw is positioned to meet those needs in many ways: convenient locations, more than 1,000 grocery stores that span the value spectrum from discount to specialty, full-service pharmacies at nearly 1,350 Shoppers Drug Mart® and Pharmaprix® locations and close to 450 Loblaw locations, PC Financial® services, affordable Joe Fresh® fashion and family apparel, and four of Canada's top-consumer brands in Life Brand®, Farmer's Market™, no name® and President's Choice®.



Message from the President and Chairman

We believe Loblaw has a responsibility to make a positive impact on the communities we serve. That view is central to our company's purpose: helping Canadians live life well.

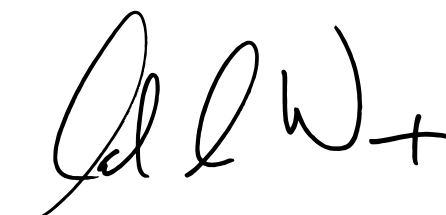
This starting point brings elevated focus to the many Environmental, Social and Governance (ESG) priorities outlined in our 2021 ESG Report. While we have many specific and measurable ESG-related objectives, there are two areas of opportunity where we believe our company can deliver an outsized impact: *fighting climate change and advancing social equity*.

Fighting climate change is the most pressing challenge we face – as a business, community, and planet. So, we've taken a leading role. In 2021, our stores sent less food waste to landfill, we helped create global packaging rules to tackle the plastic waste challenge alongside the world's biggest brands, and we made meaningful progress toward a new and more ambitious objective: to achieve net-zero emissions for our enterprise footprint by 2040.

Like climate change, the effects of social exclusion are also increasingly evident. That is why we have several priorities to help **advance social equity** as part of our aspiration to become one of the country's most inclusive workplaces with improved leadership representation. In 2021, we exceeded representation goals for women in management roles years early, and initiated training across our entire workforce to embed the importance of inclusion and being an ally. We have a strong foundation to build from, but it will not be an easy journey.

We have always supported our communities, and we are increasingly focused on the important role of healthy women and children as building blocks for a healthy society. In 2021, our LOVE YOU by Shoppers Drug Mart, President's Choice Children's Charity (PCCC), and community investment activities raised and donated a record \$96 million to thousands of organizations. We are increasing funding for women's access to care and have established a new goal for PCCC: Feeding one million children annually by 2025.

Our leaders and colleagues are passionate about making a meaningful impact. In the pages ahead, you will see how we're thinking about our ambitious goals and the hard work ahead. In it you will find progressive commitments and greater transparency, guided by best-practice ESG disclosure frameworks. Most of all, we hope you'll find this report to be an engaging and instructive part of our ongoing conversation with stakeholders.



Galen G. Weston



Leading with purpose: Helping Canadians *Live Life Well*

Our approach to Sustainability and Social Impact

We are driven by our purpose and goal of creating long-term value for our business and communities. Our approach to addressing ESG issues is focused on two priorities where we can make the biggest impact.

Fighting Climate Change

As an industry leader on environmental action for decades, we are building on our success with a new emphasis on reducing our greenhouse gas (GHG) emissions and eliminating waste from our business, through these and other actions:

- Achieve net-zero by 2040 for our enterprise Scope 1 and Scope 2 emissions, and Scope 3 by 2050.
- Adopt a science-based approach to reducing emissions across our operations by 50% by 2030.
- By 2030 we will operate a zero-emissions fleet.
- Reduce plastic waste by making all control-brand and in-store packaging recyclable or reusable by 2025.
- Send zero food to landfill by 2030, and over the next 24 months achieve measurable food waste reductions in every one of our stores.

Advancing Social Equity

Our responsibility to make a positive impact extends beyond our workforce and into the communities we serve. We will build inclusive and prosperous communities, that starts with better leadership representation, supporting an inclusive mindset, and a continued focus on growing our support for the health of children and women. Our activities will include the following:

- Achieve representation goals for management, executives and our Board of Directors by the end of 2024.
- Create a ripple effect of inclusion and empathy in our communities by deploying an inclusion training program to our workforce of approximately 200,000 Canadians by the end of 2024.
- Support President's Choice Children's Charity (PCCC), Canada's top non-government provider of in-school kids' nutrition programs, as it seeks to raise \$150 million by 2027 and feed one million children a year by 2025.
- Help feed more individuals and families in need through food bank and food recovery programs nationally and store-level partnerships.
- Support the LOVE YOU by Shoppers Drug Mart™ program's efforts to help women stay healthy and safe. It will support access to care for their mind and body, by contributing \$50 million over the next five years to community-based efforts and partners.



Materiality

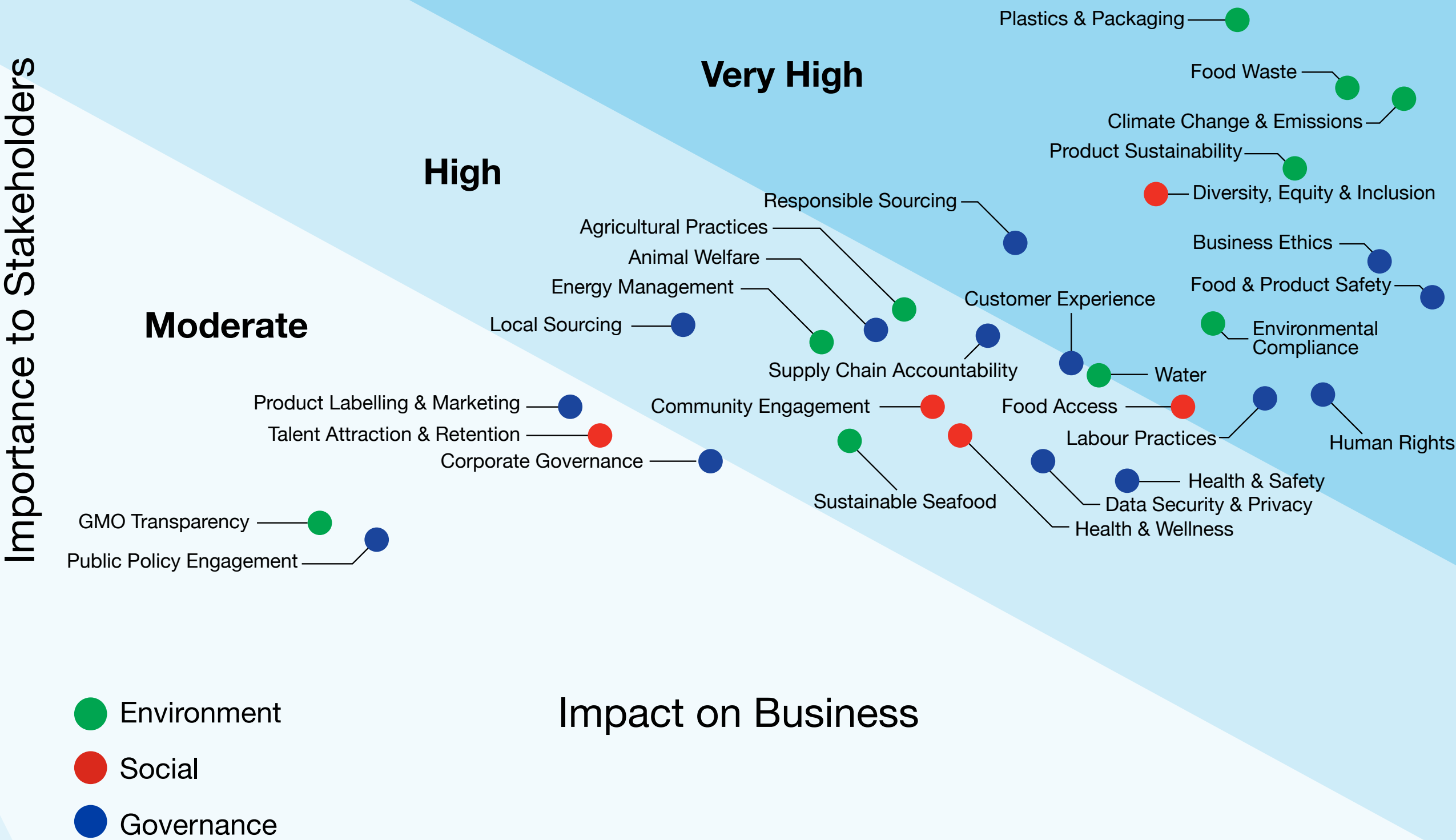
In 2022 we conducted a materiality assessment in line with the Global Reporting Initiative (GRI) Standards, to determine which issues have the greatest impact on our business and importance to our stakeholders. We engaged a third-party consultant to deploy a survey to over 600 internal and external stakeholders, including employees, suppliers, government, academia, NGOs and investors, measuring the importance, relevance, impact and perception of selected ESG issues. It also considered elements such as familiarity with our existing sustainability practices and the evolution of sustainability issues over time. Recognizing the increasing impact that investors have on sustainability agendas, we also conducted targeted interviews with this stakeholder group to understand the financial sector’s most material topics of concern.

Contributing to the SDGs

We recognize the importance of the United Nations (UN) 2030 Agenda for Sustainable Development, and the UN’s ambition to rally the global community to take necessary action to bring about inclusive, equitable and sustainable development for people and the planet through a focus on 17 [Sustainable Development Goals](#) (SDGs). Our company purpose and efforts align with many of the SDGs.



This materiality assessment reflects the input of a broad range of stakeholders and may not match the risk assessments of company management.





Stakeholder Engagement

We have a large and diverse set of stakeholders, and their input is critical to our success. We engage them regularly over the course of normal business, and for our ESG report. They support our efforts by contributing to our materiality assessment and help inform our decision-making processes.

Our stakeholders are defined as those impacted by our business operations, our business partners and key individuals and organizations interested in engaging on how we can do better.

Stakeholders	Engagement Channels	Points of Interest
Customers and communities	<ul style="list-style-type: none"> In-store customer experiences and at our service counters Customer service departments across various business divisions Consumer surveys and focus groups Receipt-to-online customer satisfaction surveys Social media monitoring and engagement 	<ul style="list-style-type: none"> Waste Reduction (Packaging & Food) Climate change & emissions Fair wages for workers Animal Welfare Renewable Energy Philanthropy Disaster Relief
Colleagues, employees, franchisees, associates and labour unions	<ul style="list-style-type: none"> Annual “Tell It As It Is” colleague engagement surveys Intranet and colleague resource groups Direct emails to senior leaders and executives Scheduled meetings and negotiations with labour unions 	<ul style="list-style-type: none"> Climate Change & Emissions Diversity, Equity & Inclusion Food & Product Safety Human Rights Community Engagement Customer Experience Data Security & Privacy Human Rights
Vendors and suppliers	<ul style="list-style-type: none"> Direct engagements and meetings Vendor portal Communications with category leads Supply Chain Compliance department Integrity Action Line 	<ul style="list-style-type: none"> Food & Product Safety Business Ethics Climate Change & Emissions Human Rights Customer Experience Labour Practices
Shareholders and investor groups	<ul style="list-style-type: none"> Direct investor engagements and meetings Investor conferences Annual General Meeting and quarterly earnings calls Investor questionnaires and surveys Investor Relations inbox (investor@loblaw.ca) 	<ul style="list-style-type: none"> Climate Change & Emissions Agricultural Practices Corporate Governance Human Rights Labour Practices Supplier Engagement Supply Chain Accountability Water
Charities, NGOs and activists	<ul style="list-style-type: none"> Public Relations, Government Relations and Sustainability and Social Impact departments (either direct contact with subject matter experts or via department inboxes, including esg@loblaw.ca and pr@loblaw.ca) Community dialogues Philanthropic activities Interactions through community partnerships and volunteerism Participation in conferences, forums and webinars Industry consultation and committees via trade associations 	<ul style="list-style-type: none"> Climate Change & Emissions Human Rights Labour Practices Product Sustainability Supply Chain Accountability Sustainable Seafood

Performance Against Our Targets

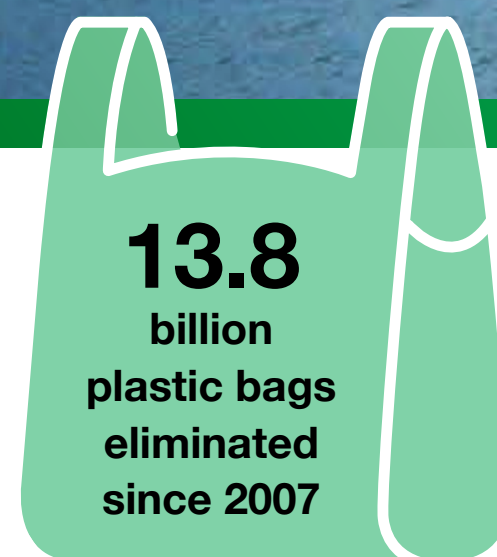
On the issues that matter most to our stakeholders and our business, we establish and pursue targets. These are the initiatives where we can have the most meaningful impact. We review these areas and the prospect of future commitments regularly, through materiality analysis and other inputs.

Targets	2019	2020	2021	Target Year	Alignment to ESG
Reduce our operational corporate carbon footprint by 50% by 2030, against a 2011 baseline.	Announced	In progress. The company reported carbon emission reductions of 30.9% relative to baseline.	Retired	2030	E
Reduce our enterprise-wide operational carbon footprint by 50% by 2030, against a 2020 baseline.	-	-	New	2030	E
Achieve net-zero emissions for Scope 1 & Scope 2 by 2040.	-	-	New	2040	E
Achieve net-zero emissions for Scope 3 by 2050.	-	-	New	2050	E
Reduce food waste by 50% in our corporate retail operations by 2025, against a 2016 baseline.	In Progress	Target Achieved	Retired	2025	E
Zero food waste to landfill by 2030.	-	-	New	2030	E
Reduce food waste in every one of our stores – corporate and franchise – over the next 24 months.	-	-	New	2024	E
Enhance our food waste reduction efforts by enlisting 20 suppliers in 2021 who will commit to halving their food waste by 2030.	-	Announced	Target not achieved but remains in progress. More information in Food Waste section	2021	E
Ensure all PC® plastic packaging is either reusable or recyclable by 2025.	Announced	In progress	Target in progress. More information in Plastics section	2025	E
Invest \$1 million in plastics research and community cleanups by 2025.	Announced	In progress. To date, \$353,000 invested in plastics research and community cleanups.	Target achieved. To date, \$1,188,465 invested. More information in Plastics section.	2025	E
Pilot the implementation of reusable packaging options for cleaning supplies in select Quebec stores in 2021.	-	Announced	Target achieved. More information in Plastics section	2021	E

Targets	2019	2020	2021	Target Year	Alignment to ESG
Transition to phenol-free receipt paper across all divisions by year-end 2021.	Announced	Target in progress.	Target achieved. More information in Chemical Management section	2021	E
Transition all President's Choice®, no name® and PC® Organics whole bean and ground coffees to recyclable packaging by year-end 2022.	-	Announced	Target in progress. More information in Plastics section	2022	E
Convert 100% of Joe Fresh® cotton-rich direct programs to sustainable cotton by 2025.	-	-	New	2025	E
Convert at least 20M of Joe Fresh® disposable plastic hangers used on Children/ Adults' Apparel to Reusable Hangers	-	-	New	2023	E
Loblaw Companies Limited to raise and donate \$150 million by 2027 to support President's Choice Children's Charity's mission to tackle childhood hunger in Canada.	\$29 million activated since announcing the target.	\$48 million activated since announcing the target.	Target in progress. \$66 million activated since announcing the target. See page 26 for more information	2027	S
President's Choice Children's Charity to feed one million kids annually by 2025.	-	-	New	2025	S
Maintain 40% representation of women on our board of directors, and achieve 40% representation of women in executive positions and 43% representation of women in management positions, in 2024.	Announced	In progress.	Target partially achieved in 2021. More information in the Diversity, Equity and Inclusion section.	2024	S
Achieve 25% representation of members of visible minorities on our board of directors, 25% representation of members of visible minorities in executive positions, and 30% representation of members of visible minorities in management positions, in 2024.	-	Announced	Target in progress. More information in the Diversity, Equity and Inclusion section.	2024	S
Expand factory disclosure to include licensees where we are the importer of record in 2021.	-	Announced	Target achieved. More information in the Supply Chain Accountability section.	2021	G
Increase our Canadian-grown purchases by \$150 million by 2025, by shifting from imported to local sources.	In progress	In progress	Target in progress. More information in the Responsible Sourcing section.	2025	G



Environment



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Climate Action

Climate change is one of the greatest challenges of our time. Through our operations and supply chain, we have a significant impact on the environment. We recognize our responsibility in the fight against climate change, and we are committed to being a part of the solution. Reducing emissions within our business is a longstanding priority. As we look ahead, we understand that tackling Scope 3 emissions – like those generated by our suppliers – will be critical to retailers.



Achieving Net Zero

In 2011 we began to track the carbon footprint of our corporate stores and operations. In 2016, we committed to a 30% reduction by 2030 from a 2011 baseline. Through advancements in energy management, equipment conversions and reducing refrigerant leaks, we met our 2030 goal in 2020, ten years early. Some of the related programs, innovations and investments we attribute our success to are illustrated on the next page.

In 2021, we set our ambitions higher, with a phased approach to reach net-zero emissions across our full enterprise – including corporate and franchised stores – and aligned with the Science Based Target Initiative (SBTi) and the Paris Agreement, limiting global temperature rise to 1.5 degrees Celsius. We will achieve the following:

- Reduce our enterprise-wide operational footprint 50% by 2030 from a 2020 baseline,
- Achieve net-zero by 2040 for Loblaw's Scope 1 and Scope 2 emissions, and Scope 3 by 2050.

Building climate resilience

In 2019 we worked with expert consultants to conduct our first scenario-based climate risk assessment to understand our exposure – guided by the Task Force on Climate-Related Financial Disclosures (TCFD). In 2021, we extended our TCFD assessment to further identify and validate physical and transition risks material to our business.

Based on scientific research and comprehensive climate data, this assessment will evaluate Loblaw’s risk profile across multiple climate scenarios over a 2030 and 2050 time horizon. Analysis accounts for key risks, sector market trends, and benchmarking against industry peers’ activities and disclosure. We have conducted qualitative analysis, including research, peer review, stakeholder interviews, business data analysis, and risk ranking based on Loblaw’s enterprise risk management framework.

Quantitative analysis and climate modeling is ongoing and will evaluate key risks and opportunities related to climate change. Ultimately, this will guide our strategic planning and capital allocation processes across the company.

Climate change is acknowledged as an emerging risk with the potential to impact or alter current business conditions or practices. This includes the potential impact of jurisdictional policies or financial mechanisms, like taxes, designed to reduce emissions, or the impact of global climate change on sourcing or supply chains. Failure to adhere or adapt to these dynamics poses various risks. Climate change is assessed in the company’s annual enterprise risk management (ERM) review, with oversight by the board’s Risk and Compliance Committee.

We report through the CDP Climate Change questionnaire annually and have steadily improved our performance since 2018. In 2021 we started to report through the CDP Forests questionnaire to measure and manage forest-related risks, opportunities and transparently report on progress.



Corporate Greenhouse Gas Emissions

GHG Emissions (measured in tonnes of CO ₂ e)	2021 ¹	2020	2019	2018	2017	2016	2011 (baseline)
Scope 1 – Fleet and building fuel consumptions, refrigerant releases, and corporate travel	402,911	458,619	460,458	481,631	494,370	497,134	432,809
Scope 2 - Electricity	262,928	262,783	268,331	287,274	302,565	335,518	502,137
Scope 3 – Waste and corporate travel	97,820	75,213	81,877	83,539	103,557	112,469	218,596
Total	763,659	796,615	810,666	852,444	900,492	945,121	1,153,542
Reduction as a % compared to prior year	4.1%	1.7%	4.9%	5.3%	4.7%	18.1%	-
Reduction % against baseline year	33.8%	30.9%	29.7%	26.1%	21.9%	18.1%	-
Reduction % against baseline compared to prior year	2.9%	1.2%	3.6%	4.2%	3.9%	18.1%	-

¹ T&T Supermarkets data has been included for the first time in 2020.

- Data does not include Shoppers Drug Mart/Pharmaprix and franchised grocery stores.
- Emissions are calculated by The Delphi Group and follow the Greenhouse Gas Reporting Protocol.
- The above GHG inventory table accounts for changes in emission factors as defined by the National Inventory Report, resulting in fluctuations in our emissions.

Over the last decade, we have introduced many programs in our corporate grocery stores that have both reduced their carbon intensity and environmental impacts. The programs described below can be found in many of our grocery stores.

Doors on refrigerated cases

We have replaced open refrigerated cases in many of our dairy, meat, deli and produce departments with door cases that reduce the electricity consumption of our refrigeration systems.

Electronic shelf labels

Since 2019, we’ve introduced electronic shelf labels in hundreds of stores, improving both the colleague and customer experience, as well as helping reduce paper/plastic-based shelf labels.

Phenol-free receipt paper

Phenol-free receipt paper is provided for use at front-end checkouts.

Refrigerant conversions

We have continued to reduce our reliance on high global warming potential (GWP) refrigerants. In new grocery stores, our refrigeration systems only use carbon dioxide as a refrigerant, and in existing stores, we are converting our systems to use a lower GWP refrigerant.

LED parking lot lighting

We have upgraded many of our parking lot lighting systems to LED pole heads, which helps reduce electricity consumption.

Centralized energy management systems

We have centralized building energy management systems installed in all our grocery stores. The systems provide real-time information about refrigerated case temperatures and refrigeration system performance to ensure optimized performance.

Trimmings and used cooking oil

Meat trimmings and used cooking oil are processed into biodiesel and other nutritional ingredients are processed into animal feed or used for industrial processes.

Transport

We have installed electric standby refrigeration units on many of our trailers, reducing their use of fossil fuels while parked at our distribution centres.

Food donations

Food fit for human consumption is donated to food banks and food recovery agencies.

Cardboard and plastic recycling

Used cardboard and plastic material is collected and sent to recycling facilities.

LED ambient lighting

We have upgraded many of our store ambient lighting systems to LED lamps, helping to reduce electricity consumption.

Bakery waste

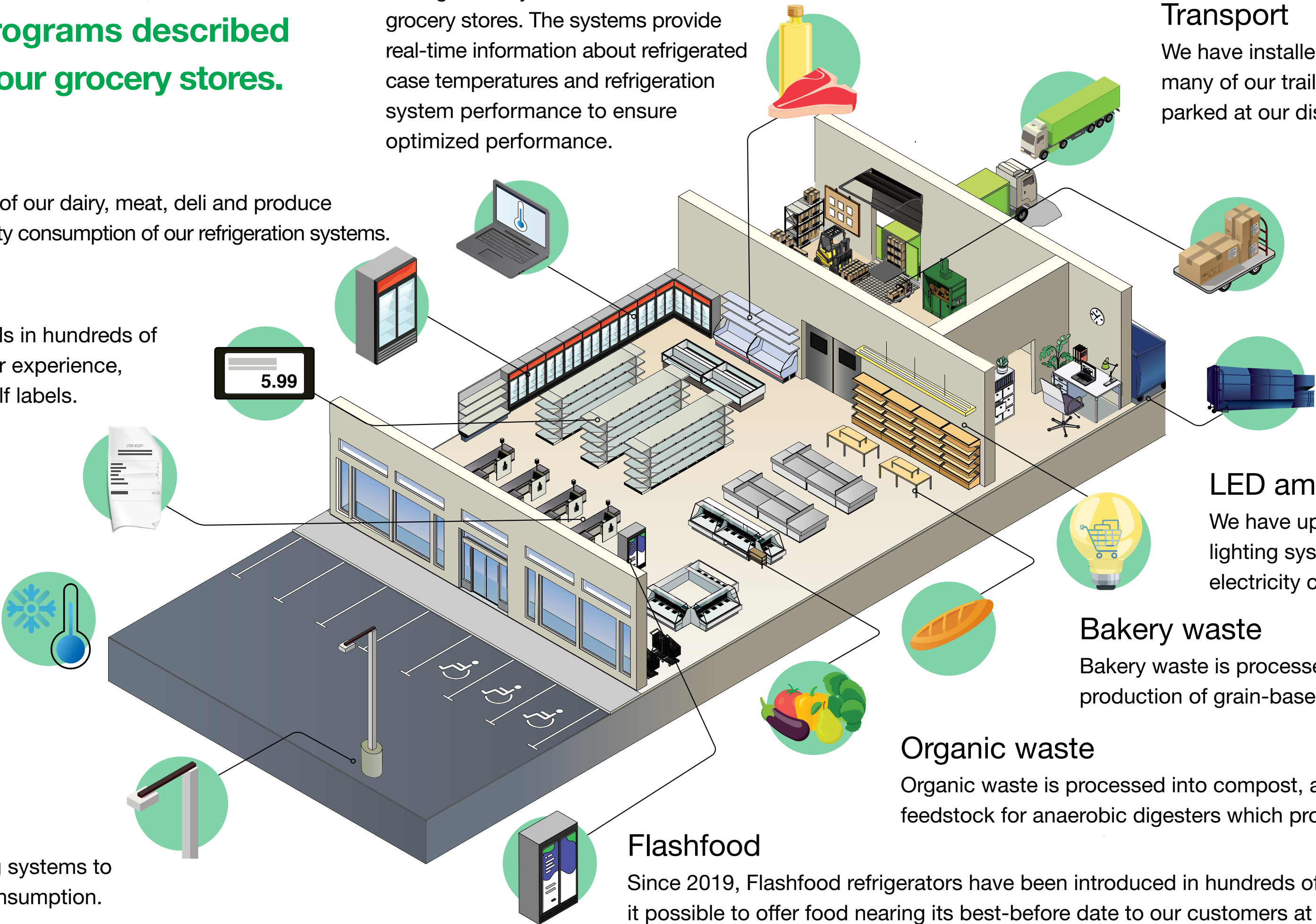
Bakery waste is processed to support the production of grain-based animal feed.

Organic waste

Organic waste is processed into compost, animal feed or as a feedstock for anaerobic digesters which produce energy.

Flashfood

Since 2019, Flashfood refrigerators have been introduced in hundreds of grocery stores, making it possible to offer food nearing its best-before date to our customers at a discounted price.



Plastics

The impact of plastic packaging waste has been a growing concern for our business and our customers. Our industry is a major contributor to the problem, and we must be part of the solution. We are working to create and drive systemic change to stem the tide of plastic waste and support a circular economy that keeps packaging materials out of landfill and nature.

At Loblaw, we are reducing and eliminating excess or problematic plastics wherever we can. Central to this effort is our 2019 commitment to make all control-brand plastic packaging reusable or recyclable by 2025. We are pleased with our progress and the growing efforts of our Loblaw Plastic Waste Steering Committee, which has identified and explored more than 100 different plastics initiatives – eliminating what we can, better managing what we use, and investing in research and community clean-ups. We are members of the Consumer Goods Forum’s global Plastic Waste Coalition of Action, where our President and Chairman, Galen Weston, is an executive co-sponsor. Through the coalition, we have helped create global principles and practices – like the Golden Design Rules for packaging design, principles for optimal recycling systems, and roadmaps for innovation. We have helped bring this global momentum to Canada in partnership with national and international companies. Our vendor partners are critical to our plastic reduction efforts. Together, we are changing packaging, testing solutions, and building and funding recycling systems for the decades ahead.

Canada Plastics Pact

In 2020, we helped create and became a founding member of the Canada Plastics Pact, part of the Ellen MacArthur Foundation’s Global Plastics Pact network. Coalition partners share the vision of changing from a linear take-make-waste system to a more circular plastic packaging economy. The goal is to improve landfill diversion rates, while increasing the quality and quantity of recycled material. The pact brings together government, big retail and consumer brands, resin makers, recyclers and experts up and down the value chain, to make better packaging decisions that support a circular economy.



Golden Design Rules

The Golden Design Rules were launched globally in 2021, setting standards for packaging design to eliminate problematic elements. Late last year, we communicated with our hundreds of control-brand vendors, outlining our new Loblaw packaging standards and highlighting the global rules. By year end, 732 of our vendors registered for Packaging Association of Canada training. These efforts will continue in 2022.

Additional Plastic Initiatives

Full Extended Producer Responsibility

We are one of Canada’s largest producers of packaging. Increasingly, producers like Loblaw are being asked by provincial governments to fund the full cost of recycling systems. We are committed to this approach, called “full extended producer responsibility”. Combined with smarter packaging design, it has the potential to improve recycling outcomes for plastics and other materials.



Ecoborne™ pilot

In 2021, we conducted an in-store pilot across 14 stores in Quebec, providing customers with the option to purchase cleaning supplies in reusable packaging. This resulted in more than five thousand refills.



Hangers

Our Joe Fresh® apparel division has been exploring ways to reduce plastics. In 2019, it began to reduce plastic hangers, eliminating 8.2 million in 2021. Building on this success, the division will convert 20 million hangers from disposable plastic to reusable FSC certified wood by 2023.



Plastic bags, straws and stir sticks

Since 2007, we have incentivized customers to reduce the use of more than 13.8 billion plastic bags, with our pay-for-bag program. Partial proceeds from the sale of bags continue to fund WWF-Canada projects, including the [Great Canadian Shoreline Cleanup](#) and native plants program like in [The Zone](#). Loblaw has discontinued ordering plastic straws and stir sticks for use at takeout counters across our corporate store network.



Loop

Loblaw and Loop by Terracycle partnered to bring a new model of packaging re-use to Canada. This reusable container program was piloted through most of 2021, with Loblaw as the first Canadian retail partner. The project provided an online portal and offered 15 President’s Choice® products for customers who value re-use options.



Research

It is critical to understand the full environmental impact of microplastics and microfibres – and we have partnered to support leading research organizations. [Ocean Wise](#) is a global, ocean conservation organization that addresses overfishing, ocean pollution and climate change. The [Ocean Wise Plastic Lab](#) delivers solution-oriented insights into how microfibres are generated and transferred to waterways. The University of Toronto’s pELAsTic Project is a long-term study into the effects of microplastics in freshwater ecosystems, carried out at the world-renowned [International Institute for Sustainable Development’s Experimental Lakes Area](#) (IISD-ELA).

Food Waste

Food waste is an environmental, social and economic problem. In Canada, an estimated 35.5 million tonnes of food produced is lost or wasted each year with an economic impact greater than \$49 billion CAD. Globally, it is estimated that these numbers scale to 1.3 billion tonnes and nearly \$1 trillion USD respectively. Although some degree of waste is unavoidable, a significant part of it is unnecessary and unacceptable.

Loblaw 2021 Food Loss and Waste Destinations	Volume (MT)
Redistribution of food surplus	2,064
Feeding animals	17,203
Bio-based materials / biochemical processing	3,883
Anaerobic digestion	34,295
Composting / aerobic processes	343

Note: For details on our food waste generation, please see the SASB - Food Retailers section.

Zero Food to Landfill

In 2018, we set an initial commitment to reduce food waste to landfill across our corporate operations by 50% by 2025 from a 2016 baseline – a goal we surpassed in 2020, five years ahead of plan.

With so much more to be done, we set a new ambition in 2021. First, we are extending our commitments to our full enterprise, including franchise store operations and our supply chain. Second, each of our stores, corporate or independent, will achieve food waste reductions by year-end 2023; and third, we have set a new goal: zero food to landfill by 2030. As we go, we will continue to seek and initiate innovative solutions to the problem of avoidable waste.



Loblaw’s 10x20x30 Initiative Partners:

In 2020, Loblaw joined the Consumer Goods Forum’s global Food Waste Coalition of Action. A key effort of the coalition is the 10x20x30 program, which encourages members to recruit their suppliers to sign on for the UN SDG Target 12.3 to halve global food waste by 2030. In 2021, Loblaw began outreach to Canadian suppliers, encouraging their participation. Recruitment continues and, by year end, the following 12 Loblaw suppliers had signed on to the effort:

- Agropur
- Algoma Orchards
- Arla Foods
- Danone Canada
- General Assembly Pizza
- Kellogg Company
- Kraft Heinz
- Maple Leaf Foods
- Mucci Farms
- Nature’s Touch
- The Star Group
- TreeHouse Foods

Store and supply chain efficiencies

In the grocery business, customers expect products to be in stock and plentiful. That means ordering the right amount of food is key. Too little can damage our business, too much creates waste. We have invested in sophisticated inventory systems to improve our procurement practices and forecast planning, we are using data tracking tools in stores to analyze product lifecycles, and we are shortening our supply chain to help keep food fresher longer. Through these systems, we will ensure food is ordered or prepared in amounts that reduce waste.



Bakery waste

Expired and damaged bakery items no longer fit for human consumption are converted into ingredients for animal feed. In 2021, through this program, we diverted more than 4.2 million kilograms of bakery food waste from grocery stores in Ontario and Nova Scotia to produce animal feed.



Flashfood

Through our partnership with [Flashfood](#), we've been able to feed hundreds of thousands of families across the country more affordably while reducing our food waste. We've given our customers the chance to work with us to reduce food waste in partnership with Flashfood and the impact has been astounding. Flashfood is now live in over 600 of our stores and in 2021 alone we eliminated more than 8.1 million kilograms of potential food waste while saving customers money on their grocery bills.



ZooShare

In 2021, we partnered with ZooShare Biogas Ltd, which combines used cooking oil and food no longer fit for human consumption with animal manure from the Toronto Zoo to produce biogas that generates renewable electricity fed directly into the grid. Through this program, our stores diverted 688,000 kilograms of residual material from disposal.



Educating our customers

In 2021, we released a four-part series '[Half Full](#)' on food waste, encouraging our customers to think differently about food waste and how to get creative at home to reduce their food waste.



Food banks and food recovery agencies

In a multi-year effort, we have matched hundreds of our stores with local food banks and food recovery agencies across Canada. This reduces perishable food going to landfill and provides people facing food insecurity with healthy meals. In 2021, we donated more than 5.5 million kilograms of food to these partners. Further, in 2020 we committed to invest \$1 million to Second Harvest by 2025 to support the national development of the [Second Harvest Food Rescue App](#), helping to make food more accessible to those in need. Since making our commitment, we have contributed \$400,000 and to date 860 of our stores have joined the program.

Food to Farm

We have partnered with Loop Resource Ltd. to send food that is not fit for human consumption to farms where it is fed to animals. In 2021, approximately 100 participating stores nationwide sent 7.9 million kilograms of food to more than 1,000 farms.

Biodiversity

Some scientists estimate that half of all species on the planet will disappear within the next century. Pollution, climate change and habitat loss are all threats to biodiversity. These threats have caused an unprecedented rise in the rate of species extinction. With much of the planet's biodiversity in jeopardy due to human consumption and other human activities that disturb or destroy ecosystems, the time to act is now.

In Canada, our climate is warming at nearly double the global average. WWF-Canada's [Living Planet Report 2020](#) found that populations of Canadian species assessed as at risk nationally by the Committee on the Status of Endangered Wildlife in Canada have declined by 59%, on average, from 1970-2016. In addition, at-risk species in Canada face multiple threats – including overexploitation, pollution, agricultural activity, human disturbance, invasion and disease, and the accelerating threat of climate change. Conservation efforts targeting single threats are unlikely to be successful – requiring new approaches that tackle multiple threats at once.

At Loblaw, we have taken several different steps over the years to protect and preserve Canada's nature and our shared biodiversity. We've:

- Committed to source certified sustainable seafood.
- Expanded our control brand organic, antibiotic and hormone-free product portfolio.
- Ensured none of our live plants are treated with neonicotinoids.
- Increased our offering of locally grown produce.
- Acted as a founding member of the Canadian Roundtable for Sustainable Beef.
- Sponsored the Loblaw Chair for Sustainable Food Production at the University of Guelph to address issues at the root of today's global pressures around food sustainability.

Native plants

Working with WWF-Canada, we became the first major grocery retailer to sell Ontario native plants grown from source-identified and ethically collected seeds. This resulted in a shift in the supply chain for native plants throughout Southern Ontario and Quebec by sourcing more than 50 species of native plants to sell in more than 140 of our garden centres. The program provided resources and science-based guidance to help build a more sustainable supply chain for our PC® branded plants. It also enabled Canadians to contribute to healthier, more resilient ecosystems in Southern Ontario and Quebec, which will help migratory and local wildlife thrive.



Restoring
nature with
native plants.



OP2B

In 2019, we extended our commitment to biodiversity by joining [One Planet Business for Biodiversity](#) (OP2B). OP2B is an initiative designed to meaningfully protect and restore biodiversity around the world, in alignment with the Convention on Biological Diversity (CBD) COP 15 framework. Focus areas of OP2B include scaling up regenerative agricultural practices, boosting cultivated biodiversity and diets through product portfolios, eliminating deforestation, and enhancing the management, restoration and protection of high-value natural ecosystems.

The OP2B coalition of companies will use its respective scale to drive change and to protect and restore cultivated and natural biodiversity within value chains, engage institutional and financial decision makers, and develop and promote policy recommendations. One of our first steps toward Canadian biodiversity is our native plants program.

Product Sustainability



Plant-based products

We continue to increase our offering of plant-based products across multiple categories to meet growing consumer interest and appetite for alternatives to animal-based products. In 2021, we expanded our PC® Plant-Based product lineup, adding another 30 products for a total of 81 products across most categories in our stores. Our PC® Plant-Based products are third-party certified vegan and contain no animal by-products. They are also merchandised parallel to their animal-based counterparts, making it convenient and easy for our customers to find plant-based alternatives. Throughout 2021, we activated several marketing campaigns aimed at raising awareness of our PC® Plant-Based product portfolio.



Organic products

Over the years, we've increased our range of certified organic products in our stores. We've heard from many of our customers that they want products made with a reduced environmental impact and without any synthetic pesticides or fertilizers or genetically modified organisms (GMOs). In 2021, we expanded the PC® Organics product lineup to now include nearly 650 products. All are third-party certified and continue to meet Canadian Organic Standards, which emphasize sustainability and a holistic approach to agriculture.



Canadian Roundtable for Sustainable Beef (CRSB)

As a proud founding member of the CRSB, we support a commitment to environmental, social and economic sustainability in the Canadian beef industry. We were elected to the CRSB council, representing the Retail and Food Service sector in 2019. We have participated in various CRSB committees and pilots for many years. We are currently working with supply chain partners to create a system where 30% of our beef is sourced from CRSB Certified farms and ranches, independently audited according to sustainability standards set by the CRSB, and incorporated into lines like our Ontario Corn Fed Beef brand. Our work with CRSB provides a positive signal to farmers and ranchers that we value their sustainable, climate-protecting practices, and their role in climate-positive solutions. In 2020 we purchased one million pounds of beef from CRSB Certified farms and ranches. In 2021, we expanded this commitment to an additional three million pounds by 2023.

Chemical Management

Our customers care about the products they put in and on their bodies. So do we. Over the years, we've worked with suppliers to offer safe products and to remove many unwanted synthetic ingredients with potential health impacts from our control brand products. Our regulatory compliance and quality assurance programs define product and supplier requirements, including quality specifications, packaging and labelling requirements, and testing protocols to ensure product safety.

Neonicotinoids and pollinator health



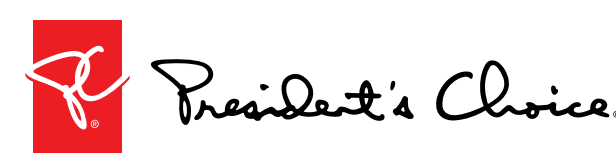
The issue of pollinator health and neonicotinoids is of considerable concern for the agricultural industry. While neonicotinoids are still in use in Canada, no live plants in our garden centres are treated with neonicotinoid-containing pesticides. Our live-plant vendors have confirmed they use integrated pest management systems whereby biological controls such as predator insects are used as an alternative to neonicotinoids.

Baby products update

Our President's Choice® baby portfolio includes more than 200 products across multiple food and non-food categories, and all are Bisphenol-A (BPA)-free.

Triclosan, phthalates, microbeads

By the end of 2018, all of our Life Brand® and President's Choice® household, beauty and cosmetic products were formulated without triclosan, phthalates or plastic microbeads. We continue to encourage our suppliers to identify and eliminate phthalates that may come from other sources, such as manufacturing equipment and packaging.



Planet First™

In 1989, Loblaw launched its PC® Green brand. Since then, Canadians have steadily become more aware of the impact their purchasing decisions can have on the environment, and the interconnection between wellbeing of the planet and their health. In response to this, we launched a new brand, PC® Planet First™¹ in 2021 which includes a range of nine compostable disposable picnic products including plates made from bamboo, cutlery made from birch wood and straws made from straw. The product range will expand into other non-food categories, with a focus on products that are made from renewable resources, contain recycled content or made without the use of certain chemicals of concern.

PC® Free From®

More than a decade ago, we introduced the PC® Free From® line of products, which now includes beef, pork, poultry and lamb products across our fresh, frozen, grocery, deli and prepared-item departments. We partner with farmers who use innovative farming practices, ensuring our PC® Free From® animals are strictly raised without the use of antibiotics, and in the case of beef, without the use of added hormones. In 2021, we launched two new PC® Free From® products, bringing the total to more than 235.



Receipt paper

With concerns about Bisphenol A (BPA) and Bisphenol S(BPS) or other phenol-based thermal developers on receipt paper, two years ago we announced a transition to phenol-free receipt paper across our entire enterprise by the end of 2021. We are proud to announce that we are now only supplying stores within our network with phenol-free receipt paper for front-end use.²

¹ Compostable in industrial facilities with windrow, static pile, covered and in-vessel methods. Please check locally, as these do not exist in many communities.

² Some stores and pharmacies might still have non-phenol-free receipt paper rolls in inventory beyond the target date, but all receipt paper rolls distributed by the company to all banners and divisions beyond 2021 will be phenol-free.

No Name® Simple Check™

We introduced the no name® Simple Check™ symbol in 2018 and expanded the product portfolio to nearly 1,050 products. More information in [Responsible Sourcing](#).



Additional Environmental Initiatives

Medication and sharps return

Unused or expired medication and biomedical sharps can negatively impact the environment, when they are improperly disposed in toilet, drains, trash or nature. Partnerships and store programs facilitate the safe disposal of unused and expired medication and sharps to keep these materials out of the environment. Collected medication and sharps are treated by either high-temperature incineration or high-pressure steam sterilization. In 2021, our pharmacy network collected 266,000 kilograms of unused or expired medication and 242,000 kilograms of biomedical sharps.

PrimaLoft®

In 2019, we began using [PrimaLoft®](#) thermal insulation for our Joe Fresh® insulated apparel. PrimaLoft® insulation is partially manufactured with post-consumer recycled (PCR) content including plastic water bottles. In 2021, this program diverted more than 66,000 kilograms of plastic water bottles from landfill.



Textile recycling research

As one of Canada's top apparel brands, Joe Fresh® has been examining its role in managing textile waste, including supporting the [Fashion Exchange at George Brown College](#) and its research into textile recycling and upcycling.

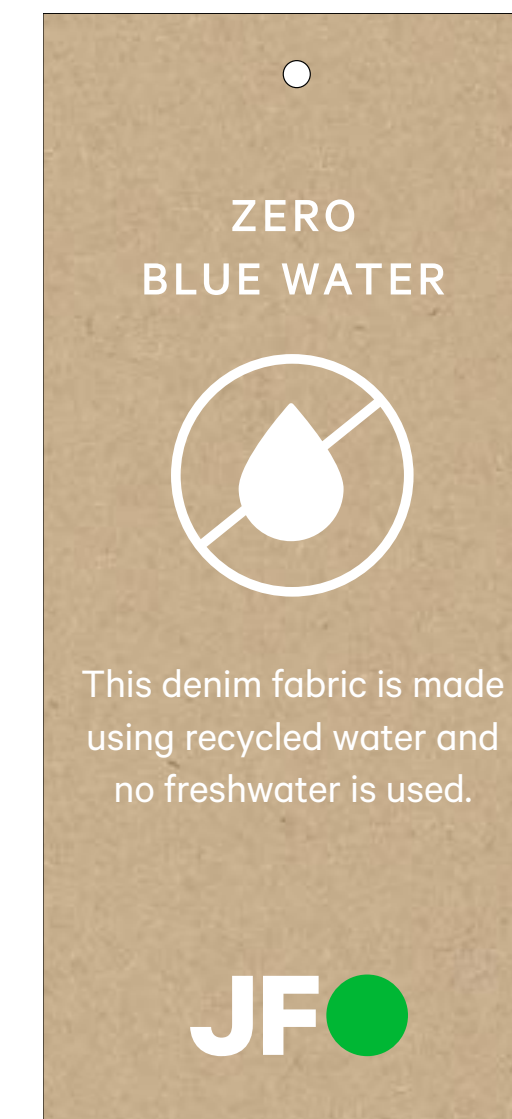


Shirt recycling

In 2021, we expanded [our shirt recycling program](#) across our entire Real Canadian Superstore® network. This provided colleagues in more than 120 stores with encouragement to return their work shirts to be recycled. We successfully collected more than 1,166 kilograms. Our partner, a Canadian textiles recycler, upcycles and downcycles these materials into filling for a variety of products, including furniture, sports equipment, acoustic barrier products, pillows and dog beds.

Environmental management system

We maintain an effective environmental management system (EMS) which includes compliance and performance programs with assigned roles and responsibilities to manage risks and ensure all operating divisions of the business are compliant with company policies and applicable laws and regulations. The EMS includes identification of potential issues or opportunities, due diligence and emergency preparedness procedures, colleague training and awareness programs, ongoing monitoring and reporting, inspections and internal audits, as well as waste diversion and energy reduction strategies. The EMS also ensures internal and external communications of environmental management issues and addresses corrective actions plans for continuous improvement. The EMS is subject to internal reviews from time to time. Our [Environmental Commitment](#) is approved by senior management.



Zero Blue Water Denim

In 2021, our Joe Fresh® apparel division launched a core denim program called Zero Blue Water with fabric that uses no fresh groundwater in the fabric manufacturing process. The production of 300,000 yards of denim fabric used reclaimed water, saving approximately 7.9 million litres of fresh water.



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ZERO HUNGER

3

GOOD HEALTH AND WELL-BEING

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Health and Wellness

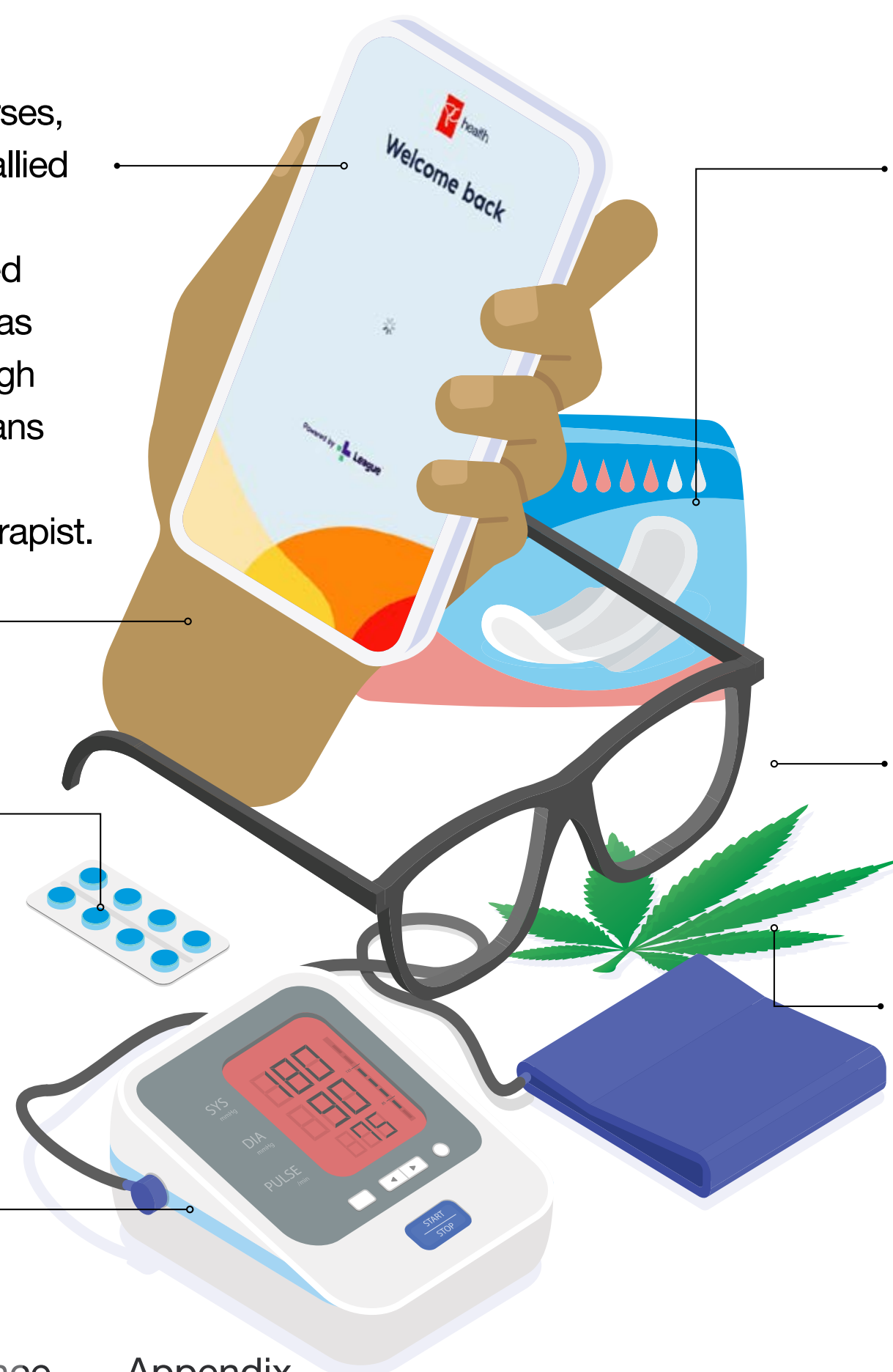
Our grocery stores and pharmacies make health and wellness more convenient and accessible to millions of Canadians every day. Through our healthcare and pharmacy businesses – and with the recent launch of the *PC Health* app – we help customers get well and stay well.

Through the [PC Health](#) app, we provide virtual healthcare services through a network of care navigators, registered nurses, registered dietitians, physicians, physiotherapists and other allied health professionals. To date, there have been over 820,000 downloads of the *PC Health* app. These services are provided through Loblaw’s own capabilities and professionals as well as external partners like League and Maple. For example, through our partnership with Maple, we have provided many Canadians free, virtual, 15-minute meet and greet checks with qualified professionals. This helps Canadians find the right care or therapist.

More than 900,000 medication reviews were conducted to support improved patient health outcomes.

Our network of registered pharmacists provide services like vaccinations, medication reviews and chronic disease management, playing an important role in primary and preventative care.

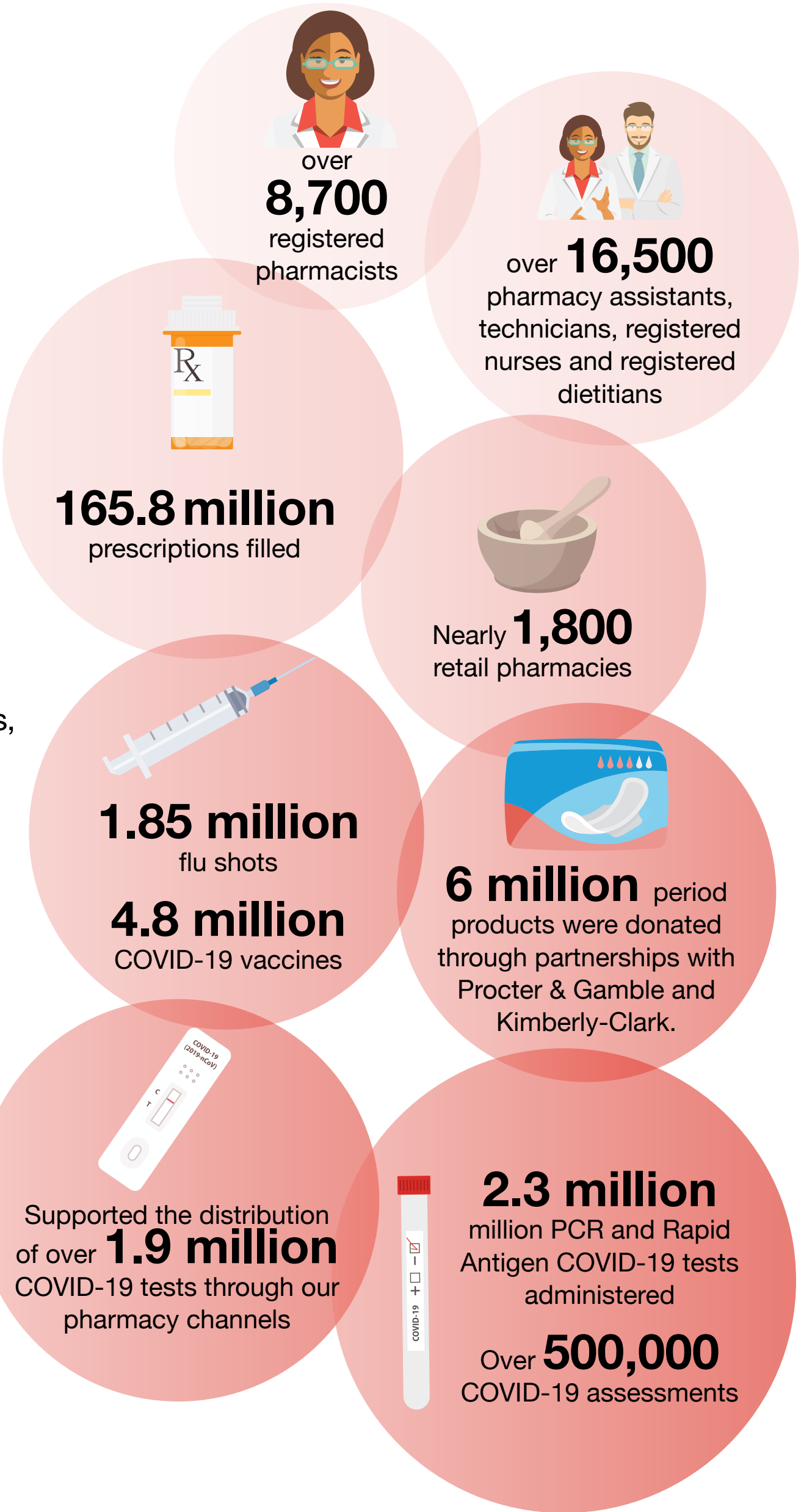
[Wellwise by Shoppers](#)™ is the largest Canadian retailer of home healthcare products and services, including medical devices and equipment, sleep therapy products, professional fittings for braces and supports, rental services, in-home consultations, and more.



Through the LOVE YOU by Shoppers Drug Mart™ program, and working with the Ontario Ministry of Education, we committed to providing 1,200 dispensers and 18 million period products over three years to benefit students who are unable to afford or access these products, resulting in an inability to participate in school and other activities.

Through our 184 optical centres across Canada, our more than 300 opticians and optometrist partners offer a variety of services, including eye exams and fittings for glasses and contacts. They help Canadians with early detection and monitoring of eye conditions.

We retail medical cannabis using an e-commerce and mail-delivery platform. Our Cannabis Care team helps registered patients access the right products for their needs.



Millions of Canadians depend on us every day to safely dispense medications and provide professional services to support them in achieving desired health outcomes. Patient safety and clinical excellence are the cornerstones of our pharmacy operations. We support pharmacy teams through robust incident management recording and a continuous quality improvement (CQI) program. Pharmacy incident recording enables our organization to know, learn, act and help prevent errors and create greater awareness of the importance of recording near-misses and pharmacy incidents.

If pharmacy incidents occur, we have robust and comprehensive standard operating procedures to ensure appropriate actions are taken with the primary focus being on patient safety. The incident recording program is supported by a broad team of internal experts: professional and regulatory affairs, clinical excellence, quality assurance, health and safety, legal counsel, internal audit, and more. Action plans are developed to reduce the likelihood of similar incidents occurring in the future. Safety improvement initiatives are tracked and measured annually as part of our compliance effectiveness measures.



Medication adherence

Our network of pharmacists plays an essential role in supporting our patients with medication management for acute and chronic disease management, and we have developed various programs to help increase adherence to medication regimens and promote improved overall health outcomes. Medication non-adherence can lead to adverse health outcomes and can result in greater negative impact on our healthcare system.

- We developed [Digital Pharmacy](#), a prescription management platform which supports patient medication adherence through automatic refills and patient pickup notifications. To enhance the reach and benefits of automatically refilling eligible prescriptions, we enroll patients with chronic medications into this program. Approximately 87% of all patients enrolled in auto refill are retained on the program and report high satisfaction, with 76% of patients scoring their experience 5/5.
- To manage different patient needs, we offer several medication organizer options such as blister packs. Medication is organized into weekly cards with time-labelled bubbles for each day of the week, making it easier for patients and their caregivers to appropriately manage their care.

Opioids

Opioid abuse continues to devastate families and communities across Canada. In an effort to help fight the opioid crisis in our country, we continue to offer Naloxone training to customers to help prevent overdoses. In select provinces, Naloxone kits are made available free of charge by provincial governments. We are committed to fighting opioid abuse and misuse in our communities and offer confidential opioid dependence treatment.

Dietitians

Our network of registered dietitians plays an important role in helping our customers manage health issues through nutrition. We offer individualized nutrition services, both in-person and virtually, to support health and wellbeing. In 2021, our registered dietitians performed more than 24,000 nutrition consultations, helping customers make more informed and educated choices to support a healthier lifestyle. Dietitian services – supporting nutrition questions and care – are also featured in the *PC Health* app.

Diversity, Equity and Inclusion

Loblaw serves and speaks to millions of people living in Canada, employs hundreds of thousands of our neighbours, supports thousands of smaller businesses, and invests billions into the economy. As we do, the effects of inequity are evident around us: people continue to experience discrimination based on their race, culture, gender identity, sexual orientation or disabilities. Our company and our 200,000 people have the opportunity to reflect the diversity of our nation and provide opportunities to those who have had too few.

We are making Loblaw a more representative workforce at leadership levels and creating a culture of empathy and inclusion by training our entire workforce on priorities like allyship. We are building a culture that is inclusive of all people living in Canada. One where our colleagues can be who they are. Where discrimination is denounced. Where we break barriers so that everyone can thrive.



DEI Governance

Loblaw's Diversity, Equity and Inclusion (DEI) team includes four dedicated practitioners. They support DEI programs, alongside our Inclusion Council of more than 20 senior leaders from across the business. This council reports to the company's Management Board and Board of Directors. It meets routinely, to oversee Loblaw's four employee resource groups: Embrace Your Roots, Go Further Women, Able, and Proud to Be Me. In 2021, we gathered more than 200 employee resource group members to learn, grow and appreciate the lived experience of diverse customers and colleagues.

Education and Training

Training is a core component of our efforts to create a more empathetic and inclusive environment in our organization. This includes role-specific education on the following: anti-discrimination, sexual harassment, accessibility and accommodation, inclusive customer service, and inclusive leadership.

By 2024, every individual working in our company will be expected to complete two courses covering fundamental themes: DEI, bias, inclusive culture building and allyship.

Goals

As we pursue and deliver our DEI goals, we will provide accountability and transparency on our progress. In 2021, we achieved our initial representation goal for women in management three years ahead of schedule and look ahead to continued progress.

Goals for store support colleagues ¹	2020 Year end Baseline	2021 Report
Maintain at least 40% women in Board of Directors	42%	42%
40% women in Executive positions in 2024	34%	38%
43% women in Management positions in 2024	43.5%	44%
25% members of visible minorities in Board of Directors in 2024	17%	17%
25% members of visible minorities in Executive positions in 2024	21%	24%
30% members of visible minorities in Management positions in 2024	21%	26%

We also announced 2 goals related to training on key topics.
The progress below is based on 2020 and 2021 completions:
Deploy 'Building Inclusion' training to 200,000 Canadians by 2024. 74,785 completions have been achieved to date.
Deploy 'Being an Ally' training to 200,000 Canadians by 2024. 16,292 completions have been achieved to date.

¹ The Statistics Canada 2016 Census reports women representing 48% and members of visible minorities representing 21% of the Canadian population.
Self-identification data is collected through our HR Information System throughout the year, with race/ethnicity information being collected on a voluntary basis. In 2021, 54% of management and 93% of executives voluntarily disclosed their race or ethnicity.

Gender Equity and Advancing Women

“Talented women represent more than half of our workforce but aren’t equally represented in certain areas. In 2021, we increased women in leadership positions while also addressing the disproportionate impact that the COVID-19 pandemic had on women in the workforce.”

Mary Macisaac, *Go Further Women at Loblaw*
Executive Sponsor and SVP Loblaw Control Brands

- Since 2020, representation of women in executive positions and management increased 4% and 0.5% respectively. This is in part attributed to the work being done to integrate DEI into talent hiring and development programs, specifically inclusive hiring training and improved access to Peer Circles, WXN Mentorship Program and The Judy Project.
- In 2021, 42% of executive successors identified as women, as did 42% of Top Talent.
- Efforts have been made to increase women in STEM groups within our organization. Women represent 43% of Loblaw Digital and 39% of Loblaw Technology & Analytics teams.
- Our focus on new talent is enabling us to build a more gender diverse pipeline. In 2021, 53% of our interns and 75% of Loblaw Scholarship recipients identified as women.
- In 2021 we held our largest International Women’s Day event to date, which focused on celebrating talented women across our workforce through internal and external awards.
- Our re-launched Parent and Caregiver Network provides resources and support to parents, caregivers or those planning to be as well as on-site Lactation Rooms across main offices.
- Gender pay equity is being addressed and monitored across our organization by level and like-for-like positions. Annually we conduct reviews and create action plans where needed, and in 2021 we deployed training workshops to more than 200 HR professionals, equipping them with tools to prevent pay equity gaps. Our pay decision tool enables us to make objective, fair and equitable pay decisions and progress is monitored through a gender pay equity dashboard and a quarterly review process.
- As of December 31, 53% of our total workforce identifies as female.

Anti-Racism and Celebrating Cultural Diversity

- Since 2020, representation of members of visible minorities or racialized groups increased 3% in executive positions and 4% in management.
- 69% of interns and 43% of Loblaw Scholarship recipients’ in 2021 self-identified as Indigenous, members of visible minorities, or racialized groups.
- 28% of Top Talent and 25% of executive successors identified as members of visible minorities or racialized groups.
- Indigenous colleagues represent 4% of our workforce and in 2021, we publicly shared our commitments and actions, and focused on [Truth and Reconciliation](#) in a pronounced way at multiple times throughout the year.
- Black colleagues represent 3% of our workforce. In 2021, efforts to advance anti-racism saw us conduct research on the Black Canadian retail experience and share findings through an internal workshop. We celebrated Black History Month with resources, events and conversations, formed a new partnership with Black Professionals in Tech Network, supported the Rise Up pitch competition for Black women entrepreneurs, held a mentorship program through the Black Business and Professional Association, and more.
- Through our relationship with Toronto Regional Immigrant Employment Council, we continued our mentorship program for new Canadians.
- We have Reflection Rooms in some of our main store support offices, and in 2021 many retail store locations have also provided space for quiet meditation and prayer.

“While Canada’s rich diversity is celebrated by many, racism and discrimination are still prevalent. In 2021, we confronted these issues with open conversations, partnerships with communities, celebrating cultural observances and holidays, and improving representation.”

Nelm Khangura, 2018-2021 *Embrace Your Roots at Loblaw*
Executive Sponsor and VP Loblaw Technology & Analytics

2SLGBTQIA+ Inclusive Spaces

“While we often promote and celebrate 2SLGBTQIA+ pride, we also recognize that many community members are still trying to survive in our world, let alone thrive. In 2021 we focused on creating safer and more inclusive spaces, often through the important actions of allies and advocates.”

Lauren Steinberg, *Proud to Be Me at Loblaw*
Executive Sponsor and SVP Loblaw Digital

- In 2021, 4% of executives and 6% of our workforce voluntarily self-identified as 2SLGBTQIA+; 1% self-identified as transgender or non-binary.
- To strengthen inclusion of transgender and non-binary colleagues, we provided Gender Transitioning Guides, conducted several learning sessions on “Creating Safe Spaces for Trans People”, added all-gender washrooms with inclusive signage in main offices and select stores and distribution centres, added Inclusive Washroom signage on many multi-stall colleague washrooms in select stores, offices and DCs, and invited store teams to add their pronouns to their uniform badges at select locations.
- We celebrated Pride Month by raising our Pride flags, distributing a Pride Guide with resources and educational materials, and financial contribution to Pflag Canada through a portion of sales on Quo Beauty™ Pride celebration products. In 2021, our *Proud to Be Me at Loblaw* group released 15 episodes of the *Proud To Be Me* podcast, with topics on code switching, queer Canadian history, intersex awareness, national coming out day and more.

Championing Disability Inclusion

“While there are many ways that organizations are expected to be accessible and accommodating of persons with disabilities, we are pushing ourselves to go beyond compliance and create a culture that appreciates the abilities of people with disabilities.”

Vanessa Norris, *Able at Loblaw*
Executive Sponsor and VP, GM, Loblaw Agency

- In 2021, 3% of executives and 6% of our workforce voluntarily self-identified as a person with a disability.
- We expanded our efforts to hire more persons with disabilities through a pilot partnership with Ready Willing and Able in stores across Canada. We continued our partnership with Polaris Enterprise Initiative – part of Giant Steps Montreal – and their program providing autistic adults the training and internships they need to find jobs.
- In 2021, we deployed new mandatory training to nearly 11,000 people leaders on Accommodation in Our Workplace to strengthen awareness, empathy and support related to accommodation requests from our colleagues. To further our education, American Sign Language courses led by the Canadian Hearing Society were offered to our colleagues throughout the year, and our annual National Disability Employment Awareness Month event provided stories, resources and information, and meaningful conversations to acknowledge the important contributions of people with a range of visible and invisible disabilities.

Our Colleagues

Our colleagues, franchisees, Associate-owners and their employees are the driving force behind the many great things we do. We believe that by focusing not just on what we do, but also on how we do it, we can achieve our purpose to help Canadians Live Life Well®, and attain sustainable business results.

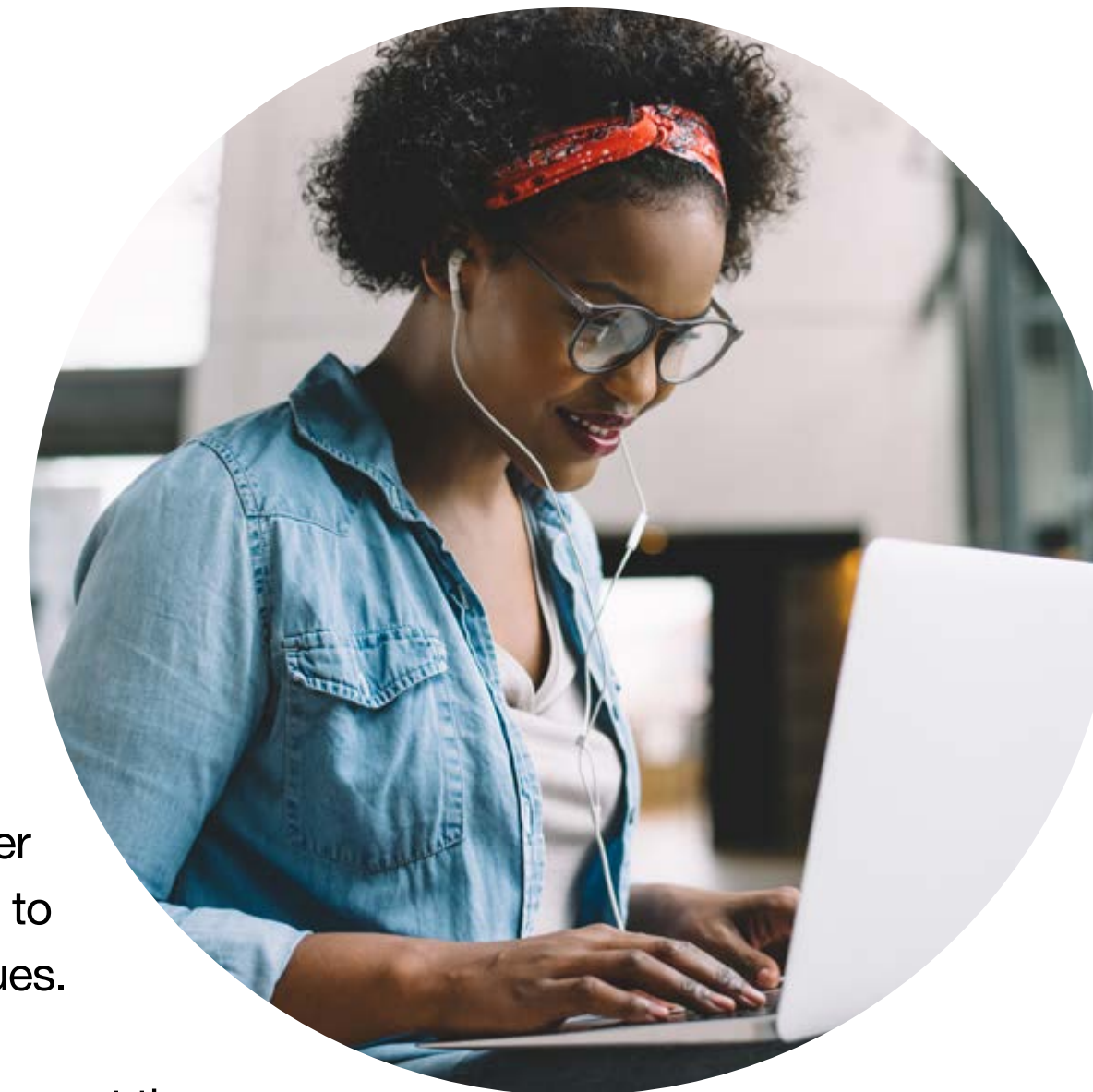
Colleague Code of Conduct

Our customers, suppliers and partners have high standards for our organization. Our colleagues must demonstrate integrity, professionalism and accountability at all times to meet these expectations. Our [Colleague Code of Conduct](#) sets out those expected behaviours and reflects our CORE Values – Care, Ownership, Respect and Excellence.

Learning and development

We believe that our colleagues are our greatest asset, and we are committed to their growth and development. Through *The Academy*, our new and fully integrated learning platform, we offer more than 3,034 voluntary and mandatory training courses, providing opportunities for colleagues to grow in their current role or build new skills for career development. This harmonized platform enables us to track all training courses completed by our colleagues.

In 2021, we developed 966 new training modules to meet the evolving needs of our business and our colleagues. In total, colleagues completed more than 3 million training courses through virtual classroom or self-paced learning throughout 2021. We will continue to invest in digital and mobile learning, launch additional skilling programs and expand our leadership development footprint from coast to coast.



Talent recruitment

To be the best, we need to hire the best people. We have positioned our company as a first-job destination for those entering the workforce for the very first time.

We offer exciting career opportunities across our diverse business, including technology, data and analytics, e-commerce, pharmacy, finance, supply chain, and more. To attract talent and develop our colleagues into high-performing leaders, we are heavily focused on training and development, investing in our corporate culture, and creating differentiated experiences for our workforce of the future. These efforts will help us retain our top talent and attract candidates with superior skills for positive business results. In 2021, more than 80,000 colleagues and employees were hired across our network. Our talent replenishment ratio shows slight growth at a rate of 1.01.

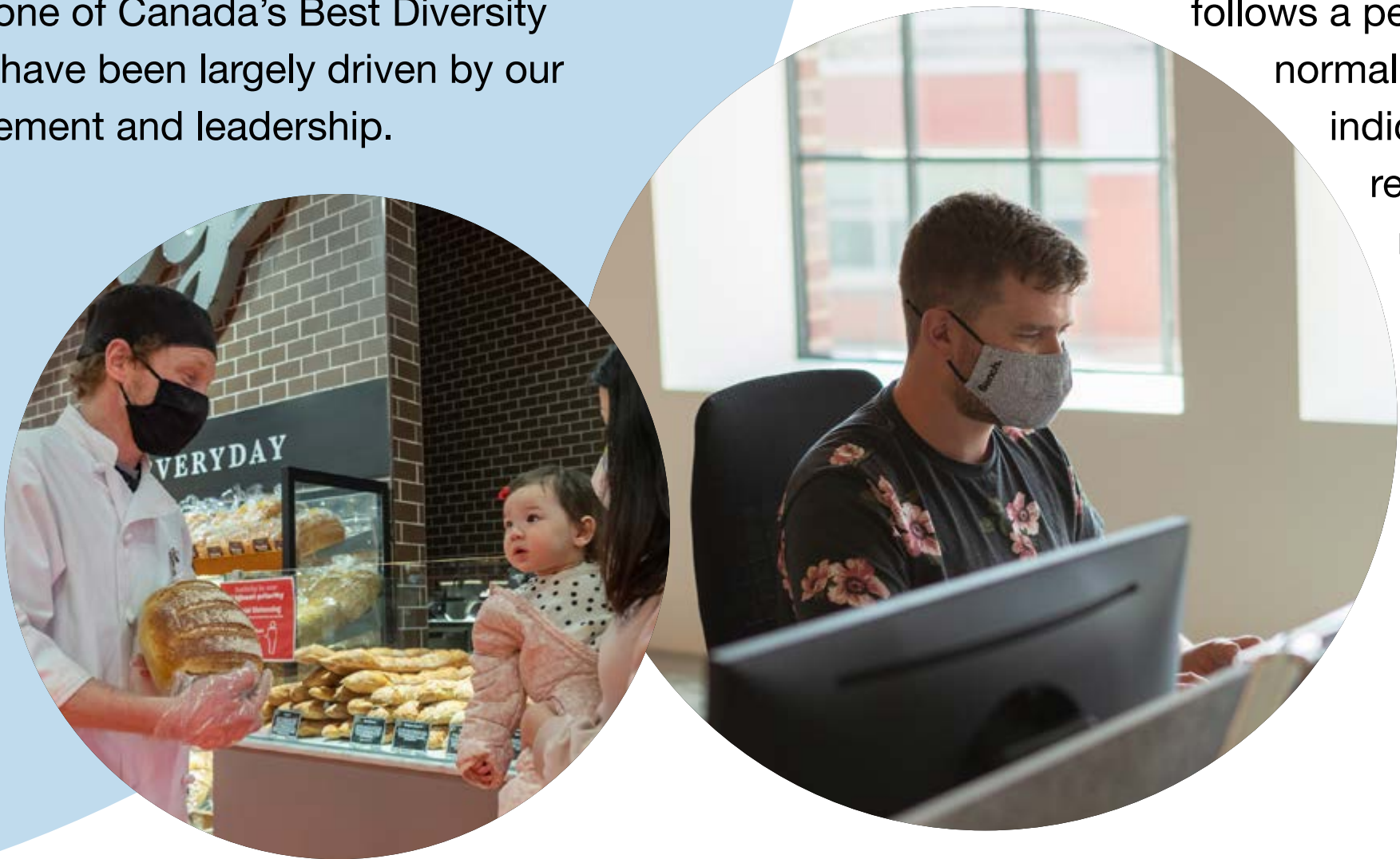
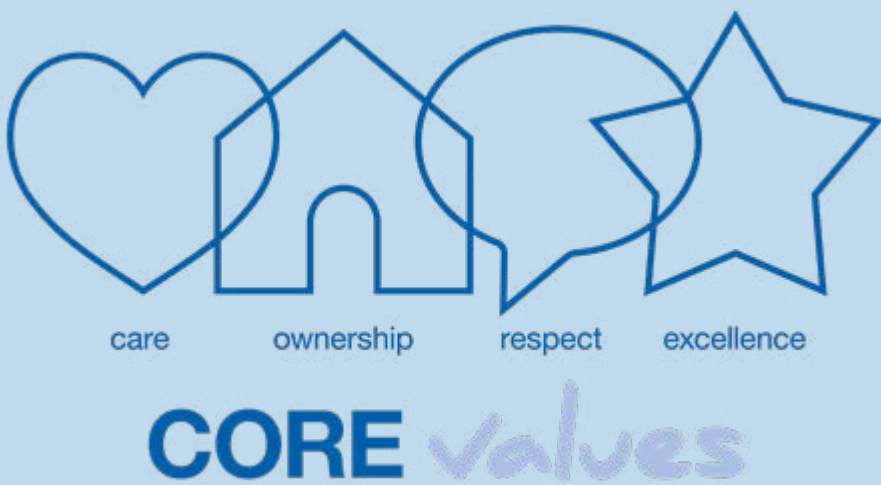
Culture

We recognize the important role culture plays in our performance and competitive advantage. Several years ago, we prioritized culture as core to our company’s strategy. Since then, our colleagues and employees have been engaged in creating and shaping our culture.

We have common CORE values - Care, Ownership, Respect and Excellence - that come to life through our culture principles: being authentic, building trust and making connections. This common language extends across our stores, distribution centres and offices. Our deep-rooted culture has contributed to a strong and coordinated response to COVID-19. We are proud of how the colleagues and employees in our network stepped up to support communities across Canada, fulfilling our purpose in extraordinary ways.

In 2021, we were recognized with a number of awards that reflect the many years of investment and commitment to our people and culture. Waterstone Human Capital named Loblaw as one of Canada’s Most Admired Corporate Cultures of 2020 and we successfully recertified with the program in 2021. We have been recognized as one of Canada’s Top Employers and Greater Toronto’s Top Employers every year since 2010 and as one of Canada’s Best Diversity Employers every year since 2011. These achievements have been largely driven by our successful culture journey and our high levels of engagement and leadership.

Our culture journey is not over. We continue to invest to improve our colleagues’ and customers’ experiences.



Engagement

Colleague engagement is measured twice annually through our Tell It As It Is (TIAII) survey, conducted by an independent service provider. Survey scores are an important measure of our success in building a collaborative work environment where everyone is able and empowered to do their best work. In 2021, we enhanced our TIAII survey and added new questions related to Corporate Social Responsibility and Diversity, Equity and Inclusion. Having a robust view of our colleagues’ and employees’ perspective on these issues helps inform and improve our people strategy. In 2021, our overall engagement scores decreased 2%. This

follows a period of higher-than-normal scores. Benchmarks indicate that our scores remain very healthy relative to industry norms.

Colleague relations

Loblaw has one of Canada’s most-unionized workforces. Across our corporate retail and supply chain network, approximately 79.5% of our colleagues are covered by collective bargaining agreements negotiated with local unions, often affiliated with national and international labour unions. We have nearly 350 collective bargaining agreements. Throughout each and every negotiation, we aim to achieve reasonably balanced outcomes with competitive wages and quality healthcare and retirement benefits, while also ensuring that our businesses remain competitive.

In 2021, our full-time and part time corporate store and distribution centre colleagues had an average hourly rate of \$18.35. When including fringe benefits, the average hourly wage was \$24.77. Eighty-three percent of in-store and distribution centre colleagues and employees earn above provincial minimum wage.

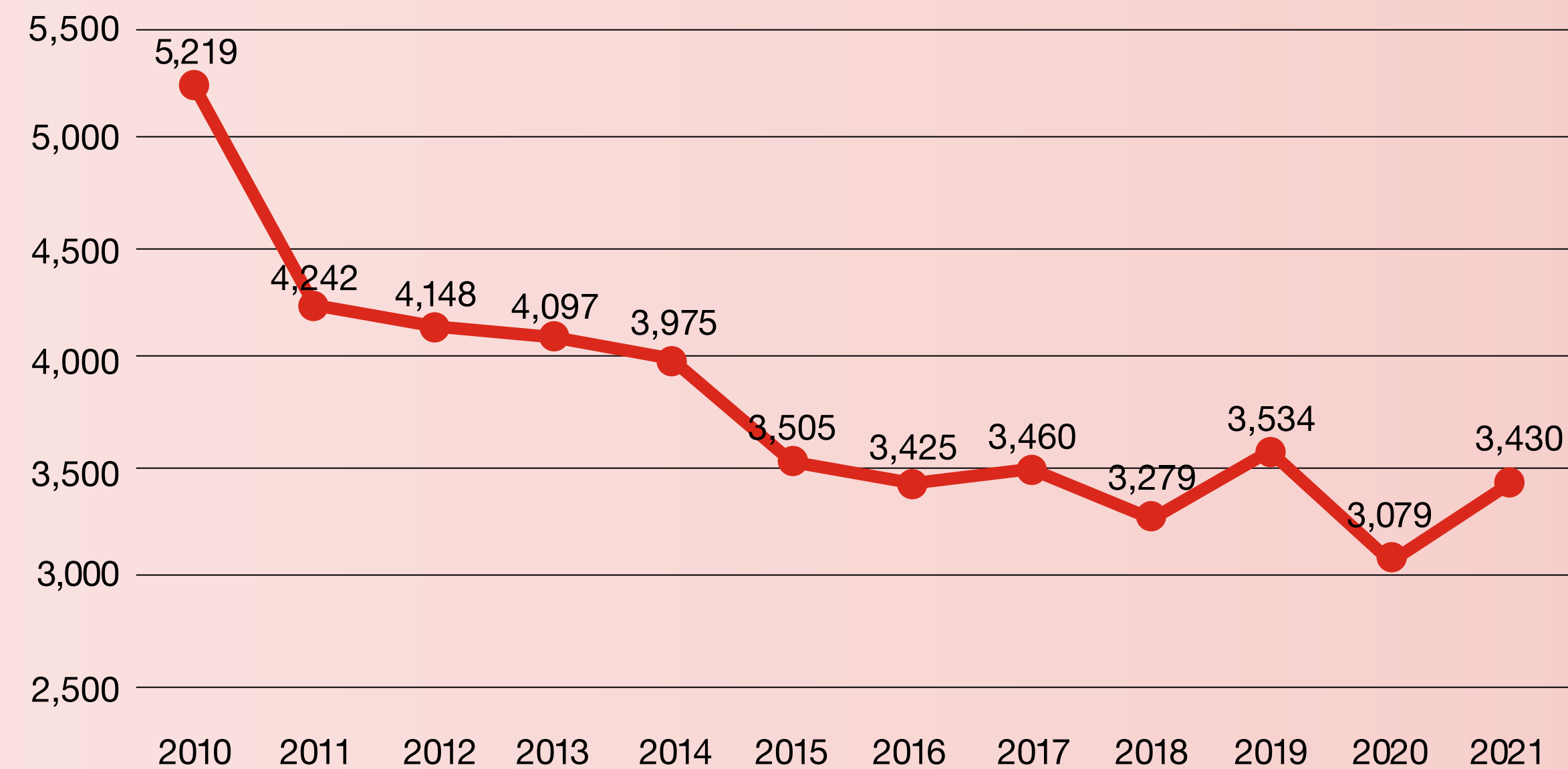
Health and Safety

We are committed to providing and maintaining safe working conditions for our colleagues and safe shopping experiences for our customers.

Health and safety is embedded in all facets of what we do each day. We mandate health and safety training for all our colleagues, including orientation, new hire training and the Workplace Hazardous Materials Information System (WHMIS). We also have role-specific training for power-lift truck operators, first aid responders and people leaders. We ensure colleagues have the necessary tools to do their jobs safely and effectively.

Our joint health and safety committees (JHSC) and health and safety representatives work with our colleagues and managers to ensure a safe workplace and provide valuable feedback and recommendations to our management teams. We set clear expectations, regularly monitor our health and safety program and engage with our colleagues to reduce injuries and accidents. We have reduced accident frequency steadily since 2011.

Accident Frequency Rates



Health and safety metrics

We track all health and safety metrics at the corporate level for a clear understanding of issues, trends and opportunities for improvement. As part of our compliance program, we monitor workplace injuries including critical injuries, lost time, health care and first aid injuries. We also monitor regulatory visits and orders, JHSC compliance (meetings and inspections) and mandatory training. Compliance to key elements of our health and safety program is measured through facility audits and regular field visits by our Health and Safety Business Partners.

One of the ways we assess our safety performance is by measuring accident frequency and lost time frequency within our corporate operations. Accident frequency is a common cross-industry measure of the average number of workers who get injured for every hundred employees, while lost time frequency is a measure of how many lost time injuries occurred during the reporting period.



COVID-19 highlights for 2021

In the second year of the COVID-19 pandemic, we continued to monitor and update our response as Public Health and Occupational Health and Safety requirements evolved. This included regular updates to our pre-screening requirements and safety plans as well as the continuation of our existing robust safety measures like plexi-glass barriers, physical distancing, personal protective equipment (masks, face-shields, safety glasses) and enhanced sanitation. These same fundamentals were applied during subsequent waves, with the emergence of new COVID-19 variants.

We actively promoted and educated our colleagues on the benefits of getting vaccinated. A COVID-19 vaccination policy was established for our store support colleagues requiring full vaccination against COVID-19 or regular COVID-19 Rapid Antigen Testing to access the workplace.

During the pandemic, we commenced an enterprise Mental Health Strategy in response to anxiety, stress, and resilience dynamics within our workforce.

Metrics	2017	2018	2019	2020	2021
Accident Frequency	5.93	6.04	6.56	5.32	6.25
Lost Time Frequency	2.52	2.57	2.88	2.45	2.98

Accident Frequency - an industry measurement that represents the number of total accidents per 100 full time employees with a 40 hour work week and 50 weeks of work per year.
Lost Time Frequency - an industry measurement that represents the number of lost time accidents per 100 full time employees with a 40 hour work week and 50 weeks of work per year.
Note: the accident and lost time frequency metrics from prior years are subject to change slightly from prior year reporting due to resolution of ongoing appeal processes.

Community Engagement



President's Choice Children's Charity (PCCC)

[PCCC](#) has become Canada's largest non-government provider of in-school hunger and nutrition programs in Canada, reaching children wherever they learn. Kids who participate in these programs at school, after school, and all summer long benefit from regular meals, snacks and food education.

In 2018, Loblaw committed to raise and donate \$150 million to support PCCC's effort to address childhood hunger and improve food skills. In the four years since, the company has activated its network of stores, vendors, colleagues and customers to contribute more than \$66 million.

In 2021, PCCC reached more than 800,000 children nationwide and established a new ambition: Feeding one million children annually by 2025.



Community investment at Shoppers Drug Mart

For a decade, Shoppers Drug Mart has been supporting women's health charities and organizations across Canada. Through its marquee [LOVE YOU by Shoppers Drug Mart](#)™ program, the company has helped women access the care and support they need to be happy, healthy and safe.

In 2021, the Shoppers Drug Mart Life Foundation raised \$8.5 million in support of more than 360 women's health organizations nationwide, including the annual LOVE YOU by Shoppers Drug Mart [Run for Women](#) event which engaged 25,000 participants – through virtual channels – and raised \$3.35 million in support of 18 women's mental health charities nationwide.

Shoppers Drug Mart has committed to providing \$50 million over the next five years in support of initiatives that improve women's access to care.

Joe Fresh®

In the fall of 2021, Joe Fresh® partnered with the Salvation Army and Baffinland Iron Mines to provide warm, winter school clothes for the community of Igloolik, Nunavut. Joe Fresh® donated over 1,000 kilograms of clothing to help keep the community warm.

PC Financial® Resilience Project Accelerator

In 2021, Enactus Canada launched the PC Financial® Resilience Project Accelerator, providing Enactus student teams with resources to identify, create and deliver financial education projects that advance equity and build resilience in underserved communities.

Enactus teams are paired with advisors from PC Financial® to support project execution over the 2021-22 academic year. The Enactus teams will complete a final report showcasing their community empowerment project and related impact. One team will be recognized with the PC Financial® Resilience Project Accelerator ‘Best Project’ award at the Enactus Canada National Exposition in May 2022. For more information, visit www.enactus.ca.



Disaster and humanitarian response

When a disaster strikes, we do what’s right for our communities. Our colleagues and employees step up to mobilize support and fund relief programs for organizations in need. We are a Canadian Red Cross (CRCC) Disaster Alliance Partner which means we quickly mobilize products and fundraising to resource Red Cross teams providing vital humanitarian assistance following health and weather emergencies.

In 2021, we mobilized an immediate response to support citizens affected by wildfires and flooding in affected areas across Alberta and British Columbia – where we matched donations totaling more than \$500,000, adding products in-kind. In addition to our domestic response, we support response efforts through our partnership with the CRCC and UNICEF during times of crisis domestically and abroad.

Further support for communities

We routinely provide community and charitable organizations the opportunity to amplify the effect of their own resources. We do this by offering discounts on gift cards, increasing their buying power in our stores. In 2021, this program provided \$6.34 million.

In 2021, our corporate and franchised stores donated more than 5.5 million kilograms of food to local food banks and food rescue agencies across Canada. Through these community partners, food that would have ended up in landfills is redistributed and turned into healthy meals for people facing food insecurity in our communities.

The *Give a Little, Help a Lot®* campaign is a national fundraiser, linking stores to local charities. In 2021, customers donated more than \$1.5 million, supporting more than 150 local charities across Canada.

Investing in our communities

Our various charitable activities make a positive impact in our communities – with a particular focus on the health of children, women and the environment. In 2021, with the help of our customers, colleagues, employees and business partners, we raised and donated a record \$96 million to research, charities and non-profits across Canada.



Caring Company Certification

For the 30th consecutive year, our community contributions have earned us Imagine Canada's Caring Company certification.



WWF-Canada \$450,000

Partial proceeds from plastic bag sales donated to support various environmental restoration and conservation programs.

Food Banks and Food Recovery Agencies

Corporate Contribution **\$31,264,178**

Fundraising **\$12,343,986**

This amount consists of corporate donations, fundraising through our national food drives and donations of products from our stores throughout the year to food banks and food recovery agencies to make food accessible to those in need.



Disaster Relief & Humanitarian Response

Corporate Contribution **\$250,425**

Fundraising **\$355,734**

This amount consists of annual corporate contributions and in-store fundraising campaigns to support response efforts by our partners during times of crisis both domestically and abroad.

Give a Little, Help a Lot® \$1,543,756

The Give a Little, Help a Lot® icon campaign is a national in-store fundraiser, linking stores to local charities and giving customers the ease of making donations at check-out.



President's Choice Children's Charity

Corporate Contribution **\$2,000,000**

Fundraising **\$15,900,000**

President's Choice Children's Charity believes good food gives kids the energy they need to learn, to contribute and to live their best lives. That's why they're putting the power of food in the hands of Canadian children by providing good food and food knowledge, helping them make healthier choices today and in their futures.

Store Donations \$8,306,285

We provide our stores with resources to fund events and projects that benefit their communities.

Other store fundraising \$709,077

Our charitable giving is focused on national strategic initiatives that align with our company purpose and business priorities.



The Salvation Army \$3,850,322

Funds raised in participating Loblaw stores towards the Salvation Army's Annual Christmas Kettle Campaign to help feed, clothe, shelter and empower those in need during the holidays and all year round.

Gift Card Discounts

\$6,342,987

The Bulk Gift Card Community Program provides cost savings and incentives to various community and charitable-based groups engaging in activities benefiting the public.

Shoppers Drug Mart™ Life Foundation \$8,546,371

Corporate Contribution

\$454,168

Fundraising

\$8,092,203

Through the foundation and LOVE YOU by Shoppers Drug Mart program, women's health charities are supported by donations, Associate-owner led fundraising and national events.



Weston Seeding Food Innovation \$488,026

Financial support granted to the Weston Seeding Food Innovation Fund, as well as other research projects in areas of animal welfare, sustainable seafood, textiles and plant-based proteins. In 2021, due to COVID-19 restrictions, research projects were impacted – this resulted in a need to reduce funding.



Governance

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Corporate Governance

Governance overview

Our board of directors and executive management are dedicated to strong corporate governance practices designed to maintain high standards of oversight, accountability, integrity and ethics while promoting long-term growth and complying with the Canadian Securities Administrators' Corporate Governance Guidelines. Our governance practices are reflected in our application of policies and practices.

[Our corporate website](#) sets out additional information and governance documents: Colleague and Supplier Codes of Conduct, Disclosure Policy, Majority Voting Policy, a position description for the President and Chairman and mandates of the board and each of its committees.

Board of directors

Our board of directors provides leadership, diverse perspectives and exceptional experience relevant to our operations and strategic objectives. This includes overseeing the company's enterprise risk management program, and its commitment to ESG issues and other topics addressed in this report.

As of May 4, 2022, the board was comprised of 12 directors. Ten directors are "independent" as defined by the National Instrument 52-110 – Audit Committees. Mr. Galen Weston, who is not independent, serves as Chairman and President. Recognizing the importance of strong independent board oversight, the board has also appointed an independent director to serve as lead director. The lead director ensures that the board operates independently of management and that the directors have an independent leadership contact. The board's view on the effective role of an independent lead director has been endorsed by leading corporate governance organizations.

Among the board's four primary standing committees is the Risk and Compliance Committee. The board of directors has delegated to this committee the day-to-day oversight of the company's legal and regulatory compliance and ethics program, enterprise risk management program, ESG, climate change, human rights initiatives, and matters relating to information technology (including cybersecurity), food safety, drug safety and environmental and occupational health and safety, as well as other matters.

For more information relating to our governance practices, please refer to our [Management Proxy Circular](#).

ESG governance

The board oversees the company's enterprise risk management program, including its design and structure, as well as the assessment of its effectiveness. Risks related to governance, workplace health and safety, the environment and ethical business conduct are monitored and reported on by management to the board. The board also oversees and monitors the company's approach, policies and practices related to ESG matters.

In 2021, the company established an ESG Steering Committee, comprised of senior leaders. It is responsible for setting priorities, championing progress and overseeing a control environment that ensures the accuracy and completeness of ESG reporting. Loblaw management board and various executive leaders are responsible for setting priorities and implementing ESG initiatives.

ESG reflected in compensation

In 2021, Loblaw's Board of Directors and Management Board determined that 2022 ESG activities would form part of the criteria for the company's short-term incentive program, linking performance on certain climate change and social equity activities to compensation.

Colleague and Supplier Codes of Conduct

Our colleagues, customers, suppliers and partners have high standards for our organization. Our colleagues must demonstrate integrity, professionalism and accountability at all times to meet these expectations. Our [Colleague Code of Conduct](#) sets out expected behaviours and lays the foundation of how we work together in a respectful, transparent and fair way. It reflects our CORE Values – Care, Ownership, Respect and Excellence.

We require our suppliers to uphold similar values and principles in their dealings with our organization. These expectations are set out in our [Supplier Code of Conduct](#), which includes standards related to ethical conduct, compliance with laws and regulations, protecting human rights, adhering to employment and labour standards, providing safe working conditions, complying with environmental laws, among other topics.

Compliance

Compliance is a key ingredient in the trust Loblaw has established and holds with stakeholders. We meet the obligations prescribed by the many laws and regulations that apply to our business, as well as the standards of conduct established by our board.

Our commitment to compliance means colleagues understand the expectations and risks associated with their jobs. Our culture encourages colleagues to speak up and take action when necessary, and our policies and training drive ethical and compliant behaviour.

In the area of competition law, we have maintained third-party assurance that our Competition Law Compliance program meets the standards set out by the International Organization for Standardization (ISO).

Tax Matters

Canadians expect us to pay our taxes fully and fairly and we do. In 2021, the Supreme Court of Canada (SCC) issued its decision on the appeal of the [tax matter relating to Glenhuron Bank Limited](#), a wholly-owned subsidiary of Loblaw that was wound up in 2013. The SCC affirmed the decision of the Federal Court of Appeal in favour of Loblaw.

Privacy and Cybersecurity

Through new technology and data, we are making better decisions and enhancing customer experiences. Trust is critical to sustaining participation in this new digital economy. We must consistently and carefully consider the legal, ethical and societal expectations of our actions. Customers must feel confident in our handling and management of their personal information. We are earning and maintaining their trust by vigilantly protecting their personal information and interests, while using data in a way that provides them real benefit.

[Full Loblaw Privacy Policy](#)

[Loyalty Privacy Notice](#)

[Health Privacy Notice](#)

[Interest-Based Advertising and Media Notice](#)

[President's Choice Financial® Privacy Notice](#)

[President's Choice® Insurance Privacy Notice](#)

Privacy

In many parts of our organization, we hold and manage the personal information (PI) and personal health information (PHI) of our customers and colleagues. This information is a core part of our business and will grow in quantity as we continue to expand our loyalty, financial, pharmacy, health and wellness and omni-channel programs and services. Our customers and colleagues expect that we will safeguard their personal information in accordance with all regulations and best practices.

We understand the responsibility that comes with collecting, using and sharing personal information. We strive to protect personal information by maintaining appropriate physical, procedural and technical safeguards. This helps reduce the risk of loss, misuse, unauthorized access, disclosure or modification of personal information.

The following principles guide our approach:

- We will be transparent about our privacy practices and how we handle personal information.
- We will use personal information to benefit and enhance the customer experience.
- We will protect personal information and handle it responsibly.

We are committed to being clear about how personal information is used, and ensuring details of our approach are easily accessible and understandable. To do this, we publish our privacy policies on our corporate website and describe the measures we take to protect personal information, as well as how customers may initiate inquiries and raise concerns regarding the collection, sharing and use of their personal information. We are committed to developing processes that enhance privacy and incorporate protections into our business strategy, culture and ongoing operations.

Oversight

Our Privacy Office oversees programs to assess whether data handling practices are responsibly managed and in compliance with privacy laws, policies and procedures. We have implemented a review process for data-related initiatives, and work to evolve privacy and data governance strategies and processes to keep account for technological advancements that may carry privacy implications. We oversee investigations into actual or suspected privacy breaches and respond to these as appropriate. We also regularly review our privacy policies and protocols, and update these as necessary to ensure relevance and consistency with evolving technologies, laws, and best practices, and dynamic expectations of our customers.



Cyber Security

We safeguard our systems and information in many ways, including employee awareness and training, including year-round information and alerts about potential risks, security monitoring, testing and systems maintenance, contingency planning in anticipation of compromised systems or information, and data protection, account authentication to improve security and minimize the risk of unauthorized access. Our Cyber Security Policy and Acceptable Use Policy provide further internal guidance on data security management. Externally, we launched a new vendor management program to monitor key suppliers that handle information or critical systems to assess their security programs and controls.

Our cyber security program is reviewed and upgraded to reflect new technology, risks and business needs. It is subject to internal, external and regulatory audits, using industry best practices for the following: assessment, penetration testing, benchmarking and tracking control maturity, Information Security Forum (ISF) and Payment Card Industry Data Security Standard (PCI DDS) requirements.



Supply Chain Accountability

We source with integrity and have been working to increase the transparency and traceability of goods, partners and practices within our supply chain for many years.

To preserve the trust of our stakeholders, we count on our network of suppliers to understand and uphold our high standards of integrity, values and operating principles. Through various programs and policies, we hold our suppliers accountable and use environmental and social certifications to confirm our expectations and third-party validation that our sourcing standards are practiced consistently.



Supplier Code of Conduct

Our [Supplier Code of Conduct](#) (“Supplier Code”) applies to domestic and foreign suppliers, vendors, producers and manufacturers providing goods and services. It also applies to agents, brokers and other third parties who conduct business with Loblaw. Suppliers are required to share the Supplier Code with their contractors, agents, sub-contractors and sub-agents, including any labour agencies that are engaged to assist with providing goods or performing services for Loblaw, and to monitor such groups and ensure that they are adhering to the principles of the Supplier Code.

Our Supplier Code focuses on workers’ rights and protections within the supply chain, with a particular emphasis on the importance of protecting

their human rights and providing safe working conditions. This includes policies prohibiting child, forced and trafficked labour, as well as any discrimination, intimidation, abuse, harassment or violence against these workers. Further, it requires compliance with laws respecting workers’ freedom of association and the right to collectively bargain their terms and conditions of employment, which include compensation and working hours.

Our Supplier Code requires that a grievance mechanism or complaint procedure exists to allow workers to report workplace concerns. Our Supplier Code is managed through our Compliance and Ethics department and is reviewed annually and updated as necessary.

Integrity Action Line (IAL)

The company has an [Integrity Action Line](#) (1-800-525-7868), which invites confidential and anonymous reporting of suspicious activity, unethical practices, discriminatory or disrespectful behaviour, non-compliance and suspected non-compliance with laws, regulations, our codes of conduct, and company policies and procedures. Our IAL is publicly accessible on the Loblaw.ca site to our colleagues and employees within our network, which includes our franchisee networks, all suppliers and related third parties and their workers. It provides options to submit reports online in English, French or Spanish, or by calling a toll-free number to submit a report in English, French, Mandarin, Cantonese, Punjabi,

Spanish and Korean languages. Retaliation against anyone, including employees, colleagues, or workers, speaking up in good faith is strictly prohibited. The message is simple – speak up if you have a concern.

Reports received via the IAL are managed by the Compliance and Ethics department and assigned for investigation as appropriate. Governance oversight of the IAL is provided by the Risk and Compliance Committee of the board; the committee is informed of notable incidents or any emerging trends and themes requiring attention. These may inform changes to the organization’s policies and processes.

Human rights

We understand that in order to Advance Social Equity we need to do more both in Canada and abroad. That is why we are committed to making improvements in how we protect human rights in our supply chain and provide greater transparency to our customers about the results of our effort.

Through our on-going due diligence of our offshore sourcing vendors and their practices, we are able to prioritize the areas we need to focus on and to better inform our approach to advancing human rights in our supply chain. In 2023 we will, for the first time, implement a more comprehensive set of disclosures as it relates to our sourcing activities and our vendor auditing program. Those disclosures will include factory counts and locations as well as delisting metrics and the reasons for delisting.

We are committed to increasing transparency on the steps we are taking on sourcing responsibly, protecting human rights and advancing social equity.

Our customers trust that the products we sell in our stores come from suppliers that provide safe, fair and ethical working conditions for workers and employees. This is a fair

expectation, addressed in [Our Position on Human Rights](#). Given our scope and size, we recognize our responsibility to respect and protect the human rights of those working directly for Loblaw, as well as the many workers, including migrant and temporary workers, employed within our wider supply chain. Through our Supplier Code, we communicate the expectation that our suppliers, and any of their contractors, agents, sub-contractors and sub-agents, will uphold human rights within their operations.



Supply chain compliance and factory audits



Our team of audit compliance managers and production auditors ensures that workplace conditions assessments occur, and that our products are sourced from approved and authorized factories.

Our auditors conduct reviews and assessments that confirm these and other conditions: labour is voluntary and that workers are properly compensated and not exploited; factories comply with employment age laws and standards; working hours are not excessive and are consistent with local laws and standards; facilities meet health and safety laws and regulations; and, in Southeast Asia, fire and structural safety assessments are completed.

Supplier Code violations are reported to our Supply Chain Compliance and Compliance and Ethics departments. We evaluate the severity of violations to determine appropriate corrective action plans to address issues of non-compliance. Serious or repeated violations by a supplier may result in factories or suppliers being de-listed permanently. We will only issue purchase orders to suppliers that adhere to our factory audit requirements and remain compliant with our standards.

Collaboration and continuous improvement

Improvements to support the protection and working conditions of the most vulnerable workers globally will require collaboration among businesses, civil society and governments. We have the opportunity and responsibility to make a difference throughout our operations and supply chain.

In 2021, we expanded our transparency and disclosure by listing, for the first time, the factory locations of licensees. This builds upon our history of [apparel supply chain disclosure](#) which can be found on our company website.

In 2021, we renewed our commitment to the [Accord on Building and Fire Safety in Bangladesh](#) (the “Accord”), of which we were a founding member in 2013, by signing the International Accord for Health and Safety in the Textile and Garment Industry. Key features of the new international accord include the following:

- A commitment to focus on the health and safety program in Bangladesh, and on building a credible industry wide compliance and accountability mechanism.
- A commitment to expand the work of the International Accord based on feasibility studies of other markets.
- An option to expand the scope of the agreement to address human rights due diligence.
- An optional streamlined arbitration process to enforce the Accord’s terms.

Cotton and XUAR update

In 2021 we enhanced our standing pledge with Joe Fresh® apparel and footwear suppliers, expanding their commitment to not knowingly source cotton or textile products using cotton produced in Uzbekistan and Turkmenistan, to include the Xinjiang Uyghur Autonomous Region (XUAR) of China due to widespread evidence that these countries employ forced and child labour in their cotton harvests.

Food and Product Safety

Food Safety

We are Canada’s leading grocer. Food safety, quality assurance and regulatory compliance are fundamental to our business. Our store operators, supply chain partners and many suppliers maintain strict food safety standards and comply with regulatory requirements. Our Quality Assurance and Food Safety teams manage, review and update our standards to develop robust food safety and quality assurance programs.

As a food importer, we have robust data management systems that ensure compliance and oversight of the certifications and traceability required by the Safe Food for Canadians Act. Our control-brand products and their specifications are established, tested and evaluated at various steps in the product lifecycle – from development to launch and beyond. Strict standards for product safety and quality provide our customers confidence that our products are safe, consistent in high quality, and sourced from certified suppliers.

In the event of a product issue, our well-established programs enable us to quickly investigate, risk-assess and, if necessary, remove the product from sale and distribution. In the event of a recall, we have reliable notification protocols for our supply chain, stores and customers. Control-brand recalls trigger an investigation process with our vendors, including root cause analysis and mitigation. In 2021, we executed two public recalls of our control-brand food products.



Apparel and footwear

We aim to surpass customer expectations of product quality, performance and safety. The Joe Fresh® quality assurance standards for apparel and footwear meet or exceed government safety requirements in Canada and the United States. We have an extensive Restricted Substances List of which we track harmful chemicals in the apparel supply chain. In 2021, we continued to test compliance against government regulations on banned and restricted chemicals in markets where our products are sold.

Animal Welfare

We are one of Canada’s largest buyers and sellers of meat, poultry, eggs and dairy products. Our customers expect their food to be safe, high quality, and produced responsibly and humanely. Customer expectations – combined with the input of industry associations, sector best practices, supplier guidance, and scientific advisors – are reflected in our Supplier Code of Conduct and our [Animal Welfare Principles](#), which include the following:

- Engage with and support the [National Farm Animal Care Council](#) (NFACC) in developing national codes for farm animal care and welfare which are science-informed and reflect the values of Canadian consumers. These codes are species-specific and provide requirements and recommendations for issues like housing, husbandry, and transportation.
- Encourage our suppliers to adopt best practices for animal treatment and conduct second- or third-party verification.
- Provide regular progress reports on animal welfare.
- Fund research to improve animal production practices and identify public concerns.
- Monitor advancements on animal welfare technologies.



Eggs and pork

We are increasing our cage-free eggs and gestation-crate-free pork sourcing, through our partner farmers. As of 2021, we have made considerable progress:

- 100% of President’s Choice® shell eggs are cage-free.
- Approximately 40% of fresh PC® Free From® pork is sourced from suppliers that have converted to group housing for gestating hogs.



Banned fibres

Joe Fresh® apparel supports the ethical sourcing and humane treatment of animals. We have banned the use of fur, mohair (Angora goat) and Angora (Angora rabbit) in all Joe Fresh® products. Further, we will clearly and properly label any synthetic materials that resemble animal by-products.

Vegan Certified Beauty Products

Through our Quo Beauty™ brand, we are proud to offer over 1,000 items across 12 categories, 400 of which have been certified by PETA.

Responsible Sourcing

We can reduce social and environmental impacts by making responsible choices in our supply chain. Stakeholders expect us to source food safely and sustainably, in ways that promote the health and vitality of food sources. This means monitoring at-risk commodities at their origins and applying controls – like third-party certification of responsible sourcing.

Local sourcing

We take great pride in offering an expanded array of Canadian-grown fresh fruits and vegetables. By purchasing domestically, we can deliver fresher products to our customers and invest in Canada's farming communities.

In 2018, we committed to increase our Canadian-grown produce purchases by \$150 million by 2025, by shifting from imported to local sources. Progress against this target is ongoing.

- We have nearly tripled our purchases from a local carrot farmer using a patented growing process that provides carrots outside traditional seasonal availability.
- We have partnered closely with Canadian berry growers to increase our purchases of local berries by nearly 30%.



Sustainable seafood

For over a decade, we have been leading the move to certified sustainable seafood in Canada because it's important to our customers, our environment and our business. We want to make sure the seafood we enjoy today will be available for generations to come. Sourcing sustainable seafood, whether wild-caught or farm-raised, encourages greater protection of aquatic habitats and more attention to careful harvesting. We are proud to offer more than 200 products with the [MSC](#) and [ASC](#) ecolabels across our stores, including more than 80 control-brand products.



Palm oil

Palm oil is an important ingredient in a wide range of products, but the rapid growth of this industry has been linked to deforestation and the degradation of peatlands. As of 2015, all of our control-brand products containing palm oil ingredients align with one of the [Roundtable on Sustainable Palm Oil](#) (RSPO)'s four supply chain models: Identity Preserved, Segregated, Mass Balance, or Book and Claim. More information can be found in our RSPO [Annual Communication of Progress](#) (ACOP).

Coffee and cocoa

There is a growing global demand for responsibly sourced cocoa and we are actively seeking opportunities to transition control-brand products – as we did with our President’s Choice® Gold Bars and The Decadent® cookies. Sourcing Rainforest Alliance Certified cocoa addresses concerns like aging tree stocks, improper use of chemicals, uncontrolled deforestation, labour conditions and low farmer incomes.

Fairtrade

In 2021, PC® Organics proudly offered 15 Fairtrade Certified coffee and cocoa products. By sourcing Fairtrade ingredients, we support fairness for workers and farmers, while also investing in sustainable farming practices, community development projects, and social and physical infrastructure to empower the next generation of farmers.

Rainforest Alliance and UTZ

In 2017, the Rainforest Alliance and [UTZ](#), two of the world’s leading sustainability certification organizations, announced their intention to merge their programs. In 2020, we began transitioning our control brand cocoa products that currently use the UTZ logo to the new [Rainforest Alliance](#) certified seal, and we have plans to continue to expand our offering under the Rainforest Alliance certification program. We currently offer 50 control brand products containing ingredients from UTZ certified or Rainforest Alliance Certified farms. In 2021, we also converted seven of our President’s Choice® The Decadent® cookie products to Rainforest Alliance Certified cocoa.

We are proud to offer Rainforest Alliance Certified coffee products under the President’s Choice® single-origin line of coffee products. The Rainforest Alliance helps coffee farmers by supporting yield-boosting methods, land health for future generations, and criteria that promotes biodiversity, financial benefit, and a culture of respect for local workers and communities. Rainforest Alliance Certified™ farms are audited annually against a rigorous standard with detailed environmental, social and economic criteria.

Packaging

In 2021, we made strong progress against our target to transition all President’s Choice®, no name® and PC® Organics whole bean and ground coffees to recyclable packaging by year-end 2022. We are proud to report that 15 of our 37 active President’s Choice®, no name® and PC® Organics whole bean and ground coffee products are in recyclable packaging as at the end of 2021.

Better Cotton

In 2021, Loblaw became a member of Better Cotton, advancing our commitment to sustainable sourcing and support Better Cotton’s mission ‘to help cotton communities survive and thrive, while protecting and restoring the environment.’ We have set a goal to convert 100% of Joe Fresh® cotton-rich direct programs to sustainable cotton by 2025.

no name® Simple Check™

Our customers care about the ingredients used in their food. In 2018, we created the no name® Simple Check™ symbol. In 2021, we expanded this selection to offer nearly 1,050 products bearing the symbol, which identifies no name® products made without these 10 ingredients: synthetic colours¹, artificial flavours, monosodium glutamate², butylated hydroxyanisole (BHA)/butylated hydroxytoluene (BHT)/tert-butylhydroquinone (TBHQ), hydrogenated oils, artificial sweeteners, sugar alcohols, azodicarbonamide, polydextrose and brominated vegetable oil.

¹ As defined in Canadian regulations

² Except those naturally occurring





Appendix

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58 SASB Disclosure

GRI Content Index

This report has been prepared in alignment with the Global Reporting Initiative’s Sustainability Reporting Standards 2016 (GRI Standards), and references material disclosures within the Standards. Following the GRI Content Index, we include tables for the Sustainability Accounting Standards Board’s Food Retailers Standard, Drug Retailers Standard, Consumer Finance Standard, and Apparel Accessories & Footwear Standard.

GRI: 100 series – General Disclosures

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
Organizational Profile			2021 ESG Report Response
GRI 102: General Disclosures 2016	Name of the organization	102-1	Loblaw Companies Limited (“Loblaw”)
	Activities, brands, products and services	102-2	2021 Annual Report (p. 10, 12) 2021 Annual Information Form (p. 8-11)
	Location of the organization's headquarters	102-3	2021 Annual Information Form (p. 5)
	Location of operations	102-4	2021 Annual Information Form (p. 7)
	Ownership and legal form	102-5	2021 Annual Information Form (p. 5 and 30) 2021 Annual Report – 2021 Financial Review (p. 50)
	Markets served	102-6	2021 Annual Information Form (p. 5-11)
	Scale of organization	102-7	2021 Annual Information Form (p. 5-11) 2021 Annual Report (p. 10, 12) 2021 ESG Report (p. 2)
	Information on employees and other workers	102-8	2021 Annual Information Form (p. 10) 2021 ESG Report (p. 2, 28) 2022 Management Proxy Circular (p. 34, 35 and 41-42)
	Supply chain	102-9	2021 ESG Report (p. 39-41) 2021 Annual Information Form (p. 9)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
Organizational Profile			2021 ESG Report Response
GRI 102: General Disclosures 2016	Significant changes to the organization and its supply chain	102-10	There have been no material changes to the organization’s operations or its supply chain in the 2021 calendar year.
	Precautionary principle or approach	102-11	Loblaw does not have a formal position as it pertains to the precautionary principle.
	External initiatives	102-12	2021 ESG Report (p. 5, 9, 11, 13, 16, 17, 18, 21, 41, 43, 44, 45)
	Membership of associations	102-13	Loblaw partners with numerous organizations to bring our company purpose – helping Canadians Live Life Well® – to life. Some are referenced throughout the 2021 ESG report, including on (p. 4, 5, 13, 15, 17, 20, 24, 25, 28, 31, 32, 33, 41, 43, 44, 45)
	Statement from senior decision-maker	102-14	2021 Annual Report (p. 5) 2021 ESG Report (p. 3)
	Key impacts, risks and opportunities	102-15	2021 Annual Information Form (p. 13-23) 2021 Annual Report – 2021 Financial Review (p. 38-50) 2021 ESG Report (p. 3, 5)
	Values, principles, standards and norms of behaviour	102-16	2021 ESG Report (p. 4, 27-28) Loblaw Code of Conduct 2022 Management Proxy Circular (p. 42-43)
	Mechanisms for advice and concerns about ethics	102-17	2022 Management Proxy Circular (p. 42, 43) Integrity Action Line 2021 ESG Report (p. 1, 28, 35, 39)
	Governance structure	102-18	2022 Management Proxy Circular (p. 31-44) 2021 ESG Report (p. 35) Corporate website
	Delegating authority	102-19	2022 Management Proxy Circular (p. 31-44)
	Executive-level responsibility for economic, environmental and social topics	102-20	2022 Management Proxy Circular (p. 39-42)
	Consulting stakeholders on economic, environmental and social topics	102-21	2021 ESG Report (p. 5-6)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
Organizational Profile			2021 ESG Report Response
GRI 102: General Disclosures 2016	Composition of the highest governance body and its committees	102-22	2021 Annual Report (p. 14-16) 2022 Management Proxy Circular (p. 6-15, 19-30)
	Chair of the highest governance body	102-23	2022 Management Proxy Circular (p. 13, 35, 36)
	Nominating and selecting the highest governance body	102-24	2022 Management Proxy Circular (p. 6-15, 35-42)
	Conflicts of interest	102-25	2022 Management Proxy Circular (p. 31-44)
	Roles of highest governance body in setting purpose, values and strategy	102-26	2022 Management Proxy Circular (p. 20-44)
	Collective knowledge of economic, environmental and social impacts	102-27	2022 Management Proxy Circular (p. 39-40)
	Evaluating the highest governance body's performance	102-28	2022 Management Proxy Circular (p. 34-37, 40)
	Identifying and managing economic, environmental and social impacts	102-29	2022 Management Proxy Circular (p. 19-44) 2021 ESG Report (p. 5-6)
	Effectiveness of risk management processes	102-30	2022 Management Proxy Circular (p. 21-23, 34-35, 39) 2021 Annual Information Form (p.13-14) 2021 Annual Report (p. 38-49)
	Review of economic, environmental and social topics	102-31	2022 Management Proxy Circular (p. 21-23, 37-40)
	Highest governance body's role in sustainability reporting	102-32	2022 Management Proxy Circular (p. 21-23, 39)
	Communicating critical concerns to the highest governance body	102-33	2022 Management Proxy Circular (p. 76)
	Nature and total number of critical concerns	102-34	This information cannot be disclosed for confidentiality reasons.
	Remuneration policies	102-35	2022 Management Proxy Circular (p. 14-16, 45-75)
	Process for determining remuneration	102-36	2022 Management Proxy Circular (p. 14-16, 45-75)
	Stakeholders' involvement in remuneration	102-37	2022 Management Proxy Circular (p. 17-18)
	Annual total compensation ratio	102-38	This information cannot be disclosed for confidentiality reasons.
	Percentage increase in annual total compensation ratio	102-39	This information cannot be disclosed for confidentiality reasons.
	List of stakeholder groups	102-40	2021 ESG Report (p. 6)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
Organizational Profile			2021 ESG Report Response
GRI 102: General Disclosures 2016	Collective bargaining agreements	102-41	2021 ESG Report (p. 28)
	Identifying and selecting stakeholders	102-42	2021 ESG Report (p. 6)
	Approach to stakeholder engagement	102-43	2021 ESG Report (p. 6)
	Key topics and concerns raised	102-44	2021 ESG Report (p. 6)
	Entities included in the consolidated financial statements	102-45	2021 Annual Report – 2021 Financial Review (p. 79-146)
	Defining report content and boundaries	102-46	2021 ESG Report (p. 1)
	List of material topics	102-47	2021 ESG Report (p. 5)
	Restatements of information	102-48	None
	Changes in reporting	102-49	No material changes in reporting.
	Reporting period	102-50	2021 ESG Report (p. 1)
	Date of most recent report	102-51	2021 ESG Report (p. 1)
	Reporting cycle	102-52	Annual
	Contact point for questions regarding the report	102-53	2021 ESG Report (p. 1)
	Claims of reporting in accordance with the GRI Standards	102-54	2021 ESG Report (p. 1, 47)
	GRI Content Index	102-55	2021 ESG Report (p. 47-57)
	External assurances	102-56	This report is not externally assured.

GRI: 200 series – Economic topics

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 201: Economic performance 2016	Explanation of the material topic and its Boundary	103-1	2021 Annual Report
	The management approach and its components	103-2	2021 Annual Report
	Evaluation of the management approach	103-3	2021 Annual Report
	Direct economic value generated and distributed	201-1	2021 Annual Report
	Financial implications and other risks and opportunities due to climate change	201-2	2021 Annual Report (p. 45) 2021 ESG Report (p. 10-11)
	Defined benefit plan obligations and other retirement plans	201-3	2021 Annual Report (p. 95, 96, 102)
GRI 204: Procurement Practices 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 39-45)
	The management approach and its components	103-2	2021 ESG Report (p. 39-45)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 39-45)
GRI 206: Anti-competitive behaviour 2016	Explanation of the material topic and its Boundary	103-1	December 19, 2017 press release from Loblaw Companies Limited 2021 ESG Report (p. 35-36)
	The management approach and its components	103-2	December 19, 2017 press release from Loblaw Companies Limited 2021 ESG Report (p. 35-36)
	Evaluation of the management approach	103-3	December 19, 2017 press release from Loblaw Companies Limited 2021 ESG Report (p. 35-36)
	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1	2021 Annual Report (p. 44, 113, 136)

GRI: 300 series – Environmental topics

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 301: Materials 206	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 13-14, 44-45)
	The management approach and its components	103-2	2021 ESG Report (p. 13-14, 44-45)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 13-14, 44-45)
GRI 302: Energy 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 10-12)
	The management approach and its components	103-2	2021 ESG Report (p. 10-12)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 10-12)
	Energy consumption within the organization	302-1	2021 ESG Report (p. 10-12)
	Reduction of energy consumption	302-4	2021 ESG Report (p. 10-12)
GRI 303: Water and Effluents 2018	Interactions with water as a shared resource	303-1	2021 ESG Report (p. 14, 20)
GRI 304: Biodiversity 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 17)
	The management approach and its components	103-2	2021 ESG Report (p. 17)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 17)
	Significant impacts of activities, products, and services on biodiversity	304-2	2021 ESG Report (p. 17, 44-45)
GRI 305: Emissions 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 10-12)
	The management approach and its components	103-2	2021 ESG Report (p. 10-12)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 10-12)
	Direct (Scope 1) GHG emissions	305-1	2021 ESG Report (p. 11)
	Energy indirect (Scope 2) GHG emissions	305-2	2021 ESG Report (p. 11)
	Other indirect (Scope 3) GHG emissions	305-3	2021 ESG Report (p. 11)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 305: Emissions 2016	GHG emissions intensity	305-4	2021 ESG Report (p. 11)
	Reduction of GHG emissions	305-5	2021 ESG Report (p. 11)
GRI 306: Waste 2020	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 10-11, 15-16)
	The management approach and its components	103-2	2021 ESG Report (p. 10-11, 15-16)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 10-11, 15-16)
	Direct (Scope 1) GHG emissions	306-1	2021 ESG Report (p. 10-11, 15-16)
	Energy indirect (Scope 2) GHG emissions	306-2	2021 ESG Report (p. 10-11, 15-16)
	Other indirect (Scope 3) GHG emissions	306-3	2021 ESG Report (p. 10-11, 15-16)
	GHG emissions intensity	306-4	2021 ESG Report (p. 10-11, 15-16)
GRI 307: Environmental Compliance 2016	Explanation of the material topic and its Boundary	103-1	Environmental Commitment 2021 ESG Report (p. 20)
	The management approach and its components	103-2	Environmental Commitment 2021 ESG Report (p. 20)
	Evaluation of the management approach	103-3	Environmental Commitment 2021 ESG Report (p. 20)
GRI 308: Supplier Environmental Assessment 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 39-41)
	The management approach and its components	103-2	2021 ESG Report (p. 39-41)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 39-41)
	New suppliers that were screened using environmental criteria	308-1	2021 ESG Report (p. 39-42) All suppliers, including new suppliers, are subject to the environmental criteria in our Supplier Code of Conduct.

GRI: 400 series – Social topics

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 401: Employment 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 27)
	The management approach and its components	103-2	2021 ESG Report (p. 27)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 27)
	New employee hires and employee turnover	401-1	Partially reported, 2021 ESG Report (p. 27)
GRI 402: Labour/ Management Relations 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 28)
	The management approach and its components	103-2	2021 ESG Report (p. 28)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 28)
	Minimum notice periods regarding operational changes	402-1	2021 ESG Report (p. 28) Minimum notice periods regarding operational changes are individually negotiated as part of our collective bargaining agreements.
GRI 403: Occupational Health and Safety 2018	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 29-30)
	The management approach and its components	103-2	2021 ESG Report (p. 29-30)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 29-30)
	Occupational health and safety management system	403-1	2021 ESG Report (p. 29-30)
	Worker participation, consultation, and communication on occupational health and safety	403-4	2021 ESG Report (p. 29-30)
	Worker training on occupational health and safety	403-5	2021 ESG Report (p. 29-30)
	Work-related injuries	403-9	2021 ESG Report (p. 29-30)
GRI 404: Training and Education 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 27)
	The management approach and its components	103-2	2021 ESG Report (p. 27)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 27)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 405: Diversity and Equal Opportunity 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 24-26)
	The management approach and its components	103-2	2021 ESG Report (p. 24-26)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 24-26)
	Diversity of governance bodies and employees	405-1	2021 ESG Report, (p. 24) We do not currently provide breakouts by age group.
GRI 407: Freedom of Association and Collective Bargaining 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 28)
	The management approach and its components	103-2	2021 ESG Report (p. 28)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 28)
	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	There are no operations or suppliers where the right to freedom of association and collective bargaining may be at risk.
GRI 413: Local Communities 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 31-33)
	The management approach and its components	103-2	2021 ESG Report (p. 31-33)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 31-33)
	Operations with local community engagement, impact assessments, and development programs	416-1	2021 ESG Report (p. 31-33) We report only on local community development programs based on local communities' needs within our report.
GRI 414: Supplier Social Assessment 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 39-41)
	The management approach and its components	103-2	2021 ESG Report (p. 39-41)
	Evaluation of the management approach	103-3	2021 ESG Report (p. 39-41)
	New suppliers that were screened using social criteria	414-1	2021 ESG Report (p. 39-42) All suppliers, including new suppliers, are subject to the social criteria in our Supplier Code of Conduct.
GRI 416: Customer Health and Safety	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (p. 23, 40, 42) Drug Retailers HC-DR-250a.1 (p. 63)
	The management approach and its components	103-2	2021 ESG Report (p. 23, 40, 42) Drug Retailers HC-DR-250a.1 (p. 63)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 416: Customer Health and Safety	Evaluation of the management approach	103-3	2021 ESG Report (p. 23, 40, 42) Drug Retailers HC-DR-250a.1 (p. 63)
	Assessment of the health and safety impacts of product and service categories	416-1	2021 ESG Report (p. 23, 40, 42) Drug Retailers HC-DR-250a.1 (p. 63)
	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	Food Retailers FB-FR-250a.1 (p. 59) Food Retailers FB-FR-250a.2 (p. 59) Drug Retailers HC-DR-250a.2 (p. 63) 2021 ESG Report (p. 39-40, 42)
GRI 417: Marketing and Labelling 2016	Explanation of the material topic and its Boundary	103-1	We believe that it is important to offer clear and transparent labelling on products to enhance customer experience. We work with suppliers to improve safety and transparency within our supply chain and communicate relevant information to our customers.
	The management approach and its components	103-2	We have stringent procedures for consumer facing marketing and advertising content and new or updated private label packaging, of which our product development, legal, quality assurance, and regulatory affairs teams are trained on. All marketing and labelling content is reviewed and approved in accordance with these procedures prior to execution, and we have extensive record keeping on reviews and approvals.
	Evaluation of the management approach	103-3	We keep records of our marketing and labelling reviews and approvals and keep track of customer complaints related to marketing and labelling. Incidents are logged and actioned in order to remedy any issues.
	Requirements for product and service information and labeling	417-1	For every control brand product we market and sell, we have numerous procedures to ensure that we comply with regulatory and voluntary labelling requirements, which includes but is not limited to country of origin, product content, safe use of the product, marketing and information claims, and other relevant attributes.
	Incidents of non-compliance concerning product and service information and labeling	417-2	Food Retailers FB-FR-270a.1 (p. 60) Food Retailers FB-FR-270a.2 (p. 60)
	Incidents of non-compliance concerning marketing communications	417-3	Food Retailers FB-FR-270a.1 (p. 60) Food Retailers FB-FR-270a.2 (p. 60)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 418: Customer Privacy 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report, (pg. 37) Food Retailers FB-FR-230a.2 (p. 59) Drug Retailers HC-DR-230a.1 (p. 62) Consumer Finance FN-CF-230a.3 (p. 65)
	The management approach and its components	103-2	2021 ESG Report, (pg. 37) Food Retailers FB-FR-230a.2 (p. 59) Drug Retailers HC-DR-230a.1 (p. 62) Consumer Finance FN-CF-230a.3 (p. 65)
	Evaluation of the management approach	103-3	2021 ESG Report, (pg. 37) Food Retailers FB-FR-230a.2 (p. 59) Drug Retailers HC-DR-230a.1 (p. 62) Consumer Finance FN-CF-230a.3 (p. 65)
	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Food retailers FB-FR-230a.1 (p. 59) Drug Retailers HC-DR-230a.2 (p. 62) Consumer Finance FN-CF-230a.1 (p. 65)
GRI 419: Socioeconomic Compliance 2016	Explanation of the material topic and its Boundary	103-1	2021 ESG Report (pg. 19, 27, 36)
	The management approach and its components	103-2	2021 ESG Report (pg. 19, 27, 36)
	Evaluation of the management approach	103-3	2021 ESG Report (pg. 19, 27, 36)
	Non-compliance with laws and regulations in the social and economic area	419-1	Food Retailers FB-FR-270a.1, (p. 60) Food Retailers FB-FR-270a.3 (p. 60)

SASB Disclosure

The Sustainability Accounting Standards Board (SASB) is an independent private sector standards-setting organization dedicated to enhancing the efficiency of capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. The tables below reference the industry standards for Food Retailers and Distributors, Drug Retailers, Consumer Finance and Apparel, Accessories and Footwear, as defined by the SASB’s Sustainable Industry Classification System (SICS). We have identified the following topics and activity metrics as key issues against which we are able to disclose as a publicly-traded company.

SASB – Food Retailers

Topic	Accounting metric	Code	Disclosure
Fleet Fuel Management	Fleet fuel consumed	FB-FR-110a.1	1,327,632 GJ
	Percentage renewable	FB-FR-110a.1	5% renewable
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	189,855 Metric tonnes (t) CO2e
	Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	Approximately 96.3%
	Average refrigerant emissions rate	FB-FR-110b.3	Data not available
Energy Management	1. Operational energy consumed	FB-FR-130a.1	7,459,066.39 GJ
	2. Percentage grid electricity	FB-FR-130a.1	72.61%
	3. Percentage renewable	FB-FR-130a.1	0.0055% The company currently works with multiple partners to support the generation of renewable energy into the grid. More than 60 corporate sites host solar installations in Ontario and one site has a wind turbine in Nova Scotia.

Topic	Accounting metric	Code	Disclosure
Food Waste Management	Amount of food waste generated	FB-FR-150a.1	We are on a journey to better understand and standardize our waste management data to isolate volumes specific to food waste. In 2022 we will establish an enterprise-wide baseline. For more information see page 15.
	Percentage diverted from the waste stream	FB-FR-150a.1	In 2021, we diverted more than 86,000 metric tonnes. For more information see page 15.
Data Security	1. Number of data breaches	FB-FR-230a.1	The company tracks all incidents related to data security and privacy and that of its key suppliers, and reports to requisite authorities, affected individuals and other parties as required and in accordance with applicable laws. In 2021, the company did not experience any data breaches. The metrics under this code have been prepared under the methodology within the Company's internal policies which provide further guidance on the management of information security risks.
	2. Percentage involving personally identifiable information (PII)	FB-FR-230a.1	0%
	3. Number of customers affected	FB-FR-230a.1	0
	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	The company has implemented cyber and information security measures, including employee awareness and training, security monitoring and testing, maintenance of protective systems and contingency plans, data loss prevention and strong authentication, all in order to provide in-depth defense and to prevent unauthorized access of confidential information. The company's information security program is subject to internal, external and regulatory audits, and utilizes a number of industry practices around assessing, penetration testing, benchmarking and tracking security control maturity, including the Information Security Forum (ISF) and the Payment Card Industry Data Security Standard (PCI DSS). The company also has two internal policies (Cyber Security Policy and Acceptable Use Policy, which include mobile devices), which provide further guidance on the management of information security risks.
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	Of the 719 food safety inspections performed in 2021, 0 resulted in fines due to a serious nature of food safety violations. 100% of the 719 violations resulted in successful and timely resolutions.
	1. Number of recalls	FB-FR-250a.2	22 national and control brand recalls were executed in our stores in 2021.
	2. Number of units recalled	FB-FR-250a.2	Information not currently collected.
	3. Percentage of units recalled that are private-label products	FB-FR-250a.2	9% of total food recalls were control brand recalls (2 control brand food recalls in total.)

Topic	Accounting metric	Code	Disclosure
Product Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	By year-end 2021, the company offered more than 2,500 control brand products designed to meet customer nutritional and health concerns and preferences, regarding ingredients, additives and potential allergens. Revenue for this product category increased by 5% in comparison to 2020. Some of these products include organic, gluten-free, plant-based, peanut-free, lactose-free and no name® Simple Check™ products. These products are available at stores across multiple grocery divisions, making healthier alternatives available to our customers no matter where they shop with us. For competitive reasons, the company does not disclose category revenue data.
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	The company employs a systematic approach when collecting evidence-based research and seeks the input of scientific advisors for the company's control brand line of products. This process drives and supports the company's decision-making process regarding ingredient standards and sustainability priorities.
Product Labeling & Marketing	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-FR-270a.1	Zero reported incidents of non-compliance with marketing practices per the Canadian Code of Advertising Standards as a result of adverse rulings by the Advertising Standards Council of Canada (ASC).
	Total amount of monetary losses, as a result of legal proceedings associated with marketing and/or labeling practices	FB-FR-270a.2	Zero monetary losses as a result of court judgements associated with marketing practices.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs)	FB-FR-270a.3	The company offered more than 640 control brand products third-party certified to meet Canada's organic standards for customers seeking non-GMO products. Revenue for this product category increased by 6% in comparison to 2020. For competitive reasons, the company does not disclose category revenue data.
	Revenue from products labeled as (2) non-GMO	FB-FR-270a.3	
Labor Practices	1. Average hourly wage	FB-FR-310a.1	Our average hourly rate for all part-time and full-time corporate in-store and distribution centre colleagues was \$18.35. Including fringe benefits, excluding bonus, the average hourly rate was \$24.77. Our average hourly rate for all full-time only corporate in-store and distribution centre colleagues was \$25.34. Including fringe benefits, excluding bonus, the average hourly rate was \$36.13.
	2. Percentage of in-store and distribution centre employees earning minimum wage, by region	FB-FR-310a.1	83% of in-store and distribution centre colleagues and employees earn above provincial minimum wage.
	Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	79.5%
	1. Number of work stoppages	FB-FR-310a.3	0

Topic	Accounting metric	Code	Disclosure
Labor Practices	2. Total days idle	FB-FR-310a.3	0
	Total amount of monetary losses, as a result of legal proceedings associated with (1) labor law violations	FB-FR-310a.4	Zero monetary losses as a result of labour board or human rights tribunal judgements associated with labour law violations or employment discrimination.
	Total amount of monetary losses, as a result of legal proceedings associated with (2) employment discrimination	FB-FR-310a.4	\$0
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	FB-FR-430a.1	The company offers more than 975 control brand products labelled with third-party certification related to environmental and/or social sustainability sourcing standards. Revenue for this product category increased by 11% in comparison to 2020. For competitive reasons, the company does not disclose category revenue data.
	Percentage of revenue from (1) eggs that originated from a cage-free environment	FB-FR-430a.2	The company has established sourcing priorities for various animal proteins, including eggs and pork, to improve animal welfare standards. 100% of shell eggs marketed under our lead private brand, President's Choice®, are cage-free. Approximately 40% of fresh PC® Free From® pork is produced without the use of gestation crates (sow stall free). More information in the Animal Welfare section (p. 43) of the 2021 ESG report.
	Percentage of revenue from (2) pork produced without the use of gestation crates	FB-FR-430a.2	
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	Review the Governance section of the 2021 ESG report (p. 39-40, 42-43) for more information on the company's sourcing priorities relating to identified environmental and social risks, including animal welfare.
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	The company has undertaken many initiatives over the years to reduce the environmental impact of our packaging. In 2019, the company announced a target to ensure all PC® plastic packaging is either reusable or recyclable by 2025. More information is available in the Plastics section of the 2021 ESG report (p. 13-14).
Activity metrics	Number of (1) retail locations	FB-FR-000.A	2,503 stores and pharmacies
	Number of (2) distribution centres	FB-FR-000.A	25
	Total area of (1) retail space	FB-FR-000.B	More than 70.8 million m ² inclusive of corporate, franchised, and associate-owned stores. For more information see 2021 Annual Information Form (p. 8).
	Number of vehicles in commercial fleet	FB-FR-000.C	253 class 8 trucks

SASB – Drug Retailers

Topic	Accounting metric	Code	Disclosure
Data Security & Privacy	Description of policies and practices to secure customers’ protected health information (PHI) records and other personally identifiable information (PII)	HC-DR-230a.1	Pharmacy teams follow all applicable policies and regulations in place to secure customers’ PHI and PII including, but not limited to, end to end management of PHI and PII, privacy awareness and training, consent management and security safeguards. Pharmacists have a professional responsibility to appropriately safeguard this information, and all Pharmacy team members must always demonstrate the utmost responsibility for its use and protection. Standard Operating Procedures (SOPs) are in place to outline expectations. Only individuals who have been authorized access to the dispensary by the Associate or Pharmacy manager are permitted to enter the Pharmacy after having signed a required confidentiality agreement. If an incident occurs, the Company has robust SOPs to ensure appropriate action is taken by the Pharmacist. Shoppers Drug Mart Pharmacy Owners and Loblaw Companies Limited Pharmacy Managers, along with regional resources and other eligible roles undergo mandatory annual compliance training to ensure incidents are appropriately managed and reported. Some elements of the compliance training include Patient notifications, recovery of PII or PHI and implementing any associated corrective action plans to reinforce existing SOPs.
	1. Number of data breaches	HC-DR-230a.2	The Company is not prepared to disclose at this time and is working to define a methodology and framework for future disclosure.
	2. Percentage involving (a) personally identifiable information (PII) only and (b) protected health information (PHI)	HC-DR-230a.2	
	3. Number of customers affected in each category (a) PII only and (b) PHI	HC-DR-230a.2	
	Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	HC-DR-230a.3	The Company is not prepared to disclose at this time and is working to define a methodology and framework for future disclosure.

Topic	Accounting metric	Code	Disclosure
Drug Supply Chain Integrity	Description of efforts to reduce the occurrence of compromised drugs within the supply chain	HC-DR-250a.1	<p>The Company maintains a quality management system and drug establishment license to wholesale drug products to pharmacies in Canada. Internal regulatory controls are implemented at each step of the supply chain process and are managed with oversight by the Health Products Quality, Regulatory and Compliance (HPQRC) internal team. The HPQRC team performs annual regulatory audits on the warehousing and transportation of drug products. The implemented recall management system ensures rapid action to control all recalled product according to the depth and type of recall. Technical quality agreements are in place with drug manufacturers that meet drug regulations. Manufacturers are qualified by the HPQRC team to ensure the establishment and product are appropriately licensed to market in Canada. The warehouse management and inventory control systems are validated and meet regulatory standards. There is a robust regulatory complaint reporting system in place to monitor post-market occurrences. The same regulatory approach is taken for control brand and national brand products. The Company continues to uphold the compliant rating since its last Health Canada initiated audit in 2020.</p> <p>Over and above Health Canada drug recall notices and advisories issued to healthcare professionals, the Company implements an internal clinical assessment for recalls that are not assigned a ‘Patient Level’ (i.e., manufacturer’s recall notice does not require pharmacies to follow up with Patients) and where potential for adverse effects or negative health outcomes exist. Pharmacy teams are advised to follow up with Patients and manage recall next steps.</p>
Drug Supply Chain Integrity	Number of drug recalls issued	HC-DR-250a.2	Specific to Pharmacy prescription medication recalls, in total 53 recalls (including 143 UPCs) were executed in 2021.
	Total units recalled	HC-DR-250a.2	The Company is not prepared to disclose at this time.
	Percentage for private-label products	HC-DR-250a.2	The Company is not prepared to disclose at this time.
Management of Controlled Substances	Percentage of controlled substance prescriptions dispensed for which a prescription drug monitoring program (PDMP) database was queries	HC-DR-260a.1	The Company is not prepared to disclose at this time.
	Total amount of monetary losses as a result of legal proceedings associated with controlled substances	HC-DR-260a.2	

Topic	Accounting metric	Code	Disclosure
Patient Health Outcomes	First fill adherence rate	HC-DR-260b.1	The Company is not prepared to disclose first fill adherence at this time.
	Description of policies and practices to prevent prescription dispensing errors	HC-DR-260b.2	Shoppers Drug Mart Pharmacy Owners and Loblaw Companies Limited Pharmacy Managers, along with regional resources and other eligible roles undergo an annual mandatory compliance training and annual sign-off in addition to the Company’s SOPs on General Protocols for Handling Pharmacy Incidents and Privacy Breaches. These protocols are in place to provide guidance on the prevention and management of incidents to promote patient safety. In addition to Pharmacy Provincial regulations in place for incident reporting, internal reporting of near misses and medication incidents is in place through a central internal incident management recording and continuous quality improvement (CQI) program which includes documentation of incidents, root cause analysis and corrective and preventative action plans. As an internal compliance measure, the Company annually actions the top percentage of incident contributing factors through continuous quality improvement projects and awareness initiatives. More information on Patient safety included on p. 22-23 of the 2021 ESG report.
	Total amount of monetary losses as a result of legal proceedings associated with prescription dispensing errors	HC-DR-260b.3	The Company is not prepared to disclose this information at this time.
Activity metrics	Number of pharmacy locations	HC-DR-000.A	Nearly 1,800 retail pharmacies.
	Number of prescriptions filled	HC-DR-000.C	165.8 million prescriptions filled.
	Percentage for controlled substances	HC-DR-000.C	7.0% of prescriptions involved controlled substances.
	Number of pharmacists	HC-DR-000.D	Over 8,700 Registered Pharmacists across Shoppers Drug Mart and Loblaw Companies Limited.

SASB – Consumer Finance

Topic	Accounting metric	Code	Disclosure
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	The Bank uses customer information to monitor and track behaviour to mitigate potential risk of default, fraudulent activities, and offering targeted enhancement of the product. The information is also used to improve the Bank's service and product offerings. Account holder information is not sold to affiliates or non-affiliates.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	Information cannot be disclosed due to commercial sensitivity.
Data Security	1. Number of data breaches	FN-CF-230a.1	Information cannot be disclosed due to commercial sensitivity.
	2. Percentage involving personally identifiable information (PII)	FN-CF-230a.1	Information cannot be disclosed due to commercial sensitivity.
	3. Number of account holders affected	FN-CF-230a.1	Information cannot be disclosed due to commercial sensitivity.
	Card-related fraud losses from (1) card-not-present fraud	FN-CF-230a.2	Information cannot be disclosed due to commercial sensitivity.
	Card-related fraud losses from (2) card-present and other fraud	FN-CF-230a.2	Information cannot be disclosed due to commercial sensitivity.
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	The Bank has implemented cyber and information security measures, including employee awareness and training, security monitoring and testing, maintenance of protective systems and contingency plans, data loss prevention and multi-factor authentication, all in order to provide in-depth defense and to prevent unauthorized access of confidential information. The Bank’s information security program is subject to internal, external and regulatory audits, and utilizes a number of industry practices around assessing, penetration testing, benchmarking and tracking security control maturity, including the Information Security Forum (ISF) and the Payment Card Industry Data Security Standard (PCI DSS). The Bank has three internal policies (Cyber and Information Security Policy, Acceptable Use of IT Assets Policy and Acceptable Use of Mobile Devices Policy), which provide further guidance on the management of information security risks.

Topic	Accounting metric	Code	Disclosure
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	FN-CF-270a.1	No covered employees remuneration is linked to the amount of products or services sold.
	Approval rate for (1) credit with FICO scores above and below 660	FN-CF-270a.2	The approval rate for credit applicants with FICO scores above 660 is 98%. The approval rate for credit applicants with FICO scores below 660 is 41%.
	Approval rate for (2) pre-paid products for applicants with FICO scores above and below 660	FN-CF-270a.2	100% of all pre-paid product applications are approved.
	1. Average fees from add-on products, for customers with FICO scores above and below 660	FN-CF-270a.3	Information cannot be disclosed due to commercial sensitivity.
	2. Average APR, for customers with FICO scores above and below 660	FN-CF-270a.3	Information cannot be disclosed due to commercial sensitivity.
	3. Average age of accounts, for customers with FICO scores above and below 660	FN-CF-270a.3	Information cannot be disclosed due to commercial sensitivity.
	4. Average number of trade lines, for customers with FICO scores above and below 660	FN-CF-270a.3	Information cannot be disclosed due to commercial sensitivity.
	5. Average annual fees for pre-paid products, for customers with FICO scores above and below 660	FN-CF-270a.3	Information cannot be disclosed due to commercial sensitivity.
	1. Number of complaints filed with the Consumer Financial Protection Bureau	FN-CF-270a.4	For a consumer to resolve a complaint they have with their bank, the FCAC requires that a consumer must follow their bank's complaint-handling procedure. The FCAC does not resolve complaints, nor is it mandated to provide redress or compensation. The Bank is committed to resolving consumer complaints fairly and in a timely manner. We value consumer feedback and encourage consumers to contact us with their complaints to give us an opportunity to resolve their concerns. The highest internal level of the Bank's complaint handling procedure is the President's Choice Bank Ombudsman. In 2021, the President's Choice Bank Ombudsman dealt with 20 complaints. Of those 20 complaints, 90% were resolved to the satisfaction of the consumer making the complaint. The President's Choice Bank Ombudsman took an average of 78 days to investigate and resolve each complaint.
	2. Percentage with monetary or non-monetary relief	FN-CF-270a.4	
	3. Percentage disputed by consumer	FN-CF-270a.4	
	4. Percentage that resulted in investigation by the CFPB	FN-CF-270a.4	

Topic	Accounting metric	Code	Disclosure
Selling Practices	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	Information cannot be disclosed due to commercial sensitivity.
Activity metrics	Number of unique consumers with an active (1) credit card account	FN-CF-000.A	2,075,823 active credit card accounts
	Number of unique consumers with an active (2) pre-paid debit card account	FN-CF-000.A	173,829 active pre-paid debit card accounts
	Number of (1) credit card accounts	FN-CF-000.B	5,084,201 credit card accounts
	Number of pre-paid debit card accounts	FN-CF-000.B	341,889 pre-paid debit card accounts

SASB – Apparel, Accessories & Footwear

Topic	Accounting metric	Code	Disclosure
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	2021 ESG Report (p. 39-41)
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	2021 ESG Report (p. 39-41)
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	All suppliers are expected to understand and conduct business operations in accordance with all national and local environmental laws, standards, regulations, administrative practices and policies. This includes wastewater discharges.
	Percentage of (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	
	Percentage of (1) Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	64% of our 2021 product (measured at cost) was produced by Tier 1 factories who reported completing the Higg Facility Environmental Module in 2021.
	Percentage of (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	60% of our Tier 2 factories reported completing the Higg Facility Environmental Module in 2021.
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities that have been audited to a labor code of conduct	CG-AA-430b.1	Our expectations are set out in our Supplier Code of Conduct, which includes standards related to ethical conduct, compliance with laws and regulations, working conditions, worker safety, and forced and child labour, among other topics. Our team of audit compliance managers and production auditors ensures that workplace conditions assessments occur, and that our products are sourced from approved and authorized factories. All audits are conducted by a third-party auditor. For more information, refer to p. 40.
	Percentage of (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct	CG-AA-430b.1	
	Percentage of (3) total audits conducted by a third-party auditor	CG-AA-430b.1	

Topic	Accounting metric	Code	Disclosure
Labor Conditions in the Supply Chain	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	The information cannot be disclosed at this time.
	Description of the greatest (1) labor risks in the supply chain	CG-AA-430b.3	2021 ESG Report (p 40-45)
	Description of the greatest (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	2021 ESG Report (p 40-45)
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	2021 ESG Report (p 40-45)
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	Our 2021 product used 44 tonnes of Primaloft® insulation made from post-consumer recycled material, 212 tonnes of organic cotton, 93 tonnes of Repreve recycled fiber, and 49 tonnes of recycled polyester. We do not currently calculate this information by percentages of our total raw materials.
Activity Metric	Number of (1) Tier 1 suppliers	CG-AA-000.A	Our 2021 apparel products were sourced from 92 Tier 1 suppliers.
	Number of (2) suppliers beyond Tier 1	CG-AA-000.A	Our 2021 apparel products were sourced from 30 Tier 2 suppliers.

Note: this disclosure applies to Joe Fresh branded end-product made for delivery in 2021, including (but not limited to) apparel, accessories, jewelry, umbrellas, and footwear. For the purposes of this disclosure, Tier 1 factories refer to manufacturing facilities that have produced Joe Fresh branded 2021 apparel end-product for us. Tier 2 factories refer to suppliers of Tier 1 factories who directly process Joe Fresh labeled products and exclude those making products under a licensing agreement. Refer to our [apparel supply chain disclosure](#) for more information.