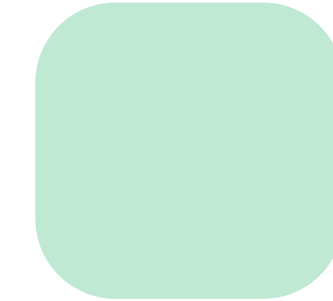


Live Life Well®



2024 Environmental, Social, and Governance Report

In This Report

At its core, Loblaw Companies Limited (“Loblaw”, the “Company”, “we”, or “our”) is a network of more than 2,800 locations passionately operated by independent franchisees, associate-owners and corporate colleagues. Together, we provide life’s everyday essentials to more Canadian families than any other, and as such, our prosperity is directly linked to the prosperity of the communities we serve. It is a great part of being a truly Canadian company and underpins the conviction with which we have been fighting climate change and advancing social equity for nearly two decades.

In this report, we outline our progress in these areas of strategic importance that matter to the country as a whole; to the 220,000 colleagues and employees who work at Loblaw; and to the millions of customers who choose to shop with us every single week. As such, our focus in these areas also matters to our shareholders as it directly contributes to the overall success of our business and makes Canada stronger – now and for decades to come.

More specifically:
Fighting climate change requires decisive action to help mitigate the environmental causes and effects of climate change. It entails reducing CO₂ emissions, achieving net-zero goals, minimizing food waste, and aligning with the Golden Design Rules for plastic packaging¹.

Advancing social equity involves building a diverse and inclusive workforce that adds rich perspectives and skill sets to how we deliver our customer experience and that reflects the communities we serve. It also involves supporting the health and well-being of women and children – both of which are key to the success and prosperity of Canada as a whole.

For well over a century, Loblaw has been tightly woven into the fabric of life in Canada, and we are committed to contributing positively for years to come. This report reflects our holistic approach to creating a more sustainable and equitable future for all through accountability, measurability, transparency, good corporate governance and proactive stakeholder management.

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Reading and Understanding this Report

This report covers Loblaw’s 2024 fiscal year ending December 28, 2024. Unless otherwise noted, data included relates to this time period and all monetary figures in this report are presented in Canadian dollars.

Our reporting and data measurement methods are consistent with those used in the Company’s 2023 Environmental, Social, and Governance report and relate specifically to our corporate operations, which includes our corporate-owned retail stores, distribution centres and offices. Where appropriate and available, we also indicate the inclusion of information relating to grocery franchisees, T&T®, and Shoppers Drug Mart®/Pharmaprix® associate-owned locations. Loblaw publishes various disclosure documents focused on how it is addressing environmental and social issues. Annually, we analyze third-party disclosure frameworks to determine reporting alignment based on global

prominence, reputation, and relevance to our ESG strategy, risk management, and material topics. This report references and/or is aligned to disclosures from the Global Reporting Initiative (“GRI”) Standards 2021, as well as the Sustainability Accounting Standards Board (“SASB”) Food Retailers Standard, Drug Retailers Standard, Consumer Finance Standard, and Apparel, Accessories and Footwear Standard. It takes additional reporting guidance from the UN Sustainable Development Goals (“UN SDGs”) and the Task Force on Climate-Related Financial Disclosures (“TCFD”). Our goal is to deliver robust and transparent disclosures in a timely manner for our stakeholders. As such, our disclosures also take guidance from the International Sustainability Standards Board (“ISSB”) International Financial Reporting Standards (“IFRS”) S1 General Requirements for Disclosure of Sustainability-Related Financial Information (“S1”), and IFRS S2 Climate-Related

Disclosures (“S2”). Loblaw is planning to align fully with the IFRS standards as endorsed by the Canadian Sustainability Standards Board (“CSSB”) when required by the Canadian Securities Administrators (“CSA”). Supplemental information is available in table format on our [data sheets](#). Please also see our [ESG forward looking statements](#).

This report is provided solely as an update on the Company’s Environmental, Social, and Governance initiatives and is not intended to promote any specific product or service of the Company or any of our suppliers. Customers should consult the applicable product label or service terms when making purchasing decisions.

For the latest updates regarding our Environmental, Social, and Governance progress, please see our website <https://www.loblaw.ca/en/responsibility/>. Please direct inquiries to: responsibility@loblaw.ca.

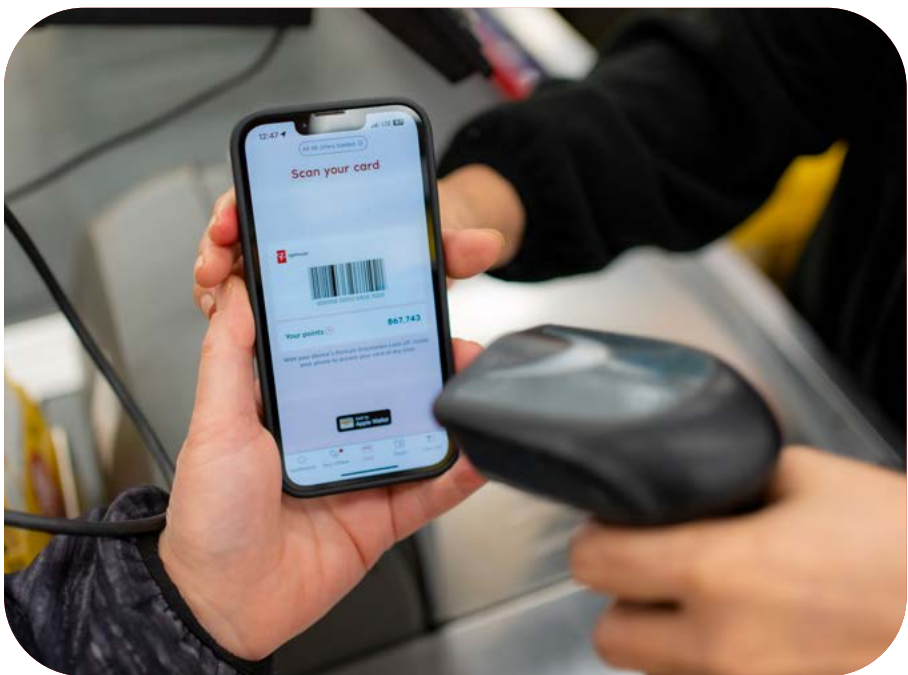


About Loblaw

Committed to Canada’s prosperity and driven by purpose – helping Canadians Live Life Well®

Proudly Canadian, Loblaw aims to deliver consistent business growth and shareholder returns through solid strategic planning and corporate governance. By embedding objectives related to fighting climate change and advancing social equity into its business strategy, the Company is ensuring that its actions contribute to the prosperity of the business, its customers, and the nation as a whole.

Loblaw is Canada’s food and pharmacy leader and the nation’s largest retailer, providing grocery, pharmacy, health and beauty, apparel, general merchandise, financial services and wireless mobile products and services. The company operates more than 1,100 grocery stores that span the value spectrum from hard discount to conventional, and more than 1,350 convenient Shoppers Drug Mart® and Pharmaprix® locations that are often healthcare hubs for their communities as well as Lifemark Clinics. These stores and pharmacies carry some of Canada’s favourite consumer brands in President’s Choice®, Farmer’s Market™, no name® and Life Brand®.



\$1 billion +
value of PC Optimum™ points
redeemed by customers

25% average savings
by switching from comparable
brand to no name®



3 of Canada’s top ten brands²
President’s Choice®, no name®
and Farmer’s Market™

220,000 colleagues
and employees



\$2.2 billion invested
back into the Canadian
economy, improving access
to more affordable food and
healthcare services



90% of Canadians
living within
10 kilometres of one
of our stores

60 + new or converted
hard discount stores

Raised and donated
\$212 million

More than 2,800 stores,
pharmacies and clinics



Message from our President and CEO



Nearly two decades ago, for the first time, Loblaw publicly released a report outlining the many things it was doing in the areas of environmental responsibility, sourcing, community investment, diversity and more. The report was simply entitled “The Way We Do Business.”

Eighteen years later, we are as committed as we have ever been to the principles outlined in that initial report, only now we organize our efforts around two concepts: fighting climate change and advancing social equity. The language we use now might be different – language does, after all, change to meet the needs of the day – but our focus is not. These notions remain central to the way we do business at Loblaw and represent an important opportunity for us to help Canada and Canadian communities prosper.

Our commitment has been unwavering for one simple reason: we fundamentally believe that fighting climate change and advancing social equity are what is right for business. Success in these areas contributes to our financial performance, inspires operational excellence, helps foster a corporate culture that motivates and engages our people, and contributes to the success of our 2,800 locations across the country. And when these locations succeed, our communities and our country succeed too. As a proudly Canadian company, we believe the best outcome is one where we all prosper.

With this in mind, in 2024 we continued to take the steps required to ensure our ongoing success. Our commitments around fighting climate change – which include plastics recyclability, food waste and carbon emission reductions – are owned, not by a centralized committee, but by our business functions themselves. As a result, our strong results stem from how we have operationalized and embedded ownership within the business:

- We achieved a 16% reduction in our carbon emissions relative to our 2020 baseline;
- Our control brand plastic packaging is now more than 90% compliant with the in-scope Golden Design Rules standards we helped to set for design, production, and recyclability;

- Our food waste reduction efforts are more consistent and systematic than ever, helping us divert more than 80,200 metric tonnes of food from landfill.

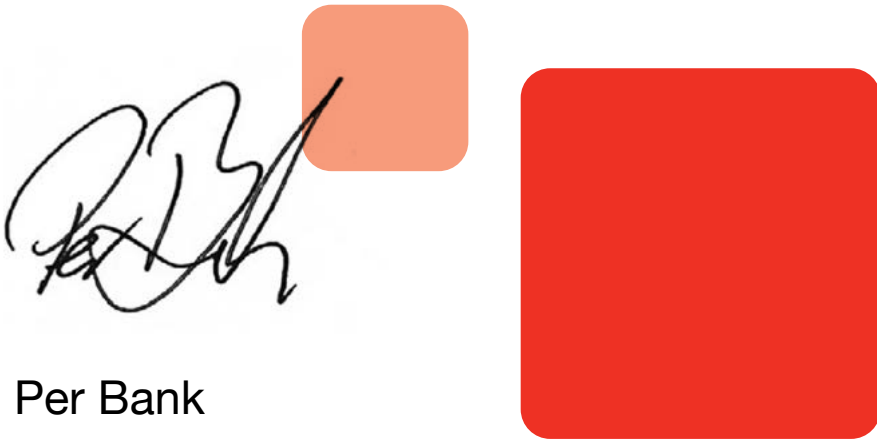
I’m immensely proud of all that we achieved in 2024, and the impact we are having on our communities and on the country as a whole. Of course,

“As a proudly Canadian company, we believe the best outcome is one where we all prosper.”

Our efforts to help advance social equity focus intentionally on inclusion – both within our network, and in support of women and children, all of which play a central role in Canada’s strength and wellbeing:

- We trained more than 198,000 of our colleagues and employees on fundamental Diversity, Equity and Inclusion topics all across the country;
- We are establishing new representation goals for women and visible minorities in our business, after having made tremendous progress against our previously shared objectives;
- We raised and donated more than \$22.5 million for President’s Choice Children’s Charity and \$12.5 million for the Shoppers Foundation for Women’s Health™;
- Our Feed More Families™ program has donated the equivalent of 120 million pounds of food to community-based organizations from coast to coast since the launch of the program in 2022.

this success is a direct reflection of the 220,000 people who work in our stores, pharmacies, clinics, supply chain facilities and offices. To them, fighting climate change and advancing social equity are more than words; they are a call to action, which they are answering every single day.



Per Bank
President &
Chief Executive Officer

Leading with Purpose: Enabling Canadian Prosperity

Our Approach to Environmental Sustainability and Social Impact

When Canadian communities are strong, so too is our business. That is why, grounded by our purpose – helping Canadians Live Life Well® – we are committed to fighting climate change and advancing social equity. We want Canada to flourish, now and forever.

Fighting Climate Change

As an industry leader on environmental action for decades, we are building on our success with an emphasis on reducing our greenhouse gas (“GHG”) emissions and eliminating waste from our business. Through these and other actions, we aspire to:



- Achieve net-zero by 2040 for our enterprise operating footprint³, and 2050 for our Scope 3 emissions. ([More information on climate action](#))



- Tackle plastic waste by making all control brand and in-store plastic packaging recyclable or reusable in accordance with the in-scope Golden Design Rules by 2025⁴. ([More information on plastics](#))



- Send zero food to landfill by 2030. ([More information on food waste](#))

Advancing Social Equity

Our social responsibility extends throughout our workforce and into the communities we serve. We aim to build a diverse, inclusive workforce, and support the health of women and children, who we believe are the building blocks of prosperous communities. Our activities include the following:



- Support President’s Choice Children’s Charity (“PCCC”), Canada’s top non-government provider of direct-to-school kids’ food nutrition programs, as they seek to raise \$150 million by 2027 and aim to reach 1 million children a year by 2025. ([More information on community engagement](#))

- Our Feed More Families™ program has a goal to donate 1 billion pounds of food to community-based food charities⁵. ([More information on community engagement](#))
- Achieve representation goals for management, executives, and our Board of Directors by the end of 2024. ([More information on representation goals](#))



- Create a ripple effect of inclusion and empathy in our communities by providing fundamental diversity, equity and inclusion training to 200,000 colleagues and employees by the end of 2024. ([More information on inclusion training](#))
- Shoppers Foundation for Women’s Health™ aims to invest \$50 million by 2026 to support initiatives that improve women’s access to care. ([More information on community engagement](#))

Stakeholder Engagement

The Weston Group of Companies

Loblaw is part of the Weston Group of Companies along with George Weston Limited (“Weston” or “Weston Group”) and Choice Properties Real Estate Investment Trust.

The Weston Group has adopted principles that help guide each company’s approach to Environmental, Social, and Governance practices, the details of which are included in [Weston’s Environmental, Social and Governance Reports](#).

Aligning Priorities

We believe in working closely with our stakeholders – all individuals and organizations connected to our business – to collaboratively resolve environmental, social, and governance issues. Through engagement, we actively solicit their feedback and insights. This approach allows us to develop and advance our programs in a way that reflects our shared responsibility for a sustainable future. For a full list of stakeholder engagement channels and their respective points of interest, please refer to our [data sheets](#).

United Nations Sustainable Development Goals

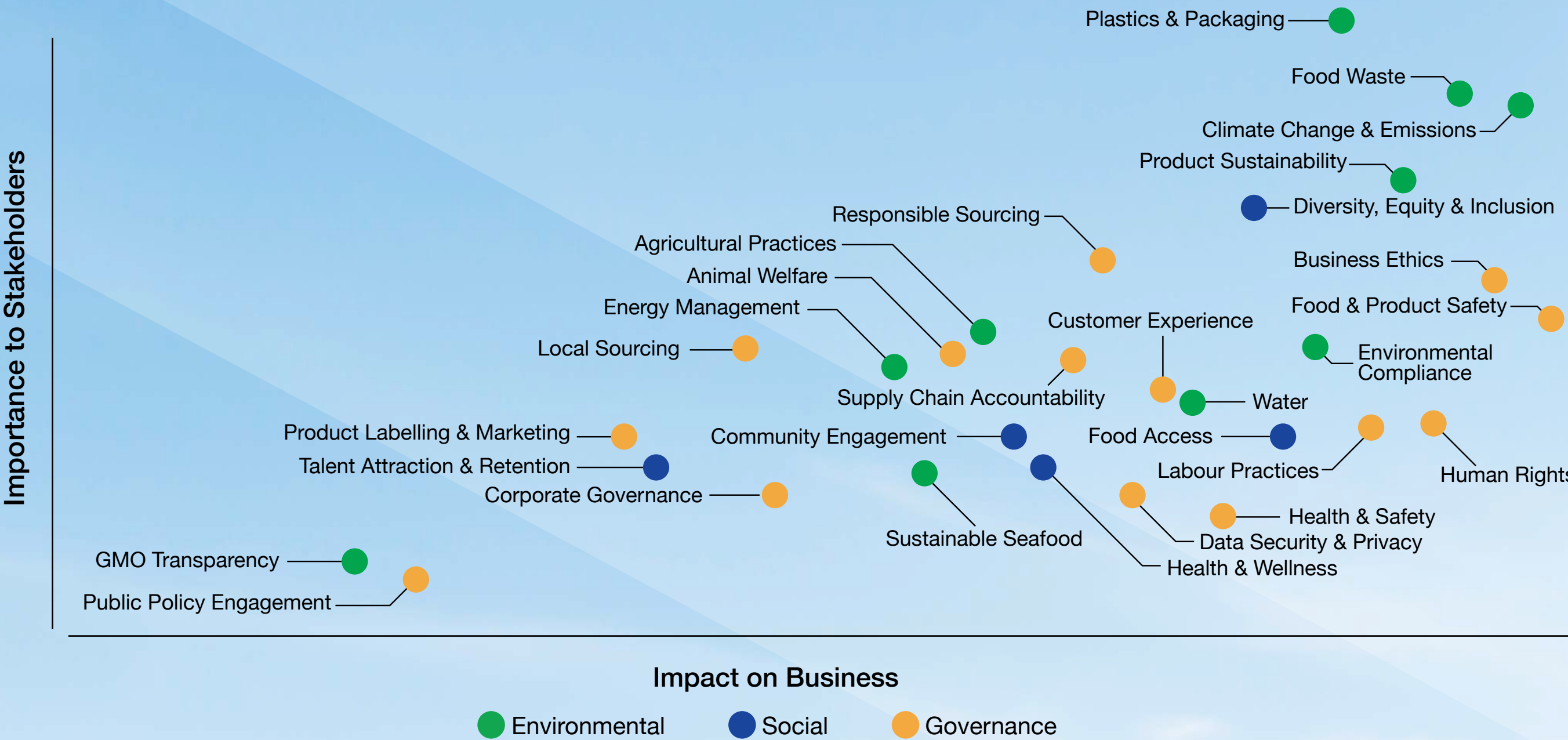
We recognize the importance of the United Nations (“UN”) 2030 Agenda for Sustainable Development, and the UN’s ambition to rally the global community to take necessary action to bring about inclusive, equitable and sustainable development for people and the planet through a focus on 17 Sustainable Development Goals (“SDGs”). Our purpose and our efforts align with many SDGs, and we have identified SDGs 2, 3, 5, 12, 13, 15 and 17 as most relevant to our enterprise operations.



Materiality

In 2021, we conducted a materiality assessment following GRI Standards 2016, identifying key issues impacting our business and those that are important to our stakeholders. Engaging a third-party consultant, we surveyed over 600 internal and external stakeholders, including colleagues, suppliers, government entities, academia, Non-governmental organizations (“NGOs”), and investors. This survey gauged the significance, relevance, impact, and perception of select Environmental, Social, and Governance issues, considering familiarity with our sustainability practices and evolving sustainability concerns. Acknowledging investors’ growing influence, targeted interviews were conducted to understand their top sustainability concerns.

Although we intended to undertake an assessment in 2024, the ISSB’s proposed materiality assessment requirements led us to defer this to ensure alignment with IFRS S1 and S2 standards once required by the CSA in Canada.



This materiality assessment reflects the input of a broad range of stakeholders and may not align with the enterprise risk assessments of Company Management.

Governance

Environmental, Social, and Governance matters have the potential to impact business operations, regulatory compliance, reputation, and financial outcomes, and are therefore an important area of focus for the Loblaw Board of Directors and its committees. The Board oversees and monitors the Company’s approach, policies, and practices related to these matters.

Loblaw has an Environmental, Social, and Governance Steering Committee comprised of senior leaders who guide the Company and its colleagues on the program and related activities and is tasked with ensuring that the Company considers and adopts leading practices and programs. Responsibilities include overseeing strategic business objectives for commitments and targets, as well as setting the “tone from the top” to foster an ESG-focused culture within the organization. The Steering Committee also provides leadership to the various Management committees which are responsible for setting priorities and implementing and monitoring Environmental, Social, and Governance related initiatives across the organization. Our programs and practices are designed to align with industry-leading standards and to support the achievement of our business objectives, including our commitments and targets. Please see the [Governance section](#) of this report for more information.

Strategy

When Canadian communities thrive, our business thrives too, which is why we have a vested interest in fighting climate change and advancing social equity. Proudly Canadian for over 100 years, Loblaw has been a cornerstone of communities from coast to coast to coast, and as we look ahead to the next 100 years, our commitment is unwavering.

We are focused on initiatives that create real, lasting value. For example, we support low-carbon farming because we believe in the long-term health of Canadian farms and the environment. This helps farmers prosper, protects the environment, and helps ensure Loblaw can continue to provide the products our customers want for years to come.

Our guiding pillars focus on:

Carbon Net-Zero:
Reducing our carbon footprint and contributing to a cleaner future.

Eliminating Food Waste:
Minimizing waste and maximizing resource efficiency.

Tackling Plastic Waste:
Reducing plastic consumption and promoting circular solutions.

Canada’s Most Diverse and Inclusive Employer:
Fostering a workplace where everyone can thrive.

Supporting the Health and Well-being of Women and Children:
Investing in the future of our communities.

These focus areas are not chosen arbitrarily. They represent the issues that matter most to our business and our stakeholders. We are committed to transparency and accountability – setting ambitious yet achievable targets, based on rigorous analysis and internal roadmaps, and embedded into our day-to-day operational strategies. We also understand the importance of being accountable for our commitments and the need to disclose both progress and challenges transparently.

Our strategy is continuously informed by a thorough assessment of specific sustainability-related risks and opportunities, ensuring alignment with our long-term vision and strategic objectives.

Risk Management

As a company serving Canadians, Loblaw faces risks that could, directly or indirectly, negatively impact our reputation, operations, or performance ultimately affecting the communities we serve and who rely on us. We assess all our significant sustainability-related risks and opportunities and perform a specific assessment of select climate-related risks and opportunities. Under the guidance of the Steering Committee, teams within the business, such as ESG Integration and Reporting, Sustainability and Social Impact, Legal, Investor Relations, and External Financial Reporting, work together to identify and set mitigation strategies for sustainability-related and climate-related risks throughout the year. Loblaw has a defined Enterprise Risk Management (“ERM”) program to assess enterprise risks, including potential environmental and social related risks. ESG risk management is aligned to the ERM program, though the ERM and ESG risk timelines are different given that Environmental, Social, and Governance risks include longer-term risk horizons. The climate risk assessment conducted in 2022 aligned with the ERM risk assessment model to allow for consistent criteria and comparability. The specific criteria used within the assessment included potential impact to the business, likelihood of occurrence, the speed of onset, the current control environment and the level of mitigation activity required to address the risk. More information on our ERM program can be found in the [Annual Information Form](#) and in the [Management Discussion and Analysis](#).

Environmental, Social, and Governance risks and opportunities noted through risk management exercises inform the Company’s Environmental, Social, and Governance strategy during the annual review of materiality and progress. As a result of risks and opportunities identified, changes to the strategy, metrics and/or targets are made as required.

We understand that Environmental, Social, and Governance disclosures are a priority for stakeholders who seek to understand how companies incorporate these considerations into their strategic decision-making, and risk management. Stakeholders are interested in how a company’s Environmental, Social, and Governance plans align with its business model, risk mitigation plans, and its potential for long-term value creation. Therefore, we aim to continue to provide transparency related to activities required to achieve our commitments.

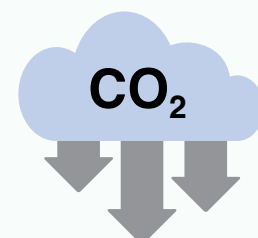
2024 Performance Highlights

In 2024 we continued to make a meaningful difference in the lives of Canadians and our communities. We opened more than 70 new stores, creating over 2,900 new jobs and we invested \$2.2 billion into the Canadian economy, improving access to affordable food and healthcare services. With our work deeply embedded into our operational strategies, we were able to focus on what is right for our stakeholders and our business while also ensuring we are building a sustainable and equitable future for the communities we serve.

Net-zero by 2040 for our enterprise operating footprint, and 2050 for our Scope 3 emissions



- Achieved a 16% reduction in our Scope 1 and Scope 2 emissions compared to the 2020 baseline.



- Completed more than 500 carbon reduction projects.



- ~32% of our Scope 3 volume by spend, in aggregate, came from suppliers with science-based targets.

Zero food sent to landfill by 2030



- 100% of our food retail operations and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations donated to a food recovery partner.

Tackling plastic waste



- Achieved 90%+ compliance relative to the in-scope Golden Design Rules for control brand and in-store plastic packaging, within reach of our 2025 goal.

Support the health and well-being of women and children



- Raised and donated (including in-kind donations) \$212 million to support research, charities and non-profits across Canada.



- Supported the Shoppers Foundation for Women's Health™ in providing more than \$12.5 million to initiatives that improve women's access to care.

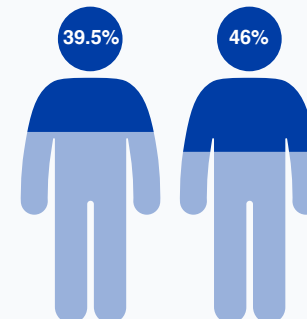


- Donated more than 50 million pounds of food to community-based food charities across Canada, in support of Feed More Families™.

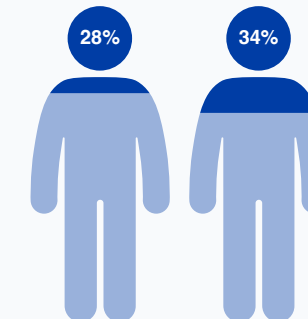


- Helped President's Choice Children's Charity reach more than 997,000 kids as part of their mission to tackle childhood hunger.

Aim to be Canada's most diverse and inclusive employer



- Achieved 39.5% women representation in Executive positions and 46% in Management positions.



- Increased representation of visible minorities in Executive positions to 28% and in Management positions to 34%.



- Trained 198,000 colleagues and employees on fundamental diversity, equity, and inclusion topics.

Partnerships and Memberships






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Environmental


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Climate Action

As a Canadian company intricately woven into thousands of communities, we see the impact climate change is having firsthand – on our colleagues, our customers, and the places we call home. To succeed, we must help these communities succeed, and helping to fight climate change is one of our core responsibilities. We must mitigate the impact of our operations and support our value chain in their own efforts to do the same. Reducing our enterprise operating greenhouse gas (“GHG”) footprint remains a longstanding priority.

While reducing our own environmental footprint is important (Scope 1 and Scope 2), we know that the products and services we procure (Scope 3) have a large impact on the environment. We know that we cannot achieve our goals alone and are committed to work closely with our supplier community to amplify our impact and accelerate our collective progress toward net-zero emissions by 2050.

Achieving Net-Zero

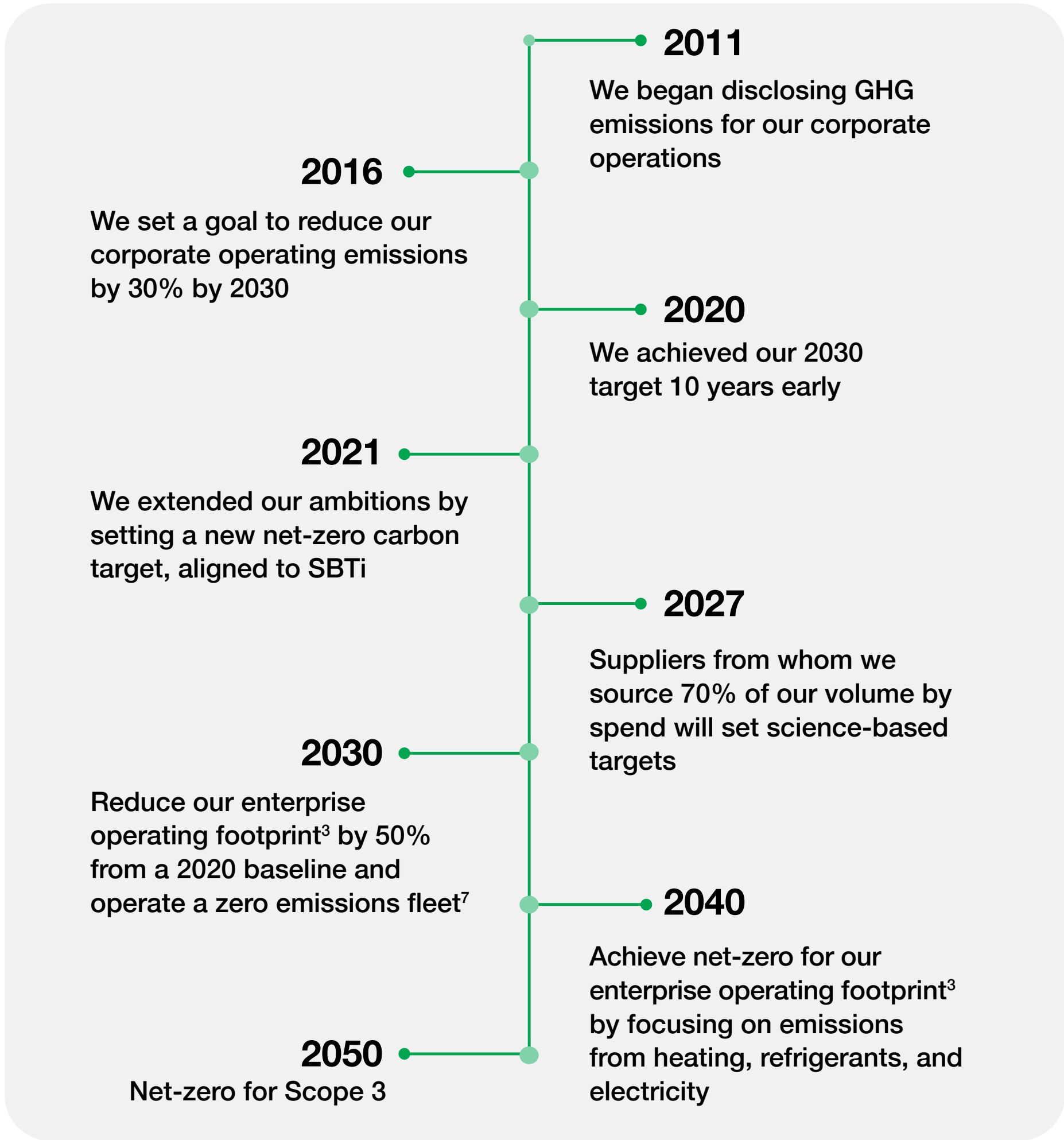
For decades, we have been tracking the GHG footprint of our corporate stores and operations. Between 2016 and 2020 we reduced our corporate GHG emissions through advancements in energy management, equipment conversions and reducing refrigerant leaks.

In 2021, we increased our ambitions with a phased approach to reach net-zero emissions across our full enterprise operations – including corporate, franchise, and associate-owned stores, as well as corporate offices and distribution centres, by 2040. Our plan focuses on four key aspects of our footprint: refrigerants, heating, electricity, and decarbonizing our fleet, and in 2023, we released our plan to tackle our Scope 3 emissions by 2050. Our plan is aligned with the Paris Agreement, which aims to limit global temperature rise to 1.5 degrees Celsius through collective action.

Our Greenhouse Gas Footprint

Loblaw’s GHG emissions are categorized as follows: Scope 1 represents approximately 2% of total Loblaw emissions and stems from sources owned or controlled by Loblaw, while Scope 2 is approximately 1% and relates to indirect emissions associated with electricity, steam, heating and cooling purchases. This level of emissions represents more than one million metric tonnes of CO₂ emissions which is critical for us to address. The remaining, approximately 97% of our GHG footprint stems from external sources in our value chain (Scope 3). These sources are vital to our operations but are not directly managed by Loblaw.

While it represents challenges, tackling Scope 3 emissions is of critical importance to our plan to fight climate change and achieve net-zero by 2050. To succeed, strong data collection and collaboration across the value chain is required. That is why in late 2023, we increased our transparency by disclosing our plan to tackle Scope 3 emissions, which included a call to action sent to all our largest vendors asking them to **#JoinTheCarbonFight** and report their GHG emissions and reductions. As part of this work, we announced a new interim target to ensure suppliers from whom we source 70% of our volume by spend will set science-based targets⁶ by 2027.



On April 9, 2024, SBTi confirmed validation of our 2027 and 2030 targets as conforming with the SBTi Criteria and Recommendations (Criteria version 5.0) and our Company’s Scope 1 and Scope 2 target ambition as in-line with a 1.5 degrees Celsius trajectory.



Climate Strategy

Guided by IFRS S2, our climate strategy recognizes climate-related risks and opportunities. To understand the potential implications of both the physical and transition risks and opportunities associated with climate change, we conducted a climate risk assessment in 2022, using both qualitative and quantitative scenario analysis across medium term (2030) and long term (2050) time horizons. This assessment, performed by an independent expert, evaluated potential effects of physical and transition risks on our strategic and financial position under various internationally recognized climate scenarios - Representative Concentration Pathway (“RCP”) and Shared Socio-economic Pathway (“SSP”). The assessment identified climate-related risks and opportunities, that helped inform our transition plan. This plan anticipates a 1.5-degree-Celsius global temperature increase, aligning with SBTi.

Climate Risk Management

To continue serving Canadians and the communities in which we operate in a sustainable manner, Loblaw must address the growing risks posed by climate change. Changes in laws, regulations, and policies aimed at reducing the impact of global climate change on retail and other businesses are inevitable. Our ability to adapt to these changes is critical to ensuring we can continue to meet the needs of Canadians in a responsible and sustainable way. Failure to adapt poses significant risks to both our business and the communities we serve.

The 2022 Climate Risk Assessment identified the following risks as having the highest potential to impact our business operations:

Transition Risks

- **Carbon Pricing** - Carbon pricing has a significant impact on the cost of energy, fuel, raw materials, and operations and it is expected to increase annually to meet Canada’s net-zero target.
- **Food Waste** - Food waste is a key component of our GHG emissions and is expected to be subject to stricter regulations, increased transportation costs, as well as social pressure in the years to come.
- **Refrigeration and Refrigerants** - As an integral component of all our stores and distribution centres, changes to regulations regarding refrigerants and retrofitting of systems have the potential to significantly impact our operations.

Physical Risks

- **Supply Chain Interruptions** - The effects of physical risks (wildfires, ice/snow, droughts, flooding) have the potential to impact the cost and availability of products to the Company through its supply chain.
- **Long-term Temperature and Precipitation Rise** - Rising mean temperatures, along with the accompanying changes in precipitation patterns, could potentially drive more acute extreme events, and impact our operations, colleagues and customers, such as the potential to impact access to our stores and distribution centres.

Climate Risk Mitigation

To do our part in contributing to thriving, prosperous communities for generations to come, addressing climate risk is paramount – it is the right thing to do for our communities, and our customers. The climate risk mitigation initiatives we are undertaking not only help mitigate related risks and propel our journey towards achieving our net-zero objectives, but also create new opportunities and strengthen our business for long-term success. The following illustrates the strategies we are implementing to help mitigate and/or minimize exposure to the identified risks.

Carbon Pricing

Risk Type: Transition
Time Horizon: Short/Medium/Long

Net-zero Targets:

In 2024, we saw our Scope 1 and Scope 2 emissions decline by 16% relative to our 2020 baseline despite the opening of more than 70 new stores.

Our supplier engagement strategy is the cornerstone of our Scope 3 effort, encompassing access to essential resources and promotion of emissions reporting via CDP Supply Chain. As at the end of 2024, ~32% of our Scope 3 volume by spend, in aggregate, came from suppliers with science-based targets⁸. We are committed to engaging vendors to align with our priorities; however, we acknowledge that influencing vendor operations or decisions to report is not always within our control.

Low Carbon Stores:

In 2024, Loblaw opened two low carbon stores - a Shoppers Drug Mart® in Kelowna, British Columbia, and a Maxi® in Contrecoeur, Quebec. These two stores use ultra-low carbon refrigerants⁹ in their food refrigeration systems and use electric heat pumps for heating, significantly reducing the emissions associated with higher emissions intensive synthetic refrigerants and fossil fuel-based heating, while leveraging low carbon electricity generation from their respective provincial utility grids.

Smart Controls:

We continue to implement smart controls which allow us to wirelessly control our lighting systems. This is in addition to the existing centralized building management systems for Refrigeration and Heating, Ventilation and Air Conditioning (“HVAC”).

Reducing Fleet GHG Emissions:

Loblaw continues to progress towards its zero emission fleet target despite supply delays, and as at the end of 2024 we have 20 heavy-duty electric transport trucks in our fleet¹⁰. We have also begun transitioning our corporate fleet to electric or hybrid vehicles where possible. As at the end of 2024 we had more than 130 electric or hybrid vehicles which makes up approximately 10% of our corporate fleet.

LED Lighting Conversions:

LED lighting has less negative environmental impacts than incandescent lighting: it uses up to 75% less energy than traditional incandescent lighting, produces very little heat which eases cooling costs, and lasts 30 times longer. While swapping out lights in our stores and pharmacies is a lengthy process, we are well underway. All of our new stores are being equipped with energy-efficient lighting during construction, and we have completed more than 400 upgrades.



Refrigeration and Refrigerants

Risk Type: Transition
Time Horizon: Medium/Long

Refrigerant Conversions:

As an integral component of all our stores and distribution centres, changes to regulations regarding refrigerants have the potential to significantly impact our operations. Our approach to reduce the impacts of refrigerants is two-fold:

- The majority of new grocery stores are built with natural refrigerant-based refrigeration systems.
- In our legacy stores, we are actively converting our systems to use lower impact refrigerants. Since beginning this work in 2019, we have converted more than 500 legacy grocery stores to lower global warming potential refrigerants.¹¹

Leak Detection:

We have leveraged data from our centralized energy management systems to develop a system that allows for leaks to be detected earlier. This system has been implemented in more than 450 stores.

Food Waste

Risk Type: Transition

Time Horizon: Short/Medium/Long

Zero Food to Landfill by 2030:

We have progressed this commitment by redirecting more than 80,200 metric tonnes of food through donations, reclamation, anaerobic or aerobic digestion, and farm diversion.

10x20x30 Initiative:

We are a proud member of the Consumer Goods Forum's Global Food Waste Coalition of Action.

Flashfood:

Through our partnership with Flashfood we have been able to feed hundreds of thousands of families across the country more affordably while reducing our food waste. Flashfood is now live in over 850 of our stores, and in 2024, we eliminated more than 8 million kilograms of potential food waste, while saving Canadians millions on their grocery bills.

Store and Supply Chain Efficiencies:

In the grocery business, customers expect products to be in stock where and when they want to shop. So, ordering the right amount of food is critical. Too little risks disappointing our customers, 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 and other systems, we will ensure food is ordered or prepared in amounts that aim to reduce waste.



Supply Chain Interruptions

Risk Type: Physical

Time Horizon: Short/Medium/Long

Supply Chain Management:

Loblaw works with vendors to assess the impact of climate change on crops in various countries and regions, and we continue to explore alternative farming approaches, including local sourcing and greenhouse growers. We support Canadian Alliance for Net-Zero Agricultural ("CANZA"), which is focused on developing, testing and scaling innovative technologies, and incentivizing the adoption of regenerative agriculture and carbon farming practices, with the ambition to collectively transform the sector and create a circular, net-zero agri-food value chain.

Contingency Planning:

Loblaw procurement works closely with supply chain management to ensure redundancy in the supply chain, by sourcing from multiple vendors from various regions/countries in addition to having numerous routes and modes of transportation for shipped goods.

Long-term Precipitation and Temperature Rise

Risk Type: Physical

Time Horizon: Long

Building Codes:

Loblaw follows municipal building requirements to ensure locations are built to address the various environmental factors such as earthquakes, high flood zones, etc.

Emergency Preparedness:

Loblaw has a robust enterprise crisis management process to minimize damages or other impacts and ensure the safety of our customers and colleagues.

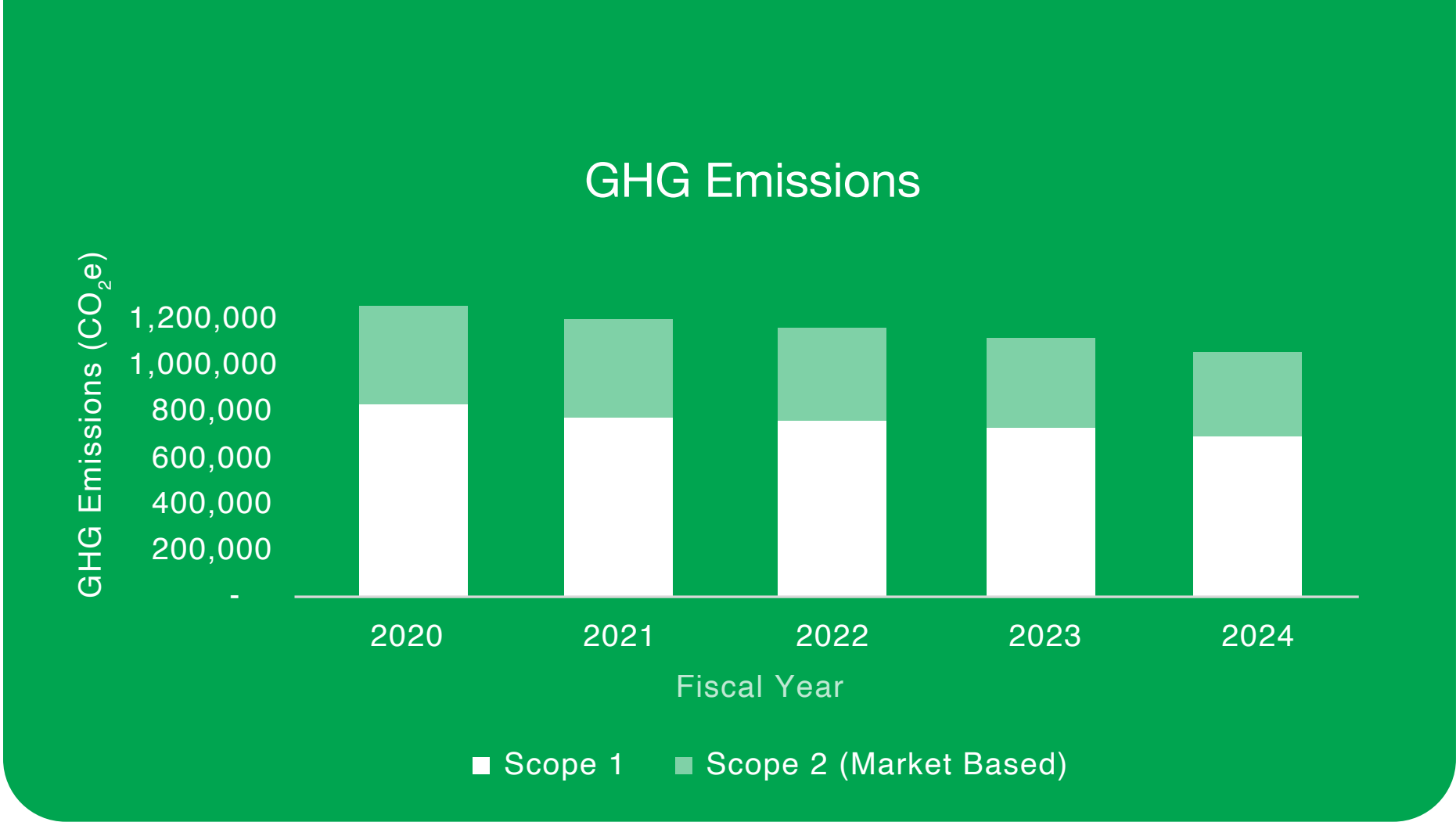
Risk Management:

We recognize that, despite best efforts, some risks will materialize. We work diligently with our insurance providers to ensure coverage is reflective of potential risk.

Scope 1 and Scope 2 GHG Emissions Reporting

We are proud of the achievements we have made on our Scope 1 and Scope 2 emission reduction journey, and as of the end of 2024 we have decreased these CO₂ emissions by 16% against our 2020 baseline.

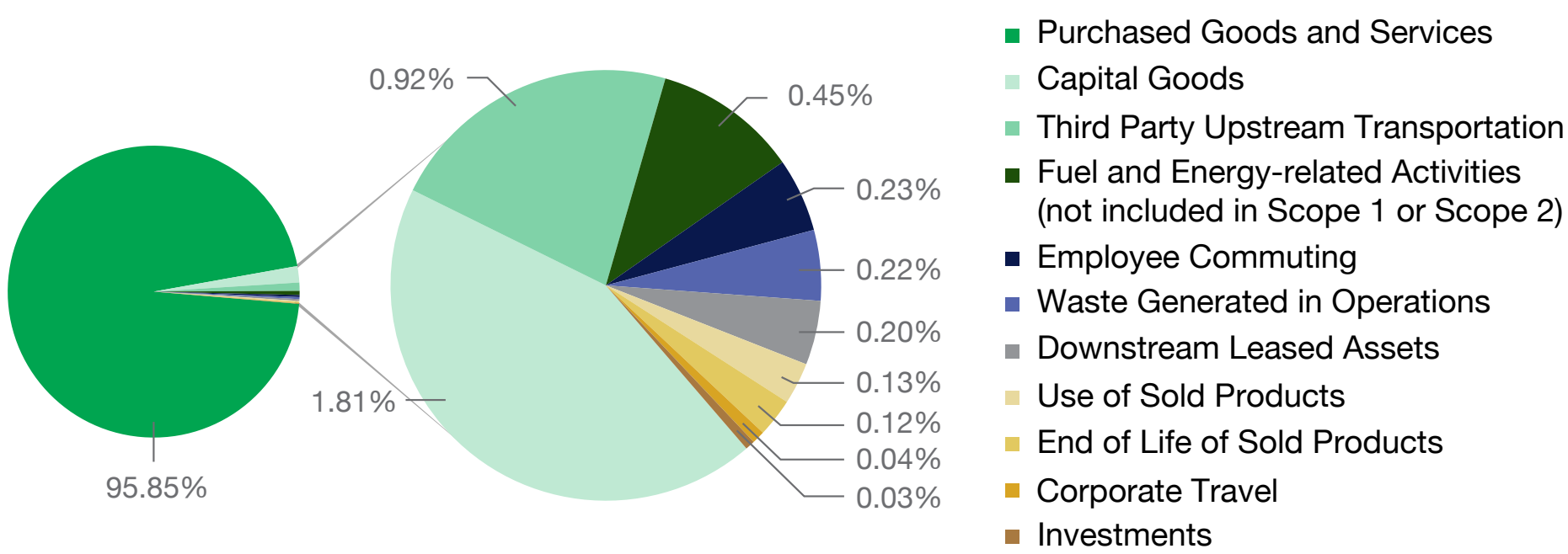
Metric ^{3,12,13}	Unit of Measure	FY2024	FY 2023	FY 2022	FY 2021	FY 2020
Scope 1 (Direct) – Fleet and building fuel consumptions, refrigerant releases, and company-owned travel	Metric tonnes of CO ₂ e	687,940 ¹⁴	726,052	752,306 ¹⁵	766,856 ¹⁵	826,921 ¹⁵
Scope 2 (Indirect) – Electricity, location-based	Metric tonnes of CO ₂ e	376,246 ¹⁴	392,500	407,217	427,857	429,413
Scope 2 (Indirect) – Electricity, market-based ¹⁶	Metric tonnes of CO ₂ e	368,076 ¹⁴	388,300	407,217	427,857	429,413
Total (Scope 1 and Scope 2, market-based)	Metric tonnes of CO₂e	1,056,016	1,114,352	1,159,523	1,194,713	1,256,334
Change as a % compared to prior year	%	-5%	-4%	-3%	-5%	-
Change % against baseline year (2020)	%	-16%	-11%	-8%	-5%	-
Change % against baseline compared to prior year	%	-5%	-4%	-3%	-5%	-
Progress through Projects – Capital spent on carbon reduction projects during the period ¹⁷	\$	\$40,699,000 ¹⁴	\$43,990,000	-	_ 18	_ 18
Progress through Projects - Number of carbon reduction projects completed during the period ¹⁹	Count	509 ¹⁴	490	250	_ 18	_ 18
Progress through Projects - Number of corporate owned and operated electric trucks ²⁰	Count	20 ¹⁴	14	nil	nil	nil
Progress through Projects – Corporate owned and operated electric trucks as a percentage of total corporate owned and operated short-haul outbound trucks ²¹	%	9.4% ¹⁴	_ 18	_ 18	_ 18	_ 18



Scope 3

The following represents the contribution of various value chain activities to our overall Scope 3 emissions. The weighting of Purchased Goods and Services underpins the importance of working with our vendors up and downstream, to achieve net-zero by 2050.

Our plan to achieve net-zero by 2050 is science-based and focuses on five key areas - supplier engagement and commitments, support for responsible sourcing practices, empowering our people, tackling food waste, and empowering our customers to consider the climate impacts of their choices. See our [net-zero plan](#) for more details.



*A high-level screening of Scope 3 emissions by categories was conducted in 2022. Data available at the time was used and does not represent a comprehensive analysis of Loblaw’s emissions by Scope 3 categories.

Reducing Plastics Waste by 2025

Consumer Goods Forum Global Plastic Waste Coalition of Action

Plastic waste is a unique challenge for retailers. The scale of the issue is significant, as are the impacts on our environment. However, given the many ways retailers can influence plastic packaging, it is a challenge we are well positioned to tackle. For control brands it is the retailers that decide what to package, how to package it, how to merchandise and market it, and increasingly how that packaging is recovered and recycled. The opportunity that retailers and large consumer goods companies have is why Loblaw enthusiastically joined the Consumer Goods Forum's global Plastic Waste Coalition of Action ("the Coalition"). As a member of the Coalition - of which our Chairman, Galen G. Weston is an executive co-sponsor - we were instrumental in the creation and endorsement of global Golden Design Rules ("GDRs"). These rules were intended to encourage retailers and consumer goods companies to use less and better plastic packaging.



Canada Plastics Pact

In 2021 we were proud to be among the 41 founding partners that launched the Canada Plastics Pact ("CPP"). As a member of the Ellen MacArthur Foundation's Global Plastics Pact network, CPP is leading Canada's efforts to fight plastic waste. The CPP has made significant progress in the areas of data collection, education, and research but most importantly it serves as the major driver of the GDRs in Canada. It is critical that the whole industry adopt the GDRs if we are going to make the needed improvements to Canadian recycling systems - CPP is essential to this adoption.

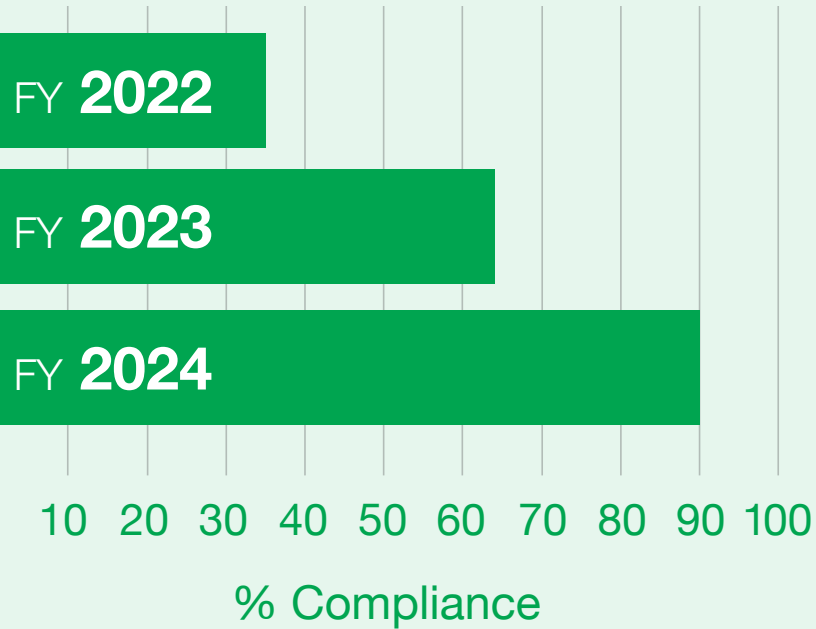


Aligning to the Golden Design Rules

In alignment with the Ellen MacArthur Foundation, the Consumer Goods Forum, and the Canada Plastics Pact, as well as industry led organizations charged with running the recycling systems across Canada (including Circular Materials) we believe that through collective action we can significantly reduce plastic waste by leveraging the GDRs. These globally recognized rules set a benchmark for packaging design, emphasizing the reduction of materials and the removal of problematic elements and are fundamental to Loblaw's goal to make all control brand and in-store plastic packaging recyclable or reusable²² by 2025.

Embracing these principles, in 2022 we took proactive steps by communicating the GDRs to our hundreds of control brand vendors, outlining our new packaging standards, and highlighting the global guidelines. In 2023 and 2024, we continued to work with our control brand vendors to encourage them to build their internal capabilities on design aligned with these principles. By the end of 2024, in collaboration with our vendors, we have achieved compliance with the in-scope GDRs for more than 90%²³ of our more than 11,000²⁴ control brand and in-store plastic packaged products, with an established roadmap to convert the balance of our control brand and in-store plastic packaging products by the end of 2025. Additionally, in October 2023 we sent a communication to all our national brand vendors, encouraging them to adopt the GDRs. We informed our national brand vendors that our merchants will begin incorporating the use of the GDRs in product packaging as a factor in all product listings starting January 1, 2025. And, that we aspire to have only recyclable or reusable²² packaging on our shelves by January 1, 2026.

Compliance with in-scope Golden Design Rules for control brand and in-store plastic packaging



Full Extended Producer Responsibility

We believe that producers should be held responsible for the management of the packaging materials they put into the market. That responsibility should include not only the cost of the system but the running of that system as well. We have taken that responsibility very seriously for more than a decade and have advocated for provincial regulatory systems that provide us that accountability and that establish the necessary targets to facilitate the necessary progress on plastic waste. As provinces have amended their regulations to provide producers full responsibility, we co-founded Circular Materials, a producer responsibility organization ("PRO") to lead our efforts, meet our obligations, and improve recycling across Canada.

Tackling Plastic Waste

Re-Use City Pilot

Loblaw, along with another major retailer and five global consumer goods brands, have completed the design phase of a reusable packaging platform for personal and home care category products to be piloted in Ottawa. The focus for 2025 will be to develop and implement the necessary infrastructure to support a pilot launch in early 2026.

Simplifying Plastics Across our Operations

91% of our PC® portfolio is now compliant with the GDRs. This includes our PC® Gnocchi family which is packaged in simplified recycle ready²⁵ plastics – this change results in 7 tonnes of plastic which can be diverted from landfills each year from this product line alone. We also made sure our PC® frozen soups are packaged without black plastic. In one year, our frozen dinner program aims to divert up to 207 tonnes of plastics from landfills²⁵.

In 2024 Loblaw revamped and extended its plastic pallet wrap recycling program to additional locations where plastic film is transported back from stores to centralized DCs where it is baled for service providers to collect and recycle. This initiative allows stores that do not have access to local solutions to participate in our national

plastic recycling efforts. This together with various other collection and sortation projects will divert plastics from landfill through programs run in our DCs across the country. We look forward to continuing to onboard all remaining stores that do not have access to a local solution in the coming years.

Traditionally, certain produce commodities like rutabagas, celery, and cabbage, have been shipped in corrugated cardboard boxes that are lined with a wax film that prevents them from being recycled and thus they end up in landfills. In 2024 we continued the journey to expand the use of reusable plastic crates (“RPCs”) in an effort to reduce waste within our supply chain.

Funding Research for Better Plastic Outcomes

It is critical to understand the full environmental impact of microplastics and microfibres and as such we support leading research organizations. Since 2021, we have provided \$600,000 to Ocean Wise, a global ocean conservation organization that addresses overfishing, ocean pollution and climate change. Through our long-standing partnership, we also supported programs like the Ocean Wise Plastic Lab, which delivers insights into how microfibers are generated and transferred to waterways. Loblaw was proud to again be a presenting sponsor of the Ocean Wise Shoreline Cleanups in 2024, an initiative that rallies communities across the country to remove litter and provides invaluable data for addressing pollution at its source.



Minimizing Waste

With our vendor, CHEP Canada, we are increasing circularity in our supply chain. We utilize a shared reuse network of pallets for transporting products between our stores and distribution centres across Canada. This circular system, managed by CHEP, involves renting, loading, shipping, returning, repairing, and redeploying pallets, with the goal of minimizing waste in our supply chain.

Loblaw Companies Limited



Food Waste

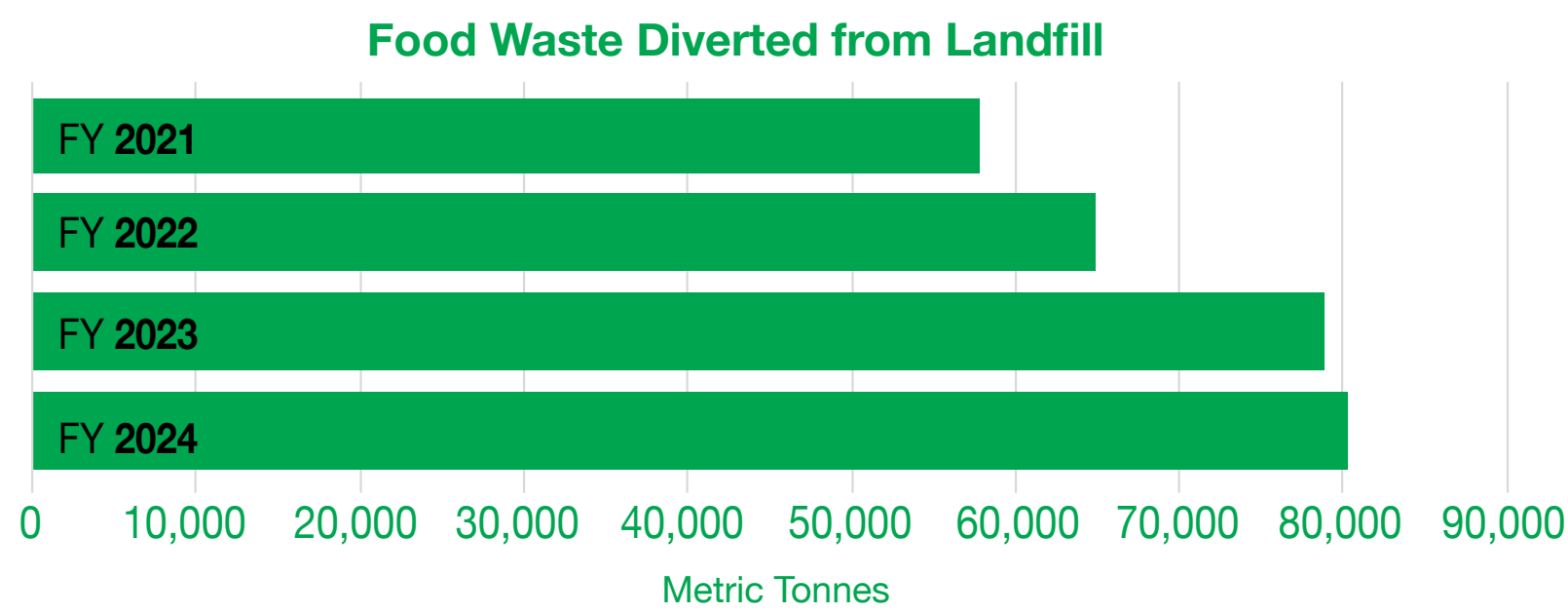
The reality that 46.5% of food produced in Canada is wasted, while more than 1 in 5 Canadians experience food insecurity²⁶, presents both a pressing social challenge and a critical area of focus for our business.

Addressing food waste is not only the right thing to do, but it also benefits everyone. By reducing food waste, we can help ensure that all Canadians have access to healthy food, minimize our environmental impact, reduce our cost to serve, and strengthen our relationships with local partners and producers, creating a more prosperous food system that benefits our customers, our communities, and our business.

Zero Food to Landfill by 2030

In 2021 we set an ambitious goal – to send zero food to landfill by 2030. This goal extends to our full enterprise, including franchise and associate-owned store operations and our supply chain. To drive our results, we set an interim goal: by the end of 2023, each of our eligible stores will achieve food waste reductions, and we are extremely proud to have met this goal in 2023 with 100% of our food retail stores and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations continuing to donate to a food recovery partner in 2024. This is a huge achievement which supports our goal of sending zero food to landfill by 2030, and to helping us achieve our Feed More Families™ commitment to provide 1 billion pounds of food to community-based food charities.

Metric	Unit of Measure	FY 2024	FY 2023	FY 2022	FY 2021
Redistribution of food surplus ²⁷	Metric tonnes	17,656	16,992	6,667	2,064
Feeding animals ²⁷	Metric tonnes	28,348	23,987	21,623	17,203
Bio-based materials / biochemical processing ²⁷	Metric tonnes	1,388	3,987	3,261	3,883
Anaerobic digestion ²⁷	Metric tonnes	5,445	13,751	32,936	34,296
Composting / aerobic processes ²⁷	Metric tonnes	27,375	20,070	379	343
Total Food Waste Diverted²⁷	Metric tonnes	80,212	78,787	64,866	57,789
Percentage of stores that donated to a food recovery partner in the fiscal year ²⁸	%	100%	100%	100%	Not Tracked



The food waste diversion figures presented above (in metric tonnes) is limited to data from our corporate food retail operations at this time. We are committed to providing a comprehensive view of our food waste diversion efforts and are actively assessing food waste data from our broader enterprise operations. Reporting with integrity is important to us and we are committed to expanding our disclosures as soon as we are able to verify the accuracy and completeness of the data.

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 to the UN SDG Target 12.3 to halve global food waste by 2030.

Flashfood

Through our partnership with Flashfood, we have been able to feed hundreds of thousands of families across the country more affordably while reducing our food waste. As of the end of 2024, Flashfood is available in over 850 of our stores. In 2024, this partnership diverted more than 8 million kilograms of potential food waste.





Food Banks and Food Recovery Agencies

We continue to focus on frequency of donations and as a result in 2024 we donated over 50 million pounds of food²⁹ to our partners - Second Harvest, Food Banks Canada, and Banques Alimentaires du Quebec. These donations directly support our Feed More Families™ pledge to donate one billion pounds of food to community-based food charities.



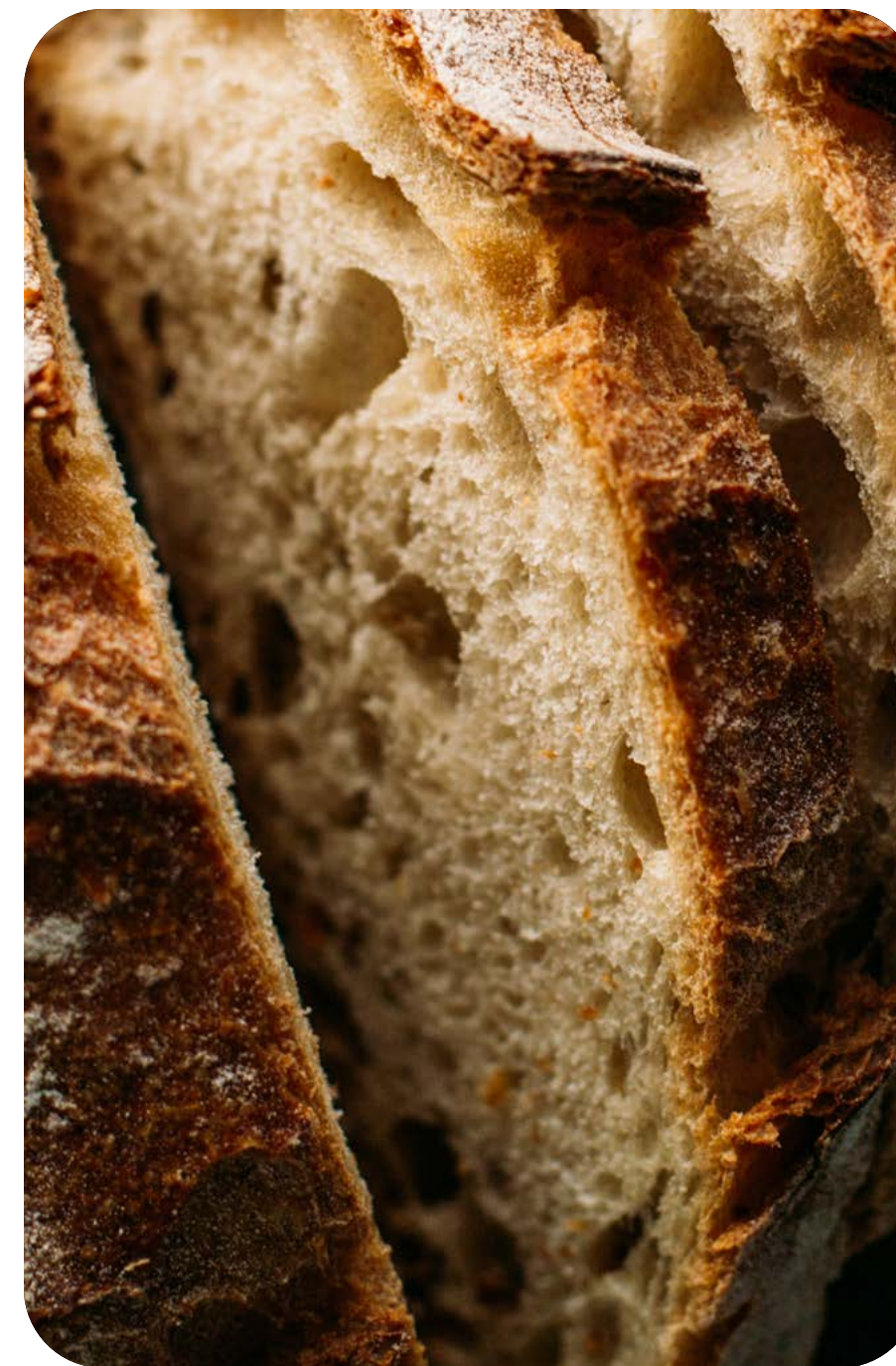
Food to Farm

We continue to partner with Loop Resource Ltd. to send food that is not fit for human consumption to farms where it is fed to animals. In 2024, more than 125 participating stores nationwide sent more than 21.5 million kilograms of food to approximately 2,670 farms.



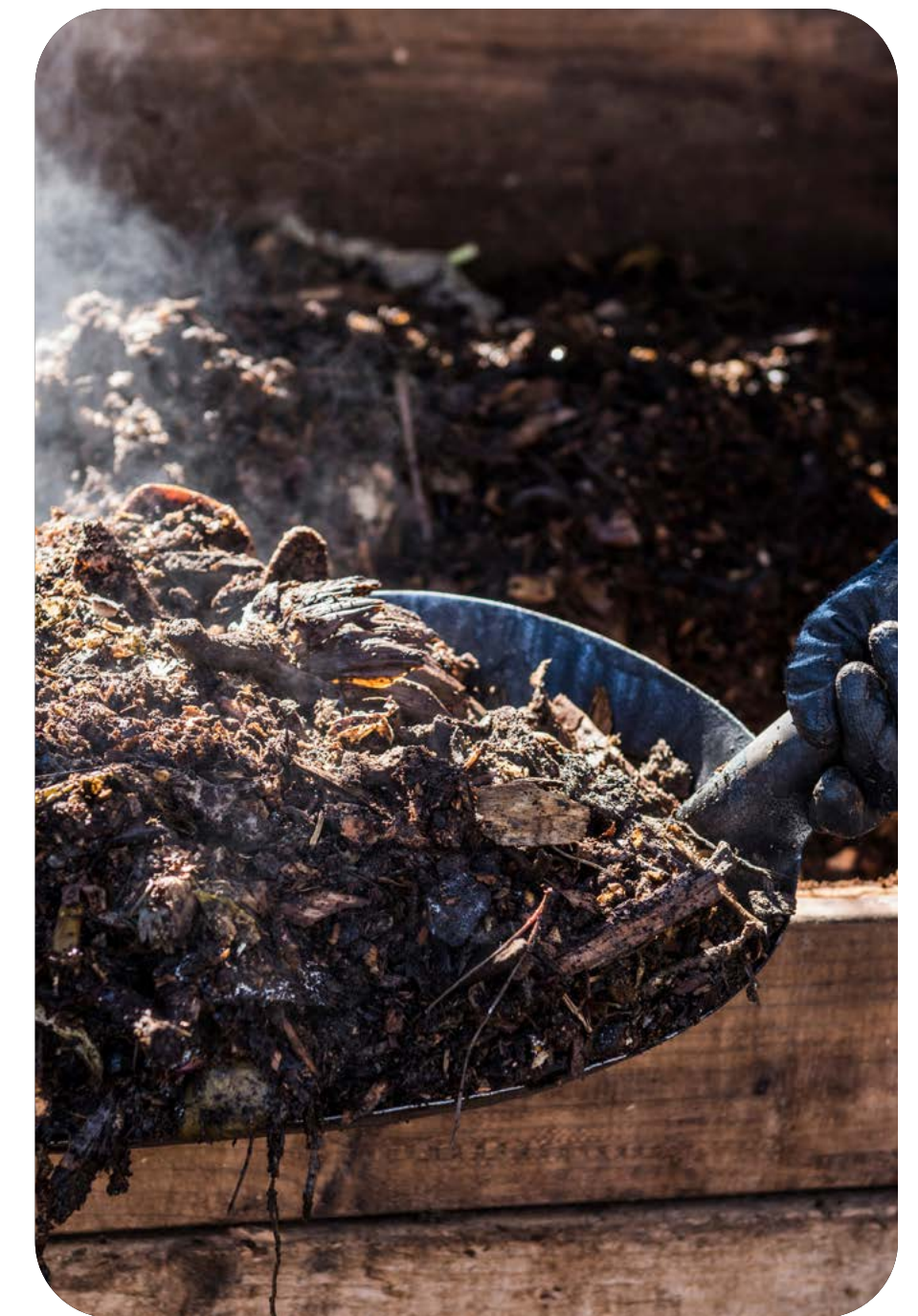
ZooShare

In 2024, we continued our partnership with ZooShare Biogas LP., who combine 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 Ontario provincial power grid. Through this program, our stores diverted 668,000 kilograms of residual material from disposal.



Bakery Waste

Expired and damaged bakery items no longer fit for human consumption are converted into ingredients for animal feed. In 2024, through this program, we diverted more than 3 million kilograms of bakery food waste from grocery stores in Ontario and Nova Scotia.



Compost

One of the other methods we utilize to manage inedible food waste is composting and in 2024, more than 340 stores diverted more than 27 million kilograms through this stream.

Biodiversity

According to the [World Wildlife Fund’s 2020 Living Planet Report](#), “The world has seen an average 68% drop in mammal, bird, fish, reptile, and amphibian populations since 1970”. Pollution, climate change and habitat loss are all threats to biodiversity. As a company committed to serving Canadians for generations to come, we recognize our responsibility to protect and promote biodiversity within our operations. This is why we support organizations dedicated to conserving natural habitats, restoring degraded ecosystems, and promoting the responsible use of biological resources.

Our approach to biodiversity conservation is multifaceted, encompassing initiatives aimed at habitat protection, species conservation, sourcing practices, and community engagement. We strive not only to mitigate risks to biodiversity but also to contribute positively to global efforts in preserving biodiversity.

In Canada, we are working to protect biodiversity through various initiatives. These include our native plants program, our commitment to sourcing only certified sustainable seafood, and our long-standing membership in the Roundtable on Sustainable Palm Oil (“RSPO”). For more information on our biodiversity program, please see [Our Statement on Biodiversity](#).

Signage plays a crucial role in our operations.
Acknowledging the importance of conserving valuable resources, we have collaborated with Print Releaf. This partnership allows us to produce in-store signage while also planting the trees required to counterbalance the paper related resources we consume for our signage production. Thanks to this innovative collaboration,

over 100,000 trees have been planted since the program started in November 2021!



Loblaw and The Arrell Food Institute’s Net-Zero Food Systems Challenge

We are proud to again partner with the Arrell Food Institute at the University of Guelph on the second phase of the Net-Zero Food Systems Challenge, an experiential learning program that brings together graduate students from the University of Guelph to investigate opportunities to drive demand and adoption for GHG net-zero agricultural products. The next phase will commence in 2025 and we look forward to sharing updates from this important partnership at that time.

Responsible Water Use

Water plays a vital role in maintaining biodiversity. We have a responsibility to work within our business operations and value chain to use water responsibly and to protect local water sources. While our water consumption (more than 3.2 million cubic meters³⁰) represents a small percentage of our environmental footprint, we understand that food production relies heavily on a sufficient supply of clean water. For more information on our approach, please see [Our Statement on Water Use](#).



Our CDP Progress and Scores

In 2024, we responded to CDP Climate, Forests and Water Security and achieved a score of “B”, “C” and “C” respectively.

Regeneration and Protection

For more than a decade we have supported World Wildlife Fund (“WWF”) Canada, as they work to protect and restore nature and biodiversity loss in Canada. As one of their largest Canadian corporate partners, we have provided more than \$14 million in direct funding (including \$363,000 in 2024), covering a myriad of programs and projects, since 2009, including WWF’s Regenerate Canada program, an effort to fight biodiversity loss and other impacts from climate change.

In 2024 we enabled Canadians to contribute to healthier, more resilient ecosystems, through the sale of more than 60 native species of plants at 133 of our stores. Ontario native plants are grown from source-identified and ethically collected seeds and this program supports important restoration and regeneration efforts, which will help migratory and local wildlife thrive.



The Canadian Alliance for Net-Zero Agriculture

The Canadian Alliance for Net-Zero Agri-food (“CANZA”), an industry-led alliance including RBC, Maple Leaf Foods, McCain, Nutrien, Loblaw, and others, coordinates and advances investment and solutions towards a more resilient agri-food system. This system seeks to secure long-term productivity for farmers, ensure food security for communities, and showcase the competitiveness and leadership of Canada’s entire agri-food system. CANZA brings together farmers and diverse industry partners to drive solutions that de-risk farmers’ efforts to adopt climate-smart practices and reward the positive environmental impacts of these efforts.

Critical to this work is the creation of an environmental outcomes marketplace. This project, with Loblaw’s leadership and support, will help farmers’ adoption of climate-smart practices by enabling them to access payments for practice change or environmental outcomes (such as improved health, water quality, or biodiversity). The project will help farmers overcome technological and operational barriers. Companies can also confidently invest in incentives that transition acres to climate-smart practices and strengthen the resiliency of their supply chains. This project will leverage the Measurement, Reporting, and Verification system that CANZA is also developing.

Responsible Sourcing

Sourcing responsibly isn't just good business – it is an opportunity to help our communities thrive. By working with local producers, we can support local economies and help reduce our environmental footprint, all while giving our customers the confidence to feel good about their choices. We believe that responsible sourcing is a crucial aspect of our commitment to fight climate change and advance social equity. We understand that our business operations have the opportunity to positively impact these commitments, and our goal is to provide customers with quality products while contributing positively to society and the environment. This means monitoring at-risk commodities at their origins and applying controls – including third-party certification of responsible sourcing - and ensuring ongoing evaluation to identify areas where we can improve our sourcing practices.

Reducing GHG Emissions Across our Supply Chain

We are focused on reducing GHG emissions across our supply chain. This includes working with suppliers who share our commitment to sustainability, from farming practices that reduce carbon footprints to manufacturing processes that minimize waste and energy use. But to succeed in this work, we require strong data collection and collaboration. That is why we launched **#JoinTheCarbonFight**, a call to action for our largest suppliers, asking them to join our fight against climate change, and report on their own carbon emissions and reductions. Please see [pg 11](#) for more information.

Assessing Human Rights Impacts

We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business, and we do not tolerate abuse, discrimination or harassment in any form. Through our formal policies, codes of conduct for our colleagues and suppliers, comprehensive compliance standards and a robust governance framework, we strive to uphold the rights of our customers, colleagues and employees, as well as the many workers across our supply chain. Please see [pg 49](#) for more information.

Loblaw Small Supplier Program

Every day, customers visit our stores to fill their fridges, stock their pantries and find the items they need to Live Life Well®. Now more than ever, Canadians are looking for locally made products and more access to unique goods and new flavours that we have sourced from small businesses. That is why we are proud of our [Small Supplier Program](#), with the aim of making it easier for small suppliers to reach our customers. Over 1,000 small suppliers benefit from this program which reflects our ambition to be the best retail partner in Canada for small suppliers.

Local Sourcing

We take great pride in offering an expansive array of fresh fruits and vegetables across our retail banners, and in 2024 we purchased over \$1 billion in produce from Canadian owned and/or operated businesses.

We understand the benefits that are realized when we buy from close to home. When we purchase locally grown produce, we are delivering on a number of important benefits including fresher products, lower carbon emissions, meeting customer needs and ensuring our investments are placed with local businesses.



100% of our PC® fresh poultry is raised by **Canadian farmers.**

Assessing and Managing Nature-Based Risk

In 2024, Loblaw enlisted a Canadian-based agri-food consulting firm, Groupe Agéco, to conduct a comprehensive commodity risk assessment, reviewing commodities used within our control brand portfolio from the lens of environmental and social risks. The objective of this assessment was to inform the development of a long-term sourcing strategy that enhances the resilience of Loblaw's supply chain through more proactive management of sustainability risks, including those related to human rights.

The assessment resulted in a list of ten key commodities particularly vulnerable to environmental and social risks within our current control brand portfolio. These commodities were cacao, coffee, palm oil, sugar, beef, banana, rice, cotton, tea, and tomato.

The assessment evaluated the selected commodities based on two areas of vulnerability (Exposure to Risk and Risk Management) and considered nine impact areas – Climate Change; Water Use; Biodiversity; Pesticide and Fertilizer Pollution; Forced Labour; Child Labour; Discrimination, Harassment, Abuse; Livelihood; and Occupational Health and Safety. The social indicators used for the assessment aligned with Loblaw's five inherent salient risks. Each commodity, sourcing region and vendor were assessed against these risks.

By incorporating Loblaw's existing risk management processes into the assessment, tailored recommendations to mitigate identified risks within its control brand portfolios were provided to Loblaw. Loblaw is currently analyzing the findings and recommendations from both the commodity risk assessment and the recently completed [Human Rights Impact Assessment](#). These findings, viewed through the lens of our five inherent salient risks, will enable us to prioritize the most critical areas for action, focusing on both mitigating human rights risks and proactively pursuing opportunities to drive positive change at a sector-level.

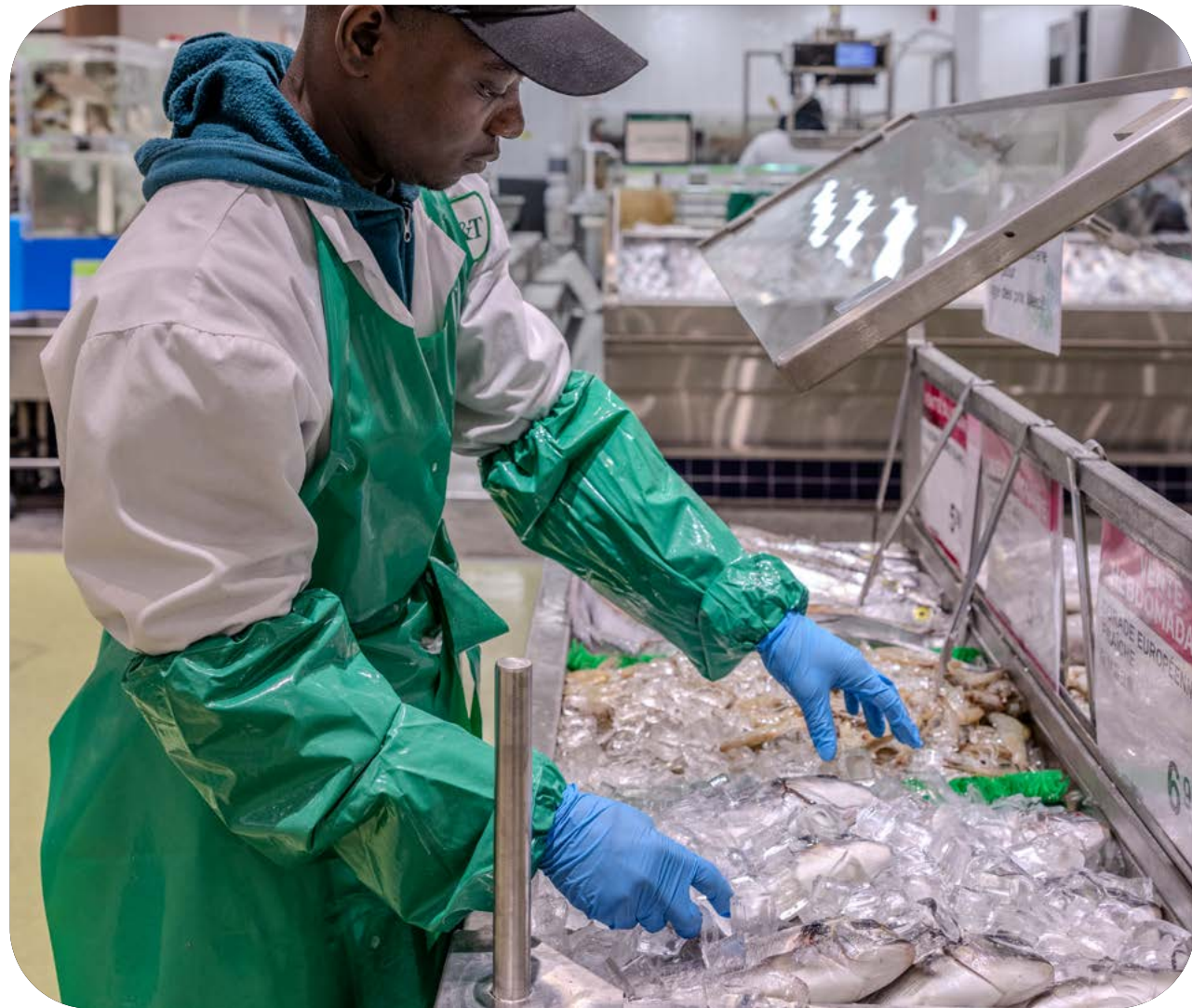
Sourcing High Risk Commodities

Certified Sustainable Seafood

For over a decade, we have been focused on increasing the availability of certified responsible and sustainable seafood across Canada because it is important to our customers, the environment and our business. We want to ensure the seafood we enjoy today will be available for generations to come. According to the Marine Stewardship Council (“MSC”) sustainable fishing helps maintain healthy and diverse ocean ecosystems and minimizes impacts on endangered, threatened, and protected species³¹.

Loblaw is committed to sourcing seafood from sustainable sources. This commitment cuts across our business³² and includes our control brands and national brands, in our canned, frozen and fresh wild and farmed seafood categories.

We are proud to offer more than 100 control brand products with Marine Stewardship Council (“MSC”), Aquaculture Stewardship Council (“ASC”), or Best Aquaculture Practices (“BAP”) ecolabels across our stores.



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. This has a negative impact on economics, species, and environmental conditions. Since 2015, all Loblaw control brand products containing palm oil ingredients align with one of the Roundtable on Sustainable Palm Oil (“RSPO”)’s four supply chain methods: Identity Preserved, Segregated, Mass Balance, or Book and Claim. More information can be found in our [RSPO Annual Communication of Progress](#) (“ACOP”).



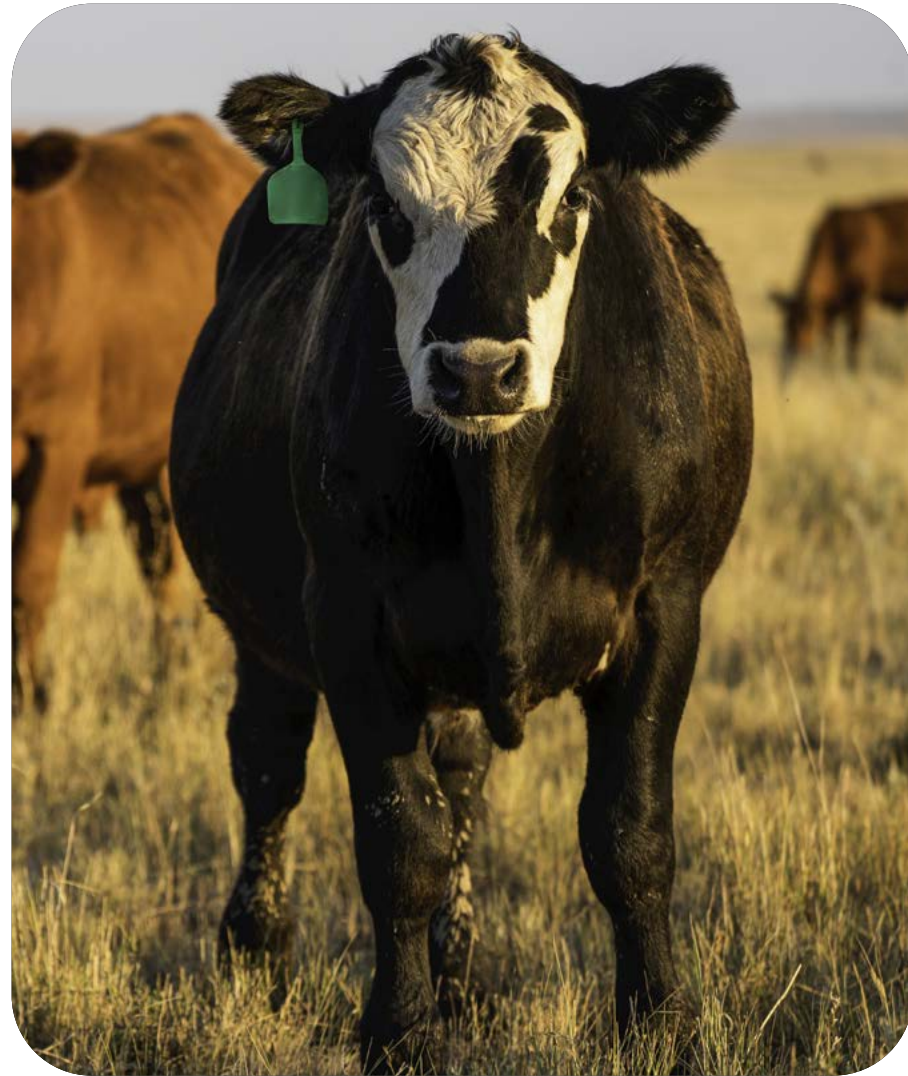
Coffee, Tea and Cocoa

There is a growing global demand for responsibly sourced cocoa, tea and coffee products, often signified by the Rainforest Alliance or Fairtrade certification seals. Our control brands currently include 71 Rainforest Alliance and 33 Fairtrade Certified products.

Sourcing Rainforest Alliance Certified ingredients addresses concerns such as aging tree stocks, improper use of chemicals, uncontrolled deforestation, labour conditions and low farmer incomes. By sourcing Fairtrade Certified 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.



We had the **largest control brand Fairtrade certified assortment** in Canada in 2024.



Sourcing Certified Sustainable Beef

We are committed to environmental, social and economic sustainability in the Canadian beef industry. The Canadian Roundtable for Sustainable Beef (“CRSB”) is committed to safeguarding wetland and grassland habitats, which are Canada’s most biodiverse habitats. Our support of organizations like CRSB and Ontario Corn Fed Beef™ provides a positive signal to farmers and ranchers that we value their responsible, climate protecting practices, and their role in climate-positive actions.



Designed with the Customer in Mind



PC® Planet First™

To meet the needs of our customers, in 2024 we expanded the PC® Planet First™ product lineup to include more than 30 products. Our PC® Planet First™ Soft & Thick Double Roll Bath Tissue is made with 100% recycled paper, which reduces the use of virgin material. Our PC® Planet First™ Birch Forks are made from birch wood from sustainably managed forests³³.



Plant-based Products

In 2024, we continued to meet the needs of our customers who are looking to reduce consumption of animal-based products by offering more than 60 PC® Plant Based products. Our PC® Plant Based products are third-party certified vegan and contain no animal by-products.



PC® Organics Products

We have heard from many of our customers that they want products made with a reduced environmental impact and without any synthetic pesticides, fertilizers or genetically modified organisms (“GMOs”). In 2024, the PC® Organics product lineup included more than 580 food and non-food products. All products are third-party certified and meet organic standards, which emphasizes sustainability and a holistic approach to agriculture.

Chemical Management

Our customers care about the products they put in and on their bodies - so do we. Over the years, we have worked with suppliers 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. The details of these requirements are outlined in our [Supplier Code of Conduct](#).

Examples include removing Bisphenol A (“BPA”) by sourcing packaging alternatives, including glass containers and plastic pouches for our President’s Choice® baby tubs and food pouches; formulating all Life Brand® and President’s Choice® household and personal care products without triclosan, microbeads, or phthalates since 2018; and confirming with our live-plant vendors that no live plants in our garden centres are treated with neonicotinoids containing pesticides.



Responsible Antibiotic Use

Animal welfare experts and the Government of Canada approve the use of antibiotics to treat sick animals, and they regulate the safe return of those animals to rearing programs. However, there is growing evidence and concern around anti-microbial resistance. That is why we launched our PC® Free From® line of meats raised without the use of antibiotics or added hormones more than a decade ago. By the end of 2024 we offered more than 200 products.

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. If an animal within our PC® Free From® program does become sick, the animal is treated and simply moved into a conventional animal rearing program that does not supply our PC® Free From® line of products.



FREE FROM



Simple Check™

Eating quality food should not cost more, that is why our no name® Simple Check™ products are formulated based on our commitment to remove specific ingredients from our products. As at the end of 2024, the no name® Simple Check™ product portfolio included more than 950 products. The Simple Check™ symbol identifies no name® products made without these 10 ingredients:

- synthetic colours³⁴,
- artificial flavours,
- monosodium glutamate³⁵,
- butylated hydroxyanisole (“BHA”)/butylated hydroxytoluene (“BHT”)/tert-butylhydroquinone (“TBHQ”),
- hydrogenated oils,
- artificial sweeteners,
- sugar alcohols,
- azodicarbonamide,
- polydextrose,
- brominated vegetable oil.



Products Supporting Customer Preferences

By year-end, we offered more than 2,050 control brand products designed to meet customers’ preferences including nutritional and health concerns and preferences regarding ingredients, additives and potential allergens. These products include PC® Blue Menu®, PC® Organics, PC® gluten-free, PC® plant-based, peanut-free and PC® lactose-free products, and no name® Simple Check™. These products are available at our various grocery stores and drug stores, providing alternatives to our customers no matter where they shop with us.

Healthy Food at Lower Prices

Launched in 2015, no name® Naturally Imperfect™ (“NNNI”) is a line of fresh and frozen fruits and vegetables that while smaller in size or slightly mis-shaped brings healthy fruits and vegetables to our customers at lower prices. As at the end of 2024 we offered 40 different NNNI produce items capturing a broad range of products across the department, ranging from potatoes and cucumbers, to strawberries. This includes 8 new products launched in 2024 (oranges, mandarins, strawberries, corn, eggplant, cantaloupe, mini-cucumbers, and brussel sprouts).



LACTOSE-FREE

GLUTEN-FREE



Animal Welfare

We are one of Canada’s largest buyers and sellers of meat, poultry, chicken 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. For more details, please read our [Animal Welfare Statement](#).

Cage-free Chicken Eggs

In 2016, we pledged to source all shelled chicken eggs from free-run³⁶ systems by 2025. We have made strides towards this goal: our PC® shell chicken eggs are 100% free-run and our PC® Organic chicken eggs are free-range³⁷. However, in 2021 we realized that the 2025 timeline was unattainable as suppliers are not in a position to ramp-up supply within this timeframe. Despite this setback, we remain committed to improving the welfare of laying hens while ensuring egg availability and affordability for our customers. In 2023, we set several short-term goals to improve customer awareness of chicken egg housing systems, and we are pleased to report that in addition to ensuring all of our corporate grocery retail stores have free-run options for consumers³⁸, we completed the following in 2024:

- Increased transparency by reporting on free-run chicken egg sales for our national and control brand chicken egg portfolio for our grocery retail stores;
- Provided added profile to free-run options for our e-commerce business;
- Transitioned 100% of chicken eggs used in our corporate grocery retail in-store; prepared sandwiches and meals, to free-run chicken eggs³⁸; and
- Piloted on-shelf signage in stores, to educate customers on the systems used to produce the chicken eggs they purchased.

In 2024, the sale of free-run and free-range eggs (previously “cage free”) accounted for approximately 16% of all category sales (includes national brand and control brand eggs sold in corporate, franchise, associate-owned, and T&T® stores).

Additionally, in 2024 we committed to collaborating with various stakeholders to define our long-term strategy for eggs within our no name® portfolio. As part of this commitment, we have accelerated our transition plan, ensuring that all control-brand shelled chicken eggs will come from hens housed in alternatives to the standard “battery” cage by 2030 including from free-run, free-range or enriched housing³⁹.



Gestation-stall-free Sows

We are committed to sourcing from farms that use 100% group-housing systems for gestating sows as soon as practically possible. Animal welfare experts agree that housing sows in gestations stalls for the duration of pregnancy may result in negative health impacts including decreased muscle mass, lower bone strength, and reduced physical fitness⁴⁰. We are pleased to report that by the end of 2024, we had converted 75% of fresh PC® Free From® pork to group housing for gestating sows.

JOE FRESH



Banned Fibres

Joe Fresh® is committed to sourcing more responsible and ethical materials, we have implemented a ban on the inclusion of fur, mohair (from Angora goats), and angora (from Angora rabbits) in all our products. Furthermore, we pledge to accurately label any synthetic materials that may resemble animal by-products.



Vegan Certified Beauty Products

100% of our Quo Beauty® brand products are certified vegan and animal test free. People for the Ethical Treatment of Animals (“PETA”) have certified that none of our products are manufactured with animal by-products.

Responsible Initiatives in Apparel

Joe Fresh® Textile Waste Downcycling

In 2023, Joe Fresh® committed to permanently diverting textile samples from landfills in partnership with CSR Eco Solutions. These samples would not be suitable for consumer use and so it was important that a responsible end-of-life solution was found. CSR Eco Solutions works with textile recyclers to downcycle the no longer needed samples and uses them to produce building and automotive insulation. Since then, we have expanded this program to address some other textile waste where possible.

In 2024, the partnership diverted 90 metric tonnes of textile waste, effectively saving the planet the equivalent of more than 260 metric tonnes of CO₂e⁴¹. As the industry and technology develops better fibre-to-fibre recycling, Joe Fresh® will continue to identify opportunities to further progress circularity.



Responsible Wool

In 2024, Joe Fresh® began to introduce The Responsible Wool Standard (“RWS”) yarns into our assortment. The RWS is a voluntary standard that requires all sites, from wool farms to the seller in the final business-to-business transaction, to be certified as responsibly sourced. RWS farmers and ranchers are evaluated against animal welfare, land management, and social requirements set in the standard. In 2024, we had more than 17,000 units of apparel and accessories that were produced using more than 7 metric tonnes⁴⁵ of RWS yarns.

Cascale

In 2023 Joe Fresh® became a member of Cascale (formerly the Sustainable Apparel Coalition) and obtained access to the Higg Index. The Higg Index is developed and owned by Cascale and serves as a standardized sustainability measurement framework for the consumer goods industry, assessing various aspects of sustainability within the supply chain. In 2024, we worked with our direct vendor partners to complete the 2023 HIGG Facility and Environmental Module (“FEM”) and the HIGG Facility Social and Labour Module (“FSLM”) assessments for their tier 1 and 2 facilities. The FEM assessment has been completed for 84% of direct vendor facilities and the FSLM assessment has been completed for 24% of direct vendor facilities.

Recycled Insulation

In 2019, we began using PrimaLoft® thermal insulation for our Joe Fresh® insulated apparel. PrimaLoft® insulation is predominantly manufactured with post-consumer recycled (“PCR”) content including plastic water bottles, as well as recently added pre-consumer industrial materials (defined as materials recovered during the manufacturing process), providing warmth without bulk that is also water repellent. In 2024, we were able to divert 3.8 million bottles or 76 metric tonnes of plastic water bottles from landfill⁴².



Cotton Initiatives

Joe Fresh® is committed to converting 100% of its cotton-rich products to more sustainable cotton by 2025. This includes converting such products to either Global Organic Textile Standard (“GOTS”) certified organic cotton or to [Better Cotton](#). In 2021, we became a member of Better Cotton, which has a clear mission: “Help cotton communities survive and thrive, while protecting and restoring the environment.” We are pleased to report that in 2024 we increased our Better Cotton sourcing from 84% to 96% in cotton rich products⁴³. Additionally, we sourced 3% of our cotton as GOTS certified organic for cotton rich products⁴⁴.



Certified Recycled Polyester

Joe Fresh® uses polyester certified by the Global Recycled Standard (“GRS”), recognized as the leading standard for recycled materials worldwide, and is made from post-consumer recycled plastic. In 2024, we had more than 1.6 million units of apparel and accessories that were produced using more than 400 metric tonnes of recycled polyester⁴⁵. These products have at a minimum 20% GRS polyester.

Responsible Viscose

In 2023, Joe Fresh® introduced responsible viscose products containing certified manmade cellulosic fibers (MMCFs) such as LENZING™ ECOVERO™ Viscose, LENZING™ TENCEL™ Modal, or LENZING™ TENCEL™ Lyocell. Responsible viscose is derived from wood sources that are FSC® (Forest Stewardship Council) or PEFC™ (Programme for the Endorsement of Forest Certification) certified or are not known to be sourced from Ancient Endangered forests based on audits and other information. In 2024, we had more than 151,000 units of apparel and accessories that were produced using more than 34 metric tonnes of responsible viscose⁴⁵.

Responsible Initiatives in Pharmacy

Reducing Waste

The Shoppers Drug Mart network experiences pharmaceutical waste every year due to factors that cannot be managed by the robust existing inventory control systems in our pharmacies – for example, patient discontinuation of medications, patient move/transfer, and in some cases patient death.

To help reduce pharmaceutical waste in the system, we created a central portal (“Medslink”) for our pharmacies that streamlines pharmacy-to-pharmacy transfers of prescription medication based on patient need at the receiving pharmacy, as agreed to between Associates at the transferring and receiving pharmacies. The portal works by automatically flagging any prescription medication that is nearing expiry in a pharmacy and that has had no dispenses against it in the last six months. The portal then initiates a transfer of a specified quantity to another pharmacy within a twenty-kilometer radius in the same province where there is a patient need for the medication. The medication is then transported⁴⁶ between pharmacies through our existing distribution channel, which meets all requirements for environmental and security controls. This program prevents medications from expiring on pharmacy shelves which would result in waste, including both the

medication itself as well as the packaging. In 2024 Shoppers Drug Mart® pharmacies in Ontario, Nova Scotia, New Brunswick, Manitoba, and British Columbia participated in the program and together helped to mitigate the risk of pharmaceutical waste.

Sanis Health Inc, a subsidiary of Shoppers Drug Mart Inc. is a pharmaceutical manufacturer offering a range of generic medicines. In 2024, Sanis made a significant impact by removing more than 6,700 kilograms of plastic through a focused transition to larger pack sizes. This shift to “bulk packaging” for medications, utilizing larger bottles, effectively minimizes packaging waste and decreases the consumption of plastic.



For a second year Specialty Health Network by Shoppers™ (“SHN”) has continued on the path to help reduce single use packaging waste. By converting to fully recyclable⁴⁷ packaging for delivery from our pharmacies to patients, we eliminated more than 3,900 polystyrene coolers (equivalent to more than 19,500 kilograms) that may have otherwise ended up in landfills.

Our pharmacies dispense medication in approximately 73 million paper bags annually. In 2025 we plan to transition our traditional paper bags to kraft paper bags that are Forest Stewardship Council (“FSC”) certified and manufactured with 100% recycled paper containing a minimum of 40% post-consumer content.

Medication and Sharps Return

Pharmaceutical household waste from expired or unused medicine does not only offer zero therapeutic benefit but contributes to environmental pollution when disposed of via improper routes⁴⁸ including improper disposal in toilets, 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 high-temperature incineration. In 2024, our pharmacy network collected 275,000 kilograms of unused or expired medication and 264,000 kilograms of biomedical sharps.

As we continue to look for ways to reduce waste we will be standardizing re-usable Pharmacy-use sharps containers in all locations by the end of 2025. Using re-usable sharps containers for Pharmacy-use will reduce the number of single-use sharps containers from being incinerated, and help reduce GHG emissions.



Environmental Management

We maintain an effective environmental management system (“EMS”) designed to ensure we follow environmental regulations and company policies, manage environmental risks, and improve our environmental performance. This system relies on clear roles and responsibilities and relates to our enterprise operations including corporate retail, food franchise, and associate-owned drug stores, as well as distribution centres⁴⁹.

Within this structured framework, we proactively identify potential issues, exercise due diligence, and maintain emergency preparedness procedures. Our commitment extends further through colleague training and awareness programs.

Continuous improvement is integral to our EMS. Through ongoing monitoring, reporting, inspections, and internal audits, we refine our strategies for waste diversion and energy reduction, translating aspirations into actionable plans integrated into our daily operations.

To ensure the effectiveness of our environmental compliance program, internal audits conducted by certified environmental auditors are a key component. Audits prompt corrective action plans, fuel improvement, and drive excellence in environmental practices.

Our EMS promotes transparency by centralizing environmental communications and drives continuous improvement by ensuring we actively address corrective actions.

The Compliance and Ethics department oversees the EMS, ensuring clear implementation direction. Roles and responsibilities are outlined in our Environmental Management Manual, solidifying our commitments, actions, and compliance adherence. Aligned with ISO 14001 standards, our EMS policy emphasizes continuous improvement.

Environmental Due Diligence

We maintain an environmental due diligence process to assess sites for potential risk of environmental contamination. Aligned with industry standards for site development, divestiture, or historically contaminated sites, the program plans, tracks, and forecasts resource requirements in accordance with business strategy. The program includes the management of any environmental monitoring of contaminants as required for the portfolio of sites. It also supports the development and upkeep of Standard Operating Procedures and records of remediation, new developments, and legacy sites.



Health and Safety

We are committed to providing and maintaining safe shopping and working conditions for colleagues, employees of our franchisees and associates, as well as customers. Health and safety is embedded in all we do each day. We mandate health and safety training for all colleagues and employees, 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. They provide valuable feedback and recommendations to our management teams for implementation. We set clear expectations, regularly monitor our health and safety program and engage with our colleagues to help reduce injuries and accidents.

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 industry measurement of the average number of workers injured for every hundred employees, while lost time frequency is a measure of how many lost time injuries occur for every hundred employees. Please see details available in table format on our [data sheets](#).

Asbestos and Hazardous Materials Management

We manage risks associated with asbestos and other hazardous substances by maintaining a program primarily intended to identify these substances, manage asbestos containing materials while in place, and control disturbance of such materials by using proper procedures during demolition, renovation, alteration, maintenance, repair, or other activities. The objective in preparing and instituting this program is to ensure that known or suspected asbestos or other hazardous substances are managed so that maintenance staff, construction workers and occupants are safeguarded in accordance with applicable regulations. We proactively conduct assessments for hazardous materials as part of our EMS business strategy and maintain up to date records.



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PARTNERSHIPS FOR THE GOALS

Culture and Inclusion

We are at our best when our stores, pharmacies and clinics represent the people they serve, and when our colleagues and employees feel that they are part of a corporate culture where everyone can bring their full selves to work. This diversity fuels the success of our business, and in turn, makes our communities stronger. It is what drives innovation, helps us solve challenges, and allows us to deliver exceptional customer experiences every day.

In 2024, in recognition of our intentional focus on culture and inclusion, Loblaw was honoured with several awards, including receiving the Top Diversity Award for the 14th consecutive year. We were also recognized as one of Canada’s Top 100 Employers and Greater Toronto’s Top Employers since 2010, and as one of Canada’s Best Diversity Employers since 2011. These achievements are a testament to our long-standing commitment to our people and the exceptional culture we have built together.



Our CORE values – **Care, Ownership, Respect and Excellence** – are embedded into everything we do, and best come to life through our culture principles: being authentic, building trust, and making connections.

be authentic

build trust

make connections

CULTURE principles

Governance

Our progress in culture and inclusion is a direct result of its integration into our business strategy and the unwavering commitment from our leadership. Our Culture and Inclusion Council, comprised of 28 executive and senior management colleagues from across the organization, meets quarterly to steer and accelerate our initiatives.



Employee Resource Groups

Loblaw’s Culture and Inclusion strategy has been championed by colleagues in our four equity-seeking Employee Resource Groups (“ERGs”): Able at Loblaw, Embrace Your Roots at Loblaw, Proud at Loblaw, and Go Further Women at Loblaw. Each ERG receives dedicated funding, executive sponsorship and is driven by passionate colleagues who identify with the community, along with their allies. These groups play a vital role in fostering a sense of belonging and driving positive change. Additionally, each operating division has a dedicated committee to further advance our Culture and Inclusion goals, which are equally embedded into their day-to-day operational strategies.

Throughout 2024, our ERGs spearheaded impactful events commemorating significant observances such as Black History Month, International Women’s Day, Transgender Day of Visibility, Pride, National Day for Truth and Reconciliation, and National Disability Employment Awareness Month. These events serve to celebrate our diversity, promote understanding, and foster a more inclusive workplace for all. This year, we celebrated our longstanding tradition of recognizing our diverse workforce and the hard work of our colleagues with the newly rebranded Culture and Inclusion Week.



Representation Goals

Loblaw’s representation goals are driven by our belief that a diverse workforce is a stronger workforce. That is why we are dedicated to creating teams that accurately reflect the unique Canadian communities we serve. We know that this commitment to representation enables us to be more innovative, make better business decisions, and truly embody Canadian values in everything we do. Our achievements in diversity are a testament to our collaborative approach, weaving our culture and inclusion strategy into the very fabric of our business. Our leadership team has prioritized equity in all facets of our operations, particularly in key areas such as succession planning and professional development.

As we deliver on our goal of being Canada’s most diverse and inclusive employer, we will provide transparency on our progress towards our representation goals. Four years ago, we set a goal to ensure that our leadership teams better reflect the diversity of our Canadian workforce and customers. Since then, women in executive positions increased to 39.5% and 46% in management, and racialized groups⁵⁰ in executives increased to 28% and 34% in management.

Metric ^{51,52,53}	Unit of Measure	2024 Goals	FY 2024	FY 2023	FY 2022 ⁵⁴	FY 2021
Percentage of women in Board of Directors	%	40%	46% ¹⁴	42%	45%	42%
Percentage of women in Executive positions ^{55,56}	%	40%	39.5% ¹⁴	39%	38%	38%
Percentage of women in Management positions ^{55,57}	%	43%	46% ¹⁴	46%	47%	44%
Percentage members of visible minorities in Board of Directors	%	25%	23% ¹⁴	17%	18%	17%
Percentage members of visible minorities in Executive positions ^{55,56}	%	25%	28% ¹⁴	28%	26%	24%
Percentage members of visible minorities in Management positions ^{55,57}	%	30%	34% ¹⁴	32%	30%	26%
Cumulative number of colleagues that have completed training on fundamental Diversity, Equity and Inclusion topics ⁵⁸	Number of People	200,000	198,000 ¹⁴	166,400	122,100	16,500



We will continue advancing social equity and build upon our existing diversity goals with a renewed focus on accelerating executive representation for women and racialized groups. We firmly believe that reflecting the rich diversity of Canadians within our leadership not only enhances our effectiveness, but also strengthens our engagement with the communities we serve.

To achieve this, we remain focused on breaking down systemic barriers and aligning our representation goals with the Canadian labour market.

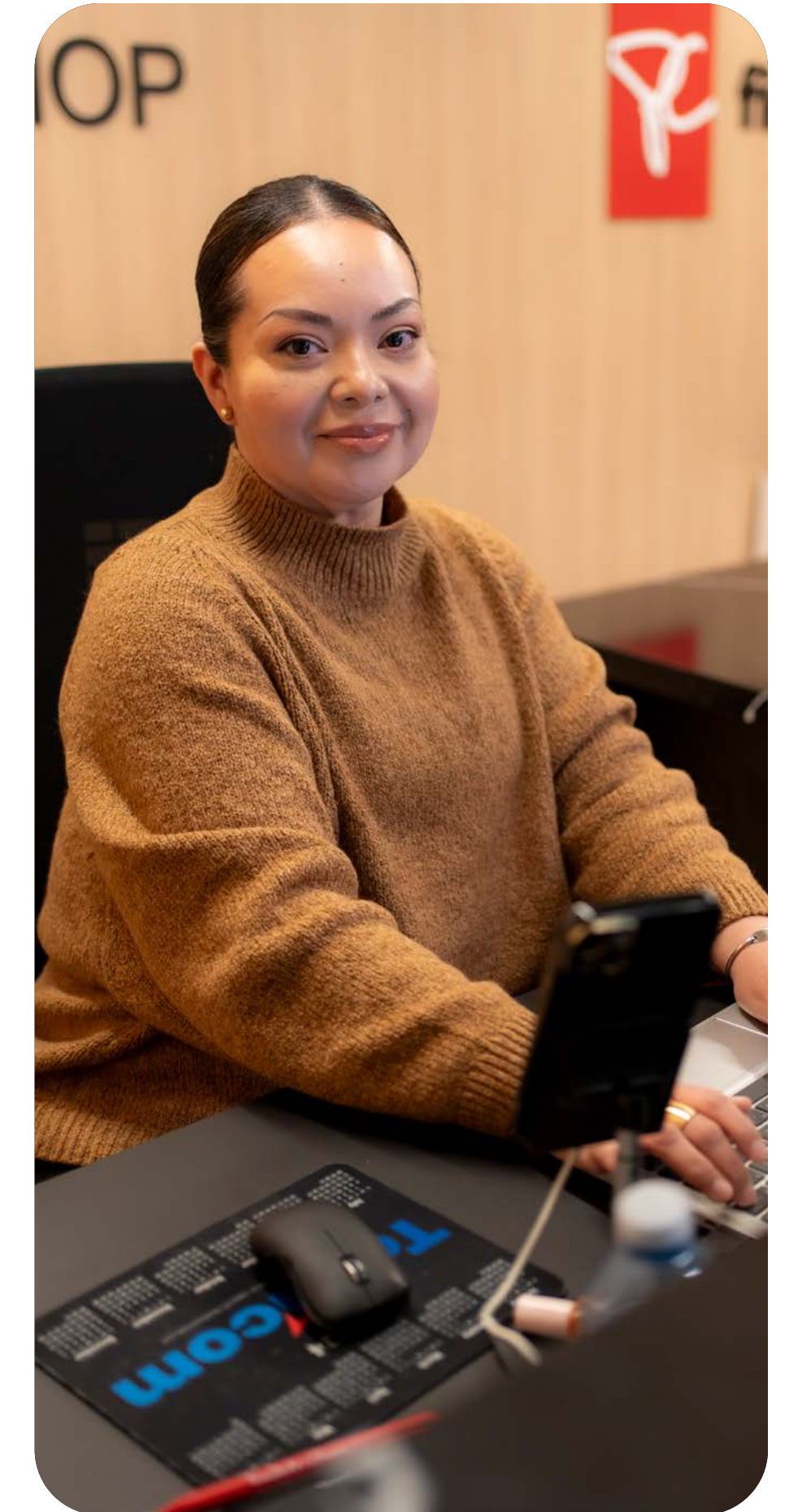
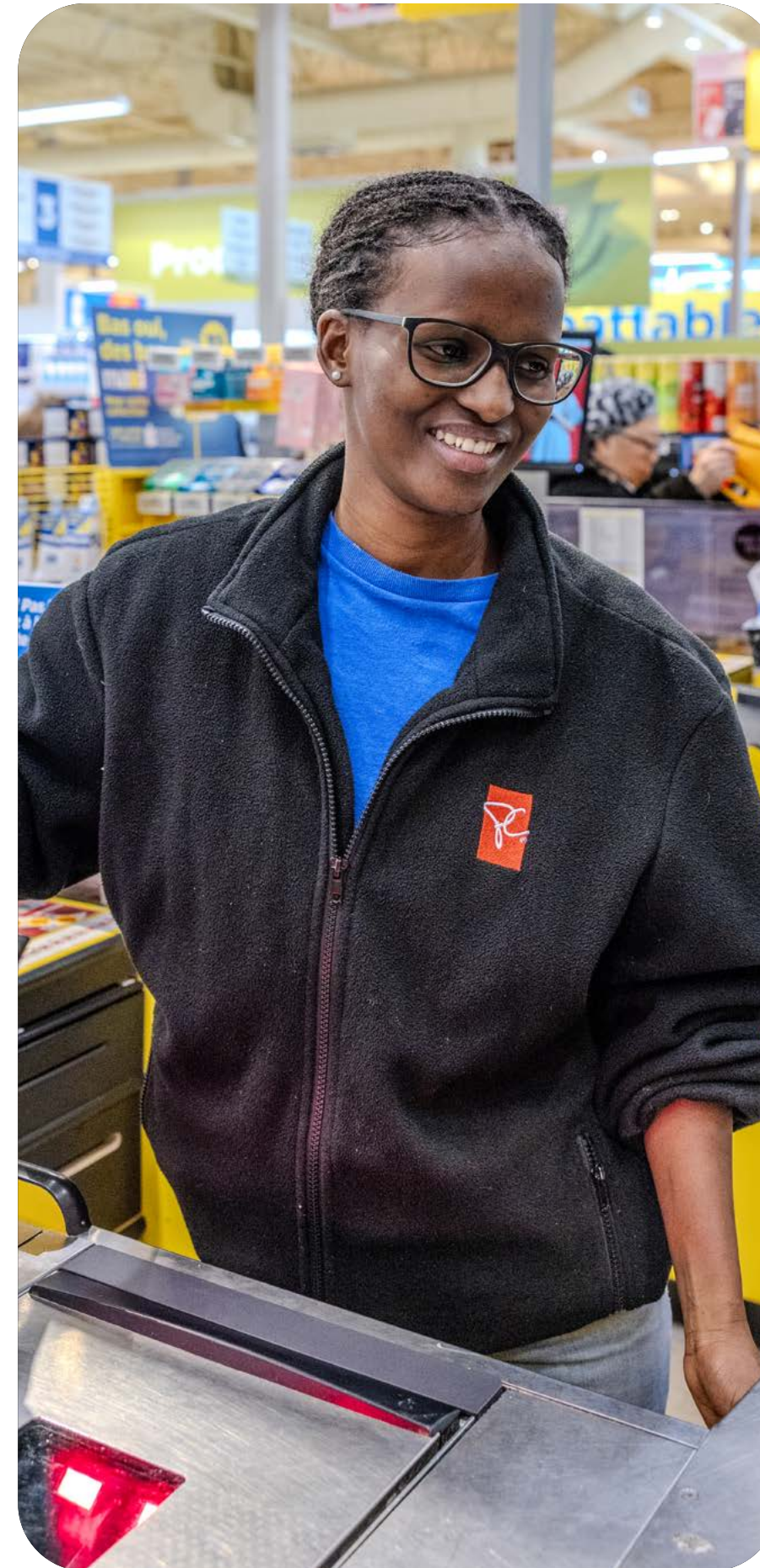
Metric - achieve or maintain	2028 Goals	FY 2024
Percentage of Women in Board of Directors	40%	46%
Percentage of Women in Executive positions ^{55,56}	45%	39.5%
Percentage of Women in Management positions ^{55,57}	46%	46%
Percentage of racialized individuals in Board of Directors	23%	23%
Percentage of racialized individuals in Executive positions ^{55,56}	30%	28%
Percentage of racialized individuals in Management positions ^{55,57}	30%	34%



Gender Equity and Advancing Women

Go Further Women focuses on empowering women of all backgrounds to realize their full potential and grow their careers at Loblaw.

- We monitor and remove biases in our Talent Management Programs by providing leaders with Unconscious Bias in Performance communication job aids and performing a review of successor representation metrics in our annual succession planning process. As a result of these and other initiatives, in 2024, 44.4% of executive successors identified as women, as did 51.5% of Top Talent.
- We have taken steps through our recruitment and retention programs to increase women in Science Technology Engineering and Mathematics (“STEM”) groups within our organization. In 2024, women represented 40% of Loblaw Digital and 37% of Loblaw Technology and Analytics teams.
- Our focus on new talent is enabling us to build a more gender diverse pipeline. In 2024, 42% of our interns and 60% of Loblaw Scholarship recipients identified as women.
- Our Parent and Caregiver Network offers assistance and materials to parents and caregivers, or those who plan to be. Additionally, we provide Lactation Rooms in our main offices for those who require them.
- Gender pay equity remains a core focus for our organization. In 2024, we successfully maintained a 0% adjusted pay gap⁵⁹ in like-for-like positions for corporate store non-union and store support colleagues. This achievement highlights that we have embedded gender pay equity principles into our pay decision-making processes to maintain this position and ensure equity is sustained across all roles.
- As of the end of 2024, the average gender pay gap, regardless of position, stood at 4.42%. This marks further progress from 4.57% in 2023 and 5.73% in 2022, demonstrating steady improvement year over year. The reduction in the raw pay gap underscores our commitment to fostering a fair and equitable environment for all colleagues while driving meaningful change.
- In 2024, we focused on celebrating and developing our colleagues through a company-wide International Women’s Day event, as well as quarterly newsletters with colleague spotlights, peer mentorship circles, and our fourth annual Go Further Women Awards where we recognized over 1,500 winners from across the country.
- As of year-end, 49.6% of our total corporate workforce identified as women, including 50.2% at the corporate store level.



Go Further
WOMEN
at Loblaw

Anti-racism and Celebrating Cultural Diversity

Embrace Your Roots celebrates, supports, and recognizes the richness and strength that comes from the diverse racial and cultural backgrounds of Canadians.

- We are supporting a new and more ethnically diverse generation into the workforce - 58% of interns and 57% of Loblaw Scholarship recipients in 2024 self-identified as Indigenous, members of visible minorities, or racialized groups.
- We monitor and remove biases in our Talent Management Programs by providing leaders with Unconscious Bias in Performance communication job aids and performing a review of successor representation metrics in our annual succession planning process. As a result of these and other initiatives, in 2024, 32.9% of Top Talent and 36.2% of executive successors identified as members of visible minorities or racialized groups.
- Black colleagues represent 3.7% of our corporate workforce. In 2024, we continued our partnership with the Black Business and Professional Association (“BBPA”) to remove barriers to Black-owned businesses through vendor programs, sponsorship of their Rise Up pitch competition for Black women entrepreneurs, and the BBPA’s Harry Jerome Awards.
- We also provided professional coaching as a development opportunity through the EZRA program (a professional coaching program that brings together behavioural science and generative AI to personalize development opportunities for leaders) to 10 Store Management colleagues across the organization in 2024.
- To support the diversity of our colleagues and communities, we have Reflection Rooms in some of our main store support offices. Many of our retail store locations have also provided space for quiet meditation and prayer.
- Through the Embrace Your Roots “Ready to Scale” Supplier Diversity Summit, we mentored Indigenous and Black-owned vendors, helping them navigate and operate in our supply chain.
- As of year-end, 29% of our total corporate workforce voluntarily self-identified as a visible minority.



Embrace your ROOTS at Loblaw



Reconciliation and Inclusion of Indigenous Peoples

As a proud Canadian company, we recognize our responsibility and opportunity to enhance reconciliation with and inclusion of Indigenous peoples.

- As part of our ongoing efforts to promote diversity and inclusion, we have collaborated with our recruitment teams to develop strategies and remove barriers, aiming to increase representation of Indigenous colleagues in our corporate workforce, which currently stands at approximately 1.2%.
- To support and celebrate the accomplishments of Indigenous women, we again sponsored the Canadian Council for Indigenous Business (“CCIB”) Indigenous Women in Leadership Award, and we continue to work closely to help build stronger representation of Indigenous business within our supplier network.
- Our meetings consistently incorporate Land Acknowledgements to promote understanding and reverence for the territories on which we reside, and we installed a Land Acknowledgement Plaque at our Brampton head office and in more than 235 stores in 2024.
- In partnership with The Gord Downie and Chanie Wenjack Fund, Chief Claire Sault of the Mississaugas of the Credit First Nation, and artist, Philip Cote, we opened a Legacy Space at our Loblaw head office in Brampton, which is a representation of our commitment to reconciliation through the creation of a physical space where visitors can learn and reflect on the true history of Canada.
- In 2024, we partnered with AMIK Inc. to provide Indigenous cultural awareness training to our Saskatchewan Shoppers Drug Mart Associate Owners and store managers, helping them better support the local Indigenous communities they serve.
- In 2024, we partnered with Chris and Greg Mitchell of Born In The North to design an orange shirt to honour the National Day for Truth and Reconciliation. Raised in Halifax (Kjipuktuk) and now based in Toronto (Tkaronto), these Mi’kmaq artists explore the bond between humanity and nature—their art brings visibility to the richness of contemporary Indigenous artistry. 100% of proceeds from the sales of this shirt in the amount of \$100,000 were donated to the Gord Downie and Chanie Wenjack Fund.



2SLGBTQIA+ Inclusive Spaces

PROUD at Loblaw's mandate is to create a positive space where colleagues of all genders and sexual orientations feel welcomed and can be their authentic selves allowing them to contribute fully.

- In 2024, 1.6% of executives, 2.3% of management and 1.8% of our corporate workforce voluntarily self-identified as 2SLGBTQIA+; less than 1% of our corporate workforce self-identified as transgender or non-binary.
- We continued several initiatives to create a more inclusive space for colleagues and customers, including pronoun stickers for store support colleague badges, encouraging store colleagues to add pronouns to their uniform badges, expanding inclusive washroom signage across the store network, and modifying business applications to support name changes for transitioning colleagues.
- We celebrated Pride Month by raising our Pride flags at our corporate offices across the country and marched in 10 major Canadian city Pride parades, including Halifax, Montreal, Toronto and Vancouver.
- We supported 16 2SLGBTQIA+ colleagues through talent development and networking programs, THRIVE and FLOURISH, at Pride at Work Canada. The THRIVE program supports the development of the next generation of Two-Spirit, queer and trans people leaders and the FLOURISH program supports skill development for Employee Resource Group (ERG) leaders.
- We expanded the Shoppers Drug Mart® Pride campaign – “Pride Vibes” – through the distribution of a Pride Guide with resources and educational materials, as well as a \$30,000 contribution to Pflag Canada, raised through a portion of sales on Quo Beauty® Pride celebration products.



Championing Disability Inclusion

ABLE at Loblaw acts as a voice and support centre for hiring people with disabilities. ABLE monitors representation and accessibility in our business, celebrates the unique abilities of people with disabilities, and educates leaders on hiring and managing people with disabilities.

- In 2024, we continued to expand our efforts to hire more persons with disabilities through our partnership with Ready Willing and Able in stores across Canada.
- By year-end, 1.1% of executives and 0.9% of our corporate workforce voluntarily self-identified as a person with a disability.
- To ensure availability of accessible workplaces, we sustained our training related to Accommodation in the Workplace and Disability Etiquette. Additionally, we are proud to offer American Sign Language workshops to our colleagues, led by the Canadian Hearing Society.
- Awareness and education for our colleagues continued in 2024 with our enterprise-wide events for Mental Health Awareness Month and National Disability Employment Awareness Month. Each of these initiatives included the distribution of digital resources for our colleagues, to drive inclusion and sense of belonging for corporate colleagues, franchise and associate employees and customers.
- In our main offices, we installed quiet rooms, providing spaces where anyone, including our neurodivergent store support colleagues can focus.
- Over 300 team members participated in this year's Terry Fox Walk and \$20,000 was raised for cancer research.
- To improve inclusive experiences for our customers, we continued with two programs to provide a more accessible in-store experience:
 - Leveraging loop system technology in more than 50 of our stores to provide a more inclusive experience for customers and colleagues using hearing devices. Loop systems use hearing aid technology to cut out background noise.
 - Utilizing a booking service to allow customers with disabilities to pre-book an appointment to have dedicated assistance when shopping.



Our Colleagues



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](#) lays the foundation for how we work together in a respectful, transparent and fair way and reflects our CORE values – Care, Ownership, Respect, and Excellence. All colleagues are required to comply with both the spirit and the letter of the Code of Conduct.

Colleague Learning and Career Development

At Loblaw, we recognize that our people are the driving force behind our success. We are deeply invested in fostering a continuous learning and development culture, providing our team with the tools and resources they need to thrive. Our multi-faceted approach to development goes beyond traditional training, encompassing:

- **Tailored Development Programs:** These immersive programs, ranging from 3 to 12 months, provide in-depth learning experiences through workshops, coaching, assessments, and external opportunities, equipping individuals at all career stages with essential job skills and leadership capabilities.
- **Targeted Leadership Development:** We offer specialized workshops on key leadership topics and a robust People Leader Development Program grounded in our Leadership Behaviour Model, Culture Principles, and CORE Values.
- **The Academy - A Gateway to Growth:** Our integrated learning management system, The Academy, grants access to more than 29,500 voluntary and mandatory training courses, empowering individuals to excel in their current roles and build skills for future career aspirations.
- **Career Development:** Loblaw offers thousands of job opportunities across diverse fields like food, healthcare, technology, and finance, empowering colleagues to grow their careers. With leadership support, we encourage colleagues to create Individual Development Plans aligned with their goals. For the 2024 year, more than 18,500 year-end performance reviews were completed for corporate store support colleagues.

In 2024, our team completed over 2.3 million training courses, demonstrating their commitment to continuous learning. We are incredibly proud of our team’s dedication to growth and are committed to further enhancing our learning ecosystem. Our future plans include expanding digital and Artificial Intelligence coaching options, creating persona-based learning paths for leadership development and making leadership development more consistent, customizable, and scalable across our organization.



Accelerating Culture and Inclusion with the Even Better 3 Workshop

In 2024, we doubled down on our commitment to fostering a diverse, equitable, and inclusive workplace by launching the Even Better3 workshop across the organization. Building on the success of our foundational culture-shaping program, b3 (Better Me, Better We, Better Loblaw), Even Better3 delves deeper into critical aspects of creating a truly inclusive environment.

We challenged ourselves to deliver this culture refresh training in person only, from our front-line teams right to our management board members. Rolling out coast to coast, from Whitehorse to Moncton, we skilled up a network of over 65 passionate leaders and ambassadors to facilitate the workshops offsite as well as in stores and distribution centres. This immersive workshop focuses on equipping our colleagues with the knowledge and skills to champion inclusion and belonging, cultivate psychological safety, and practice empathy and compassion. The success of this rollout at this scale, came through the commitment to further driving our culture across our Company.

This year, we were proud to have offered the Even Better3 workshop to over 70,000 colleagues across our stores, clinics, distribution centres, and store support teams. We are committed to complete the Even Better 3 training rollout with a cumulative 100,000 colleagues reached (2024 and 2025 combined).

Even Better3 is a testament to our ongoing commitment to creating a workplace where everyone feels valued, respected, and empowered to thrive. We believe that investing in our people and fostering a culture of belonging is not only the right thing to do, but also essential for our continued success. We have been on a culture journey for over 10 years, and we have only seen our organization grow through authenticity, building trust and making connections. Our culture has built our resiliency through times of change and crisis.

Ambassador Network and Huddle Boards

Accelerating and further embedding culture and inclusion with our front-line population is one of our key pillars in our Human Resources strategy. Our colleague engagement scores have shown us that our belonging scores are lower in our front-line population, compared to our store support teams. To support this, in 2024 we rolled out a Culture and Inclusion Ambassador and Huddle Board Program, where we encouraged our stores and distribution centres to elect one or more culture and inclusion passionate leaders to act as their location’s ambassador.

To support this program, we designed a huddle board to house culture and inclusion related resources that we create and share every month. To date, we have over 500 colleagues elected as ambassadors across our food retail front-line network and over 430 locations utilizing the Culture and Inclusion huddle board. Additionally, all Shoppers Drug Mart® stores receive the resources we prepare for this program, and Associate Owners are encouraged to utilize them on their Culture and Inclusion supplemental cork board.

Thanks To You and Culture and Inclusion Week

At Loblaw, we believe that a culture of recognition is not merely an event, but a living, breathing entity woven into the very fabric of our organization. It is about fostering an environment where every individual feels seen, valued, and empowered to contribute their unique talents.

In 2024, we elevated our annual “Thanks To You” initiative from a singular event to a vibrant, week-long celebration of our collective achievements and the diverse tapestry of our workforce. Aptly titled “Culture and Inclusion Week”, this event consisted of opportunities for learning and development, engagement and networking, and colleague recognition, all centered around the theme of belonging.

Beyond the centrally organized initiatives, our stores, distribution centres, and store support offices embraced the spirit of the week, hosting their own unique activities and programs. This groundswell of enthusiasm showcased the creativity and passion of our teams, further amplifying the message of appreciation and inclusion across every corner of our organization.



Additional Colleague Benefits

- **Loblaw scholarship fund:** since 2011, Loblaw has awarded financial assistance to colleagues and employees who are pursuing post-secondary education based on academic achievement, leadership potential, and community involvement. In 2024, 150 recipients were awarded \$2,000 towards their education.
- **Bereavement:** our expanded bereavement policy supports our corporate non-union colleagues during challenging times of personal loss, including both pregnancy loss and loss of chosen family members.
- **Equal parental leave and top-up:** effective January 1, 2024, our parental leave time off and top-up policy applies equally to birthing and non-birthing parents. This effort recognizes the diversity of families and supports parents who have children through adoption or surrogacy and encourages shared responsibilities and time for family bonding.
- **Additional health benefits:** our corporate non-union benefits program, My Benefits, is a flexible benefits plan that allows colleagues to customize their coverage each year to support the unique health and wellness needs that they and their families have. My Benefits offers equitable coverage, including mental health support for colleagues and dependents, gender affirmation care coverage for transgender colleagues and/or dependents, and fertility treatment support for colleagues.

- **Accommodations for cultural observances:** our colleagues and employees are encouraged to work directly with their leadership teams to leverage flexible working options to accommodate for cultural observances without utilizing their vacation days.
- **Inclusive customer and colleague experience:** Pronoun tags and email signatures help foster an environment where all feel that they are being acknowledged and respected, while language pins enable effective communication by bridging language barriers and promoting cultural sensitivity. Hearing loops provide essential accessibility for those with hearing impairments, ensuring that they can participate fully in discussions or activities.



Talent Recruitment and Retention

To be the best, we need to hire the best people and retain them. We have positioned our Company as a first-job destination for those entering the workforce. 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 to help us deliver positive business results.

In 2024, more than 61,000 corporate colleagues and food franchise employees were hired across our network. Our talent recruitment ratio was 0.99. Involuntary turnover was 6.8% and voluntary turnover was 34.5% for corporate colleagues in 2024.



Colleague Engagement

An annual engagement survey, Tell It as It Is, is distributed to our entire organization to collect feedback related to overall engagement, leadership effectiveness, culture, inclusion and belonging, customer centricity, compliance and ethics, wellbeing and more. We also ask participants to self-identify their gender, ethnicity, sexual orientation, and disability in the survey to compare aggregate results of the marginalized groups to the majority groups.

Since measuring these gaps, we have seen improvement relative to engagement, leadership effectiveness, and sense of belonging for women and visible minorities. In 2024, our overall enterprise engagement score was 78%. Grocery Retail scored 79%, Drug Retail scored 82%, and Supply Chain scored 70%. It is worth noting that the average benchmark for employee engagement in the retail industry is 78%⁶⁰.



Colleague Relations

Approximately 80.5% of our corporate retail and supply chain colleagues are covered by collective bargaining agreements negotiated with local unions, often affiliated with national and international labour unions. We have more than 380 collective bargaining agreements.

Throughout each negotiation, we aim to achieve reasonable outcomes that offer competitive wages and quality healthcare and retirement benefits, while also ensuring that our businesses remain competitive.

In 2024, our full-time and part-time corporate store and distribution centre colleagues had an average hourly rate of \$20.48. When including fringe benefits, the average hourly wage was \$28.18. We are also pleased to note that 82.6% of in-store and distribution centre corporate colleagues earn more than the provincial minimum wage.

Access to Care

We aim to make high-quality healthcare more convenient and accessible to millions of Canadians every day through our network of pharmacies, stores and other healthcare businesses.



Over **17,000** pharmacy assistants, technicians, and registered nurses



14 million + period products donated through partnerships with Procter & Gamble and Kimberly-Clark

3 million + prescribing services provided by our pharmacists

2 million + flu shots administered



More than **150** Pharmacy Care Clinics to improve options for Canadians to access primary health care needs

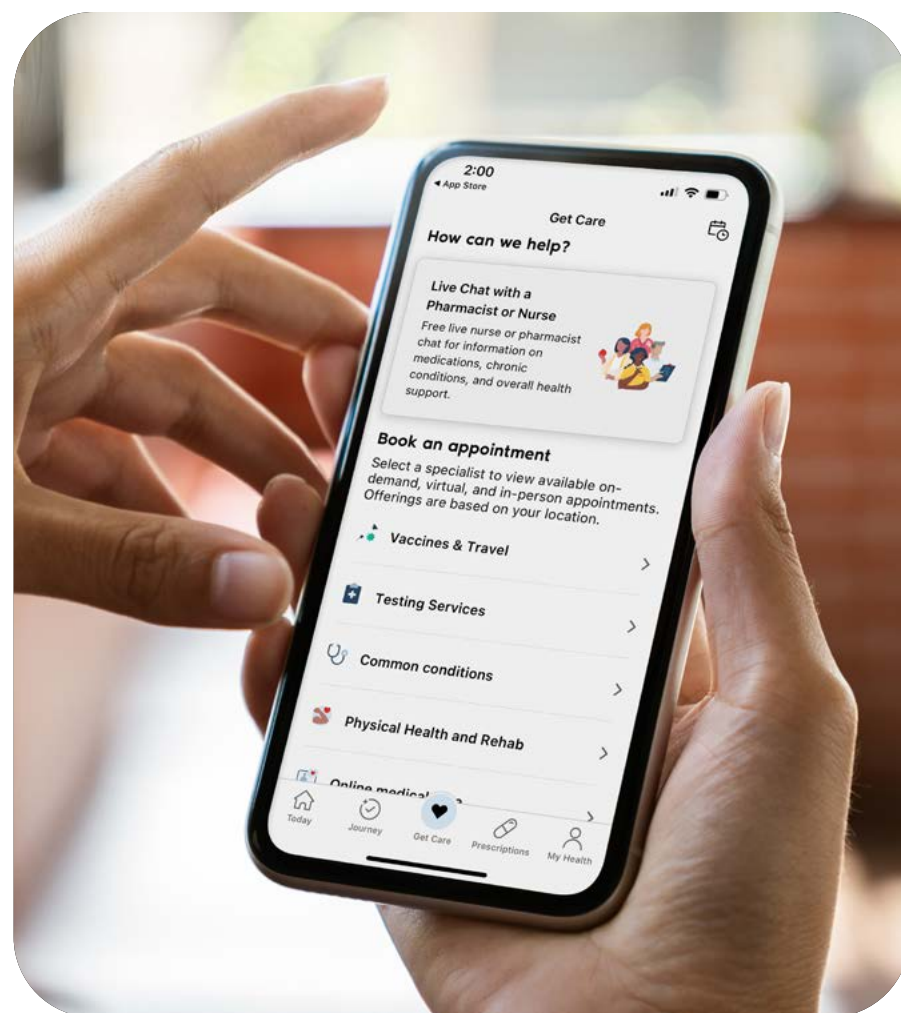
Over **8,500** registered pharmacists

172 million total prescriptions filled



More than **1,820** retail pharmacies

Opioids
Opioid abuse continues to devastate families and communities across Canada. To help fight the opioid crisis in our country, we continue to offer Naloxone training to customers to help prevent overdoses. 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.



PC Health™ app

Through our healthcare and pharmacy businesses and the PC Health™ app, we help customers get well and stay well. Through the PC Health™ app, we provide free virtual healthcare services through a network of care navigators, registered nurses, registered dietitians and pharmacists (in select provinces). With over 1.1 million Canadians having activated a PC Health™ account, we are revolutionizing healthcare management, offering a hassle-free way to manage prescriptions and access healthcare advice. These services are provided through Loblaw's own capabilities and professionals as well as external partners.



Lifemark Health Group

With more than 5,900 highly trained clinicians, medical experts and team members working in over 360 locations coast to coast, Lifemark Health Group ("Lifemark") is a Canadian leader in community healthcare and medical assessment services. As one of Canada's largest physiotherapy companies, Lifemark offers multidisciplinary rehabilitation services including physiotherapy, massage therapy, occupational therapy and more, with more than 3.9 million patient visits annually.



MediSystem by Shoppers Drug Mart™

MediSystem by Shoppers Drug Mart™ provides highly accessible, personalized pharmacy services for seniors in long-term care and retirement communities. We deliver medications daily to over 54,700 seniors in nursing and retirement homes from our 10 operating sites across the country.



Healthcare Services

To support the growing number of Canadians in need of access to care, we opened 78 Pharmacy Care Clinics in 2024, for a total of more than 150 clinics across the country. These clinics offer a range of healthcare services including assessment and treatment of common ailments, and chronic disease management. Services provided increases access to primary care in communities across Canada.



Medication Adherence

Our network of pharmacists play an essential role in supporting our patients with medication management for acute and chronic diseases through various programs to increase medication adherence and promote improved overall health outcomes. Medication non-adherence can lead to adverse health outcomes with negative impacts on our healthcare system.

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

In 2024, we conducted more than 2.4 million medication reviews, supporting improved patient health outcomes.

Our Digital Pharmacy, a prescription management platform, continues to support patient medication adherence through automatic refills and patient pickup notifications and we offer medication organizer options making it easier for patients and their caregivers to appropriately manage their care.

Optical Services

Through our more than 175 optical centres across Canada, our more than 375 opticians and optometrist partners offer a variety of services, including eye exams and fittings for glasses and contact lenses, and help Canadians with early detection and monitoring of eye conditions.



Investing in Our Communities

In 2024, with the help of our customers, colleagues, employees and business partners, we raised and donated (including donations in-kind) a record of \$212 million to research, charities and non-profits across Canada.

Caring Company Certification

For the 33rd consecutive year, our community contributions have earned us Imagine Canada's Caring Company certification. Our various charitable activities make a positive impact in our communities – with a particular focus on the health of women, children, and the environment.



Other Registered Charity Donations \$459,000

Our charitable giving is focused on national strategic initiatives that align with our Company purpose, to help Canadians Live Life Well®.

Other Community Investment \$1,436,000

We fundraise and provide in-kind donations to support events and projects that benefit the community.

WWF-Canada \$363,000

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



Food Banks and Food Recovery Agencies Corporate contribution \$1,264,000 In-Kind donations \$165,951,000⁶¹ Fundraising \$3,002,000

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 more accessible to those in need.

President's Choice Children's Charity Corporate contribution \$4,000,000 Fundraising \$18,522,000

After 35 years spent dedicated to nurturing Canadian children, President's Choice Children's Charity has an ambitious goal to feed 1 million kids annually by 2025. Together, through the generous contributions of our customers, colleagues, and vendors, we are working towards a Canada where kids go far - not hungry.



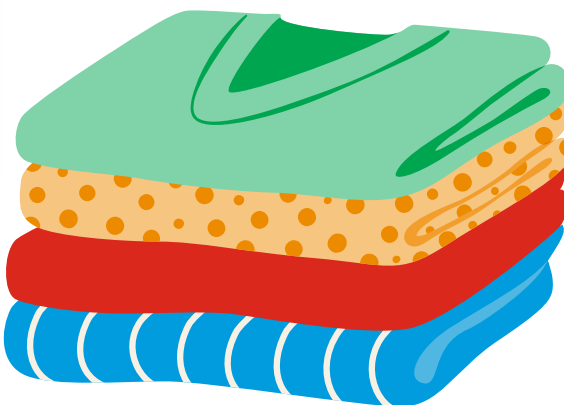
children's
charity™

Disaster Relief and Humanitarian Response Corporate contribution \$75,000 Fundraising \$174,000

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. This includes funds raised and donated to communities affected by wildfires, through the Canadian Red Cross.

Give a Little Help a Lot® \$642,000

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



SHOPPERS
FOUNDATION
FOR WOMEN'S HEALTH



Shoppers Foundation for Women's Health™ Corporate contribution \$1,000,000 Fundraising \$11,573,000

Through the foundation, women's health charities are supported by donations, associate-owner led fundraising and events.

Community Engagement



President's Choice Children's Charity

President's Choice Children's Charity operates the nation's largest charitable direct-to-school food program. Students who participate in the Charity's Power Full Kids™ programs benefit from regular meals, snacks, and food education. In 2018, Loblaw committed to raise and donate \$150 million by 2027, to support the Charity's mission to remove hunger as a barrier to education for Canadian students and empower them with the skills to grow and cook. Since making this commitment, we have activated our network of stores, vendors, colleagues, and customers to contribute more than \$134 million. In 2024 we continued to demonstrate our support with the second annual Get to Give Days campaign, which resulted in \$2 million in corporate donations made to President's Choice Children's Charity.

This support will help the Charity reach more than 997,000 students nationwide⁶² this school year (2024/2025), in pursuit of their goal to feed one million children annually by 2025.



Feed More Families™

To underpin our commitment to advancing social equity, in 2022 we launched our new pledge through our Feed More Families™ program to donate one billion pounds of food to community-based food charities.

The Feed More Families™ program activities include regular awareness and fundraising campaigns for food banks and food recovery agencies, and a sustained effort to partner all stores in the Loblaw network that sell food with a local food charity that can put good food⁶³ to use, before it becomes waste.

Since the launch of this program in 2022, 120 million pounds of food have been provided to community-based food charities across Canada.



Shoppers Foundation for Women's Health™

For more than a decade, Shoppers Drug Mart® has been supporting women's health charities and organizations across Canada. In early 2023 we celebrated the rebrand of the LOVE YOU by Shoppers Drug Mart™ program to the Shoppers Foundation for Women's Health™, with a strengthened focus on supporting women's health equity. Shoppers Foundation for Women's Health™ is investing \$50 million by 2026 to make care more equitable and accessible for all women in Canada.

In 2024, Shoppers Foundation for Women's Health™ raised more than \$12.5 million in support of more than 380 partner health organizations across Canada. Through the 2024 Run for Women events, more than 27,000 participants helped to raise more than \$3 million in donations to support Canadian organizations that work to improve women's access to mental health care and support programs.



Further Support for Communities

PC Bank continued their support of the Scarborough Health Network Foundation through a \$50,000 contribution made toward the Love Scarborough campaign where contributions are used towards providing equitable and accessible health care to the community. This donation was made as part of PC Bank's larger pledge to donate \$250,000 to the Foundation by 2025.

Shoppers Drug Mart® Academic Partnerships

Having committed a total of \$16.5 million from 2020 to 2026, these partnerships are dedicated to catalyzing transformative changes in healthcare. It reinforces the intersection of education, research, and inclusive innovation. The partnerships champion the progression of pharmacy education, foster pioneering research to broaden pharmacist roles, and propel innovation in healthcare delivery. By allocating scholarships, bursaries, and research funding across vital domains like addiction medicine, primary care, environmental health, and workforce sustainability, these initiatives aim to forge a more inclusive, resilient, and visionary healthcare landscape. In 2024, donations in the amount of \$2.2 million were made for a cumulative total of \$16.2 million since 2020.



Supporting New Canadians

As a business and as a country, we are at our best when everyone can contribute to our collective goals and prosperity. This applies as much to Canadians as it does to newcomers to the country. With stores in virtually every community across the country, we are often among the first businesses that newcomers will interact with, meaning we are uniquely positioned to help them settle and thrive.

In this regard, we are proud to develop products and services that meet the unique demands of newcomers; proud to make our stores accessible through convenient locations, understanding that proximity plays a crucial role in the decision to adopt a

“home” store; and proud to ensure the assortments in our stores match the local consumer base. For example, 118 No Frills® and MaxiMD stores have adopted tailored merchandising strategies, offering products that cater to the particular needs of the diverse communities in which they operate.

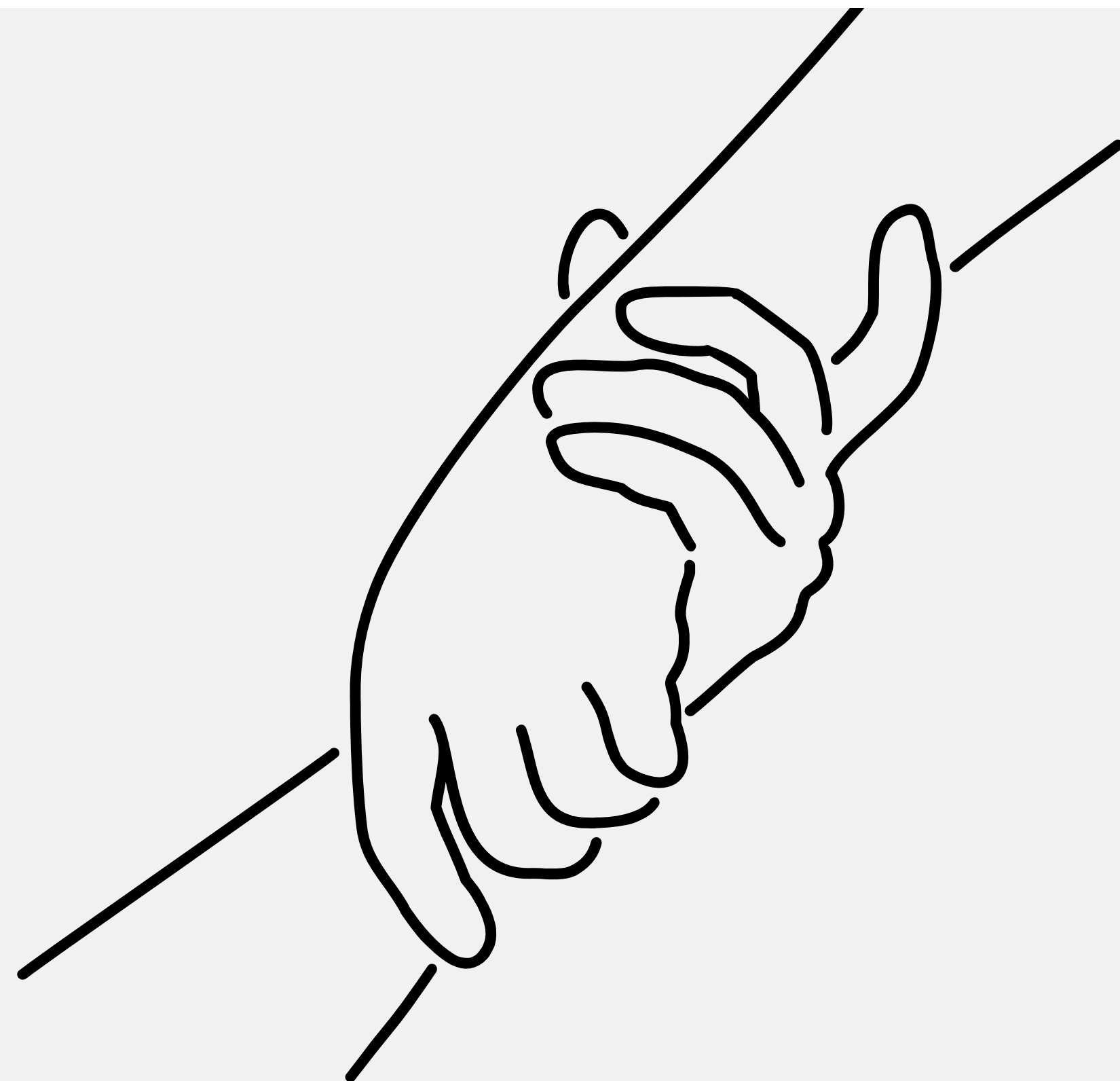
We also go the extra mile by offering healthcare services in a variety of languages in our Pharmacy Care Clinics, as we strive to become a trusted partner for newcomers as they navigate Canada’s healthcare system.

We remain committed to supporting new Canadians through a variety of targeted initiatives. Our marketing efforts include celebrating a diverse range of

cultural holidays such as Lunar New Year, Ramadan, and Diwali through tailored advertising in multiple languages and across various media platforms. We provide support for important cultural events that matter to newcomer communities including the Vaisakhi parade in Surrey, BC and Diwali Festivals in Surrey, BC; Edmonton, AB; and Brampton, ON. And, in recognition of the importance of cricket to many newcomers in 2024, we announced a 2-year sponsorship of Cricket Canada as its Official Grocery Partner.

We also prioritize hiring store managers and franchise owners who reflect the local community, fostering a stronger sense of belonging for everyone.





Ask for Angela

In 2024 we were proud to expand the Ask for Angela program to over 500 stores across various banners in Toronto, Waterloo and other surrounding areas in Ontario. This program provides a discreet way for individuals feeling unsafe or threatened to seek immediate assistance from colleagues. Participants can approach colleagues in our stores and use the phrase “Ask for Angela,” signaling a need for help, leading to prompt and confidential support. To ensure a seamless implementation, Victims Services Toronto and Loblaw developed a concise and user-friendly online training tool accessible to all colleagues in participating stores.

Fostering Equity and Inclusion

2023 saw the launch of the Loblaw Community Grants program. This program is rooted in a centralized and coordinated approach to foster social equity in the communities we serve. Over four years Loblaw will provide \$1 million to support five charitable organization partners, chosen by our employee resource groups. These selected organizations will channel the funding into programs that directly target critical areas aligned with their missions.

The 2023-2026 Loblaw Community Grants partners are:

- Holland Bloorview Kids Rehabilitation Hospital Foundation – Dear Everybody campaign and Room to Grow Fund
- Black Business and Professional Association – Rise Up competition
- Canadian Women’s Foundation – Ending Gender-Based Violence Program
- PRIDE at Work – THRIVE and FLOURISH leadership programs
- Canadian Council for Aboriginal Business (“CCAB”) – Indigenous Business Connect Tool and The Young Indigenous Business Connector Program

Holland Bloorview
Kids Rehabilitation Hospital Foundation



PC Financial® Resilience Project Accelerator

In 2024, the Southern Institute of Technology, was awarded the PC Financial® Resilience Project Accelerator Best Project title at the Enactus Canada National Exposition in May. The winning project named UpSkill, aims to deliver financial literacy workshops to men in addiction recovery programs in partnership with Simon House – a licensed inpatient drug and alcohol addiction treatment centre in Calgary Alberta. Based on this success, PC Financial® continued its support of Enactus Canada with \$25,000 to renew the PC Financial® Resilience Project Accelerator – which empowers entrepreneurial university students with the resources to build financial educational programs needed to address Canadian social issues. Six Enactus teams have been selected to participate in the PC Financial® Resilience Project Accelerator for the 2024-2025 academic year. The Enactus teams will complete a final report showcasing their community empowerment project and related impact, and one team will be recognized with the PC Financial® Resilience Project Accelerator “Best Project” award at the Enactus Canada National Exposition in May 2025.

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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 Chief Executive Officer and the Chair of each of its Board committees and mandates of the Board and each of its Board committees. [See here for more information on our corporate governance.](#)

Our Approach to Environmental, Social, and Governance

Loblaw recognizes that strong governance practices are a key driver of Environmental, Social, and Governance success. We have embedded ESG responsibilities into all levels of the organization to facilitate decision-making that includes ESG considerations.



Board of Directors

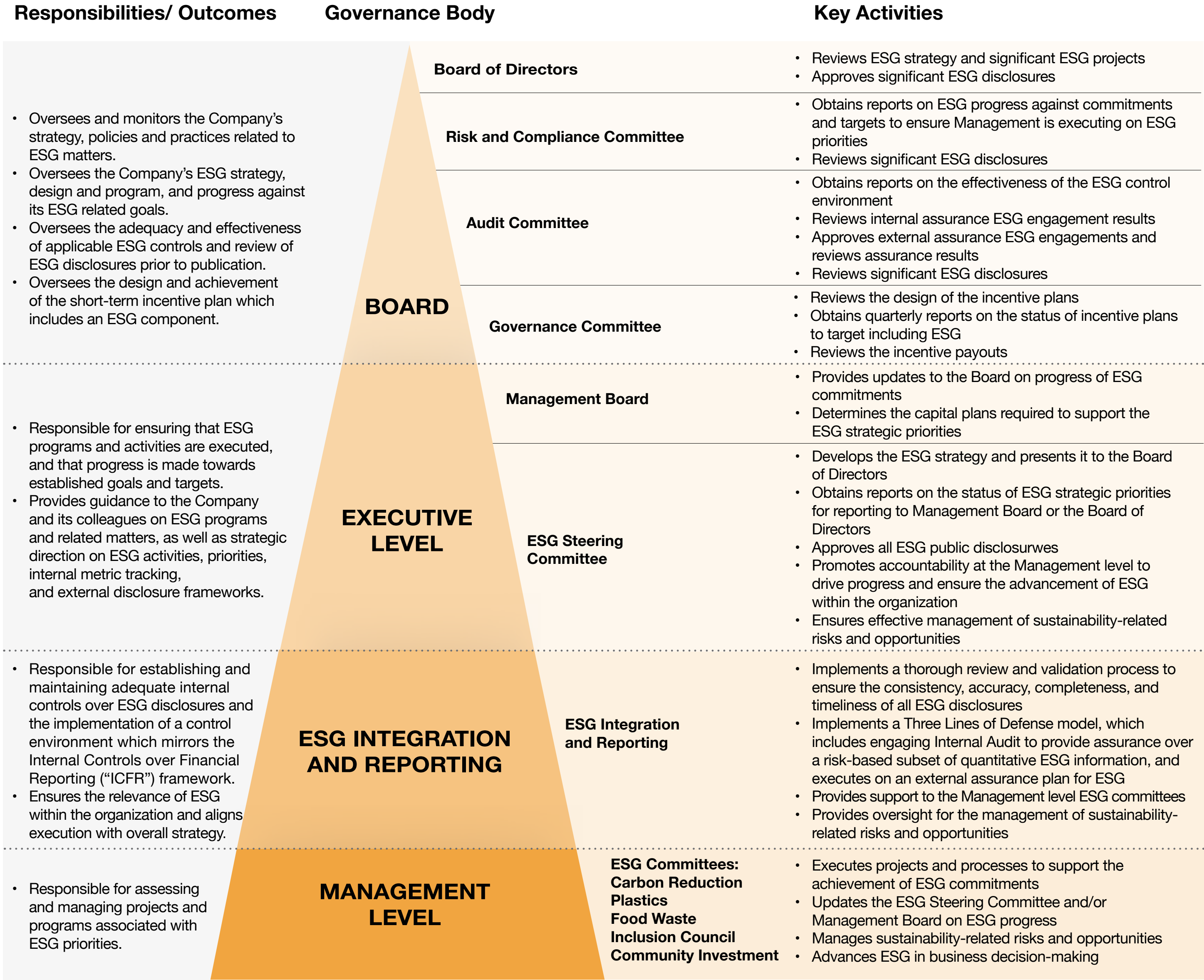
Environmental, Social, and Governance matters have the potential to impact business operations, regulatory compliance, reputation, and financial outcomes, and are therefore an important area of focus for the Loblaw Board of Directors and its committees.

The Board provides leadership, diverse perspectives, and exceptional experience relevant to our operations and strategic objectives and oversees and monitors the Company’s approach, policies, and practices related to Environmental, Social, and Governance matters. This includes overseeing the Company’s enterprise risk management (“ERM”) program, including its design and structure, and assessment of its effectiveness.

As of April 30, 2025, the Board was comprised of 13 directors. 11 directors are “independent” as defined by National Instrument 52-110 – Audit Committees. Galen G. Weston, who is not independent, serves as Chairman. Recognizing the importance of strong independent Board oversight, the Board 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 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, ERM program, Environmental, Social, and Governance, 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.

In addition to the Risk and Compliance Committee, the Audit Committee is responsible for the oversight of the integrity of the Company’s financial statements and related public disclosure, as well as Environmental, Social, and Governance disclosures. In doing so, the Audit Committee reviews management’s administration of the Company’s internal controls over financial reporting and disclosure controls including those with respect to ESG, the internal audit function, external assurance engagements and related party transactions. For more information relating to our governance practices, please refer to our [Management Proxy Circular](#).



Executive Steering Committee

Loblaw has an Environmental, Social, and Governance Steering Committee comprised of senior leaders who guide the Company and its colleagues on the Environmental, Social, and Governance program and related activities and is tasked with ensuring that the Company considers and adopts leading ESG practices and programs. Responsibilities include overseeing strategic business objectives for Environmental, Social, and Governance commitments and targets, as well as setting the “tone from the top” to foster an ESG-focused culture within the organization. The Steering Committee also has oversight for the various Management committees which are responsible for setting priorities and implementing and monitoring ESG-related initiatives across the organization. Our programs and practices are designed to align with industry-leading standards and to support the achievement of our business objectives, including our commitments and targets.

ESG Reflected in Compensation

We believe that social and environmental prosperity are not just the right things to strive for – they are essential for building a resilient business and a better Canada. To drive Environmental, Social, and Governance performance, Loblaw includes ESG as a criterion in the Company’s short-term incentive program (“STIP”), linking performance on fighting climate change and advancing social equity activities to compensation for all permanent, non-unionized, corporate colleagues at all levels.

The ESG targets for 2024 were designed to focus colleagues on continuing to drive further sustainability and social impact progress across the business. Achievement of the ESG STIP metric was determined based in equal part on social and environmental initiatives. These targets make up 10% of the short-term incentive plan criteria. The design, weighting and payout of the ESG STIP metric is overseen by the Company’s Governance Committee, with input from the Risk and Compliance Committee. For more information, please refer to the [Management Proxy Circular](#).

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. Canadians must feel confident in our handling and management of their data. We are earning and maintaining the loyalty and trust of Canadians by vigilantly protecting the personal data and interests of our customers, patients, and colleagues/employees by using data responsibly.

Privacy

In many parts of our organization, we hold and manage the personal information (“PI”) and personal health information (“PHI”) of our customers, patients, and colleagues/employees. This information is core to our business and we understand the responsibility that comes with collecting, using, and sharing this 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 to ensuring details of our approach are easily accessible and understandable. To do this, we publish our privacy policies on our corporate website, where we describe the measures we take to protect personal information and outline how customers may initiate inquiries and raise concerns regarding their privacy. We are also committed to developing processes that enhance privacy and incorporate protections into our business strategy, culture, and ongoing operations.



Oversight

The Loblaw Data Trust Office undertakes formal programs to assess whether data handling practices are responsibly managed in compliance with privacy laws, and Loblaw’s corporate policies, standards, and procedures. We have implemented a review process for data-related initiatives, and work to evolve privacy and data management strategies and processes to account for technological advancements that may carry privacy implications. We oversee investigations into real or suspected privacy breaches, and we respond as appropriate. We also regularly review our privacy policies and protocols and update them to ensure relevance and consistency with evolving technologies, laws, and best practices, and dynamic expectations of our customers.

Additional Resources

[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](#)

Cyber Security

We safeguard our systems and information in many ways, including colleague and employee awareness and training, year-round information and monitoring of potential risks, testing and systems maintenance, contingency planning in anticipation of compromised systems or information, data protection, and 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. We operate a 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: awareness and training, cyber security assessments, penetration testing, benchmarking, tracking cyber security control maturity, and Payment Card Industry Data Security Standard (“PCI DSS”) requirements.

Responsible Artificial Intelligence Use

We recognize the immense potential of Artificial Intelligence (“AI”) to drive positive outcomes. We leverage AI to enhance efficiency, optimize resource allocation, and develop innovative approaches to serve our customers. However, we are highly aware of the ethical considerations and risks surrounding AI and are committed to its responsible use. We mitigate potential risks in many ways, including by leveraging our privacy and security protocols when evaluating any potential AI projects; evaluating our contracts with technology vendors; and establishing AI working groups to manage the rapidly changing landscape. One of these working groups is the AI Governance Council, where senior leaders from across the enterprise come together to discuss key opportunities, issues, risks, and mitigations. We also created an AI/ Large Language Model Tool Standard for colleagues to inform responsible use of approved AI tools. We will continue to adapt how we leverage and monitor our usage of AI as well as alignment with our ESG commitments, while fostering a culture of responsible innovation.

Supply Chain Accountability

We source with integrity. For years we have worked to increase the transparency and traceability of goods, partners, and practices within our supply chain. 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

We recognize our responsibility to respect and protect the human rights of customers, colleagues and employees in our stores and facilities domestically, and workers — including migrant or temporary labourers — in our worldwide supply chain network. We expect our suppliers to uphold human rights within their operations, adhere to applicable employment and/or labour standards and provide safe working conditions for workers. Loblaw’s supplier relationships are guided by our [Supplier Code of Conduct](#), which sets out minimum expectations and guidelines for suppliers. We expect our suppliers to communicate the Supplier Code of Conduct with their contractors, agents, sub-contractors, and sub-agents, including any labour agencies engaged to assist with providing goods or performing services for Loblaw, and to monitor their adherence 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 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.

Supplier Code violations are reported directly to our Supply Chain Compliance department and escalated to the Compliance and Ethics department as necessary. The severity of violations is evaluated to determine appropriate corrective action plans to address issues of non-compliance.

Integrity Action Line

The Company has an Integrity Action Line (“IAL”) hosted by a third-party service provider. The tool can be used to submit confidential and anonymous reports 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 and associate-owner networks, all suppliers and related third-parties and their workers. Reports can be submitted online (www.integrityactionline.com) in English, French or Spanish, or by calling a toll-free number (1-800-525-7868) 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, reinforcing our commitment to a safe reporting environment.

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.

The message is simple – speak up if you have a concern. We maintain an unwavering commitment to ethical and compliant conduct. Regular and targeted communications and campaigns across diverse channels within our organization are delivered to promote and emphasize the importance of speaking up. We have taken deliberate steps to demystify and simplify the reporting process, ensuring it is clear, straightforward, and accessible to all.



Human Rights

At Loblaw, we are deeply committed to respecting and protecting human rights throughout our global supply chain and providing transparency about our efforts in doing so. We maintain a zero-tolerance policy for abuse, discrimination, and harassment, and actively strive to create a safe and inclusive experience for our customers, colleagues, and the extensive workforce (including migrant and temporary workers) employed within our supply chain. This commitment is rooted in our unwavering belief in ethical conduct and is formalized through comprehensive policies, training, codes of conduct, and a robust governance framework designed to uphold the rights of all individuals connected to our business. This is a business priority for us and is addressed in [Our Position on Human Rights](#).

Our human rights commitment extends to our 220,000 colleagues and employees, our customers, and our business partners and suppliers, including all workers within their supply chains. We expect our suppliers to adhere to the same high standards, complying with all applicable human rights and employment laws. Our policies and practices are informed by leading international standards, including the UN Guiding Principles on Business and Human Rights and International Labour Organization (“ILO”) conventions. To ensure effective implementation, we have established a comprehensive governance structure with senior executive oversight, encompassing our Compliance and Ethics Department, Sustainability, and Supply Chain Compliance Departments. Board-level oversight is provided by the Risk and Compliance Committee, further reinforcing our dedication to accountability and continuous improvement.

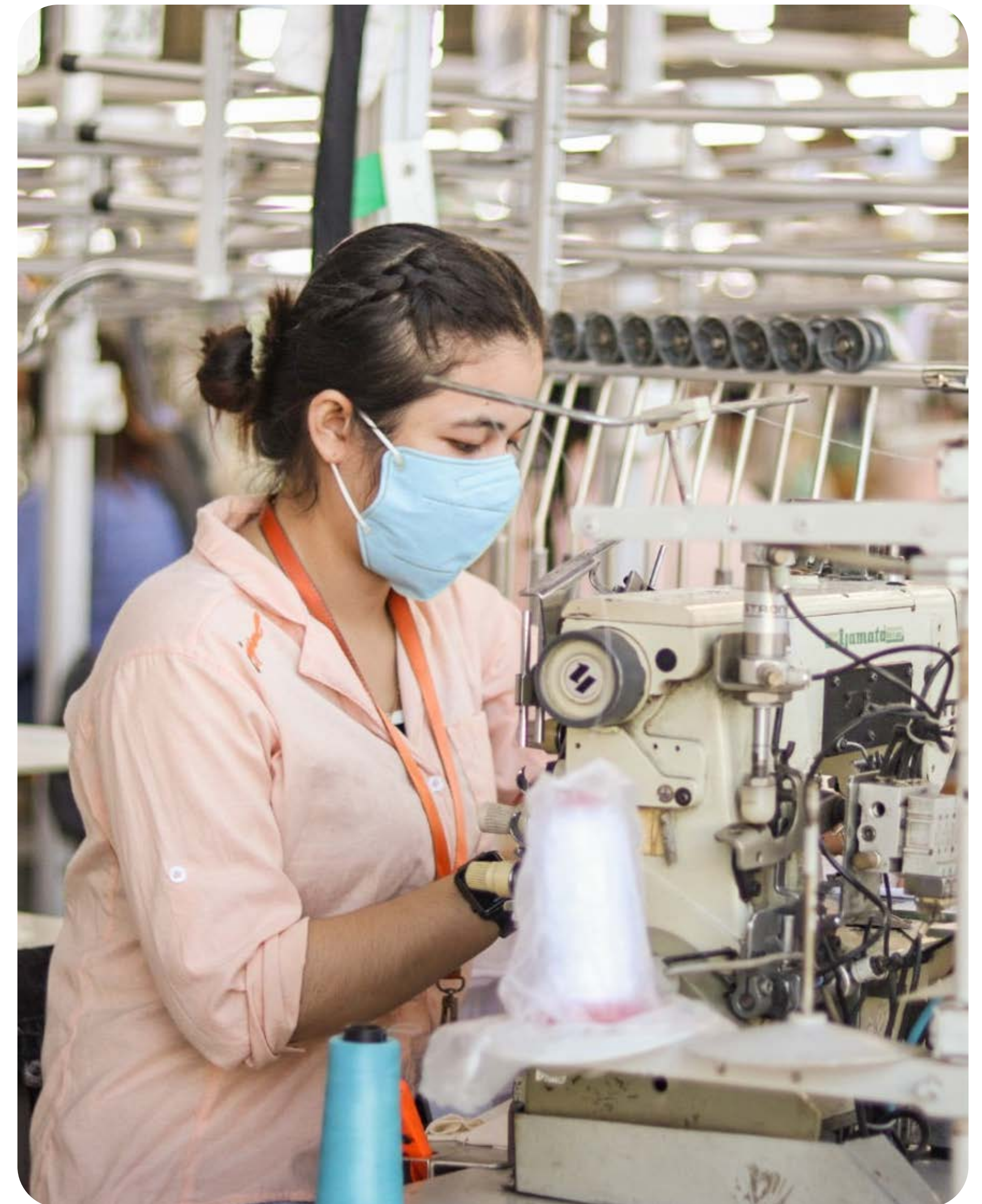
To enforce our commitments, we maintain robust Codes of Conduct for both colleagues and suppliers, emphasizing respect, integrity, and worker rights. Our [Colleague Code of Conduct](#) promotes diversity and inclusion, while our [Supplier Code of Conduct](#) focuses on protecting workers from exploitation, child labor, and unsafe working conditions. We actively monitor our global supply chain and take corrective action against any violations. We believe in collaboration and are committed to working with industry partners, civil society, and governments to drive widespread positive change and ensure human rights are respected globally.

Our human rights program continues to evolve, building on feedback and key learnings from our colleagues, customers, internal and external stakeholders, and investors. This enables us to continuously advance on our human rights journey.

Modern Slavery Report

In early 2025, we issued our [2024 Modern Slavery Report](#) which sets out actions that Loblaw has taken during the 2024 fiscal year to prevent and reduce the risk of forced labour or child labour within our operations and supply chain.

Loblaw’s commitment to prevent and reduce the risk of forced and child labour applies to our network of stores and facilities nationwide, our business partners and our worldwide supply chain network.





Human Rights Due Diligence and Salient Human Rights Risks

Completing a human rights due diligence assessment within an organization is a key principle of the United Nations Guiding Principles (“UNGP”) on Business and Human Rights to assess adverse human rights impacts.

In 2022, Loblaw partnered with a third-party expert and leader in sustainability and supply chain services, ELEVATE, to conduct a Human Rights Due Diligence to evaluate our human rights and responsible sourcing procedures and policies against the UNGPs. In partnership with ELEVATE, a multi-step process (including, current state assessment, gap analysis, supply chain risk assessment and stakeholder engagement) was used to identify opportunities to strengthen policies and processes across the enterprise, including our international supply chain.

Through this process, management aligned to five (5) inherent Salient Risks – (1) forced labour; (2) child labour; (3) discrimination, harassment, and abuse; (4) livelihoods; and (5) occupational health and safety, which inform the ongoing work Loblaw will do on human rights and responsible sourcing. Salient risks are defined as those risks having the highest potential impact to people’s human rights as a result of the Company’s activities or business relationships. As per UNGPs guidance, salient risks do not factor in mitigating steps that we as a Company may be taking on specific issues; instead, they focus on issues likely to be encountered due to the nature of our business.

Below is a brief description of the five (5) inherent Salient Risks

1

Forced labour: Situations in which persons are coerced to work using violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers, or threats of denunciation to immigration authorities.

2

Child labour: Work that is mentally, physically, socially, or morally dangerous and harmful to children and/or interferes with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and difficult work. The International Labour Organization Convention establishes minimum age requirements for many jurisdictions, which varies by local regulations.

3

Discrimination, Harassment, and Abuse: Unequal treatment, directly or indirectly, on various grounds including race, ethnicity, sex, language, religion, political or other opinion, national or social origin, property, and birth or other status (such as sexual orientation or health status, for example having HIV/AIDS). Harassment and abuse include but are not limited to violence, corporal punishment, harsh or degrading treatment, sexual or physical harassment or mental, physical, verbal, or sexual abuse.

4

Livelihoods: This includes conditions related to maximum working hours, days off, fair wages, job security, social security, and benefits. The right to an adequate standard of living requires, at a minimum, that everyone shall enjoy the right to necessary subsistence, including the following: adequate food and nutrition, clothing, housing, and necessary conditions of care when required.

5

Occupational Health and Safety (“OHS”): The protection of workers from exposure to short- and long-term risks at work to reduce workplace injuries and illness and promote worker wellbeing.

We have assessed these salient risks as they relate to our business and have developed and will continue to implement fit-for-purpose risk mitigation strategies where applicable.

Human Rights Impact Assessment – Broccoli and Cauliflower

As Loblaw continues its human rights journey and work on salient risk mitigation strategies, it is committed to understanding risks in our supply chain and remediating those actions within our control, as well as collaborating with other industry partners, government and NGOs for actions that require larger industry engagement.

In October 2023, we engaged Ergon Associates (“Ergon”), a leading labour and human rights firm, to complete a Human Rights Impact Assessment (“HRIA”) in Loblaw’s broccoli and cauliflower supply chain originating from Mexico, the US, and Canada. These product categories were prioritized due to their close

association with Loblaw’s salient human rights risks. It is important to highlight that an HRIA is a sector-wide study, and the process is not an audit or evaluation of specific suppliers or sub-suppliers.

The [final HRIA](#) report is now complete and provides details of the methodology, desktop research results, salient impact findings, root causes, and recommendations. Based on a mix of desk-based research, expert stakeholder interviews and site visits, Ergon identified salient human rights impacts related to forced labour, child labour, working conditions, occupational health and safety, gender-based violence and harassment, right to an effective remedy, freedom of association and collective bargaining, and employment discrimination. It is important to note that these risks are inherent to the

agricultural industry as a whole and not all were identified during visits to suppliers within the Loblaw supply chain.

This assessment identified practical recommendations for Loblaw to prevent, mitigate, and address potential negative human rights impacts within its supply chain. The following recommendations focus on areas where Loblaw has direct influence and can effect change. The recommendations explore enhancements in the following areas:

- Policies, governance and capacity;
- Supplier selection, requirements and monitoring;
- Purchasing practices; and
- Collaboration.

Loblaw will use the recommendations to develop specific action plans that are applicable and relevant for its organization. Loblaw continues to prioritize understanding human rights risks within our supply chain.



Supply Chain Compliance and Factory Audits

For more than a decade, we have maintained a factory audit compliance program comprised of a combination of Loblaw colleagues and third-party audit compliance managers and production auditors on the ground in China, Bangladesh, Thailand, Vietnam, Cambodia, and India. The core Supply Chain Compliance team located in Toronto, Canada work in conjunction with the on the ground team to oversee Loblaw’s Supply Chain Compliance programs ensuring that workplace condition assessments are conducted to our standards, and that our products are sourced from approved factories.

Our audits and audit compliance program are designed to confirm that suppliers providing goods to Loblaw uphold our Supplier Code. We continuously review the supplier monitoring program to determine if an expanded scope of the program is necessary; and, as we are made aware of new considerations as they relate to our supply chain. We will adjust the program as deemed necessary.

Prior to sourcing goods from a supplier, Loblaw has the factories, processing facilities, plants, packing or other facilities, which are located outside of Canada and the USA, audited for (1) control brand products sourced by Loblaw; or (2) products for which Loblaw is the Importer of Record.

Once sourcing has begun, Loblaw has processes in place to audit working conditions as well as fire, structural and safety assessments (if applicable). Facilities located in designated high-risk locations, such as Southeast Asia, require a fire, structural and safety assessment to be conducted prior to Loblaw beginning to source from the facility. Loblaw’s audit program reinforces the following factors by assessing and confirming that they are adhered to:

- worker rights and safety;
- voluntary labour;
- workers are properly compensated;
- workers are not exploited;
- facilities comply with employment standards (including minimum age);
- working hours are consistent with local laws and standards; and,
- facilities meet health and safety laws and regulations.

Initial and annual facility compliance audits are typically conducted by third-party experts using a best-practice audit framework. In some cases, where suppliers provide us with facility compliance audits using an alternative acceptable global framework, the core team conducts an equivalency review to ensure the audit meets our standards. The in-market audit teams also provide in person follow-up with remediation audits, additional information audits and verification of corrective actions.

If an audit identifies a compliance issue, including but not limited to, child labour, forced or bonded labour, or life-threatening health and safety situations, Loblaw will suspend relationships with those facilities (and/or supplier). Loblaw will work with suppliers to determine whether satisfactory remediation of the compliance issue is possible and will terminate relationships with suppliers who are unable or unwilling to remediate non-compliance. For serious or repeated violations by a supplier, as determined by the Supply Chain Compliance audit program, Loblaw reserves the right to suspend or terminate the relationship before providing the supplier with an opportunity for resolution.

In accordance with Loblaw’s Supply Chain Compliance audit program, in 2024, Loblaw completed more than 1,350 facility (factory) compliance audits⁶⁴ across 38 countries outside of Canada and the United States within our supply chain and delisted 7 facilities. The delisted factories included 1 from Bangladesh; 3 from China and 3 from Vietnam. These delistings spanned multiple product categories: 3 home and entertainment; 2 apparel; 1 food; and 1 goods not for resale (supplies). A record of these results are also maintained by our third-party compliance provider.

The following is a summary of the audit program results and we will continue to report on our progress annually. All infractions and temporary suspensions that did not result in a delisting were resolved, or are in the process of being resolved, to our satisfaction.

Metric	2024	2023	2022	2021
# of suppliers	~550	~600	~700	~800
# of facilities ⁶⁵	~1,200	~1,250	~1,400	~2,000
Audits conducted ⁶⁴	~1,350	~1,400	~1,200	~1,000
Permanent delistings	7 ⁶⁶	6 ⁶⁷	10 ⁶⁸	3 ⁶⁹



Collaboration and Continuous Improvement

We have taken significant steps to improve transparency within our international supply chain, specifically as it relates to apparel manufacturing and materials procurement. We work with leading international apparel brands, NGOs and labour groups to improve industry working conditions, benefitting millions of garment workers globally.

In 2021, we expanded our transparency and disclosure by listing the [Tier 1 factory locations](#) on our website. We believe that by providing this information to consumers and our stakeholder partners, we can better coordinate our efforts in support of the apparel industry.

Support for The Accord

In 2013, we were a founding member of the Accord on Building and Fire Safety in Bangladesh (“The Accord”). In 2023, we renewed our support for The Accord, by signing the International Accord for Health and Safety in the Textile and Garment Industry (“The International Accord”), which includes the following key features:

- 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 terms of The Accord.



Joe Fresh® Restricted Sourcing Regions

Our commitment to ethical sourcing practices is integral to our operations. Joe Fresh® prohibits and will not knowingly use cotton sourced from any region that is associated with forced or child labour such as Uzbekistan, Turkmenistan, and the Xinjiang Uyghur Autonomous Region (“XUAR”) of China, including textile products using Uzbek, Turkmen and XUAR cotton in any form. All Joe Fresh® apparel and footwear vendors confirm annually that they do not source materials from these regions. This was completed in 2024.



Compliance and Ethics

At Loblaw, we are unwavering in our commitment to legal and regulatory compliance, recognizing it as fundamental to maintaining the trust of our stakeholders. We work to consistently meet all obligations required by the diverse laws and regulations governing our operations, as well as uphold the highest standards of conduct set by our Board. Our dedication to compliance ensures our colleagues are well-versed in the expectations and potential risks associated with their roles. Through robust policies, procedures, and comprehensive training, we cultivate a culture that fosters ethical and compliant behavior, empowering our colleagues to proactively identify and address concerns. To further enhance transparency and accountability, we provide our Integrity Action Line (IAL) to suppliers, customers, and colleagues, enabling them to confidently report any suspicious activity, unethical practices, instances of non-compliance, or suspected violations of laws and regulations.

Reliability of our ESG Disclosures

We recognize the importance of the accuracy and reliability of our ESG disclosures. That is why we have built a robust control environment to test and validate the accuracy of our ESG information which supports our commitment to transparency and accountability. Our sustainability and social impact reporting is part of our work to further mature our ESG program, and we continue to evolve and strengthen our control environment as necessary to ensure that the integrity and reliability of our disclosures meet the expectations of our stakeholders in an evolving landscape.

Control Environment

Management is responsible for establishing and maintaining adequate internal controls over ESG disclosures and has implemented a control environment which mirrors the Internal Controls over Financial Reporting (“ICFR”) framework. To ensure consistency, accuracy, completeness, timeliness, relevance, and alignment with our overall strategy, we have established a rigorous process which is applied to all ESG disclosures. Effective as of 2021, our Finance team is involved in reviewing and verifying the quantitative information in our ESG disclosures using a financial assertions framework. The foundation of this control environment is the “Three Lines of Defense” model. The ESG Integration and Reporting team executes this program, to ensure information in our ESG disclosures is reliable and assurance ready. Similar to the ICFR framework, in designing such a control environment, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, may not prevent or detect misstatements.

Oversight

The Audit Committee of the Board of Directors oversees the adequacy and effectiveness of applicable ESG controls and reviews ESG disclosures prior to publication. In addition, the Audit Committee reviews the results of assurance engagements.

Assurance

As we continue to mature our ESG program, our goal is to obtain the appropriate level of assurance over our ESG disclosures. In 2024, our Internal Audit team was engaged to perform a review over a risk-based subset of quantitative information that we disclose. Additionally, PricewaterhouseCoopers LLP was engaged to perform limited assurance over select performance metrics for the current reporting year. The Limited Assurance report can be found in the [Early Release of Priority 2024 ESG Disclosures \(page 18\)](#). We will continue to assess and determine the appropriate level of assurance required for our key ESG disclosures.

About Forward-Looking Statements

This Environmental, Social and Governance Report (the “ESG Report”) may contain forward-looking information within the meaning of applicable securities legislation which reflects Loblaw Companies Limited’s (the “Company”) current expectations regarding future events, including environmental, social and governance (“ESG”) matters discussed in the ESG Report. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, assessing forward-looking ESG metrics and risks, and climate metrics and risks in particular, is more complex and longer-term in nature than traditional business metrics and risks. Many forward-looking methodologies are new and evolving, and there is limited guidance from methodology providers on the calculation or comparability of these measures. In particular, uncertainty around future climate-related policy can contribute to greater variation in transition pathway models. Future updates to factors such as changes in global emissions, available technologies or economic conditions may result in changes to the Company’s net-zero path, resulting in changes to the Company’s targets. A number of additional factors, including improvements to the coverage, quality, and availability of the Company’s data and methodologies, may also necessitate changes to the Company’s 2020 baseline or net-zero targets. The ESG Report is informed by the Global Reporting Initiative (“GRI”), the Sustainable Accounting Standards Board (“SASB”) and the International Sustainability Standards Board (“ISSB”). The Company regularly monitors the development of provincial and international ESG reporting regulations, standards and frameworks for their relevance and usability, as well as stakeholder expectations regarding these standards. The Company will periodically assess the comparability and appropriateness of its metrics and targets, and, where appropriate, incorporate new insights, data, models and tools into the Company’s ongoing assessment of ESG matters, including climate change. The Company expects its ESG disclosures to continue to evolve as reporting regulations, standards and frameworks mature.

The information in the ESG Report reflects what the Company believes is its best available data and, in the case of climate change disclosures, best available scenario projections, which are based on the most current emissions information available to the Company. Where appropriate, including in setting its greenhouse gas reduction targets and making climate disclosures, the Company has made reasonable and good faith approximations and assumptions. However, there are many factors that the Company may not foresee or that it may be unable to predict accurately. The Company’s ability to achieve its ESG goals, including ESG matter(s) discussed in the ESG Report, is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information and may require the Company to adjust its ESG initiatives, activities or plans to reflect a changing landscape. Such risks and uncertainties include, but are not limited to, the Company’s ability to meet its greenhouse gas reductions targets; the availability, accessibility and suitability of comprehensive and high-quality data; the need for active and continued participation of the Company’s stakeholders; the development of consistent, robust and comparable ESG metrics and methodologies, in particular in respect of climate change; the development and deployment of new technologies and industry-specific solutions; international cooperation; the development of provincial, national and international laws, policies and regulations in respect of ESG matters; and the factors discussed in the Company’s current Annual Information Form and most recent Management, Discussion and Analysis. The forward-looking statements in the ESG Report are presented for the purpose of assisting investors and other stakeholders in understanding the Company’s ESG priorities, strategies and objectives, and may not be appropriate for other purposes. Undue reliance should not be placed on the forward-looking information in the ESG Report. The Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. All forward-looking statements contained in the ESG Report are made as of the date hereof and are qualified by these cautionary statements.

®/™ Trademarks of Loblaws Inc.

T&T® are trademarks of T&T Supermarket Inc., used under licence.

Shoppers Drug Mart® and Pharmaprix® and Quo Beauty™ are trademarks of 911979 Alberta Ltd., used under licence.

Lifemark® and Lifemark Design are trademarks of LifeMark Health Corp., used under licence

Endnotes

- 1 Plan development and processes utilized to measure progress against our targets leverages and are in accordance with internationally recognized methodology including as set out in the Paris Agreement, which aims to limit global temperature rise to 1.5 degrees Celsius.
- 2 Loblaw's calculation is based in part on data reported by NIQ through its Syndicated database for the Total Universe for the latest 52 weeks period ending December 28th, 2024. Copyright © 2024, Nielsen Consumer LLC.
- 3 Includes corporate, franchise, associate-owned, and T&T® operations as well as corporate offices and distribution centres ("DCs").
- 4 Due to the complexity and variability of the capabilities of the municipal recycling systems across Canada, we define "recyclable or reusable" as being compliant with the Consumer Goods Forum's Golden Design Rules ("GDRs") with a focus on material conversions and the removal of problematic elements where we can drive change. As such, our compliance to the rules excludes: (a) for a subset of products, GDR 3 "headspace reduction"; (b) GDR 8 to "reduce virgin plastic in business-to-business packaging", which is not the scope of this control brand and in-store packaging project; and (c) GDR 9 "on pack recycling", which we do not endorse as it is the outcome of downstream stakeholders upgrading the capability of current municipal recycling systems.
- 5 Due to the complexity of the processes used to quantify weight and dollars, we have removed the 2028 date initially linked to this target. We remain committed to donating food and funds to our food charity partners and reporting on our progress.
- 6 Loblaw defines science-based targets ("SBT") as targets in accordance with the Intergovernmental Panel on Climate Change ("IPCC") guidance for achieving targets set out in the Paris Agreement aiming to limit global temperature rise to 1.5 degrees Celsius.
- 7 Short-haul, outbound, corporately owned, and operated fleet.
- 8 This represents total spend with Tier 1 suppliers possessing Science Based Targets ("SBTs") divided by total supplier spend. Loblaw defines an SBT as targets in accordance with the Intergovernmental Panel on Climate Change ("IPCC") guidance for achieving targets set out in the Paris Agreement aiming to limit global temperature rise to 1.5 degrees Celsius. Suppliers that published qualifying targets during fiscal 2024 are included. Supplier spend is defined as Accounts Payable payments cleared in fiscal 2024, excluding certain non-supplier payments (e.g., government, employee purchase card, union dues, and other amounts removed at Management's discretion) which account for 6.6% of total spend. The metric's scope mirrors our Scope 1 and Scope 2 reporting, encompassing spend from our entire enterprise operating footprint, including corporate, franchise, associate-owned, and T&T® operations, as well as corporate offices and distribution centers. We will continue to make additional refinements as more precise data becomes available.
- 9 Carbon dioxide (R744) has a global warming potential ("GWP") under 10 thus is considered ultra-low when compared to legacy synthetic hydrofluorocarbon ("HFC") refrigerants that have GWPs that are in the 2000-4000 range, newer synthetic HFC refrigerants are in the 1000-2000 range, and low GWP synthetic Hydrofluoroolefins ("HFO") refrigerants are in the 100-700 range.
- 10 This metric is the count of corporate owned and operated electric trucks that includes short-haul outbound day cabs and shunt trucks as at the end of the reporting period.
- 11 Conversions were from R507A, R404A, R438A, R22, and R134A which have higher global warming potentials to lower global warming potential refrigerants such as R449A and R513A.
- 12 A level of measurement uncertainty exists in these metrics due to the use of estimates for data points that are difficult to obtain. If actual data becomes available, we will adjust historical estimates where applicable and where material.
- 13 Emissions are calculated following the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and emission factors defined by the National Inventory Report ("NIR"), although, for Scope 1 and Scope 2 emission factors, Management used 2018 NIR for 2020 figures, 2019 NIR for 2021 figures, 2020 NIR for 2022 figures, 2021 NIR for 2023 figures and 2022 NIR for 2024 figures. Management has included emissions from HCFC refrigerant leaks in "Scope 1 emissions" and "Scope 1 by Greenhouse Gas Type – Other".
- 14 This symbol identifies that third-party limited assurance was obtained for this data point. Refer to pg 18 of the [Early Release of Priority 2024 ESG disclosures](#) for the Limited Assurance report.
- 15 Numbers in the GHG inventory table may fluctuate as more accurate information becomes available such as updates to the emission factors as defined by the NIR. Scope 1 values have changed from prior years' disclosed amounts due to a change in estimate related to franchise refrigerant leak data. The previous values for 2022, 2021, and 2020 were 623,613, 629,662, and 691,679, respectively.
- 16 Loblaw had contractual agreements for Clean Energy Credits in Ontario which represent approximately 7.9% and 5% of the overall electricity consumption for 2024 and 2023 respectively.

- 17 The total capital expenditure reported for Scope 1 and Scope 2 carbon reduction projects includes investments made in both projects that were completed in 2024 and projects that were in progress at the end of the reporting period. The calculation of this metric aligns with the capitalization policy for financial reporting purposes, as such, reported amounts include those which meet the criteria for capitalization within the reporting period. Items excluded from capital expenditure for this metric include, but are not limited to, regular maintenance and repairs, preventative measures (e.g. refrigeration leak inspections), and minor energy efficiency upgrades which are not capitalized. Refer to endnote 19 for details on what qualifies as a carbon reduction project.
- 18 This metric was not formally tracked in prior years, therefore data is not available to disclose for this time period.
- 19 This metric is the count of carbon reduction projects completed during the reporting period. Carbon reduction projects relate to the following activities: store refrigerant conversions, store lighting upgrades, franchise store recommissioning for efficiencies and calibrations of systems, automated refrigerant leak detection, DC retrofits including lighting and refrigeration, and fleet electrification. A project is defined at the individual site or fleet vehicle level.
- 20 This metric is the count of corporate owned and operated electric trucks that includes short-haul outbound day cabs and shunt trucks as at the end of the reporting period.
- 21 This metric is the number of corporate owned and operated electric trucks (refer to endnote 20) divided by the total number of short-haul outbound corporately owned and operated trucks as at the end of the reporting period. The number of short-haul outbound corporately owned and operated fleet includes day cabs and shunt trucks owned and operated by Loblaw, as well as trucks leased and operated by Loblaw that are recognized as Right-of-Use (ROU) assets on the balance sheet as at the end of the reporting period.
- 22 Due to the complexity and variability of the capabilities of the municipal recycling systems across Canada, we define “recyclable or reusable” as being compliant with the Consumer Goods Forum’s Golden Design Rules (“GDRs”) with a focus on material conversions and the removal of problematic elements where we can drive change. As such, our compliance to the rules excludes: (a) for a subset of products, GDR 3 “headspace reduction”; (b) GDR 8 to “reduce virgin plastic in business-to-business packaging”, which is not the scope of this control brand and in-store packaging project; and (c) GDR 9 “on pack recycling”, which we do not endorse as it is the outcome of downstream stakeholders upgrading the capability of current municipal recycling systems.
- 23 Excludes T&T®.
A level of measurement uncertainty exists in this metric due to the large volume of technical data to track, change, and consolidate over 11,000 individual SKUs.
Includes only plastic packaging that would leave the store with the customer and as such does not include business to business packaging or supplies used in-store. This is the percentage compliance to the in-scope Consumer Goods Forum’s Golden Design Rules.
Compliance is determined based on all new purchase orders placed for product in new compliant packaging. However, products in stores may reflect old packaging where excess inventory needs to be sold through or where temporary accommodations are made as a result of availability constraints for compliant packaging materials.
- 24 Excludes a small portion of SKUs (or a component of the packaging) which were approved as exemptions by Executive Management, namely products governed by Health Canada, safety seals, and products where the packaging is considered a functional part of the product itself.
- 25 Packaging acceptable for collection in participating municipal programs only. All packaging may not be accepted for recycling in all regions of Canada. Consumers would be required to check their local municipality for more information on acceptability of packaging in their community.
- 26 Second Harvest, [The Avoidable Crisis of Food Waste: Updated](#) (2024)
- 27 Includes corporate food retail operations only. The food waste diversion data reported in the Early Release of Priority 2024 ESG Disclosures was based on estimates for the fourth quarter, as actual data was not yet available. Following year-end, more complete and accurate data was received from our service providers, resulting in an adjustment of the food waste diversion data in the 2024 April ESG Report. In 2024, 80,212 metric tonnes of food waste was diverted (a -3% change from the estimate). These reported numbers are based on information received from third-party haulers and represent information available to date.
- 28 Includes food retail operations (including franchise) and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations.
- 29 This includes in-kind donations as well as monetary donations. Pounds of food donated to community-based food charities are calculated by multiplying the total dollar value of monetary contributions by a conversion factor of 2 pounds per \$1 donated. This conversion factor is based on information included in Food Banks Canada’s “meal metric” and aligned to with our food recovery partners. While the majority of donations are intended to support and enable food related initiatives, some funds may be allocated by the partners to other programs or operational needs, including research.
- 30 These reported numbers are based on information received from a third-party and is based on information available to date for more than 1,000 sites. To provide a conservative estimate of water use, water withdrawal is reported as water consumption. This approach assumes that no water is returned to its original source.

- 31 <https://www.msc.org/en-us/what-we-are-doing/our-approach/what-is-sustainable-fishing>
- 32 Excluding T&T®.
- 33 Forest Stewardship Council (FSC® C159214).
- 34 As defined in Canadian regulations.
- 35 Except those naturally occurring.
- 36 Free-run – shell eggs laid by hens in a free-run housing system. In this system, hens have access to the entire barn floor, but do not go outside. The hens can scratch, dust bathe, walk freely and lay their eggs in nesting boxes.
- 37 Free-range - shell eggs laid by hens in a free-range housing system. In this system, hens have access to the entire barn floor and it gives them the opportunity to roam outside when weather permits. The hens can scratch, dust bathe, walk freely and lay their eggs in nesting boxes.
- 38 Subject to available supply.
- 39 Enriched housing - enriched housing systems, while remaining in a wire mesh enclosure, hens are provided with perches, nest area, scratch area, and more head room compared to a conventional cage.
- 40 https://www.nfacc.ca/resources/codes-of-practice/pig/Pig_Scientists_Committee_report.pdf
- 41 Calculated in accordance with the EPA methodology by CSR Eco Solutions.
- 42 Based on calculation methodology provided by Primaloft®.
- 43 Cotton-rich products are defined as those where the majority of the fibres are cotton.
- 44 2024 responsible cotton calculation scope includes all directly manufactured products and select non-direct products.
- 45 A multiplier is used to calculate metric tonnes of material used to manufacture a product in order to account for losses during the apparel manufacturing value chain.
- 46 Under the Food and Drug Regulations, a drug establishment licence (“DEL”) is required to wholesale a prescription medication. A “wholesaler” is defined in the Food and Drug Regulations as a distributor who does not hold the DIN and who sells a prescription drug “other than at retail sale”. The term “sell” is broadly defined under the Food and Drugs Act and covers any distribution of a drug, regardless of whether the distribution is made for consideration. Based on detailed analysis we have determined that DEL is not required in these cases as Health Canada has not required pharmacies to obtain a DEL in these circumstances or sought to intervene in this established practice in the past.
- 47 Packaging acceptable for collection in participating municipal programs only. All packaging may not be accepted for recycling in all regions of Canada. Consumers would be required to check their local municipality for more information on acceptability of packaging in their community.
- 48 Organisation for Economic Co-operation and Development (“OECD”) Management of Pharmaceutical Household Waste.
- 49 T&T® executes similar programs for their own operations.
- 50 Loblaw uses “racialized groups/individuals” interchangeably with “visible minorities” as defined by the Employment Equity Act.
- 51 All Diversity and Inclusion metrics are as at year end 2024.
- 52 The Statistics Canada 2021 Census reports women representing 50% and members of visible minorities representing 26% of the Canadian population.
- 53 Self-identification data is collected through our Human Resources Information System throughout the year, with race/ethnicity information being collected on a voluntary basis. In 2024, 65% of management and 89% of executives voluntarily disclosed their race or ethnicity.
- 54 To ensure consistency in application of the definitions used, certain 2022 numbers have been adjusted.
- 55 Includes corporate workforce only.
- 56 Executive positions includes vice president level and above.

- 57 In 2024 for the purpose of representation reporting, management encompasses roles with direct leadership type responsibilities including managing operations and/or managing people. The roles defined as management include, but are not limited to, senior director, director, senior manager, manager, DC managers, store managers, and assistant store managers. The Company has made efforts to apply this definition consistently, however where job titles were unclear, certain roles which may possess some managerial responsibilities were classified as individual contributors. Going forward the 2028 goals will also include department managers to show a true reflection of management in our organization.
- 58 This metric is the cumulative number of colleagues that have completed Diversity, Equity and Inclusion training since 2020. Each count of an employee is based on their completion of either Even Better 3 (“EB3”) training or two Diversity, Equity and Inclusion e-learnings on “Being an Ally” and one edition of “Building a Culture of Inclusion”. These training courses cover fundamental Diversity, Equity and Inclusion topics, which includes one or more of Diversity, Equity and Inclusion, and Belonging, and are delivered in line with our Culture Principles (Be Authentic, Build Trust, Make Connection) and CORE values (Care, Ownership, Respect, Excellence).
- 59 Adjusted pay gap is the difference in pay between women and men after statistically controlling for legitimate, non-discriminatory factors that influence pay, such as tenure or location.
- 60 Based on Qualtrics database of employee engagement retail average from 2020-2022.
- 61 Due to data limitations, these in-kind amounts are based on reporting provided by Second Harvest, Food Banks Canada, and Banques Alimentaires du Québec. The in-kind valuation of pounds of food donated is calculated by multiplying the number of pounds donated by a conversion rate – both the pounds and the conversion rates are provided to us by our food recovery partners. This conversion rate is based on a basket valuation that supports the average retail value of 1lb of food which allows a monetary value to be assigned to the donated food.
- 62 The number of children reached is defined as the entire school population of children who have access to the daily food programs, offered universally, during the school year. The entire population of children is self-reported with attestations obtained from each of the schools.
- 63 Pounds of food donated to community-based food charities are calculated by multiplying the total dollar value of monetary contributions by a conversion factor of 2 pounds per \$1 donated. This conversion factor is based on information included in Food Banks Canada’s “meal metric” and aligned to with our food recovery partners. While the majority of donations are intended to support and enable food related initiatives, some funds may be allocated by the partners to other programs or operational needs, including research.
- 64 The reported number of audits conducted is based on internal tracking systems. While reasonable efforts are taken to ensure accuracy, this metric may be subject to some degree of variation due to the volume of data and the potential for human error, including duplicate entries or omissions.
- 65 Facilities exclude those that had been inactive or blocked for a period of 3 years or more. The figures in the table above reflect this changed approach in 2022.
- 66 The delistings in 2024 were related to non-compliance with the Supplier Code in one or more of the following themes: attempted bribery, child labour, transparency (lack of access to perform required due diligence) and building structural/fire safety concerns. During 2024, 2 additional facilities were temporarily delisted. Following corrective actions, verified through on-site audits, both facilities were relisted.
- 67 The delistings in 2023 were due to one or more of unauthorized contracting, attempted bribery, suspected child labour, suspected discriminatory practices, and building structural/fire safety concerns.
- 68 Delistings in 2022 were due to one or more of suspected child labour, attempted bribery, and building structural/ fire safety concerns.
- 69 Delistings in 2021 were due to one or more of unauthorized contracting and/or attempted bribery.