



# Advancing Ethical Sourcing, Supply Chain Responsibility, and Human Rights

In 2022, we partnered with a third-party expert and leader in sustainability and supply chain services, ELEVATE, to evaluate our human rights and responsible sourcing procedures and policies, and as part of this we identified and disclosed five salient human rights risks. In 2023, we expanded our commitment to transparency and supply chain traceability. In collaboration with Ergon Associates, we have initiated a Human Rights Impact Assessment (HRIA). Ergon is a leading firm recognized for their expertise in human rights work on global supply chains in the food retail and manufacturing sector.

Our assessment is focused on the human rights impacts related to the production of Broccoli and Cauliflower sold as standalone items and includes coverage of these vegetables as ingredients in value-added products, such as florets, vegetable medleys and packaged salads, whether sold as National Brands or under our Control Brand. We believe that these product categories are closely associated with our salient human rights risks, and to our knowledge no Human Rights Impact Assessment (HRIA) has been conducted for these commodities within our operating geography to date.

This HRIA is directed at Mexico, the United States (Arizona/California), and Canada, with the goal of identifying and addressing potential human rights issues across critical supply chain activities such as primary farming, processing, and packaging of products. This work will provide the enterprise with valuable insights, including a deep understanding of potential human rights impacts and their underlying causes, improved supply chain visibility, and recommended actions to address and remediate any potential negative impacts.

An HRIA of this nature requires close engagement with Loblaw's key suppliers. The assessment will be conducted through both desk research and robust in-country stakeholder engagement. To accommodate the variations in harvest times across regions, we have planned the project in two phases. The initial phase will commence in early 2024, focusing on fieldwork in Mexico and the USA. The second phase will take place later in the summer, focused on the Canadian



harvest season. Engaging with internal and external stakeholders is crucial for comprehending the potential human rights implications associated with business activities. This involves considering the perspectives of those affected, as well as understanding supply chain intricacies such as purchasing practices, supplier relationships, and the integration of sustainability criteria into procurement processes.

We recognize the vital role HRIAs play in promoting ethical sourcing, cultivating sustainable supply chains, and demonstrating responsible investment and due diligence, which ultimately safeguards our business interests and reinforces our commitment to ethical practices. Our work on this Human Rights Impact Assessment began in October. The results, along with recommended actions, will be published in 2024 in two phases, to align with the project plan. An initial report will be issued following the completion of the first phase, with an amendment to be issued after the completion of the Canadian fieldwork.