



Environmental, Social and Governance

2023 Early Release of
Priority ESG Disclosures

February 2024

**Loblaw
Companies
Limited**



Reading and Understanding this Report

This report covers Loblaw Companies Limited’s 2023 fiscal year. Unless otherwise noted, data included in this report relates to this time period.

Our reporting and data measurement methods are consistent with those used in the Company’s 2022 ESG report and relate specifically to our corporate operations, which includes 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.

Our goal is to deliver robust and transparent ESG disclosures in a timely manner for our stakeholders. As such, we are pleased to provide this early release of priority 2023 ESG disclosures taking 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 with the IFRS standards once they are endorsed by the Canadian Sustainability Standards Board (CSSB) and required by the Canadian Securities Administrators (CSA).

This early disclosure provides an overview of our ESG governance, strategy, risk management, and select metrics and targets for 2023. It is not the Company’s comprehensive 2023 ESG Report. The full ESG performance for 2023 will be available in the 2023 ESG report, to be released in Spring 2024. Please see our ESG forward looking statements on [page 13](#).

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

For the latest updates regarding our progress, follow us on X (formerly Twitter), Facebook, Instagram and LinkedIn. We regularly update reports and statements on our website <https://www.loblaw.ca/en/responsibility/>.

Please direct inquiries to esg@loblaw.ca

As Canada’s food and pharmacy leader, Loblaw Companies Limited (“Loblaw” or “the Company”) aspires to be a force for positive environmental and social change, and to demonstrate robust corporate governance practices. As the nation’s largest retailer and private sector employer, Loblaw is uniquely positioned to make a difference. We focus on the areas that matter most to Loblaw and our stakeholders, driving local, national and global impact. We are driven by our purpose — to help Canadians Live Life Well® — addressing Environmental, Social and Governance (ESG) priorities where we feel we can have the biggest impact: fighting climate change and advancing social equity.

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ESG Governance

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

ESG 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 (see outline on the next page). The Board oversees and monitors the Company's approach, policies, and practices related to ESG matters. This includes the Company's Enterprise Risk Management (ERM) program, including its design and structure, and assessment of its effectiveness.

Loblaw has an ESG Steering Committee comprised of senior leaders who guide the Company and its colleagues on the ESG 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 ESG commitments and targets, as well as setting the "tone from the top" to foster an ESG-focused culture within the organization. The ESG Steering Committee also provides leadership to the various ESG Management committees which are responsible for setting priorities and implementing and monitoring ESG-related initiatives across the organization.

Responsibilities/ Outcomes

Governance Body

Key Activities

- Oversees and monitors the Company's strategy, policies and practices related to ESG matters.
- Oversees the Company's ESG strategy, design and program, and progress against its ESG related goals.
- Oversees the adequacy and effectiveness of applicable ESG controls and review of ESG disclosures prior to publication.
- Oversees the design and achievement of the short-term incentive plan which includes an ESG component.

BOARD

Board of Directors

- Reviews ESG strategy and significant ESG projects (e.g. scope 3)
- Approves significant ESG disclosures

Risk and Compliance Committee

- Obtains reports on ESG progress against commitments and targets to ensure Management is executing on ESG priorities
- Reviews significant ESG disclosures

Audit Committee

- Obtains reports on the effectiveness of the ESG control environment
- Reviews internal assurance engagement results
- Approves external assurance engagements and reviews assurance results
- Reviews significant ESG disclosures

Governance Committee

- Reviews the design of the incentive plans
- Obtains quarterly reports on the status of incentive plans to target
- Reviews the incentive payouts

- Responsible for ensuring that ESG programs and activities are executed, and that progress is made towards established goals and targets.
- Provides guidance to the Company and its colleagues on ESG programs and related matters, as well as strategic direction on ESG activities, priorities, internal metric tracking, and external disclosure frameworks.

EXECUTIVE LEVEL

Management Board

- Provides updates to the Board on progress of ESG commitments
- Determines the capital plans required to support the ESG strategic priorities

ESG Steering Committee

- Develops the ESG strategy and presents it to the Board of Directors
- Obtains reports on the status of ESG strategic priorities for reporting to Management Board or the Board of Directors
- Approves all ESG public disclosures
- Promotes accountability at the Management level to drive progress and ensure the advancement of ESG within the organization
- Ensures effective management of sustainability-related risks and opportunities

- Responsible for establishing and maintaining adequate internal controls over ESG disclosures and the implementation of a control environment which mirrors the Internal Controls over Financial Reporting (ICFR) framework.

ESG PROGRAM

ESG Program

- Implements a thorough review and validation process to ensure the consistency, accuracy, completeness, and timeliness of all ESG disclosures
- Ensures the relevance of ESG within the organization and aligns execution with overall strategy
- Implements a Three Lines of Defense model, which includes engaging Internal Audit to provide assurance over a risk-based subset of qualitative information, and executes on an external assurance plan
- Provides support to the Management level ESG committees
- Provides oversight for the management of sustainability-related risks and opportunities

- Responsible for assessing and managing projects and programs associated with the purpose-led ESG priorities.

MANAGEMENT LEVEL

ESG Committees: Carbon Plastics Food Waste Inclusion Council Community Investment

- Executes projects and processes to support the achievement of ESG commitments
- Updates the ESG Steering Committee and/or Management Board on ESG progress
- Manages sustainability-related risks and opportunities
- Advances ESG in business decision-making

ESG Strategy

We recognize that as a national company, there are a wide range of ESG topics that fall under the scope of our operations. Our ESG strategy is rooted in two purpose-led pillars: fighting climate change and advancing social equity. Under these two pillars, we have developed five purpose-led focus areas: carbon net-zero; eliminating food waste; tackling plastic waste; being Canada's most diverse and inclusive employer; and supporting the health and well-being of children and women. Through these focus areas, we address the topics that matter most to our business and prioritize the concerns of our stakeholders. We understand the importance of being accountable for our commitments and the need to demonstrate progress and challenges transparently.

The ESG strategy has been informed by specific sustainability-related risks and opportunities. Annually (at a minimum), a thorough review is performed to ensure that key ESG risks and opportunities are embedded in the Company's ESG strategy and long-term plans. This involves continuously monitoring potential sustainability-related risks and opportunities across the value chain, so that we can make changes to our overall program and/or metrics as required.

Loblaw publishes various disclosure documents outlining how it is addressing environmental and social issues. On an annual basis, we analyze which third-party disclosure frameworks to report against based on the global prominence and reputation of the framework as well as those frameworks which most closely align with our ESG strategy, risk management, and material topics.

This report references and/or is aligned to select 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 SDG's) and the Task Force on Climate-Related Financial Disclosures (TCFD). We continue to monitor the changing regulatory landscape related to ESG disclosures and we anticipate that our existing and future programs will fully align with standards issued by the ISSB.

Taking guidance from IFRS S2, our ESG climate strategy has been informed by climate-related risks and opportunities. Performing a climate risk assessment using physical and transition risks is a recognized approach to assess climate-related risks and opportunities. Physical risks are risks resulting from the increase in the intensity and frequency of climate hazards. Transition risks and opportunities are those resulting from a global transition to a low-carbon economy. As such, in order to shape our understanding of the potential implications of both the physical and transition risks and opportunities associated with climate change, in 2022 we conducted both a qualitative and a quantitative scenario analysis across a medium term (2030) and long term (2050) time horizon. This scientific assessment is a core methodology used to assess climate-related risks and opportunities and it was performed by an independent third-party expert. This assessment enabled our evaluation of the potential effects that physical risks and transition risks have on our strategic and financial position across various scenarios that follow internationally recognized frameworks. These included the Representative Concentration Pathway (RCP) which is a framework of climate scenarios used to understand future climate projections in response to changing atmospheric greenhouse gas (GHG) concentrations and Shared Socio-economic Pathway (SSP), which is the latest version of climate projections that inform the assessment reports from the Intergovernmental Panel on Climate Change.

The results of the assessment have been used to identify climate-related risks and opportunities that inform the development of our transition plan, which anticipates the scenario of a 1.5-degree-Celsius global temperature increase, in line with the Science Based Targets initiatives (SBTi).

ESG Risk Management

Loblaw faces ESG risks that could, directly or indirectly, negatively impact our reputation, operations, or performance over the short, medium or long term. We assess risk for all of our significant sustainability-related risks and opportunities as well as specific assessment of climate-related risks and opportunities. 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 and opportunities throughout the year.

Loblaw has a defined ERM program to assess enterprise risks, including potential environmental and social related risks. ESG risk management is aligned to the ERM program where possible, though the ERM and ESG risk timelines are different given that ESG 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](#).

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.
- **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 LCL's operations and personnel, such as the potential to impact access to our stores and distribution centres.

Details on these risks including classifications, time horizons and mitigation strategies can be found in the [2022 TCFD report](#) and the [2022 ESG report](#). Updated mitigation plan information will be available in our 2023 ESG report (to be released Spring 2024).

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

At Loblaw we understand that ESG is a priority for stakeholders who seek to understand how companies incorporate sustainability considerations into their strategic decision-making, and risk management. Stakeholders are interested in how a company's sustainability plans align with its business model, risk mitigation plans, and, its potential for long-term value creation. Therefore, in the near future, we aim to provide transparency into the costs, trade-offs, and road map required to achieve our sustainability commitments.



2023 ESG Performance

Under our ESG priorities to fight climate change and advance social equity we have developed five purpose-led focus areas – carbon net-zero; eliminating food waste; tackling plastic waste; being Canada’s most diverse and inclusive employer; and supporting the health and well-being of children and women. Through these pillars, we address the areas that matter most for our business and prioritize the concerns of our stakeholders. We understand the importance of being accountable to our stakeholders for our commitments and the need to demonstrate progress transparently. To achieve this, we have established priority targets and metrics and we regularly disclose our progress against them.

To drive ESG performance, Loblaw includes ESG as a criterion in the Company’s short-term incentive program, linking performance on fighting climate change and advancing social equity activities to compensation for permanent, non-unionized, corporate colleagues at all levels.

The ESG targets for 2023 were designed to focus colleagues on continuing to drive further sustainability and social impact progress across the business. Achievement of the ESG metric was determined based in equal part on social and environmental initiatives. These targets make up 10% of the short-term incentive plan criteria. For more information, please refer to the [2022 Management Proxy Circular](#).

Priority Metrics and Targets

The following tables do not represent the Company’s full list of ESG metrics and targets. A full review of our metrics and targets related to fighting climate change and advancing social equity will be available in our 2023 ESG report (to be released Spring 2024).

We are pleased with these results and believe they accurately represent the progress we are making to fight climate change and advance social equity. These results are in-line with Management’s expectation of progress towards our targets at this time.

Fighting Climate Change

Carbon Net-Zero

Carbon Reduction Targets:

- Reduce our enterprise operating footprint (Scope 1 and 2) by 50% by 2030 from a 2020 baseline
- Operate a net-zero short-haul outbound corporately owned and operated truck fleet by 2030
- Achieve net-zero for our enterprise operating footprint (Scope 1 and 2) by 2040
- Achieve net-zero for scope 3 emissions by 2050

Scope 1 & 2 GHG Emissions^{1,2,3}

Metric	Unit of Measure	FY 2023	FY 2022	FY 2021	FY 2020	Applicable Framework
Scope 1 (Direct) ⁴ – Fleet and building fuel consumptions, refrigerant releases, and company-owned travel	Metric tonnes of CO ₂ e	726,052 ⁵	752,306 ³	766,856 ³	826,921 ³	GHG Protocol
Scope 2 (Indirect) ⁴ – Electricity, location-based	Metric tonnes of CO ₂ e	392,500 ⁵	407,217	427,857	429,413	
Scope 2 (Indirect) ⁴ – Electricity, market-based ⁶	Metric tonnes of CO ₂ e	388,300 ⁵	407,217	427,857	429,413	
Total (Scope 1 and Scope 2, market-based)	Metric tonnes of CO₂e	1,114,352	1,159,523	1,194,713	1,256,334	
Change as a % compared to prior year	%	-4%	-3%	-5%	-	GRI 305-5
Change % against baseline year (2020)	%	-11%	-8%	-5%	-	
Change % against baseline compared to prior year	%	-4%	-3%	-5%	-	
Carbon reduction capital spend	\$	\$43,990,000	- ⁷	- ⁷	- ⁷	
Carbon reduction projects	Count	490	250	- ⁷	- ⁷	
Number of corporate owned electric trucks	Count	14	nil	nil	nil	

1 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.

2 Emissions are calculated by The Delphi Group 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 2 emission factors, Management used 2018 NIR for 2020 figures, 2019 NIR for 2021 figures, 2020 NIR for 2022 figures, and 2021 NIR for 2023 figures and Management has included emissions from HCFC refrigerant leaks in Scope 1.

3 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.

4 Includes enterprise operations (corporate, franchise, associated-owned, and T&T[®]).

5 This symbol identifies that third-party assurance was obtained for this data point. Refer to the [pg 14](#) of this document for the Limited Assurance report.

6 In 2023, Loblaw had contractual agreements for Clean Energy Credits in Ontario which represents approximately 5% of the overall electricity consumption for the year.

7 This metric was not formally tracked in prior years, therefore data is not available to disclose for this time period.

Addressing Scope 3

While our own emissions (Scope 1 and Scope 2) are significant, over 97% of our carbon footprint stems from external sources in our value chain (Scope 3). These are vital to our operations but aren't 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 will be required.

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 Tier 1 vendors asking them to **#JoinTheCarbonFight** by aligning to SBTi, and reporting their carbon emissions and reductions.

Our plan to achieve net-zero by 2050 is science-based and will focus on five key areas - vendor commitments, sustainable sourcing, empowering our people, tackling food waste and circularity, and enabling low carbon living for our customers.

Eliminating Food Waste

Food Waste Targets:

- Send zero food to landfill by 2030
- Each of our eligible stores will achieve food waste reductions by the end of 2023

Metric	Unit of Measure	FY 2023	FY 2022	FY 2021	Applicable Framework
Redistribution of food surplus ¹	Metric Tonnes	16,992	6,667	2,064	CGF - Food Loss and Waste Protocol
Feeding animals ¹	Metric Tonnes	23,987	21,623	17,203	
Bio-based materials / biochemical processing ¹	Metric Tonnes	3,987	3,261	3,883	
Anaerobic digestion ¹	Metric Tonnes	13,751	32,936	34,296	
Composting / aerobic processes ¹	Metric Tonnes	20,070	379	343	
Total Food Waste Diverted¹	Metric Tonnes	78,787	64,866	57,789	
Stores actively donating to a food recovery partner ²	%	100%	100%	Not Tracked	N/A

1 Includes corporate food retail operations only.

2 Includes corporate food retail operations and DCs, and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations.

Tackling Plastic Waste

Plastic Waste Target:

- Reduce plastic waste by ensuring all control brand and in-store plastic packaging is recyclable or reusable by 2025.

Metric	Unit of Measure	FY 2023	FY 2022	FY 2021	Applicable Framework
Compliance with in-scope Golden Design Rules (GDRs) as defined by Consumer Goods Forum (CGF) for control brand and in-store plastic packaging ^{1,2,3}	% Compliant	64%	35%	Not Tracked	CGF - Golden Design Rules

1 A level of measurement uncertainty exists in this metric due to the large volume of technical data to track, change, and consolidate for over 10,000 individual SKUs.

2 This is the percentage compliance of all control brand and in-store packaging (more than 10,000 products plastic packaging at the SKU level) to the Consumer Goods Forum's Golden Design Rules (excluding rule 9 which the organization does not align to).

3 Excludes T&T®.

Advancing Social Equity

Canada's Most Diverse and Inclusive Employer

Diversity, Equity and Inclusion (DEI) Targets:

- Maintain at least 40% women in Board of Directors
- 40% women in Executive positions in 2024
- 43% women in Management positions in 2024
- 25% members of visible minorities in Board of Directors in 2024
- 25% members of visible minorities in Executive positions in 2024
- 30% members of visible minorities in Management positions in 2024
- Over 200,000 of our colleagues will have access to complete two courses covering fundamental DEI topics by 2024

Metric ^{1,2,3}	Unit of Measure	FY 2023	FY 2022 ⁴	FY 2021	Applicable Framework
Percentage of women in Board of Directors	%	42%	45%	42%	GRI 405-1
Percentage of women in Executive ⁵ positions	%	39%	38%	38%	GRI 405-1
Percentage of women in Management ⁶ positions	%	46%	47%	44%	GRI 405-1
Percentage members of visible minorities in Board of Directors	%	17%	18%	17%	GRI 405-1
Percentage members of visible minorities in Executive ⁵ positions	%	28%	26%	24%	GRI 405-1
Percentage members of visible minorities in Management ⁶ positions	%	32%	30%	26%	GRI 405-1
Cumulative number of colleagues that have completed two courses covering fundamental DEI topics	Count	166,400	122,100	16,500	N/A

1 The Statistics Canada 2021 Census reports women representing 50% and members of visible minorities representing 26% of the Canadian population.

2 Self-identification data is collected through our HR Information System throughout the year, with race/ethnicity information being collected on a voluntary basis. In 2023, 65% of management and 90% of executives voluntarily disclosed their race or ethnicity.

3 Includes corporate workforce only.

4 To ensure consistency in application of the definitions used, certain 2022 numbers have been adjusted

5 Executive positions includes vice president level and above.

6 Management is comprised of senior director, director, senior manager, manager, DC managers, store managers, and assistant store managers.

Supporting the Health and Well-Being of Children and Women

Targets:

- President's Choice Children's Charity will feed one million children annually by 2025
- Loblaw commits to \$150 million in corporate and fund raising support to President's Choice Children's Charity to address childhood hunger and improve food skills by 2027.
- Shoppers Foundation for Women's Health will support initiatives that improve women's access to care through providing \$50 million by 2026
- Feed More Families™ will provide one billion pounds of food to community-based food charities by 2028

Metric ¹	Unit of Measure	FY 2023	FY 2022	FY 2021	Applicable Framework
Number of children fed by President's Choice Children's Charity ²	# children	990,000	840,000	800,000	GRI 413-1
Amount cumulatively raised from Loblaw corporate donations and fund raising for President's Choice Children's Charity, to support and address childhood hunger and improve food skills	\$	\$111,520,000	\$89,340,000	\$66,000,000	
Cumulative funds provided by Shoppers Foundation for Women's Health to support initiatives that improve women's access to care	\$	\$24,240,000	\$11,070,000	– ³	
Pounds of food provided through Feed More Families™ ⁴	lbs	46,780,000	26,848,000	– ⁴	
Investing in our Communities Further ⁵	\$	\$13,054,000	\$15,615,000	\$22,489,000	
Total funds raised and donated (including donations in-kind)	\$	\$179,676,000	\$113,876,000	\$84,505,000	

1 Includes enterprise operations (corporate, franchise, and associated-owned).

2 Number of children fed is defined as the entire school population of children who have access to our daily food programs, offered universally, during the school year.

3 Please note the Shoppers Foundation for Women's Health target was established in 2022, therefore 2021 value is not applicable.

4 New metric in 2022, prior years data is not available.

5 Includes funds raised and donated (including donations in-kind) to research, charities and non-profits over and above the amounts indicated for President's Choice Children's Charity, Shoppers Foundation for Women's Health, and Feed More Families™.



Ensuring Reliability of our ESG Disclosures

We recognize the importance of ensuring 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, in collaboration with our External Financial 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.

Assurance

As we continue to mature our ESG program, our goal is to obtain the appropriate level of assurance over our ESG disclosures. Our Internal Audit team is 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 our Scope 1 and 2 GHG emissions for the current reporting year. We will continue to assess and determine the appropriate level of assurance required for our key ESG disclosures.

About Forward-Looking Statements

This 2023 Early Release of Significant ESG Disclosures (the “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 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. This Report is informed by the global publication of International Financial Reporting Standards (“IFRS”) S1 and S2, Global Reporting Initiative (“GRI”), the Sustainable Accounting Standards Board (“SASB”) and the Task Force on Climate-Related Financial Disclosures (“TCFD”). 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 this 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 this 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 & Analysis. The forward-looking statements in this 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 this 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 this Report are made as of the date hereof and are qualified by these cautionary statements.

Limited Assurance Report

Independent practitioner's limited assurance report on select performance metrics as presented in Loblaw Companies Limited's 2023 Early Release of Priority ESG Disclosures

To the Directors and management of Loblaw Companies Limited ("Loblaw")

We have undertaken a limited assurance engagement of the select performance metrics detailed below (the "subject matter") presented in Loblaw's 2023 Early Release of Priority ESG Disclosures (the "2023 ESG Summary Document") for the year ended December 30, 2023.

The limited assurance engagement was performed on the following selected performance metrics from January 1, 2023 to December 30, 2023 ("2023 Value"):

Selected performance metric	2023 value (T. CO ₂ eq.)	Report page
Scope 1 (Direct) - Fleet and building fuel consumptions, refrigerant releases, and company-owned corporate travel	726,052	Page 8
Scope 2 (Indirect) - Electricity, Location-Based	392,500	Page 8
Scope 2 (Indirect) - Electricity, Market-Based	388,300	Page 8

Management's responsibility

Management is responsible for the preparation of the subject matter in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition with the inclusion of HCFC refrigerant leaks in Scope 1 emissions ("the applicable criteria").

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3410, Attestation Engagements on Greenhouse Gas Statements. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the subject matter in accordance with the applicable criteria are likely to arise.

Our engagement included, among others, the following procedures performed:

- through inquiries, obtained an understanding of the overall governance and internal control environment relevant to the management, aggregation, and reporting of the subject matter;
- analytical reviews and trend analysis of reported data for subject matter;
- evaluated whether the estimates are appropriate and consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates;
- agreeing and testing the underlying data related to the subject matter on a sample basis; and;
- reviewed the subject matter disclosure in the 2023 ESG Summary Document to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Our independence and quality management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant inherent limitations

Emissions and energy use data are subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Loblaw's subject matter for the year ended December 30, 2023 is not prepared, in all material respects, in accordance with the applicable criteria.

Purpose and restriction of use

The subject matter has been prepared in accordance with the applicable criteria to assist Loblaw with reporting on GHG emissions to the Board of Directors. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for Loblaw.

We acknowledge the disclosure of our report, in full only, by Loblaw at its discretion, without assuming or accepting any responsibility or liability to any other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario

February 21, 2024

