



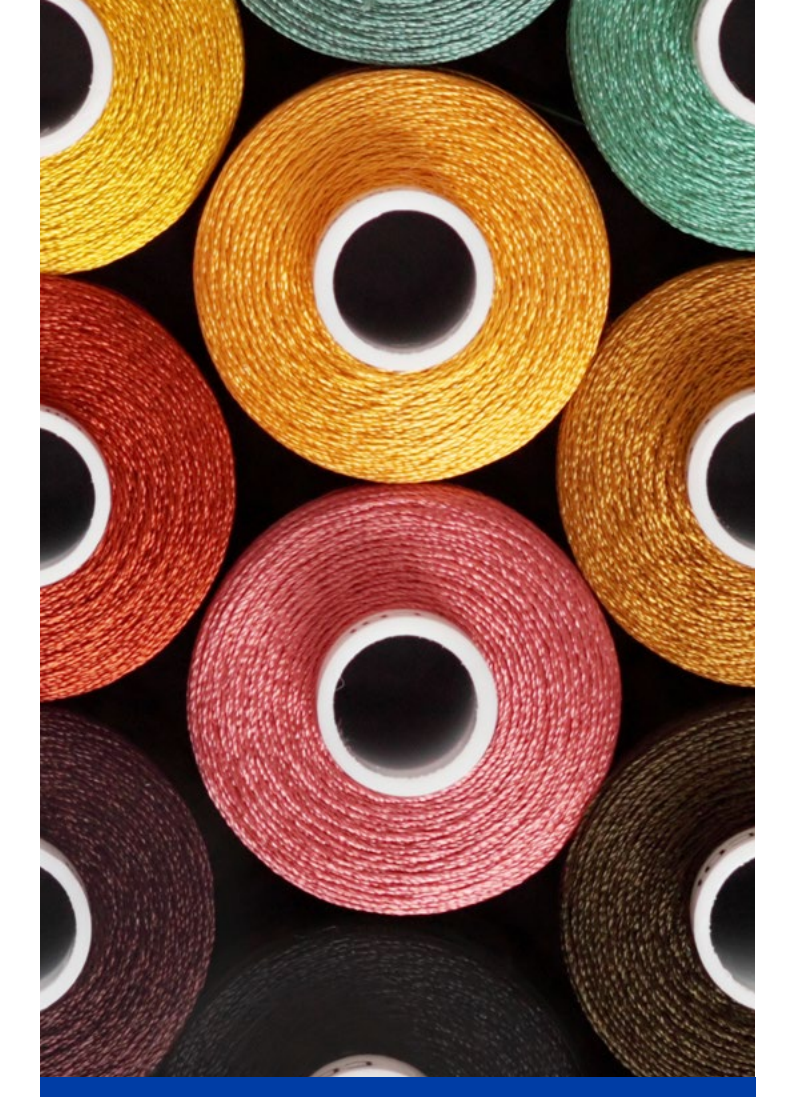
**Loblaw  
Companies  
Limited**

**Environmental,  
Social and  
Governance Report  
2022**

# In this Report

As Canada’s food and pharmacy leader, Loblaw aspires to represent positive environmental and social change domestically, and abroad. We focus on the areas that matter most to Loblaw and our stakeholders, driving local, national and global impact. As the nation’s largest retailer and private-sector employer, we are uniquely positioned to make a difference on the issues that matter to Canadians. We are driven by our purpose — helping Canadians Live Life Well® — addressing environmental, social and governance (ESG) priorities where we can make a difference. More specifically, we are committed to fighting climate change and advancing social equity.

In this, our 16<sup>th</sup> annual report, we provide a retrospective look at our efforts to date, keeping us accountable and focused on the issues that matter most to Loblaw and our stakeholders. This includes determining sustainable solutions to ESG risks and opportunities, establishing measurable targets, and ensuring transparent disclosures, proactive stakeholder engagement and robust governance practices.



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# Reading and Understanding this Report



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

This report covers Loblaw Companies Limited’s 2022. Unless otherwise noted, data included in this report relates to this time period.

Our reporting and data measurement methods are consistent with those used in the 2021 ESG report and relate specifically to our corporate operations, which include our corporate-owned retail stores, distribution centres and offices. Where appropriate and available, we also indicate the inclusion of information relating to grocery franchisees and Shoppers Drug Mart®/Pharmaprix® associate-owned locations.

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

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

This report references and is aligned to select disclosures from the Global Reporting Initiative (GRI) Standards 2016, 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). Please review the Appendix for further details. We continue to monitor the changing regulatory landscape related to ESG disclosures and we anticipate that our existing and planned programs will align with the International Sustainability Standards Board (ISSB). We will adjust our disclosures in the coming years accordingly.

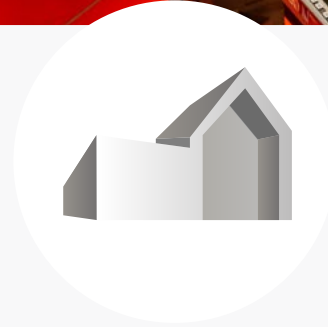
For the latest updates regarding our progress, follow us on Twitter, Facebook, Instagram and LinkedIn. We regularly update reports and statements on our website <https://www.loblaw.ca/en/responsibility/>.

Please direct inquiries to [esg@loblaw.ca](mailto:esg@loblaw.ca)

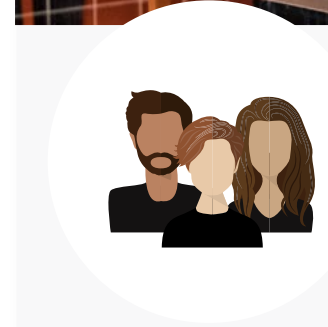
# About Loblaw

Loblaw is Canada’s food and pharmacy leader, and the nation’s largest retailer. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services and wireless mobile products and services. With more than 2,400 locations, Loblaw, its franchisees and associate-owners employ approximately 221,000 full- and part-time colleagues and employees.

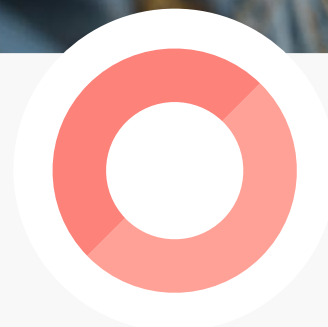
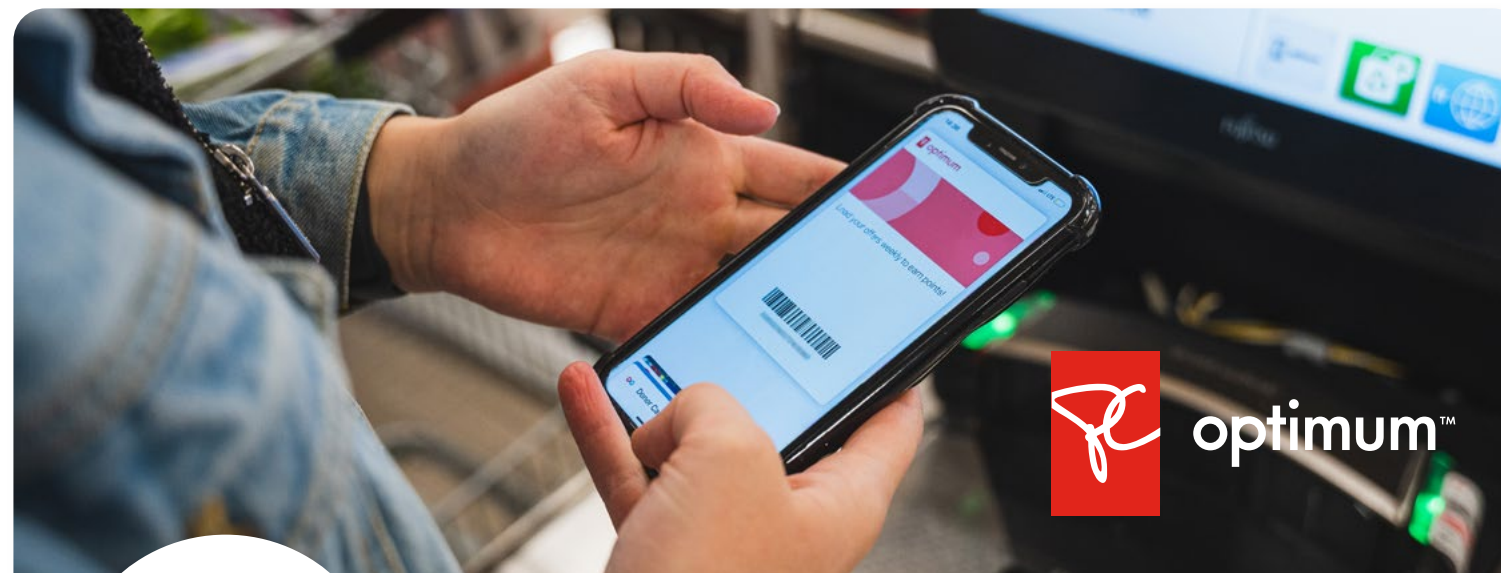
Loblaw’s purpose – helping Canadians Live Life Well® – is focused on the needs and well-being of Canadians who have billions of interactions with our business every year. Loblaw is positioned to meet those needs in many ways, from our convenient locations with more than 1,050 grocery stores that span the value spectrum from discount to specialty, to our full-service pharmacies at nearly 1,350 Shoppers Drug Mart® and Pharmaprix® locations which carry Canada’s top consumer brands: Life Brand®, Farmer’s Market™, no name® and President’s Choice®, to the hundreds of stores offering services like PC Financial®, and our affordable fashion apparel brand, Joe Fresh®.



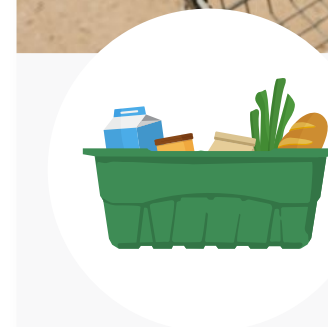
**2,400** stores and pharmacies



Approximately **221,000** colleagues and employees



**15.5** million PC Optimum™ loyalty members



**90%** of Canadians live within 10 kilometres of one of our locations



# Message from the President and Chairman



We believe Loblaw has a responsibility to make a positive impact in the communities we serve. That view is central to our Company's purpose – helping Canadians Live Life Well® – and underpins our commitment to the environment, to the social diversity that defines Canada, and to reliable and ethical corporate governance practices. Loblaw has a decades-long track record of leadership and meaningful action in each of these areas, which we hope to share in this report.

We consider our commitment to ESG a pre-requisite to the loyalty our customers demonstrate by walking through our doors each week. Our colleagues and employees work hard to deliver that ambition and, with stores within 10 kilometres of 90% of Canadians, we have a unique opportunity to make an impact when we focus our efforts, both in fighting climate change and advancing social equity.

Fighting climate change is society's most pressing challenge, and our commitments reflect the urgency of this issue. We were among the first in Canada to set a target for achieving net-zero carbon emissions for scope 1 and 2 (by 2040), and scope 3 (by 2050). Achieving this goal alone will have far-reaching implications for our entire industry and will help improve our Canadian and international supply chain.

Beyond carbon emissions, we are also tackling plastic and food waste. In 2022 alone, we assessed the recyclability of over 10,000 control brand and in-store packaging products relative to the Consumer Goods Forum's Golden Design Rules, which we were instrumental in developing. We have already reached 35% compliance, with a detailed path to full compliance by 2025. And, to fight food insecurity and food waste,

we ensured 100% of our eligible corporate and franchised supermarkets, associate-owned Shoppers Drug Mart stores, and distribution centres were partnered with a food recovery agency and are actively donating to that partner. These accomplishments will have lasting impacts by keeping food on Canadians' tables, and waste out of our country's landfills.

Advancing social equity is a similarly pressing challenge, especially as both the country and the world grapple with levels of economic uncertainty not experienced in a generation. For us, positive change means supporting the health and wellbeing of women and children – the building blocks of healthy communities. Among our achievements, in 2022 we announced a commitment to Feed More Families™ with a pledge to donate 1 billion pounds of food to charities by 2028. President's Choice Children's Charity reached more than 840,000 children through in-school nutrition programs, and is ambitiously working to feed 1 million kids annually by 2025. And, the LOVE YOU by Shoppers Drug Mart™ program continues to offer support for women's health and access to care – through investments in priorities like menstrual equity, mental health, and domestic violence relief.

While we work to support our communities and customers, we are equally focused on being Canada's most diverse and inclusive workplace. We have goals to achieve industry-leading representation for our Board of Directors, executives and management teams by 2024. We have initiated what we believe to be the country's largest inclusivity training program. And, our Diversity, Equity and Inclusion (DEI) colleague resource groups deliver meaningful programs, led by hundreds of volunteers from all across our operations.

The roots of ESG reach back across generations at Loblaw. This is our 16<sup>th</sup> report where we proudly share our progress. I am struck by the detail and ambition in the pages ahead, as we celebrate our successes, and gain clarity on our commitments and how they will be achieved. There's a lot of work ahead, which we will undertake proudly, as we strive to help Canadians Live Life Well®.

A handwritten signature in black ink, appearing to read 'Galen G. Weston'. The signature is fluid and cursive, with a small crossbar at the end.

**Galen G. Weston**

**Leading with purpose:  
Helping Canadians**

# ***Live Life Well***<sup>®</sup>

## **Our approach to Sustainability and Social Impact**

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



## 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:

Achieve net-zero by 2040 for our enterprise operating footprint<sup>1</sup>, and 2050 for our scope 3 emissions. ([More information on climate action](#))

<sup>1</sup> Includes franchise and associate-owned operations



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

([More information on plastics](#))



Send zero food to landfill by 2030 and achieve measurable food waste reductions in every one of our stores by the end of 2023.

([More information on food waste](#))



## Advancing Social Equity

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



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 completing inclusion training for our 221,000 colleagues and employees by the end of 2024. ([More information on inclusion training](#))

Support President's Choice Children's Charity (PCCC), Canada's top non-government provider of in-school kids' nutrition programs, as it seeks to raise \$150 million by 2027 and feed 1 million children a year by 2025. ([More information on community engagement](#))

Help Feed More Families™ in need by donating 1 billion pounds of food to food charities by 2028. ([More information on community engagement](#))

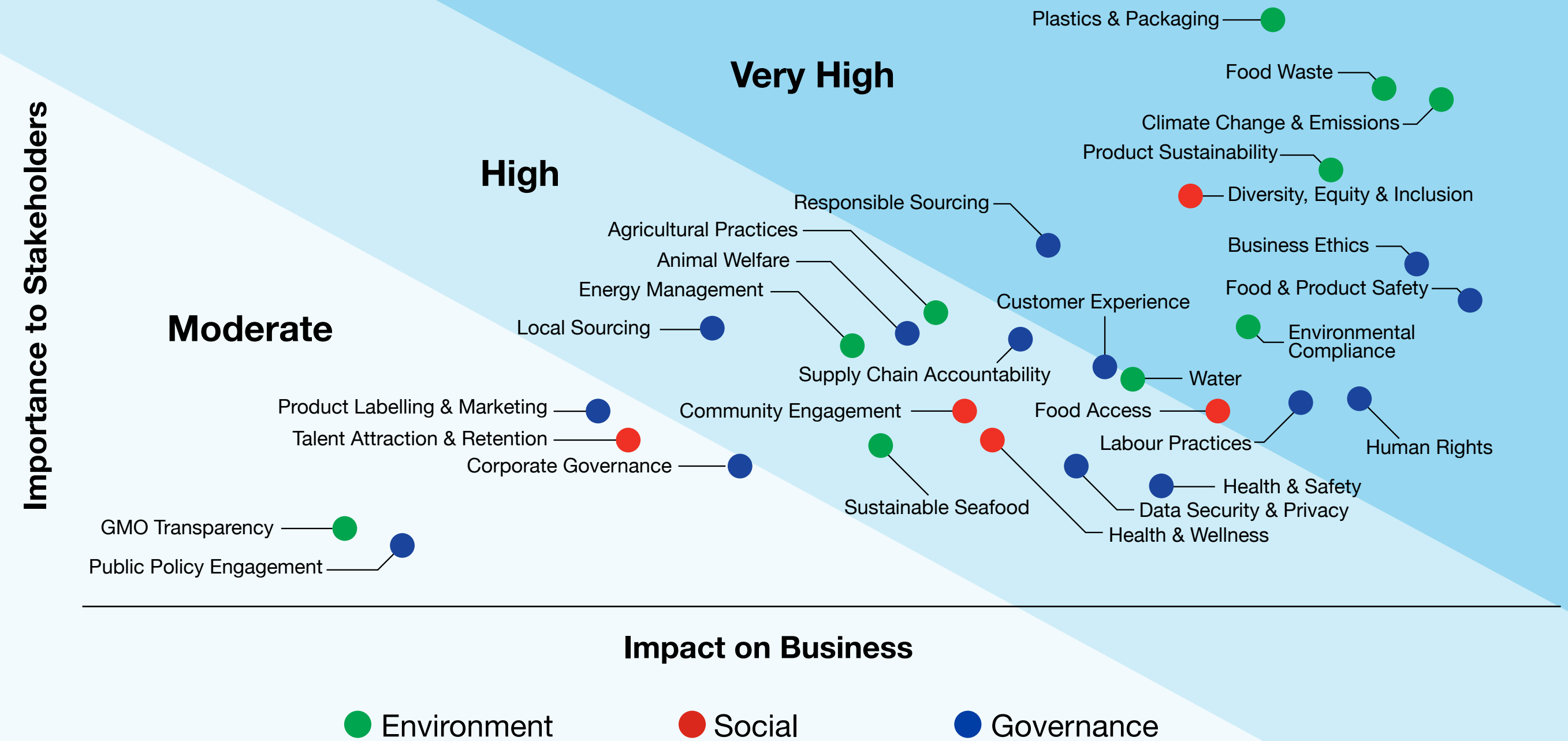
Support LOVE YOU by Shoppers Drug Mart™ programs that help women stay healthy and safe. It will support access to care for women's mind and body, by contributing \$50 million by 2026 to community-based efforts and partners. ([More information on community engagement](#))





# Materiality

In 2021, we conducted a materiality assessment, in line with the Global Reporting Initiative (GRI) Standards, to determine which issues have the greatest impact on our business and importance to our stakeholders. We engaged a third-party consultant to survey over 600 internal and external stakeholders, including colleagues and employees, suppliers, government, academia, non-government organizations (NGOs) and investors, measuring the importance, relevance, impact and perception of selected ESG issues. It considered elements such as familiarity with our existing sustainability practices and the evolution of sustainability issues. Recognizing the increasing interest that investors have in sustainability agendas, we also conducted targeted interviews with this stakeholder group to understand the financial sector's material topics of concern. We will complete our next materiality assessment in 2023 and will leverage the results to inform future ESG initiatives.



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

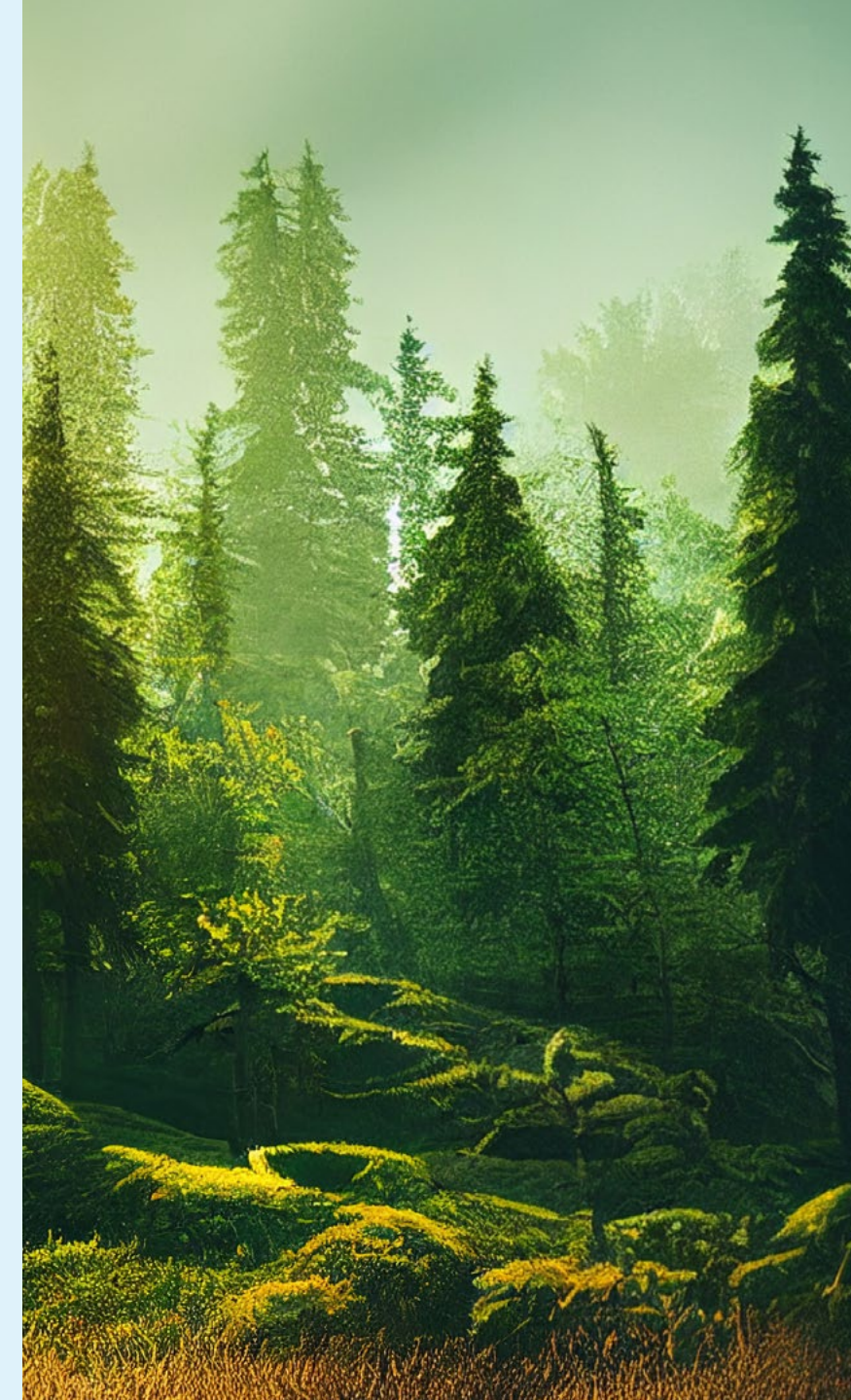


## Contributing to the UN SDGs

We recognize the importance of the United Nations (UN) 2030 Agenda for Sustainable Development, and the UN's ambition to rally the global community to take necessary action to bring about inclusive, equitable and sustainable development for people and the planet through a focus on 17 Sustainable Development Goals (SDGs). Our 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.



# Our Approach to ESG



Environmental, social, and governance matters can significantly impact our business operations, the regulatory landscape in which we operate, reputation, and financial outcomes, and are therefore a focus for the Loblaw Board of Directors and its sub-committees. The Board oversees and monitors the Company's strategy, approach, policies and practices related to ESG matters.



In 2021, the Company established an ESG Steering Committee. It is comprised of executives responsible for ensuring the Company considers and adopts leading ESG practices and programs.



The Board also oversees the Company's enterprise risk management (ERM) program, including its design and structure, as well as the assessment of its effectiveness. Risks related to governance, workplace health and safety, the environment and ethical business conduct are monitored and reported on by management to the Board or one of its committees.

# ESG Governance

Loblaw’s ESG Steering Committee is responsible for establishing and ensuring a tone-from-the-top ESG culture; providing ESG guidance to the Company and Management; providing strategic direction on activities, priorities, internal tracking, and external disclosure frameworks; and implementing programs and practices that are fit-for-purpose, industry-leading, and designed to achieve business objectives – including ESG commitments and targets. Additionally, we are currently developing internal and external assurance strategies, beginning with climate change and our pursuit of net-zero.

## ESG reflected in compensation

Starting in 2021, Loblaw made ESG part of the criteria for the Company’s short-term incentive program, linking performance on fighting climate change and advancing social equity activities to compensation for colleagues at all levels who are permanent and non-unionized.

**Board of Directors**

**Board of Directors** - Oversees and monitors the Company’s strategy, policies and practices related to ESG matters.

**Risk & Compliance Committee: Sub-Committee of the Board** - Oversees the Company’s ESG strategy, design and program, and progress against its ESG related goals.

**Audit Committee: Sub-Committee of the Board** - Oversees the adequacy and effectiveness of applicable ESG controls and review of ESG disclosures prior to publication.

**Governance Committee** - Oversees the design and achievement of the short-term incentive plan which currently includes an ESG component.

**Executive-Level**

**Management Board** - Responsible for ensuring that ESG programs and activities are executed, and that progress is made towards established goals and targets.

**ESG Steering Committee** - Provides guidance to the Company and its colleagues on ESG programs and related matters, as well as strategic direction on ESG activities, priorities, internal tracking, and external disclosure frameworks.

**Management-Level**

**Carbon Committee** - Responsible for assessing and managing projects and programs associated with carbon reduction efforts.

**Plastics Committee** - Responsible for assessing and managing projects and programs associated with plastic reduction efforts.

**Food Waste Committee** - Responsible for assessing and managing projects and programs associated with food waste reduction efforts.

**Inclusion Council** – Responsible for assessing and providing support for the Company’s diversity, equity and inclusion committees: Go Further Women; Embrace Your Roots; Able; and Proud.

**Community Investment Committee** – Oversee the Company’s community investments, strategy and programs, including President’s Choice Children’s Charity and LOVE YOU by Shoppers Drug Mart™.

# Stakeholder Engagement

We have a large and diverse set of stakeholders, and their input is critical to our success. We engage with them regularly in the normal course of business, and for our ESG program. They contribute to our materiality assessment and inform our decision making. Our stakeholders are defined as those impacted by our business operations, our business partners and key individuals and organizations.

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

# 2022 Performance Highlights

**Net-zero by 2040 for our enterprise operating footprint, and 2050 for our scope 3 emissions.**



Completed 250 carbon reduction projects.



Published our inaugural TCFD-aligned report.



Completed a climate risk assessment, evaluating our risk exposure and opportunities across multiple climate scenarios.

## Tackling Plastic Waste



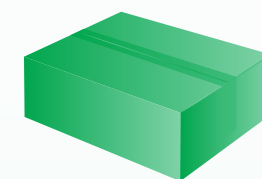
Achieved 35% compliance relative to the Golden Design Rules for control brand and in-store plastic packaging.



Transitioned all President's Choice®, no name® and PC® Organics whole bean and ground coffees to recyclable packaging.



Discontinued use of plastic shopping bags in multiple provinces, ahead of government mandates.



Announced goal to transition 100% of Joe Fresh® e-commerce packaging to recyclable materials, by 2025.

## Eliminating Food Waste Sent to Landfill by 2030



Achieved goal: 100% of our eligible corporate, food franchise, associate-owned Shoppers Drug Mart® stores, and distribution centres actively donating to a food recovery agency.

## Be Canada's Most Diverse and Inclusive Employer



Increased women represented in Executive roles to 39%, on track to achieve our 2024 goal of 40% representation.

Achieved goal: Women represented 45% of Management roles and 45% of our Board of Directors.



Achieved goal: Visible minorities represent 28% of Executive roles.

Increased representation of visible minorities in Management roles to 29% and our Board of Directors to 18%, on track to achieve our 2024 goal of 30% and 25% representation respectively.

## Support the Health and Well-Being of Children and Women



Raised and donated more than \$110 million to support research, charities and non-profits across Canada.



Helped President's Choice Children's Charity to feed more than 840,000 kids as part of their mission to tackle childhood hunger.



Announced a new commitment to Feed More Families™, with a pledge to donate 1 billion pounds of food to charities by 2028.



Through partnerships in Ontario and Manitoba, LOVE YOU by Shoppers Drug Mart™ will provide 28 million period products.

# By the Numbers



**90%** of Canadians live within 10km of a store

**2,400** stores

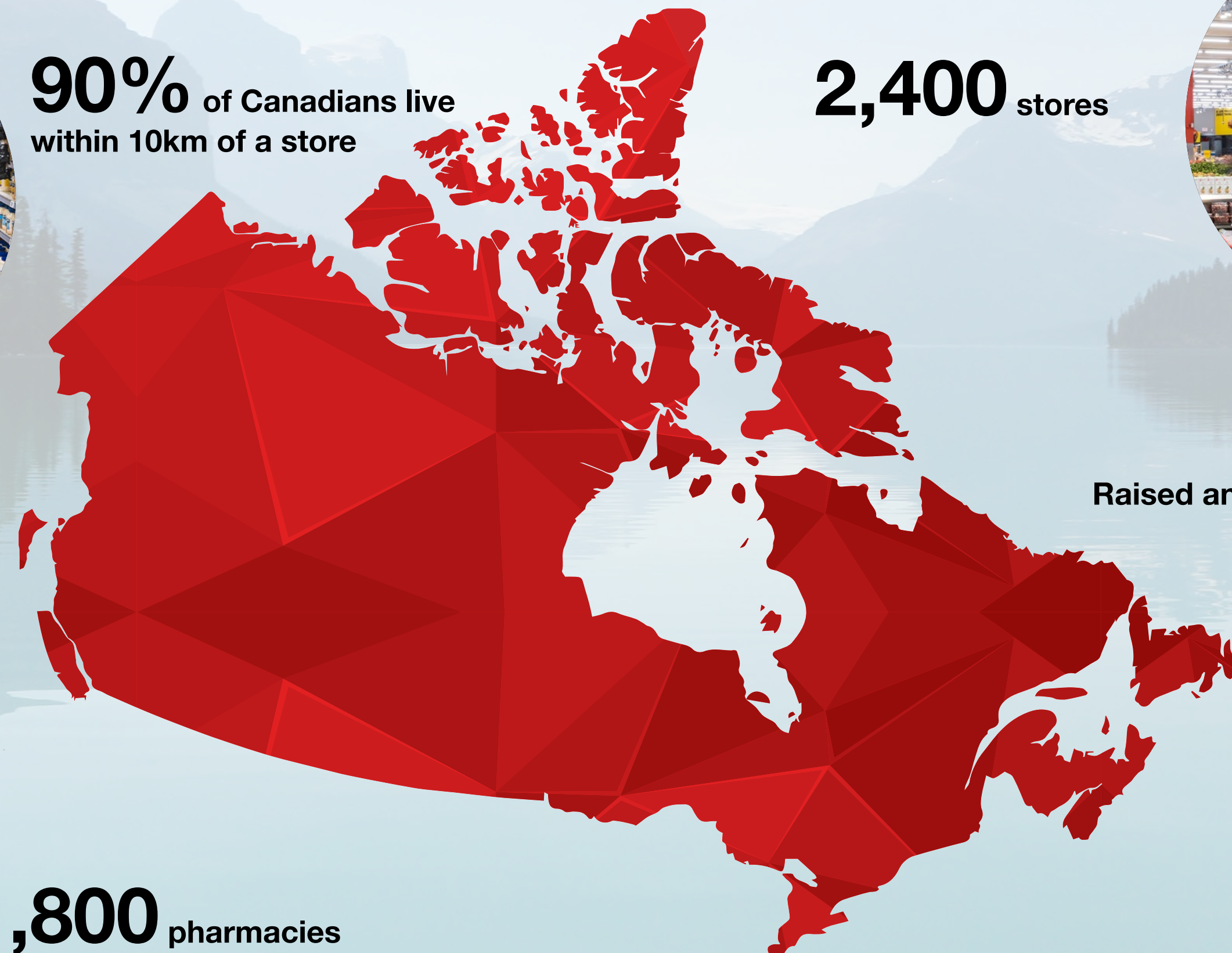


**221,000** colleagues and employees

Raised and donated **\$110 million**



**1,800** pharmacies

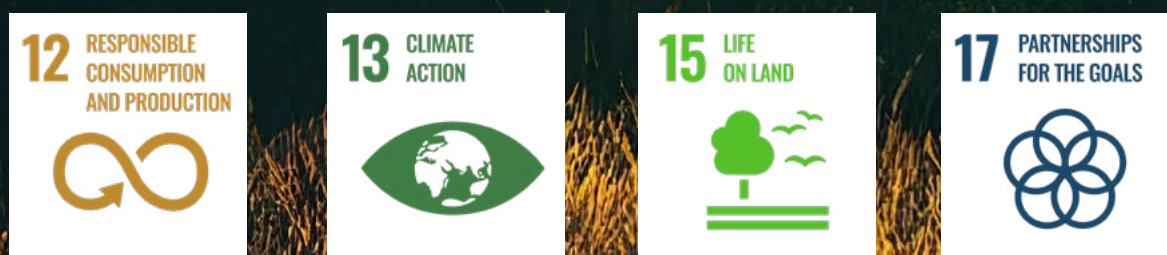


**15.5 million** PC Optimum™ customers  optimum™



# Environmental

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# Climate Action

The effects of climate change have had devastating impacts on our planet. From dramatic increases in severe weather events, to the unprecedented rise in biodiversity loss, climate change presents one of the greatest challenges of our time. We recognize our responsibility in the fight against climate change, and we are committed to being a part of the solution. Reducing and ultimately eliminating our enterprise operating footprint is a longstanding priority.

GHG Emissions <sup>1,2</sup> (Measured in tonnes of CO <sub>2</sub> e)	2020 (baseline)	2021	2022
Scope 1 <sup>3</sup> (Direct) – Fleet and building fuel consumptions, refrigerant releases, and corporate travel	691,679 <sup>4</sup>	629,662	623,613 <sup>4</sup>
Scope 2 <sup>3</sup> (Indirect) – Electricity	429,413 <sup>4</sup>	427,857	407,217 <sup>4</sup>
<b>Total</b>	<b>1,121,092</b>	<b>1,057,519</b>	<b>1,030,830</b>
Change as a % compared to prior year	-	-6%	-3%
Change % against baseline year (2020)	-	-6%	-8%
Change % against baseline compared to prior year	-	-	-2%

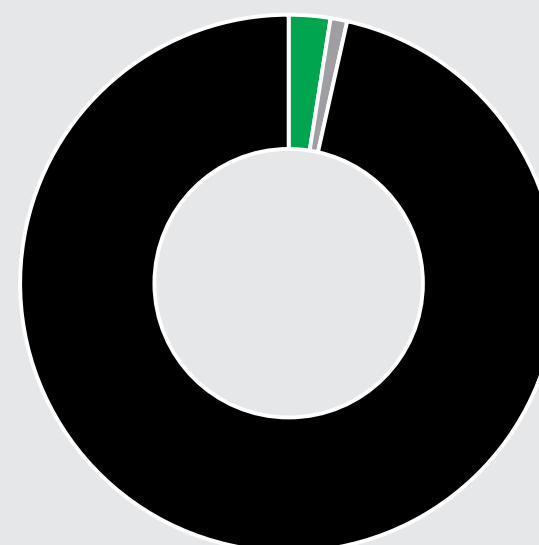
<sup>1</sup> Emissions are calculated by The Delphi Group following the Greenhouse Gas Reporting Protocol and emission factors defined by the National Inventory Report (NIR), although, for Scope 1 and 2 emission factors, Management used 2018 NIR for 2020 figures, 2019 NIR for 2021 figures, 2020 NIR for 2022 figures, and Management has included emissions from HCFC refrigerant leaks in Scope 1.  
<sup>2</sup> 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.  
<sup>3</sup> Includes enterprise operations (corporate, franchise, and associated-owned).  
<sup>4</sup> This symbol identifies that third party assurance was obtained for this data point. Refer to the final Appendix on page 89 for the Limited Assurance report.

In 2022, we maintained reporting on corporate waste and corporate travel as our scope 3 emissions, and will report on our expanded scope 3 in our 2023 ESG Report.

GHG Emissions <sup>1,2</sup> (Measured in tonnes of CO <sub>2</sub> e)	2020 (baseline)	2021	2022
Scope 3 – Corporate waste and corporate travel <sup>3</sup>	75,213	97,820	90,871

<sup>1</sup> Emissions are calculated by The Delphi Group and follow the Greenhouse Gas Reporting Protocol.  
<sup>2</sup> GHG inventory table accounts for changes in emission factors as defined by the National Inventory Report, resulting in fluctuations in our emissions  
<sup>3</sup> Includes corporate and T&T operations only

While our own footprint (scope 1 and 2) is large, the emissions generated throughout our supply chain (scope 3) will have an even greater impact on the environment, and will be integral to achieving our goal of net-zero by 2050.



## Our Carbon Footprint

- **Scope 1 (~2%)** - emissions that occur from sources that are controlled or owned by Loblaw.
- **Scope 2 (~1%)** - indirect emissions associated with the purchase of electricity, steam, heat, or cooling.
- **Scope 3 accounts for ~97% of our overall emissions** - emissions from assets not owned or controlled by Loblaw, but that indirectly affect our value chain.

## Achieving Net-Zero

For decades, we have led our industry on environmental action and have been tracking the carbon footprint of our corporate stores and operations. In 2016, we committed to a 30% reduction of GHG emissions by 2030 from the 2011 baseline. Through advancements in energy management, equipment conversions and reducing refrigerant leaks, we met our 2030 goal in 2020, ten years early.

In 2021, we set our ambitions higher, with a phased approach to reach net-zero emissions across our full enterprise – including corporate, franchised, and associate-owned stores, by 2040. Our plan focuses on four key aspects of our footprint: refrigerants, heating, electricity, and decarbonizing our fleet.

Our plan is aligned with the Paris Agreement, limiting global temperature rise to 1.5 degrees Celsius, and has been submitted to the Science Based Targets initiative (SBTi) for validation. We plan to achieve the following:

**2030** • Reduce our enterprise operation footprint by 50% by 2030 from a 2020 baseline  
 • Operate a net-zero truck fleet by 2030<sup>1</sup>

**2040** • Achieve net-zero by 2040 for our enterprise operating footprint

**2050** • Achieve net-zero by 2050 for scope 3 emissions

<sup>1</sup> Short-haul outbound corporately owned and operated fleet only.



## Building climate resilience

As our decarbonization efforts evolved, we pursued additional due diligence and in late 2021 we engaged a third party to conduct a Climate Risk Assessment, to identify physical and transition risks and opportunities to our business. This engagement assessed Loblaw's risk exposure across multiple climate scenarios over a 2030 and 2050 time horizon, as recommended by the Taskforce on Climate-Related Financial Disclosures (TCFD). This engagement informed our inaugural TCFD-aligned report, published in 2022. We recognize that TCFD-aligned disclosures are a foundational and necessary step to managing our climate risk, strengthening our leadership in sustainability, capturing market opportunities, and meaningfully engaging with our stakeholders and ultimately guiding our strategic planning and capital allocation processes across the company.

In 2022, we completed the CDP Climate Change assessment and received a 'C'. While we did not improve upon our 2021 result, this score is consistent with our expectations — as we provided assessment data based on updated and more ambitious baseline statistics.

In 2021, we increased our CDP disclosures, adding CDP Forests, and in 2022 we received a 'C' for palm oil, and 'D' for timber, soy, and cattle. In 2022, we initiated an improvement plan, conducted a third-party Commodity Risk Assessment, and revised assessment plans for these commodities. We plan to publish additional information in our 2023 ESG Report.



## Our partnership with the Climate Institute

Loblaw is a proud funder of Canada's Climate Institute whose focus is shaping sound public policies that enable all Canadians to thrive in the face of climate change and advance a net-zero future.



# Alignment with the Task Force on Climate-Related Disclosures (TCFD)

Climate change is an intensifying risk with the potential to impact or alter current business conditions or practices. This includes the potential impact of changes in laws, regulations and policies, designed to reduce the impact of global climate change on retail and other businesses. Failure to adhere or adapt to these dynamics poses various risks. With this in mind, we have aligned to the Science Based Targets initiative (SBTi) and committed to a 50% reduction in enterprise operating footprint by 2030, net-zero by 2040, and net-zero for scope 3 by 2050. As we continue to provide transparent and reliable ESG reporting, we have established a control environment to support ESG reporting.

Please find our complete 2022 TCFD Report at [www.loblaw.ca/responsibility](http://www.loblaw.ca/responsibility)

# Risk Mitigation

Through our Climate Risk Assessment, we have identified the five risks which have the highest potential impact to our business operations. The following illustrates the strategies we are implementing to mitigate and/or minimize exposure to these risks.

## Carbon pricing

**Net-zero targets:** Loblaw has committed to a 50% reduction (from our 2020 baseline) of our enterprise operating footprint by 2030, net-zero emissions by 2040 and net-zero scope 3 emissions by 2050.

**Decarbonization of fleet:** Loblaw will operate a zero-emission short-haul outbound corporately owned and operated fleet, by 2030. We have shown progress on this target through our commitment to purchase five hydrogen fuel trucks.



## Supply chain interruptions

**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 solutions, including local sourcing and greenhouse growers.

**Data management:** Loblaw is working with our suppliers to consolidate information that allows for a speedy response to chronic and acute climate related situations.

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



## Food waste

**Zero food waste by 2030:** After achieving our goal of 50% of corporate food waste reduction in 2020, five years early, Loblaw has committed to a new target - zero food waste to landfill for all of enterprise operations by 2030.

**10x20x30 initiative:** We are a proud member of the Consumer Goods Forum's Global Food Waste Coalition of Action. For more information, please see [page 28](#).



## Refrigeration and refrigerants

**Refrigerant conversions & leak detection:** As an integral component of all our stores and distribution centres, changes to regulations regarding refrigerants have the potential to significantly impact our operations. We continue to reduce the impacts of refrigerants by leveraging carbon dioxide in new grocery stores and converting our systems to use lower impact refrigerants in our legacy systems. 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 deployed at 155 stores in 2022, with nearly 100 more planned for 2023.



## Long-term precipitation and temperature rise

**Building codes:** Loblaw follows municipal building requirements to ensure locations are built to address the various environmental factors like 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.

# Biodiversity

Scientists estimate that half of all species on the planet will disappear within the next century. Pollution, climate change and habitat loss are all threats to biodiversity. We are working to help protect Canada's biodiversity, with initiatives like our native plants program, our commitment to source only certified sustainable seafood, and our increased purchase of beef products aligned to the standards set by the Canadian Roundtable for Sustainable Beef (CRSB). For more information on our biodiversity commitments please see [Our Statement on Biodiversity](#).

## Regeneration and protection

For more than a decade we have supported World Wildlife Fund Canada, as they work to protect and regenerate Canada's biodiversity. As one of their largest Canadian corporate partners, we have provided nearly \$14 million in direct funding, covering a myriad of programs and projects, since 2009. In 2022, we provided \$450,000 to support WWF's Regenerate Canada program, an effort to reverse the devastating effects of climate change on biodiversity loss.

In 2022, we enabled Canadians to contribute to healthier, more resilient ecosystems, through the sale of more than 50 species of plants that help local wildlife thrive at 130 of our stores. As the first major retailer to sell Ontario native plants grown from source-identified and ethically collected seeds, this program supports important restoration and regeneration efforts, which will help migratory and local wildlife thrive.

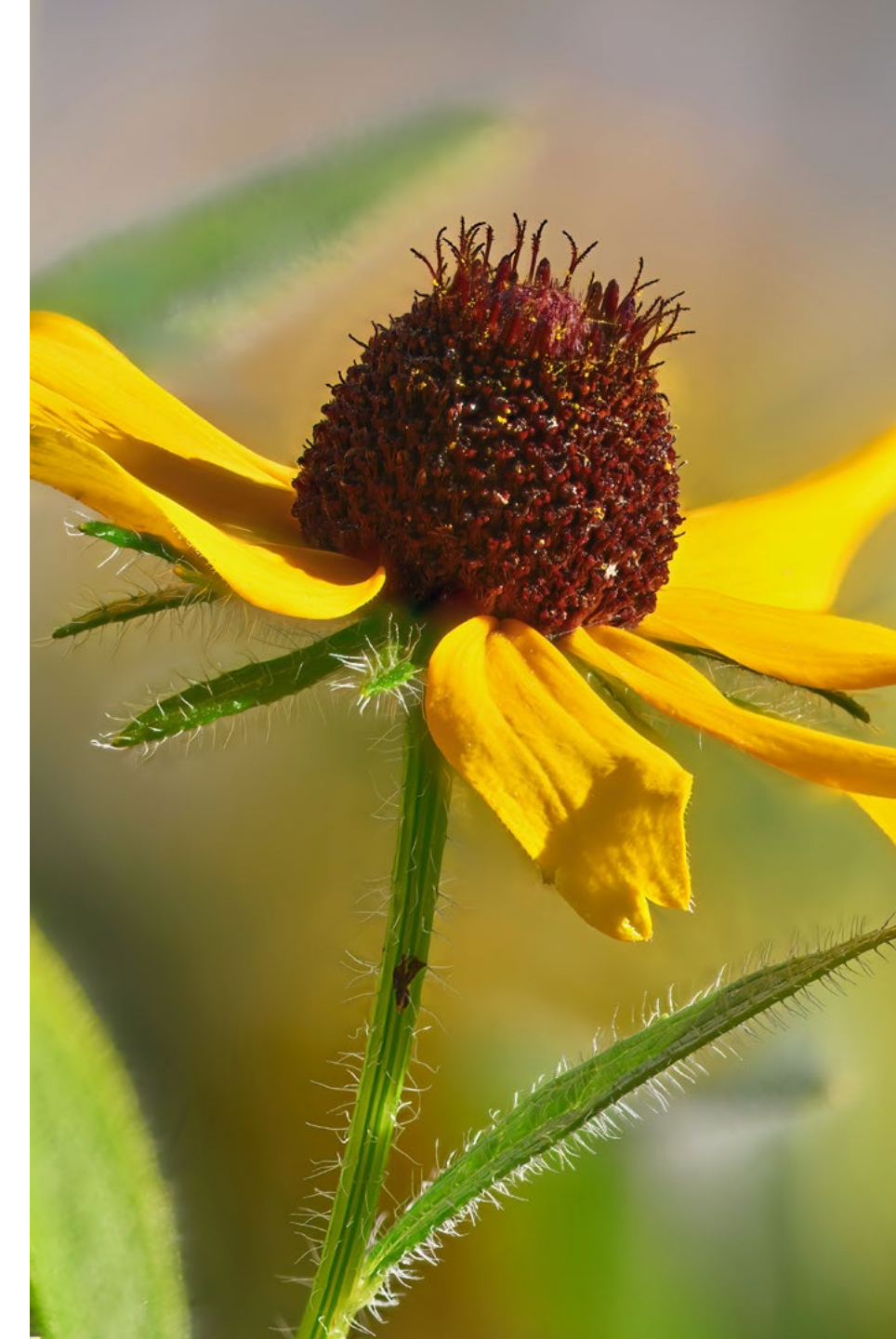


Restoring nature with native plants.



We have been supporting the work of One Planet Business for Biodiversity (OP2B) since 2019. OP2B is an initiative designed to meaningfully protect and restore biodiversity around the world, in alignment with the Convention on Biological Diversity (CBD) COP 15 framework. Focus areas of OP2B include scaling up regenerative agricultural practices, boosting cultivated biodiversity and diets through product portfolios, eliminating deforestation, and enhancing the management, restoration and protection of high-value natural ecosystems.

The OP2B coalition of companies use their respective scale to drive change and to protect and restore cultivated and natural biodiversity within value chains. They engage institutional and financial decision makers, and develop and promote policy recommendations.



## Responsible water use

Water plays a vital role in maintaining biodiversity within our ecosystem. We have a responsibility to work within our business operations and supply chain to use water responsibly and to protect local water sources.

While our water consumption represents a small percentage of our environmental footprint, we understand that food production relies heavily on a sufficient supply of clean water. Starting in 2012, we partnered with WWF-Canada to create the Loblaw Water Fund and were the largest financial contributor to their freshwater program, supporting grants to 73 restoration projects from coast to coast and restoring 3,300 hectares of important watersheds and habitat.

For more information, please see [Our Statement on Water Use](#).

## Assessing commodity risks

Understanding the significant impact that the grocery supply chain has on biodiversity, in 2022 we engaged a third-party to conduct a Commodity Risk Assessment to identify the biodiversity risks associated with our most material commodities. We will share the results of the assessment and our plans to support nature-based climate solutions to help mitigate these challenges in our 2023 ESG Report.

## Employing nature-based climate solutions

Climate change has created the need for fundamental shifts in the way we do business. To support our ambitious targets, like our commitment to decarbonize our enterprise and supply chain operations, we are excited to work with our partners to employ the following climate-positive solutions.



### The Canadian Alliance for Net-Zero Agriculture

This national, industry-led, multi-stakeholder alliance of RBC, Maple Leaf Foods, Nutrien, and Loblaw is committed to driving sustainable outcomes in Canada's agri-food sector. As an integral driver of the Canadian economy, this sector is also a significant emitter of greenhouse gas. The Canadian Alliance for Net-Zero Agriculture (CANZA) promotes the adoption of regenerative agriculture and carbon farming practices, offering an opportunity to transform the sector and create a circular, net-zero agri-food supply value. By collaborating with farmers to achieve nature-positive outcomes, the alliance is committed to building a more sustainable future for agriculture.



### Exploring regenerative agriculture

We are proud to partner with the Arrell Food Institute at the University of Guelph, to launch the Loblaw Net-Zero Food Systems Challenge – a 10-month experiential learning program that will bring together graduate students from across Canada to investigate strategic levers to drive demand and adoption for net-zero agriculture products.

### Research support for natural climate solutions

Our donation to Nature United supports Indigenous-led conservation, sustainable economic development, science, and is funding the acceleration of natural climate solutions at national and regional scales. Our contribution helps support Nature United's agricultural work in the prairies conducting leading scientific research, supporting farming communities, and working with food companies and their supply chains to implement practices that reduce greenhouse gas emissions, strengthen biodiversity, and improve water quality and availability.

# Product Sustainability



## PC® Planet First™

In 1989, Loblaw launched its PC® Green brand. Since then, Canadians have steadily become more aware of the impact their purchasing decisions can have on the wellbeing of the planet and their health.

In 2021 we made the decision to retire the PC® Green brand, to make way for the launch of PC® Planet First™. In 2022 this included a range of ten compostable, disposable picnic products including bamboo plates, birch wood cutlery, and wheat stalk straws.

The product range will expand into other non-food categories, with a focus on products made from renewable resources, containing recycled content, and without the use of certain chemicals of concern.

In 2022, annual revenue from this product portfolio increased 310%, which illustrates customers' growing interest in sustainable options for disposable items.

## Increasing availability of plant-based products

We continue to increase our offering of plant-based products, to meet growing consumer interest and appetite for alternatives to animal-based products. In 2022, we expanded our PC® Plant Based product lineup with a total of 95 products across most categories in our stores by the end of the year. Our PC® Plant Based products are third-party certified vegan and contain no animal by-products. They are also merchandised adjacent to their animal-based counterparts, making it convenient for our customers to find plant-based alternatives.





## 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 2022, we expanded the PC® Organics product lineup to include more than 650 food and non-food products. All are third-party certified and meet Canadian Organic Standards, which emphasizes sustainability and a holistic approach to agriculture.

## Sourcing sustainable beef

We are committed to environmental, social and economic sustainability in the Canadian beef industry. We were elected to the CRSB council, representing the Retail and Food Service sector in 2019. The CRSB is committed to safeguarding wetland and grassland habitats, which are Canada's most biodiverse habitats.

In 2020, we committed to purchase one million pounds of CRSB-certified beef. In 2021, we extended that commitment to three million pounds by 2023, and we achieved that goal a year early, in 2022.

Our support of organizations like CRSB and [Ontario Corn Fed Beef™](#) provides a positive signal to farmers and ranchers that we value their sustainable, climate-protecting practices, and their role in climate-positive solutions.



“Producing Canadian beef in a sustainable, responsible way stores carbon, supports biodiversity and provides habitat for over 1,000 plants and animals.”

- Canadian Roundtable for Sustainable Beef



## Sustainable seafood

Loblaw is committed to sourcing all seafood from sustainable sources. This commitment cuts across our business 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 200 products with the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), and Best Aquatic Practices (BAP) ecolabels across our stores, including more than 80 control brand products.

For more information on our sustainable seafood program, please see the [Responsible Sourcing section](#) of this report.



# Sustainable Apparel

## Joe Fresh® sample downcycling

In 2022, Joe Fresh® began diverting textile samples, wherever possible, from landfills in partnership with CSR Eco Solutions. These samples would not be suitable for consumer use and so it was important that a sustainable end-of-life solution was found. CSR Eco Solutions works with textile recyclers to downcycle discarded apparel samples into building and automotive insulation.

In 2022, the partnership diverted 140 metric tonnes of textile waste, effectively eliminating the equivalent of nearly 412 tonnes of CO<sub>2</sub><sup>1</sup>. As the industry and technology develops better fibre-to-fibre recycling, Joe Fresh® will continue to identify additional opportunities for circularity.

<sup>1</sup> Calculated in accordance with the EPA methodology, by CSR Eco Solutions.



## PrimaLoft®

In 2019, we began using PrimaLoft® thermal insulation for our Joe Fresh® insulated apparel. PrimaLoft® insulation is partially manufactured with post-consumer recycled (PCR) content including plastic water bottles. In 2022, this program diverted more than 79,000 kilograms of pre-existing plastic bottles from landfill.

## Zero Blue Water denim

In 2021, Joe Fresh® launched a core denim program called Zero Blue Water, with fabric that uses no fresh groundwater in the manufacturing process. In 2022, the production of 350,000 yards of denim fabric used reclaimed water, saving approximately 8.8 million litres of fresh water.

# 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 offer safe products and to remove many unwanted synthetic ingredients with potential health impacts from our control brand products. Our regulatory compliance and quality assurance programs define product and supplier requirements, including quality specifications, packaging and labelling requirements, and testing protocols to ensure product safety.

## 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. At the same time, there is growing evidence and concern around anti-microbial resistance. That is why we took a leadership position on the issue, offering PC® Free From® meats raised without the use of antibiotics or added hormones.

## Expanding PC® Free From®

We launched PC® Free From® more than a decade ago, and by the end of 2022 we offered more than 200 products. Our PC® Free From® animals are strictly raised without the use of antibiotics and, like all poultry and pork in Canada, are raised 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.

See here for more information on our [animal welfare position and commitments](#).





## Removing unnecessary ingredients

The safety of the food and products we sell to Canadians is of the utmost importance to us. Loblaw has committed to reviewing ingredients of concern and to taking measured and educated steps to remove them, where possible, from our products.

With growing concerns about Bisphenol A (BPA) and Bisphenol S (BPS), we have been sourcing packaging alternatives, including glass containers and plastic pouches. Our President's Choice® Baby product portfolio of more than 200 products across multiple food and non-food categories is entirely BPA-free.

In 2021, we announced our plan to transition to phenol-free receipt paper throughout our enterprise. In 2022, we are proud to report that we have successfully achieved our goal, with 100% of our stores within our enterprise now using phenol-free receipt paper for front-end use.

### no name® Simple Check™ products demonstrate that eating quality food should not cost more



no name® Simple Check™ products are formulated based on our commitment to eliminate ingredients of concern from our products. By the end of 2022, the no name® Simple Check™ product portfolio included more than 1,000 products. The Simple Check™ symbol identifies no name® products made without these 10 ingredients: synthetic colours<sup>1</sup>, artificial flavours, monosodium glutamate<sup>2</sup>, butylated hydroxyanisole (BHA)/butylated hydroxytolulene (BHT)/tert-butylhydroquinone (TBHQ), hydrogenated oils, artificial sweeteners, sugar alcohols, azodicarbonamide, polydextrose and brominated vegetable oil.

<sup>1</sup> As defined in Canadian regulations, artificial flavours, monosodium glutamate

<sup>2</sup> Except those naturally occurring

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



### Eliminating neonicotinoids to improve pollinator health

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

# Reducing Plastic Waste by 2025

The impact of plastic packaging waste has been a growing concern for our business and our customers. We contribute to the problem, and we are contributing to solutions. Loblaw has been a committed leader in tackling the challenge of plastic waste generated by our industry and we continue to seek a circular economy that keeps packaging materials out of nature and landfills. We have worked to create and drive systemic change both globally and in Canada through industry solutions. We are a member of the Consumer Goods Forum's global Plastic Waste Coalition of Action, where our President and Chairman, Galen G. Weston, is an executive co-sponsor. Through the coalition, we were instrumental in the creation and endorsement of global Golden Design Rules, intended to encourage retailers and consumer goods companies to use less and better plastic packaging. This is fundamental to Loblaw's goal to make all control brand and in-store plastic packaging recyclable or reusable by 2025. Good design is also key to keeping plastic out of landfill and the environment, with recycling systems that capture and recirculate plastics so it can be used again and again. We are actively working to establish these systems with industry and the value chain partners. Together, we are changing packaging, testing solutions, and building and funding recycling systems for the decades ahead.

## Canada Plastics Pact

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



## Golden Design Rules

Established by the world's largest retail and consumer goods companies, the Golden Design Rules set high standards for packaging design, by reducing materials and eliminating problematic elements. We believe in these rules and, in 2021, we communicated them to our hundreds of control brand vendors, outlining our new Loblaw packaging standards and highlighting the global rules. In 2022, we continued to work with our control brand vendors to encourage them to build their internal capabilities on the subject matter.

By the end of 2022, we assessed more than 10,000 products plastic packaging details, per the Golden Design Rules, and confirmed 35% of our control brand and in-store packaging complies. We have established a roadmap to convert the balance of our control brand and in-store plastic packaging products in the coming years.



# Reduce, Reuse, Recycle

## Full extended producer responsibility

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

As part of that effort, we were a founding member of [Circular Materials](#), which is a national producer responsibility organization (PRO), focused on advancing recycling priorities across the country. Circular Materials approach is recognized globally as a leader in the recycling space, and Loblaw is actively pursuing ways to advance similar transitions around the world.

## Leveraging innovation to improve plastic circularity

In 2022, we partnered with EcoBorne™ to offer refillable hand soap, laundry detergent, and dish soap in 16 stores in Quebec. This resulted in more than 9,000 refills.



In response to growing societal demand to eliminate single-use plastics, Loblaw ran a six-month, closed-loop recycling pilot in Guelph, Ontario with Friendlier. Customers were offered the option to have take-out meals packaged in a reusable container for a small deposit. This pilot eliminated 2,300 plastic single-use containers.



This year we overhauled the coffee aisle by replacing unrecyclable packaging with a paper-based solution. Produced by our partner Club Coffee®, the new AromaPak™ with Boardio® technology is made with a minimum of 80% paper content from renewable, recyclable and sustainable Forest Stewardship Council® (FSC) sourced tree fibres. This industry leading PC® coffee packaging earned a 2022 Global Packaging Award for Package Innovation and Sustainable Design.

We are proud to report that 100% of our President’s Choice®, no name® and PC® Organics whole bean and ground coffee products were in recyclable packaging by the end of the year. This change is helping to reduce our carbon footprint and improve packaging recyclability across the category.



# \$450,000

to support WWF-Canada's Regenerate Canada initiative.

## Eliminating plastic bags

Since 2007, we have eliminated billions of plastic bags, by incenting customers with our pay-for-bag program. Partial proceeds from the sale of bags continue to fund WWF-Canada projects, and in 2022, we were pleased to continue this partnership, providing \$450,000 to support WWF's Regenerate Canada initiative. In 2022, we ended the use of plastic bags in Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Saskatchewan, Manitoba and the Northwest Territories. We look forward to celebrating the end of plastic bags in our remaining stores in Spring 2023.



# 200,000 kilograms

of plastic waste removed by transitioning from plastic box corners to cardboard for our banana boxes.

## Minimizing plastics across our operations

In 2022, Joe Fresh® achieved the goal of converting clothing hangers from disposable plastic to Forest Stewardship Council® (FSC) certified wood. While plastic hangers are no longer ordered for apparel categories, select products such as hosiery and intimates which require specialty hangers still use plastic, as we continue the work to identify sustainable alternatives.

To improve recyclability for our tomato packing, we worked with our control brand vendors to deliver PET plastic base containers with top seal PET film. This means all pieces of our tomato packaging can be recycled together.

In 2022, Quo Beauty™ accessories began transitioning from 30%-virgin plastic packaging to 30%-recycled PET (or "Natrалock") packaging, making this packaging more recyclable.

In partnership with our vendors, we replaced the plastic traditionally used for the corners of banana boxes with recyclable cardboard, eliminating more than 200,000 kilograms of plastic waste in 2022.

## Funding research for better plastic outcomes

It is critical to understand the full environmental impact of microplastics and microfibres and we have partnered to support leading research organizations.

Since 2021, we have partnered with Ocean Wise, a global, ocean conservation organization that addresses overfishing, ocean pollution and climate change. We have provided \$600,000 to the Ocean Wise Plastic Lab, which delivers solution-oriented insights into how microfibres are generated and transferred to waterways.

Loblaws was proud to again be a presenting sponsor of the Ocean Wise Shoreline Cleanups in 2022. Through our efforts, we have successfully rallied communities across the country to remove litter from their waterfronts (i.e., lakes, creeks, rivers and oceans) and provide invaluable data for addressing pollution at its source.



This year, we continued our support of The University of Toronto's pELAsTic Project, through a contribution of \$50,000. This long-term study into the effects of microplastics in freshwater ecosystems is carried out at the world-renowned International Institute for Sustainable Development's Experimental Lakes Area (IISDELA).

# Food Waste

Food waste is an environmental, social and economic problem. In Canada, an estimated 35.5 million tonnes of food produced is lost or wasted each year with an economic impact greater than \$49 billion<sup>1</sup>. Although some degree of waste is unavoidable in food retailing, a significant part of it is unnecessary and unacceptable.

<sup>1</sup> [Second Harvest, 2019, The Avoidable Crisis of Food Waste](#)

## Zero food to landfill by 2030

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

With so much more to be done, in 2021 we set a new 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 have set an interim goal: By the end of 2023, each of our eligible stores will achieve food waste reductions. In 2022, we completed the process of matching each of our stores and distribution centres with a local food-recovery partner. 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 food charities by 2028.

## Loblaw's 10x20x30 Initiative Partners

In 2020, Loblaw joined the Consumer Goods Forum's global Food Waste Coalition of Action. A key effort of the coalition is the 10x20x30 program, which encourages members to recruit their suppliers to sign on for the UN SDG Target 12.3 to halve global food waste by 2030. Loblaw has been recruiting Canadian suppliers and at the end of 2022 we had on-boarded the following 15 partners:

- |                           |                    |
|---------------------------|--------------------|
| 1) Agropur                | 9) Mucci Farms     |
| 2) Algoma Orchards        | 10) Nature's Touch |
| 3) Arla Foods             | 11) The Star Group |
| 4) Danone Canada          | 12) TreeHouse Food |
| 5) General Assembly Pizza | 13) Topline Farms  |
| 6) Kellogg Company        | 14) Cargill        |
| 7) Kraft Heinz            | 15) Trophy Foods   |
| 8) Maple Leaf Foods       |                    |

Loblaw Food Loss and Waste Destinations	Volume (MT)	
	2021	2022
Redistribution of food surplus	2,064	6,667
Feeding animals	17,203	21,623
Bio-based materials / biochemical processing	3,883	3,261
Anaerobic digestion	34,296	32,936
Composting / aerobic processes	343	379
<b>Total Diverted</b>	<b>57,789</b>	<b>64,866</b>



## 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 key. 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 systems, we will ensure food is ordered or prepared in amounts that reduce waste.

In 2022, we partnered with OneThird to pilot their fresh produce scanners to assess the shelf-life of avocados and strawberries received in our Distribution Centres. This pilot helped to inform dynamic routing opportunities, with the goal of reducing food waste.



### 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 720 of our stores, and in 2022 alone, we eliminated more than 9.4 million kilograms of potential food waste. Since launching in 2019, this partnership has diverted more than 40 million kilograms of potential food waste, and saved Canadians over \$110 million on their grocery bills.



## ZooShare

In 2022, we continued our partnership with ZooShare Biogas Ltd., 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 provincial power grid. Through this program, our stores diverted 951,000 kilograms of residual material from disposal.



### Food to farm

We have partnered with Loop Resource Ltd. to send food that is not fit for human consumption to farms where it is fed to animals. In 2022, approximately 100 participating stores nationwide sent 17.7 million kilograms of food to more than 2,100 farms.

### Bakery waste

Expired and damaged bakery items no longer fit for human consumption are converted into ingredients for animal feed. In 2022, through this program, we diverted more than 3.8 million kilograms of bakery food waste from grocery stores in Ontario and Nova Scotia.



## Food banks and food recovery agencies

In 2022, we reached our goal of matching 100% of our eligible stores with local food banks and food recovery agencies across Canada. Our food recovery program reduces food going to landfill and provides people facing food insecurity with healthy meals. In 2022, we donated more than 6.8 million kilograms of food to our partners, Second Harvest and Food Banks Canada, and Banques Alimentaires Quebec.

In December of 2022, we launched Feed More Families™, our pledge to donate one billion pounds of food to community-based charities by 2028. We will achieve this ambitious goal through our retail food recovery program, store fundraisers and corporate contributions.

“ Food Banks Canada relies on long-term partners like Loblaw Companies Limited to provide an essential lifeline for our neighbors struggling with food insecurity.

The impact of Loblaw Companies Limited’s support has been felt by Canadians across the country. Thanks to this year’s contribution of funds and food, communities like the Moosomin Food Share in Saskatchewan now has a community garden tower. Revelstoke Community Connections in British Columbia has now established a new food garden, and over 17.7 million meals have been provided across Canada. Food banks across the country are accomplishing great things with the support of Loblaw Companies Limited. We look forward to continuing to work together towards our vision of a Canada where no one goes hungry. ”

~ Kirstin Beardsley, Chief Executive Officer, Food Banks Canada

## Adding capacity at local food banks

Tackling the problem of food waste and hunger seems simple: take excess food and get it into the hands of those who need it most. Unfortunately, it is not always that easy. Although 40 percent of all food distributed by Canadian food banks is perishable, many food banks lack the ability to transport, store or preserve fresh ingredients.

In response to this issue, in 2022, we partnered with Food Banks Canada to distribute a series of grants totaling \$200,000 to help five local food banks receive and distribute perishable food before it goes to waste.

In St. Catharines & Thorold, ON, our grant provided a new refrigerated truck, used to transport and distribute fresh food to 1,850 households each month.

In Spruce Grove, AB, Parkland Food Bank society purchased a new refrigerator display cooler to preserve food for longer allowing them to keep and distribute 75% more fresh food to those in need.

Queens County Food Bank in Nova Scotia purchased a new walk-in freezer, increasing its frozen food supply by 25% weekly.

# Additional Environmental Initiatives



## Effective environmental management system through internal environmental compliance audits

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



## Medication and sharps return

Unused or expired medication and biomedical sharps can negatively impact the environment, when they are improperly disposed 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 either high-temperature incineration or high-pressure steam sterilization. In 2022, our pharmacy network collected 279,000 kilograms of unused or expired medication and 245,000 kilograms of biomedical sharps.

## The Loblaw Sustainability Zone at the Royal Agricultural Winter Fair

As the presenting partner of The Royal Agricultural Winter Fair's brand-new Celebrating Sustainability program, we were excited to share our sustainability journey with attendees. The 3,600-square-foot space showcased our commitments to fighting climate change, by cutting our carbon emissions, improving the recyclability of our plastic packaging, and eliminating food waste. The Loblaw Sustainability Zone was a great opportunity to share our progress, learn from other fair participants, and inspire others to take action.



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# Diversity, Equity and Inclusion

We recognize our responsibility to support those who have been historically underrepresented, and advance social equity within our business, our supply chain and Canada. This commitment is embedded through our enterprise targets and extends into the communities we serve. We know that to build inclusive workplaces and communities, we must start with leadership representation, support an inclusive mindset, and ensure a continued focus on growing our support for the health of women and children.

## Diversity, equity and inclusion

Loblaw serves millions of people living in Canada, employs hundreds of thousands of our neighbours, supports thousands of smaller businesses, and invests billions into the Canadian economy. As we do, the effects of inequity are evident around us: people continue to experience discrimination based on their race, culture, gender identity, sexual orientation or disabilities. Our company and our 221,000 people have the opportunity to reflect the diversity of our nation and provide opportunities to those who have had too few.

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

Our progress in diverse representation has again earned us spots on The Globe and Mail's Top 100 Employers for Young People, and Best Diversity Employers.



## DEI governance

Loblaw employs Diversity, Equity and Inclusion (DEI) practitioners who lead and support DEI programs and consult with our organization. They work alongside an Inclusion Council of more than 20 senior leaders who meet regularly to discuss ways to advance DEI, and report routinely to Loblaw's Management Board and Board of Directors. Each council member meets frequently with their own committee as a divisional lead or executive sponsor for one of our four employee resource groups (ERG) – Able, Embrace Your Roots, Go Further Women and Proud, as well as seven divisional DEI committees. In 2022, our network of over 300 volunteer ERG members worked together to drive awareness, education, community partnerships and colleague support.



## Representation goals

Our diversity achievements can be attributed in part to the collaborative approach we have taken to embed our DEI strategy across all areas of our business. Our leadership team has focused on advancing equity through business processes, such as succession planning and people 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 targets.

Goals <sup>1,2</sup>	2020 Year end Baseline	2021	2022
Maintain at least 40% women in Board of Directors	42%	42%	45%
40% women in Executive positions in 2024	34%	38%	39%
43% women in Management <sup>3</sup> positions in 2024	43%	44%	45%
25% members of visible minorities in Board of Directors in 2024	17%	17%	18%
25% members of visible minorities in Executive positions in 2024	21%	24%	28%
30% members of visible minorities in Management <sup>3</sup> positions in 2024	21%	26%	29%

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

<sup>2</sup> Self-identification data is collected through our HR Information System throughout the year, with race/ethnicity information being collected on a voluntary basis. In 2022, 57% of management and 90% of executives voluntarily disclosed their race or ethnicity.

<sup>3</sup> Management includes corporate colleagues as defined by the methodology established in 2020.

## Education and Training

Training is a core component of our efforts to create a more empathetic and inclusive environment in our organization. This includes role-specific education on the following: anti-discrimination, sexual harassment, accessibility and accommodation, inclusive customer service, and inclusive leadership. By 2024, over 200,000 of our colleagues will have access to complete two courses covering fundamental DEI topics. We are making great progress. By the end of 2022, our corporate colleagues had completed these courses, putting us on track to achieve our goal.



## Gender equity and advancing women

Since setting new goals in 2020, representation of women in executive positions and management have increased 5% and 2%, respectively. This is partly attributable to the work being done to integrate DEI into talent hiring and development programs, specifically inclusive hiring training, as well as improved access to Peer Circles and the Women's Executive Network (WXN) Mentorship Program.

- In 2022, 47% of executive successors identified as women, as did 47% 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 2022, women represented 43% of Loblaw Digital and 40% of Loblaw Technology & Analytics teams.
- Our focus on new talent is enabling us to build a more gender diverse pipeline. In 2022, 42% of our interns and 70% 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 is being addressed and monitored across our organization by level and like-for-like positions. Annually, we conduct reviews, create action plans, and equip HR professionals with the tools they need to prevent pay equity gaps. Our pay decision tool enables us to make objective, fair and equitable pay decisions. Progress is monitored through a gender pay equity dashboard and a quarterly review process. At the end of 2022, the pay gap between corporate colleagues was 5.73% which has improved from 7.86% in 2021.
- In 2022, we focused on celebrating and developing our amazing colleagues through a company-wide International Women's Day event, as well as quarterly newsletters with colleague spotlights and our second annual Go Further Women Awards where we recognized winners from across the country.
- As of year end, 52% of our total corporate workforce identified as women, including 55% at the corporate store level.



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

Go Further  
**WOMEN**  
at Loblaw

## Anti-racism and celebrating cultural diversity

Since 2020, representation of members of visible minorities or racialized groups increased 7% in executive positions and 8% in management. While we recognize there is still work to be done, we are pleased to report that in 2022, we surpassed our goal for visible minorities in executive positions, two years early, and are within 1% of our goal for visible minorities in management positions.

- 68% of interns and 44% of Loblaw Scholarship recipients in 2022 self-identified as Indigenous, members of visible minorities, or racialized groups.
- 32% of Top Talent and 32% of executive successors identified as members of visible minorities or racialized groups.
- As part of our ongoing efforts to promote diversity and inclusion, we have deployed a training program for Indigenous inclusion and collaborated with our recruitment teams to develop strategies and remove barriers, aiming to close the gap and increase representation of Indigenous colleagues in our corporate workforce, which currently stands at 1%.
- 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.
- Black colleagues represent 3% of our corporate workforce. In 2022, we continued our partnership with the Black Business Professionals 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.
- In 2022, we updated our commitments and actions for Truth and Reconciliation with a focus on: building allyship through education; championing employment of Indigenous peoples; driving the wellbeing and economic development of Indigenous peoples and communities;
- To support and celebrate the accomplishments of Indigenous women, we again sponsored the Canadian Council for Aboriginal Business (CCAB) 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.
- In 2022, we collaborated with the Downie-Wenjack Fund to establish commemorative spaces in our primary offices across the country.
- As of year end, 23% of our total corporate workforce identifies as black, Indigenous or people of colour.



**Embrace Your Roots** is the multicultural and Indigenous colleague resource group. It celebrates the many cultural backgrounds that exist in our business and promoting the importance of having multiculturalism at all levels of our organization.





## 2SLGBTQIA+ inclusive spaces

In 2022, we focused on promoting allyship and support for our 2SLGBTQIA+ colleagues through inclusive business practices, community investment, and training sessions. Training topics included Being an Ally to 2SLGBTQIA+ Colleagues, Trans Inclusion workshops, Driving Inclusion for 2SLGBTQIA+ Youth, and the relaunch of our Gender Transition Guide for colleagues. These trainings aimed to create a welcoming and supportive workplace for all, regardless of their sexual orientation or gender identity.

- In 2022, 3% of executives and 1% of our workforce voluntarily self-identified as 2SLGBTQIA+; less than 1% self-identified as transgender or non-binary.
- We implemented several initiatives to create a more inclusive space for colleagues and customers, including 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.
- We expanded Shoppers Drug Mart’s Pride campaign – “Pride Vibes” – through the distribution of a Pride Guide with resources and educational materials, as well as a \$20,000 contribution to Pflag Canada, raised through a portion of sales on Quo Beauty™ Pride celebration products.
- The 2022 Toronto Pride Parade featured Shoppers Drug Mart’s first-ever float.
- In 2022 we conducted a self-audit with the help of our partner Pride at Work to identify areas of opportunity to further our inclusion of 2SLGBTQIA+ colleagues.



**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 to enable them to contribute fully.



## Championing disability inclusion

In 2022, we expanded our efforts to hire more persons with disabilities through a pilot partnership with Ready Willing and Able in stores across Canada. By year end, 3% of executives and less than 1% of our workforce voluntarily self-identified as a person with a disability. To ensure availability of accessible workplaces, we revised our training: Accommodation in the Workplace and Disability Etiquette. Additionally, we are proud to offer American Sign Languages courses to our employee resource group members, led by the Canadian Hearing Society.

To improve inclusive experiences for our customers, we launched two pilot programs to provide a more accessible in-store experience:

- Leveraging loop system technology<sup>1</sup> to provide a more inclusive experience for customers using hearing devices.
- Launched a booking service to allow customers with disabilities to pre-book an appointment to have dedicated assistance when shopping.

Awareness and education for our colleagues continued in 2022 with our enterprise-wide events for National Disability Employment Awareness Month and May Mental Health 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.

<sup>1</sup> Loop system uses hearing aid technology to cut out background noise.



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



# Our Colleagues

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



## Learning and development

We believe that our colleagues and employees are our greatest asset, and we are committed to their growth and development. Through The Academy, our fully integrated learning platform, we offer more than 3,000 voluntary and mandatory training courses, providing opportunities for colleagues and employees to grow in their current role or build new skills for career development. This harmonized platform enables us to track all training courses completed by our colleagues and employees.

In 2022, colleagues and employees completed more than two million training courses through virtual and/or in person classes and self-paced learning. We will continue to invest in digital and mobile learning, launch additional skilling programs and expand our leadership development footprint from coast to coast.

## 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.

## Talent recruitment

To be the best, we need to hire the best people. We have positioned our company as a first-job destination for those entering the workforce for the very first time. We offer exciting career opportunities across our diverse business, including technology, data and analytics, e-commerce, pharmacy, finance, supply chain, and more. To attract talent and develop our colleagues into high-performing leaders, we are heavily focused on training and development, investing in our corporate culture, and creating differentiated experiences for our workforce of the future. These efforts will help us retain our top talent and attract candidates with superior skills to help us deliver positive business results. In 2022, more than 99,000 corporate colleagues were hired across our network. Our talent recruitment ratio shows slight growth at a rate of 1.02.



## Culture

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

We have common CORE values - Care, Ownership, Respect and Excellence - that come to life through our culture principles: being authentic, building trust and making connections. This common language extends across our stores, distribution centres and offices.

In 2022, we were recognized with a number of awards that reflect the many years of investment and commitment to our people and culture. Waterstone Human Capital named Loblaw as one of Canada's Most Admired Corporate Cultures of 2020, 2021, and 2022. We have been recognized as one of Canada's Top 100 Employers and Greater Toronto's Top Employers every year since 2010 and as one of Canada's Best Diversity Employers every year since 2011. These achievements have been largely driven by our successful culture journey and our high levels of engagement and leadership.



# CORE values





## Engagement

Colleague engagement is measured twice annually through our Tell It As It Is (TIAI) survey, conducted by an independent service provider. Survey scores are an important measure of our success in building a collaborative work environment where everyone is able and empowered to do their best work. In 2022, we continued to track how our colleagues and employees are experiencing engagement, leadership, culture, inclusion, well-being and other activities at work. We also enhanced our TIAI survey by adding two new Environmental, Social and Governance questions, to understand how aware our corporate colleagues are of our ESG commitments and targets. Having a robust view of our colleagues' and employees' perspective on these issues helps inform and improve our people strategy. In 2022, our overall enterprise engagement score was 78%, while the retail benchmark for retail employee engagement was 75%<sup>1</sup>.

<sup>1</sup> Based on Qualtrics database of employee engagement retail average from April 2022.

## Colleague relations

Loblaw has one of Canada's most unionized workforces. Across our corporate retail and supply chain network, approximately 79% of our colleagues are covered by collective bargaining agreements negotiated with local unions, often affiliated with national and international labour unions. We have nearly 360 collective bargaining agreements. Throughout each negotiation, we aim to achieve reasonable outcomes with competitive wages and quality healthcare and retirement benefits, while also ensuring that our businesses remain competitive.

In 2022, our full-time and part-time corporate store and distribution centre colleagues had an average hourly rate of \$18.88. When including fringe benefits, the average hourly wage was \$24.82. 80.47% of in-store and distribution centre corporate colleagues earning in excess of the provincial minimum wage.

# Health and Safety

We are committed to providing and maintaining safe shopping and working conditions for colleagues, employees and customers.

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

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

## 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.



Metrics	2018	2019	2020	2021	2022
Total Injury Claims	3,279	3,534	3,078	3,610	3,434
Accident Frequency	6.04	6.56	5.32	6.58	6.15
Lost Time Frequency	2.57	2.88	2.45	3.15	2.97

Accident Frequency - an industry measurement that represents the number of total accidents per 100 full time employees  
 Lost Time Frequency - an industry measurement that represents the number of lost time accidents per 100 full time employees  
 Note: Prior year metrics are subject to change slightly from prior year reporting due to resolution of ongoing appeal processes.

# Health and Wellness

Our grocery stores and pharmacies make health and wellness more convenient and accessible to millions of Canadians every day. Through our healthcare and pharmacy businesses and 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).

Since launching in 2020, there have been more than 1.4 million downloads of the PC Health™ app. These services are provided through Loblaw's own capabilities and professionals as well as external partners.



Wellwise by Shoppers™ is the largest Canadian retailer of home healthcare products and services to support aging in place. In 2022, Wellwise™ helped 255,000 Canadians purchase home health care products from 43 locations and our online store.



In 2022, we were proud to welcome Lifemark Health Group into our family. With more than 5,000 highly trained clinicians, medical experts and team members working in over 300 locations coast to coast, Lifemark Health Group 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 3 million patient visits annually.



With access to over 1,350 Shoppers Drug Mart® retail stores, 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 49,000 seniors in nursing and retirement homes from our 10 operations sites across the country.



To support the growing number of Canadians in need of access to care, we opened four pharmacist-led clinics in Alberta, which offer a range of healthcare services including assessment and treatment of common ailments and injuries, increasing access to healthcare in traditionally underserved areas.

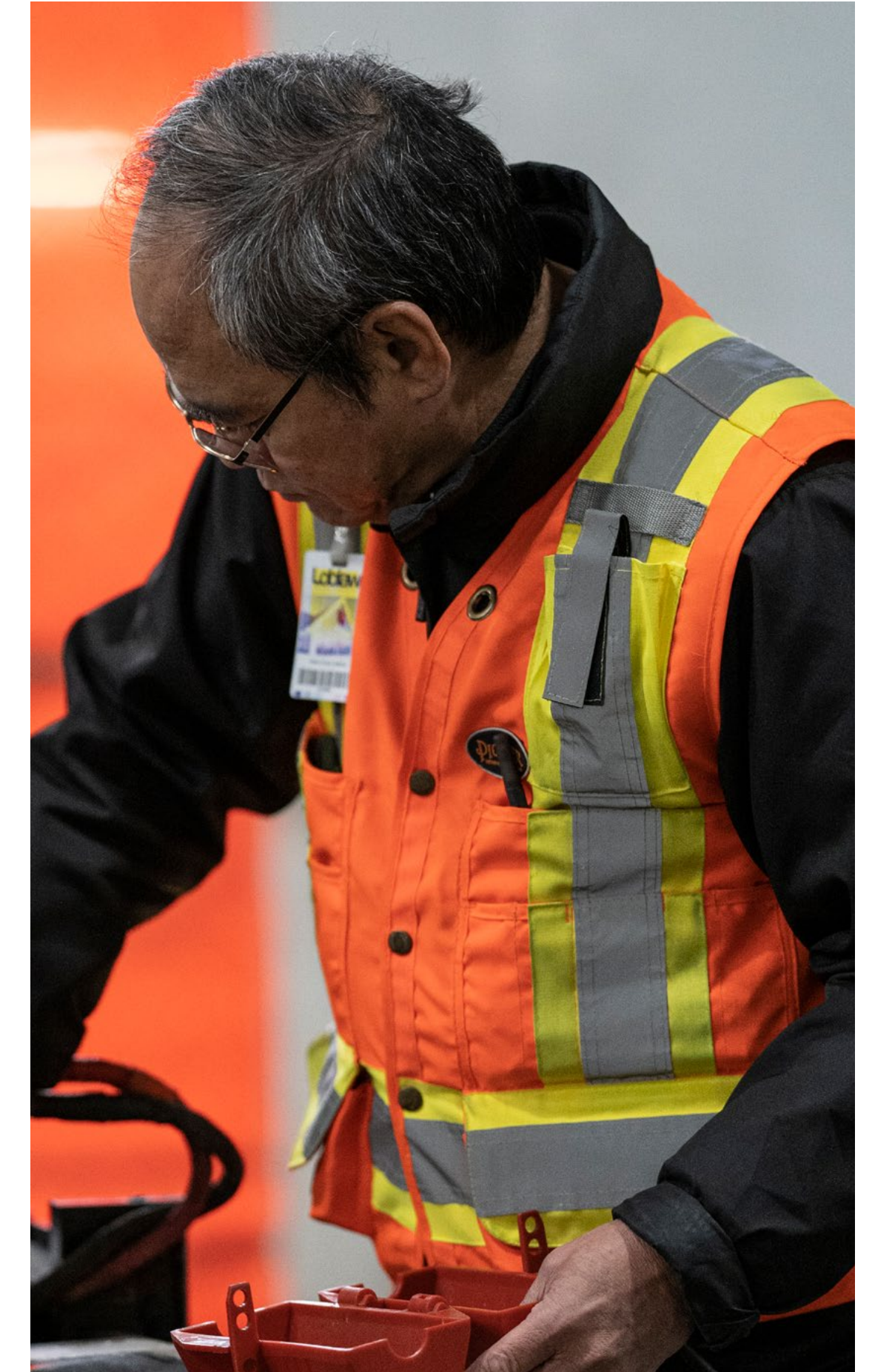


To support women and girls struggling with access to menstrual products, LOVE YOU by Shoppers Drug Mart™ - in partnership with Ontario's Ministry of Education and the Government of Manitoba - have donated more than 10 million menstrual products.



Through our 181 optical centres across Canada, our more than 300 opticians and optometrist partners offer a variety of services, including eye exams and fittings for glasses and contacts, and help Canadians with early detection and monitoring of eye conditions.

In collaboration with Workplace Safety and Insurance Board (WSIB), Wellwise™ provided new installations and service for existing equipment, with over 5,000 services rendered in 2022.



# Health and Wellness Highlights



Over **8,600** registered pharmacists



**169.1 million** prescriptions filled



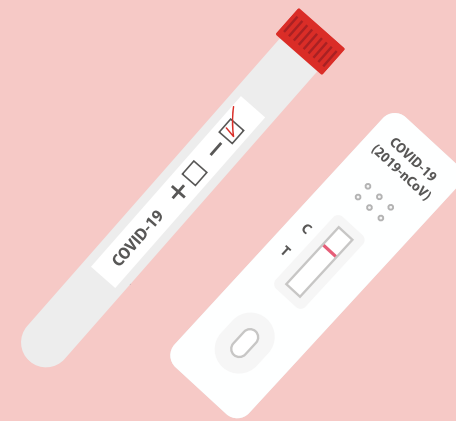
Nearly **1,800** retail pharmacies



+ **2.3 million** flu shots



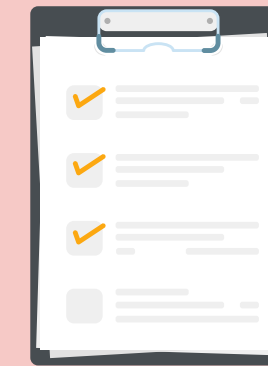
+ **4.4 million** COVID-19 vaccines



+ **1.7 million** PCR and Rapid Antigen COVID-19 tests administered



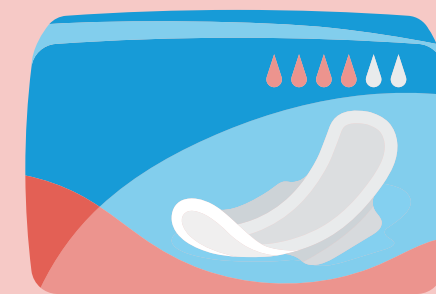
Supported the distribution of over **1.6 million** COVID-19 tests through our pharmacy channels



Over **300,000** COVID-19 assessments



over **16,600** pharmacy assistants, technicians, registered nurses and registered dietitians



**10.25 million** period products were donated through partnerships with Procter & Gamble and Kimberly-Clark

## Opioids

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

## Dietitians

Our registered dietitians play an important role in helping our customers manage health issues through nutrition. We offer individualized nutrition services, both in-person and virtually, to support health and wellbeing. In 2022, our registered dietitians performed more than 18,000 nutrition consultations, helping customers make more informed and educated choices to support a healthier lifestyle. Dietitian services – supporting nutrition questions and care – are also featured in the PC Health™ app.

# Community Engagement



## Feed More Families™

To underpin our commitment to advancing social equity, we launched our new pledge, to Feed More Families™ by donating one billion pounds of food to community-based charities by 2028. Feed More Families™ activities will 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 food to use, before it becomes waste.



## President's Choice Children's Charity

President's Choice Children's Charity™ (PCCC) has become Canada's largest non-government provider of in-school hunger and nutrition programs in Canada, reaching children wherever they learn. Kids who participate in these programs at school and after school benefit from regular meals, snacks and food education.

In 2018, Loblaw committed to raise and donate \$150 million by 2027, to support PCCC's effort to address childhood hunger and improve food skills. Since making this commitment, we have activated our network of stores, vendors, colleagues and customers to contribute more than \$89 million.

In 2022, PCCC reached more than 840,000 children nationwide in pursuit of its goal to feed one million children annually by 2025.

## LOVE YOU by Shoppers Drug Mart™

For more than a decade, Shoppers Drug Mart® has been supporting women's health charities and organizations across Canada. Through its marquee LOVE YOU by Shoppers Drug Mart™ program, the Company has helped women access the care and support they need to be happy, healthy and safe. LOVE YOU by Shoppers Drug Mart™ has committed to providing \$50 million by 2026 in support of initiatives that improve women's access to care.

LOVE YOU by Shoppers Drug Mart™ contributed more than \$10.38M in support of more than 360 women's health organizations across Canada. Through the 2022 Run for Women events, more than 22,000 participants raised \$2.67 million to support Canadian organizations that work to improve women's access to healthcare.



## Addressing period poverty

In 2022, Joe Fresh® partnered with LOVE YOU by Shoppers Drug Mart™ to help increase accessibility to menstrual products. Through this partnership, Joe Fresh® donated 10,000 pairs of their absorbent underwear and LOVE YOU by Shoppers Drug Mart™ provided an additional \$100,000 to Moon Time Sisters, a project of True North Aid. Moon Time Sisters is a collective that helps those who menstruate in remote Indigenous communities across Canada gain access to period products.

In 2021, we announced our partnership with the Ontario Ministry of Education to provide 1,200 dispensers and 18 million period products by 2023. And in 2022, LOVE YOU by Shoppers Drug Mart™ announced a new partnership with the Manitoba government to make period products more accessible to students and adults in need across the province. Over the next three years, Shoppers Drug Mart®, in partnership with Procter & Gamble and Kimberly-Clark, will donate nearly 10 million period products and 900 product dispensers to Manitoba's school divisions, independent schools and social service agencies to help address period poverty.



## PC Financial Resilience Project Accelerator

In 2022, 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-education programs needed to address Canadian social issues.

Six Enactus teams have been selected to participate in the PC Financial Resilience Project Accelerator for the 2022-2023 academic year, and one team will be recognized with the PC Financial Resilience Project Accelerator ‘Best Project’ award at the Enactus Canada National Exposition in May 2023.

## Support for Ukraine

Soon after Russia invaded Ukraine, we established a quick flow of funds to the Canadian Red Cross’ Ukraine Humanitarian Crisis Appeal and to other relief efforts. Through in-store fundraising and company donations, we have provided approximately \$2 million in support to the CRC appeal.

Given Canada is home to one of the largest international Ukrainian communities, we knew many refugees would end up on Canadian soil. We collaborated with federal and provincial governments to connect displaced Ukrainians with support and employment opportunities through our national network of stores and distribution centres.

We partnered with the Canadian Immigrant Settlement Sector Alliance, and established a tailored package of support for Ukrainians arriving in Canada — providing access to food, wellness, apparel, mobile technology and financial products from across our portfolio of stores and services.

## Disaster and humanitarian response

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

Hurricane Fiona was one of the strongest Hurricanes on record in Canada and it’s impacts were felt across the country. In addition to a corporate contribution of \$50,000, we were also able to deploy customer fundraising at check-out and online.

## Support for food charities

This year, our corporate and franchised stores donated 6.7 million kilograms of food to local food banks and food rescue agencies across Canada. Through these community partners, food that would have ended up in landfills is redistributed and turned into healthy meals for people facing food insecurity in our communities.

## Supporting small and medium sized businesses

We partner with brokers like Coast to Coast, Grey Jay Sales and Lekker to support the onboarding of small and medium sized vendors from across the country into our procurement process. Through these partnerships, in 2022 we purchased nearly \$4.3 million from over 100 vendors.

## Further support for communities

We routinely provide community and charitable organizations the opportunity to amplify the effect of their own resources. We do this by offering discounts on gift cards, increasing their buying power in our stores. This year, the program provided \$6 million in community-based support.

PC Bank continued their support of the Scarborough Heath 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.

The Give a Little, Help a Lot® campaign is a national fundraiser, linking stores to local charities. In 2022, customers donated more than \$1.4 million, to support local charities across Canada.





# Investing in Our Communities

Our various charitable activities make a positive impact in our communities – with a particular focus on the health of children, women and the environment. In 2022, with the help of our customers, colleagues, employees and business partners, we raised and donated a record of more than \$110 million to research, charities and non-profits across Canada.



**Caring Company Certification**  
For the 31<sup>st</sup> consecutive year, our community contributions have earned us Imagine Canada’s Caring Company certification.

**WWF-Canada**  
\$450,000



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

**Loblaw Scholarship Fund**  
Corporate contribution \$300,986  
Students reached 300

**Food Banks and Food Recovery Agencies**  
Corporate contribution \$47,990,682  
Fundraising \$13,342,324



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

**Disaster Relief & Humanitarian Response**  
Corporate contribution \$503,500  
Fundraising \$1,741,573

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 support The Ukraine Humanitarian appeal, through the Canadian Red Cross.

**The Salvation Army**  
\$3,857,731



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

**Give a Little, Help a Lot®**  
\$1,404,310



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 Drug Mart Life Foundation™**  
Corporate contribution \$3,746,419  
Fundraising \$9,162,672

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

**President’s Choice Children’s Charity**  
Corporate contribution \$2,000,000  
Fundraising \$20,847,795



**children’s charity™**

After 33 years dedicated to nurturing the wellbeing of Canadian children, President’s Choice Children’s Charity is on a mission to feed 1 million kids annually, by 2025. They know that a full tummy is just one of the building blocks for a child to live their best life, so their signature Power Full Kids programs pair good food with growing and cooking skills to help kids rediscover food.

**Store Fundraising**  
\$1,087,259

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

**Gift Card Discounts**  
\$6,047,209

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

**Other fundraising**  
\$897,458

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

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# Governance



# Corporate Governance

## Governance overview

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

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

See here for [more information on our corporate governance](#).

## Board of directors

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

As of May 4, 2023, the Board was comprised of 12 directors. Ten directors are "independent" as defined by National Instrument 52-110 – Audit Committees. Galen G. Weston, who is not independent, serves as Chairman and President. Recognizing the importance of strong independent Board oversight, the Board has also appointed an independent director to serve as lead director. The lead director ensures that the Board operates independently of management and that the directors have an independent leadership contact. The Board's view on the effective role of an independent lead director has been endorsed by leading corporate governance organizations.

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

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 ESG disclosures. In doing so, the Audit Committee reviews management's administration of the Company's internal controls over financial reporting, disclosure controls including those with respect to ESG, and procedures and internal audit function and related party transactions.

For more information relating to our governance practices, please refer to our [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 while 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. This information is core to our business and will grow in quantity as we continue to expand our loyalty, financial, pharmacy, health and wellness and digital programs and services. Our customers, patients and colleagues expect that we will safeguard their personal information in accordance with all regulations and best practices.

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

The following principles guide our approach:

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

We are committed to being clear about how personal information is used and 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. We also outline how customers may initiate inquiries and raise concerns regarding the collection, sharing and use of their personal information. We are committed to developing processes that enhance privacy and incorporate protections into our business strategy, culture and ongoing operations.

## Additional resources

[Full Loblaw Privacy Policy](#)

[Loyalty Privacy Notice](#)

[Health Privacy Notice](#)

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

[President's Choice Financial<sup>®</sup> Privacy Notice](#)

[President's Choice<sup>®</sup> Insurance Privacy Notice](#)

## 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.

## Cyber security

We safeguard our systems and information in many ways, including employee awareness and training, year-round information and alerts about potential risks, security monitoring, 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. Externally, 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: assessment, penetration testing, benchmarking and tracking cyber security control maturity, and Payment Card Industry Data Security Standard (PCI DSS) requirements.



# 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 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, and our [Supplier Code of Conduct](#) provides standards that protect human rights, adhere to applicable employment and/or labour standards and provide safe working conditions for workers. We expect our suppliers to communicate these expectations to 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.

## Integrity Action Line (IAL)

The Company has an Integrity Action Line (1-800-525-7868), which enables confidential and anonymous reporting of suspicious activity, unethical practices, discriminatory or disrespectful behaviour, non-compliance and suspected non-compliance with laws, regulations, our codes of conduct, and company policies and procedures. Our IAL is publicly accessible on the Loblaw.ca site to our colleagues and employees within our network, which includes our franchisee networks, all suppliers and related third parties and their workers. This tool can be used confidentially to report unethical, non-compliant or suspicious activity via a third-party service provider. Reports can be made anonymously by submitting a report online in English, French or Spanish, or by calling a toll-free number to submit a report in English, French, Mandarin, Cantonese, Punjabi, Spanish and Korean languages. Retaliation against anyone, including employees, colleagues, or workers, speaking up in good faith is strictly prohibited.

The message is simple – speak up if you have a concern.

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



# Human Rights

Advancing social equity is a key focus for our business. We are committed to doing this both in Canada and abroad. That is why we are improving the many ways we protect human rights in our supply chain and providing greater transparency to our customers about the results of our effort.

Our customers trust that the products we sell in our stores come from suppliers that provide safe, fair and ethical working conditions for workers and employees. This is a fair expectation, addressed in [Our Position on Human Rights](#). Given our scope and size, we recognize our responsibility to respect and protect the human rights of those working directly for Loblaw, as well as the many workers, including migrant and temporary workers, employed within our wider supply chain. Through our Supplier Code, we communicate the expectation that our suppliers, and any of their contractors, agents, sub-contractors and sub-agents, will uphold human rights within their operations.

In November 2020, Loblaw issued a statement outlining our position on human rights in relation to the United Nations Guiding Principles (UNGPs) on Business Human Rights. Since then, we have built on feedback and key learnings from our colleagues, customers, internal and external stakeholders, and investors and we are accelerating the review and improvement of our approach to human rights.

In 2022 we engaged ELEVATE, a third-party expert and leader in sustainability and supply chain services, on several workstreams related to human rights and responsible sourcing. As part of this engagement, we asked ELEVATE to conduct a Human Rights Due Diligence (HRDD) to assess our procedures and policies, across the Company's enterprise operations.

## Our assessment

In partnership with ELEVATE, we are following a multi-step process to identify opportunities to strengthen policies and processes across the enterprise, including our international supply chain. While this work is ongoing, in late 2022, we published an update on [our approach to Human Rights](#). This statement reflects the steps completed so far in this assessment, including the identification of salient risks.





## Statement of salient human rights risks

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. Per the United Nations Guiding Principles (UNGP) guidance, Salient Risks are identified based on the nature of the business, not based on activities the Company undertakes to mitigate those risks.

Loblaw’s Salient Risks were identified through detailed discussions with a range of internal and external stakeholders. Subsequently, Management conducted an assessment of the stakeholder output, and identified the following five Salient Risks:

- **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.
- **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.
- **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.
- **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.
- **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.

For each of the identified Salient Risks, Loblaw recognizes that there are inherently different risk profiles for domestic, migrant, and international workers. In keeping with the prescribed UNGP process, Loblaw assessed each identified risk on its face value. We did this, for instance, without the distinction of the very different rules, regulations and working conditions of a retail store in our home market Canada compared to a factory or operation on a different continent. The mitigation strategies we will develop and deploy against the Salient Risks will draw appropriate distinctions between individuals working in our own operations and those within our global supply chain.





## Supply chain compliance and factory audits

For nearly a decade, we have maintained a team of audit compliance managers and production auditors, with representation in Canada and globally. This team ensures that workplace condition assessments are conducted to our standards, and that our products are sourced from approved factories.

Supplier Code violations are reported directly to our Supply Chain Compliance department, and escalated to the Compliance and Ethics department as necessary. We evaluate the severity of violations to determine appropriate corrective action plans to address issues of non-compliance. Serious or repeated violations by a supplier may result in factories or suppliers being delisted permanently. We work with our suppliers to ensure that they adhere to our factory audit requirements and remain compliant with our standards.

## Facility compliance audits

Our audits and audit compliance program are designed to confirm that suppliers providing goods to Loblaw uphold our Supplier Code of Conduct.

Prior to sourcing goods from a supplier, Loblaw must audit the factories, processing facilities, plants, farms, packing or other facilities outside of Canada and the U.S. that are going to produce, process, manufacture, grow, raise, package or pack (i) control brand products sourced by Loblaw, or (ii) products for which Loblaw is the Importer of Record.

Once sourcing has begun, we have 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.

Our audit program reinforces worker rights and safety by assessing and confirming these and other factors:

- labour is voluntary;
- 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.

Our facility audit compliance team is comprised of a core team in Toronto, supplemented by in-market teams in China, Bangladesh, Thailand, Vietnam, Cambodia, and India. Facility compliance audits are 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, we conduct an equivalency review to ensure the audit meets our standards.

If an audit identifies a compliance issue such as child labour, forced or bonded labour, or life-threatening health and safety situations, we suspend our relationship with that facility (and/or supplier). Less severe infractions can also result in suspension. In both cases, we will work with suppliers to determine whether satisfactory remediation of the compliance issue is possible. We will terminate relationships with suppliers who are unable or unwilling to remediate non-compliance to our satisfaction within a reasonable timeframe.

As a result of the more than 1,200 audits conducted in 2022, Loblaw permanently delisted 10 facilities. A record of these results are maintained by our third-party compliance provider. All other infractions and temporary suspensions were resolved in the ordinary course and to our satisfaction. These results show that the audit program is working, and we will continue to report on our progress annually.

Metric	2021	2022
# of Suppliers	~800	~700
# of Facilities <sup>1</sup>	~2,000	~1,400
# of Audits conducted	~1,000	~1,200
# of Permanent delistings	3 <sup>2</sup>	10 <sup>3</sup>

<sup>1</sup> As part of ongoing efficiency work related to our supply chain processes, in 2022, we rationalized the reporting of audits. As a result, we removed from the definition of Facilities, those facilities that had been inactive or blocked for a period of 3 years or more. The figures in the table above reflect this changed approach.

<sup>2</sup> Delistings were due to one or more of unauthorized contracting and/or attempted bribery.

<sup>3</sup> Delistings were due to one or more of suspected child labour, attempted bribery, and building structural/ fire safety concerns.

# 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, non-governmental agencies 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 factory locations on our [company website](#).

We believe that by providing this information to consumers and our stakeholder partners, we can better coordinate our efforts and support a more sustainable 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 2022, 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.

## Cotton sourcing and XUAR update

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

These regional restrictions are noted in our supplier agreements, and going forward we will require relevant suppliers to complete an annual attestation confirming that they are not sourcing from these regions

## Tomatoes and XUAR update

In the Summer of 2021, a media outlet made an erroneous claim that Loblaw sourced control brand tomato sauce products with tomatoes sourced from XUAR. This claim was inaccurate, which we confirmed after the story was published. There are two inaccuracies: (i) we sourced pesto, not tomato sauce, from the referenced supplier, who subsequently provided a signed attestation confirming that Loblaw did not purchase any products with ingredients sourced from XUAR; and, (ii) the referenced supplier also confirmed that it has altered its sourcing to ensure no XUAR tomatoes are used in its products - changes that occurred prior to the media report. We consider this file resolved, and we continue to require vendors to submit attestations confirming that no elements of our products are sourced from this region.

## Compliance

Compliance is key to stakeholders’ trust in Loblaw. We consistently meet the obligations prescribed by the many laws and regulations that apply to our business, as well as the high standards of conduct established by our Board.

Our commitment to compliance means colleagues understand the expectations and risks associated with their jobs. Our policies and training drive ethical and compliant behaviour and our culture encourages colleagues to speak up and act when necessary. We provide our Integrity Action Line (IAL) to both suppliers and colleagues, which enables them to report suspicious activity, unethical practices, non-compliance and suspected non-compliance with laws and regulations.

# Food and Product Safety

## Food safety

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

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

In the event of a recall, we have reliable notification protocols for our supply chain, stores and customers. Control brand recalls trigger an investigation process with our vendors, including root cause analysis and mitigation.

In 2022, we executed 28 public food recalls. Of those recalls, three (11%) were our in-house control brand products, and 25 (89%) were national brands. None of our control brand recalls were determined notable, in terms of scope or customer impact.

Provincial and federal regulators conducted 768 food safety inspections in our facilities in 2022. None resulted in a fine due to a serious food safety violation, and 100% resulted in successful and timely resolutions.



## Drug safety

Millions of Canadians depend on us every day to safely dispense medications and provide professional services for good health outcomes. Patient safety and clinical excellence are the cornerstones of our pharmacy operations – supported by high professional standards.

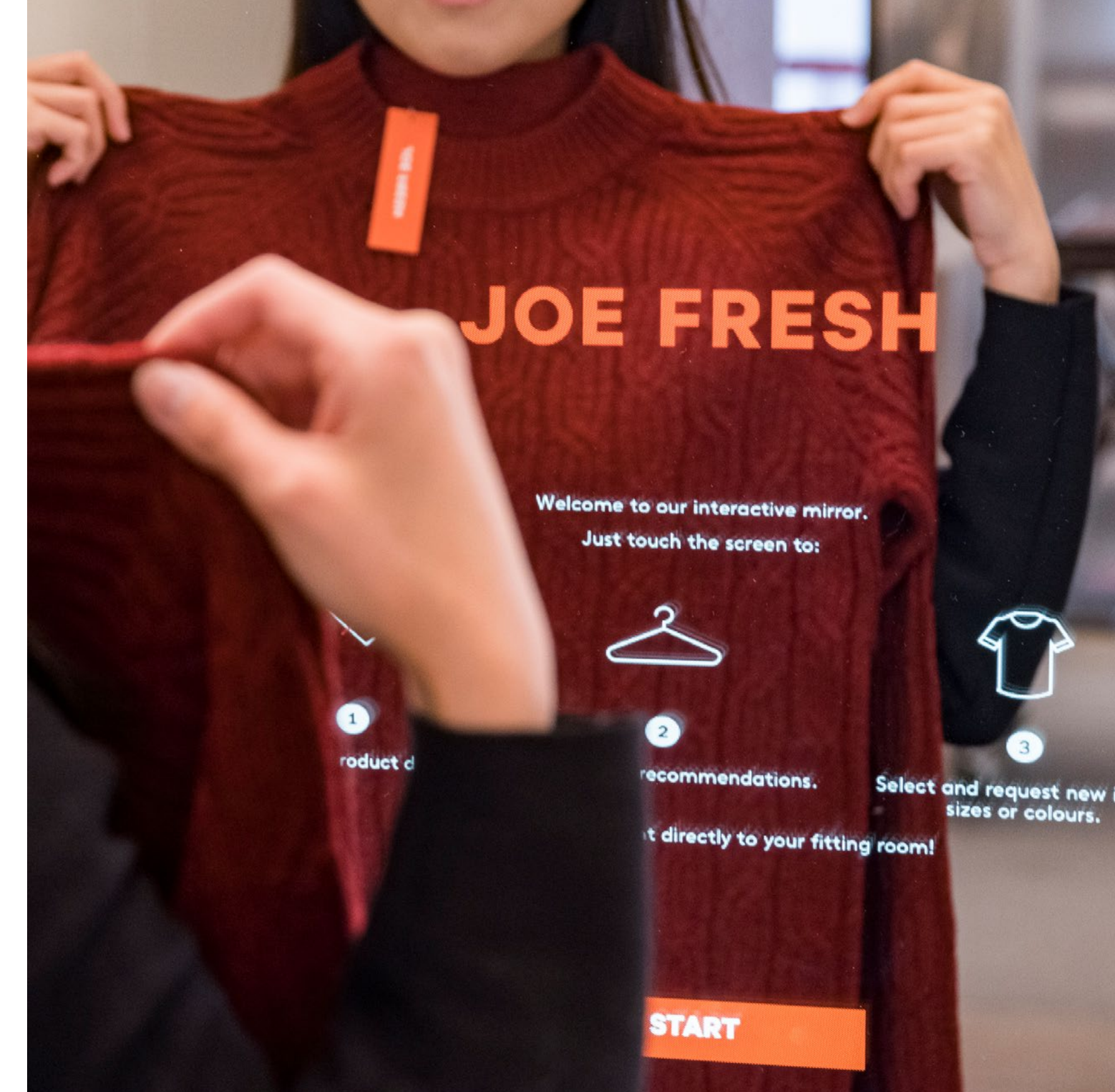
We support our pharmacy teams with robust incident management recording and a continuous quality improvement program. Pharmacy incident recording enables our organization to know, learn, act and help prevent errors and create greater awareness of the importance of recording near-misses and pharmacy incidents.

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

## Medication adherence

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

- Our network of registered pharmacists provide services like vaccinations, medication reviews and chronic disease management, playing an important role in primary and preventative care.
- In 2022, we conducted more than 1.3 million medication reviews, supporting improved patient health outcomes.
- In 2021, we developed Digital Pharmacy, a prescription-management platform which supports patient medication adherence through automatic refills and patient pickup notifications.
- To manage different patient needs, we offer several medication organizer options, such as blister packs. Medication is organized into weekly cards with time-labelled bubbles for each day of the week, making it easier for patients and their caregivers to appropriately manage their care.



## Apparel and footwear

We aim to surpass customer expectations of product quality, performance and safety. The Joe Fresh® quality assurance standards for apparel, accessories, and footwear meet or exceed government safety requirements in Canada and the United States. In 2022, managed through our extensive Restricted Substances List used to mitigate harmful chemicals in our products, we continued to test compliance against government regulations on banned and restricted chemicals in markets where our products are sold.

Joe Fresh® ensures product safety and compliance by conducting accredited laboratory testing and quality audits covering product performance, safety, and regulatory compliance for every style. Any potential product safety concerns that are reported through our various customer service channels are thoroughly investigated. In 2022, Joe Fresh® had zero product safety recalls.

# Animal Welfare

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

For more details, please read our [Animal Welfare Statement](#)

## Cage-free eggs

We are committed to transitioning to 100% cage free eggs. In 2016, we announced that we would source all shell eggs from cage-free systems by 2025. We have made progress towards this goal: Our PC® shell eggs are now entirely cage-free, and our PC® free-run eggs come from laying hens that are free to roam and feed and nest in open-concept barns with perches and nests. However, in 2021 it became evident that our farmer partners would not be able to meet the 2025 timeline. At that time, we communicated publicly that the 2025 timeline would not be met and reaffirmed our commitment to the National Farm Animal Care Council (NFACC) and their efforts to generate a consensus around egg systems moving forward.

We continue to value the guidance of animal welfare and farming partners, and we remain committed to working with suppliers to transition completely to cage-free systems in a way that ensures eggs are available and affordably priced for our customers.

As part of our ongoing efforts to provide greater transparency we will begin disclosing cage-free egg sales for our national and control brand egg portfolio.

In 2022, the sale of cage-free eggs accounted for approximately 17% of category sales.



## Gestation-stall-free sows

We are committed to 100% sow-stall-free pork as soon as practically possible. Animal welfare experts agree that sows may experience negative health impacts when housed in gestation stalls during pregnancy.

We continue to make progress in this important area and by 2022, we had converted 50% of fresh PC® Free From® pork to group housing for gestating sows.



## Banned fibres

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



## Vegan certified beauty products

We are proud to report that 100% of our Quo Beauty™ brand products are vegan and cruelty-free. People for the Ethical Treatment of Animals (PETA) have certified that none of our products are manufactured with animal by-products.

# Responsible Sourcing

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



## Local sourcing

We take great pride in offering an expansive array of fresh fruits and vegetables, and in 2022 we purchased over \$1 billion in produce from Canadian owned and/or operated businesses. However, we want to do more to ensure that when possible, the produce that our customers enjoy is grown on Canadian soil.

By purchasing locally grown produce, we can deliver fresher products and reduce our carbon footprint, all while investing in Canada's farming communities. It was with this in mind that we committed to increasing our purchases of Canadian-grown produce by \$150 million, by 2025<sup>1</sup>.

We are making progress, by shifting from imported products where possible, like our partnership with Shabatura, a family-owned Ontario grower, to bring fresh okra to our stores.

“ Now in our 4th generation, Shabatura Produce continues to operate under family management. Our success is due in large part to our commitment, as well as our enthusiasm for utilizing innovative farming methods. ” - Shabatura Produce

<sup>1</sup> from our 2017 baseline

## Sustainable seafood

For over a decade, we have been leading the move to certified sustainable seafood in Canada because it is important to our customers, our environment and our business. We want to make sure the seafood we enjoy today will be available for generations to come. Sourcing sustainable seafood, whether wild-caught or farm-raised, encourages greater protection of aquatic habitats and more attention to careful harvesting.

We are proud to be the only coast-to-coast Canadian grocer with certified fresh cases providing audited, traceable MSC and ASC seafood at its seafood counters. With over 200 products that bear the MSC or ASC ecolabel, we offer the largest selection of certified seafood products.



## Palm oil

Palm oil is an important ingredient in a wide range of products, but the rapid growth of this industry has been linked to deforestation and the degradation of peatlands. 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 certifications. Our control brands currently include 50 Rainforest Alliance and 35 Fairtrade certified products.

Sourcing Rainforest Alliance certified cocoa addresses concerns like 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.



Rainforest Alliance Certified.  
Find out more at [ra.org](http://ra.org)

## Products supporting healthy living

By year-end, we offered more than 2,200 control brand products designed to meet customer nutritional and health concerns and preferences regarding ingredients, additives and potential allergens. Some of these products include PC<sup>®</sup> Blue Menu<sup>®</sup>, PC<sup>®</sup> Organics, gluten-free, plant-based, peanut-free and lactose-free products.

Revenue for this product category increased by 16% in comparison to 2021. These products are available at various of our grocery stores and drug stores, making health-oriented alternatives available to our customers no matter where they shop with us.

## Responsible cotton

Joe Fresh<sup>®</sup> is committed to converting 100% of its cotton-rich products to more sustainable cotton by 2025. This includes converting such products to both Global Organic Textile Standard (GOTS) organic cotton and 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 we exceeded our 2022 goal of 10% and sourced 25% of our cotton supply of cotton-rich products as Better Cotton. Additionally, we also sourced 8% of our cotton supply of cotton-rich products as GOTS organic cotton, and we will be increasing our commitment to sourcing responsible cotton in 2023.



# 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 Finance 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, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures. As such, controls may only be able to provide reasonable or limited assurance in some cases as we continue to assess the level of assurance required.

## 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 Report. In 2022, our Internal Audit team was engaged to provide limited assurance over a risk-based subset of quantitative information included in the Report. Additionally, PricewaterhouseCoopers was engaged to perform limited assurance over our Scope 1 and 2 GHG Emissions for the current reporting year as well as the 2020 baseline. The Limited Assurance report can be found in the final appendix on [page 89](#). 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 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 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.



# Appendix

# GRI 100 Series

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
<b>Organizational Profile</b>		<b>2022 ESG Report Response</b>	
GRI 102: General Disclosures 2016	Name of the organization	102-1	Loblaw Companies Limited (“Loblaw”)
	Activities, brands, products and services	102-2	2022 Annual Report (p. 10,12)
	Location of the organization’s headquarters	102-3	2022 Annual Information Form (p. 5)
	Location of operations	102-4	2022 Annual Information Form (p. 7)
	Ownership and legal form	102-5	2022 Annual Information Form (p. 5 and 29) 2022 Annual Report – 2022 Financial Review (p. 48-49)
	Markets served	102-6	2022 Annual Information Form (p. 5-12)
	Scale of organization	102-7	2022 Annual Information Form (p. 5-12) 2022 Annual Report (p. 10,12) 2022 ESG Report (p. 3)
	Information on employees and other workers	102-8	2022 Annual Information Form (p. 10) 2022 ESG Report (p. 3,41) 2023 Management Proxy Circular (p. 33-34, 40-41)
	Supply chain	102-9	2022 ESG Report (p. 53-57) 2022 Annual Information Form (p. 9)
	Significant changes to the organization and its supply chain	102-10	There have been no material changes to the organization’s operations or its supply chain in the 2022 calendar year.
	Precautionary principle or approach	102-11	Loblaw does not have a formal position as it pertains to the precautionary principle.
	External initiatives	102-12	2022 ESG Report (p. 8, 11-12, 16, 18-19, 21-22, 25-31, 37-38, 46-48)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
<b>Organizational Profile</b>		<b>2022 ESG Report Response</b>	
GRI 102: General Disclosures 2016	Membership of associations	102-13	Loblaw partners with numerous organizations to bring our company purpose – helping Canadians Live Life Well® – to life. Some are referenced throughout the 2022 ESG report, including on page 25.
	Statement from senior decision-maker	102-14	2022 Annual Report (p. 5) 2022 ESG Report (p. 4)
	Key impacts, risks and opportunities	102-15	2022 Annual Information Form (p. 13-22) 2022 Annual Report – 2022 Financial Review (p. 38-48) 2022 ESG Report (p. 4, 8)
	Values, principles, standards and norms of behaviour	102-16	2022 ESG Report (p. 5, 39-41) Loblaw Code of Conduct 2023 Management Proxy Circular (p. 42-45)
	Mechanisms for advice and concerns about ethics	102-17	2023 Management Proxy Circular (p. 41-42) <a href="#">Integrity Action Line</a> 2022 ESG Report (p. 40, 50, 53-57)
	Governance structure	102-18	2023 Management Proxy Circular (p. 30-45) 2022 ESG Report (p. 10, 50) <a href="#">Corporate website</a>
	Delegating authority	102-19	2023 Management Proxy Circular (p. 30-41)
	Executive-level responsibility for economic, environmental and social topics	102-20	2023 Management Proxy Circular (p. 38-41)
	Consulting stakeholders on economic, environmental and social topics	102-21	2022 ESG Report (p. 11)
	Composition of the highest governance body and its committees	102-22	2022 Annual Report (p. 14-16) 2023 Management Proxy Circular (p. 14, 34-35)
	Chair of the highest governance body	102-23	2023 Management Proxy Circular (p. 14, 34-35)
	Nominating and selecting the highest governance body	102-24	2023 Management Proxy Circular (p. 6-15, 35-42)
Conflicts of interest	102-25	2023 Management Proxy Circular (p. 30-45)	

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
<b>Organizational Profile</b>		<b>2022 ESG Report Response</b>	
GRI 102: General Disclosures 2016	Roles of highest governance body in setting purpose, values and strategy	102-26	2023 Management Proxy Circular (p. 19-50)
	Collective knowledge of economic, environmental and social impacts	102-27	2023 Management Proxy Circular (p. 7)
	Evaluating the highest governance body's performance	102-28	2023 Management Proxy Circular (p. 33-41)
	Identifying and managing economic, environmental and social impacts	102-29	2023 Management Proxy Circular (p. 19-45) 2022 ESG Report (p. 8, 11)
	Effectiveness of risk management processes	102-30	2023 Management Proxy Circular (p. 22-24, 37-45) 2022 Annual Information Form (p. 13-14) 2022 Annual Report (p. 38-48)
	Review of economic, environmental and social topics	102-31	2023 Management Proxy Circular (p. 22-24, 37-45)
	Highest governance body's role in sustainability reporting	102-32	2023 Management Proxy Circular (p. 22-24, 37)
	Communicating critical concerns to the highest governance body	102-33	2023 Management Proxy Circular (p. 79)
	Nature and total number of critical concerns	102-34	This information cannot be disclosed for confidentiality reasons.
	Remuneration policies	102-35	2023 Management Proxy Circular (p. 15-17, 46-77)
	Process for determining remuneration	102-36	2023 Management Proxy Circular (p. 15-17, 46-77)
	Stakeholders' involvement in remuneration	102-37	2023 Management Proxy Circular (p. 18)
	Annual total compensation ratio	102-38	This information is not disclosed for confidentiality reasons.
	Percentage increase in annual total compensation ratio	102-39	This information is not disclosed for confidentiality reasons.
	List of stakeholder groups	102-40	2022 ESG Report (p. 11)
	Collective bargaining agreements	102-41	2022 ESG Report (p. 41)
	Identifying and selecting stakeholders	102-42	2022 ESG Report (p. 8, 11)
	Approach to stakeholder engagement	102-43	2022 ESG Report (p. 8, 11)
	Key topics and concerns raised	102-44	2022 ESG Report (p. 8, 10-11)
Entities included in the consolidated financial statements	102-45	2022 Annual Report - 2022 Financial Review (p. 10, 80-146)	

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
<b>Organizational Profile</b>		<b>2022 ESG Report Response</b>	
GRI 102: General Disclosures 2016	Defining report content and boundaries	102-46	2022 ESG Report (p. 2)
	List of material topics	102-47	2022 ESG Report (p. 8)
	Restatements of information	102-48	None
	Changes in reporting	102-49	No material changes in reporting.
	Reporting period	102-50	2022 ESG Report (p. 2)
	Date of most recent report	102-51	May 2, 2023
	Reporting cycle	102-52	Annual
	Contact point for questions regarding the report	102-53	2022 ESG Report (p. 2)
	Claims of reporting in accordance with the GRI Standards	102-54	2022 ESG Report (p. 2, 66)
	GRI Content Index	102-55	2022 ESG Report (p. 66-76)
	External assurances	102-56	This report is not externally assured. Please refer to page 63 for our roadmap towards assurance.

# GRI 200 Series

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 201: Economic performance 2016	Explanation of the material topic and its Boundary	103-1	2022 Annual Report - 2022 Financial Review
	The management approach and its components	103-2	2022 Annual Report - 2022 Financial Review
	Evaluation of the management approach	103-3	2022 Annual Report - 2022 Financial Review
	Direct economic value generated and distributed	201-1	2022 Annual Report - 2022 Financial Review
	Financial implications and other risks and opportunities due to climate change	201-2	2022 Annual Report - 2022 Financial Review (p. 42-43) 2022 ESG Report (p. 15-17)
	Defined benefit plan obligations and other retirement plans	201-3	2022 Annual Report - 2022 Financial Review (p. 76, 92, 98)
GRI 204: Procurement Practices 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 53-62)
	The management approach and its components	103-2	2022 ESG Report (p. 53-62)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 53-62)
GRI 206: Anti-competitive behaviour 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 50, 57)
	The management approach and its components	103-2	2022 ESG Report (p. 50, 57)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 50, 57)
	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1	2022 Annual Report (p. 43-44)

# GRI 300 Series

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 301: Materials 206	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 25-27, 61-62)
	The management approach and its components	103-2	2022 ESG Report (p. 25-27, 61-62)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 25-27, 61-62)
GRI 302: Energy 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 15-17)
	The management approach and its components	103-2	2022 ESG Report (p. 15-17)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 15-17)
	Energy consumption within the organization	302-1	2022 ESG Report (p. 15-17) Food Retailers FB-FR-130a.1 (p. 77)
	Reduction of energy consumption	302-4	2022 ESG Report (p. 15-17)
GRI 303: Water and Effluents 2018	Interactions with water as a shared resource	303-1	2022 ESG Report (p. 18, 22, 27)
GRI 304: Biodiversity 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 18)
	The management approach and its components	103-2	2022 ESG Report (p. 18)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 18)
	Significant impacts of activities, products, and services on biodiversity	304-2	2022 ESG Report (p. 18, 61-62)
GRI 305: Emissions 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 15-17)
	The management approach and its components	103-2	2022 ESG Report (p. 15-17)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 15-17)
	Direct (Scope 1) GHG emissions	305-1	2022 ESG Report (p. 15)
	Energy indirect (Scope 2) GHG emissions	305-2	2022 ESG Report (p. 15)



GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 305: Emissions 2016	Other indirect (Scope 3) GHG emissions	305-3	2022 ESG Report (p. 15)
	GHG emissions intensity	305-4	2022 ESG Report (p. 15)
	Reduction of GHG emissions	305-5	2022 ESG Report (p. 15)
GRI 306: Waste 2020	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 6, 15-17, 28-30)
	The management approach and its components	103-2	2022 ESG Report (p. 6, 15-17, 28-30)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 6, 15-17, 28-30)
	Direct (Scope 1) GHG emissions	306-1	2022 ESG Report (p. 6, 15-17, 28-30)
	Energy indirect (Scope 2) GHG emissions	306-2	2022 ESG Report (p. 6, 15-17, 28-30)
	Other indirect (Scope 3) GHG emissions	306-3	2022 ESG Report (p. 6, 15-17, 28-30)
	GHG emissions intensity	306-4	2022 ESG Report (p. 6, 15-17, 28-30)
GRI 307: Environmental Compliance 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 31)
	The management approach and its components	103-2	2022 ESG Report (p. 31)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 31)
GRI 308: Supplier Environmental Assessment 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 53-57)
	The management approach and its components	103-2	2022 ESG Report (p. 53-57)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 53-57)
	New suppliers that were screened using environmental criteria	308-1	2022 ESG Report (p. 53-59) All suppliers, including new suppliers, are subject to the environmental criteria in our Supplier Code of Conduct.

# GRI 400 Series

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 401: Employment 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 39-41)
	The management approach and its components	103-2	2022 ESG Report (p. 39-41)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 39-41)
	New employee hires and employee turnover	401-1	Partially reported, 2022 ESG Report (p. 39)
GRI 402: Labour/ Management Relations 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 41)
	The management approach and its components	103-2	2022 ESG Report (p. 41)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 41)
	Minimum notice periods regarding operational changes	402-1	2022 ESG Report (p. 41) Minimum notice periods regarding operational changes vary as they are individually negotiated as part of our collective bargaining agreements.
GRI 403: Occupational Health and Safety 2018	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 42)
	The management approach and its components	103-2	2022 ESG Report (p. 42)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 42)
	Occupational health and safety management system	403-1	2022 ESG Report (p. 42)
	Worker participation, consultation, and communication on occupational health and safety	403-4	2022 ESG Report (p. 42)
	Worker training on occupational health and safety	403-5	2022 ESG Report (p. 42)

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 404: Training and Education 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 39)
	The management approach and its components	103-2	2022 ESG Report (p. 39)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 39)
GRI 405: Diversity and Equal Opportunity 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 33-38)
	The management approach and its components	103-2	2022 ESG Report (p. 33-38)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 33-38)
	Diversity of governance bodies and employees	405-1	2022 ESG Report (p. 33-38) We do not currently provide breakouts by age group.
GRI 407: Freedom of Association and Collective Bargaining 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 41)
	The management approach and its components	103-2	2022 ESG Report (p. 41)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 41)
	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	There are no operations or suppliers where the right to freedom of association and collective bargaining may be at risk.
GRI 413: Local Communities 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 46-48)
	The management approach and its components	103-2	2022 ESG Report (p. 46-48)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 46-48)
	Operations with local community engagement, impact assessments, and development programs	416-1	2022 ESG Report (p. 46-48) We report only on local community development programs based on local communities' needs within our report.
GRI 414: Supplier Social Assessment 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 53-57)
	The management approach and its components	103-2	2022 ESG Report (p. 53-57)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 53-57)
	New suppliers that were screened using social criteria	414-1	2022 ESG Report (p. 53-59) All suppliers, including new suppliers, are subject to the social criteria in our Supplier Code of Conduct.

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 416: Customer Health and Safety	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 58-59) Drug Retailers HC-DR-250a.2 (p. 82)
	The management approach and its components	103-2	2022 ESG Report (p. 43-45, 58-59) Drug Retailers HC-DR-250a.2 (p. 82)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 43-45, 58-59) Drug Retailers HC-DR-250a.2 (p. 82)
	Assessment of the health and safety impacts of product and service categories	416-1	2022 ESG Report (p.43-45, 58-59) Drug Retailers HC-DR-250a.2 (p. 82)
	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	Food Retailers FB-FR-250a.1 (p. 78) Food Retailers FB-FR-250a.2 (p. 78) Drug Retailers HC-DR-250a.2 (p. 82) 2022 ESG Report (p. 58-59)
GRI 417: Marketing and Labelling 2016	Explanation of the material topic and its Boundary	103-1	We believe that it is important to offer clear and transparent labelling on products to enhance customer experience. We work with suppliers to improve safety and transparency within our supply chain and communicate relevant information to our customers.
	The management approach and its components	103-2	We have stringent procedures for consumer facing marketing and advertising content and new or updated control brand packaging, of which our product development, legal, quality assurance, and regulatory affairs teams are trained on. All marketing and labelling content is reviewed and approved in accordance with these procedures prior to execution, and we have extensive record keeping on reviews and approvals.
	Evaluation of the management approach	103-3	We keep records of our marketing and labelling reviews and approvals and keep track of customer complaints related to marketing and labelling. Incidents are logged and actioned in order to remedy any issues.

GRI Disclosure	Disclosure Title	Disclosure Number	Reference and Page Links
GRI 417: Marketing and Labelling 2016	Requirements for product and service information and labeling	417-1	For every control brand product we market and sell, we have numerous procedures to ensure that we comply with regulatory and voluntary labelling requirements, which includes but is not limited to country of origin, product content, safe use of the product, marketing and information claims, and other relevant attributes.
	Incidents of non-compliance concerning product and service information and labeling	417-2	Food Retailers FB-FR-270a.1 (p. 79) Food Retailers FB-FR-270a.2 (p. 79)
	Incidents of non-compliance concerning marketing communications	417-3	Food Retailers FB-FR-270a.1 (p. 79) Food Retailers FB-FR-270a.2 (p. 79)
GRI 418: Customer Privacy 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (pg. 51-52) Food Retailers FB-FR-230a.2 (p. 78) Drug Retailers HC-DR-230a.1 (p. 81) Consumer Finance FN-CF-230a.3 (p. 84)
	The management approach and its components	103-2	2022 ESG Report (pg. 51-52) Food Retailers FB-FR-230a.2 (p. 78) Drug Retailers HC-DR-230a.1 (p. 81) Consumer Finance FN-CF-230a.3 (p. 84)
	Evaluation of the management approach	103-3	2022 ESG Report (pg. 51-52) Food Retailers FB-FR-230a.2 (p. 78) Drug Retailers HC-DR-230a.1 (p. 81) Consumer Finance FN-CF-230a.3 (p. 84)
	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Food retailers FB-FR-230a.1 (p. 77) Drug Retailers HC-DR-230a.2 (p. 81) Consumer Finance FN-CF-230a.1 (p. 84)
GRI 419: Socioeconomic Compliance 2016	Explanation of the material topic and its Boundary	103-1	2022 ESG Report (p. 10, 41, 53)
	The management approach and its components	103-2	2022 ESG Report (p. 10, 41, 53)
	Evaluation of the management approach	103-3	2022 ESG Report (p. 10, 41, 53)
	Non-compliance with laws and regulations in the social and economic area	419-1	Food Retailers FB-FR-270a.1, (p. 79) Food Retailers FB-FR-270a.3 (p. 79)

# SASB - Food Retailers and Distributors

Topic	Accounting Metric	SASB Code	2022 Response
Fleet Fuel Management	Fleet fuel consumed	FB-FR-110a.1	1,479,803.87 GJ
	Percentage renewable	FB-FR-110a.1	11% renewable
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	286,806 Metric tonnes (t) CO <sub>2</sub> e
	Percentage of refrigerants consumed with zero ozone depleting potential	FB-FR-110b.2	Approximately 97%
	Average refrigerant emissions rate	FB-FR-110b.3	Full dataset required is unavailable.
Energy Management	1. Operational energy consumed	FB-FR-130a.1	15,556,293 GJ
	2. Percentage grid electricity	FB-FR-130a.1	71.33%
	3. Percentage renewable	FB-FR-130a.1	0.0007% - The company currently works with multiple partners to support the generation of renewable energy into the grid. 62 corporate sites host solar installations in Ontario and one site has a wind turbine in Nova Scotia.
Food Waste Management	Amount of food waste generated	FB-FR-150a.1	We are on a journey to better understand and standardize our waste management data to isolate volumes specific to food waste. In 2022 we identified opportunities to implement improved data reporting so that we can establish an enterprise-wide baseline in 2023. For more information see page 28-30.
	Percentage diverted from the waste stream	FB-FR-150a.1	In 2022, we diverted more than 64,866 metric tonnes. For more information see page 28.
Data Security	1. Number of data breaches	FB-FR-230a.1	The company tracks all incidents related to data security and privacy and that of its key suppliers, and reports to requisite authorities, affected individuals and other parties as required and in accordance with applicable laws. In 2022, the company did not experience any breaches of Loblaw data. The metrics under this code have been prepared under the methodology within the Company's internal policies which provide further guidance on the management of information security risks.
	2. Percentage involving personally identifiable information (PII)	FB-FR-230a.1	N/A
	3. Number of customers affected	FB-FR-230a.1	N/A

Topic	Accounting Metric	SASB Code	2022 Response
Data Security	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	The company has implemented cyber and information security measures, including employee awareness and training, security monitoring and testing, maintenance of protective systems and contingency plans, data loss prevention and strong authentication, all in order to provide in-depth defense and to prevent unauthorized access of confidential information. The company's information security program is subject to internal, external and regulatory audits, and utilizes a number of industry practices around assessing, penetration testing, benchmarking and tracking security control maturity, including the Information Security Forum (ISF) and the Payment Card Industry Data Security Standard (PCI DSS). The company also has two internal policies (Cyber Security Policy and Acceptable Use Policy, which include mobile devices), which provide further guidance on the management of information security risks.
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	We define high risk as those that received a fine. Of the 768 food safety inspections performed by Provincial and Federal regulators in 2022, 0 resulted in fines due to a serious nature of Food Safety violations. Of the 768 food safety inspections, 100% resulted in successful and timely resolutions.
	1. Number of recalls	FB-FR-250a.2	28 national and control brand public food recalls were executed in our stores in 2022.
	2. Number of units recalled	FB-FR-250a.2	We are not able to report this metric. However, stores adhere to a robust product recall process mandating immediate action to secure affected product. The process includes: recall execution reporting, stop sale implementation at check-out (for all-code recalls), a post-recall product check, and third-party audits.
	3. Percentage of units recalled that are private-label products	FB-FR-250a.2	11% of total public food recalls were control brand recalls (3 control brand public food recalls in total). There were no notable public control brand food recalls in 2022 in terms of number of units or related to serious illness or fatality.
Product Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	By year-end 2022, the company offered more than 2,200 control brand products designed to meet customer nutritional and health concerns and preferences regarding ingredients, additives and potential allergens. Products in this category include but are not limited to organic, gluten-free, plant-based, peanut-free, and lactose-free products. Revenue for this product category increased by 16% in comparison to 2021. These products are available at stores across multiple grocery and drug retail divisions, making healthier alternatives available to our customers no matter where they shop with us. For competitive reasons, the company does not disclose category revenue data.

Topic	Accounting Metric	SASB Code	2022 Response
Product Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	The company employs a systematic approach when collecting evidence-based research and seeks the input of scientific advisors for the company's control brand line of products. This process drives and supports the company's decision-making process regarding ingredient standards and sustainability priorities.
Product Labeling & Marketing	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-FR-270a.1	In 2022 we had zero incidents of product labelling non-compliance resulting in legal proceedings.
	Total amount of monetary losses, as a result of legal proceedings associated with marketing and/or labeling practices	FB-FR-270a.2	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs)	FB-FR-270a.3	The company offered more than 650 food and non-food control brand products that are third-party certified to meet Canada's organic standards for customers seeking non-GMO products. Revenue for this product category increased by 1% in comparison to 2021. For competitive reasons, the company does not disclose category revenue data.
	Revenue from products labeled as (2) non-GMO	FB-FR-270a.3	
Labor Practices	1. Average hourly wage	FB-FR-310a.1	In 2022, our full-time and part-time corporate store and distribution centre colleagues had an average hourly rate of \$18.88. When including fringe benefits, the average hourly wage was \$24.82. Our average hourly rate for all full-time only corporate in-store and distribution centre colleagues was \$25.70. Including fringe benefits, excluding bonus, the average hourly rate was \$36.76.
	2. Percentage of in-store and distribution centre employees earning minimum wage, by region	FB-FR-310a.1	80.47% of in store and distribution centre corporate colleagues earn above the provincial minimum wage.
	Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	Across our corporate retail and supply chain network, approximately 79% of our colleagues are covered by collective agreements negotiated with local unions, often affiliated with national and international labour unions.
	1. Number of work stoppages	FB-FR-310a.3	Number of Work Stoppages - one store in Quebec
	2. Total days idle	FB-FR-310a.3	Number of Days Idle - 148
	Total amount of monetary losses, as a result of legal proceedings associated with (1) labor law violations	FB-FR-310a.4	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.



Topic	Accounting Metric	SASB Code	2022 Response
Labor Practices	Total amount of monetary losses, as a result of legal proceedings associated with (2) employment discrimination	FB-FR-310a.4	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	FB-FR-430a.1	The company offers more than 950 control brand products labelled with third-party certification related to environmental and/or social sustainability sourcing standards. Revenue for this product category increased by 6% in comparison to 2021. For competitive reasons, the company does not disclose category revenue data.
	Percentage of revenue from (1) eggs that originated from a cage-free environment	FB-FR-430a.2	The company has established sourcing priorities for various animal proteins, including eggs and pork, to improve animal welfare standards. 100% of shell eggs marketed under our lead control brand, President's Choice®, are cage-free. Approximately 50% of fresh PC® Free From® pork is produced without the use of gestation crates (sow stall free). More information in the Animal Welfare section (p. 60) of the 2022 ESG report.
	Percentage of revenue from (2) pork produced without the use of gestation crates	FB-FR-430a.2	The company has established sourcing priorities for various animal proteins, including eggs and pork, to improve animal welfare standards. 100% of shell eggs marketed under our lead control brand, President's Choice®, are cage-free. Approximately 50% of fresh PC® Free From® pork is produced without the use of gestation crates (sow stall free). More information in the Animal Welfare section (p. 60) of the 2022 ESG report.
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	Review the Governance section of the 2022 ESG report (p. 60-62) for more information on the company's sourcing priorities relating to identified environmental and social risks, including animal welfare.
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	The company has undertaken many initiatives over the years to reduce the environmental impact of our packaging. In 2019, the company announced a target to ensure all control brand and in-store plastic packaging is either reusable or recyclable by 2025. More information is available in the Plastics section of the 2022 ESG report (p. 25-27).
Activity metrics	Number of (1) retail locations	FB-FR-000.A	2,400 stores and pharmacies
	Number of (2) distribution centres	FB-FR-000.A	25
	Total area of (1) retail space	FB-FR-000.B	More than 72.2 million square feet inclusive of corporate, franchised, and associate-owned stores. For more information see 2022 Annual Information Form (p. 8).
	Number of vehicles in commercial fleet	FB-FR-000.C	294 class 8 trucks

# SASB - Drug Retailers

Topic	Accounting Metric	SASB Code	2022 Response
Data Security and Privacy	Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	HC-DR-230a.1	<p>Pharmacy teams follow all applicable policies and regulations in place to secure customers' PHI and PI including, but not limited to, end to end management of PHI and PI, privacy awareness and training, consent management and security safeguards. Pharmacists have a professional responsibility to appropriately safeguard this information, and all Pharmacy team members must always demonstrate the utmost responsibility for its use and protection. Standard Operating Procedures (SOPs) are in place to outline expectations. Only individuals who have been authorized access to the dispensary by the Associate or Pharmacy Manager are permitted to enter the Pharmacy after having signed a required confidentiality agreement.</p> <p>If an incident occurs, the Company has robust a SOP to ensure appropriate action is taken by the Pharmacist. Shoppers Drug Mart (SDM) Pharmacy Owners and Loblaw Companies Limited (LCL) Pharmacy Managers, along with regional resources and other eligible roles undergo mandatory annual compliance training to ensure incidents are appropriately managed and reported. Some elements of the compliance training include Patient notifications, recovery of PI or PHI and implementing any associated corrective action plans to reinforce existing SOPs.</p>
	1. Number of data breaches	HC-DR-230a.2	The Company's designated health practitioners report any data breaches as required under applicable laws and regulations.
	2. Percentage involving (a) personally identifiable information (PII) only and (b) protected health information (PHI)	HC-DR-230a.2	N/A
	3. Number of customers affected in each category (a) PII only and (b) PHI	HC-DR-230a.2	N/A
	Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	HC-DR-230a.3	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.

Topic	Accounting Metric	SASB Code	2022 Response
Data Security and Privacy	Description of efforts to reduce the occurrence of compromised drugs within the supply chain	HC-DR-250a.1	<p>The Company maintains a quality management system and drug establishment license to wholesale drug products to pharmacies in Canada. Internal regulatory controls are implemented at each step of the supply chain process and are managed with oversight by the Health Products Quality, Regulatory and Compliance (HPQRC) internal team. The HPQRC team performs annual regulatory audits on the warehousing and transportation of drug products. The implemented recall management system ensures rapid action to control all recalled product according to the depth and type of recall. Technical quality agreements are in place with drug manufacturers that meet drug regulations. Manufacturers are qualified by the HPQRC team to ensure the establishment and product are appropriately licensed to market in Canada. The warehouse management and inventory control systems are validated and meet regulatory standards. There is a robust regulatory complaint reporting system in place to monitor post-market occurrences. The same regulatory approach is taken for control brand and national brand products. The Company continues to uphold its compliant rating since its last Health Canada initiated audit in 2020.</p> <p>Over and above Health Canada drug recall notices and advisories issued to healthcare professionals, the Company implements an internal clinical assessment for recalls that are not assigned a ‘Patient Level’ (i.e., manufacturer’s recall notice does not require pharmacies to follow up with Patients) and where potential for adverse effects or negative health outcomes exist. Pharmacy teams are advised to follow up with Patients and manage recall next steps.</p>
Drug Supply Chain Integrity	Number of drug recalls issued	HC-DR-250a.2	Specific to Pharmacy recalls, in total 27 recalls (including 51 UPCs) were executed in 2022. In addition, there were 6 Recalls executed for our Wellwise sites.
	Total Units Recalled	HC-DR-250a.2	The Company does not formally track this data at this time.
	Percentage for private-label products	HC-DR-250a.2	Zero percent of recalls involved private label products.
	Percentage of controlled substance prescriptions dispensed for which a prescription drug monitoring program (PDMP) database was queried	HC-DR-260a.1	Data not available; Eligible prescriptions go through each provincial PDMP as set out by provincial pharmacy regulations. This metric cannot be calculated at the enterprise level due to reporting system limitations to identify prescriptions that have been excluded from a PDMP in accordance with the regulations and contracts with provincial Drug Information Service (DIS) where available.
	Total amount of monetary losses as a result of legal proceedings associated with controlled substances	HC-DR-260a.2	All material legal proceedings are outlined in the Annual Report Management’s Discussion and Analysis under the Operating Risks and Risk Management section.

Topic	Accounting Metric	SASB Code	2022 Response
Patient Health Outcomes	First fill adherence rate	HC-DR-260b.1	The Company is not prepared to disclose first fill adherence at this time.
	Description of policies and practices to prevent prescription dispensing errors	HC-DR-260b.2	SDM Pharmacy Owners and LCL Pharmacy Managers, along with regional resources and other eligible roles undergo an annual mandatory compliance training and annual sign-off in addition to the Company's SOPs on General Protocols for Handling Pharmacy Incidents and Privacy Breaches. These protocols are in place to provide guidance on the prevention and management of incidents to promote Patient safety. In addition to Pharmacy Provincial regulations in place for incident reporting, internal reporting of near misses and medication incidents is in place through a central internal incident management recording and continuous quality improvement (CQI) program which includes documentation of incidents, root cause analysis and corrective and preventative action plans. As an internal compliance measure, the Company annually actions the top percentage of incident contributing factors through continuous quality improvement projects and awareness initiatives. More information on Patient safety included on page 58.
	Total amount of monetary losses as a result of legal proceedings associated with prescription dispensing errors	HC-DR-260b.3	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.
Activity metrics	Number of pharmacy locations	HC-DR-000.A	Approximately 1,800 retail pharmacies.
	Total area of retail space	HC-DR-000.B	Please refer to FB-FR-000.B
	Number of prescriptions filled	HC-DR-000.C	169.1 million prescriptions filled.
	Percentage for controlled substances	HC-DR-000.C	6.6% of prescriptions involved controlled substances.
	Number of pharmacists	HC-DR-000.D	Over 8,600 pharmacists are part of the Shoppers Drug Mart® and Loblaw network.

# SASB - Consumer Finance

Topic	Accounting metric	SASB Code	2022 Response
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	The Bank uses customer information to monitor and track behaviour to mitigate potential risk of default, fraudulent activities, and offer targeted enhancement of its product. The information is also used to improve the Bank's service and product offerings. Account holder information is not sold to affiliates or non-affiliates.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.
	1. Number of data breaches	FN-CF-230a.1	The Bank reports any data breaches as required under applicable laws and regulations.
	2. Percentage involving personally identifiable information (PII)	FN-CF-230a.1	N/A
	3. Number of account holders affected	FN-CF-230a.1	N/A
	Card-related fraud losses from (1) card-not-present fraud	FN-CF-230a.2	The Bank reports any fraud related incidents as required under applicable laws and regulations.
	Card-related fraud losses from (2) card-present and other fraud	FN-CF-230a.2	
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	The Bank has implemented cyber and information security measures, including employee awareness and training, security monitoring and testing, maintenance of protective systems and contingency plans, data loss prevention and multi-factor authentication, all in order to provide in-depth defense and to prevent unauthorized access of confidential information. The Bank's information security program is subject to internal, external and regulatory audits, and utilizes a number of industry practices around assessing, penetration testing, benchmarking and tracking security control maturity, including the Information Security Forum (ISF) and the Payment Card Industry Data Security Standard (PCI DSS). The Bank has three internal policies (Cyber and Information Security Policy, Acceptable Use of IT Assets Policy and Acceptable Use of Mobile Devices Policy), which provide further guidance on the management of information security risks.

Topic	Accounting metric	SASB Code	2022 Response
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	FN-CF-270a.1	The Bank ensures that the remuneration of its officers and employees in Canada - and of any person who offers or sells its products or services in Canada - as well as any payment or benefit that the Bank offers to them, does not interfere with the person's ability to comply with the policies and procedures as required under applicable laws and regulations.
	Approval rate for (1) credit with FICO scores above and below 660	FN-CF-270a.2	The approval rate for credit applicants with FICO scores above 660 is 99%. The approval rate for credit applicants with FICO scores below 660 is 47%.
	Approval rate for (2) pre-paid products for applicants with FICO scores above and below 660	FN-CF-270a.2	100% of all pre-paid product applicants are approved.
	1. Average fees from add-on products, for customers with FICO scores above and below 660	FN-CF-270a.3	The Bank has an established risk policy and governance framework to mitigate and manage credit risk.
	2. Average APR, for customers with FICO scores above and below 660	FN-CF-270a.3	
	3. Average age of accounts, for customers with FICO scores above and below 660	FN-CF-270a.3	
	4. Average number of trade lines, for customers with FICO scores above and below 660	FN-CF-270a.3	
5. Average annual fees for pre-paid products, for customers with FICO scores above and below 660	FN-CF-270a.3		

Topic	Accounting metric	SASB Code	2022 Response
Selling Practices	1. Number of complaints filed with the Consumer Financial Protection Bureau	FN-CF-270a.4	For a consumer to resolve a complaint they have with their bank, the Financial Consumer Agency of Canada (FCAC) requires that a consumer must follow their bank's complaint-handling procedure. The FCAC does not resolve complaints, nor is it mandated to provide redress or compensation. The Bank is committed to resolving consumer complaints fairly and in a timely manner. We value consumer feedback and encourage consumers to contact us with their complaints to give us an opportunity to resolve their concerns. The highest internal level of the Bank's complaint handling procedure is the PC Financial Complaint Appeal Office, which was the President's Choice Bank Ombudsman prior to June 30, 2022. In 2022, the PC Financial Complaint Appeal Office / President's Choice Bank Ombudsman dealt with 42 complaints in 2022. Of those 42 complaints, 12 were resolved to the satisfaction of the consumer making the complaint.
	2. Percentage with monetary or non-monetary relief	FN-CF-270a.4	
	3. Percentage disputed by consumer	FN-CF-270a.4	
	4. Percentage that resulted in investigation by the CFPB	FN-CF-270a.4	
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	All material legal proceedings are outlined in the Annual Report Management's Discussion and Analysis under the Operating Risks and Risk Management section.
Activity metrics	Number of unique consumers with an active (1) credit card account	FN-CF-000.A	Over 2.1 million active credit card accounts.
	Number of unique consumers with an active (2) pre-paid debit card account	FN-CF-000.A	Over 0.2 million active pre-paid debit card accounts.
	Number of (1) credit card accounts	FN-CF-000.B	Over 5.4 million credit card accounts.
	Number of pre-paid debit card accounts	FN-CF-000.B	0.5 million pre-paid debit card accounts.

# SASB - Apparel, Accessories and Footwear

Topic	Accounting Metric	SASB Code	2022 Response
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	2022 ESG Report (p. 57, 59-60, 62)
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	2022 ESG Report (p. 57, 59-60, 62)
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	All suppliers are expected to understand and conduct business operations in accordance with all national and local environmental laws, standards, regulations, administrative practices and policies. This includes wastewater discharges.
	Percentage of (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	
	Percentage of (1) Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	50% of our 2022 product (measured at cost) was produced by Tier 1 factories who reported completing the Higg Facility Environmental Module in 2022.
	Percentage of (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	67% of our Tier 2 factories reported completing the Higg Facility Environmental Module in 2022.



Topic	Accounting Metric	SASB Code	2022 Response
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities that have been audited to a labor code of conduct	CG-AA-430b.1	Our expectations are set out in our Supplier Code of Conduct, which includes standards related to ethical conduct, compliance with laws and regulations, working conditions, worker safety, and forced and child labour, among other topics. Our team of audit compliance managers and production auditors ensure that workplace condition assessments are conducted to our standards, and that our products are sourced from approved factories. Audits are conducted by a third-party auditor. Any findings from these audits will be monitored and resolved in accordance with the enterprise supply chain compliance program. For more information, refer to page 56.
	Percentage of (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct	CG-AA-430b.1	
	Percentage of (3) total audits conducted by a third-party auditor	CG-AA-430b.1	
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	
Labor Conditions in the Supply Chain	Description of the greatest (1) labor risks in the supply chain	CG-AA-430b.3	2022 ESG Report (p. 53-62)
	Description of the greatest (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	2022 ESG Report (p. 53-62)
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	2022 ESG Report (p. 53-62)
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	Our 2022 product used 79 MT of Primaloft insulation made from post-consumer recycled material, 778 MT of Better Cotton, 416 MT of GOTS organic cotton, 67 MT of Global Recycle Standard (GRS) Certified Repreve recycled fiber, and 284 MT of GRS Certified recycled polyester. <sup>1</sup>
Activity Metric	Number of (1) Tier 1 suppliers	CG-AA-000.A	Our 2022 product was sourced from 83 Tier 1 suppliers.
	Number of (2) suppliers beyond Tier 1	CG-AA-000.A	Our 2022 product was sourced from 27 Tier 2 suppliers.

<sup>1</sup> calculated using estimated total fabric used in production in yards

# Independent practitioner's limited assurance report on select performance metrics as presented in Loblaw Companies Limited's 2022 Environmental, Social and Governance Report



## To the Directors and Management of Loblaw Companies Limited

We have undertaken a limited assurance engagement of the select performance metrics detailed below (the "subject matter") and presented in Loblaw Companies Limited's 2022 Environmental, Social and Governance Report (the "Report") for the year ended January 2, 2021 and the year ended December 31, 2022.

Our limited assurance engagement was performed on the following selected performance metrics from December 29, 2019 to January 2, 2021 ("2020 Value") and January 2, 2022 to December 31, 2022 ("2022 Value"):

Selected Performance Metric	Criteria	2020 Value (T. CO2eq.)	2022 Value (T. CO2eq.)	Report Page
Scope 1 GHG emissions	Greenhouse Gas Reporting Protocol and Management internally developed criteria as disclosed in the Loblaw Companies Limited 2022 ESG Report	691,679	623,613	15
Scope 2 GHG emissions	Greenhouse Gas Reporting Protocol and Management internally developed criteria as disclosed in the Loblaw Companies Limited 2022 ESG Report	429,413	407,217	15

## Management's responsibility

Management is responsible for the preparation of the subject matter in accordance with the following criteria as disclosed in the table above ("the applicable criteria"):

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition; and
- Management's internally developed criteria.

Management is also responsible for selecting the applicable criteria used. 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 Report 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 and 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 Companies Limited's subject matter for the year ended January 2, 2021 and the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the applicable criteria.

## Purpose of statement and restriction on distribution and use of our report

The subject matter has been prepared in accordance with the applicable criteria to assist Loblaw Companies Limited 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 Companies Limited.

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants  
Vancouver, British Columbia  
July 26, 2023

