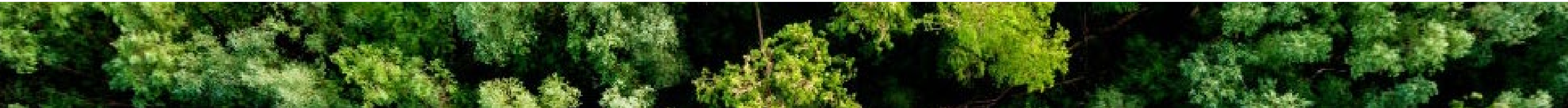


Corporate Social Responsibility Report²⁰¹⁸



About This Report



As Canada's food and pharmacy leader, we play an important role in bringing about positive environmental and social change – both nationally and in the communities we serve. We aspire to be stewards in these areas, and want our stakeholders, shareholders and the public-at-large to understand what we are doing to address some of the pressing challenges facing Canadian consumers.

In this, our 12th annual Corporate Social Responsibility (CSR) report, we provide both a retrospective look at our CSR objectives, and introduce new goals that we will strive to achieve. We outline aspects of our CSR governance framework that help keep us accountable and focused on the issues that matter most to our customers, and set out our progress relative to three important pillars:

Environment

- We are committed to reducing the environmental impact of our operations, and recognize that we can have a considerable impact on the environment by improving our approach to waste management, energy consumption, packaging, transportation and refrigerant efficiency.

Sourcing

- Our customers expect the products we sell to be safe and responsibly sourced. This means upholding our values throughout our supply chain, promoting safe and sustainable products and supporting Canadian suppliers.

Community

- We want to make a positive difference in our communities with a focus on tackling childhood hunger, putting women's health first, funding research that advances solutions to sustainable food challenges, promoting health and wellness and giving back to the communities we serve.

For More Information

This report represents our CSR progress within our corporate operations in 2018. For CSR-related inquiries, please contact us at csr@loblaw.ca. For the latest updates regarding our progress, follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#).

About Loblaw

Loblaw Companies Limited (“Loblaw” or the “Company”) is Canada’s food and pharmacy leader, the nation’s largest retailer, the developer of Canada’s top control brand portfolio and a trusted health and wellness partner to millions of Canadians.

From coast to coast, our community-based network of more than 2,400 corporate and independently operated stores and pharmacies provide customers with grocery, health and wellness, beauty, apparel, general merchandise, financial services and wireless mobile products and services – many with digital elements designed specifically to meet the needs of consumers and underpinned by the *PC Optimum* loyalty program.

We are guided both strategically and socially by a unified company purpose – *Live Life Well*. Every day, this purpose comes to life across our five divisions:

Visit [Loblaw.ca](https://www.loblaw.ca)



DISCOUNT

JOE FRESH



MARKET

SHOPPERS
DRUG MART



FINANCIAL



Message to Stakeholders

Thank you for taking the time to read the Loblaw Corporate Social Responsibility (CSR) report for 2018.

Through 100 years, Loblaw has always been a family business, and I am proud to be the third generation of my own family's leadership of a company that puts first the needs and well-being of Canadians. As a generational business, long-term trends – whether social, demographic or environmental – matter. We have a responsibility to our Company, and to the communities and country in which we operate. More than abstract concepts, they shape how we think about the business we will leave for those who follow and they form the foundation of our CSR commitments.

This report offers our customers, stakeholders and colleagues a holistic view of those efforts, and their impact on the communities we serve. In the following pages, you will find updates related to our three CSR pillars – Environment, Sourcing and Community – and evidence that we are having a meaningful impact on the issues that matter most.

In this report, you will read about:

- Our carbon reduction strategy. You will see that we've already achieved our objective to reduce our carbon footprint by 20% by 2020 through reduced electricity consumption, lighting retrofits, refrigerant improvements and more. Given this success, we have turned our attention to the loftier goal of reducing our footprint by 30% by 2030, and we are optimistic about meeting this commitment.
- Our plan to help reduce food waste by 50% by 2025 by improving our diversion rates at our stores and distribution centres. While recent research* demonstrates the relatively low levels of food waste generated by retailers, we intend on playing a leadership role within our industry by delivering meaningful commitments.

*Second Harvest research

- Our ongoing commitment to improving working conditions in the facilities that produce our products. We were one of the first signatories of the original Accord on Fire and Building Safety in Bangladesh, and we were once again among the first to sign the Transition Accord to ensure there is no momentum lost in Bangladesh.
- Our considerable investment in the health and wellness of Canadians. Through President's Choice Children's Charity, we are improving food education and accessibility for hundreds of thousands of Canadian children. Through the *Shoppers LOVE. YOU.*™ program, we are making a difference in the lives of Canadian women, helping them put their health first.

I am pleased with our progress, not only because of how hard our colleagues work to deliver these results, but because we are delivering on our financial commitments at the same time. This combination was long thought to be impossible, but we are demonstrating that forward-looking efforts like those you will read about in this report, actually drive shareholder returns.

Simply put, growth and prosperity do not need to come at the expense of sustainability, and we have adopted this mentality across our organization as we build a business that we can be proud of both today, and for the generations that follow.



Galen G. Weston
Executive Chairman

“

Growth and prosperity do not need to come at the expense of sustainability...

”



Stakeholder Engagement



Stakeholder engagement is an essential part of our CSR strategy to better understand the priorities and concerns of Canadians.

What our customers told us

We worked with an independent, third-party research firm to conduct an online survey of Canadian consumers to better understand what issues matter most to our customers, and gauge our progress relative to several areas of concern.

The 2018 survey results showed Canadians continue to expect good value and fair pricing, followed closely by a number of values-based expectations, including trustworthiness, honesty, transparency and integrity.

What our other stakeholders told us

We conducted a materiality assessment of our CSR report with a panel of influential stakeholders to help us better understand the impact of the reports. This assessment included surveys and interviews with senior representatives from many of our key suppliers, as well as academic institutions, sustainability research firms and industry associations.

What we learned from the assessment is that our key stakeholders believe our scope and size afford us the unique opportunity to lead our industry in the adoption of more sustainable business practices.



An aerial photograph of a dense, lush green forest with sunlight filtering through the canopy.

Environment

We are pleased to report significant progress against the Environment pillar of our CSR strategy, specifically in the areas of carbon reduction, climate change risk mitigation, and waste reduction related to food, plastics, packaging and textiles.

Reducing our carbon footprint

We recognize the growing environmental impacts of greenhouse gas (GHG) emissions, and are committed to being part of the solution. We believe carbon reduction goals can be achieved without sacrificing economic growth.

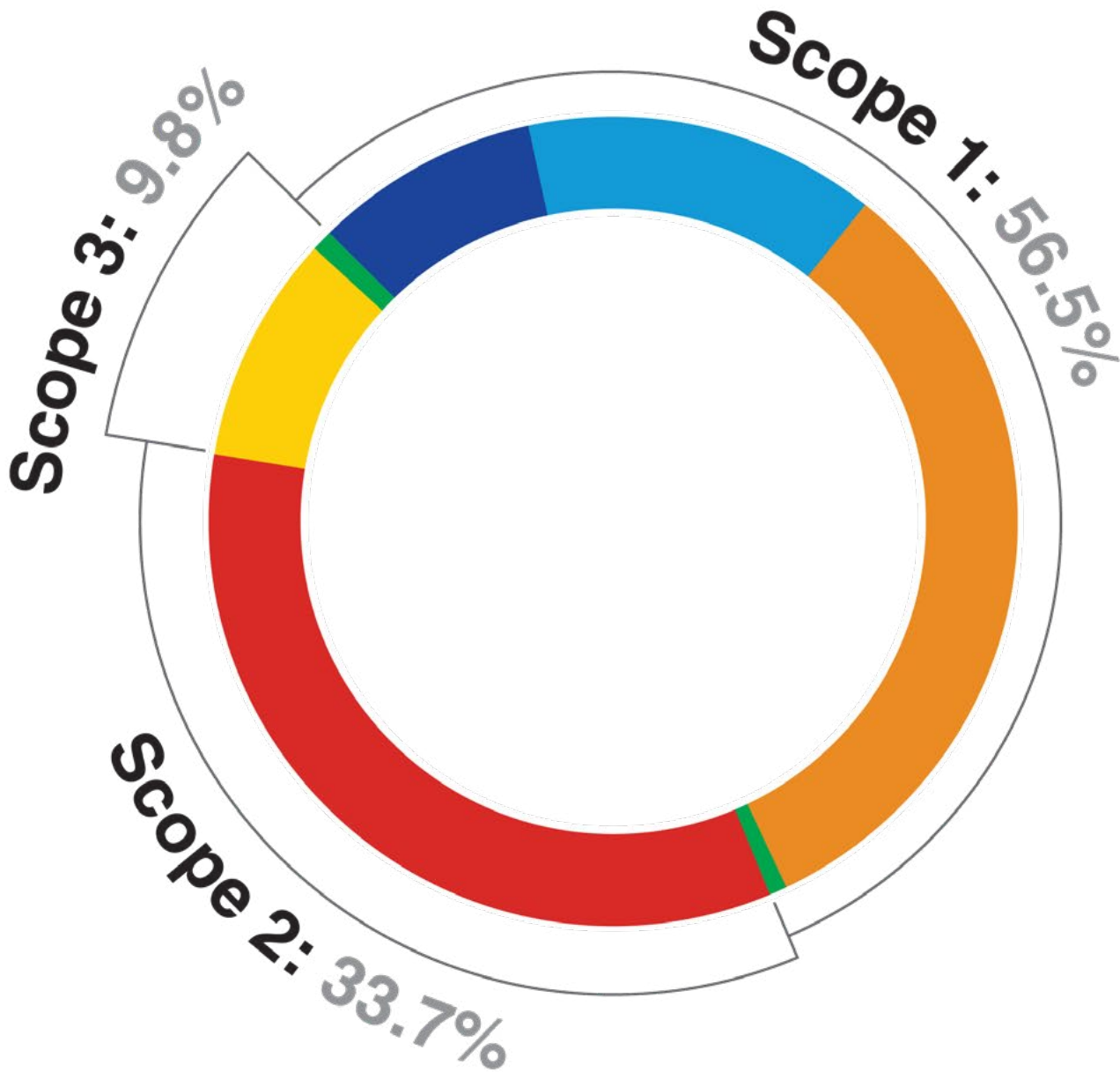
In 2016, we committed to reduce our carbon footprint by 20% by 2020 and by 30% by 2030 relative to our 2011 baseline. We are pleased to have achieved our 2020 reduction target in 2017, and are now focused on our 2030 objectives through improved energy management, refrigerant and waste reduction and transportation efficiency.

In 2018:

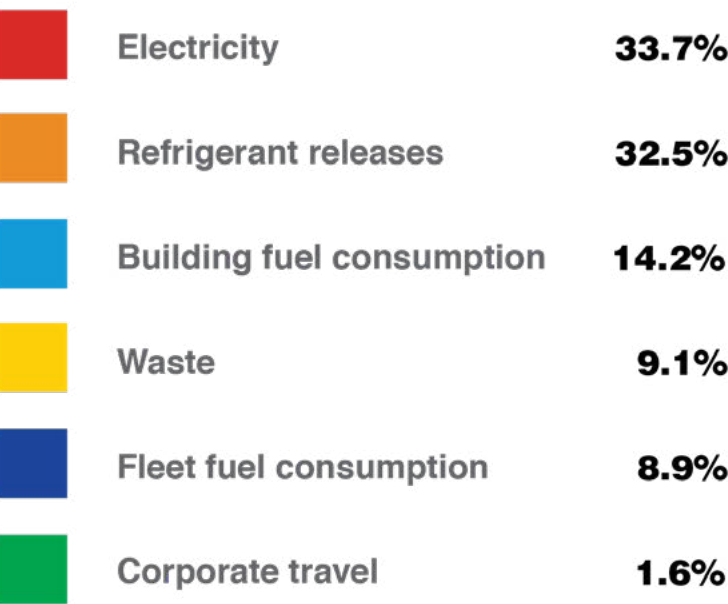
- We achieved a reduction of 26.1% in absolute carbon emissions relative to our 2011 baseline, and are set to deliver reductions in line with Canada's national targets.
- We piloted the conversion of refrigeration systems in our stores to lower global warming potential (GWP) hydroflouroolefin (HFO) blends for refrigeration; these stores were previously using high GWP hydrofluorocarbon (HFC) refrigerants.
- We maintained our refrigerant leak-checking program across our network.
- We converted fluorescent lighting to LED lighting in 166 stores and 473 *Shoppers Drug Mart* locations.
- We added doors to open-air refrigeration units in 30 stores.
- We diverted waste by 66.6% from our corporate stores and by 90% from our distribution centres.

Managing climate change-related risk

As we continue to make good progress against our carbon reduction goals, we are increasingly being asked by our customers, investors and colleagues about how we are managing the impacts of climate change. To that end, we will undertake a climate risk scenario analysis in 2019. This assessment will help us better understand the expected impacts of climate change, and how these impacts will affect day-to-day operations across our business.



852,444* tonnes CO₂e

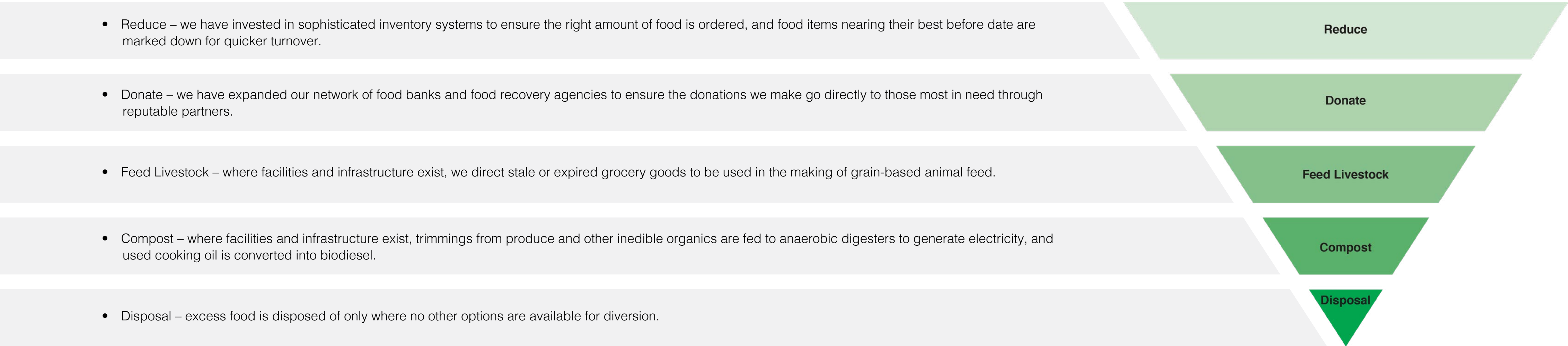


Note: Data does not include Shoppers Drug Mart/Pharmaprix, franchised stores and T&T Supermarkets.
* Emissions are calculated by The Delphi Group and follow the Greenhouse Gas Reporting Protocol.

Food loss and waste

Reducing food waste is complicated. Although some degree of waste is unavoidable, a large part of it is unnecessary and unacceptable. We are tackling food waste head-on with an ambitious plan to reduce or divert the waste we produce by 50% by 2025, measured against a 2016 baseline.

With a clear target and action plan in place, we have taken the first steps on this critical journey to help close the gap between hunger and waste, and get food to the right places through our innovative programs. We are working in various stages of the value chain to have the most meaningful impact across these five streams:



We have curbed food waste and introduced new operational controls as part of our food waste strategy. Another key part of that strategy is food donations, which we have almost doubled since 2016.



Plastics

We understand that customers expect us to take a leadership role in the management of plastic waste. In 2018, we became a founding member of the [Circular Economy Leadership Coalition](#) (CELC), which encourages and enables collaboration among industries, experts, communities and all levels of government in the development and implementation of new circular economy solutions.

A circular economy introduces a closed-loop approach whereby nothing is wasted. Through innovation, items are designed for durability, repair and reuse, waste is designed out of the system and recycled materials flow back into the system as valuable inputs. These approaches help reduce the demand for raw resources and promote sustainability principles.

We are working to embed circular economy solutions into our business to meaningfully reduce the amount of packaging we use, while not compromising the integrity of our products and food safety.



Fibre packaging commitment

We recognize the importance of sustainably sourced materials and reducing our private-label packaging footprint. In 2014, we made a commitment to source all of the fibre used in our private-label packaging – including corrugated boxes, trays, folding cartons and paperboard trays – from recycled content and/or certified sustainably managed forests. These efforts help ensure that paper packaging is procured in a responsible manner. By creating demand for these materials, we can help protect our forests for future generations. We are proud to report that, by year-end 2018, 96.7% of the fibre used in our supply chain comes from these sources.



Reducing textile waste

To help address the issue of textile waste, we have partnered with the [George Brown College Fashion Exchange](#) – a hub for sustainable fashion design in Canada. Through this partnership, George Brown College will explore innovative new textile recycling methods, with the hope of developing practical solutions to help manage this challenge.



Sourcing

We want to be recognized as a leader in social responsibility and respond to the needs and expectations of our consumers. To achieve this, our focus has been on the efficiency of our supply chain and commitments to food safety, animal welfare and sustainability.

Supply chain safety and transparency

We have taken significant steps to improve safety and transparency within our international supply chain, specifically as it relates to apparel manufacturing and materials procurement.

Bangladesh

- In 2013, we signed the [Accord on Fire and Building Safety in Bangladesh](#) (the “Accord”), and subsequently signed a Transition Accord in 2017 to help maintain the momentum generated by the original agreement.
- The Accord has resulted in a meaningful improvement in working conditions for more than 2 million garment workers in Bangladesh, with inspection and remediation activities undertaken in more than 1,600 factories.



Globally

- Where Loblaw is the importer of record, offshore factories must conduct an annual workplace conditions assessment. Loblaw also mandates fire and structural safety assessments in Southeast Asia and in other markets.
- A team of audit compliance managers and production auditors are working to ensure these assessments occur, and that they reinforce worker rights and safety, support factory improvement initiatives and confirm our products are sourced from approved factories.



Enhanced supplier transparency

- A list of factories that supply our apparel and footwear is published at [Loblaw.ca](#).
- This list is updated twice a year to ensure it is current, relevant and meaningful.

Raw material sourcing

- Joe Fresh signed a pledge to not use cotton produced in Uzbekistan in 2013 and extended this pledge to include Turkmenistan in 2017 due to widespread evidence that these countries employ child labour during their cotton harvests.
- Joe Fresh has also banned the sourcing or use of mohair (angora goat) and angora hair (angora rabbit) due to animal welfare concerns.





Quality assurance and food safety

Our quality assurance and food safety standards and processes ensure the products we sell are safe. They are among the most rigorous in our industry, and impact every aspect of the food chain – from ingredient supplier, to processor, to our supply chain and distribution chain.

- As Loblaw is a major importer of food into Canada, we have built a robust data management system to ensure compliance and oversight of the certification and traceability requirements. In 2018, we increased our ability to ensure that our products come from certified food safe sites. Under this new program, our suppliers have reached a certification rate higher than 90%.
- In 2018, we expanded our recall process to include timely messaging to our *PC Optimum* and *PC Express*[™] loyalty customers.

no name[®] Simple Check[™]

Our customers care about the ingredients used in their food. That's why we created the no name[®] *Simple Check* symbol. The *Simple Check* symbol helps easily identify no name[®] products without these ten ingredients: synthetic colours, artificial flavours, MSG, BHA/BHT/TBHQ, hydrogenated oils, artificial sweeteners, sugar alcohols, azodicarbonamide, polydextrose and brominated vegetable oils. We offer more than 60 products with the no name[®] *Simple Check* symbol, and are actively expanding the selection.

Animal welfare

Although we do not play a direct role in animal husbandry or processing, we work closely with our suppliers to ensure these practices are undertaken in accordance with government and industry guidelines.

Our actions are informed by our engagement with the [National Farm Animal Care Council](#) (NFACC), our customers' expectations, industry best practices, supplier relationships and the guidance and support of leading scientific advisors – all of which are reflected in our [Animal Welfare Principles](#).

Sustainable beef

In 2017, the [Canadian Roundtable for Sustainable Beef](#) (CRSB) developed the Certified Sustainable Beef Framework, a tool to certify farms, ranches and processing facilities relative to Canadian beef sustainability standards. The mission of the CRSB's Framework is to drive the advancement and recognition of beef sustainability in Canada through a world-class certification program.

We have played an important role in the development of this framework, helping to develop sustainability standards, certification processes and marketing and communication guidelines. In 2018, we participated in the Canadian Beef Sustainability Acceleration (CBSA) pilot project. The pilot traced beef from farms audited to the CRSB's sustainability standards through the supply chain, to showcase sustainable beef initiatives in Canada.



PC® Free From®

In 2007, we introduced the *PC Free From* line of products and we now offer more than 250 beef, pork, poultry and lamb products across our fresh, frozen, grocery, deli and prepared-item departments. We work with farmers who use innovative farming practices, ensuring our *PC Free From* animals are raised without the use of antibiotics and hormones*.

In 2018, we continued to grow our *PC Free From* offering, adding another 37 products across our network with *PC Free From* options now also found in *Maxi*®, *No Frills*® and *Shoppers Drug Mart*® stores.

*All pork, lamb, chicken and turkey is raised without the use of hormones

Locally grown produce

We take great pride in offering an expanded array of Canadian-grown fresh fruits and vegetables. Guided by a focus on innovation and opportunity, we have committed to increase our Canadian-grown produce purchases by \$150 million by 2025 via a shift from imports to local. By buying more from home, we can deliver higher quality and fresher products to customers all while reducing our carbon footprint and investing in Canada's farming communities. In 2018, nearly 50% of our produce purchases during peak local growing season were sourced from Canadian growers.





Community

Loblaw is proud to be a significant employer across Canada, and we are committed to contributing to the well-being of Canadians through the products and services offered in our stores. Our efforts centre on the promotion of health and wellness, and on giving back to the communities where we operate.

Investing in health and wellness

Our grocery stores and pharmacies are a powerful combination, and together make health and wellness more convenient and accessible to millions of Canadians. Our network of pharmacies support customers with medication management, illness prevention, treatment and overall health management.

In 2018:



*Data does not include Loblaw pharmacies in the province of Quebec.

Investing in our people

The Company’s success and leadership are all because of the great people we have working in our stores, distribution centres, pharmacies and offices in communities across Canada.

In 2018:

- We hired more than 18,000 people. Hundreds of these hires were to fill new roles that reflect new points of our business, such as data and analytics, development operations, computer science, automation, artificial intelligence and more.
- Our colleagues completed more than 120,000 training modules.
- Our Diversity and Inclusion Council expanded to more than 100 members across all five of our operating divisions and our support centre offices. The Council and its members embed inclusive beliefs and strategies into our business relative to four priorities: Disabilities, Gender, LGBTQ+ and Multicultural and Aboriginal.
- We have 42% female representation on our [Board of Directors](#).
- We review pay equity on a regular basis and continue to be committed to pay equity on like-positions and levels across the organization. We have identified specific areas of focus, and have action plans in place.
- Loblaw Digital was recognized as one of Toronto’s top 10 desirable brands for tech workers by Hired, a U.S.-based job search website. Loblaw Digital was awarded this distinction after only five years of operation.
- More than 30,000 colleagues celebrated service anniversaries of 10 years or more.
- We were recognized as one of Canada’s Top Employers for the 11th consecutive year, and one of Canada’s Top Diversity Employers for the ninth consecutive year by Mediacorp.



We are committed to investing in our colleagues to ensure their continued growth and development, and to serve our customers even better.

**President’s Choice Children’s Charity:
A \$150 million commitment to Canadian children**

For 30 years, President’s Choice Children’s Charity (the “Charity”) has been making a difference in the lives of Canadian children. In 2018, the Charity shifted its focus to put the power of food into the hands of Canadian children. With a commitment of granting \$150 million over the next 10 years, the Charity is now solely focused on tackling childhood hunger and delivering nutrition education to children in Canada.

In 2018:

- The Charity reached more than 640,000 children with food and food-based education, and since 2008, has granted \$54 million toward nutrition programs.
- For the 2018/19 academic year, the Charity provided grants to more than 2,500 schools and helped to feed nearly 400,000 students, becoming one of Canada’s largest charitable funders of school meal programs.
- The Charity co-developed a nutrition curriculum and the [WE Eat Well](#) campaign with WE Charity for their WE Schools Program to help bring food education to Canadian children.
- The Charity established a new innovation grant to address systemic barriers that limit food access and provide educational and leadership opportunities for youth. The [first grant](#) was in support of a modular farm. The high-efficiency greenhouse set up for vertical farming was presented to students at Dene High School in La Loche, Saskatchewan, a northern and rural community where fresh food can be tough to access year-round. The students have been learning how to plant, grow, harvest and prepare their produce to serve in their school nutrition program and for their community.



“ In a country as prosperous as Canada, it is unacceptable that so many children go unfed or underfed daily. ”

- Sarah Davis, President, Loblaw Companies Limited, and Chair, President’s Choice Children’s Charity



Shoppers LOVE.YOU.™: Putting women's health first

The Shoppers Drug Mart Life Foundation has a long history of making a difference in the lives of women in Canada. Through the *Shoppers LOVE. YOU.* program, we encourage Canadian women to make their own health a priority, and connect them with the expertise of our partners at leading women's health organizations across Canada.

In 2018:

- More than 22,500 runners participated in the *Shoppers LOVE. YOU.* Run for Women. Through the 17 different events, more than \$2.3 million was raised and donated to local organizations across Canada to provide women's mental health programming directly to those who need it most.
- We partnered with the [Heart & Stroke Foundation](#) to transform women's heart and brain health in Canada. Through a three-year partnership, we will build awareness of the leading cause of premature death of women in Canada, and empower women to protect their heart health. Together, we will start to close the gender gap and save lives.
- We partnered with the [Centre for Addiction and Mental Health](#) (CAMH) to develop an evidence-based [mental health online toolkit](#) that allows women to self-assess their current mental health, and even return to it to assess progress.



In 2018, through the *Shoppers LOVE. YOU.* program, more than \$9.3 million was raised and donated to community and charitable organizations benefiting women across Canada.

Weston Seeding Food Innovation Fund

Loblaw Companies Limited and George Weston Limited have partnered to provide seed funding for interdisciplinary research to increase the production of food and other agricultural products that will feed and nourish our growing population in ways that are environmentally, economically and culturally sustainable. Research outcomes are meant to advance issues of concern in Canada and abroad.



Since 2016, 20 projects from universities and colleges across Canada have each received seed funding of up to **\$250,000** for research and innovation.



Our charitable impacts

We undertake several charitable activities which underpin our community-oriented approach to CSR. Our principal charitable activities center on tackling childhood hunger and educating children about nutrition, putting women’s health first and local charitable giving. In 2018, with the help of our customers, colleagues, employees and business partners, we were able to raise and donate more than \$77 million to charities and non-profits across Canada.

Food banks and food recovery agencies

\$26.3
million



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



feeding hungry minds

\$17.7
million

President's Choice Children's Charity provides funding for schools to deliver nutrition programs across Canada ensuring children have the energy to focus and learn. The Charity also provides grants to local, not-for-profit organizations for programs that focus on food education and cooking skills, teaching children the importance of nutrition so they can make better choices.

Gift card discounts

\$4.1
million



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

\$4.3
million



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.



\$9.3
million

Shoppers Drug Mart's primary philanthropic purpose centres around putting women's health first. Through the Shoppers LOVE. YOU™. program, women's health programs are supported by direct customer donations, Associate-owner led giving and national events like the Run for Women.

Store donations

\$6.9
million



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

\$825,000 

Partial proceeds from the sales of our plastic bags donated to support programs like the [Great Canadian Shoreline Cleanup](#) and the [Loblaw Water Fund](#).

Give a Little

\$1.5
million



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

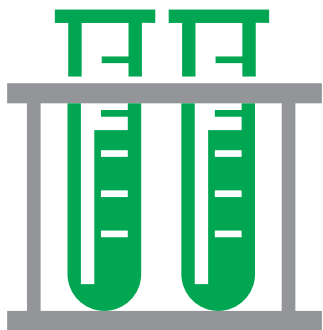


\$2.2
million

Save It Forward® coupons make it easy for customers to donate to local organizations. One side of a coupon can be redeemed by the customer at the check-out and the other side of the coupon can be donated to one of three charities chosen by the store by placing the coupon in the Save It Forward donation bins.

Research

\$1.1
million



Financial support granted to the Weston Seeding Food Innovation Fund, as well as other research projects in areas of animal welfare, sustainable seafood, textiles and plant-based proteins.

Other



\$2.8
million

Our charitable giving is focused around national strategic initiatives that align with our company purpose and business priorities. In 2018, an additional \$2.8 million was donated to not-for-profit organizations and registered charities benefitting communities across Canada that were not listed previously.



CSR Targets

Progress towards CSR targets

Environment		
Reduce our operational carbon footprint by 30% by 2030 against a 2011 baseline.	.....➔	Target in progress. Carbon emissions have been reduced by 26.1% relative to our baseline. See page 8.
Source fibre used in corrugated boxes and trays, folding cartons and paperboard trays from recycled and/or certified sustainably managed forests by year-end 2018.	.....➔	Target achieved with a 96.7% compliance rate. See page 10.
Reduce food waste by 50% in our corporate retail operations by 2025 (using a 2016 baseline).	.....➔	Target in progress. See page 9.
Partner with an academic or non-governmental organization to research practical and meaningful solutions to the issue of textile waste by the end of 2018.	.....➔	Target achieved. We partnered with George Brown College to research practical and meaningful solutions to textile waste. This partnership will run until the end of 2020. See page 10.

Sourcing		
Formulate our <i>Life Brand</i> ® and <i>President's Choice</i> ® household, beauty and cosmetic products without triclosan, phthalates or plastic microbeads by 2018, and encourage our suppliers to identify and eliminate phthalates that may come from other sources, such as manufacturing equipment and packaging.	.....➔	Target achieved. By the end of 2018, all of our <i>Life Brand</i> ® and <i>President's Choice</i> ® household, beauty and cosmetic products were formulated without triclosan, phthalates or plastic microbeads. Our suppliers are encouraged to identify and eliminate phthalates that may come from other sources, such as manufacturing equipment and packaging.
Source all fresh veal from suppliers that have transitioned to group housing by year-end 2018.	.....➔	Target achieved. All fresh veal offered, comes from suppliers that have transitioned to group housing.
Source all fresh pork from suppliers that have transitioned to group housing by year-end 2022.	.....➔	Target in progress. We continue to engage and receive status updates from our fresh pork suppliers.
Transition all shell eggs to cage-free by year-end 2025.	.....➔	Target in progress. In 2018, we expanded the distribution of our <i>PC</i> ® <i>Blue Menu</i> ® Omega Free-Run eggs to additional stores and put plans in place to offer exclusively free-run shell eggs under <i>PC</i> , <i>PC Blue Menu</i> and <i>PC</i> ® Organics.
By 2025, buy \$150 million more Canadian produce that historically would have been imported.	.....➔	Target in progress. See page 15.

Community		
Raise and donate \$3 million to various charities as part of our <i>Save It Forward</i> ® program in discount stores by year-end 2018.	.....➔	Target achieved. Since the launch of <i>Save It Forward</i> ®, more than \$5.2 million has been donated to charities across Canada, including \$2.2 million in 2018.
Pilot a health and wellness platform for customers in 2018.	.....➔	Target not met. We anticipate the launch of the platform in 2019.
President's Choice Children's Charity to grant \$150 million over the next 10 years to tackle childhood hunger.	.....➔	Target in progress. See page 19.

CSR targets

Environment

- Reduce our operational carbon footprint by 30% by 2030 against a 2011 baseline.
- Reduce food waste by 50% in our corporate retail operations by 2025 (using a 2016 baseline).
- NEW** • Perform a Climate Risk Assessment to understand the climate-related risks on our operations in alignment with the [Task Force on Climate-related Financial Disclosures](#) (TCFD).
- NEW** • Launch a comprehensive approach to tackle the issue of plastic waste.

Sourcing

- Source all fresh pork from suppliers that have transitioned to group housing by year-end 2022.
- Transition all shell eggs to cage-free by year-end 2025.
- By 2025, buy \$150 million more Canadian produce that would have historically been imported.

Community

- President's Choice Children's Charity to grant \$150 million over the next 10 years to tackle childhood hunger.
- NEW** • Release new approach to engaging customers and protecting their privacy.
- NEW** • In 2019, we will announce a plan to help manage the issue of opioid abuse in Canada.
- NEW** • Contribute \$3 million over the next three years to the Weston Seeding Food Innovation Fund.



We focus our efforts and set our targets around issues that are important to our customers and colleagues, and where we can have a meaningful impact.



Governance

Our CSR objectives, targets and progress are managed at various levels within the Company.

Board of Directors and Enterprise Risk Management

Loblaws Board of Directors responsibilities include overseeing the Companys commitment to integrity and management of business, social and environmental issues and opportunities – themes reflected in this report. The Boards Risk and Compliance Committee oversees our Enterprise Risk Management (ERM) program, which identifies internal and external risks to our businesses, and strategic objectives that appropriate risk mitigation measures are in place.

CSR Committee

Our CSR Committee is comprised of senior management from across Loblaws, and is responsible for setting priorities, metrics and championing CSR across our organization. The Committee meets regularly throughout the year to review and prioritize issues based on urgency, their importance to our customers, relevance to our business and the potential for Loblaws to take a leadership position.

Compliance journey

Compliance remains a key priority for Loblaws. We are committed to meeting the obligations prescribed by the many laws and regulations that apply to our business as well as the standards of conduct established by our Board of Directors. In 2018, we increased our focus on compliance in meaningful ways, by ensuring our colleagues know the rules and risks associated with their jobs and how to take action when necessary. These efforts supported Loblaws in receiving third-party assurance that our Competition Law Compliance Program meets ISO standards – a benchmark we intend to maintain in the future.

Colleague and Supplier Codes of Conduct

We expect our colleagues to demonstrate integrity, professionalism and accountability at all times to meet and exceed the standards expected of us by our customers, suppliers and partners. Our Colleague Code of Conduct, built on a foundation of our CORE values of Care, Ownership, Respect and Excellence sets out the behaviour we expect of ourselves.

We expect our suppliers to uphold similar values and principles in their dealings with our organization as set out in our [Supplier Code of Conduct](#).



Reading and understanding this report

- Unless otherwise noted, all highlights are based on 2018 results.
- Our reporting and data measurement methods are consistent with those used to complete our 2017 CSR report.
- Loblaws Companies Limited and its subsidiaries own a number of trademarks. These trademarks are the exclusive property of Loblaws Companies Limited or one of its subsidiaries and, where used in this report, appear in italics.
- Where other third-party trademarks are used in this report, they are the trademarks of their respective owners.
- Where appropriate, we have also indicated the inclusion of franchisee and third-party specifics relating to Shoppers Drug Mart/Pharmaprix Associate owners.