

FACT SHEET
Loblaw Companies Ltd. – 2020 Corporate Social Responsibility (CSR) Report

1 – CARBON EMISSIONS

Climate change is one of the greatest challenges of our time, and at Loblaw, we recognize our responsibility and are committed to reducing our impact across operations.

TARGET ACHIEVED – Reduced operational carbon emissions by 30.9% relative to our baseline, surpassing our original goal of reducing our carbon footprint by 30% by 2030. In our 2019 report, we expanded this target and committed to reducing our operational carbon footprint by 50% by 2030, against a 2011 baseline.

In part, we have achieved this through:

- Installing electric standby refrigeration units on many of our trailers, reducing their use of fossil fuels while parked at our distribution centres.
- We have upgraded many of our store ambient lighting systems to LED lamps, reducing ambient lighting electricity consumption by an average of 24% in each store, as well as upgrading many of our parking lot lighting systems to LED pole heads, reducing electricity consumption by an average of 70% in each parking lot.
- We have continued to reduce our reliance on high global warming potential (GWP) refrigerants. In new grocery stores, our refrigeration systems only use carbon dioxide as a refrigerant, and in existing stores, we are converting our systems to use a lower GWP refrigerant.
- We have replaced open refrigerated cases in many of our dairy, meat, deli and produce departments with door cases that reduce the electricity consumption of our refrigeration systems.

2 – FOOD WASTE

TARGET ACHIEVED – Reduced food waste sent to landfill by 86% relative to our baseline and surpassing our original goal of reducing our food waste by 50% by 2025. (When Food waste decomposes in landfills and is not properly composted, it releases methane, a greenhouse gas that is at least 28 times more potent than carbon dioxide.)

In part, at Loblaw, we have achieved this through:

- Our **partnership with Flashfood** to sell food nearing its best before date for up to 50% off the regular retail price. Since 2019, Flashfood refrigerators have been introduced in more than 500 grocery stores.
- Donating food fit for human consumption to food banks and food recovery agencies. In 2020, we donated **more than 5 million kilograms of food** to food banks and food recovery agencies, both diverting food waste and helping those in need.
- Redirecting expired and damaged bakery items no longer fit for human consumption to be converted into animal feed for use at local farms. In 2020, through this program, we diverted **more than 4.2 million kilograms of bakery food waste** from nearly 140 grocery stores in Ontario and Nova Scotia to produce animal feed

NEW TARGET – Expanding food waste reduction efforts by engaging 20 suppliers who will commit to halving their food waste by 2030.

3 – PLASTICS

There is too much plastic waste in Canada, and the impact of plastics overuse is a growing concern for our business and our customers.

TARGET ACHIEVED – Though the 2020 launch was delayed slightly to early 2021, this reusable container program is now active, with Loblaw as the first Canadian retail partner, providing an online portal and 15 President's Choice® products available through Loop for customers who value re-use options.

TARGET ACHIEVED – Eliminate 1.8 million plastic hangers in 2020.

TARGET ACHIEVED - Eliminate all individual plastic straws and stir sticks from the takeout counters of our stores and all single-use plastic items for food sampling in our corporate stores, by year-end 2020.

TARGET IN PROGRESS – Ensure all PC® plastic packaging is either reusable or recyclable by 2025.

TARGET IN PROGRESS – Investing \$1 million in plastics research and community clean ups by 2025, with \$353,000 invested to date. Partnerships include:

- Plastics Lab of Ocean Wise – a global conservation organization based in Vancouver – to research and analyze how plastic microfibres are generated and transferred into waterways.
- University of Toronto to support the pELAstic project, a 10+ year study aims to understand the fate and effects of microplastics in freshwater ecosystems.

NEW TARGET – Pilot the implementation of reusable packaging options for cleaning supplies in select Quebec stores in 2021.

At Loblaw our efforts to reduce plastic waste centre around eliminating what we can, better managing what we use and investing in research and community clean ups.

Plastic waste reduction efforts include:

- Changing packaging on more than 40 President's Choice®, PC® Organics and Farmers Market® produce items by **replacing hard-to-recycle black plastic** to updated PET and RPET packaging that is more compatible with municipal recycling programs.
- **Eliminating plastic straws and stir sticks** from our takeout counters and replacing them with alternative options.
- To date, we have **eliminated more than 13.8 billion plastic bags through our pay-for-bag program, with partial proceeds being donated to WWF-Canada to fund various programs, including the Great Canadian Shoreline Cleanup.**

4 – LOCAL SUSTAINABILITY

At Loblaw, we take great pride in offering an expanded array of Canadian-grown fresh fruits and vegetables. By purchasing more domestically, we can deliver fresh products to our customers and invest in Canada's farming community.

TARGET IN PROGRSS – By 2025, buy \$150 million more Canadian produce that historically would have been imported. We increased our purchases of Canadian-grown produce by nearly 20%, totaling approximately \$1 billion in Canadian produce purchases sourced from more than 400 Canadian growers and packers.

Additionally, at Loblaw, we supported Canadian growers by:

- Supporting the expansion of traditional growing and greenhouse farming in Canada and, through our local growers, purchasing more than **one million kilograms of hot house strawberries** nationally. We are now also able to offer Canadian-grown hot house strawberries in western Canada.
- Partnering nationally with our apple growers to expand our local organic assortment. In the 4th year of the program, **Canadian-grown organic apples** make up approximately 25% of all annual organic apple purchases.
- Partnering with a local carrot grower to support a **patented growing process to provide local carrots** outside of traditional availability windows.

5 – BIODIVERSITY

Pollution, climate change and habitat loss are all threats to biodiversity, and these threats have caused an unprecedented rise in the rate of species extinction. At Loblaw, we have taken several different approaches over the years to help protect and preserve Canada's nature and shared biodiversity.

TARGET ACHIEVED - Partnering with **WWF-Canada** to become the first major retailer to sell Ontario native plants grown from source-identified and ethically collected seed. Together, we began a major shift in the supply chain for native plants throughout Southern Ontario by sourcing native plants for sale in 35 of our garden centres.

6 – PRODUCT SUSTAINABILITY

- In 2020, we announced the purchase of one million pounds of beef from **Canadian Roundtable for Sustainable Beef** (CRSB) certified farms and ranches, becoming the first Canadian retailer to do so. We are a founding member of the CRSB and have participated in numerous working committees and pilot projects over the years. We were also elected to the CRSB council in 2019.
- We continue to increase our offering of plant-based products across multiple categories to meet growing consumer interest and appetite for alternatives to animal-based products. In 2020, we expanded our **PC® Plant-Based product lineup**, adding another 23 products for a total of nearly 50 products across most categories in our stores. Our PC® Plant-Based products are third-party certified vegan and contain no animal by-products.
- Over the years, we've increased our offering of certified organic products in our stores. We've heard from many of our customers that they want products made with a reduced environmental impact and without any chemical pesticides or synthetic fertilizers, as well as products that do not contain genetically modified organisms (GMOs). In 2020, we expanded the PC® Organics product lineup to now include more than 550 products.
- Committing to selling certified sustainable seafood for over a decade, offering more than 150 [MSC](#) and [ASC](#) certified products across our stores.

6 – COMMUNITY ENGAGEMENT

At Loblaw, we are committed to giving back to the communities we operate in, and we do so through many avenues, including the President's Choice Children's Charity and the LOVE YOU by Shoppers Drug Mart™ program.

TARGET IN PROGRESS - Loblaw Companies Limited to activate \$150 million in fundraising and corporate support by 2027 to support President's Choice Children's Charity's mission to tackle childhood hunger.

President's Choice Children's Charity

Nationwide, wherever kids are learning, President's Choice Children's Charity provides two key building blocks for a child's future: good food and good food education. In 2020, the pandemic shone a light on food insecurity in our communities. Despite school closures and public health restrictions on community gatherings, the charity reached more than 830,000 Canadian children.

LOVE YOU by Shoppers Drug Mart™ program

For a decade, Shoppers Drug Mart® has been supporting women's health charities and organizations across Canada. We demonstrate our commitment to making women's health a priority because every woman has the right to access healthcare and the support to be happy, healthy and safe. In 2020, the LOVE YOU by Shoppers Drug Mart™ program:

- **Raised and granted more than \$7.5 million**, with the majority being directed to more than 450 women's health organizations and initiatives across Canada.
- Held the annual Run for Women virtually, raising more than **\$2.8 million in support of women's mental health** charities nationwide.

Additionally, at Loblaw, we supported the communities we operate in by:

- Providing cost savings and incentives to various community and charitable-based groups engaging in activities benefiting the public through our bulk gift card community program provides. In 2020, **\$12.1 million was saved by charitable organizations across Canada** through this program, helping them have greater impact.
- In 2020, we recorded our most successful national holiday food drive campaign since its 2009 launch, **raising \$2.6 million** and collecting **1.1 million kilograms of food** for those in need.
- Making food and water available to those in Fort McMurray, who were affected by the flood last spring after it damaged the community's local food bank.
- Through our PC Express™ online grocery services, we stepped up following a devastating fire that destroyed the only grocery store in the town of Apsley, ON in December 2020, mobilizing to deliver 80 grocery orders per day from the nearest Real Canadian Superstore® in Peterborough.

Performance Against Our Targets – At A Glance

At Loblaw, we are proud of our continued progress in the areas that matter to our stakeholders, as well as on initiatives where we can have meaningful impact. The following targets are categorized based on Environmental, Social or Governance alignment. Please refer to the [full 2020 Corporate Social Responsibility Report](#) for more detail.

Targets	2019	2020	Target Year	Alignment to ESG
Reduce our operational carbon footprint by 30% by 2030, against a 2011 baseline.	Carbon emissions reduced by 29.7%	Target achieved. Carbon emissions have been reduced by 30.9% relative to our baseline.	2030	E
Reduce our operational corporate carbon footprint by 50% by 2030, against a 2011 baseline.	Announced	Target in progress. Carbon emissions have been reduced by 30.9% relative to our baseline.	2030	E
Reduce food waste by 50% in our corporate retail operations by 2025, against a 2016 baseline.	In progress	Target achieved. Food waste has been reduced by 86% relative to our baseline.	2025	E
Enhance our food waste reduction efforts by enlisting 20 suppliers in 2021 who will commit to halving their food waste by 2030.	-	NEW	2021	E
Ensure all PC® plastic packaging is either reusable or recyclable by 2025.	Announced	Target in progress.	2025	E
Invest \$1 million in plastics research and community clean ups by 2025.	Announced	Target in progress. To date, \$353,000 has been invested in plastic research and community cleanups.	2025	E
Support improved biodiversity by introducing a native plants program in select stores by the end of 2020.	Announced	Target achieved. A native plants program was piloted in 35 Ontario garden centres.	2020	E
Pilot the implementation of reusable packaging options for cleaning supplies in select Quebec stores in 2021.	-	NEW	2021	E
Eliminate 1.8 million plastic hangers in 2020.	Announced	Target achieved. 1.8 million plastic hangers eliminated from our operations.	2020	E
Pilot a reusable bin exchange program across Canada through our e-commerce platform PC Express™ in 2020.	Announced	Target not achieved. This pilot was put on hold due to COVID-19. In jurisdictions with plastic bag bans, we presently offer our customers reusable bin exchange options through PC Express.	2020	E
In 2020, we will partner with Loop to bring Canadians reusable packaging for some of Canada's most popular brands and products, including President's Choice® products.	Announced	Target achieved in February 2021.	2020	E
Eliminate all individual plastic straws and stir sticks from the takeout counters of our stores and all single-use plastic items for food sampling* in our corporate stores, by year-end 2020.	Announced	Target achieved.	2020	E
Transition to phenol-free receipt paper across all divisions by year-end 2021.	Announced	Target in progress. Only phenol-free receipt paper shipped to grocery stores for front-end use.	2021	E
Transition all President's Choice, no name and PC Organics whole bean and ground coffees into recyclable packaging by year-end 2022.	-	NEW	2022	E

Loblaw Companies Limited

Loblaw Companies Limited to activate \$150 million in fundraising and corporate support by 2027 to support President's Choice Children's Charity's mission to tackle childhood hunger.	\$29 million activated since announcing the target	Target in progress. \$48 million activated in fundraising and corporate support.	2027	S
Contribute \$3 million over the next three years to the Weston Seeding Food Innovation Fund.	\$2 million contributed since announcing the target	Target not achieved. Since making the commitment, \$2.7 million has been contributed to the Weston Seeding Food Innovation Fund. In 2021, we will continue to support the Weston Seeding Food Innovation Fund .	2020	S
Maintain 40% representation of women on our board of directors, achieve 40% representation of women in executive positions and 43% representation of women in management positions, in 2024.	Announced	Target in progress. 34% of executives and 40% of management colleagues identify as women.	2024	S
Achieve 25% representation of members of visible minority on our board of directors, 25% representation of members of visible minority in executive positions, and 30% representation of members of visible minority in management positions, in 2024.	-	NEW	2024	S
Source all fresh pork from suppliers that have transitioned to group housing by year-end 2022.	In progress	Based on available supply, it has been determined that this target cannot be met by suppliers by the original target deadline. Going forward, we will follow the NFACC Codes of Practice.	2022	G
Transition all shell eggs to cage-free by year-end 2025.	In progress	Based on available supply, it has been determined that this target cannot be met by suppliers by the original target deadline. Going forward, we will follow the NFACC Codes of Practice.	2025	G
Expand factory disclosure to include licensees where we are the importer of record in 2021.	-	NEW	2021	G
By 2025, buy \$150 million more Canadian produce that historically would have been imported.	In progress	Target achieved.	2025	G
Introduce our Integrity Action Line to all our suppliers around the world in 2020.	Announced	Target achieved. Our Integrity Action Line was extended to our suppliers.	2020	G
Transition all President's Choice roast and ground whole bean coffee and single serve coffee to Rainforest Alliance certified sourcing by year-end 2022.	-	NEW	2022	G

*All food sampling halted as a result of COVID-19.