

GEORGE WESTON LIMITED

# 2022 Environmental, Social and Governance Report

**WESTON** GEORGE  
WESTON  
LIMITED

ESTABLISHED  
1882

# Contents

## **2 Introduction**

**3 Letter from the CEO**

**4 Overview and History of GWL**

**5 Mission and Strategy at GWL**

## **7 Weston Group ESG**

**8 2022 Highlights**

**9 Weston Group ESG Principles**

**10 Environment**

**11 Social Equity**

**12 George Weston Limited Human Rights Commitment**

**13 Loblaw and Choice Properties' Human Rights Commitment and Supplier Accountability**

**14 Governance**

**15 ESG Reporting**

## **16 GWL Corporate Centre ESG**

**17 Corporate Governance**

**18 Board of Directors**

**19 Diversity, Equity and Inclusion**

**20 Board**

**21 Management**

**22 Colleagues, Culture and Community**

**23 Blue Culture**

**24 Culture Champions**

**25 Talent Attraction & Development**

**26 Social Responsibility**

**27 Cyber Security**

**28 Oversight of Cyber Security**

## **29 Supplemental Information**

**30 Ensuring Reliability of our ESG Disclosures**

**31 SASB Table**

**34 GWL Statement of Corporate Governance Practices**

**36 Forward-Looking Information**

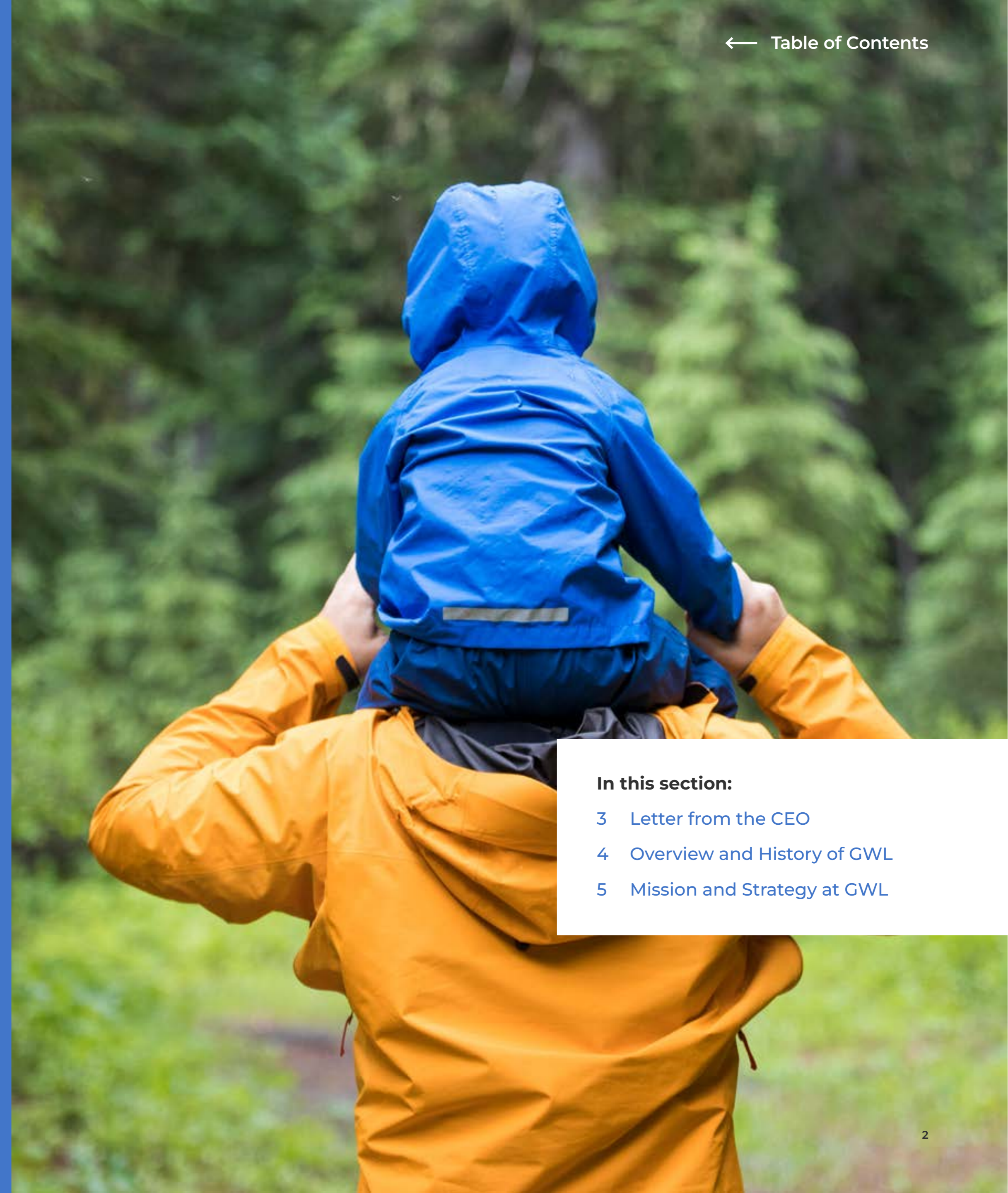
**ESG at Loblaw**

**ESG at Choice**

# Introduction

“At George Weston and in our group of companies, we believe a thoughtful and transparent approach to ESG is not only the right thing to do but is fundamental to the success of our businesses. We remain committed to leading where it matters to our businesses while having a positive impact on all of our stakeholders.”

Galen G. Weston  
Chairman and CEO, George Weston Limited



**In this section:**

- 3 Letter from the CEO
- 4 Overview and History of GWL
- 5 Mission and Strategy at GWL

# Letter from the CEO



At George Weston Limited, we strive to build generational value with an actively managed portfolio of market-leading businesses.

As a leading Canadian publicly traded company and a family-led firm with roots going back four generations to 1882, we know the important impact we have on the environment, the communities in which we operate and on our employees.

Our responsibility as a business extends beyond our shareholders to a diverse group of stakeholders. As the controlling shareholder of Loblaw and unitholder of Choice Properties, we set out our ESG Principles to guide the approach to ESG at GWL and our portfolio companies. Our Principles were developed in consultation with our Board of Directors, our portfolio companies and through feedback we received from stakeholders. They reflect how we think about our business now and shape our strategy going forward. In consultation with GWL, Loblaw

and Choice Properties continue to progress their ESG programs, and they have adopted GWL's ESG Principles as part of their frameworks as they continue to embed ESG into their strategic plans. We also recognize the importance of a strong corporate culture and the value of an engaged workforce.

**We believe in our core values of Care, Ownership, Respect and Excellence, underscored by a strong sense of ethics, compliance and social responsibility. These are not simply words we use – they are how we operate.**

We believe a thoughtful and transparent approach to ESG is not only the right thing to do but is fundamental to the success of our businesses, and we remain committed to leading where it matters to our businesses while having a positive impact on all our stakeholders. We encourage you to learn more about our ESG Principles and the important ESG initiatives that GWL, Loblaw and Choice Properties are pursuing to drive growth, prosperity, and sustainability.

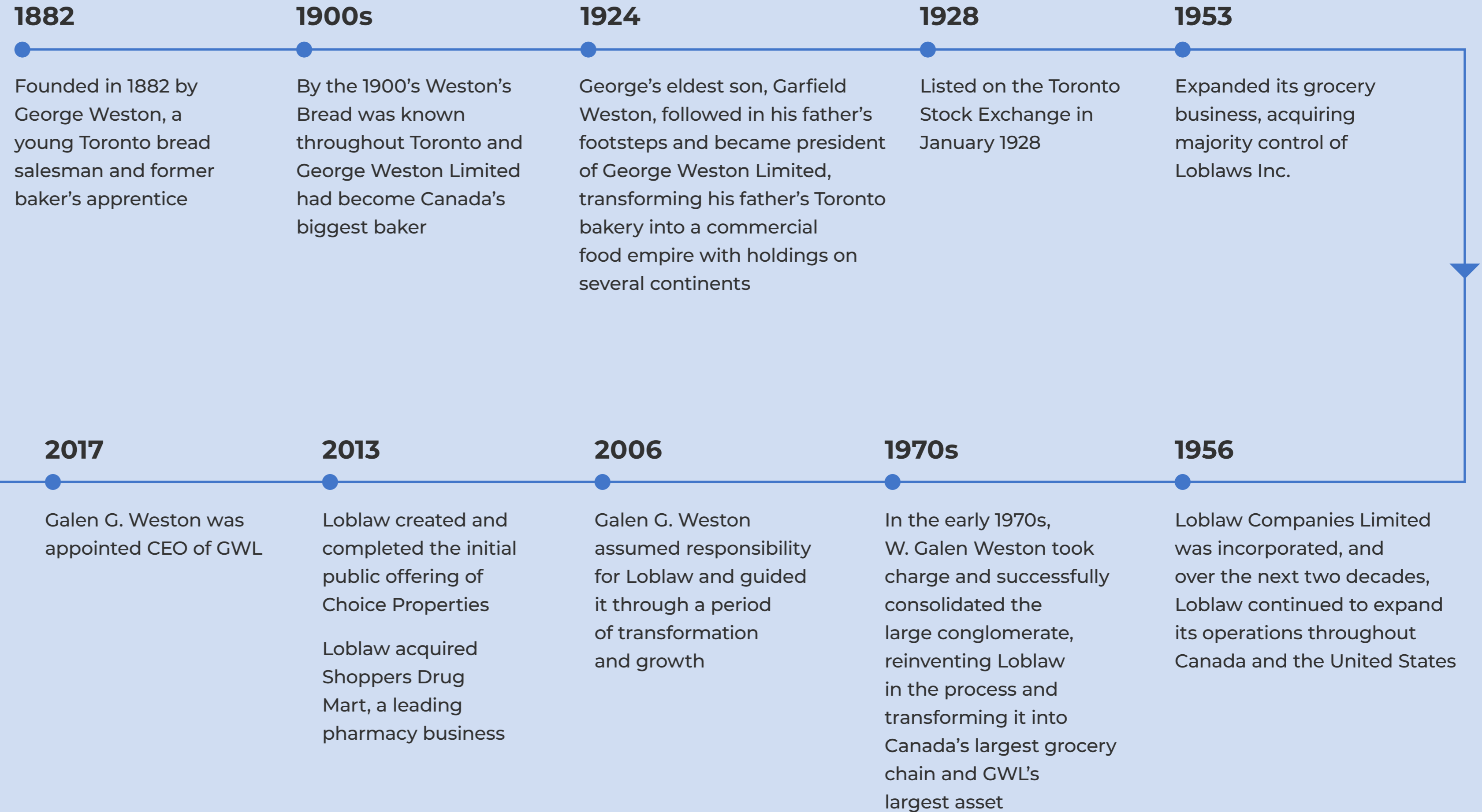
**Galen G. Weston**  
Chairman and Chief Executive Officer

May 9, 2023

# Overview and History of GWL

George Weston Limited (GWL or the Company) is a Canadian public company that controls two market leading businesses, Loblaw Companies Limited (Loblaw) and Choice Properties Real Estate Investment Trust (Choice Properties).

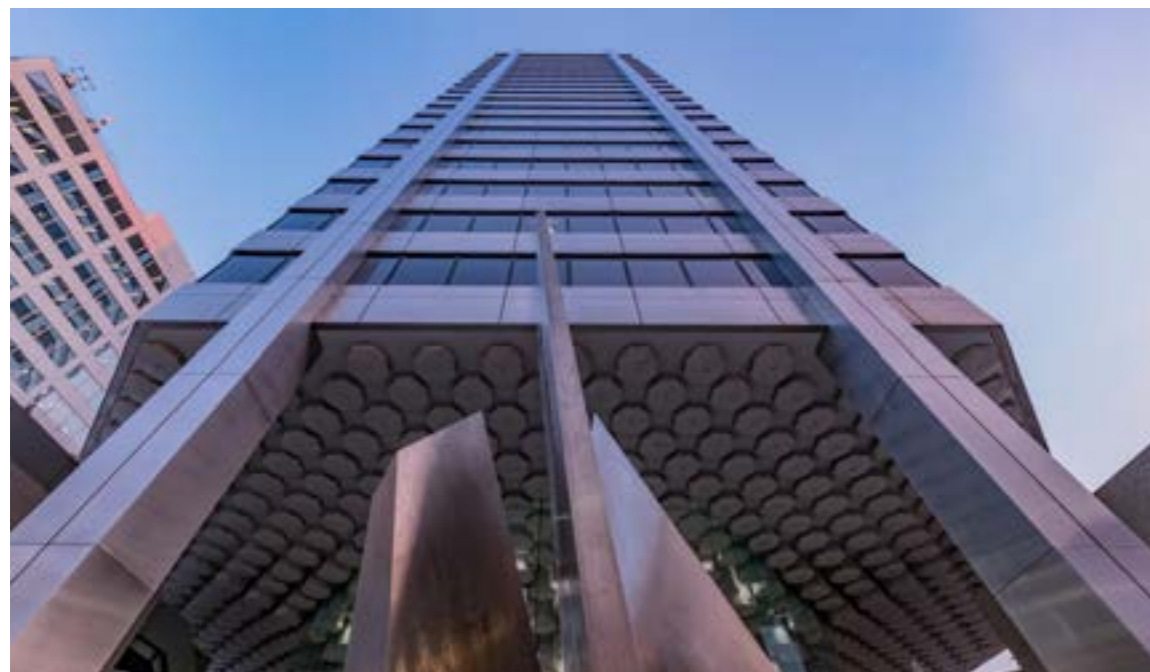
The Company is the product of four generations of the Weston Family.



# Mission and Strategy at GWL

The Company is committed to creating value for its shareholders, employees and other stakeholders, and supporting the communities in which it operates.

GWL seeks to invest in businesses that generate positive cash flows through stable, high-quality operations. The Company brings a unique perspective to its operating businesses, having a viewpoint that spans across the retail and real estate sectors, enabling the identification of opportunities and the sharing of best practices. The Company considers strategic initiatives where it can leverage its existing capabilities and expertise to create long-term value for shareholders and other stakeholders.



**WESTON**  
GEORGE WESTON LIMITED



**52.6%**

ownership interest in 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, through its grocery banners, and Shoppers Drug Mart®, Joe Fresh® and PC Financial®. Loblaw's purpose – helping Canadians *Live Life Well*® – is focused on the needs and well-being of Canadians who have millions of interactions with its business every year. As Canada's largest retailer, Loblaw plays an important role in bringing about positive environmental and social change – both nationally and in the communities it serves.



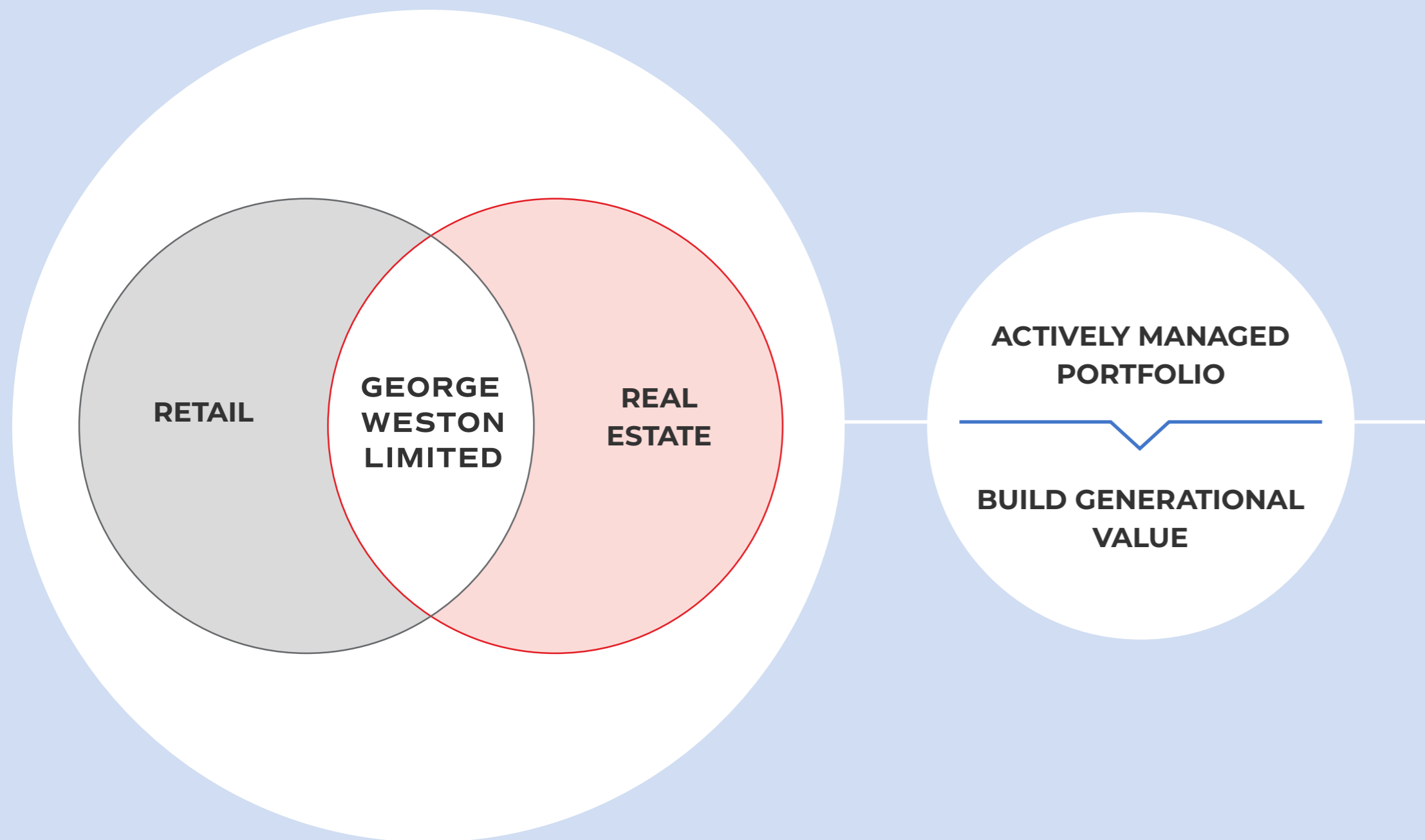
**61.7%**

ownership interest in Choice Properties

**Choice Properties is a leading Real Estate Investment Trust that creates enduring value through the ownership, operation and development of high-quality commercial and residential properties.** Choice Properties believes that value comes from creating spaces that improve how its tenants and communities come together to live, work, and connect. Choice Properties aspires to develop healthy, resilient communities through its dedication to social, economic, and environmental sustainability.

# Our Operating and Value Creation Strategy

GWL's mission is to build generational value with actively managed market-leading businesses in retail and real estate through expertise in strategy, mergers and acquisitions, capital allocation and talent management.



## Built on what we have in common

Together, these four concepts unite our operating companies and are core to our identity:



### CORE VALUES

Our actions are shaped by a set of CORE Values, which express a shared commitment to Care, Ownership, Respect and Excellence across the group of companies.



### ETHICS & COMPLIANCE

Throughout our interactions, our decisions are grounded in a strong sense of Ethics & Compliance.



### BLUE CULTURE

Represents how our values come to life every day in our interactions with our businesses, each other and our customers.



### SOCIAL RESPONSIBILITY

As a generational investor, long-term trends, whether social, demographic, or environmental, matter and underpin the importance we place on Social Responsibility.

## Impacting

Through active management and by leveraging our culture and values, we seek to positively impact:



### SHAREHOLDERS

We create value for our shareholders by enhancing the value of our market-leading businesses, by supporting operational excellence, investing in strategic transactions and by distributions in the form of dividends.



### COLLEAGUES

Our talent is central to achieving our long-term goals. Our focus on attracting and developing exceptional leaders is a strategic imperative and we are proud to offer challenging and rewarding careers.



### COMMUNITIES

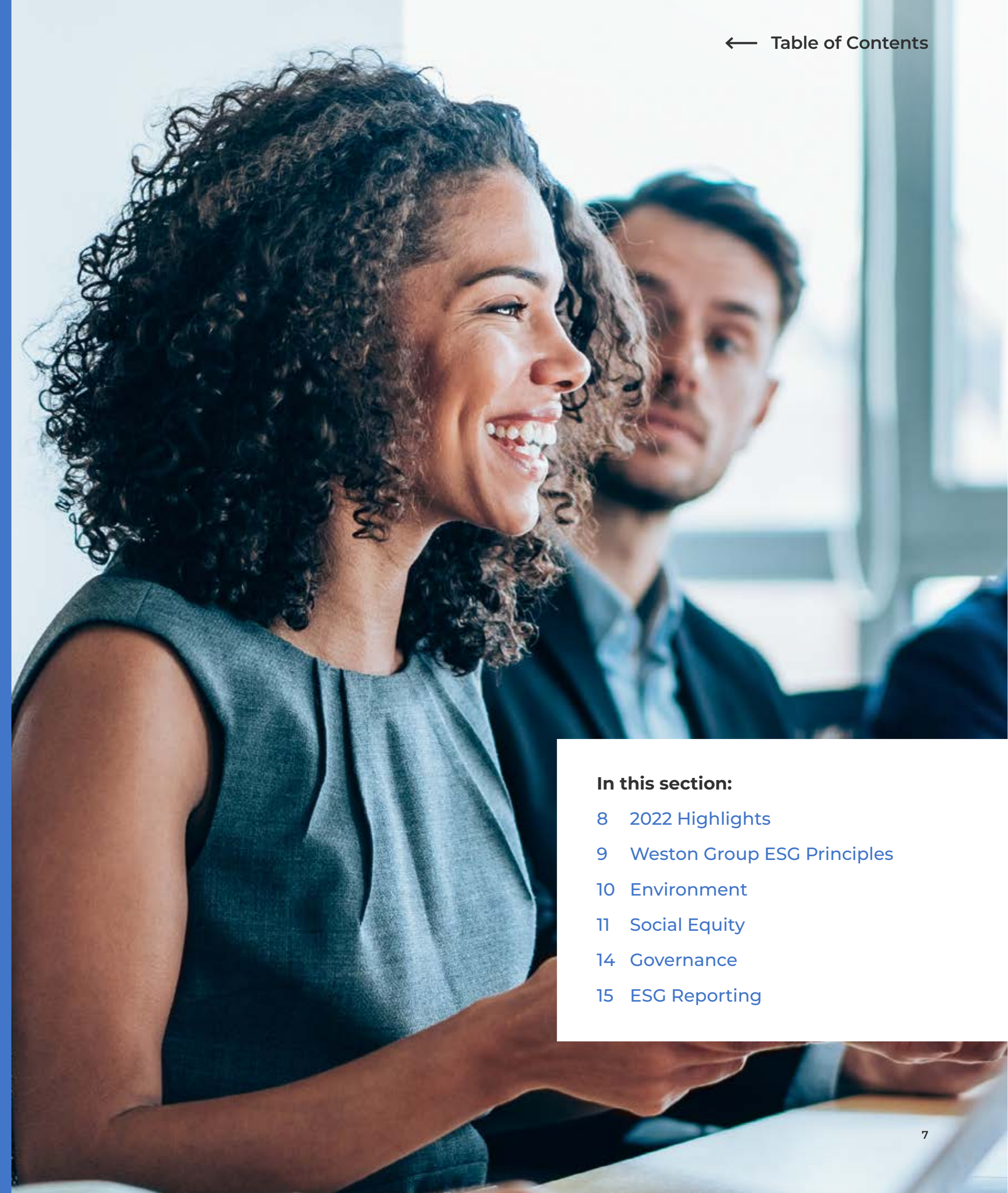
Consistent with our heritage and values, we are focused on improving the quality of life in the communities where we live and work.

# Weston Group ESG

By integrating ESG practices into day-to-day business activities and our governance framework, the Weston Group strives to advance its business objectives while having an enduring and positive impact on future generations.

As the holding company for the group, GWL's ESG program is centred on group-wide governance and strategic oversight, while Loblaw and Choice Properties are focused on their own initiatives of Fighting Climate Change, Advancing Social Equity and robust corporate governance. Loblaw's and Choice Properties' 2022 ESG Reports are included in, and form part of, this ESG Report.

GWL has also established an ESG program specific to its corporate centre, consisting of Corporate Governance, Diversity, Equity and Inclusion, Colleagues, Culture and Community, and Cyber Security.



**In this section:**

- 8 2022 Highlights
- 9 Weston Group ESG Principles
- 10 Environment
- 11 Social Equity
- 14 Governance
- 15 ESG Reporting



# 2022 Highlights

GWL believes that its investors, employees and other stakeholders care deeply about the Weston Group's commitment to being a force for positive change.

We are proud of our ESG accomplishments in 2022 at GWL, Loblaw and Choice Properties, though we recognize much more work remains to be done.



## ENVIRONMENT

### Eliminating Food Waste

Loblaw set a new target to send **zero food to landfill by 2030**

### Climate Action Commitment Report

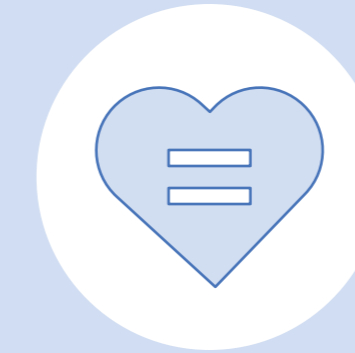
Released Loblaw's Climate Action Commitment Report **in alignment with the recommendations of the Taskforce on Climate related Financial Disclosures (TCFD)**

### Fighting Climate Change

**Commitment to achieving net-zero greenhouse gas emissions** at Loblaw and Choice Properties

### Science Based Targets

**Choice Properties became one of the first entities in Canada** to have its net-zero emissions targets validated by the Science Based Targets initiative (SBTi) in 2022



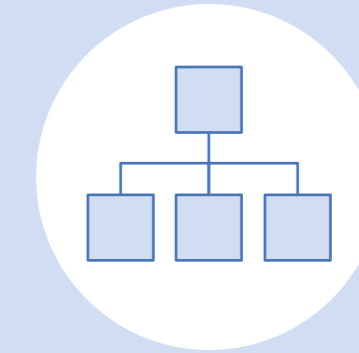
## SOCIAL EQUITY

### Supporting Health and Wellness

Loblaw **raised and donated more than \$110 million** to support research, charities and non-profits across Canada

### Empowering Colleagues

GWL and Choice Properties achieved Globe & Mail's **Women Lead Here 2022** benchmark for having significant representation of women in leadership positions and Choice Properties and was named one of Greater Toronto's Top Employers (2023)



## GOVERNANCE

### Commitment to Diversity, Equity and Inclusion (DEI),

including **establishing diversity targets** for the Board of Directors, executive and management team and providing comprehensive DEI training to all employees

### Weston Group ESG Principles

**Establishment of Weston Group ESG Principles and issuance of three annual ESG Reports** across the Weston Group of Companies

# Weston Group ESG Principles

GWL's ESG Principles, adopted by the Company's Board of Directors in 2022, are focused on establishing a group-wide approach to ESG while ensuring that responsibility for developing and implementing “fit for purpose” ESG programs resides with the boards and management of Loblaw and Choice Properties.

Loblaw and Choice Properties have adopted the ESG Principles as part of their ESG frameworks and incorporated them into the development and advancement of their robust and industry leading initiatives. Each company seeks to establish ambitious ESG targets and develop impactful programs to achieve its goals. These targets and programs, and the results achieved by Loblaw and Choice Properties, are described in their ESG reports published annually, the 2022 versions of which are included in, and form part of, this ESG Report.



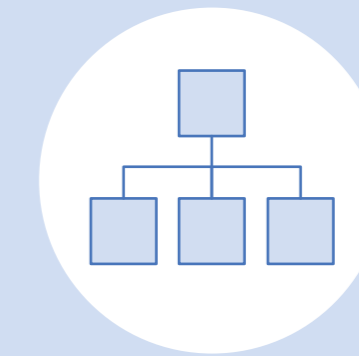
## ENVIRONMENT

- Our businesses have a responsibility to positively impact the communities in which they operate and to link sustainability with growth and prosperity
- Our businesses must commit to science-based, measurable targets to achieve net zero carbon emissions, with near, medium and long-term objectives that hold management and boards accountable



## SOCIAL EQUITY

- As a leading Canadian public company and the largest private sector employer in the country, we have a responsibility to ensure that our businesses address social equity
- Each of our businesses must commit to specific and measurable objectives to ensure that its leadership team and workforce are diverse and that its culture is one of equity and inclusion
- Our businesses must operate in a manner that is sensitive to the communities in which they operate



## GOVERNANCE

- We hold our businesses accountable to the highest standards of corporate governance, focusing on appropriate and transparent decision-making processes that take into consideration all relevant stakeholders
- Our businesses must develop, manage and supervise their own ESG programs while also respecting these principles

# Environment

Ensuring that businesses in the Weston Group are good stewards of the environment aligns with GWL's mission of creating generational value.

Failure to take meaningful action to protect the environment, including implementing initiatives to combat climate change, could result in significant long-term financial costs. Taking meaningful steps to protect the environment is not only the right thing to do for the country but is also critical to the long-term sustainable development of the Weston Group's businesses.

With just over 100 employees and limited physical footprint through its corporate office, GWL's corporate centre ESG program does not include stand-alone environmental targets, but Loblaw and Choice Properties have established meaningful environmental targets and net zero commitments that are informed by the GWL ESG Principles.

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



## Loblaw

- Committed to achieving net-zero scope 1 and 2 enterprise operating footprint<sup>1</sup> emissions by 2040, and scope 3 emissions by 2050
- Completed 250 carbon reduction projects in 2022
- Completed a climate risk assessment, evaluating risk exposure and opportunities across multiple climate scenarios
- Committed to eliminating food waste sent to landfill by 2030
- Tackling plastic waste by ensuring all plastic packaging for control brands, like President's Choice®, and in-store packaging are recyclable and reusable by 2025
- Moving to a net-zero short-haul outbound corporately owned and operated truck fleet by 2030



## Choice Properties

- Committed to reducing absolute scope 1 and 2 emissions, and scope 3 emissions from purchased goods and services and downstream leased assets, by 90% from a 2019 base year
- Reaching net-zero greenhouse gas emissions across the entire value chain by 2050
- Certified over 40 million square feet and over 160 properties under LEED or BOMA BEST in 2022
- Identified opportunities to reduce embodied carbon across retail, industrial and residential building types
- Committed to diverting 70% of annual office waste from landfill by 2023



# Social Equity

The Weston Group must do its part to establish a more equitable, diverse and inclusive society.

The Weston Group seeks to respect and protect human rights of all people who support and intersect with its businesses, and does not tolerate abuse, discrimination or harassment in any form.

To bring the Social Equity principle to life, each company within the Weston Group has established social equity priorities that reflect its business and role within the communities in which it operates. Further detail regarding GWL's Social Equity initiatives is provided in this report under Diversity, Equity and Inclusion and Colleagues, Culture and Community.

**Loblaw aspires to be one of Canada's most diverse and inclusive workplaces and to support the health of women and children as building blocks for a healthy society, and has implemented training and other programs to achieve that goal.**

Examples include: (i) setting goals to achieve industry-leading representation for management, executives and its board of directors by 2024, (ii) raising and donating more than \$110 million to support research, charities and non-profit organizations across Canada, (iii) feeding more than 800,000 children as part of the President's Choice Children's Charity™, (iv) announcing a new

commitment to Feed More Families™, with a pledge to donate 1 billion pounds of food to charities by 2028, and (v) contributing over \$50 million by 2026 to help women stay healthy and safe through access to mind and body care through LOVE YOU by Shoppers Drug Mart™ programs.

**Choice Properties has established representation targets for women and visible minorities at all levels of management and its board of trustees.**

In 2022, Choice Properties was included in the Globe and Mail's Women Lead Here benchmark. After evaluating 500 of the largest companies on the Toronto Stock Exchange, Choice Properties was recognized as one of 84 companies with significant numbers of women in leadership positions and achieved the highest percentage of women executives amongst the REITs included in the study. Choice Properties is committed to advancing social equity in its operations and incorporating community priorities within its developments. In 2022, it worked with leading charities through its Choice Cares program and donated over \$625,000 and volunteered 1,240 hours in support of children and youth in low-income neighbourhoods.

## Choice Properties – Accelerating Accessibility

As one of Canada's largest landlords and a long-term owner of real estate, Choice Properties recognizes it has a great deal of influence over how communities come together to live, work and connect. Choice Properties believes in creating spaces that are accessible and provide a sense of belonging amongst the diverse communities it serves. **Choice Properties is proud to participate in the launch of the Accelerating Accessibility Coalition ("AAC") as one of its founding members.**

The AAC will help bring the voices of Canadians living with disabilities to the forefront of shaping communities. Choice Properties is eager to learn from and exchange ideas with other organizations in its industry who share the same values of diversity, equity and inclusion. **Together, Choice Properties can help close the gap between building codes and the needs of people with disabilities, all of whom deserve a welcoming environment that respects their dignity and independence.**

## George Weston Limited Human Rights Commitment

GWL is committed to respecting and enforcing human rights, in line with the United Nations' Guiding Principles on Business and Human Rights.

GWL is committed to (i) avoiding causing or contributing to adverse human rights impacts directly through its own activities or through its operating companies, and addressing such impacts when they occur, and (ii) seeking to prevent or mitigating adverse human rights impacts that are directly linked to its operations, or products or services through its business relationships, and addressing any such impacts if and when they occur.

GWL requires that each of its operating companies adopt a human rights statement that reflects its role within the group and the industries in which it operates.



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GEORGE WESTON LIMITED

# Loblaw and Choice Properties' Human Rights Commitment and Supplier Accountability

## Loblaw

### Human Rights at Loblaw

Loblaw recognizes its responsibility to respect and protect the human rights of all people who support and intersect with its business, and does not tolerate abuse, discrimination or harassment in any form. Through its formal policies, codes of conduct for its colleagues and suppliers, comprehensive compliance standards and a robust governance framework, Loblaw strives to uphold the rights of its customers and employees, as well as the many workers, including migrant and temporary workers, employed within its wider supply chain. Loblaw has aligned its practices with the United Nations' Guiding Principles on Business and Human Rights and Universal Declaration of Human Rights, international labour organization conventions, the Consumer Goods Forum's Forced Labour Priority Industry Principles, and local human rights laws. In 2022, Loblaw engaged ELEVATE, a third-party expert and leader in sustainability and supply chain services, to conduct a Human Rights Due Diligence (HRDD) to assess its procedures and policies across its enterprise operations and international supply chain.

### Supplier Accountability at Loblaw

Loblaw sources with integrity and has been working to increase the transparency and traceability of goods, partners and practices within its supply chain for many years. Through various programs and policies, Loblaw holds its suppliers accountable and uses environmental and social certifications to confirm its expectations and third-party validation that its sourcing standards are practiced consistently. Loblaw has a Supplier Code of Conduct which applies to all domestic and foreign suppliers, vendors, producers and manufacturers providing goods and services to Loblaw. The Supplier Code of Conduct sets minimum expectations and guidelines with respect to responsible sourcing including Loblaw's commitments to human rights, the environment, health and safety, regulatory compliance, business ethics and the development of a diverse and sustainable supply chain. Loblaw conducts audits on facilities it sources through to confirm that suppliers uphold the Supplier Code of Conduct.

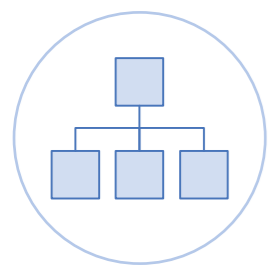
## Choice Properties

### Human Rights at Choice Properties

Choice Properties is committed to respecting human rights. Its commitment to respecting human rights applies to colleagues, business partners and those who supply goods and services to Choice Properties. Choice Properties expects its business partners and suppliers to uphold the same commitment within their operations and adhere to applicable human rights and employment standards laws. Choice Properties' policies and practices are informed by the United Nations' Universal Declaration of Human Rights, and human rights and employment laws and regulations applicable in the regions in which it operates.

### Supplier Accountability at Choice Properties

Choice Properties takes an active approach to engaging with suppliers and has a range of policies and processes in place to support its supply chain. In 2022, Choice Properties developed a Supplier Code of Conduct setting out the minimum standards expected from suppliers. Choice Properties uses an e-tendering platform to award contracts to suppliers. This platform enables Choice Properties and its suppliers to exchange information transparently and securely in an efficient manner. Choice Properties also works with a third-party assessor who certifies that contractors who work on Choice Properties' sites have adequate health and safety procedures and training. These enhanced procurement policies and tools enable Choice Properties to deliver high quality service to its tenants while strengthening transparency in its supply chain.



# Governance

GWL is responsible for ensuring that appropriate governance of ESG programs is in place across the Weston Group. Through the ESG Principles, GWL influences the development of the ESG programs at Loblaw and Choice Properties. Each of Loblaw and Choice Properties has developed robust oversight of their respective industry-specific ESG programs.

## WESTON

GEORGE WESTON LIMITED

At GWL, the board of directors is responsible for overseeing and monitoring both the Company's approach to group wide ESG governance, and GWL's corporate centre ESG policies and practices. The Board receives periodic reports from management on the Company's ESG program and the Audit Committee reviews the adequacy and effectiveness of applicable controls related to the Company's ESG disclosures. The Chief Legal Officer of GWL is the executive sponsor for ESG governance for the Weston Group.

## Loblaw Companies Limited

Loblaw's board of directors is responsible for overseeing Loblaw's strategy, policies and practices related to ESG. The Risk and Compliance Committee of the board is responsible for ESG strategy and reporting and the Audit Committee reviews the adequacy and effectiveness of controls relating to Loblaw's ESG reporting. The Loblaw ESG Steering Committee, comprised of senior leaders, is responsible for setting priorities, tracking metrics and championing program initiatives across the company.

## ChoiceProperties

At Choice Properties, the board of trustees oversees Choice Properties' ESG program and reviews the ESG report on an annual basis. The board of trustees receives periodic reports from management on its ESG program and performance against ESG targets. The Audit Committee oversees the adequacy and effectiveness of controls related to ESG disclosures. A dedicated ESG team maintains and oversees its ESG reporting system and an ESG disclosure committee, comprised of members of its senior leadership oversees ESG disclosures.



## Executive Compensation and ESG Goals

Short-term incentive programs ("STIP") across our group of companies are designed to incent executives and employees to meet annual business and financial objectives, and are designed to focus executives and employees on the key drivers of the operating business on value creation over the short and long-term. Recognizing that value creation includes embedding and delivering on ESG goals in our businesses, each of GWL, Loblaw and Choice Properties has incorporated ESG metrics as a component within its STIP for 2022.

# ESG Reporting

The Company, Loblaw and Choice Properties, collectively report against various leading ESG frameworks and continue to enhance ESG reporting in line with best practices. The ESG reporting frameworks shown here are used by one or more of the companies in the Weston Group.

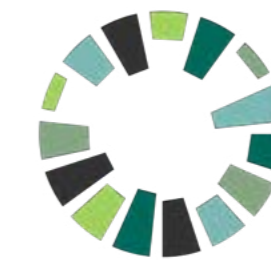
GWL reports against the Sustainability Accounting Standards Board framework. SASB is an independent private sector standards-setting organization dedicated to enhancing the efficiency of capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. GWL has identified SASB topics and activity metrics that apply to it as a publicly traded holding company, which are included in the [SASB Table](#). These metrics were established through internal stakeholder engagement initiatives at the Company.



Task Force on Climate-Related Financial Disclosures



Sustainability Accounting Standards Board



G R E S B

Global Real Estate Sustainability Benchmark



Carbon Disclosure Project



Global Reporting Initiative



Science Based Target Initiative



Gender-Equality Index



Sustainable Development Goals



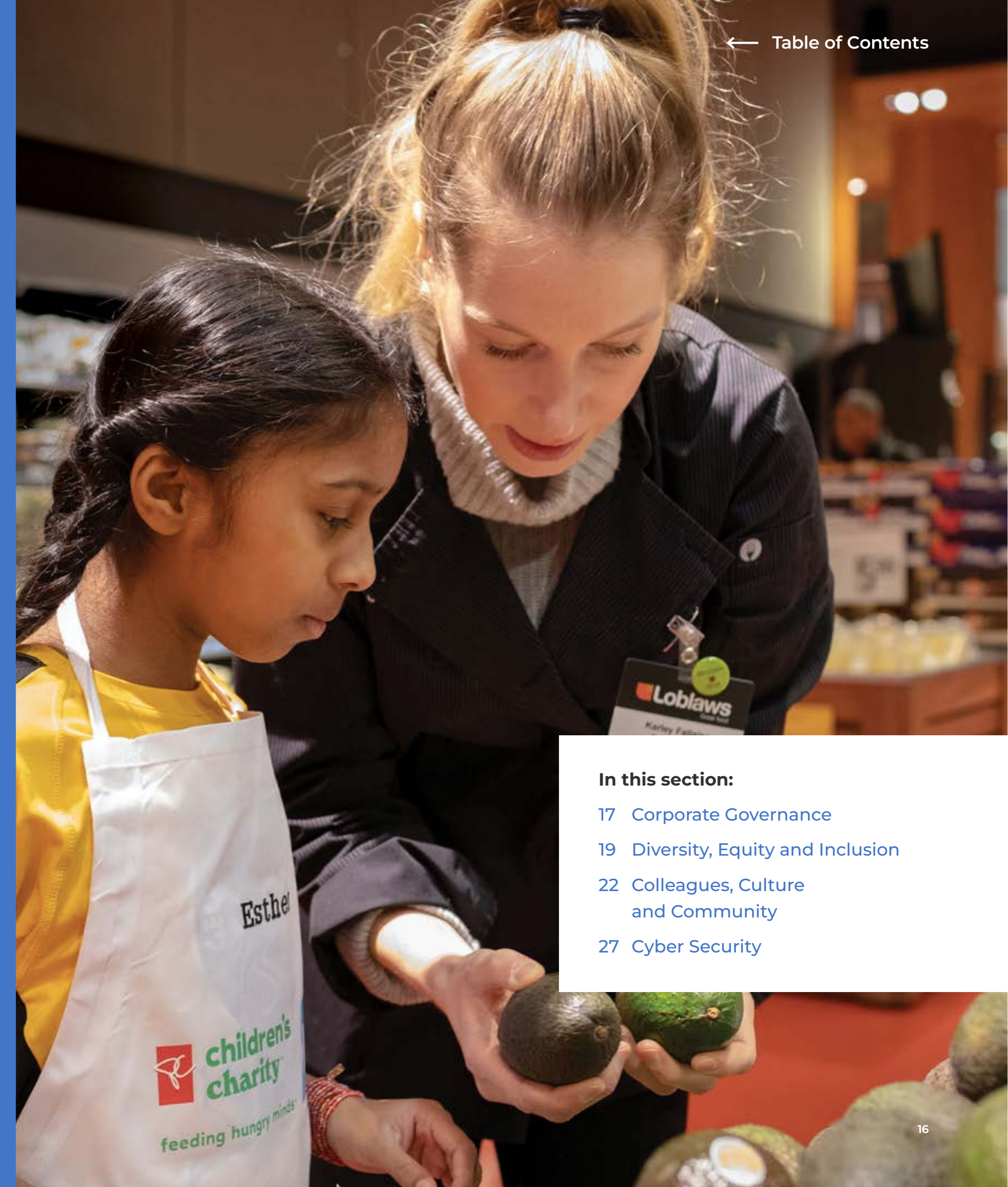
Workforce Disclosure Initiative



# GWL Corporate Centre ESG

“I believe that our business has both the opportunity and responsibility to have a positive effect in the community. Growth and prosperity do not need to come at the expense of sustainability.”

Galen G. Weston  
Chairman and CEO, George Weston Limited



**In this section:**

- 17 Corporate Governance
- 19 Diversity, Equity and Inclusion
- 22 Colleagues, Culture and Community
- 27 Cyber Security

# Corporate Governance

The Company's Board and management are dedicated to strong corporate governance practices designed to maintain high standards of oversight, accountability, integrity and ethics, while also promoting long-term growth and compliance with the Canadian Securities Administrators' Corporate Governance Guidelines.

Strong corporate governance practices contribute to the effective management of the Company and achievement of its strategic and operational objectives. The Governance Committee regularly reviews the Company's corporate governance practices to ensure they reflect evolving best practices.

The Company's governance practices are highlighted in the [Statement of Corporate Governance Practices Appendix](#).

## Ethical Business Conduct

GWL has adopted a Code of Conduct that reflects the Company's long-standing commitment to high standards of ethical conduct and business practices.

The Code is reviewed annually to ensure it is current and reflects best practices in ethical business conduct and integrity and includes a strong "tone from the top" message.

All directors, officers and employees of the Company are required to comply with the Code and must acknowledge their commitment to abide by it on an annual basis.

The Company has established an Integrity Action Line, a toll-free number and a web portal, that any director, officer, supplier, employee or external party may use to report conduct which they feel violates the Code of Conduct or otherwise constitutes fraudulent or unethical conduct. A fraud reporting protocol has also been implemented to ensure that fraud is reported to senior management in a timely manner.



## FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Since my great-grandfather founded George Weston Limited it has been built by excellent people who are committed to a shared set of goals and values. Those goals and values remain the same today; they are the foundation for the way the Company is governed, upholding the highest standards ethically, lawfully, and professionally every day. The Company's high-performance culture requires that all of us adhere to those standards both individually and collectively.

That is why the Company's Code of Conduct is so important. It represents more than words on a page; it reinforces what our businesses and stakeholders expect of us, and what we expect of each other. The Code is intended to provide a framework upon which to model our behaviours. It is designed to help us understand what it means to represent our Company.

As Chairman and Chief Executive Officer, I am committed to holding myself, our leaders, and each of you accountable to the exceptional standards and results that built, and will continue to drive, a Company that we can all be proud of.

*ARW+*



# Board of Directors

## Corporate Governance Snapshot

- Directors are elected annually
- Majority Voting Policy for the election of directors
- Annual advisory vote on approach to executive compensation
- Director Conflict of Interest Guidelines
- Director Share Ownership Guidelines
- New Director Orientation
- Continuing Director Development
- Code of Conduct

## Director Independence

A majority of the directors are independent, meaning they have no direct or indirect relationship with the Company that would interfere with their independent judgment.

## Board Leadership

Galen G. Weston is the Chairman and directs the operations of the Board. He chairs each meeting of the Board, is responsible for the management and effective functioning of the Board and provides leadership to the Board in all matters.

The Board has also appointed Gordon M. Nixon, an independent director, to serve as lead director. The lead director provides leadership to the Board and particularly to the independent directors. The lead director ensures that the Board operates independently of management.

## Board Responsibilities and Duties

The Board, directly and through its committees, provides stewardship, and supervises and oversees the management of the business and affairs of the Company. The Board’s Mandate includes setting the Company’s strategic direction, assigning responsibility to management for the achievement of the strategy and oversight of management’s performance and effectiveness. The Board regularly receives reports on the operating results of the Company as well as reports on certain non-operational matters.

## Board Committees

### Audit Committee

The Audit Committee reviews management’s administration of the Company’s internal controls over financial reporting, disclosure controls and procedures and internal audit function and related party transactions. The Audit Committee also

oversees the Enterprise Risk Management program, cyber-security matters, and reviews the adequacy and effectiveness of applicable controls related to the Company’s ESG disclosures.

### Governance, Human Resource, Nominating and Compensation Committee

The Governance Committee is responsible for the oversight of the Company’s governance practices. The Governance Committee also oversees talent management and succession planning, compensation for the Board and senior management.

The Chair of the Governance Committee, who is an independent director, has been appointed by the Board to serve as lead director.

AS OF  
DECEMBER 31, 2022

7

Directors

71%

Independent Directors

43%

of directors identify  
as women

29%

of directors identify  
as visible minorities

# Diversity, Equity and Inclusion

The Company is committed to Diversity, Equity and Inclusion and supports the identification and nomination of diverse directors and candidates for hiring and promotion at all levels of the organization.

In 2020, GWL set measurable representation goals for gender diversity and visible minorities across all levels of management.



**RASHID WASTI**  
Chief Talent Officer

“We believe differences in ideas and perspectives, born from differences in context and lived experiences, when expressed and received with respect and curiosity, help to create a vibrant, inclusive and successful organization.”

# Board

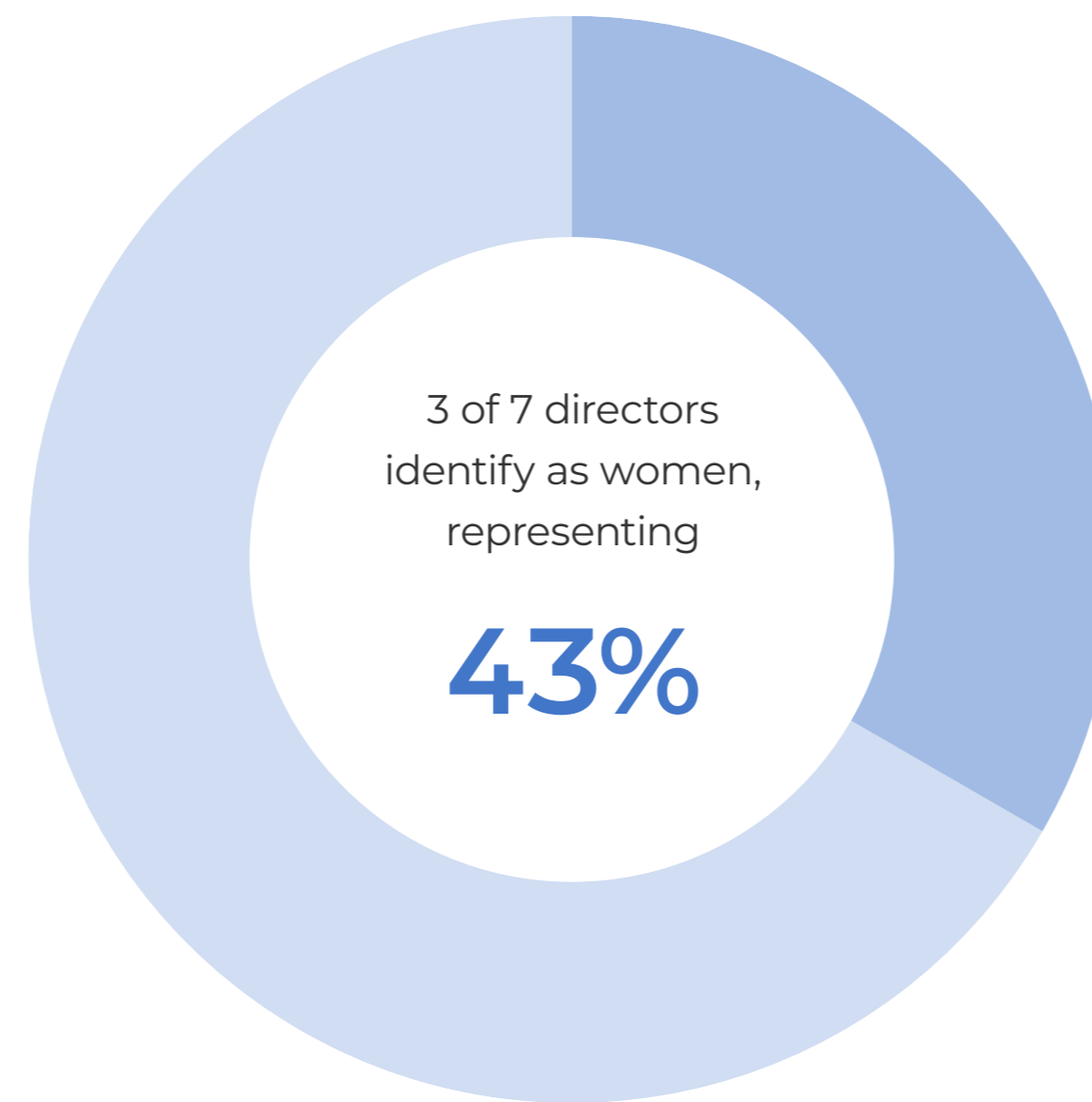
## Nomination of Directors

Diversity is an important factor that is considered in identifying and selecting Board members to ensure directors provide a wide range of thoughts, perspectives, experience and expertise to the Company. The Governance Committee meets on an annual basis, or as required, to assess the size and diversity of the Board and whether any vacancies are expected. As part of its assessment, the Governance Committee reviews an evergreen list of potential candidates, as well as the skills matrix of current Board members to determine criteria and qualifications to be considered when recruiting new director nominees.

## Board Diversity Policy

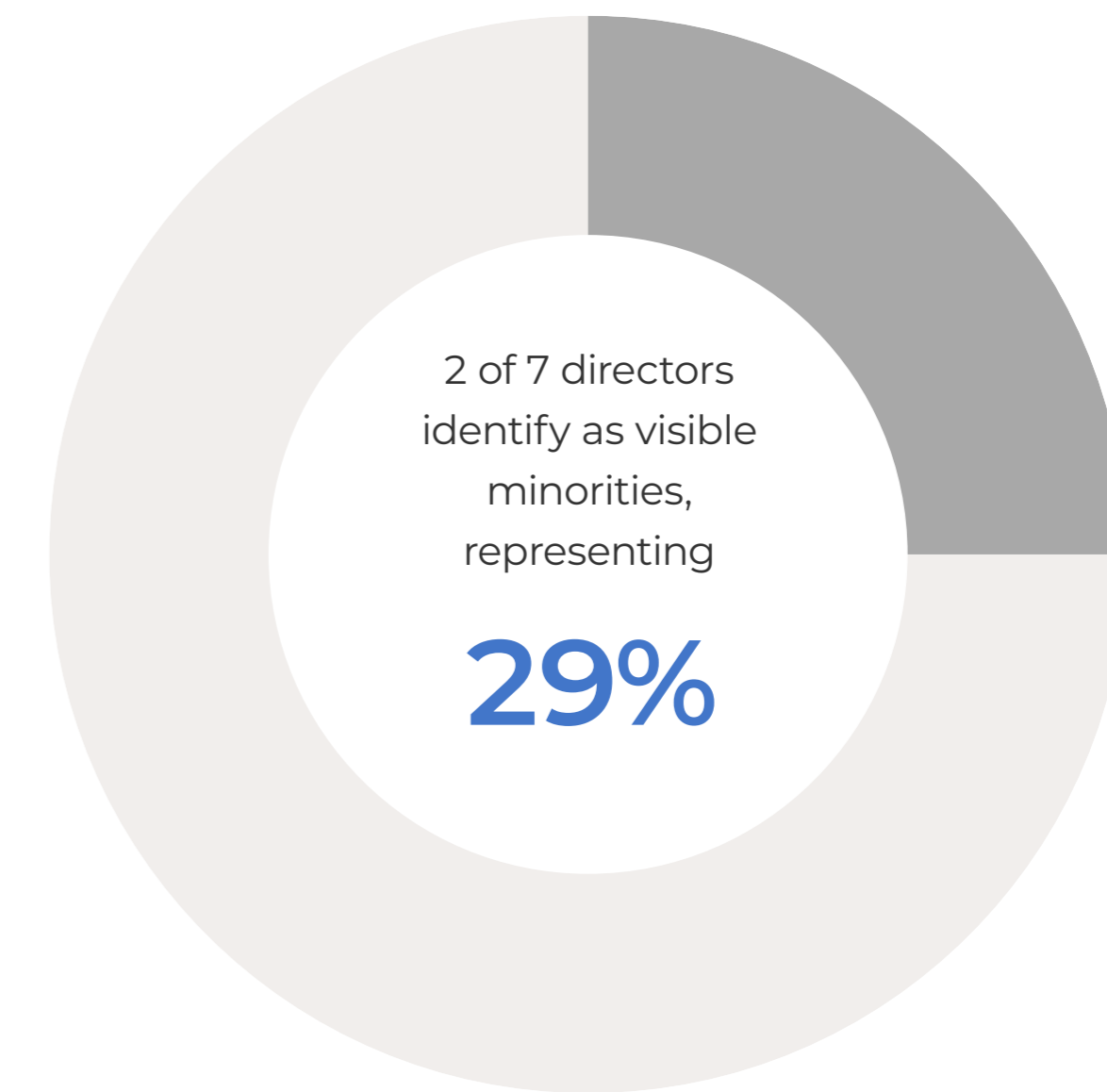
The Company adopted a written Board Diversity Policy in 2015 and has subsequently enhanced it by adopting targets for Directors who identify as women and visible minorities. The Board Diversity Policy requires that, among other qualities, a nominee's gender, age, ethnicity, disabilities and geographic background may be considered in his or her assessment.

## Directors Who Identify as Women<sup>1</sup>



**TARGET:**  
Women comprise at least 30% of the Board

## Directors Who Identify as Visible Minorities<sup>1</sup>



**TARGET:**  
Visible minorities comprise at least 25% of the Board by 2024

<sup>1</sup> As of December 31, 2022.

# Management

The Company has established targets for management who identify as women and visible minorities. The Company has also implemented initiatives to support diversity, equity and inclusion.

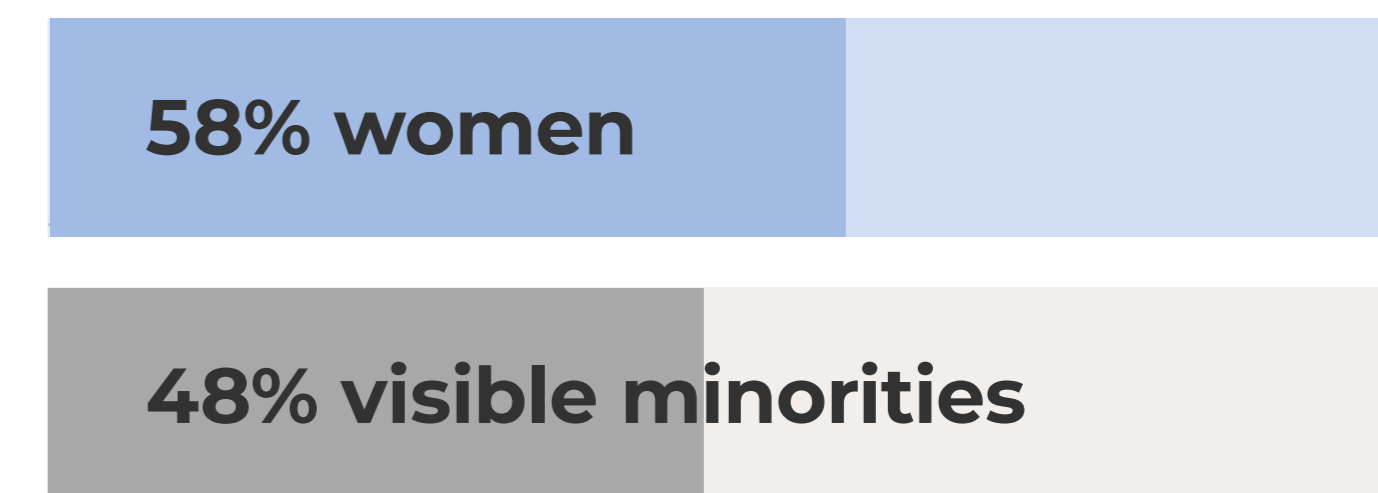
Recruiting and mentoring programs and other initiatives have been established to ensure that the Company’s rich and diverse talent is supported and provided opportunities to grow their careers to the highest levels within the organization. The Company will continue to monitor its level of diversity in management and consider whether it would be appropriate in the future to adopt formal targets for the representation of certain other diversity categories.

## Progress Toward Goals

**Executive Management**  
(Vice President and above)



**Middle Management**  
(Senior Manager to Senior Director)



## 2024 Representation Goals

**Executive Management**  
(Vice President and above)



**Middle Management**  
(Senior Manager to Senior Director)



<sup>1</sup> As of March 2023.

# Colleagues, Culture and Community



**SIMONE COLE**  
Vice President,  
General Counsel  
Choice Properties REIT

“George Weston offers exceptional opportunities to grow as a professional by working with a broad group of stakeholders. My experiences have allowed me to progress through a number of roles within the group of companies, including a secondment at Loblaw’s, becoming General Counsel of GWL’s food manufacturing business, and now General Counsel at Choice Properties REIT.”



**JODAT HUSSAIN**  
Senior Vice President,  
Retail Finance  
Loblaw Companies Limited

“Having started my career at the Weston Group with GWL in the Treasury function, I was afforded the opportunity to grow into challenging roles with the operating companies, always being paired with thoughtful mentors that pushed me to take the right kind of chances.”

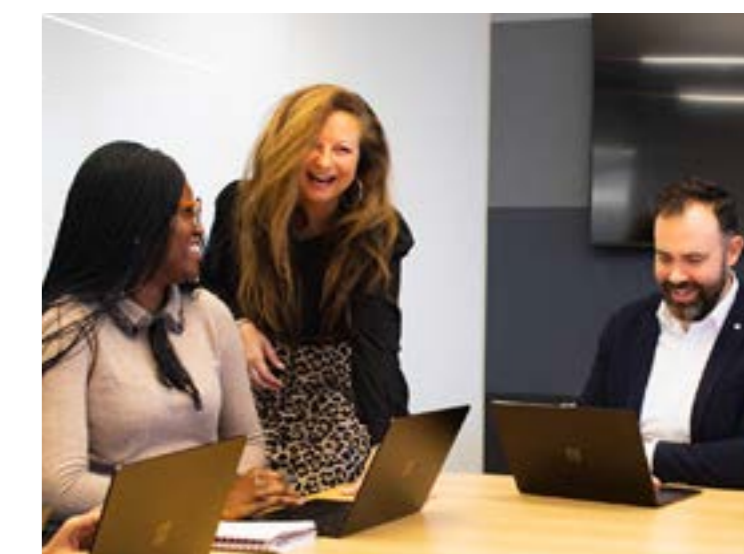


**KATIE MCCULLAM**  
Vice President, Strategy  
& Corporate Development  
George Weston Limited

“After moving from investment banking and private equity to the GWL Strategy Group, I had many opportunities to grow my career by working on significant and complex transactions for the Weston group of companies, hand in hand with our operators and the broad-based team at GWL. The collaborative and collegial atmosphere and the complexity of the work allowed me to develop relationships and grow into a leadership role.”

# Blue Culture

The Company has adopted a set of “Blue Culture” principles to support its journey to develop “best in class” capabilities. The four principles of Blue Culture are:



## 1 Be Authentic

To be authentic is to honour who you are at your core, so your colleagues can understand you and you can give your very best to others. We believe a critical enabler of our success is the creativity, dialogue and psychological safety engendered by an environment where authenticity is valued and welcomed.

## 2 Make Connections

The trusting relationships built with our colleagues accelerates our ability to communicate, debate, make decisions, achieve goals, and create an enjoyable work environment for all. **We encourage and invest the time and effort to build those relationships through a variety of formal and informal activities over and above our day-to-day work.**

## 3 Develop Self and Others

**At the heart of our ability to deliver outstanding results is a commitment to world class talent. Beyond hiring the best at all levels, we believe personal growth is an essential part of this journey.**

Whether through real time feedback, formal mentoring, or structured training, our colleagues at all levels ensure they and those around them actively remain on this journey.

## 4 Add Value

**We work to offer best in-class thought leadership, technical capability, execution, and service to the businesses we enable.** We anticipate, react, advise, and drive change to keep the businesses ahead of the changing landscape. We recommend appropriate risk taking, challenge the status quo and look for ways to reinvent ourselves and the business.



# Culture Champions

Culture Champions at the Company have established three committees to foster a vibrant and inclusive culture:

## Social Movement

The Social Movement is dedicated to fostering colleague connection and engagement outside of their normal roles. This committee hosts various interactive events and competitions to strengthen colleague bonds and promote the Company's unique culture.



## Inspire Women

The Inspire Women initiative focuses on championing gender balance within our organization to promote diversity of thought and attract top talent. Our five core areas are Networking, Inspiration, Personal development, Transition support, and Awareness.



## Health and Wellness Committee

The Health and Wellness Committee provides colleagues with tools to help them live happier, healthier, more balanced lives through resources and interactive events centred on fitness, nutrition, mental health, and holistic wellbeing.



# Talent Attraction & Development

At George Weston Limited, we believe in a culture of excellence, openness and continuous development. The role of the corporate office is to provide best in class shared services to our internal clients and operating businesses.

## Responsibility for Talent

Lead by the Chief Talent Officer, responsibility for attracting, retaining and developing talent is shared across all levels of management of the Company. Recruitment at GWL is a conduit for careers across the Weston Group of companies. We see our investment in recruiting and growing exceptional leaders as a strategic imperative and are proud to offer challenging and rewarding careers.

## Deployment of Human Capital

A strategic focus of GWL is the identification, recruitment and development of high calibre talent. Recruiting diverse colleagues with a range of skills and exposing them to our operating businesses enables them to develop into high-performing talent that can be transferred to our operating businesses, complementing the robust talent initiatives already in place at Loblaw and Choice Properties.

Employee Development Programs	
Program Name	Overview
<b>Leadership, Engagement, and Development</b>	<ul style="list-style-type: none"> <li>Program in place for high-potential colleagues which promotes knowledge-sharing, embeds the behaviours that support our culture, and allows for the practice of new leadership behaviours within participants' current roles</li> </ul>
<b>Mentorship</b>	<ul style="list-style-type: none"> <li>Mentoring program in place to help colleagues develop both professionally and personally through shared experience</li> <li>Provides mentors with the tools necessary to develop potential as an emerging and effective leader</li> </ul>
<b>Tuition Reimbursement</b>	<ul style="list-style-type: none"> <li>Reimbursement for approved courses related to current role or career development goals</li> </ul>
<b>Academy</b>	<ul style="list-style-type: none"> <li>Launched in 2020, a web-based learning platform for all colleagues to access courses related to their role or career development goals</li> </ul>
<b>Graduate Rotation</b>	<ul style="list-style-type: none"> <li>Launched in 2019, this program is an actively managed development program for new graduates</li> </ul>
<b>Secondment</b>	<ul style="list-style-type: none"> <li>Deploying colleagues into, and receiving colleagues from, the operating businesses</li> </ul>



## Colleagues

**100%**

Annual Colleague Engagement Survey, with a **participation rate of 100% in 2022**

- Culture Working Groups
- Quarterly Town Halls
- Training Sessions
- Ethics and Compliance Integrity Action Hotline
- “Let’s Talk” sessions with senior leaders
- Internal Communications and Intranet

## Colleague Engagement Survey

- Voluntary survey seeks input on levels of Engagement and Happiness, Leadership effectiveness, and levels of Collaboration and Compliance
- Annually completed since 2018
- Participation rate of 100% in 2022
- Results are benchmarked year-over-year
- Annual Diversity, Action Plans are established based on survey results

# Social Responsibility

At George Weston Limited, we believe our responsibility as a business extends beyond our shareholders to the community at large.

In 2010, George Weston successfully launched the Weston Seeding Stronger Communities employee engagement program to raise funds for charitable organizations. The Company and its employees have supported a number of significant causes, including charities encouraging the nutritional and physical well-being of children across North America.

In 2022, funds raised were matched by the Company and committed to Covenant House Toronto – a critical agency that services vulnerable youth who are homeless, trafficked, or at-risk. Covenant House provides housing options, health and well-being support, training and skill development, and ongoing care once youth move into the community.

In addition, the Company raised funds for the North York Harvest Food Bank. The mission of the North York Harvest Food Bank is to engage the community in meeting the food needs of northern Toronto by providing dignified food assistance, education, focused advocacy, and long-term food solutions.



# Cyber Security

George Weston Limited recognizes cyber and technology threats will continue to increase in frequency and sophistication.

The Company is committed to protecting its corporate and stakeholder information from current and future threats by implementing a security management framework that aligns with industry best practices, including: the National Institute of Standards and Technology (NIST) and the Information Security Forum (ISF).

To maintain its security posture, the Company regularly reviews its standards, procedures, and guidelines to ensure they are relevant and address current risks and regulatory requirements.

The Company leverages information security maturity assessments based on the ISF Security Healthcheck and NIST CSF Implementation Tiers to understand the current state of its cyber security program. Maturity scores are further used as inputs to influence cyber security strategy, investments, and roadmap.

The Company is committed to building and reinforcing a sound security foundation by providing appropriate management support and instilling a culture of security awareness across the organization. The Company invests in its people, process, and technology to mitigate cyber security risks. These practices include assessing the effectiveness of controls and adjusting the course of the Company's program in response to threat conditions.

The Company's cyber security program undergoes regular audits from independent parties, both internal and external. The outcomes of these audits and resulting action plans are an integral part of the security program lifecycle.



# Oversight of Cyber Security

The Company has a dedicated technology and cyber security team comprised of skilled professionals who manage information security and operational controls.

The Audit Committee provides oversight and governance of the cyber security program and reviews quarterly reports from management.

At GWL, “Cyber security is everyone’s responsibility”, and this duty is shared with colleagues through our multifaceted security awareness program.

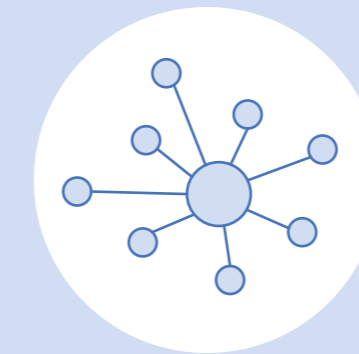
A comprehensive cyber security knowledge assessment and tailored awareness training are delivered to all new colleagues as part of their onboarding process with the Company. All colleagues are required to complete security training, which focuses on identified risks or trending threats, and are subject to monthly phishing simulations.



**Completed annual penetration test** which did not produce any significant findings.



**Implemented a new Mobile Device Management solution** with Mobile Application Management and Mobile Content Management functionality.



**Operationalized the Data Governance program**, with new data labeling and retention policies.



**Improved the ISF maturity score** through enhanced governance, security and information management programs.



**Enhanced the Cyber Security Education and Awareness program** through regular training, mandatory assessments, and monthly phishing simulations for all colleagues and contractors.



**Enhanced cyber security threat** through an updated Access Management standard reflecting modern password guidance in alignment with industry recommendations.

## 2022 Information Security Awareness by the Numbers

**16 minutes**

is the average time per employee per quarter **spent on cyber security related training materials.**

**652**

**training modules assigned and completed** as part of the Company’s mandatory cyber security education program.

**29**

**new colleagues completed** the mandatory New Hire Cyber Security Awareness Training program.

**1,735**

**phishing E-Mails sent to colleagues** via the authorized phishing simulation program.

# Supplemental Information

**In this section:**

- [30 Ensuring Reliability of our ESG Disclosures](#)
- [31 SASB Table](#)
- [34 GWL Statement of Corporate Governance and Practices](#)
- [36 Forward-Looking Information](#)

# Ensuring Reliability of our ESG Disclosures

At GWL, we recognize the importance of ensuring the accuracy and reliability of our ESG disclosures. That is why we have built a robust control environment and testing program that validates the accuracy of the ESG information and further supports GWL’s commitment to transparency and accountability. We will continue to evolve and strengthen our control environments as necessary to ensure that the integrity and reliability of our disclosures meet the expectations of our stakeholders in an evolving landscape.

## Control Environment

Across the Weston Group, management is responsible for establishing and maintaining adequate internal controls over ESG disclosures and have implemented a control environment which mirrors the Internal Controls over Financial Reporting (ICFR) framework. To ensure consistency, accuracy, completeness, timeliness, relevance, and alignment with the overall strategy, management has established a rigorous process which is applied to all ESG disclosures. The foundation of this control environment is the Three Lines of Defense model.

The control environment and internal control testing responsibilities are reflective of the ESG programs and teams at each company within the Weston Group. For GWL and Choice Properties, the Internal Controls Compliance function is responsible for

executing against the testing program and to ensure ESG disclosures are accurate. At Loblaw, the ESG Integration and Reporting and Finance functions play a similar role.

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 operating, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgement 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.

## Assurance

As we continue to mature our ESG program, our goal is to obtain the appropriate level of assurance over our ESG disclosures.

At Loblaw, the Internal Audit function was engaged to provide limited assurance over a risk-based subset of quantitative information included in the Loblaw ESG Report. Additionally, an independent assurance provider has been engaged to perform limited assurance over Loblaw’s Scope 1 and 2 greenhouse gas emissions. At the date of publication of this Report, the engagement was still on-going.

Choice Properties’ external auditor, PricewaterhouseCoopers LLP, provided assurance over select performance metrics to a limited level of assurance in accordance with the requirements

of International Standards on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and International Standards on Assurance Engagements (ISAE) 3410, *Attestation Engagements on Greenhouse Gas Statements*. A copy of the Statement of Assurance can be found in Choice Properties’ 2022 ESG Report.

Given the specific ESG program at the corporate centre, we continue to assess and determine the appropriate level of assurance required for our key ESG disclosures.

## Oversight

The Audit Committee of the Board of Directors oversees the adequacy and effectiveness of applicable ESG controls. In addition, the Audit Committee reviews the results of assurance engagements.

# SASB Table

George Weston Limited, as a publicly traded holding company, has identified the following topics and activity metrics as key issues against which it is able to disclose as a publicly traded company.

Sustainability Accounting Standards Board (SASB) Table				
Topic	Code	Accounting Metric	Data / Disclosure	Additional Information
<b>Employee Diversity &amp; Inclusion</b>	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Gender representation <sup>1</sup> : (1) Executive Management <sup>2</sup> – 36% (2) Middle Management <sup>3</sup> – 29% (3) Not Reported (4) Not Reported  Minority representation: (1) Executive Management <sup>2</sup> – 58% (2) Middle Management <sup>3</sup> – 48% (3) Not Reported (4) Not Reported	As per the George Weston Limited, Code of Conduct -Being a great place to work starts with RESPECT. The Blue Culture at George Weston Limited cultivates an inclusive and respectful work environment. This includes treating our employees with dignity and fairness, and maintaining a workplace that is free of harassment, discrimination and violence. It also means welcoming employees with different backgrounds, perspectives and capabilities. This diversity brings us a wealth of experience that makes us a better and more effective team.
<b>Business Ethics</b>	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or Regulations	George Weston Limited did not sustain any monetary losses in 2022 as a result of legal proceedings associated with the described conduct. George Weston Limited discloses all material legal and regulatory proceedings in its Annual Report and Quarterly Reports to Shareholders.	

#### Footnotes

1. Current disclosure is limited to Executive Management and Middle Management based on available data. George Weston Limited intends to report against additional metrics in future.
2. Executive management is defined as positions with title Vice President or above and Heads of business divisions.
3. Middle management is defined as positions with the titles Senior Manager to Senior Director.



Sustainability Accounting Standards Board (SASB) Table				
Topic	Code	Accounting Metric	Data / Disclosure	Additional Information
Business Ethics (continued)	FN-AC-510a.2	Description of whistleblower policies and procedures	<p>It is absolutely essential that George Weston Limited's employees act with integrity and take personal accountability in all interactions when representing the Company.</p> <p>INTEGRITY is the foundation upon which our Company was built. It continues to be the basis for our strong reputation and our loyal relationships. To protect that legacy – and because we believe it to be right – all of the Company's employees must conduct themselves in an ethical, lawful, and professional manner.</p> <p>George Weston's Code of Conduct establishes the framework by which an employee or any third party must report a concern. George Weston makes available a Business Integrity Hotline and reporting website, which is administered on behalf of George Weston by an independent external third party. George Weston Limited's Code of Conduct provides an overview of the framework for reporting illegal or unethical conduct.</p> <p>Every year, our employees complete mandatory compliance training that includes the Code of Conduct.</p> <p>The Company prohibits employees from retaliating against anyone who speaks up in good faith with a concern about another employee. Any employee who retaliates against another employee who has made a report is subject to discipline up to and including termination of employment.</p>	<a href="#">Code of Conduct</a>
	Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), and (3) number of account holders affected	<p>Substantiated complaints regarding breaches of privacy and data</p> <p>(1) 0 in 2022 (2) 0 in 2022 (3) Not Applicable</p>
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	<p>George Weston Limited recognizes cyber and technology threats will continue to increase in frequency and sophistication. The Company is committed to protecting its corporate and stakeholder information from current and future threats by implementing a security management framework which aligns with industry best practices, including: National Institute of Standards and Technology (NIST) and the Information Security Forum (ISF).</p> <p><b>What data security means:</b></p> <p>Data security prevents the unauthorized access and leakage of sensitive, protected, or confidential information. This includes protecting George Weston's information assets against the exploitation of system vulnerabilities, social engineering, phishing, viruses, malware, and other cyber threats.</p> <p><b>Oversight for Data Security:</b></p> <p>The Company has a dedicated technology and cyber security team comprised of skilled professionals who manage information security and operational controls. The Audit Committee provides oversight and governance of the cyber security program and reviews quarterly reports from management.</p> <p><b>Responsibility for Cyber Security:</b></p> <p>At GWL, "Cyber security is everyone's responsibility", and this duty is shared with colleagues through our multifaceted security awareness program.</p> <p>A comprehensive cyber security knowledge assessment and tailored awareness training are delivered to all new colleagues as part of their onboarding process with the Company. All colleagues are required to complete security training, which focuses on identified risks or trending threats, and are subject to monthly phishing simulations.</p> <p><b>2022 Cyber Security Awareness by the Numbers:</b></p> <ul style="list-style-type: none"> <li>• 6 minutes is the average time per employee per quarter spent on cyber security related training materials.</li> <li>• 652 training modules assigned and completed as part of the Company's mandatory quarterly cyber security education program.</li> <li>• 29 new colleagues completed the New Hire Cyber Security Awareness Training program.</li> <li>• 1,735 phishing E-Mails sent to colleagues via the authorized phishing simulation program.</li> </ul>	

Sustainability Accounting Standards Board (SASB) Table				
Topic	Code	Accounting Metric	Data / Disclosure	Additional Information
<b>Data Security</b> (continued)			<p><b>Information and Cyber Security at George Weston Limited:</b></p> <p>The Company leverages information security maturity assessments based on the ISF Security Healthcheck and NIST CSF Implementation Tiers to understand the current state of its cyber security program. Maturity scores are further used as inputs to influence cyber security strategy, investments, and roadmap.</p> <p>To maintain its security posture, George Weston Limited regularly reviews its standards, procedures, and guidelines to ensure they are relevant and address current risks and regulatory requirements.</p> <p>George Weston augments internal capabilities with a third-party managed detection and response (MXDR) service that provides 24/7 threat monitoring. Integrations from security tooling are fed into the service to continuously monitor security infrastructure. George Weston employs an in-depth approach to security which aligns with the NIST Cyber Security Framework (Identify, Prevent, Detect, Respond, Recover).</p> <p>George Weston is committed to building and reinforcing a sound security foundation by providing appropriate management support and instilling a culture of security awareness across the organization, including:</p> <ul style="list-style-type: none"> <li>• Effective risk management and compliance monitoring;</li> <li>• Appropriate segregation of duties, organizational structure, reporting lines, authorities, and security responsibilities;</li> <li>• A security risk monitoring function that applies key risk indicators providing insight into our operations and risk profile.</li> </ul> <p>George Weston invests in its people, process, and technology to mitigate cybersecurity risk. These practices include using industry benchmarks, assessing the effectiveness of controls, and adjusting the course of the Company's program in response to threat conditions.</p> <p>George Weston Limited's cyber security program undergoes regular audits from independent parties, both internal and external. The outcomes of these audits and resulting action plans are an integral part of the security program lifecycle.</p> <p><b>Highlights of the 2022 Information Security program:</b></p> <ul style="list-style-type: none"> <li>• Completed annual penetration test which did not produce any significant findings.</li> <li>• Implemented a new Mobile Device Management solution with Mobile Application Management and Mobile Content Management functionality.</li> <li>• Operationalized the Data Governance program, with new data labeling and retention policies.</li> <li>• Improved the ISF maturity score through enhanced governance, security and information management programs.</li> <li>• Enhanced the Cyber Security Education and Awareness program through regular training, mandatory assessments, and monthly phishing simulations for all colleagues and contractors.</li> <li>• Enhanced cyber security threat through an updated Access Management standard reflecting modern password guidance in alignment with industry recommendations.</li> </ul>	

# GWL Statement of Corporate Governance Practices

Governance			
Approach	Reference	Application	2022 Highlights
<b>Majority Voting Policy</b>	See Majority Voting Policy on <a href="http://www.weston.ca">www.weston.ca</a>	Annual election of directors by Shareholders. Director in an uncontested election who does not receive a majority of votes cast in favour of the election must tender resignation. Governance Committee reviews resignation and makes recommendation to the Board	At least 97% of total votes cast at the 2022 Annual Meeting of Shareholders were cast in favour of each of the directors
<b>Independence Statement</b>	See page 16 of this ESG Report for additional detail	Majority of the Board to be comprised of independent directors	71% of directors are independent. 100% of Audit Committee members are Independent. 100% of Governance Committee members are Independent
<b>Board Effectiveness</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Ensures that the Board and its Committees are functioning at optimal levels	Annual assessment of the performance and effectiveness of the Board and its Committees, and Committee Chairs. Independent Lead Director in place to drive strong independent Board oversight
<b>Share Ownership Policy</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Aligns the interests of directors and executives with those of shareholders. Applies to each director and executive at the SVP level and higher	All directors and executives either satisfy the required level of share ownership or are in the process of accumulating the securities as required under the policy
<b>Continuing Education</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Ensures relevant continuing education sessions are provided to directors	13 continuing education sessions were provided to a Committee or the Board in 2022
<b>Director Tenure Guidelines</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Fosters ongoing renewal of the Board's membership. Chairman and Governance Committee Chair assess each director's continued participation on the Board upon the director reaching the age of 75 and annually thereafter, or upon a change in the director's principal occupation	43% of directors have tenure of 0 to 5 years. 43% of directors have tenure of 5 to 10 years. 14% of directors have tenure of 10+ years. Average tenure of 6.0 years
<b>Director Interlock Policy</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Ensures that interlocking director relationships will not adversely affect independent judgement. Prohibited interlock occurs when more than two directors, other than the Chairman, sit on the board of another public entity. Governance Committee reviews interlocking directors	Zero prohibited interlocks among independent directors
<b>Related Party Transactions</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Oversight of related party transactions rests with the Audit Committee. The Board approves significant related party transactions within the Weston Group of Companies	Quarterly reports on related party transactions delivered to the Audit Committee
<b>Corporate Opportunities Principles</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Framework established to facilitate decision-making process to deal with corporate opportunities which could be of interest to more than one entity in the Weston Group	Annual review of strategic focus areas for each of the main businesses in the Weston Group. Annual review of corporate opportunity principles against entity strategies
<b>Advisory Vote on Executive Compensation (Say-On-Pay)</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Provides shareholders with an opportunity to vote on the Company's approach to executive compensation	97.33% of votes cast at the 2022 Annual Meeting of Shareholders were cast in favour of the Company's approach to executive compensation
<b>Executive Clawback Agreement</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Deterrent to executives taking excessive risk	Part of overall executive compensation program designed to align interests of the shareholders with the company

Compliance and Ethics			
Approach	Reference	Application	2022 Highlights
<b>Code of Conduct</b>	See Code of Conduct at <a href="http://www.weston.ca">www.weston.ca</a>	Reflects GWL's commitment to high standards of ethical conduct and business practices. Addresses conflicts of interest, compliance with laws, rules and regulations, confidentiality and fair dealing	Annual review and approval of the Code. Annual acknowledgment by the Company's employees and directors of their commitment to abide by the Code
<b>Ethical Business Conduct</b>	See <a href="#">page 17</a> of this ESG Report and the Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Integrity Action Line – Toll-free number that any employee or director can use to report conduct thought to violate the Code. Anti-Fraud Policy – Fraud reporting protocols established to ensure fraud reporting to senior management. Accounting, Auditing and Internal Controls Procedures - outlines the procedures for receipt and treatment of complaints received in connection with accounting, internal controls, disclosure controls or auditing matters	Quarterly review of integrity action line comments with the Audit Committee. Annual review of the Anti-Fraud Policy and the Accounting, Auditing and Internal Controls Procedures by the Audit Committee. Quarterly compliance reporting to the Audit Committee
<b>Disclosure Policy</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	The Disclosure Committee is responsible for the administration and implementation of the Disclosure Policy. Describes the processes and procedures of the Company in connection with the timely disclosure of material information. Provides direction and guidance on communications with external audiences. Establishes consistent guidance for determining what information is material and avoiding selective disclosure	Quarterly review of disclosure documents, including the interim management's discussion and analysis, interim financial statements and news releases. Quarterly review and reporting on the application of non-GAAP measures. Annual review of the management proxy circular and annual information form. File all continuous disclosure documents within the required timelines, including earnings releases, annual and interim reports, annual information form and management proxy circular
Environmental, Social and Governance			
Approach	Reference	Application	2022 Highlights
<b>Mandate of the Board Committee</b>	See Mandate on <a href="http://www.weston.ca">www.weston.ca</a>	Provides guidance on the Weston Group approach to ESG. Oversight of GWL's approach to ESG	Oversees and monitors the Company's 's approach, policies and practices related to ESG matters. The Board receives periodic reports on ESG initiatives and reviews and approves the Company's ESG report annually
<b>ESG Reporting</b>	See: <ul style="list-style-type: none"> <li>• <a href="http://www.loblaw.ca/en/responsibility">www.loblaw.ca/en/responsibility</a></li> <li>• <a href="http://www.choicereit.ca/sustainability">www.choicereit.ca/sustainability</a></li> </ul>	Cross-functional management working team with representation from all the operating businesses of the Weston Group to advance ESG initiatives	Alignment on ESG reporting strategy across all the operating businesses of the Weston Group
<b>Board Diversity Policy</b>	See Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Target of 30% representation on the Board by persons who identify as women and 25% representation of people who identify as visible minorities by 2024. Consideration of age, ethnicity, gender, diverse backgrounds. Annual self-identification on designated group membership	43% of directors identify as women. 29% of directors identify as visible minorities. Annual assessment of Board composition
<b>Management Diversity and Inclusion Programs</b>	See <a href="#">page 21</a> of this ESG Report and Management Proxy Circular for additional detail on <a href="http://www.weston.ca">www.weston.ca</a>	Diversity and Inclusion sessions held to generate awareness and implement activities that embed diversity principles into the culture of the organization. Diversity, Equity & Inclusion Committee, comprised of a cross section of employees from across the organization and sponsored by the executive leadership team. Consider diversity at the talent development and succession planning process at various senior levels. Annual self-identification on designated group membership	Adoption of formal targets in respect of women and visible minorities in management positions. Creation of goal that by 2024, 50% of Vice President or higher positions and 50% of Senior Manager to Senior Director positions be held by people who identify as women and 35% of Vice President or higher positions and 45% of Senior Manager to Senior Director positions be held by people who identify as visible minorities

# Forward-Looking Information

This ESG Report may contain forward-looking information within the meaning of applicable securities legislation which reflects the Company's current expectations regarding future events.

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. This ESG Report is informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards, the United Nations Sustainable Development Goals (SDGs) 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 ESG Report reflects what the Company and its operating businesses believe is the best available data and, in the case of climate change disclosures, best available scenario projections. Where appropriate, including in setting greenhouse gas reduction targets and making climate disclosures, the Company and its operating businesses have 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 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 and its

operating businesses' ability to meet their 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 MD&A. The forward-looking statements in this ESG Report are presented for the purpose of assisting investors and other stakeholders in understanding our 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 ESG 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 ESG Report are made as of the date hereof and are qualified by these cautionary statements.

## For More Information

For more information about sustainability at Choice including this and our previous ESG reports, please visit our website at [www.weston.ca](http://www.weston.ca) and/or email [investor@weston.ca](mailto:investor@weston.ca).

# ESG at Loblaw

Loblaw is Canada's food and pharmacy leader with a network of corporate and independently operated stores in communities across the country.

Loblaw's purpose – helping Canadians *Live Life Well*® – supports the needs and well-being of Canadians who make one billion visits each year to the company's stores. Loblaw is positioned to meet and exceed those needs in many ways.

Loblaw's purpose-led approach to ESG issues concentrates on a two-pillar approach to ESG: Fighting Climate Change and Advancing Social Equity.

Loblaw's 2022 ESG Report is included here and is also available on [Loblaw's website](#).

**Loblaw  
Companies  
Limited**





**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.



- 2** Reading and Understanding this Report
- 3** About Loblaw
- 4** Message from the President and Chairman
- 5** Leading with purpose: Helping Canadians Live Life Well®
- 8** Materiality
- 9** Our Approach to ESG
- 10** ESG Governance
- 11** Stakeholder Engagement
- 12** 2022 Performance Highlights
- 13** By the Numbers

## Environmental

- 15** Climate Action
- 16** Alignment with the Task Force on Climate-Related Disclosures (TCFD)
- 17** Risk Mitigation
- 18** Biodiversity
- 20** Product Sustainability
- 22** Sustainable Apparel
- 23** Chemical Management
- 25** Reducing Plastic Waste
- 26** Reduce, Reuse, Recycle
- 28** Food Waste
- 31** Additional Environmental Initiatives

## Social

- 33** Diversity, Equity and Inclusion
- 39** Our Colleagues
- 42** Health and Safety
- 43** Health and Wellness
- 45** Health and Wellness Highlights
- 46** Community Engagement
- 48** Investing in Our Communities

## Governance

- 50** Corporate Governance
- 51** Privacy and Cybersecurity
- 53** Supply Chain Accountability
- 54** Human Rights
- 57** Collaboration and Continuous Improvement
- 58** Food and Product Safety
- 60** Animal Welfare
- 61** Responsible Sourcing
- 63** Ensuring Reliability of our ESG Disclosures
- 64** About Forward-Looking Statements





# 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.

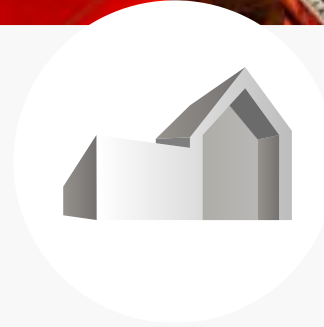
For the latest updates regarding our progress, follow us on Twitter, Facebook, Instagram and LinkedIn. We regularly update reports and statements on our website <https://www.loblaw.ca/en/responsibility/>.

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

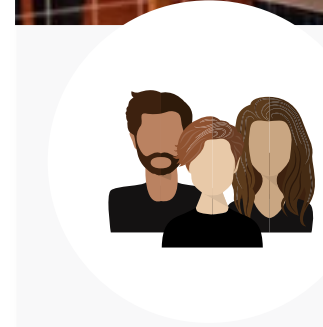
# About Loblaw

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.

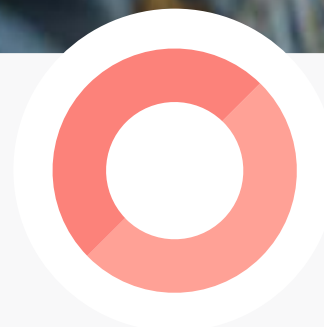
Loblaw’s purpose – helping Canadians Live Life Well® – is focused on the needs and well-being of Canadians who have billions of interactions with our business every year. Loblaw is positioned to meet those needs in many ways, from our convenient locations with more than 1,050 grocery stores that span 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®.



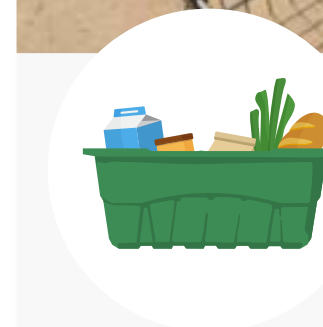
**2,400** stores and pharmacies



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 800,000 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 plus sign 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](#))

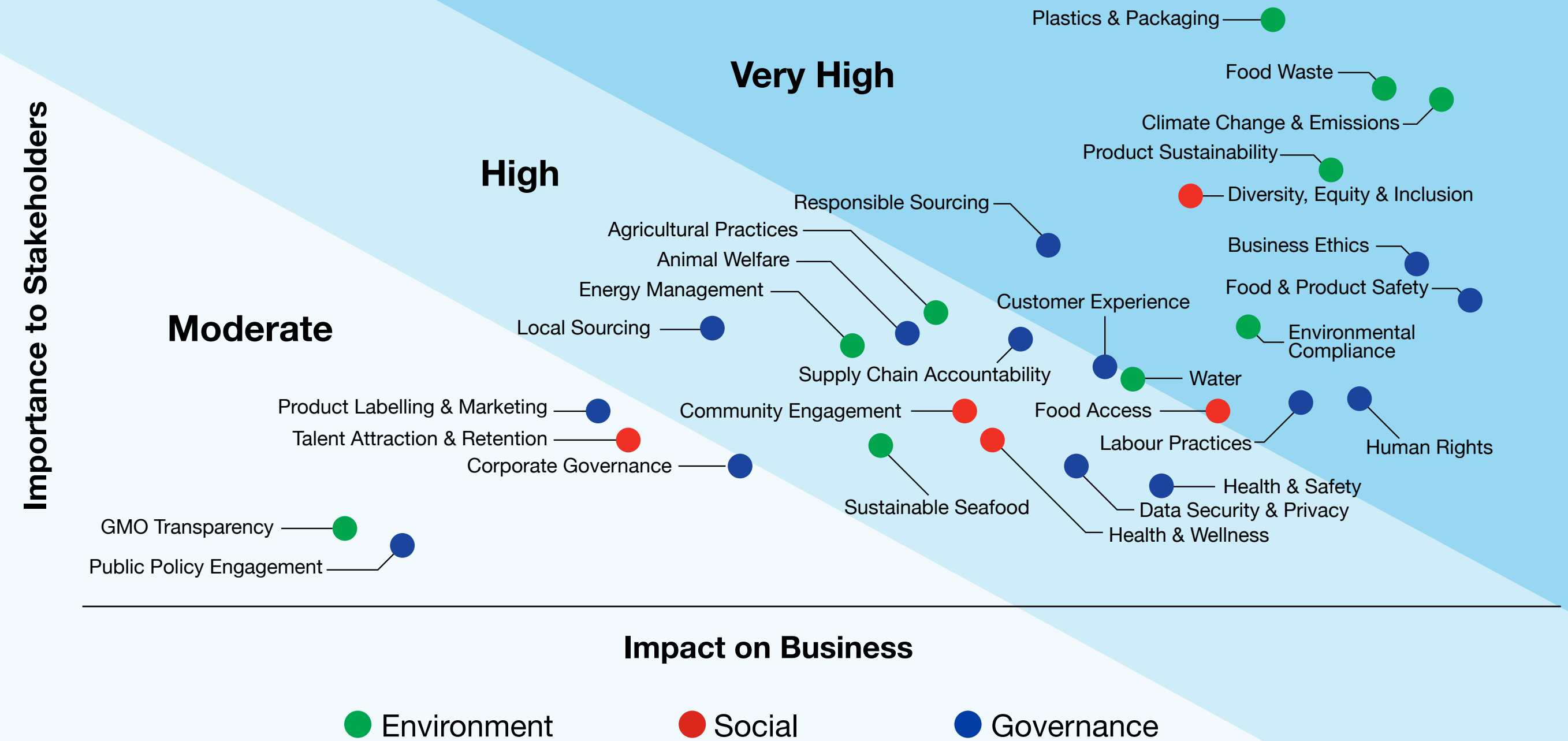
Support President's Choice Children's Charity™ (PCCC), Canada's top non-government provider of in-school kids' nutrition programs, as it seeks to raise \$150 million by 2027 and feed 1 million children a year by 2025. ([More information on community engagement](#))

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.

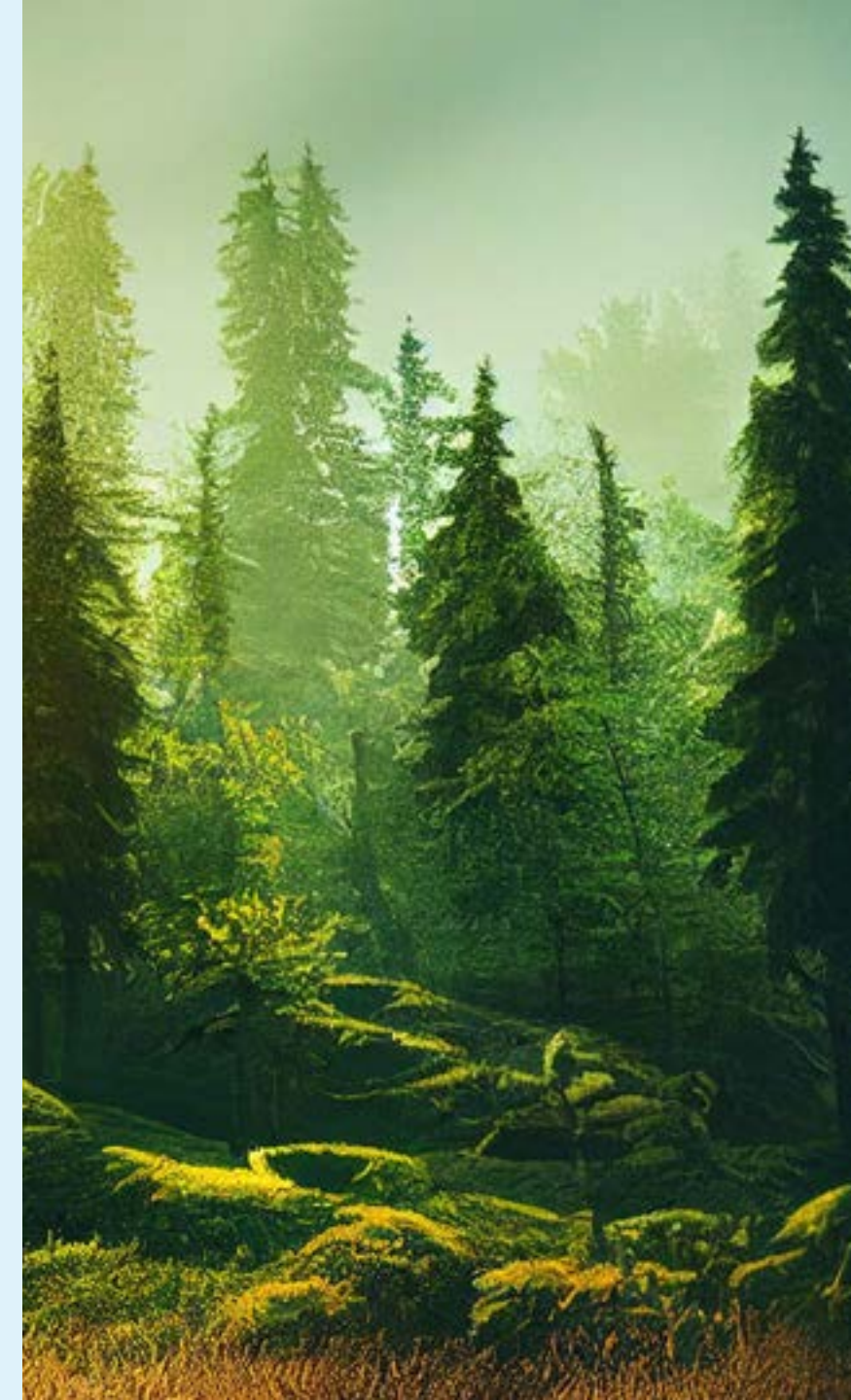


## Contributing to the UN SDGs

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.



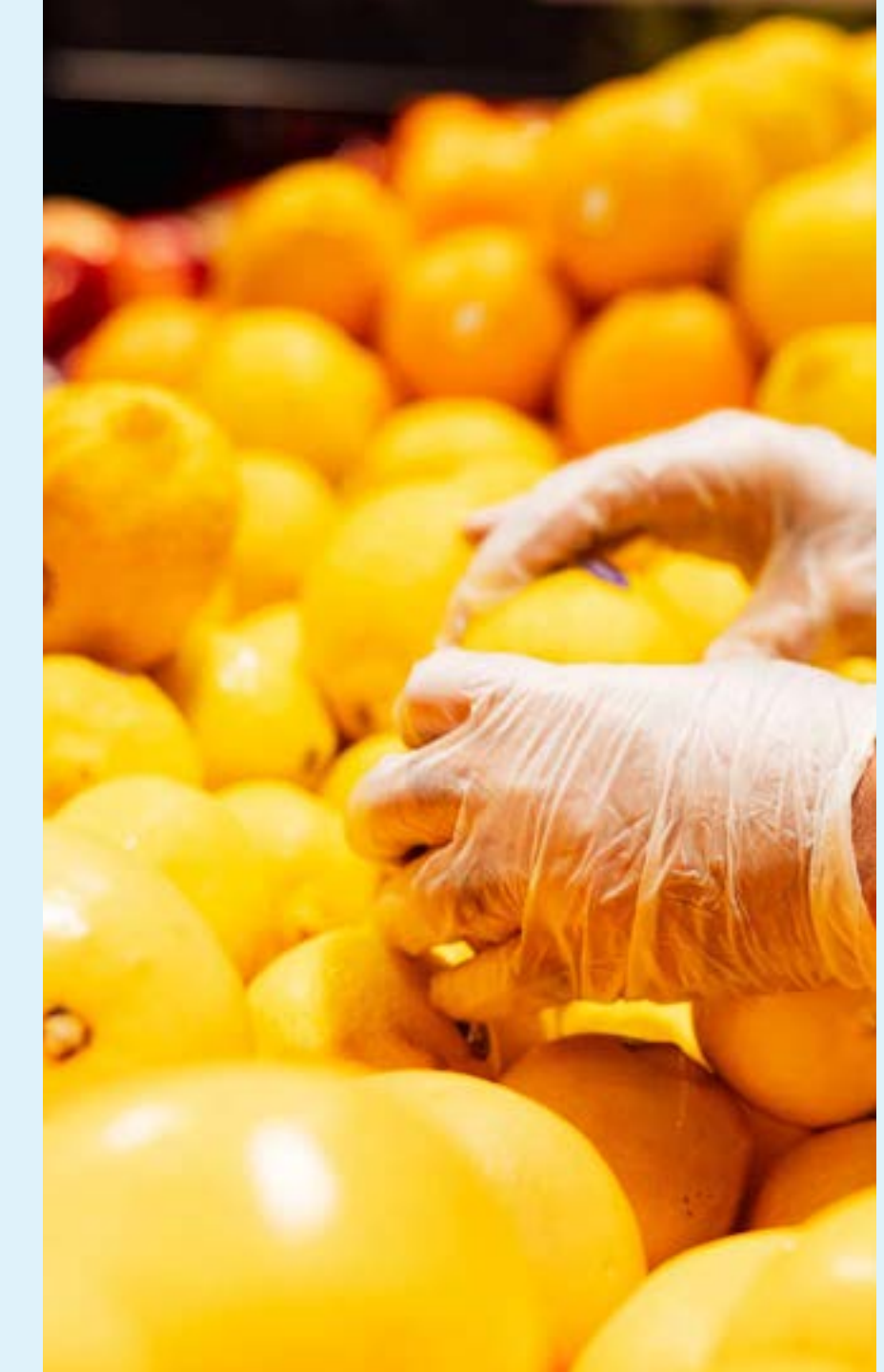
# Our Approach to ESG



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



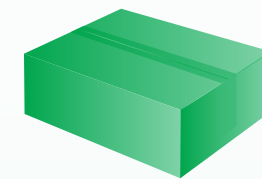
Achieved 35% compliance relative to the Golden Design Rules for control brand and in-store plastic packaging.



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 SDM 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.



Fed more than 800,000 kids as part of President's Choice Children's Charity's mission to tackle childhood hunger in Canada.



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

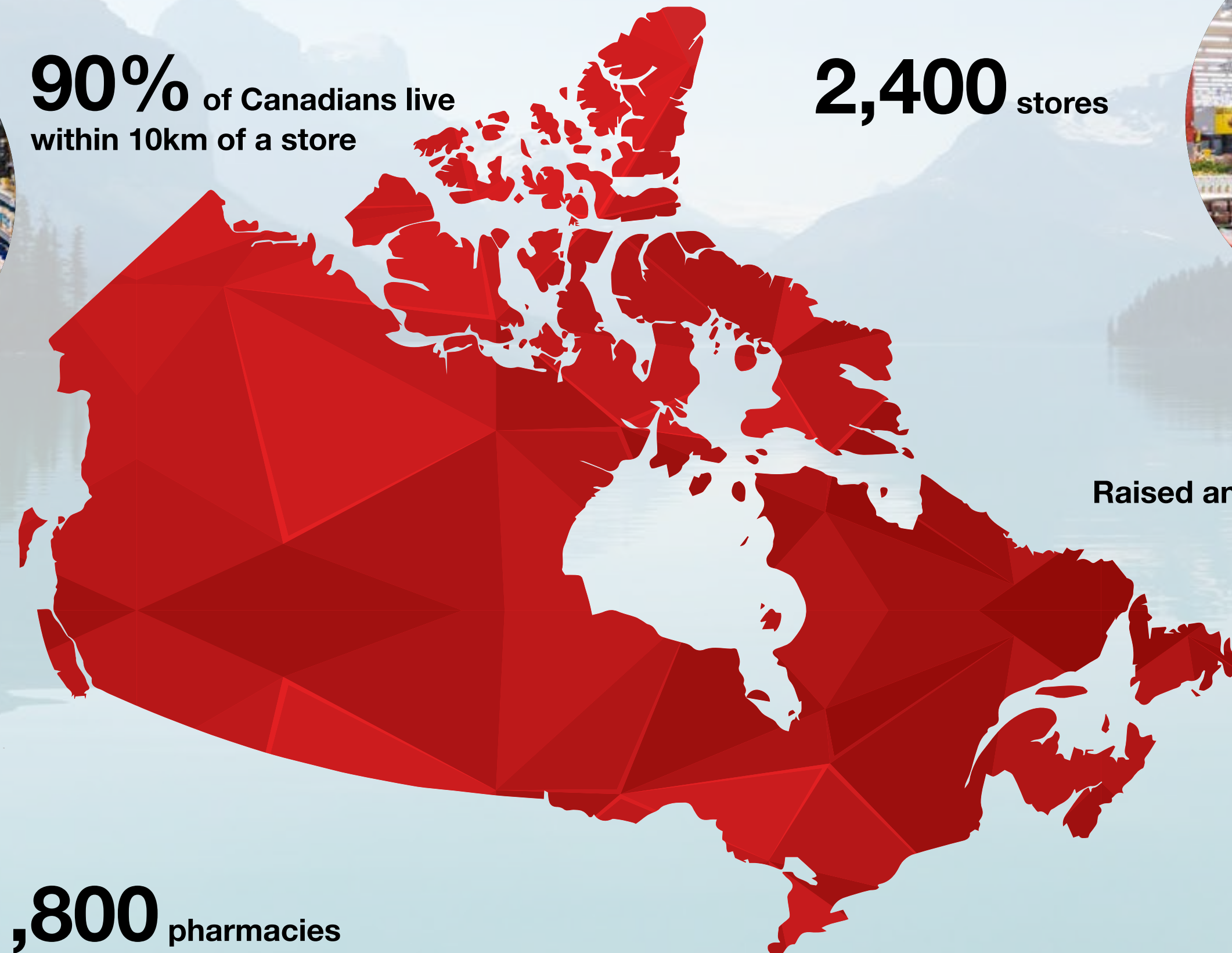


**221,000** colleagues and employees

Raised and donated **\$110 million**



**1,800** pharmacies



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



# Environmental

- 15 Climate Action
- 16 Alignment with the Task Force on Climate-Related Disclosures (TCFD)
- 17 Risk Mitigation
- 18 Biodiversity
- 20 Product Sustainability
- 22 Sustainable Apparel
- 23 Chemical Management
- 25 Reducing Plastic Waste
- 26 Reduce, Reuse, Recycle
- 28 Food Waste
- 31 Additional Environmental Initiatives



[In this Report](#)

[Environmental](#)

[Social](#)

[Governance](#)

[GRI](#)

[SASB](#)

# 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> – Fleet and building fuel consumptions, refrigerant releases, and corporate travel	691,679	629,664	625,531
Scope 2 <sup>3</sup> – Electricity	429,413	427,855	407,217
<b>Total</b>	<b>1,121,092</b>	<b>1,057,519</b>	<b>1,032,748</b>
Change as a % compared to prior year	-	-6%	-2%
Change % against baseline year (2020)	-	-6%	-8%
Change % against baseline compared to prior year	-	-	-2%

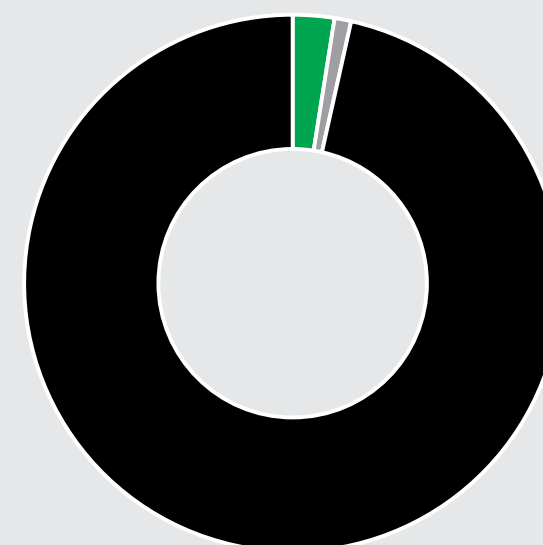
1 Emissions are calculated by The Delphi Group and follow the Greenhouse Gas Reporting Protocol.  
 2 GHG inventory table accounts for changes in emission factors as defined by the National Inventory Report, resulting in fluctuations in our emissions  
 3 Includes enterprise operations (corporate, franchise and associate-owned)

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

1 Emissions are calculated by The Delphi Group and follow the Greenhouse Gas Reporting Protocol.  
 2 GHG inventory table accounts for changes in emission factors as defined by the National Inventory Report, resulting in fluctuations in our emissions  
 3 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. In 2011 we began to track 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

1 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 and retrofitting of systems 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 more than \$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.



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. We partnered with WWF Canada to create the Loblaw Water Fund and were one of the largest financial contributors to the Water Shed Reports, the first nationwide assessment of Canada's watershed, which focused on indicators of river health and key threats.

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.

This denim fabric is made using recycled water and no freshwater is used.

# 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 take-out 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.

Loblaw 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.

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.

# Social

- 33 Diversity, Equity and Inclusion
- 39 Our Colleagues
- 42 Health and Safety
- 43 Health and Wellness
- 45 Health and Wellness Highlights
- 46 Community Engagement
- 48 Investing in Our Communities



[In this Report](#)

[Environmental](#)

[Social](#)

[Governance](#)

[GRI](#)

[SASB](#)

# 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 for store colleagues <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

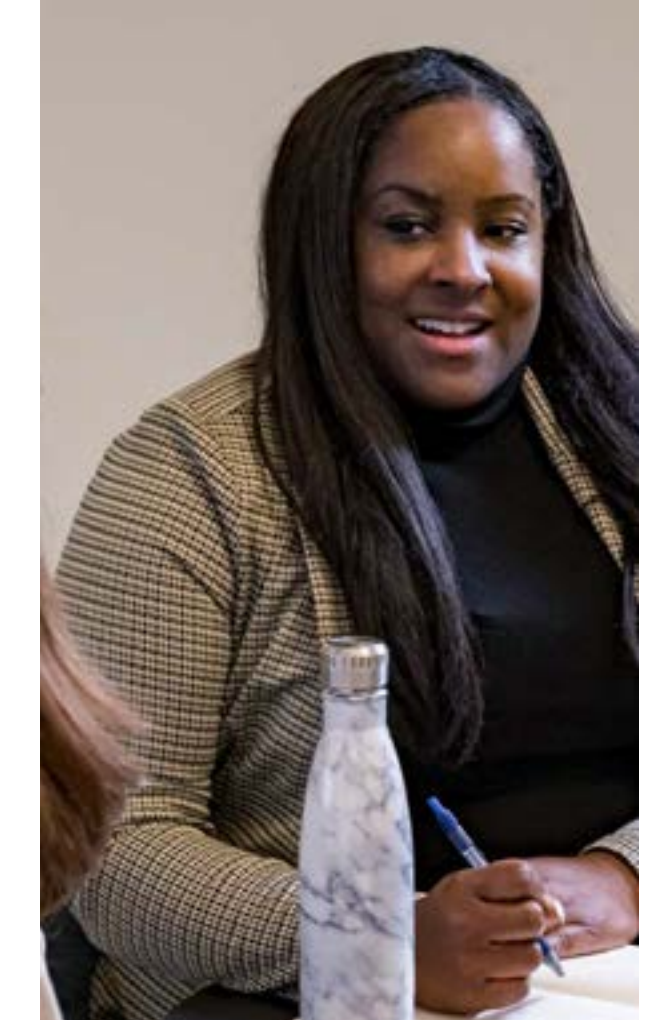
Training is a core component of our efforts to create a more empathetic and inclusive environment in our organization. This includes role-specific education on the following: anti-discrimination, sexual harassment, accessibility and accommodation, inclusive customer service, and inclusive leadership. 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.



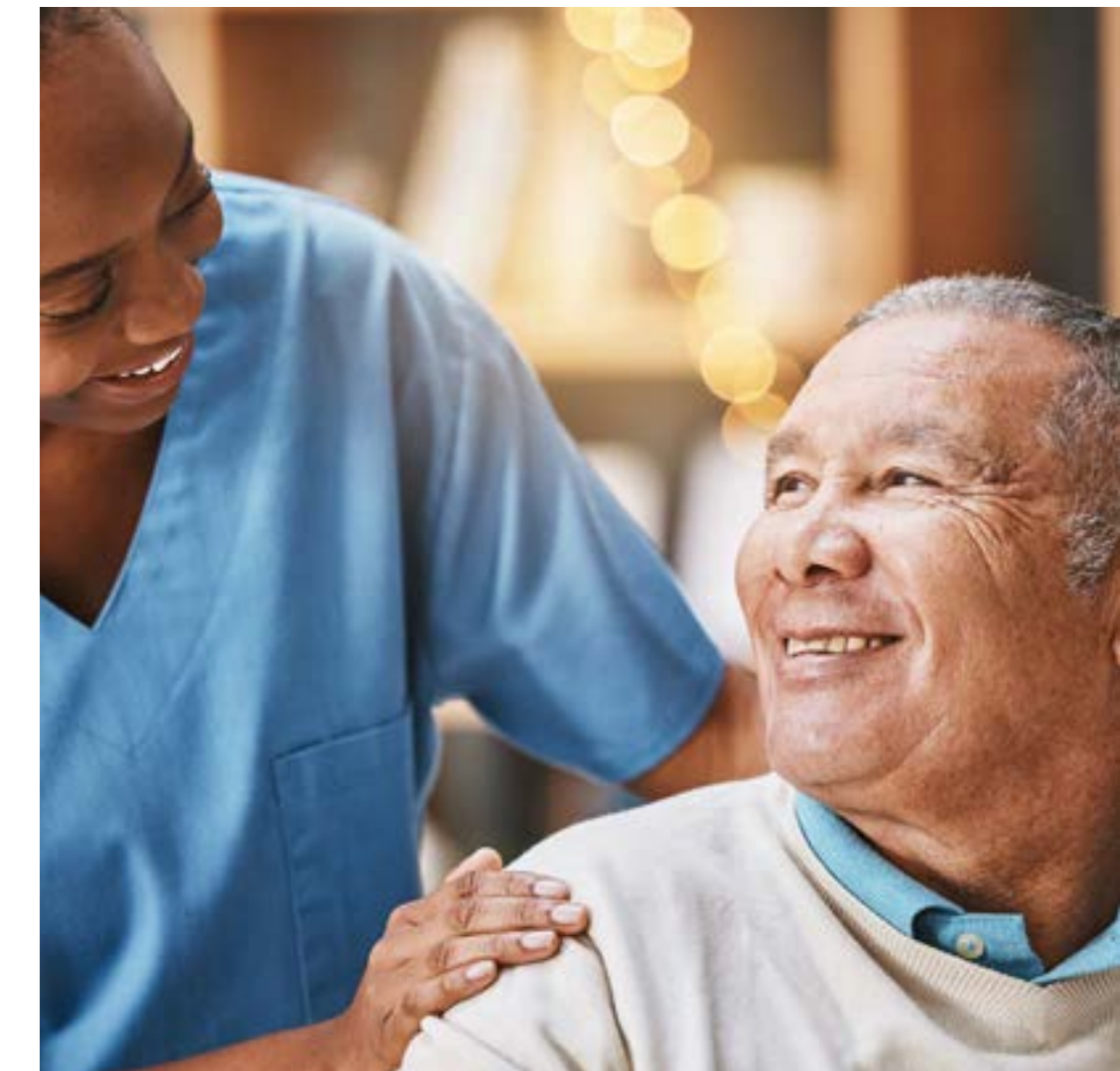
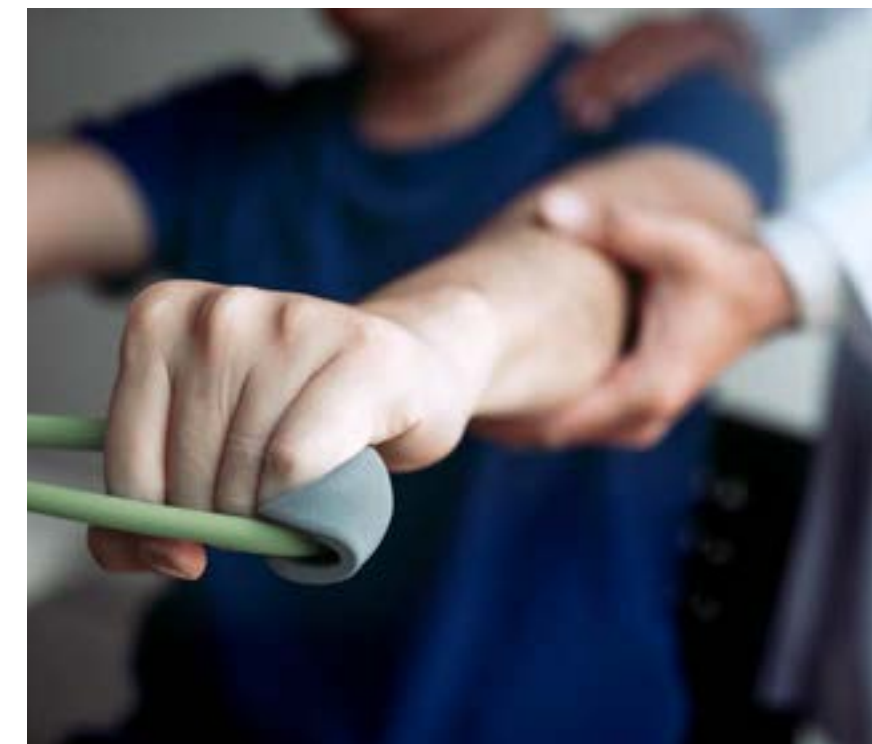
In 2022, we were proud to welcome Lifemark Health Group into our family. With more than 5,000 highly trained clinicians, medical experts and team members working in over 300 locations coast to coast, Lifemark Health Group is a Canadian leader in community healthcare and medical assessment services.

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.

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.



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.

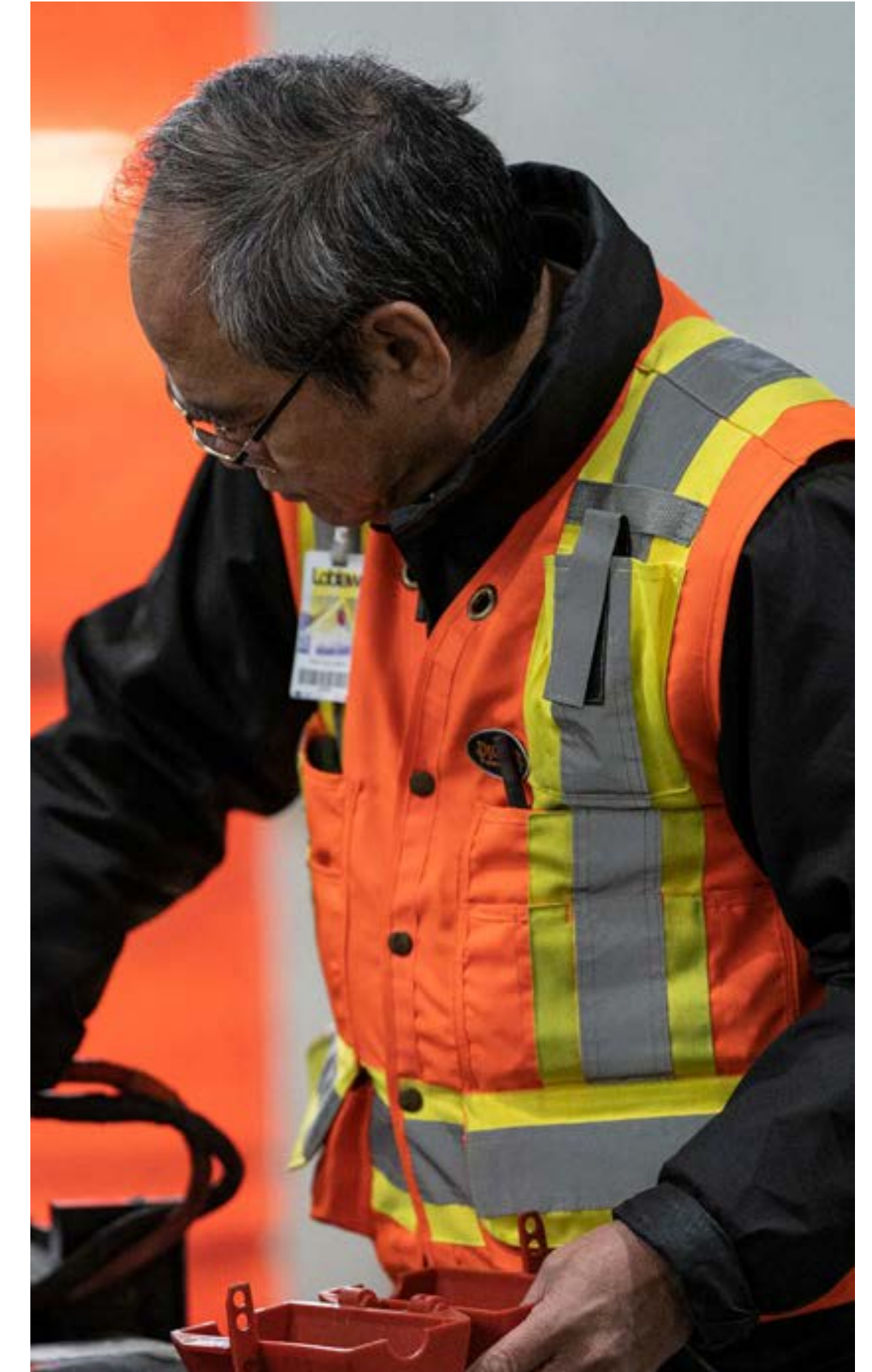


To support women and girls struggling with access to menstrual products, LOVE YOU by Shoppers Drug Mart™ - in partnership with Ontario's Ministry of Education and the Government of Manitoba - have donated more than 10 million menstrual products.



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



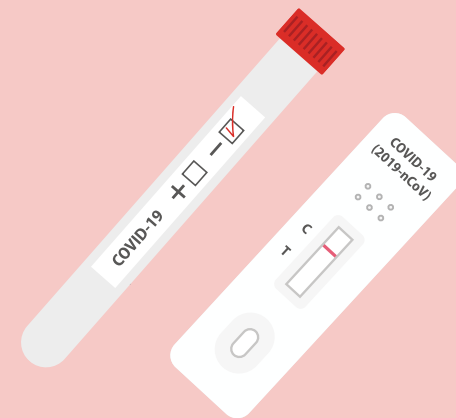
Nearly **1,800** retail pharmacies



+ **2.3 million** flu shots



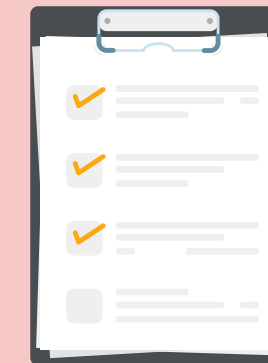
+ **4.4 million** COVID-19 vaccines



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



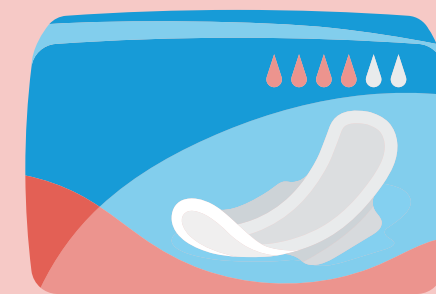
Supported the distribution of over **1.6 million** COVID-19 tests through our pharmacy channels



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, after school, and all summer long 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 800,000 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 \$20,843,552



President’s Choice Children’s Charity™ believes good food gives kids the energy they need to learn, to contribute and to live their best lives. That is why they are putting the power of food in the hands of Canadian children by providing good food and food knowledge, helping them make healthier choices today and in their futures.

**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.

# Governance

- 50 Corporate Governance
- 51 Privacy and Cybersecurity
- 53 Supply Chain Accountability
- 54 Human Rights
- 57 Collaboration and Continuous Improvement
- 58 Food and Product Safety
- 60 Animal Welfare
- 61 Responsible Sourcing
- 63 Ensuring Reliability of our ESG Disclosures
- 64 About Forward-Looking Statements





# 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 DDS) 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.

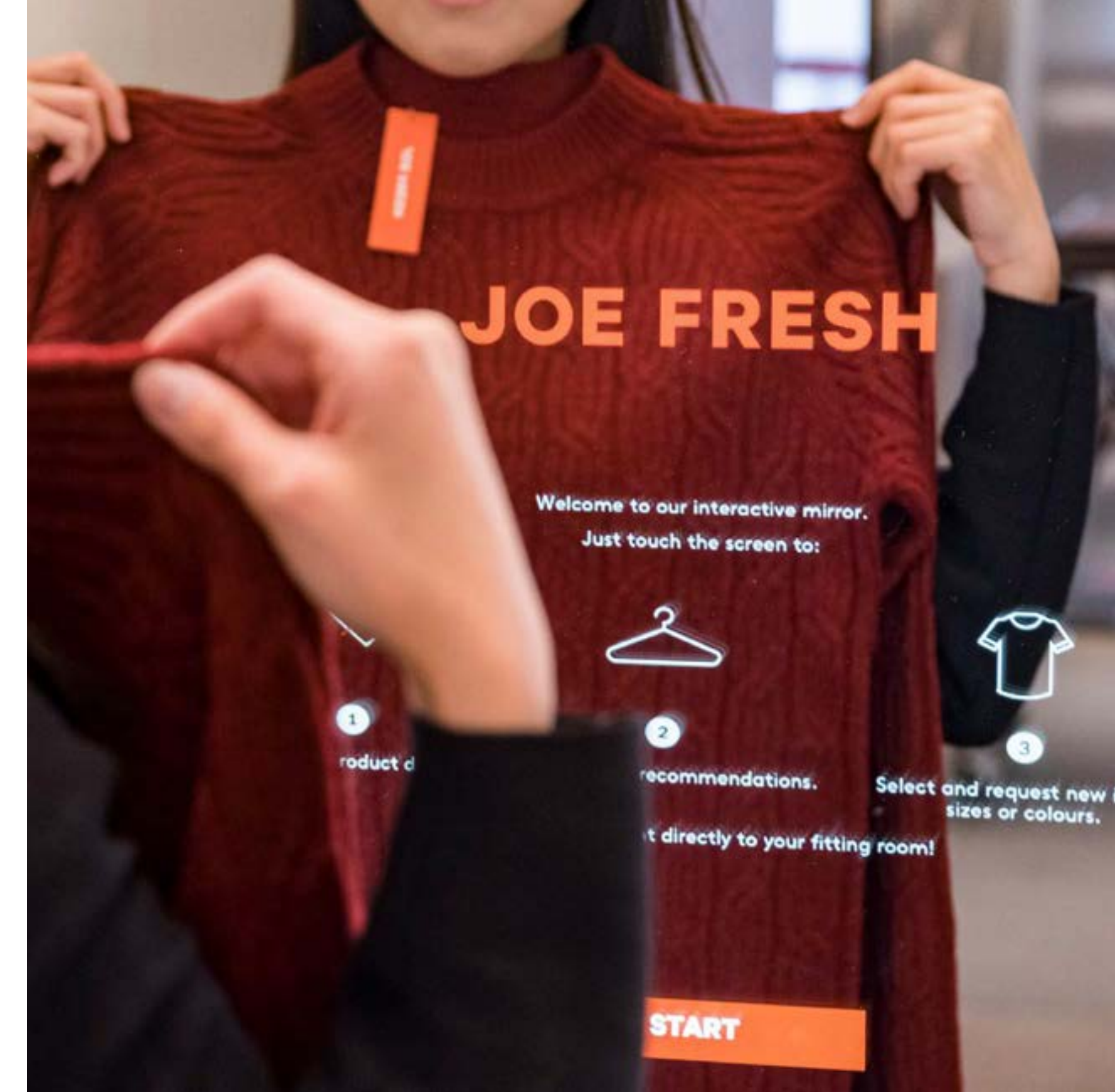
We support our pharmacy teams with robust incident management recording and a continuous quality improvement program. Pharmacy incident recording enables our organization to know, learn, act and help prevent errors and create greater awareness of the importance of recording near-misses and pharmacy incidents.

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.



## 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, 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, an independent assurance provider has been engaged to perform limited assurance over our Scope 1 and 2 GHG Emissions. At the date of publication of this Report, the engagement is still on-going. 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 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

# ESG at Choice

Choice Properties REIT is a large and diversified owner, manager and developer of a high-quality real estate portfolio comprising over 700 properties.

Choice Properties aspires to develop healthy, resilient communities through its dedication to social, economic and environmental sustainability.

Choice Properties' commitment to ESG practices is aligned with its purpose of creating enduring value through the ownership, operation and development of high-quality commercial and residential properties.

Choice Properties focuses its ESG program around two pillars where it can best create enduring value and which align with its stakeholders' interests: Fighting Climate Change and Advancing Social Equity. Choice Properties' 2022 ESG Report is included here and is also available on [Choice Properties' website](#).

**ChoiceProperties**





2022

# Environmental, Social & Governance

Report








# Table of Contents

About Choice Properties	3	Emissions Across Our Value Chain	20	Community	38
About this Report	4	Decarbonizing Operations	21	Fundraising	39
<b>2022 Performance</b>	<b>5</b>	Low Carbon Developments	23	Developing with Purpose	40
Message to Our Stakeholders	6	Green Financing	24	Tenant & Supplier Engagement	41
2022 Key Achievements	7	Emissions & Energy	25	<b>Governance</b>	<b>42</b>
Evolving and Expanding	8	Water	26	Governance	43
Climate Change Targets	9	Waste	27	ESG Program Governance	44
Social Equity Targets	10	Physical Resilience	28	ESG Data Validation	45
<b>Our Approach</b>	<b>11</b>	Environmental and Occupational Health & Safety	29	Ethics & Compliance	46
Creating Enduring Value	12	Building Certifications	30	Privacy & Cybersecurity	48
Proven Strategic Framework	13	<b>Social</b>	<b>31</b>	<b>Appendices and Data</b>	<b>49</b>
Stakeholder Engagement	14	Our Social Programs	32	Appendix A - TCFD Response	50
Double Materiality	15	Diversity, Equity & Inclusion	33	Appendix B - Environmental Data	53
<b>Environmental</b>	<b>16</b>	Inclusive Culture	34	Appendix C - SASB Index	60
Our Environmental Programs	17	A Great Place to Work	35	Appendix D - United Nations Sustainable Development Goals	64
Defining Emissions Scopes	18	Training & Development	36	Appendix E - Stakeholder Engagement	65
Pathway to Net-Zero	19	Health & Safety	37	Appendix F - Independent Practitioner's Statement of Assurance	66

# About Choice Properties

Choice Properties Real Estate Investment Trust ("Choice" or the "Trust") is a leading REIT that creates enduring value through the ownership, operation and development of high-quality properties. Our portfolio is comprised of retail properties primarily leased to necessity-based tenants. We benefit from our strategic relationship with Loblaw Companies Limited ("Loblaw"), one of Canada's largest retailers. We also own a portfolio of high-quality industrial, mixed-use and residential assets concentrated in attractive markets across Canada.

As one of Canada's largest real estate entities, we play an important role in bringing about positive environmental and social change in the communities we serve.

		Properties	Occupancy	sq. ft. GLA
	<b>Retail</b>	<b>574</b>	<b>97.8%</b>	<b>44.2M</b>
	<b>Industrial</b>	<b>116</b>	<b>98.9%</b>	<b>17.4M</b>
	<b>Mixed-Use, Residential &amp; Other<sup>(i)</sup></b>	<b>12</b>	<b>87.7%</b>	<b>2.3M</b>
	<b>Total</b>	<b>702</b>	<b>97.8%</b>	<b>63.9M</b>
	<b>Development<sup>(ii)</sup></b>	<b>18</b>	<b>-(ii)</b>	<b>1.9M</b>

Information presented here and throughout this report represents information as of December 31, 2022.

(i) Office properties are included in the Mixed-Use, Residential & Other for reporting purposes; occupancy disclosed excludes residential units.

(ii) Projects under active development. Total property count is inclusive of development properties.

# About this Report

Our 2022 Environmental, Social & Governance Report ("ESG Report") presents a summary of our accomplishments for the year ended December 31, 2022. Unless otherwise noted, data included in this report relate to this time period. We reflect on our achievements and share details on many of the programs that we have put in place to help meet our Environmental, Social and Governance ("ESG") targets.

## For More Information

For more information about sustainability at Choice including this and our previous ESG reports, please visit our website at [www.choicereit.ca](http://www.choicereit.ca) and/or email [sustainability@choicereit.ca](mailto:sustainability@choicereit.ca). Additional information about Choice Properties has been filed electronically with the Canadian securities regulatory authorities through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at [www.sedar.com](http://www.sedar.com).

## Reporting Scope, Boundary and Methodology

Our ESG metrics represent data collected for the properties owned in full or in part by Choice Properties REIT ("Choice", "Choice Properties", or the "Trust"). Environmental metrics have been collected from Choice's utility data management system, which tracks electricity, heating fuel, and water consumption. Choice follows the Operational Consolidation Approach, as defined in the World Resources Institute's and the World Business Council for Sustainable Development's "The Greenhouse Gas Protocol, Revised Edition".

The term "operational control" is used throughout this report, and aligns with the Greenhouse Gas Protocol's definition. Operational control is defined as an organization (within this report, Choice) having the authority to introduce and implement operating policies at the operation (within this report, property).

Environmental data (energy, GHG emissions, water, waste), relates to Choice's portfolio as of December 31, 2022 and includes comparative data in each reported year from 2019 to 2022.

Restatement of previously reported 2019, 2020 and 2021 energy consumption, water consumption, and greenhouse gas ("GHG") emissions is made to account for increased data availability subsequent to previous reporting periods as well any changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions.

Where metrics are presented by gross leasable area ("GLA") at "100% share", the total GLA of individual properties is applied. Where presented "at ownership share", GLA included is the product of Choice's ownership interest in the property and the total GLA.

Within tables, there may be some discrepancy due to rounding errors.

## Forward-Looking Information

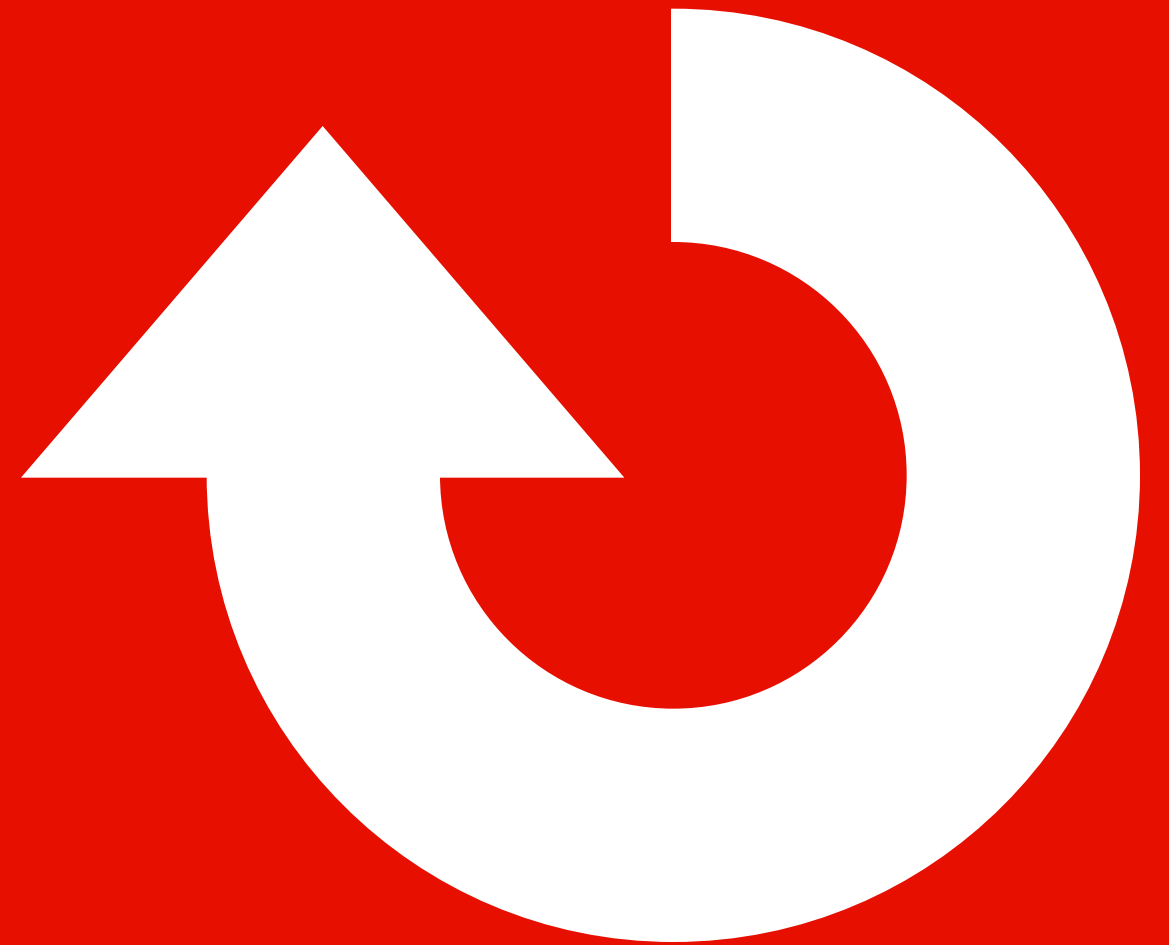
This ESG Report may contain forward-looking information within the meaning of applicable securities legislation which reflects the Trust's current expectations regarding future events. Although the Trust believes that the expectations reflected in such forward-looking information are reasonable, assessing 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 Trust's net-zero path, including resulting in changes to the Trust's GHG reduction targets. A number of additional factors, including improvements to the coverage, quality, and availability of the Trust's data and methodologies, may also necessitate changes to the Trust's 2019 baseline or net-zero targets. This ESG Report is informed by the Global Reporting Initiative ("GRI"), the Sustainability Accounting Standards Board ("SASB") standards, the United Nations Sustainable Development Goals ("SDGs") and the Task Force on Climate-Related Financial Disclosures ("TCFD"). The Trust 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 Trust will periodically assess the comparability and appropriateness of its metrics and targets, and, where appropriate, incorporate new insights, data, models and tools into the Trust's ongoing assessment of ESG matters, including climate change. The Trust expects its ESG disclosures to continue to evolve as reporting regulations, standards and frameworks mature.

The information in this ESG Report reflects what the Trust believes are the best available data and, in the case of climate change disclosures, best available scenario projections. Where appropriate, including in setting GHG reduction targets and making climate disclosures, the Trust has made reasonable and good faith approximations and assumptions. However, there are many factors that the Trust may not foresee or that it may be unable to predict accurately. The Trust's ability to achieve its ESG goals is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust'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 Trust to adjust its ESG initiatives, activities or plans to reflect a changing landscape. Such risks and uncertainties include, but are not limited to, the Trust's ability to meet its GHG reductions targets; the availability, accessibility and suitability of comprehensive and high-quality data; the need for active and continued participation of the Trust'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 additional factors and risks discussed in the Trust's current Annual Information Form and 2022 Annual Report to Unitholders.

The forward-looking statements in this ESG Report are presented for the purpose of assisting investors and other stakeholders in understanding the Trust'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 ESG Report. The Trust 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 ESG Report are made as of the date hereof and are qualified by these cautionary statements.

# 2022 Performance



# Message to Our Stakeholders

April 24, 2023

## A Year of Positive Momentum

2022 was another year of positive momentum as we significantly advanced our Environmental, Social and Governance ("ESG") program. We set the stage for the next phase of our ESG program with key advancements towards **Fighting Climate Change** and **Advancing Social Equity**, our two ESG pillars. The release of new, ambitious greenhouse gas reduction targets will guide our portfolio to net zero by 2050 and the formation of a dedicated Social Impact team will accelerate our community-focused programming. We believe that value comes from creating spaces that generate enduring value and our ESG program plays an integral part in this strategy.

### Pathway to Net Zero

In July 2022, we became one of the first entities in Canada to have our net-zero targets validated by the Science Based Targets initiative ("SBTi"). This was closely followed by the release of our inaugural Pathway to Net Zero Report which outlines our commitment and approach to achieving net-zero greenhouse gas emissions by 2050. Our targets cover our entire value chain, including our own operational emissions, and those from our tenants

and developments. We are committed to achieving near term and long term targets, notably including net-zero emissions by 2050 through reducing absolute scope 1, 2 and 3 emissions by 90% by 2050 from a 2019 base year. The inclusion of Scope 3 emissions within our targets demonstrates our commitment to working collaboratively across the value chain to mitigate the effects of climate change in our communities and on our business.

### Empowering Colleagues and Enriching Corporate Culture

We are proud to have been named one of Greater Toronto's Top Employers in recognition of the efforts that we have put into creating the best working environments for our colleagues. We also achieved the Women Lead Here benchmark demonstrating significant representation of women in leadership positions at Choice Properties. Our diverse and accomplished team provides a breadth of experience enabling us to consistently deliver strong, stable returns. We will continue to use engagement channels, annual pay gap analyses, and compensation benchmarking to create an equitable and inclusive workplace.

### Accelerating Equity Initiatives

We continue to demonstrate our commitment to fostering positive relationships with the communities we operate in through our Choice Cares program. In 2022, over \$625,000 was donated to local charities through the Choice Cares program. To advance our social equity pillar, we formed a dedicated Social Impact team to focus our efforts into areas where Choice Properties is well-positioned to develop healthy, resilient communities.

Our shared set of values of Care, Ownership, Respect and Excellence empower us to make the right choices for our business, our unitholders, our communities, and other stakeholders as we continue to advance our ESG initiatives.

**Rael L. Diamond**  
President & CEO



# 2022 Key Achievements

## Environmental



### Net Zero

One of the first entities in Canada to have its net zero emissions targets validated by the Science Based Targets initiative



### Green Lease

Development of green lease clauses across retail and industrial assets to promote energy efficiency, renewable energy, and low-carbon design



### Green Buildings

Over 40M sq. ft.<sup>(i)</sup> certified under LEED or BOMA BEST, including over 160 properties certified in 2022



### Embodied Carbon

Identified opportunities to reduce embodied carbon across retail, industrial, and residential building types

## Social



### Culture

Named one of Greater Toronto's Top Employers (2023) in recognition of colleague-focused programs



### Giving

Over \$625,000 and 1,240 hours of colleague time donated to Canadian charities in support of empowering children in low-income communities



### Diversity

Achieved the Women Lead Here 2022 benchmark demonstrating significant representation of women in leadership positions



### Accessibility

Founding member of the Accelerating Accessibility Coalition, focused on integrating the needs of Canadians living with disabilities into real estate design and construction

## Governance



### Recognition

Continued to bolster ESG disclosures, achieved an ISS ESG Prime rating, and improved GRESB Rating to 4-star (scored 82 on a 100-point scale)



### Disclosure

Debuted at a "B" for inaugural response to the CDP Climate Change questionnaire, indicating proactive management of climate-related issues



### Cybersecurity

Continued advancing our cybersecurity program and received a maturity rating which exceeds the industry benchmark by over 20%

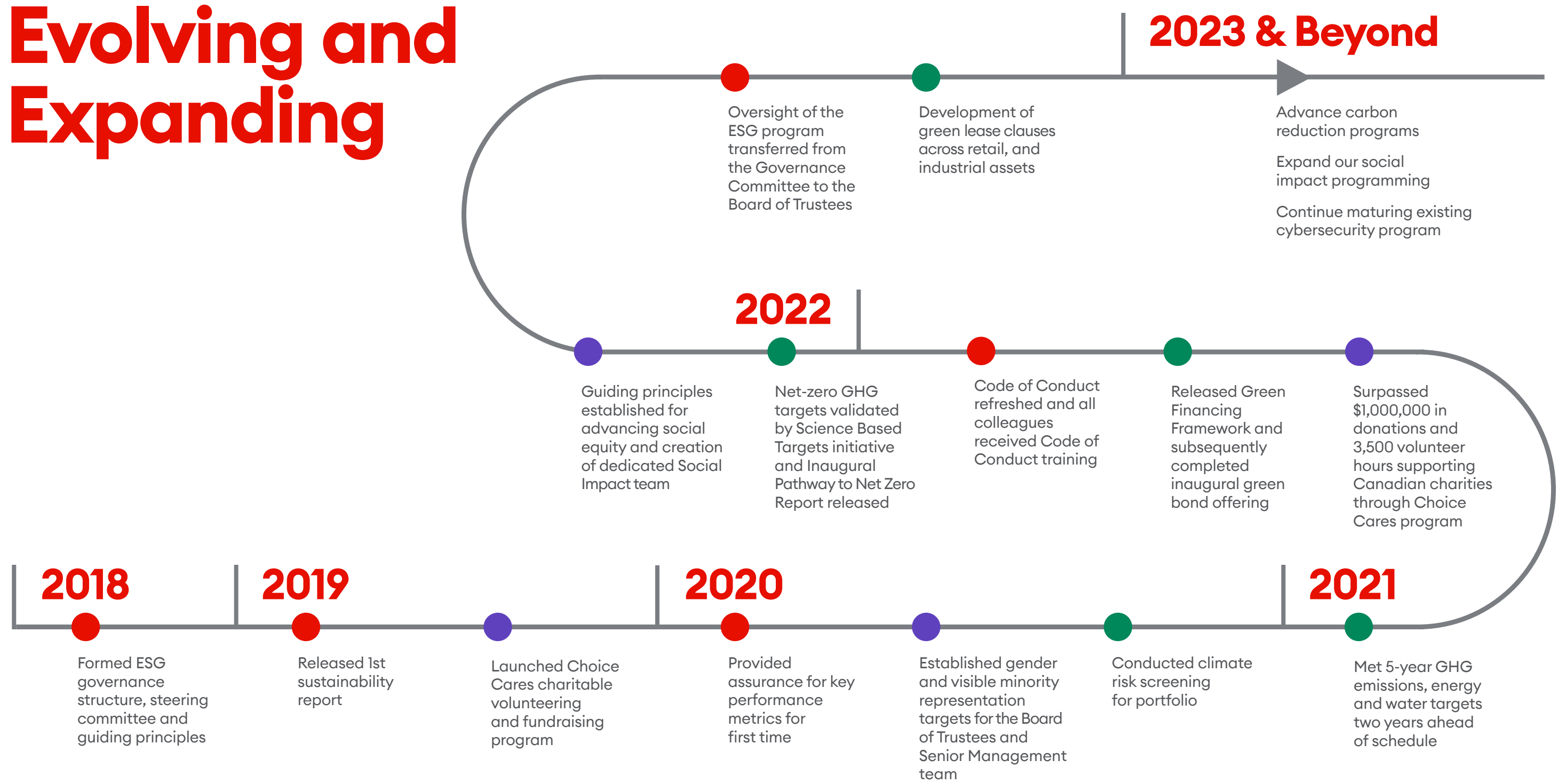


### Supplier Engagement

Released our Supplier Code of Conduct and implemented it on new large contracts

(i) By GLA, at 100% share

# Evolving and Expanding





# Climate Change Targets

We are committed to doing our part to preserve our planet’s resources for current and future generations. We use climate change targets related to our environmental activities to keep us accountable. Details on our commitments can be found [here](#).



17 Leslie St.  
Toronto, ON

Focus Area	Target	By End of	Progress	Status
<b>Scope 1 and 2 GHG Emissions: Near Term</b>	Reduce absolute Scope 1 and 2 GHG emissions by 50% from a 2019 base year	2030	→	19% reduction from base year
<b>Scope 1 and 2 GHG Emissions: Long Term</b>	Reduce absolute Scope 1 and 2 GHG emissions by 90% from a 2019 base year	2050	→	
<b>Scope 3 GHG Emissions: Near Term</b>	Reduce absolute Scope 3 GHG emissions from purchased goods and services and downstream leased assets by 30% from a 2019 base year	2030	→	13% reduction from base year
<b>Scope 3 GHG Emissions: Long Term</b>	Reduce absolute Scope 3 GHG emissions from purchased goods and services and downstream leased assets by 90% from a 2019 base year	2050	→	
<b>Green Building Certifications</b>	Certify 65% of our portfolio under LEED or BOMA BEST	2023	→	61% Certified <sup>(i)</sup>
<b>Office Waste</b>	Divert 70% of annual waste from landfill	2023	→	51% of waste diverted from landfill

✓ Achieved      → In Progress

GHG quantification and target calculations are completed in line with the World Business Council for Sustainable Development’s “The Greenhouse Gas Protocol, Revised Edition”. Refer to Appendix B for additional information regarding quantification methodology.

(i) by GLA at 100% share

# Social Equity Targets

We strive to empower our colleagues and build healthy and resilient communities. Our Social Equity programs aim to support equitable outcomes for colleagues and communities alike.



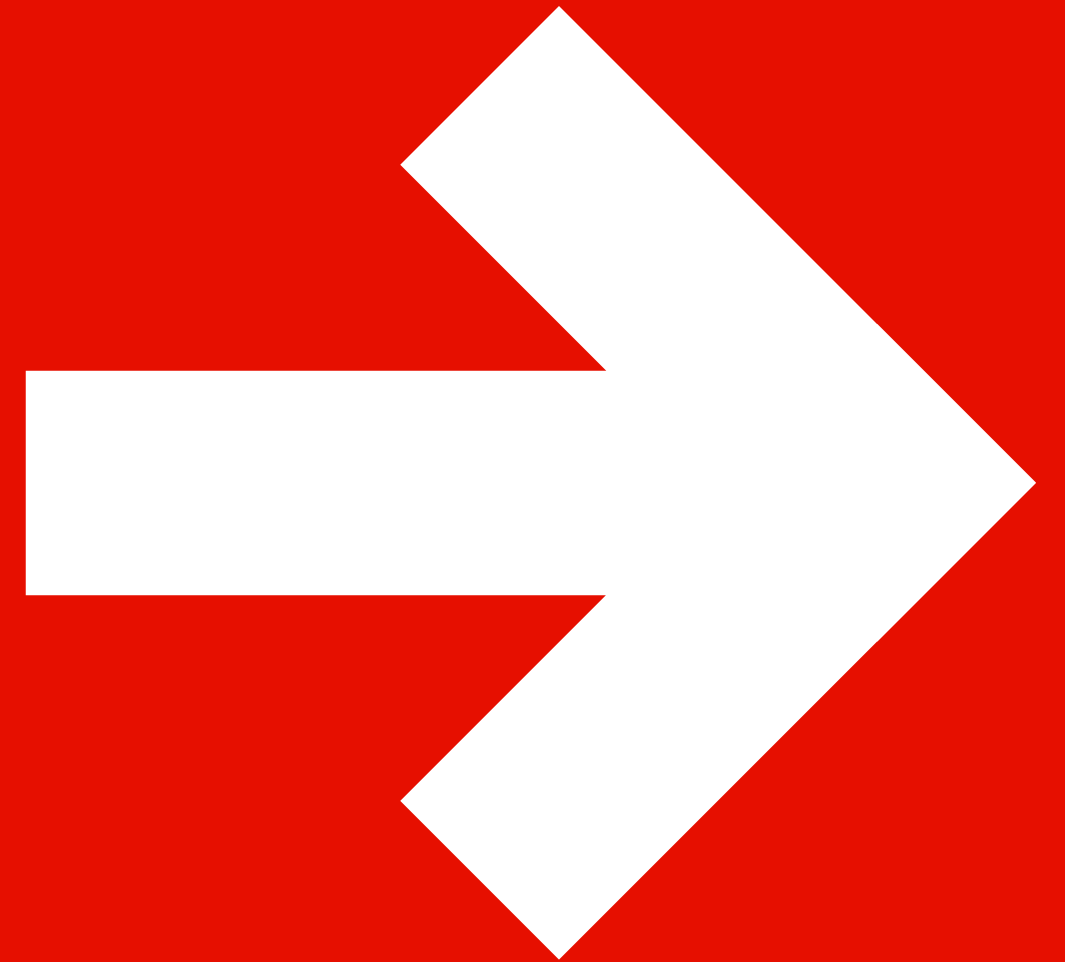
Focus Area	Target	By End of	Progress	Status
Representation of Women	40% representation of women on the Board of Trustees	2024	✓	40% in 2022
	45% representation of women within the Executive Group	2024	✓	50% in 2022
	50% representation of women within Senior Management	2024	✓	57% in 2022
Representation of Visible Minorities	20% representation of visible minorities on the Board of Trustees	2024	→	10% in 2022
	30% representation of visible minorities within the Executive Group	2024	→	23% in 2022
	25% representation of visible minorities within Senior Management	2024	→	18% in 2022
Community Involvement	Volunteer an average of 4 paid hours per colleague per year	2023	✓	4.4 hours of volunteering per colleague

✓ Achieved      → In Progress

As of December 31, 2022. Executive is defined as colleagues with the title of Vice President or higher. Senior Management is defined as colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President.

All colleagues are required to disclose information used to determine representation of women. All colleagues are asked to voluntarily disclose whether they self-identify as a visible minority (non-Caucasian). 5% of Executives, 36% of Senior Management and 27% of Colleagues did not disclose visible minority status in 2022. Results are reflective of the full population size and were not adjusted to exclude those who did not disclose.

# Our Approach



# Creating Enduring Value

Choice Properties is a leading Real Estate Investment Trust that creates enduring value through the ownership, operation and development of high-quality commercial and residential properties. We believe that value comes from creating spaces that improve how our tenants and communities come together to live, work, and connect. We strive to understand the needs of our tenants and manage our properties to the highest standard.

We aspire to develop healthy, resilient communities through our dedication to social, economic, and environmental sustainability. In everything we do, we are guided by a shared set of values grounded in Care, Ownership, Respect and Excellence.



301 Moore Avenue  
Toronto, ON

# Proven Strategic Framework

Our ESG program is foundational to our goal of creating enduring value. As a core part of our foundation, it strengthens our ability to deliver on our strategic priorities and enable us to make a positive contribution to our environment, tenants, colleagues, communities and other stakeholders. Our day-to-day business activities fully integrate social and environmental sustainability practices, are overseen by a strong governance framework, and are delivered by our experienced, engaged and diverse team.

**GOALS**

<b>Creating Enduring Value</b>	Preservation of capital	Stable and growing cash flows	Increases in NAV and distribution over time
--------------------------------	-------------------------	-------------------------------	---

**PRIORITIES**


- 1 Maintaining market-leading portfolio**
- 2 Sustaining operational excellence**
- 3 Delivering development pipeline**

**VALUES**



- Care
- Ownership
- Respect
- Excellence

**FOUNDATION**

Strategic relationship with Canada's largest retailer	Embedded ESG practices 
Experienced, engaged and diverse team	Industry-leading balance sheet

# Stakeholder Engagement

## The Weston Group of Companies

Choice Properties is part of the Weston Group of Companies along with George Weston Limited ("Weston" or "Weston Group") and Loblaw. The Weston Group has adopted ESG Principles that help guide each company's approach to ESG, the details of which are included in Weston's Environmental, Social and Governance Reports available [here](#). More information on the ESG programs at Loblaw is available [here](#).

## Aligning Priorities

Our stakeholders are individuals and organizations who intersect with our business operations. We use engagement channels that are bespoke to each of our major stakeholder groups to understand the issues that are most important to them, and we use this feedback to further develop and advance our ESG programs.

➔ For a full list of stakeholder engagement channels, see the Stakeholder Engagement appendix

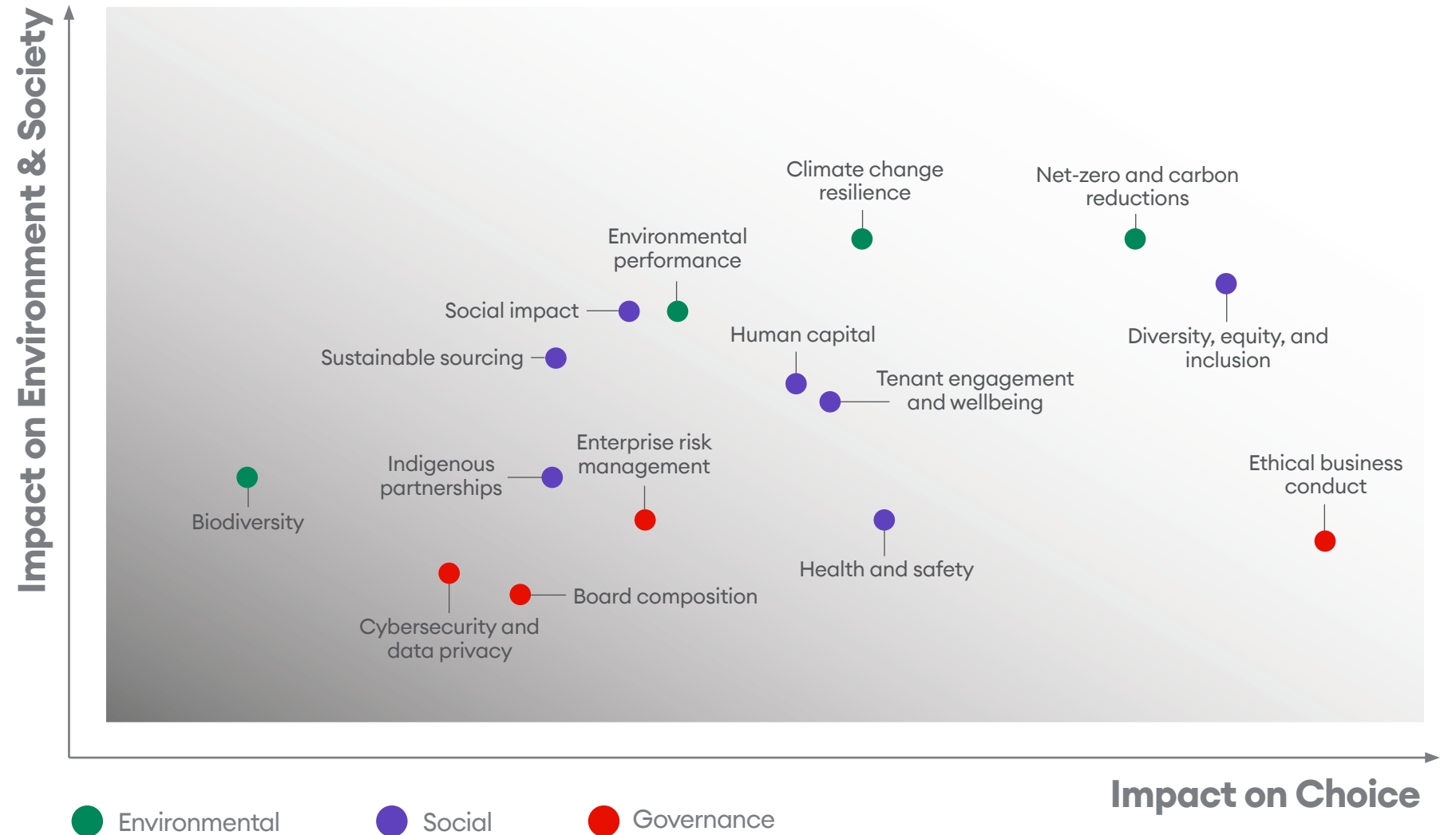


Choice's Culture Day

# Double Materiality

## Gathering Stakeholder Opinions

In 2022, we engaged a third-party to complete a double materiality assessment to evaluate and incorporate non-financial topics into our plans. Double materiality assessments identify ESG topics that may have material impacts on Choice, as well as ESG topics that Choice may have the ability to affect. Feedback was gathered from a wide variety of stakeholders including Choice's Board of Trustees, industry professionals, business partners, and tenants. This assessment reinforced that our ESG pillars of **Fighting Climate Change** and **Advancing Social Equity** address the broad topics that our stakeholders identified as most impactful. The feedback from this assessment enables us to build programs and allocate resources accordingly. It also identifies areas that are emerging and may increase in importance over time.



Topics identified through **Double Materiality** have the ability to impact our business performance; and reciprocally by addressing them, Choice has an opportunity to have measurable impact on society and the environment.

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

# Environmental





# Our Environmental Programs

At Choice, we conduct our business in a manner that is respectful of the environment. We develop and carry out a wide range of environmental programs throughout our operating properties and our developments. The aim of these activities is to reduce carbon emissions and preserve our planet's resources for current and future generations. Over the last few years, we have developed focused ESG program pillars within the broader range of ESG activities to position Choice to deliver impactful outcomes. Our environmental pillar is **Fighting Climate Change**. Within this section you will find more information about this pillar including:

- Decarbonizing Operations
- Low Carbon Developments
- Green Financing
- Emissions & Energy
- Water
- Waste
- Physical Resilience
- Environmental and Occupational Health & Safety
- Building Certifications



1226 Place D'Orleans Drive  
Ottawa, ON

# Defining Emissions Scopes

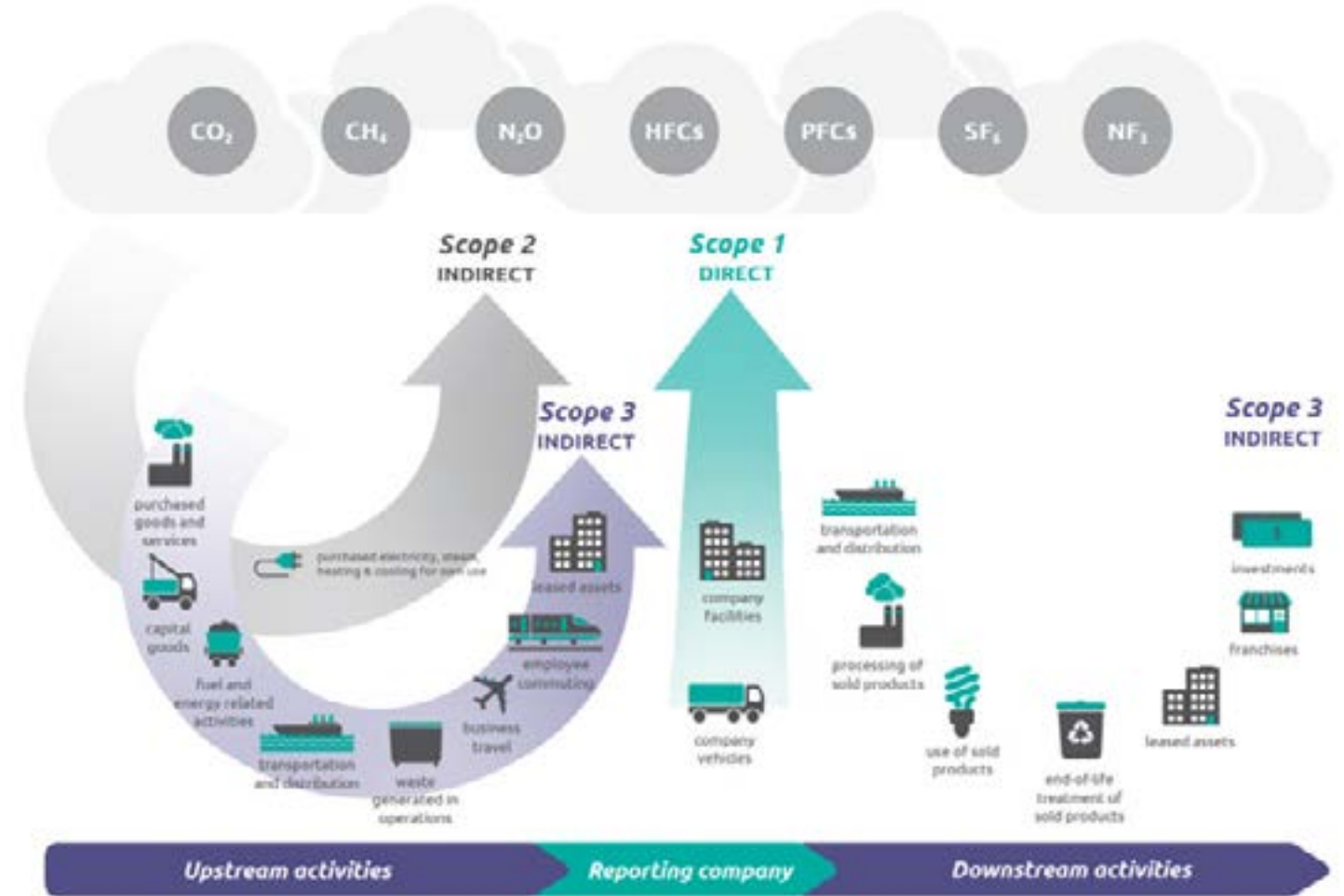
## What are Scope 1, 2, and 3 emissions?

Throughout this report, we refer to Scope 1, 2 and 3 emissions. Each of these scopes represents a different category of greenhouse gas emissions that make up our overall footprint. We use guidance from the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol (the "GHG protocol") to define these scopes:

**Scope 1** emissions are direct emissions (i.e., greenhouse gases released into the atmosphere from our sites) that are generated from sources controlled by Choice Properties. Typically these include fuels combusted for space heating or hot water heating by equipment managed by Choice Properties.

**Scope 2** emissions are indirect emissions associated with the purchase of electricity, steam, or district heating or cooling for spaces that are operated by Choice Properties.

**Scope 3** emissions are indirect emissions not directly controlled by Choice Properties but related to activities that are upstream or downstream from our operations (see image to right). For Choice Properties, upstream emissions are mainly comprised of emissions generated during building construction, including from the manufacturing of building materials. Choice's downstream emissions are mainly comprised of emissions generated from fuel or electricity purchased by a tenant for its own space.



Source: WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

# Pathway to Net-Zero

## Informed by Climate Science

We are committed to taking action to avoid the worst impacts of climate change by doing our part to limit the rise in global temperatures at 1.5°C - the recognized target of the Paris Agreement, the international treaty on climate change ratified by Canada. The SBTi's Corporate Net-Zero Standard v1.0 is a third-party framework that we used to guide our commitment and inform our targets.

The Corporate Net-Zero Standard ("the Standard") sets requirements for net-zero targets and maintains the requirements in line with what climate scientists deem is necessary to avoid the worst impacts of climate change (leading to the term, "science-based target"). The SBTi also provides independent third-party validation of companies' GHG reduction targets to confirm that they are aligned with the requirements of the Standard.

The targets that we have set align with the requirements of the Standard, are ambitious, and are necessary to play a meaningful role in fighting climate change. Our targets apply to our entire value chain across our full portfolio including wholly or partially owned properties. The targets will be addressed with deep reductions to GHG emissions first, and address most of our GHG footprint (including Scopes 1, 2 and 3).

In July 2022, the SBTi validated and approved our targets, confirming that the targets are aligned with the goal of limiting the rise in global temperatures to 1.5°C and making Choice Properties one of the first entities in Canada to have net-zero targets approved by the SBTi.

## Our Net-Zero Targets

**2030:** a 50% reduction in absolute Scope 1 and 2 emissions from a 2019 base year (mostly emissions resulting from the natural gas and electricity purchased by Choice Properties)

**2030:** a 30% reduction in Scope 3 emissions from a 2019 base year through:

**Purchased Goods and Services:** mostly emissions from the manufacturing of building materials used in our developments

**Downstream Leased Assets:** mostly emissions from the energy use of our tenants in their own space

**2050:** reduce absolute Scope 1, 2, and 3 emissions 90% from a 2019 base year

**2050:** reach net-zero GHG emissions across our value chain

Reaching the net-zero target must be achieved by neutralizing the remaining emissions by permanently removing and storing atmospheric greenhouse gas emissions.

Achieving these targets will take collaboration with our tenants, suppliers, and contributions from all our colleagues. Our progress to date is discussed throughout this report and our plans to achieve Net-Zero emissions are detailed in our [Pathway to Net Zero Report](#).



9711-23rd Ave NW  
Edmonton, AB

# Emissions Across Our Value Chain

95% of Choice's emissions fall into Scope 3 categories, which are a collection of activities in our value chain that are outside of our direct operational control. Of those Scope 3 emissions, 98% were from either tenant emissions (where a tenant leases space in our building but maintains operational control over its own energy use) or development activities (mostly from the manufacturing of materials used in construction and renovations).

As is typical practice, a portion of our Scope 3 emissions are estimated. We will continue improving the quality of Scope 3 data over time as we refine our processes and gain access to more tenant and supplier data. As a result of improving data quality, our emissions baseline may change slightly over time and will be restated as necessary in future reports.

➔ For full emissions data and calculation methodology, see the Environmental Data appendix

**Scope 1**  
Direct emissions from activities controlled by Choice  
**2%**

**Scope 2**  
Indirect emissions associated with Choice's consumption of purchased energy  
**3%**

**Scope 3**  
Indirect emissions generated from activities upstream or downstream to our business operations  
**95%**

Choice's greenhouse gas emissions profile



\*Purchased Goods and Services include emissions from Capital Goods and Upstream Transportation and Distribution. Refer to the Environmental Data Appendix for further detail.

Data included above reflects Choice's portfolio as of December 31, 2022.

# Decarbonizing Operations

## Efficiency Programs and Transition Plans

Reducing energy consumption with efficiency measures is a crucial first step towards emissions reductions. We use asset-specific capital upgrade plans to guide improvements at our properties. Our Pathway to Net Zero report gives additional detail on this and other identified strategies including the electrification of heating. We began developing asset-specific low-GHG transition plans in 2022 and intend to develop plans for all assets in the coming years to guide future retrofits.

## Green Lease Clauses

For years, our standard office lease has included provisions that promote improved energy performance, water conservation and indoor air quality. In 2022, we extended these clauses to retail and industrial leases, and will begin implementing them in coming years. These clauses encourage data sharing with our tenants and enable us to implement upgrades to our properties such as LED lighting, updated HVAC controls and upgraded building envelopes.

## Tenant Engagement

We work closely with our tenants to achieve their resource efficiency goals. Our construction team works with tenants during leasing to provide equipment that will efficiently meet their operating needs. We are working on a fit-out guide to aide in this process. We also provide tenants with an ESG guidebook and news flashes that provide tips and resources for reducing consumption.



Harvest Pointe  
Edmonton, AB

# Decarbonizing Operations

## Continued

### Renewable Energy

We have 49 active solar photovoltaic installations across our portfolio. Of these, 47 are located at retail properties, one at an industrial property, and one at an office property. As part of our pathway to net-zero emissions, we intend to incorporate additional on-site renewable energy generation to reduce emissions associated with carbon intensive electrical grids. Renewable energy has the added benefit of improved building resilience in the event of blackouts. In 2022 we began a portfolio-wide investigation to assess the opportunity to expand rooftop solar panels.

### Lighting Upgrade Program

In 2019, we set a formal target to upgrade 75% of our retail and industrial exterior parking lot lighting to LED technology by 2023. In 2021, we surpassed this target and since then, we have continued pursuing LED upgrades, which now include 85% of our retail and industrial portfolio (at 100% share).

LED upgrades completed over the last three years are expected to save over 12,050 MWh per year, more than the annual energy use of 426 homes (calculated using Natural Resources Canada's Energy Equivalencies Calculator).



Solar Panels at 650 Dupont St  
Toronto, ON

# Low Carbon Developments

## Planning Ahead

Choice's pipeline of potential commercial and mixed-use developments such as Golden Mile and 25 Photography Drive in Toronto, ON are long-term projects that progress with our sustainability pillars in mind. Our teams use third-party frameworks and tiered performance requirements such as the Toronto Green Standard as tools to communicate our environmental priorities with our suppliers, contractors, consultants and partners. We use these forward-looking frameworks to investigate a number of initiatives with the aim of designing healthy, low-carbon buildings for our tenants. As these projects progress to active development, we will continue to communicate the details of these initiatives.

## Green Roofs

Choice's developments incorporate passive design elements that improve the environment and reduce building energy use. These include green roofs, such as the one at our on-going Element residential project in Ottawa. Green roofs reduce the cooling load of a building, while also benefiting the local wildlife that shares our urban ecosystem.

## Focus on Emissions and Energy

We deploy emissions-reducing technologies that are specific to our ongoing new developments across all asset classes. Our Uniti residential project in Brampton, ON includes a geothermal field designed to reduce operational carbon by over 50%. Choice's Industrial Centre in Surrey, BC uses dual-fuel rooftop units to supply heating sourced from electricity when conditions are favourable and from natural gas (a more emissions-heavy fuel source) when weather conditions necessitate it. In our retail asset class, our Construction and Development team completed a net zero feasibility study that is moving to implementation.

## Reducing Embodied Carbon

Embodied carbon is the greenhouse gas emissions associated with construction activities and materials that are used to construct new buildings. To understand the impact of our developments, we continue to complete life cycle analyses on select mixed-use, retail, and industrial projects and we have incorporated low-carbon materials into our designs. Our 353,000 sq. ft. Choice Industrial Centre project in Surrey, BC uses reduced-carbon concrete throughout the flooring and exterior walls.

## Sustainable Energy Exploration

Electrifying heating and generating on-site renewable energy are two strategies we are utilizing to reduce emissions at our properties. Geothermal systems are one way of electrifying heating, while also cooling the building throughout spring and summer. Choice's Uniti residential project, currently under development, incorporates this technology.

Over the past two years, we've conducted testing at four developments throughout the Greater Toronto Area to determine the viability of incorporating geothermal systems as a primary energy source for our future mixed-use developments. The results are promising.

Uniti  
Brampton, ON

# Green Financing

## Green Financing Framework and Use of Green Bond Funds

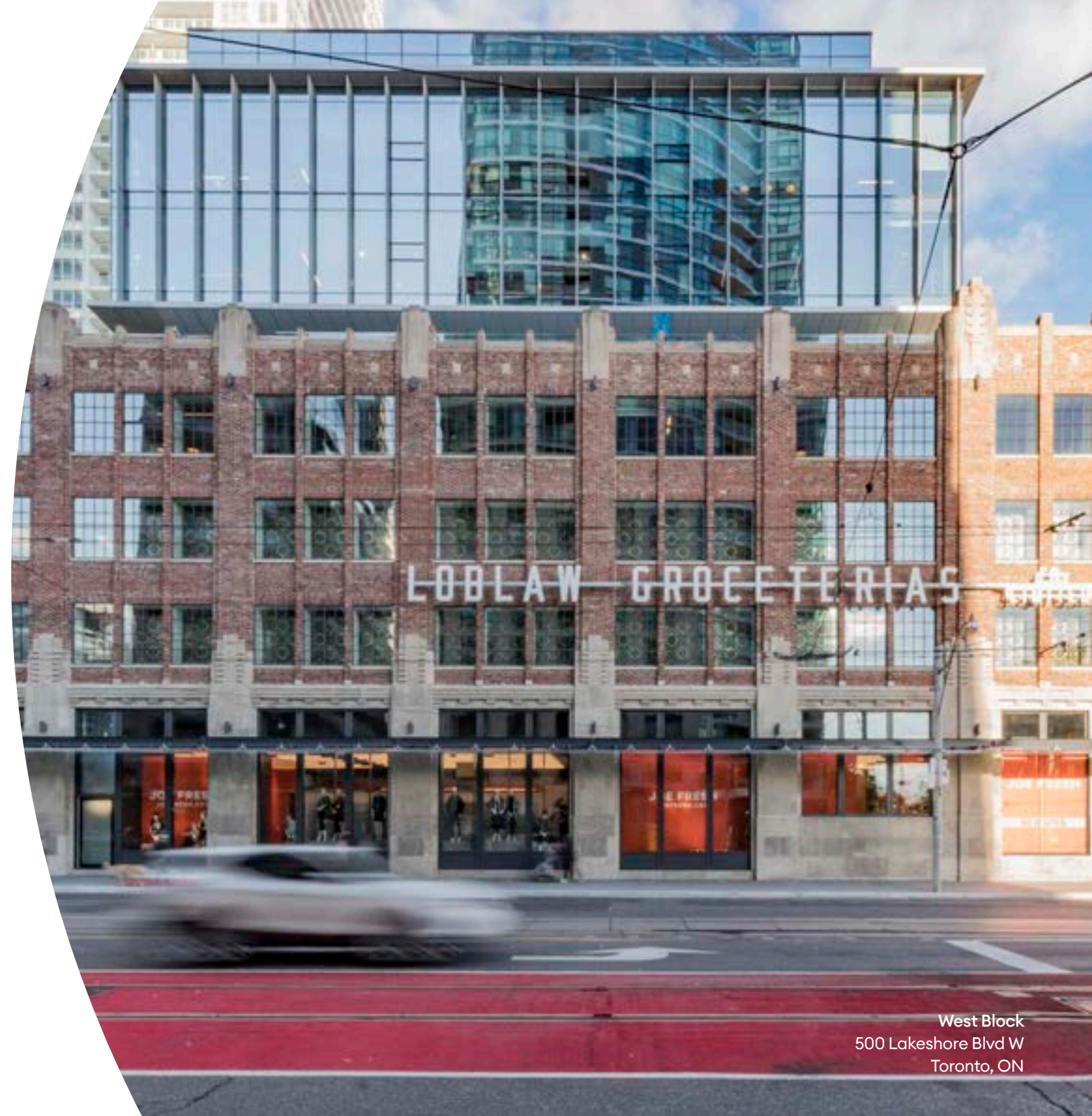
In 2021, Choice released its Green Financing Framework and completed its inaugural green bond offering of \$350 million of unsecured debentures. In Q4 2022, Choice published a report detailing the allocation of a portion of the proceeds of this offering. Choice will continue to publish annual reports until full allocation.

Sustainalytics, a global ESG research and analysis leader, provided a second-party opinion on the Framework's credibility, impact, and alignment with the International Capital Markets Association's Green Bond Principles 2021 and the Loan Market Association's Green Loan Principles 2021. Sustainalytics also reviewed the allocation report, concluding that projects funded with the proceeds met the eligibility criteria.

The net proceeds of our green bond offering are allocated to fund eligible green projects including: green buildings, energy efficiency, and adaptability and resilience to climate change.

[↗ Navigate to Green Financing Framework here](#)

[↗ Navigate to the 2022 Allocation Report here](#)



West Block  
500 Lakeshore Blvd W  
Toronto, ON



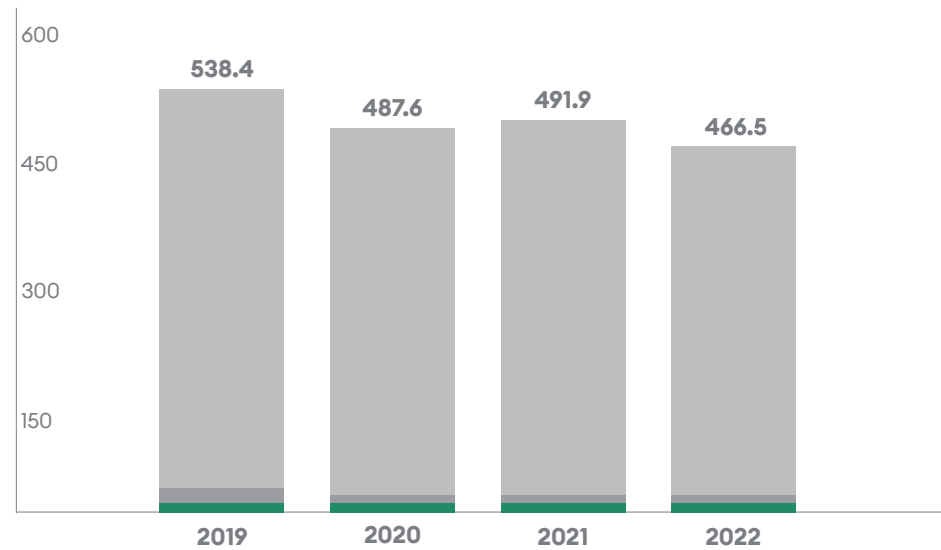
# Emissions & Energy



## Our Performance

Choice directly tracks energy use and the corresponding greenhouse gas emissions for utilities within its operational control. Since 2018, we have tracked and reported our operational Scope 1 and 2 emissions as part of our commitment to understand and reduce our impact on the environment. In 2022, we expanded our inventory to include Scope 3 emissions from Purchased Goods and Services and Downstream Leased Assets (Categories 1 and 13 respectively as defined by the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions).

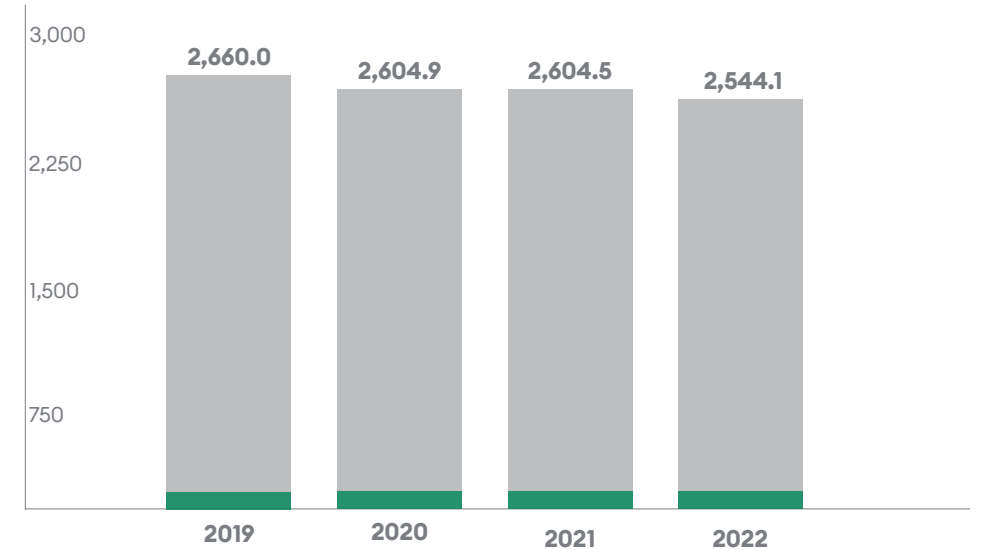
**Total GHG Emissions (thousand tCO<sub>2</sub>e)**



● Scope 1 
● Scope 2 
● Scope 3

**Total Energy (eGWh)**

City West Distribution Centre  
Edmonton, AB



● Landlord Services 
● Tenant Services

Data included above reflects Choice's portfolio as of December 31, 2022. Landlord services represent energy usage contributing to Scope 1 and 2 emissions. Tenant services represent energy usage contributing to Scope 3 emissions.

As is typical practice, a portion of Scope 3 (emissions) and Tenant Services (energy) is estimated. Refer to the "Environmental Data" appendix for more information.

This symbol identifies third party assurance of the current year data

[➔ For full energy & emissions data, see the Environmental Data appendix](#)

# Water

## Our Approach to Water

Water efficiency reduces our impact on the environment and reduces costs for tenants. Our water efficiency program includes:

- **Capital Upgrade Program:** Water audits are used to inform program upgrades. We continue to actively replace sinks, faucets, and flush valves on a rolling basis across all assets. Some office properties utilize analytics software that collects and analyzes data in real-time and recommends operational improvements.
- **Leak Detection:** Our ESG team analyzes water consumption across our portfolio to identify higher than expected water use. Remote monitoring technology exists in some buildings to diagnose leaks. These measures help us identify leaks early and repair or replace faulty equipment to minimize damage and water consumption.

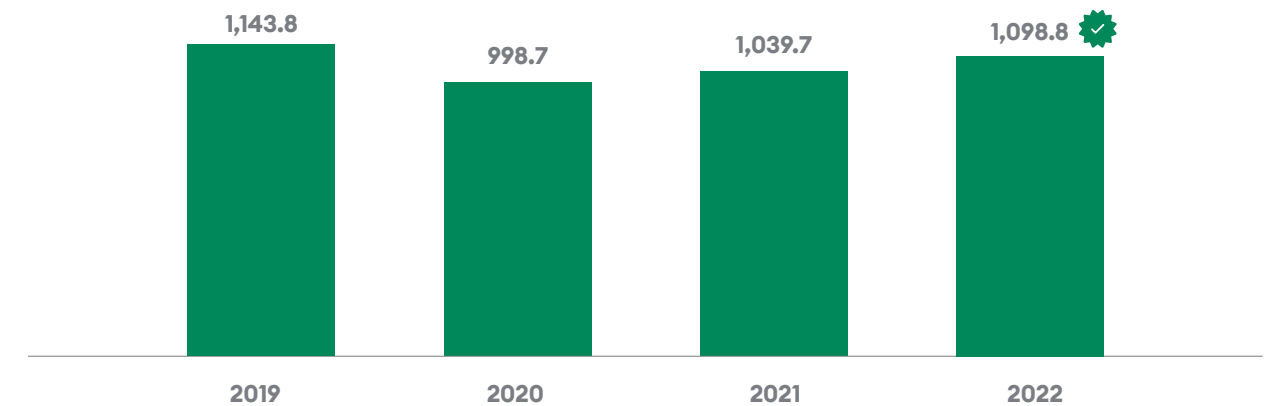
- **Xeriscaping and drought tolerant plants:** Choice chooses plants that are naturally adapted to their climate, as well as those that have lower watering needs. This is a natural way to reduce water consumption while enhancing biodiversity.
- **Smart systems for new developments:** Development projects present opportunities to deploy advanced monitoring technologies. Choice deploys smart leak monitoring at residential developments to identify leaks early so that they may be addressed to curb consumption and limit damage.

## Consumption

Water consumption data represented here includes consumption where we have operational control, which includes tenant consumption in some instances. Refer to "Data Coverage" within the "Environmental Data" appendix for more information.

2755-190th St  
Surrey, BC

## Water Consumption (thousand m<sup>3</sup>)



Data included above reflects Choice's portfolio as of December 31, 2022.

🟢 This symbol identifies third party assurance of the current year data

➔ For full water data, see the Environmental Data appendix

# Waste

## Our Approach to Waste


Choice emphasizes increasing diversion from landfill and engaging with tenants to help them do the same. Our waste programs include:

- **Increasing tracking capability:** Over the past several years, Choice has introduced integrated waste reporting services at several properties. Integrated waste management includes improved monthly waste tracking capability, optimized pickup schedules, and customized programs to educate tenants and to increase proper waste management practices.
- **Tenant engagement:** We engage with tenants on waste management programs through our tenant handbook, lunch and learn sessions, and education blitzes. In 2022, Choice's Great Waste Race focused on increasing diversion at offices.
- **Diversified waste streams:** We work with our waste providers to increase diversion from landfill through introducing programming such as organics, e-waste, and periodic waste drives.


## Diversion from Landfill

Waste data presented throughout this report includes diversion information where available. Refer to “Data Coverage” within the “Environmental Data” appendix for more information.

### Non-Hazardous Waste Diversion % Diverted from Landfill

	2020	2021	2022
All Asset Classes	61.9%	62.6%	58.6% 
Office Properties	67.0%	49.2%	51.2%

Data included above reflects Choice’s portfolio as of December 31, 2022.

 This symbol identifies third party assurance of the current year data

[For full waste data, see the Environmental Data appendix](#)

## The Great Waste Race

In January 2022, we introduced a friendly regional competition – The Great Waste Race. Our office teams were given quarterly challenges focused on reducing the amount of waste destined for landfill. Throughout the year, teams challenged each other to increase diversion by implementing new waste programs, collaborating with the community and developing creative waste-focused events.

Over the year, several office property teams were able to increase their monthly diversion rates by more than 10% - with one property seeing an increase of over 20%! Solutions implemented by regional teams

such as hosting lunch and learns focused on increasing tenants’ education on waste programs, implementing organics programs, diverting coffee pods, implementing e-waste bins and collecting disposed paper towels from garbage and re-routing them into recycling streams.

The competition was fierce and propelled our teams closer to our target of diverting 70% of annual office waste from landfill by end of year 2023. Based on its success, we are continuing the Great Waste Race into 2023.



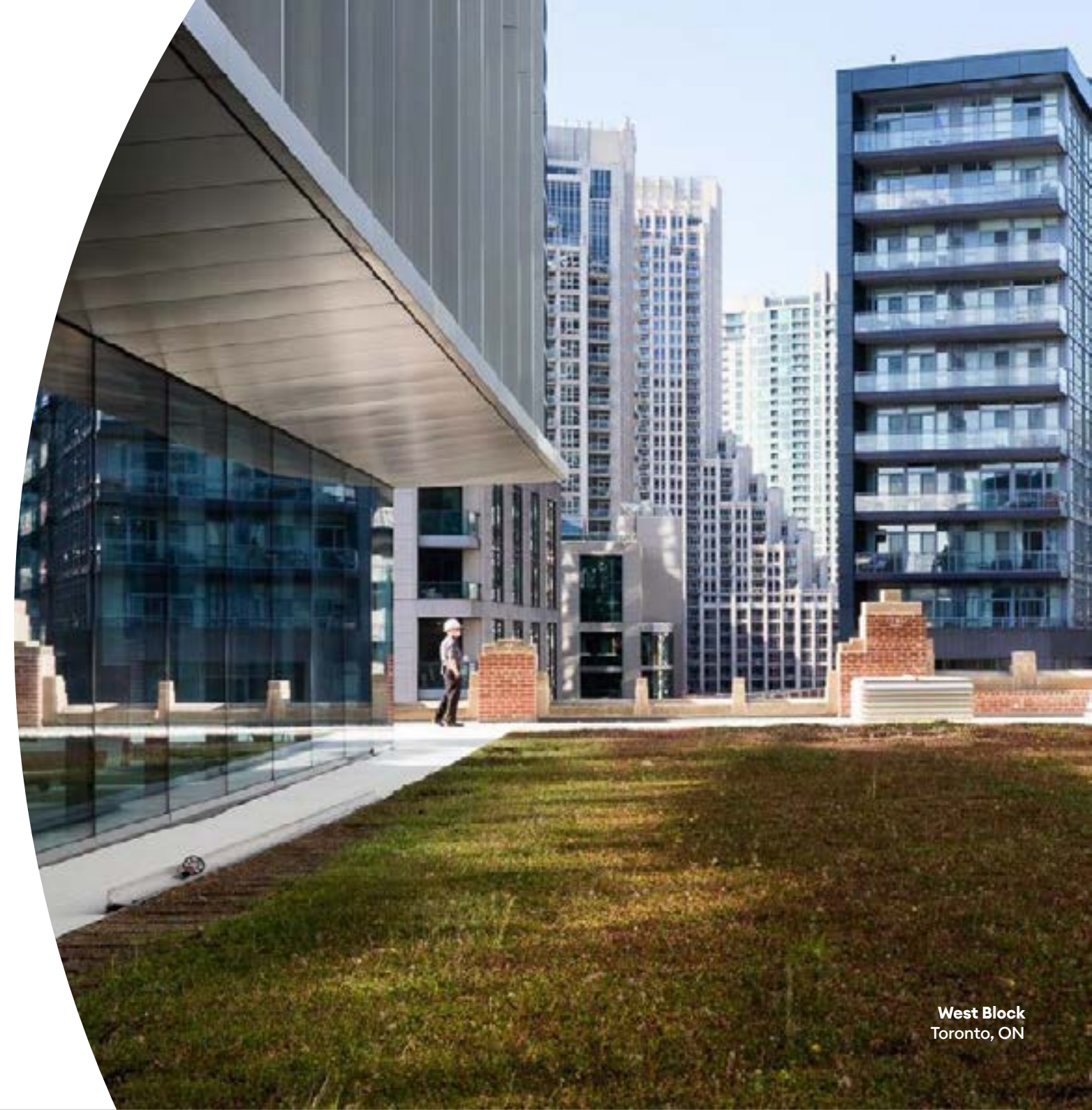
The Weston Centre  
Toronto, ON

# Physical Resilience

Choice has completed a physical climate risk assessment for its portfolio of operating assets and active developments. The purpose of this assessment was to identify properties with heightened exposure to extreme weather today and in the future. To do so, we partnered with a market-leading climate data provider to understand physical climate risk for our properties based on their location and climate-related data projections.

The results of the study indicated that the most common physical climate-related risks to our properties stem from flooding events and extreme storms. We were able to assess the robustness of operational programs already in place to protect against these events and identify areas to build additional resilience.

[Click here for our complete TCFD response](#)



West Block  
Toronto, ON

# Environmental and Occupational Health & Safety

## Management

As an owner of real estate in Canada, our business is subject to federal, provincial, territorial and municipal laws relating to environmental and health & safety matters. Choice uses an Environmental and Occupational Health & Safety Management System ("EOHMS") to manage compliance with these laws and monitor the performance of the portfolio. The EOHMS includes policies, procedures and training. Choice's Environmental and Occupational Health & Safety ("EOHS") team oversees environmental and occupational health and safety due diligence in leasing, transactions and developments, and undertakes ongoing site investigations, monitoring/assessment programs and remediations.

## Remediation

Environmental assessments are conducted to evaluate possible environmental contamination prior to the acquisition or development of properties. If contamination is identified, we liaise with the vendor to review the potential to remediate the site or to develop a remediation/monitoring plan, as appropriate. Our EOHS and Legal teams track and report on remediation activities regularly to senior management. Our Development team will also work to remediate a site or develop a remediation plan prior to development, as necessary.

## Hazardous Materials Management

Hazardous materials assessments and surveys are conducted annually where necessary and as required to identify and monitor the presence of hazardous materials in Choice-managed buildings. The results inform the EOHS, Property Management, and Development & Construction teams on the appropriate handling of hazardous materials in ongoing management and upcoming projects.

## Honey Bees and Biodiversity at Choice

Choice not only builds and operates properties - we've also been giving honey bees a home on some of our roofs. Honey bees are pollinators that encourage the health of the surrounding urban ecosystem, and we love sharing the honey and wax products with our tenants.

In 2022, our urban beekeeping program expanded to our 45 Akerley Blvd property in Dartmouth. What began as one hive in Calgary has grown to five hives across the country.

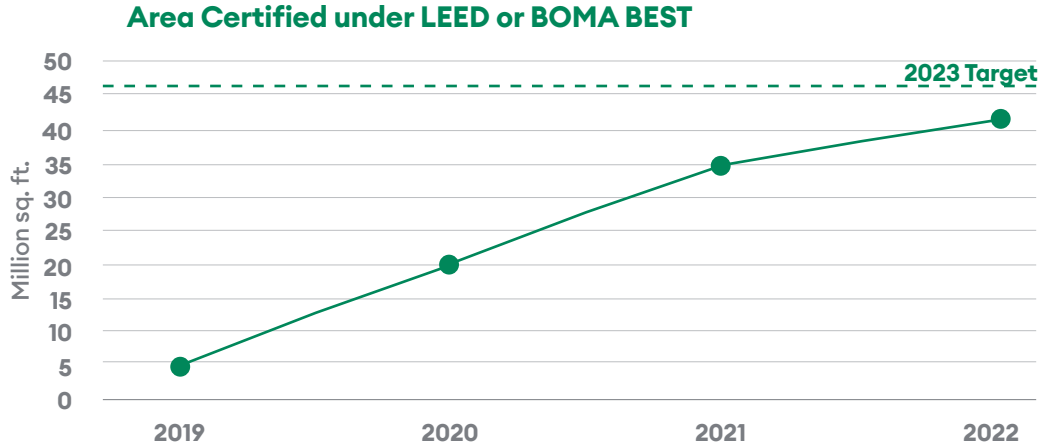


45 Akerley Blvd  
Dartmouth, NS

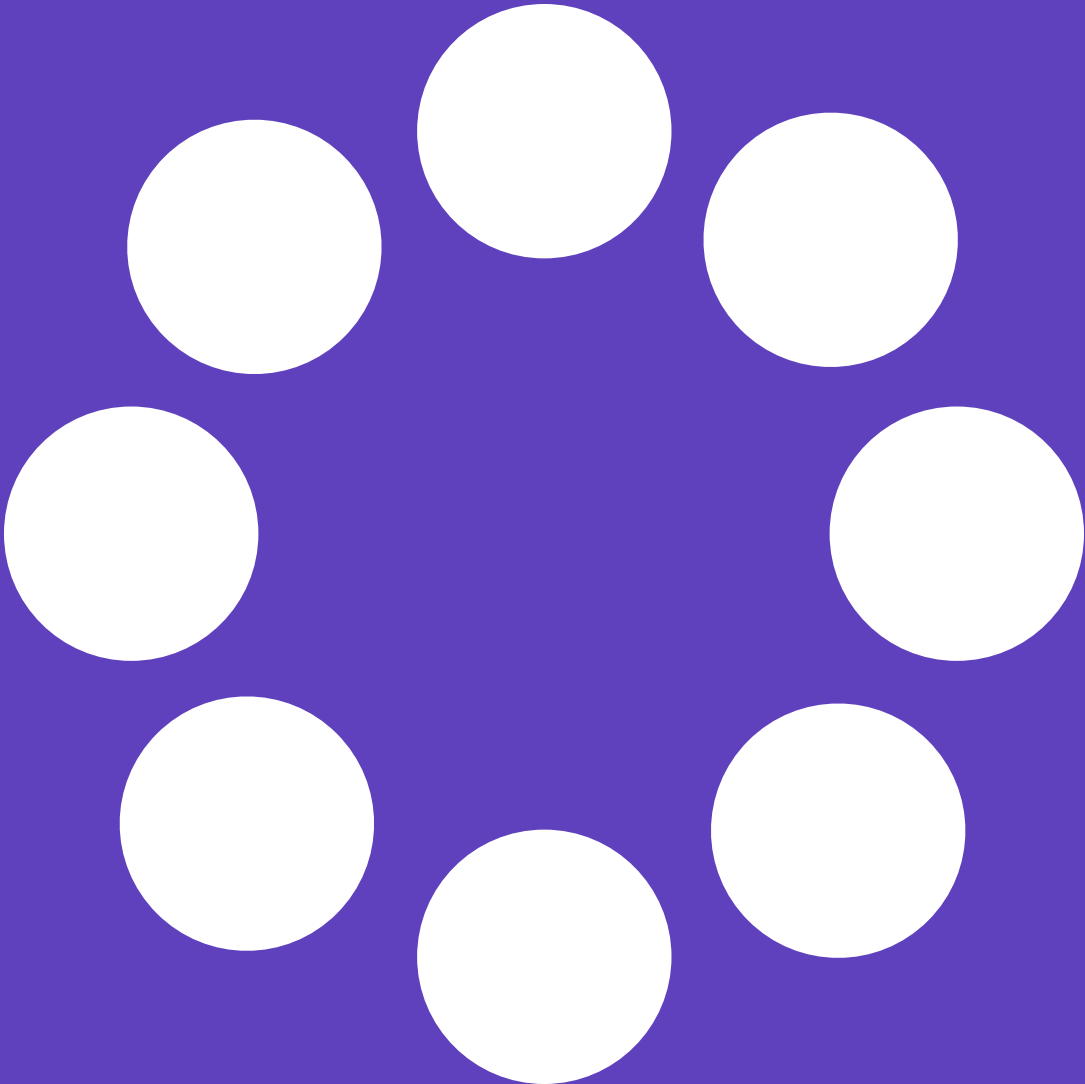
# Building Certifications

Building certifications provide credible third-party validation of property management and development practices. We use green building certification as a method of demonstrating the breadth of our environmental programs to our stakeholders. BOMA BEST and LEED are two certifications focused on sustainability-related practices.

In 2022, we increased the total GLA certified under either BOMA BEST or LEED to 42.7 million square feet, or 61% of our total portfolio (both at 100% share). This represents the third consecutive year of significant increases in green building certifications across the portfolio, having risen from 6.6% in 2019. We plan to certify additional properties within our portfolio in 2023 as we work to achieve our target of 65% of GLA (at 100% share).



# Social



# Our Social Programs

At Choice, we strive to conduct our business in a manner that respects and supports the communities in which we operate. We exemplify this commitment through our social pillar, **Advancing Social Equity**. In 2022, we launched our Social Equity Framework which outlines the platforms through which we plan to advance social equity. By focusing on what we can meaningfully offer as a real estate entity while partnering with key community organizations with local socioeconomic expertise, we intend to develop impactful programs and accelerate their delivery. Within this section, you will find more information on:

- Diversity, Equity & Inclusion
- Inclusive Culture
- A Great Place to Work
- Training & Development
- Health & Safety
- Community
- Fundraising
- Developing with Purpose
- Tenant & Supplier Engagement



Choice colleagues collaborating at our Culture Day



# Diversity, Equity & Inclusion





Choice is committed to increasing the diversity of our Board and leadership teams to better-reflect our stakeholders and the communities in which we operate. Our diversity targets are comprehensive in measuring diversity of the entire workforce, not just the diversity of new hires. This approach is intended to focus efforts beyond talent attraction to both retention and promotion of a diverse workforce.

As we continue in our diversity, equity, and inclusion ("DEI") journey, we have surpassed our targets for representation of women across all our groups, with 68% of our overall workforce represented by women. In 2022, Choice was recognized by the Globe and Mail's Women Lead Here benchmark for having significant numbers of women in leadership positions.





Choice collects information used to determine representation of women from all colleagues. We encourage our Board and colleagues, including the Executive and Senior Management teams, to voluntarily disclose whether they identify as belonging to one or more designated groups, being gender, visible minorities, Indigenous peoples and persons with disabilities. We define visible minority as non-Caucasian. This process is voluntary and confidential. The information helps us track against diversity targets and ensures that our future programs and initiatives are as inclusive as possible.

As part of our commitment to DEI, Choice is a member of the Canadian Centre for Diversity and Inclusion ("CCDI"). The CCDI is a leader in educating Canadian employers on best practices for DEI programming.

## Representation of Women

Group	2020	2021	2022		2024 Target
Board of Trustees	44%	44%	40% 	Maintain at or above	40%
Executive <sup>1</sup>	38%	50%	50% 	Maintain at or above	45%
Senior Management <sup>2</sup>	50%	51%	57% 	Maintain at or above	50%
Colleagues <sup>3</sup>	58%	63%	68% 	No target set	

## Representation of Visible Minorities

Group	2020	2021	2022		2024 Target
Board of Trustees	0%	0%	10% 	Improve to	20%
Executive <sup>1</sup>	19%	23%	23% <sup>4</sup> 	Improve to	30%
Senior Management <sup>2</sup>	-. <sup>5</sup>	17% <sup>6</sup>	18% <sup>6</sup> 	Improve to	25%
Colleagues <sup>3</sup>	-. <sup>5</sup>	37% <sup>7</sup>	37% <sup>7</sup> 	No target set	

<sup>1</sup> Executive is defined as colleagues with the title of Vice President or higher

<sup>2</sup> Senior Management is defined as colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President

<sup>3</sup> Within these tables, colleagues refers to employees that are not defined as Executive or Senior Management

<sup>4</sup> 5% of Executives did not disclose in 2022; Results are reflective of the full population size and were not adjusted to exclude those who did not disclose

<sup>5</sup> Self-identification information was not available for 2020

<sup>6</sup> 37% of Senior Management did not disclose in 2021, 36% did not disclose in 2022; Results are reflective of the full population size and were not adjusted to exclude those who did not disclose

<sup>7</sup> 32% of colleagues did not disclose in 2021, 27% did not disclose in 2022; Results are reflective of the full population size and were not adjusted to exclude those who did not disclose

 This symbol identified third party assurance of the current year data

# Inclusive Culture

## CORE Values

At Choice we have developed a strong culture that encourages our colleagues to bring their whole selves to work. Our culture is defined by our CORE Values – Care, Ownership, Respect, and Excellence. These values have become a common thread that extends across our organization and the Weston Group. CORE Values come to life through our culture principles: Be Authentic, Build Trust, and Make Connections.

## Diversity, Equity & Inclusion Committee

At Choice, our culture principles encourage everyone to be their authentic selves. All colleagues are valued, and differences are celebrated and leveraged to achieve better business results. In 2022, we were proud to continue to support our colleague-led DEI Committee. The mission of the committee is to increase awareness of lived experiences, challenge individual biases, acknowledge privilege, create empathy, promote inclusion and authenticity, and foster meaningful relationships amongst colleagues.

Our DEI committee held numerous events in 2022 designed to provide education, training, networking opportunities and acknowledge key cultural celebrations. These events included:

- Guest speakers and interviews
- National Indigenous History Month and Orange Shirt Day
- Black History Month
- Proud to Be Me Month
- International Women’s Day

## Truth and Reconciliation

Choice acknowledges that we operate on the traditional territory of many nations. We all play a part in recognizing and supporting the rich and diverse cultures, voices, experiences and stories of the First Nations, Inuit, and Métis peoples.

Choice’s DEI Committee organized several events in 2022 focused on raising awareness and resources for these communities, including a challenge to support Indigenous-owned business. In recognition of both National Indigenous History Month and Pride Month, Choice was honored to hear the lived experiences of a Two-Spirit Indigi-queer member of the Montreal Lake First Nation, Treaty 6 territory. Through the sharing of traditional knowledge and lived experience, Choice colleagues were faced with uncomfortable truths. This is a necessary step towards continuing the process of reconciliation.

Our colleagues marked the National Day for Truth and Reconciliation in several ways including: taking part in local and virtual events, providing resources to read & watch, sharing charities to support, and through the wearing of orange shirts.



Choice colleagues demonstrating our CORE Values

# A Great Place to Work

## Benefits & Perks

Choice provides a comprehensive package of employment benefits and numerous programs to attract and retain top talent and support colleagues in growing their careers. Some of these benefits include:

- **Competitive compensation** including a short-term bonus incentive program for all permanent colleagues. The program is based on the achievement of key financial and non-financial targets including ESG targets
- **Long-term incentives**, including a national pension plan, group RRSP, employee unit purchase plan, and long-term incentive grants for high-potential colleagues
- **Comprehensive health & wellness** programs
- **Hybrid work model** allowing colleagues the flexibility to work from home as well as the office based on the needs of their roles and departments
- Active **culture committee** and employee events

## Colleague Health & Wellness

Choice is committed to providing a safe and healthy work environment for our colleagues. We promote and support the overall health and wellbeing of our colleagues and their families through various wellness programs including:

- **Enhanced medical coverage** that supplements existing provincial healthcare coverage. We offer customizable medical benefit plans for colleagues and their families which include coverage for a range of services including vision, dental, paramedical, prescription drugs, fertility etc.
- **Maternity leave** top up on employment insurance benefits to 75% of base salary for the first 17 weeks
- **Parental or Adoption Leave** top up to 75% of base salary for the first 10 weeks
- **Health & Wellness subsidy** which reimburses colleagues for expenses related to their overall wellness
- **Mental health programming** through a comprehensive Employee and Family Assistance Program, a digital mental health platform, and guest speakers
- **Health & Wellness committee** that encourages colleagues to engage in both physical and mental health awareness activities

## Engagement

Colleague engagement is measured semi-annually through our "Tell It As It Is" survey, which is conducted by an independent service provider. The surveys ask questions relating to colleague engagement, leadership effectiveness, culture, change support, wellbeing, inclusion, and retention intention. We use the results of the survey to identify team specific areas where engagement can be improved. Since inception in March of 2019, the employee participation rate has consistently been higher than 90% and our engagement rating, which aggregates responses related to involvement and satisfaction, increased from 88% in spring 2021 to 90% in spring 2022.



Choice's Culture Day

# Training & Development

At Choice, we encourage the development of all colleagues through a variety of programs including:

- A **tuition reimbursement policy** which supports colleagues in formal training related to their field for tuition costs, seminars, conferences and professional membership fees
- Access to an **enterprise-wide learning platform** that provides courses on a variety of topics such as leadership, coaching, and health & safety
- **Individual development plans** unique to each colleague
- Immersive learning and interactive sessions on Choice's **culture** program, including Culture Day, which encourages an environment built on authentic, trusting connections between colleagues

In 2022, we focused on training all colleagues and people leaders on performance development and how to have meaningful performance conversations. In addition, all colleagues were trained on our Code of Conduct with a focus on conflicts of interest.

## Workforce Training & Development Metrics

	2020	2021	2022
<b>Average Training &amp; Development Hours Per Colleague</b>	4.3	12.2	7.3
<b>FTE Participation in Individual Development Plan Program<sup>1</sup></b>	100%	100%	100%
<b>Spend on Colleague Training &amp; Development (\$ Thousands)</b>	243	212	64.8 <sup>2</sup>

## Workforce Metrics

	2020	2021	2022
<b>Number of Active FTE Permanent Employees</b>	293	285	282
<b>Number of FTE Contract Employees</b>	10	7	8
<b>Number of Part Time Employees</b>	0	0	2
<b>FTE Permanent Positions Filled by Internal Candidates</b>	28%	23%	17%
<b>Participation in Employee Engagement Survey</b>	92%	96%	95%
<b>Engagement Rating<sup>3</sup></b>	85%	88%	90%
<b>Percent Voluntary Turnover</b>	5%	13%	14%
<b>Average Cost per New Hire (\$ Thousands)</b>	10.7	13.9	12.2

<sup>1</sup> This metric applies to active Colleagues as of September 30<sup>th</sup> of each year. Colleagues joining Choice after October 1<sup>st</sup> commence participation in the Employee Individual Development Plan Program in the following year

<sup>2</sup> Variance in current year amount due to calculation methodology update

<sup>3</sup> Engagement score is measured semi-annually - figures represented here are for the spring survey

## Mentoring Within Our Communities

This year, Choice colleagues volunteered with the WoodGreen Community Services' Community Connections program which works with those new to Canada as they transition into Canadian society and the workplace. Our colleagues facilitated a career mentorship workshop that focused on leadership skills, sharing of personal experiences and perspectives, as well as an interactive question and answer session.

We also support Law in Action Within Schools ("LAWS") through participation in their summer student program and other initiatives. LAWS is an organization focused on education, engagement and support programs for high school students facing barriers, giving them exposure to legal thinking and the justice system.

Through participation in these programs, we strive to give access to the Canadian real estate industry and empower individuals with the tools necessary for a successful career.

# Health & Safety

Choice is committed to operating its assets in a safe and reliable manner. Health and safety training is required for all colleagues. Our property managers and operators are provided with specialized training on a variety of health and safety topics including designated substance and hazardous materials management, working from heights, confined space, electrical lockout-tagout and first aid. We work with a third-party assessor who certifies that contractors who work on our sites have adequate health and safety procedures and training. Each of our principal offices has a Joint Health and Safety Committee that inspects their office and meets regularly to discuss health and safety concerns and ensure matters of concern are raised with management. The committees are empowered to ensure that the company is keeping the health and safety of colleagues and tenants at the forefront.

## Health & Safety Metrics

Per one million hours worked	2020	2021	2022
Lost-time injury frequency rate for employees <sup>1</sup>	0	0	0
Occupational illness frequency rate for employees <sup>1</sup>	0	0.8	0
Number of work-related fatalities for employees and contractors	0	0	0

<sup>1</sup> Frequency Rate = (Number of Reported Incidents x 200,000)/Productive Hours Worked

## Supporting Colleague Wellness

Our Colleagues are our greatest asset, and we are committed to supporting their health and wellness. To promote Colleagues to focus on their wellness, we have implemented various initiatives:

### Hybrid Work Model

Our new hybrid work model maintains the flexibility we have gained by working from home in recent years, while also realizing the benefits gained from working together at the office. We have empowered our leaders and colleagues to work together to strike the right balance between at-home and in-office work.

### Health & Wellness Subsidy

This year, we rebranded our annual Health & Wellness Subsidy to reimburse colleagues for a variety of health and wellness related activities, memberships, subscriptions, and equipment. Our aim is for an all-inclusive program for colleagues to feel at their best.

### Vacation Policy

To ensure our colleagues have the support to gain well-deserved down time, we have modified our vacation policy to provide a greater amount of time off to our colleagues sooner in their careers.

### My Mind Matters Resource Centre

Our new mental health resource centre provides colleagues and leaders access to the right mental health resources and tools for their unique mental health and wellbeing needs. It also supports leaders in knowing when and how to access an expanded range of mental health resources to be able to guide and support their teams.



# Community

## Choice Cares

Choice Cares is our community involvement program through which colleagues raise funds and volunteer their time to support the work of local charitable organizations. The Choice Cares mission is to empower individuals to deliver positive impact in the communities in which we live and work.

Our employee-led approach encourages our colleagues to take ownership of our Choice Cares program. As in previous years, colleagues voted on a socioeconomic issue to tackle on a national level and voted on charities to partner with on a local level. A group of colleagues volunteer on a national committee of Choice Cares Champions, to lead philanthropic activities and assume responsibility for the success of their region's campaign.

## Volunteering

Choice colleagues are guided by our target to volunteer an average of 4 hours per year and are entitled to up to one paid day annually for volunteering. We worked closely with our charity partners to offer a variety of opportunities in 2022 including:

- Shopping for groceries, cooking, and serving meals to families at Ronald McDonald House BC & Yukon to give families a night off from meal preparation
- Tending to Hope Blooms' expanded gardens, including a greenhouse to grow produce for underprivileged youth year-round
- Helping coordinate Sun Youth's Back to School Campaign which distributes backpacks full of school essentials to elementary and high school students and their Holiday Campaign which distributes Christmas food baskets to 5000 families and over 7,500 toys to children
- Getting children ready for Mooreland's Camp at Kawagama Lake in Ontario, a subsidized camp which includes activities rooted in positive youth development

## Our 2022 Choice Cares Partners

In 2022, our colleagues elected to focus on supporting organizations who provide programs to empower children and youth in low-income communities.

We were proud to have partnered with these inspiring local charities (in no particular order):



Mooreland Kids' mission is to bridge the opportunity gap by providing skill-building experiences that empower children to overcome barriers to success.



Brown Bagging for Calgary's Kids are committed to finding solutions to end childhood hunger. They provide barrier-free access to food that helps kids stay productive and focused in school.



Hope Blooms provides a safe space for youth in Halifax's inner city to actualize their full potential through programs such as growing their own food.



Second Harvest is Canada's largest food rescue organization. They redirect edible food destined for landfill to charities and non-profit organizations, ensuring greater access to health food for those in need.



Ronald McDonald House BC provides a home away from home to over 25,000 people when relocating to Vancouver due to children's critical illness or injury.



For over 65 years, Sun Youth has endeavoured to alleviate poverty and prevent exclusion in Montreal through providing individuals and families services that ensure their basic needs and maintain their integrity.

# Fundraising

A recent Ipsos poll commissioned by CanadaHelps revealed that nearly 1 in 4 Canadians said that they would likely turn to charities to meet their basic needs. As charities grapple with rising demand for their services, we are dedicated to engaging our colleagues, tenants, and business partners to support the crucial work of local community organizations.

Over 15 of our colleagues volunteered to form our 2022 Choice Cares Committee. Our committee organized several engaging employee fundraising activities in 2022, including a chili cookoff in support of Ukrainian refugees, a public art walk, national trivia night, and a casino night.

In addition to colleague events, we hosted our 7th Annual Golf Classic in 2022. We are immensely grateful for our business partners, vendors and tenants who participated and showed up for our communities.

Choice Cares is supported by Choice’s parent company George Weston. At the end of every campaign, a portion of funds raised through Choice Cares is matched by Weston. Our combined contributions create enduring value for the communities in which we operate our businesses.

In addition to supporting our Choice Cares partner charities, Choice allocates up to 10% of funds raised through our annual campaign to charities that our colleagues are individually engaged with.

## Choice Cares Achievements

	2020	2021	2022
Amount Donated (\$) <sup>(i)</sup>	350,000	405,000	629,400
Hours Volunteered	1,330	1,290	1,240
Average Volunteer Hours per Colleague	4.9	4.4	4.4

(i) Includes a portion of funds from George Weston Limited's matching program

## Partnering to Address Food Insecurity and Poverty

In partnership with our internal and external stakeholders, we remain committed to collaborating with local organizations to address critical issues affecting community members and residents.

We closed our 2022 Choice Cares campaign by holding another successful holiday food drive in support of lower income families in Scarborough. In partnership with Ali’s No Frills, The Daniels Corporation, and other landowners in the Golden Mile area of Toronto, together we raised over \$45,000 which enabled us to package 700 reusable grocery bags with non-perishable food items.

The food bags were donated to WoodGreen Community Services, a social service agency that serves over 37,000 people each year with integrated programs that work to reduce poverty and improve community health.



Packaged reusable grocery bags inside the Golden Mile Shopping Centre

# Developing with Purpose



Rendering of Unit  
Brampton, ON

## Community Building

As community-based developers, we approach our developments as an opportunity for positive social impact and placemaking. We strive to enhance existing communities by focusing on:

- Developing hubs that encourage walkability and multi-modal transportation through proximity to public transit and reduction of underutilized parking
- Bringing essential services and food closer to community members and residents
- Collaborating with local community groups, existing tenants, and business improvement areas through the redevelopment process
- Incorporating design elements that celebrate the community fabric and connection to place, including art pieces from local artists

## Livable Spaces

Our residential developments incorporate design elements that focus on lifestyle and accessibility. We strive to create spaces that are comfortable and livable. We do this by including:

- Accessible suites and common areas that are designed for various stages of life and lifestyles
- A variety of suite sizes and layouts including 2 bedroom and 3 bedroom units
- Integration of nature and natural features that enhance biodiversity such as green roofs, greenery, new trees and in some instances parks
- Endeavoring to provide housing in under-supplied Canadian markets
- Including amenities for a variety of lifestyles such as gyms, pools, exercise studios, co-working areas, culinary spaces, and dog runs

## Accelerating Accessibility

We believe in creating spaces that are accessible and provide a sense of belonging amongst the diverse communities we serve. Choice Properties is proud to participate in the launch of the Accelerating Accessibility Coalition (“AAC”) as one of its founding members.

The AAC will help bring the voices of Canadians living with disabilities to the forefront of shaping our built environment. Choice is putting our commitment to accessibility into action through achieving Rick Hansen Foundation Accessibility Certified Gold – Pre-construction Approval at our Uniti residential development in Brampton.



# Tenant & Supplier Engagement

## Tenant Engagement

We actively engage with our tenants to create welcoming and sustainable shopping centres, industrial facilities and workplaces. For example, we regularly meet with our largest tenant, Loblaws, to coordinate on sustainability initiatives including the installation of equipment such as LED lighting and electric vehicle charging stations. We provide resources such as our Tenant Sustainability Guide and Environmental News Flashes to retail and industrial tenants to provide resources to encourage environmentally friendly programs. We celebrated Waste Reduction Week in October with lunch and learn events at several office properties.

In 2022, tenant satisfaction surveys were conducted through our retail, industrial and office properties. We are building action plans to share the results and implement improvement opportunities.

## C3 Portal

At Choice, we are committed to providing our customers with best-in-class service. We work hard to continuously improve our tenant services program and we continue to do so with our Choice Customer Connection ("C3") portal which is available to all tenants. The C3 portal enables our tenants to submit service requests, track the progress of those requests, and access resources online. Our C3 service also includes a 24/7 phone line. No matter the day, no matter the time, we are here to support our tenants.

## Suppliers

As part of our business, we rely on our supply chain for services ranging from the design and construction of new assets through to the provision of uniforms for our staff. We take an active approach to engaging with suppliers and have a range of policies and processes in place to support our supply chain. In 2022, Choice developed a Supplier Code of Conduct setting out the minimum standards we expect from suppliers. We use an e-tendering platform to award contracts. This platform enables Choice and our suppliers to exchange information transparently and securely in an efficient manner. We also work with a third-party assessor who certifies that contractors who work on our sites have adequate health and safety procedures and training. These enhanced procurement policies and tools enable us to strengthen transparency in our supply chain.

## Celebrating with our Communities

In 2022, Choice was thrilled to continue to support local initiatives while providing our colleagues, tenants and communities a space to come together and enjoy.

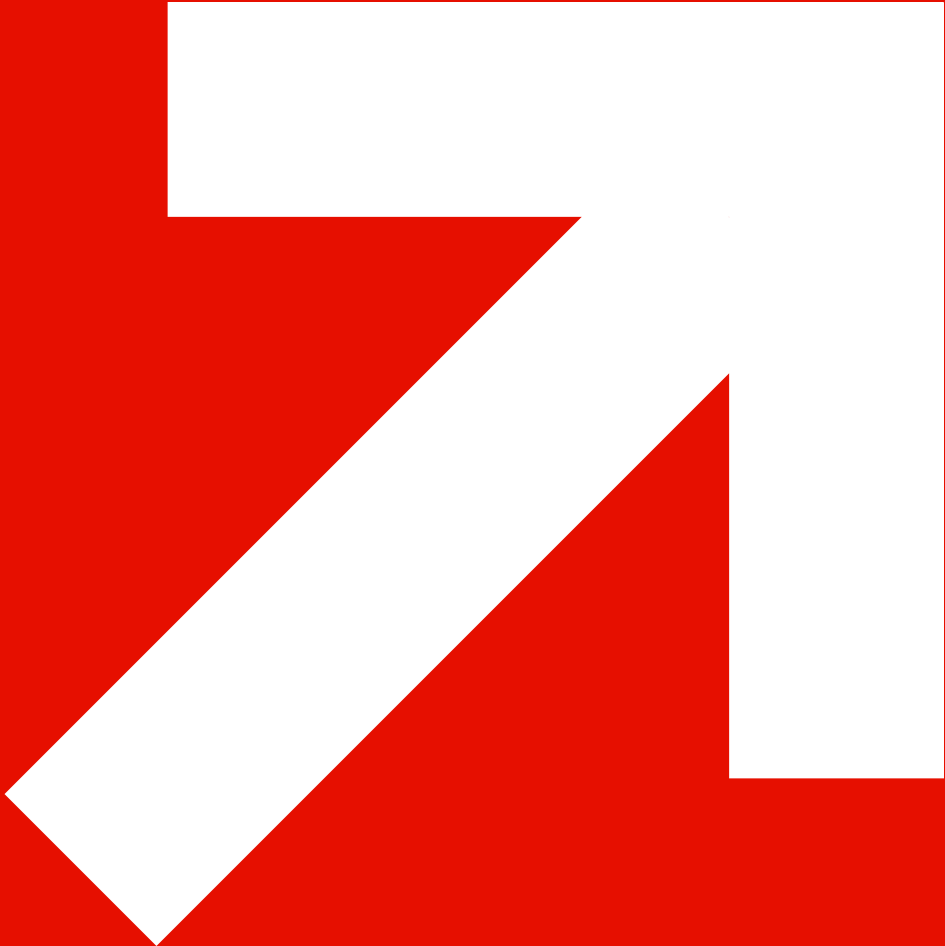
In Calgary, the Choice team hosted Stampede breakfasts at Calgary Place and Mahogany Village Market in support of our tenants and their services. The funds raised from the breakfast events were donated to our Choice Cares partners.

In Toronto, our team continued to support the Yonge + St. Clair Business Improvement Area by partnering in several initiatives. For example, in June, the Weston Centre hosted The Colourway, a pop-up rainbow walkway upcycled from used pool noodles.



The Weston Centre  
Toronto, ON

# Governance



# Governance

115 Campbell Rd  
Rothesay, NB



## Governance Overview

Choice's Board of Trustees and management are dedicated to strong 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.

The resources within "Where to Find More Information" on this page have detailed descriptions of Choice's governance program including oversight of matters such as leadership, compensation, internal controls, risk management, and audit.

Our corporate website sets out additional information and governance documents, including: Choice's Code of Conduct, Disclosure Policy, Majority Voting Policy, and a position description for the Chair of the Board of Trustees and each of its committees.

## Board of Trustees

The Board is responsible for the overall stewardship and governance of the Trust. It oversees the management of the business and affairs of the Trust, both directly and through its committees. This includes overseeing Choice's enterprise risk management program, its commitment to ESG and other topics and themes reflected in this report. The Board of Trustees regularly reviews Choice's corporate governance practices to ensure they reflect evolving best practices in a rapidly changing environment. The Board carries out its responsibilities directly and through the Audit Committee and Governance, Compensation and Nominating Committee ("Governance Committee").

## Board Independence

At December 31, 2022, the Board was comprised of ten Trustees, eight of whom were "independent" as defined by National Instrument 52-110. The Board has appointed a Chair who is not independent. Recognizing the importance of strong independent board oversight, the Board has appointed an independent trustee to serve as Lead Trustee. The Lead Trustee ensures that the Board operates independently of management and that the trustees have an independent leadership contact. The Board's view on the effective role of an independent lead trustee has been endorsed by leading corporate governance organizations.

## Management Oversight

Choice's Board of Trustees delegates the management of the day-to-day affairs of the Trust to Choice's management team. Management prepares the business and operating plans and budgets for the Trust, which take into account the opportunities and risks of the business. Management is also responsible for preparing regular reports to the Board of Trustees on the operating and financial results of the Trust and on matters such as ESG, pension, tax, compliance, treasury and legal matters.

## Where to Find More Information

- ➔ [2023 Management Proxy Circular](#)
- ➔ [2022 Annual Report](#)
- ➔ [2022 Annual Information Form](#)
- ➔ [Governance Information, including Board and Committee Mandates](#)
- ➔ [2022 Code of Conduct](#)
- ➔ [Supplier Code of Conduct](#)
- ➔ [Leadership and Trustee Profiles](#)
- ➔ [Integrity Action Line/ Whistle-blower mechanism](#)
- ➔ [Human Rights Statement](#)
- ➔ [Declaration of Trust](#)
- ➔ [Privacy Policy](#)

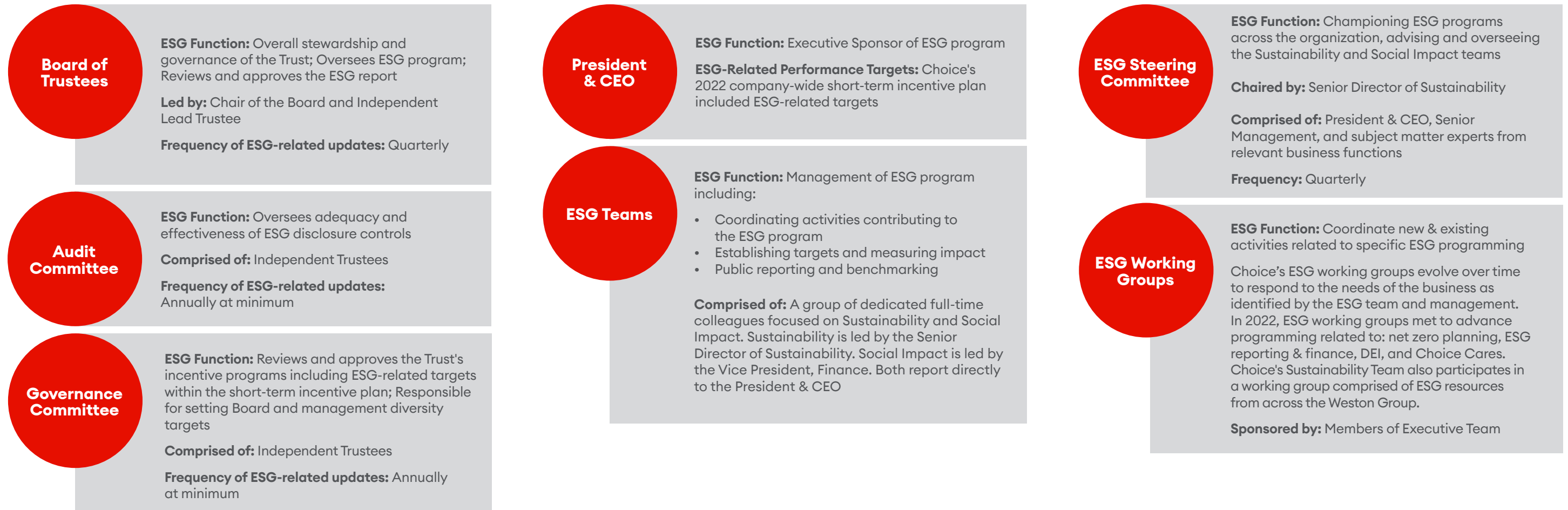
# ESG Program Governance



## Integrated ESG Program

Choice executes ESG programming by integrating specific initiatives in business functions, with oversight embedded within established governance structures.

Those with ESG oversight, management, and/or execution responsibilities include:



# ESG Data Validation

Management is responsible for establishing and maintaining adequate internal controls over ESG disclosures.

The following groups all play a part in maintaining the quality of the Trust's ESG disclosures:

- **Board of Trustees:** The Board oversees Choice's ESG program and reviews the ESG Report on an annual basis. The Board receives periodic reports from management on the ESG program and performance against ESG targets.
- **Audit Committee of the Board:** The Audit Committee oversees the adequacy and effectiveness of controls related to Choice's ESG disclosures.
- **Dedicated ESG team:** This team maintains and oversees the reporting system from which Environmental data presented within the annual ESG report is collected. This team also collects information from other relevant business units such as Human Resources, Social Impact, Development, and Operations that is included with ESG disclosures.
- **Internal Controls Compliance:** This team tests the adequacy and effectiveness of applicable controls related to the Trust's ESG disclosures and reports the results to the Audit Committee.
- **ESG Report Disclosure Committee:** Comprised of members of senior leadership from all areas of the business that have oversight of the programs discussed in this annual ESG report.
- **Independent Assurance:** PricewaterhouseCoopers LLP has provided assurance of select Choice 2022 ESG performance metrics to a limited level of assurance in accordance with the requirements of International Standards on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and International Standards on Assurance Engagements (ISAE) 3410. Refer to Appendix F for their Statement of Assurance.



3455 Johnston Rd  
Port Alberni, BC

# Ethics & Compliance

## Dedicated Compliance Team

Compliance is an integral component of Choice's business. Choice has a dedicated Compliance Program, overseen by the Director, Compliance & Ethics. This program is focused on taking a proactive approach to compliance for all aspects of Choice's business. The Audit Committee of the Board receives updates regarding the Compliance Program on a quarterly basis.

## Internal Control Compliance and Internal Audit

Functions within the Trust report to the Audit Committee regarding the Trust's Internal Control Compliance program as well as the Trust's internal audit function.

## Compliance and Ethics Audits

The internal controls compliance team test the compliance and ethics program on an annual basis to confirm Choice's SpeakUP! process is operational, that compliance updates are provided to the Audit Committee each quarter and that there is 100% completion by colleagues of the mandatory code of conduct training and policy acknowledgements.

The compliance and ethics team performs testing and monitoring of Choice's regulatory compliance programs to ensure they are operating as expected.

In 2022, Choice surveyed colleagues through the Tell It As It Is Engagement Survey on the organizational commitment to maintaining compliant and ethical business practices. Colleagues were asked to gauge if they perceived that individually and collectively they were able to make compliant and ethical business decisions. 95% agreed or strongly agreed that they were.

## Human Rights

Choice is committed to respecting human rights. Our commitment to respecting human rights applies to our colleagues, our business partners and those who supply goods and services to Choice. We expect our business partners and suppliers to uphold the same commitment within their operations and adhere to applicable human rights and employment standards laws.

Our policies and practices are informed by the United Nations' ("UN") Universal Declaration of Human Rights, and human rights and employment laws and regulations applicable in the regions in which we operate. Navigate to our Human Rights Statement [here](#).



# Ethics & Compliance

## Continued

### Code of Conduct

Choice has adopted a Code of Conduct that reflects the Trust's commitment to high standards of ethical conduct and business practices.

The Code of Conduct clearly outlines the expectations we have for all colleagues to treat each other fairly and with respect, behave ethically and honestly, ensure there is zero tolerance for discrimination and harassment and to speak up when something doesn't feel right. The code also outlines our zero tolerance for violence, harassment, discrimination, fraud, bribery, corruption, and money laundering. These expectations also apply externally, as conducting our business with integrity means that our stakeholders can trust that we conduct our business with integrity. All colleagues are required to acknowledge they have read and understand the Code of Conduct annually. The Code of Conduct is available online at [choicereit.ca/governance](http://choicereit.ca/governance).

During 2022, all colleagues completed compliance training on certain sections of the Code of Conduct, including gifts & entertainment and conflicts of interest. Training was also provided to key employees on the new procurement and lobbying policies.

### Supplier Code of Conduct

We recognize our responsibility to ensure fair and ethical business practices and compliance with laws and regulations, and we expect those who do business with us do the same. To support this endeavour, Choice developed a Supplier Code of Conduct setting out the minimum standards we expect from Suppliers. The Code outlines our expectations around key business principles including ethical and lawful conduct, adherence to employment and labour standards, safe working conditions and compliance with environmental laws, among other topics.

### Conflicts of Interest

Our colleagues are required to disclose any actual, potential, or perceived conflicts of interest as they become aware of them. All colleagues are required to annually attest that they have disclosed any conflicts of interests.

### SpeakUP!

At Choice, change starts with a voice. If colleagues see something they are not comfortable with, they have a responsibility to report it. A report can be made to a manager, Human Resources or to Compliance. Choice also has an Integrity Action Line (or "whistleblower" line) which is an independent externally managed online form and toll-free number, for employees or Trustees to anonymously report potential noncompliance with the Code of Conduct or with applicable laws and regulations. The Code of Conduct summarises the SpeakUP! Program, our prohibition on retaliation and the implications for any colleagues that are found to have retaliated against a whistleblower. Our prohibition on retaliation is also set out in our Accounting, Auditing, and Internal Controls Complaints Procedures.

Each quarter, the Director, Compliance & Ethics provides the Audit Committee with a summary of any incidents that are reported.



# Privacy & Cybersecurity

## Our Fair Information Principles

We are committed to safeguarding the personal information of our tenants and employees through physical, procedural and technical controls and by incorporating these protections into our culture and ongoing operations.

## Annual Training

It is important that we understand the responsibility that comes with collecting, using and sharing personal information. All colleagues are required to complete annual privacy training. This training helps reduce the risk of loss, misuse, unauthorized access, and disclosure or modification of personal information.

## Our Privacy Policy

In our Privacy Policy we describe the measures that we take to protect personal information, as well as how individuals may initiate inquiries and raise concerns regarding the collection, sharing and use of their personal information. Navigate to our Privacy Policy [here](#).

## Our Cybersecurity Team

Our cybersecurity strategy is overseen by the VP, Information Security, who presents to the Audit Committee on a quarterly basis. Our security team keeps up-to-date with the latest physical and cyber threats and devises solutions that help keep Choice, our data, network, employees and tenants secure.

## Security Awareness Program

We have developed an awareness strategy program to raise the security consciousness level of the organization. All colleagues are required to complete mandatory cybersecurity awareness training on an annual basis. This has resulted in the cybersecurity maturity rating for Choice exceeding the industry benchmark by 22% in 2022.

In addition, we provide resources to all employees to be able to report a security issue (e.g., loss, phishing, fraud, social engineering attempts and other security issues). In the event that a colleague notices something suspicious, we have a clear escalation process to ensure that issues are managed appropriately and according with our policies.

## Business Continuity & Crisis Management

Our operations have business continuity and crisis management plans in place that are tested at minimum on an annual basis.

## Vendor Security Assessments

We work closely with our vendors and service providers to manage risk. All third-party technology providers must complete an information security and privacy assessment that is reviewed and approved by the security team and the business.





# Appendices and Data



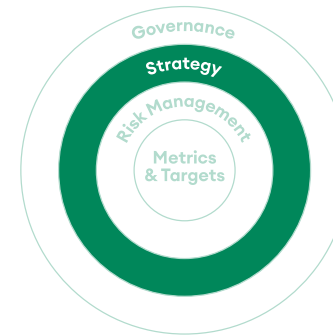
# Appendix A - TCFD Response

**Choice recognizes the importance of providing transparency to stakeholders in relation to climate change risk. The Financial Stability Board's Task Force for Climate-related Financial Disclosures ("TCFD") published a set of recommendations which provide a framework for reporting on the risks associated with climate change. This appendix details Choice's climate change risk management program, aligned to the four elements of the TCFD Recommendations: governance, strategy, risk management and metrics & targets.**



## Climate Risk Governance

The Board of Trustees oversees Choice Properties' Enterprise Risk Management ("ERM") program, which identifies and manages risks relevant to Choice, including climate change risks. The executive team oversees the ESG program day-to-day, including the evaluation and management of risks stemming from climate change. This oversight is facilitated through the ESG Steering Committee and ESG working groups described in the ESG Program Governance section of this report. The mandates of the ESG working groups include discussion of climate related risks and opportunities as they relate to the associated business areas. Identification of climate related risks and opportunities is also a core function of the dedicated ESG team, who report directly to the CEO.



## Climate Strategy

Choice Properties faces environmental risks that could, directly or indirectly, negatively impact the Trust's reputation, operations or performance over the short or long term, including risks related to climate change. Choice Properties defines climate-related risk as the risk of loss, either directly through financial loss or indirectly through reputational damage, resulting from the inability or failure to adequately prepare for the impacts from climate change or the transition to a lower carbon economy. Choice Properties may be exposed to the impact of events caused by climate change, such as natural disasters, severe weather events, floods, forest fires and rising sea levels. Such events could interrupt Choice Properties' operations and activities, damage its properties and require Choice Properties to incur additional expenses to recover or repair properties from a natural disaster and inclement

weather. Choice Properties' financial position and results from operations could be adversely affected by the materialization of any of the risks identified herein related to climate change. Furthermore, as a real estate property owner and manager, Choice Properties faces the risk that its properties will be subject to government initiatives and reforms aimed at countering climate change, such as transitioning to a low carbon economy and may entail extensive changes to policies, regulations and technologies to address mitigation and adaptation efforts. Choice Properties may require operational changes and/or incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change could result in fines or adversely affect Choice Properties' reputation, operations or financial performance.

We identify short-term climate risks as those occurring within the next one to five years, medium-term as five to ten years and long-term risks as those occurring after ten or more years. Further potential risks stemming from climate change are detailed within the table "Climate Change Risks".

Choice has been addressing climate-related risks for several years, and formally since the formation of the ESG Steering Committee in 2018. Projects are prioritized on a financial return basis and a resource use reduction basis. Projects that deliver cost savings to tenants are recovered through green lease clauses.



## Management of Climate Risks and Opportunities

The Trust uses stakeholder engagement, a dedicated ESG team, the committees outlined within the ESG Governance section of this report, as well as the Trust's ERM function to identify, assess, and integrate the management of identified risks into the organization's overall risk management program.

Transition-related climate risks are managed through our operations and development programs described on pages 19-21 of this report.

Physical climate risks at income producing properties are currently managed through property condition assessments, capital improvements, and environmental health and safety inspections. Developments utilize environmental assessments and building certifications (i.e., Toronto Green Standard, Tier 2) to manage physical and transition climate-related risks. New acquisitions utilize due diligence checklists, property condition assessments and environmental inspections to mitigate risks.

We also mitigate physical climate-related risks through the purchase of insurance policies to cover our assets in the event of property damage arising from a climate-related event.

With respect to our principal tenant, Loblaw, we insure our assets to not less than the full replacement value of any premises leased to Loblaw. Loblaw must maintain business interruption insurance for an indemnity period of not less than 12 months, in the case of retail premises, or not less than 15 months, in the case of industrial or office premises.

Choice completed a comprehensive physical climate risk assessment for its entire portfolio of standing assets and active developments in 2021. The desired outcome of this assessment was to screen our properties to identify those with exposure to extreme weather today and in the future. Choice partnered with a global market-leading climate data provider to understand physical climate risk for our properties based on their geolocation and projected climate-related data.

With the data provided, Choice was able to analyze:

- 7 forward-looking climate change risks (precipitation stress, riverine foods, tropical cyclone, drought, wildfires, heat stress and sea level rise);
- 7 current climate risks (earthquake, extratropical (winter) storms, flash foods, hail, storm surges, tornados and tsunamis);
- The above risks along 3 climate scenarios from the United Nations International Panel on Climate Change (RCP 2.6, RCP 4.5 and RCP 8.5, which are representation concentration pathway scenarios predicting a rise in global mean temperature by the end of the 21st century of <2°C, between 2°C and 4°C, and >4°C respectively); and
- Each of the above risks and climate scenarios along 3 timeframes (Current, 2050 and 2100).

The assessment focuses its results on the RCP 8.5 climate scenario with the 2050 timeframe. Choice believes 2050 is a realistic time horizon to use for

Choice's business operations, and RCP 8.5 represents a "business-as-usual" climate scenario, though it should be noted that the difference in climate impacts between RCP 2.6 and RCP 8.5 is not significant in 2050; the differing climate impacts diverge in the half decade that follows. In 2021, Choice began implementing the findings of the assessment, as described in the Physical Resilience section of this report.



## Metrics and Targets

To enable our stakeholders to consider and compare our reporting, we compile and align our outputs in line with the Sustainability Accounting Standards Board.

Choice discloses metrics related to physical and transition climate risks annually through its ESG Report. These metrics include energy consumption, greenhouse gas emissions (Scope 1 and 2 and select Scope 3 categories), and exposure to flood plains. Choice has set greenhouse gas reduction targets, through the Science Based Targets initiative’s Net-Zero Standard which align with a 1.5°C future so that the Trust may minimize its risk exposure to climate change within our portfolio.

## Climate Change Risks and Opportunities

	Short & Medium-Term	Long-Term
Transition Risks	<ul style="list-style-type: none"> <li>• Increasing utility costs</li> <li>• Carbon pricing</li> <li>• Regional regulations facilitating zero carbon planning</li> <li>• Changing tenant demand for assets</li> </ul>	<ul style="list-style-type: none"> <li>• Pressure on tenant’s business sectors</li> <li>• Changing visitor behaviour</li> <li>• Further policy and regulation shifts</li> </ul>
Transition Opportunities	<ul style="list-style-type: none"> <li>• Investment in on-site renewables</li> <li>• Investment in efficiency measures</li> <li>• Energy procurement strategy</li> <li>• Support for e-vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• Outperformance of carbon efficient assets</li> <li>• Availability of net-zero ready assets</li> </ul>
Physical (Natural Disaster or serious weather conditions) Risks	<ul style="list-style-type: none"> <li>• Business interruption</li> <li>• Unscheduled repairs</li> <li>• Construction delays</li> <li>• Increased utility demand and costs</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in insurance coverage</li> <li>• Tenant turnover</li> <li>• Obsolescence of equipment</li> </ul>
Physical Opportunities	<ul style="list-style-type: none"> <li>• Low exposure of portfolio to short and medium term physical risks creates inherent resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of resilient assets</li> </ul>

# Appendix B - Environmental Data

**Choice is committed to transparency with respect to environmental data. Here we present details of our emissions, energy, water, and waste consumption, which are used to assess climate-related risks and opportunities. Performance against established environmental targets used by the Trust is described in the Climate Change Targets section of this report.**

## Understanding Emissions & Energy Data

The energy and emissions data presented within this report reflects Choice's portfolio as of December 31, 2022 and includes comparative data in each reported year from 2019 to 2022. Where emissions factors are sourced from Canada's Greenhouse Gas Inventory 1990-2020, they are accessed from the 2022 National Inventory Report, publication date April 14, 2022.

The data presented within this report represents consumption within Choice's operational control and represents complete building data only in specific areas. The most common energy-related scenarios are presented below:

### Landlord-Controlled Energy/Scope 1 & 2 Emissions:

**Retail and Industrial:** Data represents only the portions of the building that are within Choice's operational control such as parking lot lighting, common area spaces, vacant units etc. This information is directly measured except for vacant units, where consumption is estimated.

**Office (included within the Mixed-Use, Residential & Other asset class):** The energy data presented here is typically complete energy data (i.e. it represents the complete energy consumption of that building). Data is typically sourced from a small number of utility meters (often a single electricity and single natural gas utility meter) which includes all tenant uses.

### Tenant-Controlled Energy/Scope 3 – Downstream Leased Assets (Category 13) Emissions:

**Retail and Industrial:** Data represents portions of the building that are outside of Choice's operational control such as leased tenant areas. Where available, this information is directly measured; where unavailable, estimation is used.

**Residential (included within the Mixed-Use, Residential & Other asset class):** Residential properties are managed by third-parties and outside of Choice's operational control. The

energy data presented here is representative of the whole building and is estimated.

In line with the guidance from the Corporate Net-Zero Standard v1.0 from the Science Based Targets initiative, we track and report more than 90% of our Scope 3 greenhouse gas emissions. The categories that are excluded are either not applicable to our business, or estimated to represent less than 2% of our scope 3 emissions, as per a GHG emissions screening completed in 2021. More information on Scope 3 emissions methodology can be found within the Scope 3 Emissions Methodology and Data Sources table on the next page.

## Scope 3 Emissions Methodology and Data Sources

This table (continued on the next page) outlines the methodology and data sources for disclosed Scope 3 emissions categories. We completed a GHG emissions screening in 2021, where we evaluated the 15 Scope 3 categories outlined in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In that screening, we found that emissions from categories 2, 3, 5, 6 and 7 represented less than 2% of our Scope 3 emissions. Categories 4, 8, 9, 10, 11, 12, 14, and 15 are not applicable to our operations.

Scope 3 Category	Scope 3 Category Name	Methodology/ Justification for Exclusion	Activity data source	Emission factor data source(s)
1	Purchased goods and services	<p>Our purchased goods and services can be categorized into four major groups:</p> <ol style="list-style-type: none"> <li>1. Developments</li> <li>2. Maintenance (primarily repairs to roofing and pavement)</li> <li>3. Water</li> <li>4. Corporate products and services</li> </ol> <p><b>Methodology:</b></p> <ol style="list-style-type: none"> <li>1. Developments: We work with third-party consultants to calculate the embodied carbon emissions of some projects. Choice retains a library of emission intensity factors for available projects and applies the emission intensity factor of the most similar project to each completed project at year end. The following process stages are included in third-party life cycle assessment emission factors: A1-A3: Product Stage A4: Transport to construction site* B4-B5: Replacement and Refurbishment C1-C4: End-of-Life</li> <li>2. Maintenance: Material quantities are collected from contractors and multiplied by database-supplied product emission factors.</li> <li>3. Water: Primary data from Choice-paid water meters is multiplied by a product emission factor.</li> <li>4. Corporate Products and Services: Choice's procurement spend is multiplied by a spend-based emissions factor.</li> </ol> <p>Emissions from developments, maintenance, and corporate products and services are not captured at the asset class level. They are represented at "Portfolio" level within the emissions data tables.</p>	<p>Developments: primary data (developed gross leasable area and asset class) from Choice</p> <p>Maintenance: primary procurement data (quantity and material type) from Choice</p> <p>Water: primary procurement data (water consumption) from Choice-paid utility bills</p> <p>Corporate Products and Services: primary procurement data (office expense and amortized IT expense) from Choice</p>	<p>Developments: Third-party building life cycle assessment reports ("LCA"), as available. If not available, Choice will use LCA values for similar projects.</p> <p>Maintenance: Academic research</p> <p>Water: Academic research and Canada's Greenhouse Gas Inventory 1990-2020</p> <p>Corporate Products and Services: United States Environmental Protection Agency Supply Chain GHG Emissions Factors for US Commodities and Industries</p>

## Scope 3 Emissions Methodology and Data Sources - Continued

This table (continued from the previous page) outlines the methodology and data sources for disclosed Scope 3 emissions categories. We completed a GHG emissions screening in 2021, where we evaluated the 15 Scope 3 categories outlined in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In that screening, we found that emissions from categories 2, 3, 5, 6 and 7 represented less than 2% of our Scope 3 emissions. Categories 4, 8, 9, 10, 11, 12, 14, and 15 are not applicable to our operations.

Scope 3 Category	Scope 3 Category Name	Methodology/ Justification for Exclusion	Activity data source	Emission factor data source(s)
13	Downstream leased assets	<p>Primary data from tenant energy meters is collected where it has been made available. When there is no actual data made available by tenants, emissions are calculated by multiplying the gross leasable area by an appropriate energy use benchmark and emissions factor.</p> <p>Refrigerants from equipment under the control of tenants for their own operations are excluded.</p>	<p>Primary Data: tenants (energy consumption)</p> <p>Estimated data: CBECS energy use intensity based on asset class and climate zone</p>	Canada's Greenhouse Gas Inventory 1990-2020.

## Emissions & Energy Data Coverage

Landlord-controlled energy and Scope 1 and 2 emissions data presented in this report represent 100% of the areas in our portfolio where we have operational control.

Data is either directly measured from utility bills, accrued based on historical utility bill information, or estimated as shown in the data sources table to the right.

Tenant-controlled energy data presented here represents 100% of the areas in our portfolio where we do not have operational control. Of the properties represented, data is either directly sourced from tenants, or estimated as shown in the data sources table to the right.

### Landlord-Controlled Energy/Scope 1 & 2 Emissions Data Sources (%)

	2019	2020	2021	2022
Directly Measured	84.9%	82.8%	83.2%	81.2%
Accrued	2.4%	0.8%	2.0%	6.4%
Estimated	12.7%	16.4%	14.9%	12.4%

### Tenant-Controlled Energy/Scope 3 Emissions Data Sources (%)

	2019	2020	2021	2022
Directly Measured	71.1%	69.8%	69.4%	69.0%
Estimated	28.9%	30.2%	30.6%	31.0%

## Emissions

### GHG Emissions (Thousand tCO<sub>2</sub>e)

Asset Class	2019					2020					2021					2022				
	Scope 1	Scope 2	Scope 3	Scope 3	Total	Scope 1	Scope 2	Scope 3	Scope 3	Total	Scope 1	Scope 2	Scope 3	Scope 3	Total	Scope 1	Scope 2	Scope 3	Scope 3	Total
			Purchased Goods & Services	Downstream Leased Assets				Purchased Goods & Services	Downstream Leased Assets				Purchased Goods & Services	Downstream Leased Assets				Purchased Goods & Services	Downstream Leased Assets	
Retail	2.1	4.3	0.1	398.3	404.8	2.3	4.1	0.1	377.5	384.0	2.2	3.6	0.1	378.0	384.0	2.4	3.7	0.1	364.4	370.6
Industrial	0.7	1.9	0.1	62.8	65.5	0.7	1.6	0.1	60.0	62.3	0.7	1.6	0.1	60.2	62.5	0.4	1.4	0.0	61.6	63.5
Mixed-Use, Residential, & Other	5.4	11.8	0.0	5.1	22.4	4.5	8.9	0.0	4.8	18.2	4.5	8.2	0.0	5.2	18.0	4.8	8.5	0.1	6.5	19.8
Portfolio	-	-	45.8	-	45.8	-	-	23.0	-	23.0	-	-	27.4	-	27.4	-	-	12.6	-	12.6
<b>Total</b>	<b>8.2</b>	<b>18.0</b>	<b>46.1</b>	<b>466.2</b>	<b>538.4</b>	<b>7.4</b>	<b>14.5</b>	<b>23.2</b>	<b>442.4</b>	<b>487.6</b>	<b>7.4</b>	<b>13.4</b>	<b>27.6</b>	<b>443.4</b>	<b>491.9</b>	<b>7.6</b>	<b>13.6</b>	<b>12.8</b>	<b>432.5</b>	<b>466.5</b>


Data included above reflects Choice's portfolio as of December 31, 2022.

This symbol identifies third party assurance of the current year data



## Energy

### Total Energy Consumption (eGWh)

Asset Class	2019			2020			2021			2022		
	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total
Retail	45.0	2,209.2	2,254.2	45.9	2,171.7	2,217.6	43.4	2,164.8	2,208.2	44.0	2,091.8	2,135.8
Industrial	6.9	313.2	320.1	6.6	305.6	312.2	6.3	311.1	317.4	4.6	312.3	316.9
Mixed-Use, Residential & Other	55.2	30.4	85.6	47.1	27.6	74.7	47.1	30.9	78.0	49.0	42.4	91.4
<b>Total</b>	107.1	2,552.9	2,660.0	99.6	2,504.9	2,604.5	96.8	2,506.8	2,603.6	97.6 	2,446.4	2,544.1

Data included above reflects Choice's portfolio as of December 31, 2022. See pg. 51-53 for data coverage and description of methodology.

 This symbol identifies third party assurance of the current year data

## Renewable Energy

Choice has equipped many sites with rooftop solar panels. We do not claim the carbon offsets generated by these assets as credits in our carbon accounting (the carbon offsets are retained by third parties). 7.30 GWh of renewable energy credits were procured during 2022 from off-site sources for a portion of our mixed-use, residential & other portfolio, however Choice has not included these credits in the emissions tables presented in this report. The consumption information presented within the emissions & energy data of this report represents 100% grid electricity across all property subsectors.

### Solar Installation Details

	# of Properties	Panel Capacity (kW DC)	Operating Capacity (kW AC)
Retail	47	13,010	9,470
Industrial	1	850	500
Mixed-Use, Residential & Other	1	150	100
<b>Total</b>	49	14,010	10,070

### On-Site Energy Generation from Solar Photovoltaic Installations (GWh)

	2019	2020	2021	2022
Retail	13.6	14.6	14.5	14.0
Industrial	0.9	0.9	0.9	0.9
Mixed-Use, Residential & Other	0.2	0.2	0.2	0.2
<b>Total</b>	14.7	15.6	15.5	15.1

## Understanding Water Data

The water data presented within this report relates to Choice's portfolio as of December 31, 2022 and includes comparative data in each reported year from 2019 to 2022.

The data represents water consumption within our operational control and represents complete building data only in specific areas. The most common scenarios are presented below:

1. Water use for single-tenant properties, including office, retail and industrial properties, is largely not reflected in the water data below as the utilities bill tenants directly.

2. For multi-tenant office properties the water data presented here is complete.

3. For multi-tenant retail and industrial properties, the water data presented here is sometimes incomplete (i.e. represents only the portions of the building that is within Choice's control, like irrigation for a multi-tenant retail location) and sometimes complete (i.e. represents the complete water consumption of that property). The details are property-specific and depend on whether the local water utility has installed a single water meter for the entire property or multiple water meters (typically one for each tenant).

4. Water use for residential properties is not reflected in the water data below as residential properties are managed by third-parties.


Although some industry benchmarks encourage presenting complete building water data, we have chosen to present only data within Choice's operational control at this time. This is in line with "The Greenhouse Gas Protocol, Revised Edition". Although "The Greenhouse Gas Protocol, Revised Edition" is written for greenhouse gas data, the intent of the guidance can be applied to water consumption.

## Water Data Coverage

Water data presented in this report represent 100% of the areas in our portfolio where we have operational control. Data is either directly measured from utility bills or accrued based on historical utility bill information. Data from water utility bills constitute approximately 80% of 2022 totals, 95% of 2021 totals, 95% of 2020 totals, and 96% of 2019 totals. The remainder was accrued. It is typical for water data coverage to be lower within the reporting year (2022) due to low billing frequency by utility providers. Accruals made in place of unavailable data at time of reporting are corrected in future years.

## Water

### Total Water Consumption (thousand m<sup>3</sup>)

Asset Class	2019	2020	2021	2022
Retail	888.2	767.0	794.7	851.0
Industrial	153.2	137.6	154.5	154.7
Mixed-Use, Residential & Other	102.4	94.1	90.5	93.1
<b>Total</b>	<b>1,143.8</b>	<b>998.7</b>	<b>1,039.7</b>	<b>1,098.8</b> 

Data included above reflects Choice's portfolio as of December 31, 2022.

 This symbol identifies third party assurance of the current year data

## Understanding Waste Data

The waste data presented within this report relates to Choice's portfolio as of December 31, 2022 and includes comparative data in each reported year from 2019 to 2022.

The data represents the waste generation within Choice's operational control and only represents complete building data in specific areas. The most common scenarios are presented below:

1. Waste generation for single-tenant properties, including office, retail and industrial properties, is generally not reflected in the waste data as the haulers bill tenants directly.
2. For multi-tenant office properties, the waste data presented here is typically complete waste data (i.e. represents the complete waste

generation of that building). Data is typically sourced from a small number of waste haulers (often a single landfill and single recycling hauler; however occasionally one hauler is responsible for all waste) which includes all tenant uses.

3. For multi-tenant retail and industrial properties, the waste data presented here is typically incomplete (i.e. it represents only the portions of the building that is within Choice's control, such as multi-tenant retail locations where a common waste storage area is used; as opposed to individual tenants having individual bin locations). Retail and industrial tenants are typically responsible for their own waste disposal, where available.



## Waste Data Coverage

2022 waste data presented in this report represents 14.4% of our portfolio. By asset class this represents: 14.9% of our retail portfolio, 6.0% of our industrial portfolio, and 52.9% of our mixed-use, residential & other portfolio by GLA (at 100% share). Data represented is directly measured from waste bills with 100% bill availability. This data only represents waste where collection is the responsibility of Choice. Some estimation has been used in the preparation of the waste bills by waste haulers; the data presented is as billed. Choice's regional offices are located within Choice owned/operated buildings. As such, waste associated with Choice's operations is included within the information captured. Choice's ability to capture and report waste data has increased over time.

In the limited instances where tenants produce hazardous wastes under the terms of our standard lease requirements, we are made aware of the type and approximate quantities of hazardous wastes; however, Choice does not collect data pertaining to the quantity of wastes generated, as these operations are the responsibility of Choice's tenants.

## Waste

### Weight of Non-Hazardous Waste (Tonnes)

Year	2020				2021				2022			
	Asset Class	Landfill	Recycle	Total	Diversion (%)	Landfill	Recycle	Total	Diversion (%)	Landfill	Recycle	Total
Retail	1,381	2,110	3,491	60.5%	1,939	3,363	5,302	63.4%	2,197	3,135	5,332	58.8%
Industrial	138	320	458	69.9%	128	299	427	70.1%	120	290	411	70.7%
Mixed-Use, Residential & Other	93	188	281	67.0%	291	282	573	49.2%	382	401	783	51.2%
<b>Total</b>	<b>1,611</b>	<b>2,618</b>	<b>4,229</b>	<b>61.9%</b>	<b>2,357</b>	<b>3,945</b>	<b>6,302</b>	<b>62.6%</b>	<b>2,699</b>	<b>3,826</b>	<b>6,525</b> 	<b>58.6%</b> 

Data included above reflects Choice's portfolio as of December 31, 2022.

 This symbol identifies third party assurance of the current year data

# Appendix C - SASB Index

One of the primary challenges with ESG disclosures is the lack of consistent and comparable metrics between reporting entities. Choice supports the standardization of ESG reporting metrics. This report has been prepared using the reporting principles of the Sustainability Accounting Standards Board ("SASB").

SASB Code	Accounting Metric	Deviation from SASB	Metric & Location of More Information			
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	No deviation from SASB metric. Where directly measured utility data is unavailable, it has been estimated. Refer to "Understanding Emissions & Energy Data" and "Emissions & Energy Data Coverage" sections of Appendix B for more information.	Energy and emissions data presented in this report represents 100% of our retail, industrial, and mixed-use, residential & other asset classes.			
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Energy reported as eGWh	Asset Class	(1) Consumption (eGWh)	Data Coverage % (See IF-RE-130a.1 above)	(2) % Grid Electricity
			Retail	2,135.8	100%	69%
			Industrial	316.9	100%	57%
			Mixed-Use, Residential & Other	91.4	100%	49%
			Total	2,544.1	100%	67%
			(3) Choice does not claim the carbon offsets generated by renewable energy at this time.			
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	No deviation from SASB metric	Asset Class	% Change in Energy Consumption (2022 v. 2021)	Data Coverage % (See IF-RE-130a.1 above)	
			Retail	-3%	100%	
			Industrial	-0.2%	100%	
			Mixed-Use, Residential & Other	17%	100%	
			Total	-2%	100%	
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	No deviation from SASB metric	Asset Class	(1) Has an energy rating*	(2) ENERGY STAR certified*	
			Retail	0%	0%	
			Industrial	0%	0%	
			Mixed-Use, Residential & Other	34%	18%	
			Total	2%	0.8%	
			*at 100% share			

## SASB Index Pg. 2 - Continued

SASB Code	Accounting Metric	Deviation from SASB	Metric & Location of More Information															
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	No deviation from SASB metric	<a href="#">See “Governance / ESG Program Governance”</a>															
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	We have presented data coverage for water consumption as a percentage of the total water accounts within Choice’s operational control	Water data presented in this report represents 100% of our retail, industrial, and mixed-use, residential & other asset classes where we have operational control excluding water use in vacant suites.															
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) Description of data coverage in IF-REa.1 above, and within <a href="#">“Environmental Data / Appendix B - Water / Understanding Water Data”</a>  (2) Choice used data from our 2020-2021 climate risk analysis, which incorporated climate data provided by a reputable third-party source. Properties included in the calculation are located in areas that have or will have high or very high drought stress by 2050 assuming global temperatures rise at a rate consistent with RCP8.5.	<table border="1"> <thead> <tr> <th>(1) Asset Class</th> <th>Consumption (thousand m<sup>3</sup>)</th> <th>Data Coverage (See IF-RE-140a.1 above)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>851.0</td> <td>100%</td> </tr> <tr> <td>Industrial</td> <td>154.7</td> <td>100%</td> </tr> <tr> <td>Mixed-Use, Residential &amp; Other</td> <td>93.1</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>1,098.8</td> <td>100%</td> </tr> </tbody> </table> <p>(2) 5 retail properties were deemed to be in areas of high water stress. No properties were in areas of very high water stress. Water consumption within Choice's operational control from these properties represent 0.8% of Choice's 2022 retail water consumption and 0.6% of Choice's 2022 total water consumption.</p>	(1) Asset Class	Consumption (thousand m <sup>3</sup> )	Data Coverage (See IF-RE-140a.1 above)	Retail	851.0	100%	Industrial	154.7	100%	Mixed-Use, Residential & Other	93.1	100%	Total	1,098.8	100%
(1) Asset Class	Consumption (thousand m <sup>3</sup> )	Data Coverage (See IF-RE-140a.1 above)																
Retail	851.0	100%																
Industrial	154.7	100%																
Mixed-Use, Residential & Other	93.1	100%																
Total	1,098.8	100%																
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	No deviation from SASB metric	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% Change in Water Consumption (2022 v. 2021)</th> <th>Data Coverage (See IF-RE-130a.1 above)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>7%</td> <td>100%</td> </tr> <tr> <td>Industrial</td> <td>0.1%</td> <td>100%</td> </tr> <tr> <td>Mixed-Use, Residential &amp; Other</td> <td>3%</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>6%</td> <td>100%</td> </tr> </tbody> </table>	Asset Class	% Change in Water Consumption (2022 v. 2021)	Data Coverage (See IF-RE-130a.1 above)	Retail	7%	100%	Industrial	0.1%	100%	Mixed-Use, Residential & Other	3%	100%	Total	6%	100%
Asset Class	% Change in Water Consumption (2022 v. 2021)	Data Coverage (See IF-RE-130a.1 above)																
Retail	7%	100%																
Industrial	0.1%	100%																
Mixed-Use, Residential & Other	3%	100%																
Total	6%	100%																
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	(1) % Not currently tracked (2) Not currently tracked	(1) <a href="#">See “Environmental / Decarbonizing Operations / Green Lease Clauses”</a>  (2) -															

SASB Code	Accounting Metric	Deviation from SASB	Metric & Location of More Information		
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) % Not currently tracked (2) % Not currently tracked	<u>(1) Description of coverage in “Environmental Data / Appendix B - Energy / Understanding Emissions &amp; Energy Data”</u> <u>(2) Description of coverage in “Environmental Data / Appendix B - Water / Understanding Water Data”</u>		
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	No deviation from SASB metric	<u>See “Social / Tenant &amp; Supplier Engagement” and “Environmental / Decarbonizing Operations / Green Lease Clauses”</u>		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	No deviation from SASB metric	Asset Class	Area* (thousand sq. ft.)	% of* Asset Class
			Retail	4,082	8%
			Industrial	494	3%
			Mixed-Use, Residential & Other	355	11%
			Total	4,931	7%
			*at 100% share		
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	No deviation from SASB metric	<u>See “Appendices and Data / Appendix A - TCFD Response”</u>		
IF-RE-000.A	Number of assets, by property subsector	No deviation from SASB metric	Asset Class	Number of Assets	
			Retail	574	
			Industrial	116	
			Mixed-Use, Residential & Other	12	
			Total	702	
IF-RE-000.B	Leasable floor area, by property subsector	No deviation from SASB metric	Asset Class	Area* (million sq. ft.)	
			Retail	44.2	
			Industrial	17.4	
			Mixed-Use, Residential & Other	2.3	
			Total	63.9	
			*at ownership share		

## SASB Index Pg. 4 - Continued

SASB Code	Accounting Metric	Deviation from SASB	Metric & Location of More Information	
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	No deviation from SASB metric	Asset Class Retail 33% Industrial 57% Mixed-Use, Residential & Other 18% These values reflect SASB's definition of "indirect management" and are calculated at 100% share	
IF-RE-000.D	Average occupancy rate, by property subsector	No deviation from SASB metric	Asset Class Occupancy (%)* Retail 97.8% Industrial 98.9% Mixed-Use, Residential & Other 87.7% <sup>(i)</sup> Total 97.8% *at ownership share (i) Office properties are included in the Mixed-Use, Residential & Other segment for reporting purposes, occupancy disclosed excludes residential units	






# Appendix D - United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals ("UN SDGs") are 17 goals that provide an outline to global peace and prosperity while preserving nature and addressing climate change. Our ESG program most directly aligns with several goals (and targets established under those goals) as outlined in the table below and in our ESG report.

Sustainable Development Goal	Relevant SDG Targets	Choice ESG Program Alignment
3: Good Health and Well-Being	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	See <a href="#">"Environmental / Environmental and Occupational Health &amp; Safety Management"</a>
5: Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	See <a href="#">"Social / Diversity, Equity &amp; Inclusion"</a>
6: Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	See <a href="#">"Environmental / Water"</a>
7: Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	See <a href="#">"Environmental / Establishing a Pathway to Net Zero"</a> and <a href="#">"Environmental / Low Carbon Developments"</a>
8: Decent Work and Economic Growth	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	See <a href="#">"Environmental / Decarbonizing Operations"</a> , <a href="#">"Environmental / Low Carbon Developments"</a> and <a href="#">"Social / Diversity, Equity &amp; Inclusion"</a> as well as Choice's <a href="#">"Pathway to Net Zero"</a> report
9: Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	See <a href="#">"Environmental / Decarbonizing Operations"</a> and <a href="#">"Environmental / Low Carbon Developments"</a>
11: Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. 1.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	See <a href="#">"Environmental / Low Carbon Developments"</a> and <a href="#">"Social / Developing with Purpose"</a>
12: Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	See <a href="#">"Environmental / Waste"</a>
13: Climate Action	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	See <a href="#">"Environmental / Physical Resilience"</a> and <a href="#">"Appendices / TCFD Response"</a>



# Appendix E - Stakeholder Engagement

Stakeholder Group	Engagement Channels	Identified Priorities	Why We Engage
<b>Unitholders and Investor Groups</b> 	<ul style="list-style-type: none"> <li>Annual General Meeting of Unitholders</li> <li>Quarterly conference calls</li> <li>Direct investor engagements and meetings</li> <li>Website</li> <li>Materiality assessment</li> <li>News releases</li> <li>Mailing list</li> <li>Investor conferences</li> <li>Dedicated investor relations email address</li> <li>GRESB &amp; other ESG rating/ranking organizations</li> </ul>	<ul style="list-style-type: none"> <li>Stability &amp; financial returns</li> <li>Corporate governance</li> <li>Ethics &amp; compliance</li> <li>Climate action</li> <li>Diversity, equity &amp; inclusion</li> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>To understand &amp; address investor expectations</li> <li>To build trust in the organization</li> <li>To strengthen capital access</li> </ul>
<b>Tenants</b> 	<ul style="list-style-type: none"> <li>Meetings with tenants</li> <li>Website</li> <li>Materiality assessment</li> <li>Tenant Portal (C3) &amp; 24/7 phone line</li> <li>Satisfaction surveys</li> <li>ESG guidebook, news flashes &amp; signage</li> <li>Lunch &amp; learns</li> </ul>	<ul style="list-style-type: none"> <li>Physical &amp; service enhancements</li> <li>Lower operating costs &amp; improved efficiencies</li> <li>Response time</li> <li>Occupant comfort</li> <li>Flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Our business is dependent on our tenants</li> <li>By responding to tenant needs &amp; collaborating with our tenants we increase tenant satisfaction and tenant retention</li> <li>Understanding our tenants enables more innovative &amp; relevant product offerings</li> </ul>
<b>Colleagues</b> 	<ul style="list-style-type: none"> <li>Weekly updates from the CEO</li> <li>Quarterly colleague results calls &amp; semi-annual town halls</li> <li>Events steered by colleague-led committees</li> <li>Annual performance reviews &amp; individual development plans</li> <li>Semi-annual "Tell It As It Is" colleague engagement surveys</li> <li>Lunch &amp; learns</li> <li>Company-wide training platform &amp; training sessions</li> <li>Intranet &amp; colleague resource groups</li> </ul>	<ul style="list-style-type: none"> <li>Communication</li> <li>Health &amp; wellness</li> <li>Purpose of organization</li> <li>Growth opportunities</li> <li>Job security &amp; remuneration</li> <li>Flexibility</li> <li>Diversity, equity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues are fundamental to delivering high quality service</li> <li>Colleague retention, motivation &amp; productivity increase with engagement</li> <li>Our colleagues bring varied experiences &amp; perspectives</li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>Social impact team &amp; Choice Cares program</li> <li>Website</li> <li>Materiality assessment</li> <li>Social media</li> <li>Urban planning forums</li> <li>Development-specific websites &amp; Community Idea Centres</li> </ul>	<ul style="list-style-type: none"> <li>Development projects</li> <li>Housing supply</li> <li>Access to necessity-based items</li> <li>Support of local &amp; small businesses</li> </ul>	<ul style="list-style-type: none"> <li>To understand the communities we operate in &amp; foster relationships</li> <li>To contribute to the development of the communities in which we operate</li> <li>To identify &amp; respond to community-specific needs</li> </ul>
<b>Industry</b> 	<ul style="list-style-type: none"> <li>Participation in industry functions &amp; conferences</li> <li>Participation in industry associations &amp; committees</li> <li>Sponsorship of industry events</li> <li>Website</li> <li>Materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>Advocating for the sector</li> <li>Understanding industry-wide trends &amp; issues</li> <li>Diversity, equity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>To share ideas &amp; best practices</li> <li>To build knowledge</li> <li>To identify &amp; engage on industry-wide initiatives</li> </ul>

# Appendix F - Independent practitioner's limited assurance report on select performance metrics as presented within Choice Properties' 2022 Environmental, Social & Governance Report



To the Board of Trustees and Management of Choice Properties Real Estate Investment Trust and Choice Properties Limited Partnership (together referred to as Choice Properties)

We have undertaken a limited assurance engagement on select performance metrics included in Schedule 1 (the select performance metrics) as presented within the Choice Properties' 2022 Environmental, Social & Governance Report (the Report) for the year ended December 31, 2022.

## Management's responsibility

Management is responsible for the preparation of the select performance metrics in accordance with the following criteria (the applicable criteria) included in Schedule 1 and as detailed within the Report.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the select performance

metrics 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 select performance metrics based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and International Standards on Assurance Engagements (ISAE) 3410, *Attestation Engagements on Greenhouse Gas Statements*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the select performance metrics are 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 select performance metrics in accordance with the applicable criteria are likely to arise.

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

- making inquiries of management to obtain an understanding of the overall governance and internal control environment relevant to the management, aggregation and reporting of the select performance metrics;

- analytical reviews and trend analysis of reported data for the select performance metrics;
- agreeing and testing the underlying data related to the select performance metrics on a sample basis; and
- reviewed the subject matter disclosure in the Report, the SASB index and appendices to ensure consistency with the evidence obtained and adherence to the applicable criteria.

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.

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

# Appendix F - Continued - Independent practitioner's limited assurance report

## 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 Choice Properties' select performance metrics for the year ended December 31, 2022 are 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 select performance metrics have been prepared in accordance with the applicable criteria prepared by Choice Properties' management to report to the Board of Trustees. As a result, the select performance metrics may not be suitable for another purpose. Our report is intended solely for Choice Properties.

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

*PricewaterhouseCoopers LLP*

Vancouver, British Columbia

April 24, 2023

# Appendix F - Continued - Independent practitioner's limited assurance report

## Schedule 1

Our limited assurance engagement was performed on the following select performance metrics for the year ended December 31, 2022.

Performance Indicator	Criteria	2022 Value	Report Page(s)
<b>Total water consumed (thousand m3)</b> (For the year ended December 31, 2022)	SASB IF-RE-140a.2 as referenced within the 2022 Environmental, Social & Governance Report. Data includes office, retail, industrial, mixed-use, residential & other asset classes.	1,098.8	26, 58, 61
<b>Total waste generation (tonnes)</b> (For the year ended December 31, 2022)	Management's internally developed criteria: Total waste generated within Choice's operational control with a data coverage of 14.4%. Data includes office, retail, industrial, mixed-use, residential & other asset classes.	6,525	59
<b>Waste diversion rate</b> (For the year ended December 31, 2022)	Management's internally developed criteria: The percentage of waste diversion is calculated by determining the tonnes of diverted waste in Choice Properties' organizational boundary and dividing by the total waste generated in Choice Properties' organizational boundary. Data includes office, retail, industrial, mixed-use, residential & other asset classes.	58.6%	27, 59
<b>Waste data coverage percentage</b> (For the year ended December 31, 2022)	Management's internally developed criteria: Waste data coverage is determined by taking the total Gross Leasable Area (GLA) for which waste data is available divided by the total GLA. Data includes office, retail, industrial, mixed-use, residential & other asset classes.	14.4%	59
<b>Total landlord controlled energy consumption (eGWh)</b> (For the year ended December 31, 2022)	SASB IF-RE-130a.2 as referenced within the 2022 Environmental, Social & Governance Report. Data includes office, retail, industrial, mixed-use, residential & other asset classes.	97.6	57
<b>Greenhouse gas emissions - Scope 1 (thousand tCO<sub>2</sub>e)</b> (For the year ended December 31, 2022)	Quantification methodology for Scope 1 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard as stated within the 2022 Environmental, Social & Governance Report. Data includes office, retail, industrial, mixed-use, residential & other asset classes. Management's internally developed criteria has been used for emission factors. Emission factors used are from the 2020 National Inventory Report (NIR) published by Environment and Climate Change Canada (ECCC).	7.6	56
<b>Greenhouse gas emissions - Scope 2 (thousand tCO<sub>2</sub>e)</b> (For the year ended December 31, 2022)	Quantification methodology for Scope 2 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard as stated within the 2022 Environmental, Social & Governance Report. Data includes office, retail, industrial, mixed-use, residential & other asset classes. Management's internally developed criteria has been used for emission factors. Emission factors used are from the 2020 National Inventory Report (NIR) published by Environment and Climate Change Canada (ECCC).	13.6	56

# Appendix F - Continued - Independent practitioner's limited assurance report

## Schedule 1 - Continued

Our limited assurance engagement was performed on the following select performance metrics for the year ended December 31, 2022.

Performance Indicator	Criteria	2022 Value	Report Page(s)
<b>Representation of women amongst Board of Trustees</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Board of Trustees who self-identify as women divided by the total number of Board of Trustees.	40%	10, 33
<b>Representation of women amongst Executives</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Executives who self-identify as women divided by the total number of Executives. Executive is defined as colleagues with the title of Vice President or higher.	50%	10, 33
<b>Representation of women amongst Senior Management</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Senior Management who self-identify as women divided by the total number of individuals classified as Senior Management. Senior Management is defined as colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President.	57%	10, 33
<b>Representation of women amongst Colleagues</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Colleagues who self-identify as women divided by the total number of Colleagues. Colleagues are defined as employees that are not defined as Executive or Senior Management.	68%	33
<b>Representation of visible minorities amongst Board of Trustees</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Board of Trustees who self-identify as a visible minority divided by the total number of Board of Trustees. Visible minority is defined as a non-Caucasian individual.	10%	10, 33
<b>Representation of visible minorities amongst Executives</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Executives who self-identify as a visible minority divided by the total number of Executives. Executive is defined as colleagues with the title of Vice President or higher. Visible minority is defined as a non-Caucasian individual.	23%	10, 33
<b>Representation of visible minorities amongst Senior Management</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Senior Management individuals who self-identify as a visible minority divided by the total number of individuals classified as Senior Management. Senior Management is defined as colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President. Visible minority is defined as a non-Caucasian individual.	18%	10, 33
<b>Representation of visible minorities amongst Colleagues</b> (As at December 31, 2022)	Management's internally developed criteria: The number of Colleagues who self-identify as a visible minority divided by the total number Colleagues. Colleagues are defined as employees that are not defined as Executive or Senior Management. Visible minority is defined as a non-Caucasian individual.	37%	33

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