



Reducing our
Carbon Footprint
30% by 2030

**Loblaw
Companies
Limited**

We have reached a critical point in the world's fight against climate change

- Following the 21st Conference of Parties (COP21), over 195 countries adopted the Paris Agreement, which sets to limit the rise of global temperatures to 2°C below pre-industrial levels, while aiming for a target of below 1.5°C.⁽¹⁾
- Canada ratified the Paris Agreement in October 2016, and is committed to reducing emissions by 30% from 2005 levels by 2030.
- Since the ratification of the Paris Agreement, the federal government of Canada has also announced that all provinces must set a price on carbon emissions, starting at a minimum of \$10/tonne in 2018, rising to \$50/tonne by 2022.

⁽¹⁾ United Nations Framework Convention on Climate Change - http://unfccc.int/paris_agreement/items/9485.php

Loblaw will reduce its carbon footprint 30% by 2030

- Our targets have been informed by a science-based approach for establishing targets that are consistent with the company's fair contribution towards a 2°C scenario.
- Our carbon reduction strategy focuses on reducing greenhouse gas (GHG) emissions from corporate-owned facilities, including our retail stores, distribution centres and offices. For all other business units, including Shoppers Drug Mart/Pharmaprix and Franchised supermarkets, we will work on specific strategies to capture data over the next three years.

Carbon
Emissions
Reduction

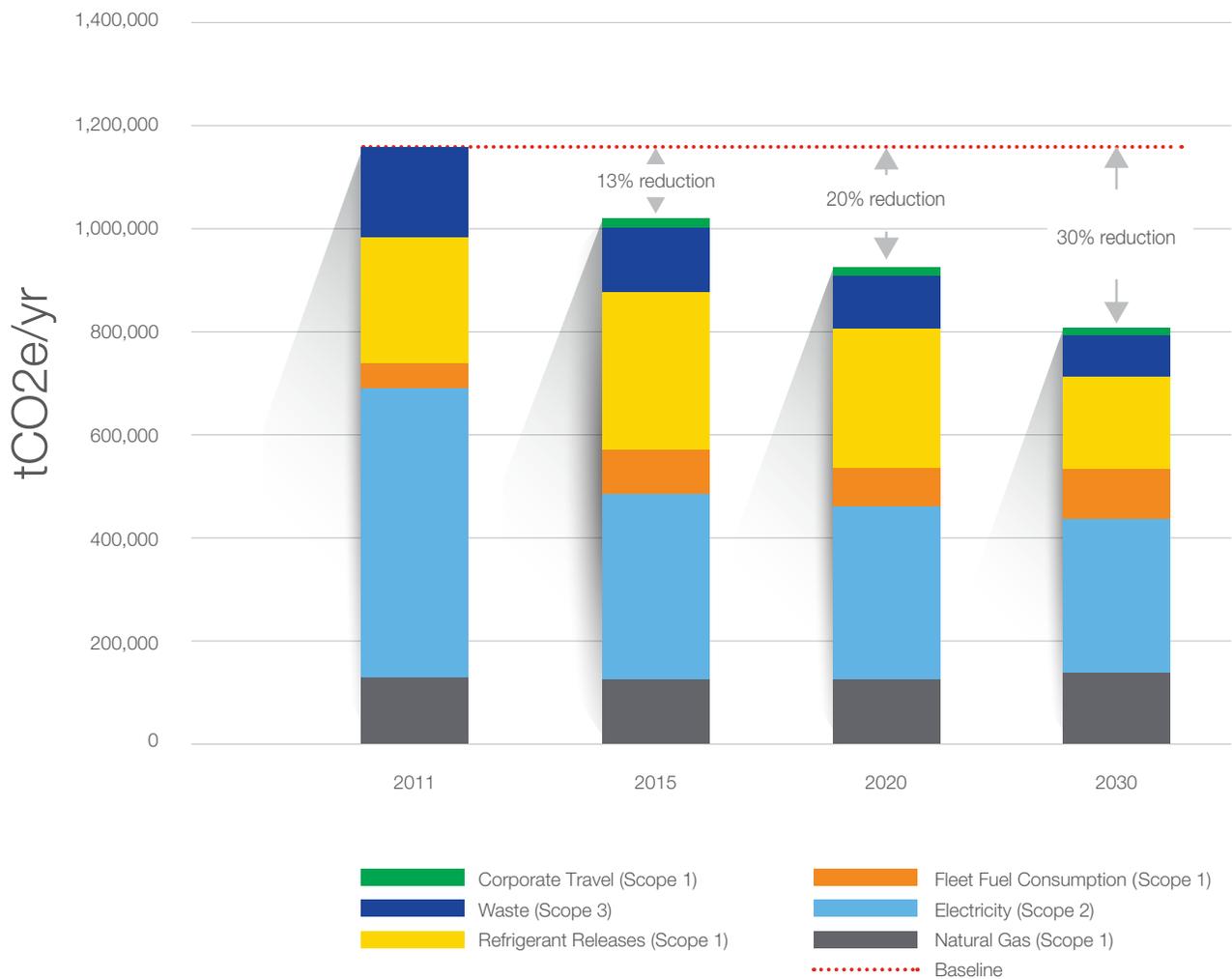
**20% by
2020**

**30% by
2030**

Relative to a 2011
baseline*

*Loblaw data collection began in 2011 making it the first year against which we can accurately measure our progress.

To achieve our goal we will need to make important progress across the business



We are establishing long-term measurable carbon reduction targets

- At Loblaw, reducing carbon emissions and mitigating the negative effects of climate change is important to us.
- We have implemented a carbon reduction strategy to help preserve the environment for future generations.
- We have been tracking our carbon footprint for corporate-owned retail stores, distribution centres and offices for a number of years and we have undertaken many initiatives to increase energy and transportation efficiencies, reduce refrigerant emissions, and improve waste diversion efforts.
- Our strategy is designed to do the following:
 - Reduce our overall carbon footprint.
 - Align with Canada’s carbon reduction commitment.
 - Align with Science-Based Targets.
 - Show leadership and provide a model for others to create their own carbon reduction action plans.

“At Loblaw, we recognize the growing environmental, social and business impact of greenhouse gas emissions. As one of Canada’s largest energy users, we are committed to being part of the solution. We will deliver carbon-reduction in line with our nation’s targets and demonstrate, along with other forward-looking Canadian companies, that these goals can be achieved without sacrificing economic growth.”

Galen G. Weston
Executive Chairman & President
Loblaw Companies Limited

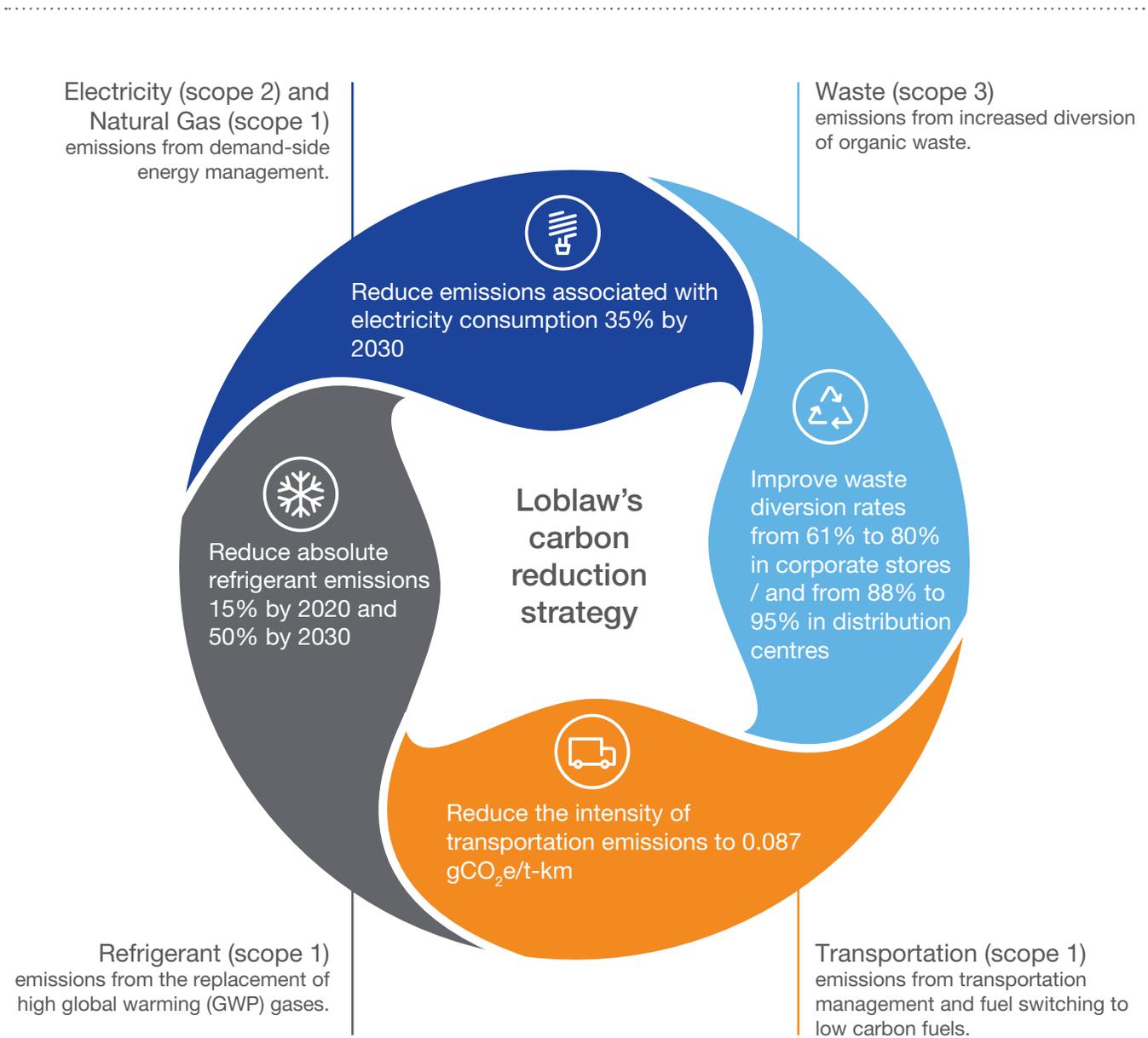
“Everyone has a role to play to combat climate change, and it cannot be reversed without definitive action by businesses. This commitment reinforces Loblaw’s leadership, demonstrating an understanding that carbon reduction is within their control.”

David Miller
President and CEO
WWF-Canada

“It is exciting to see Canadian businesses moving from a discussion about reducing greenhouse gases to meaningful action. Loblaw’s commitment to company-wide carbon targets demonstrates their ongoing leadership in corporate responsibility and sustainability.”

Bruce Lourie
President
Ivey Foundation.

Loblaw's carbon reduction strategy focuses on four key areas



For each area of focus we will deliver specific operational efficiencies

Corporate target We will reduce absolute emissions 20% by 2020 and 30% by 2030 relative to a 2011 baseline

Focus area	Quantitative sub-target	Action Plan	Key Performance Indicators	
 Energy Efficiency	<ul style="list-style-type: none"> 35% reduction in emissions associated with electricity use by 2030 	<ul style="list-style-type: none"> LED conversions for refrigerated cases, task lighting, underground parking areas and distribution centres Improve efficiencies in lighting, evaporators, battery chargers and door seals in distribution centres Optimize energy consumption through energy management systems 	<ul style="list-style-type: none"> Electricity emissions per square foot (tCO₂e/sqft²) 	
 Refrigerants	<ul style="list-style-type: none"> 15% absolute emission reduction by 2020 50% absolute emission reduction by 2030 	<ul style="list-style-type: none"> Replace high Global Warming Potential (GWP) refrigerants with lower GWP Hydrofluoroolefin (HFO) blend Reduce refrigerant leaks in corporate stores and distribution centres 	<ul style="list-style-type: none"> KGs refrigerant GWPs of refrigerants Leakage in KGs 	
 Waste	<ul style="list-style-type: none"> 80% diversion rate by 2030 in corporate stores 95% diversion rate in distribution centres by 2030 	<ul style="list-style-type: none"> Reduce waste to landfill by increasing organic diversion using mechanical separation or third-party separation 	<ul style="list-style-type: none"> Organic waste diversion rate (%) 	
Transportation and Logistics 	Freight	<ul style="list-style-type: none"> Reduce the intensity of transportation emissions to 0.087 (gCO₂e/t-km) by 2030 	<ul style="list-style-type: none"> Expand the use of 60 foot trailers to improve the efficiency of transporting goods by road Convert trucks from diesel to compressed natural gas (CNG) or liquefied natural gas (LNG) where feasible Assess the feasibility of using CO₂ refrigerants in reefer trailers 	<ul style="list-style-type: none"> Tonnes of freight by mode of transportation (gCO₂e/t-km) Fuel efficiency – miles per gallon (MPG)
	Corporate Fleet	<ul style="list-style-type: none"> Combined fuel economy rating of less than 13 L/100 km. 	<ul style="list-style-type: none"> Review fuel economy for all new corporate fleet vehicles Remove low efficiency vehicles from corporate fleet 	<ul style="list-style-type: none"> Fuel efficiency – miles per gallon (MPG) or L/100km

We designed our targets and will track our progress using leading international benchmarks

Our carbon strategy, including targets and action plans, is informed by Science-Based Targets. Working with our partners like WWF-Canada (a key driver of Science-Based Targets) we intend to deliver emission reductions in line with industry standards.

Science-based (or context-based) goals put emissions data and targets in the context of the GHG reductions agreed upon by climate scientists (to limit the rise of global temperatures to 2°C below pre-industrial levels) as well as an individual company's market share.

