

GEORGE WESTON LIMITED

2023 Environmental, Social and Governance Report

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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

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A Message from our CEO

At George Weston Limited, we are a holding company focused on investing in market-leading companies that serve the everyday needs of Canadians.

I am pleased to share GWL's 2023 ESG Report with you, which reflects our efforts throughout the year to create value for our customers, our colleagues, and the communities in which we live and work. GWL and its operating businesses continued to focus ESG efforts on creating positive environmental and social change, underpinned by our strong and effective corporate governance practices.

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 operating companies and through feedback we received from stakeholders. They reflect how we think about our business now and shape our strategy going forward. 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 governance structure and our commitment to diversity, equity, inclusion, and human rights.

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 7, 2024

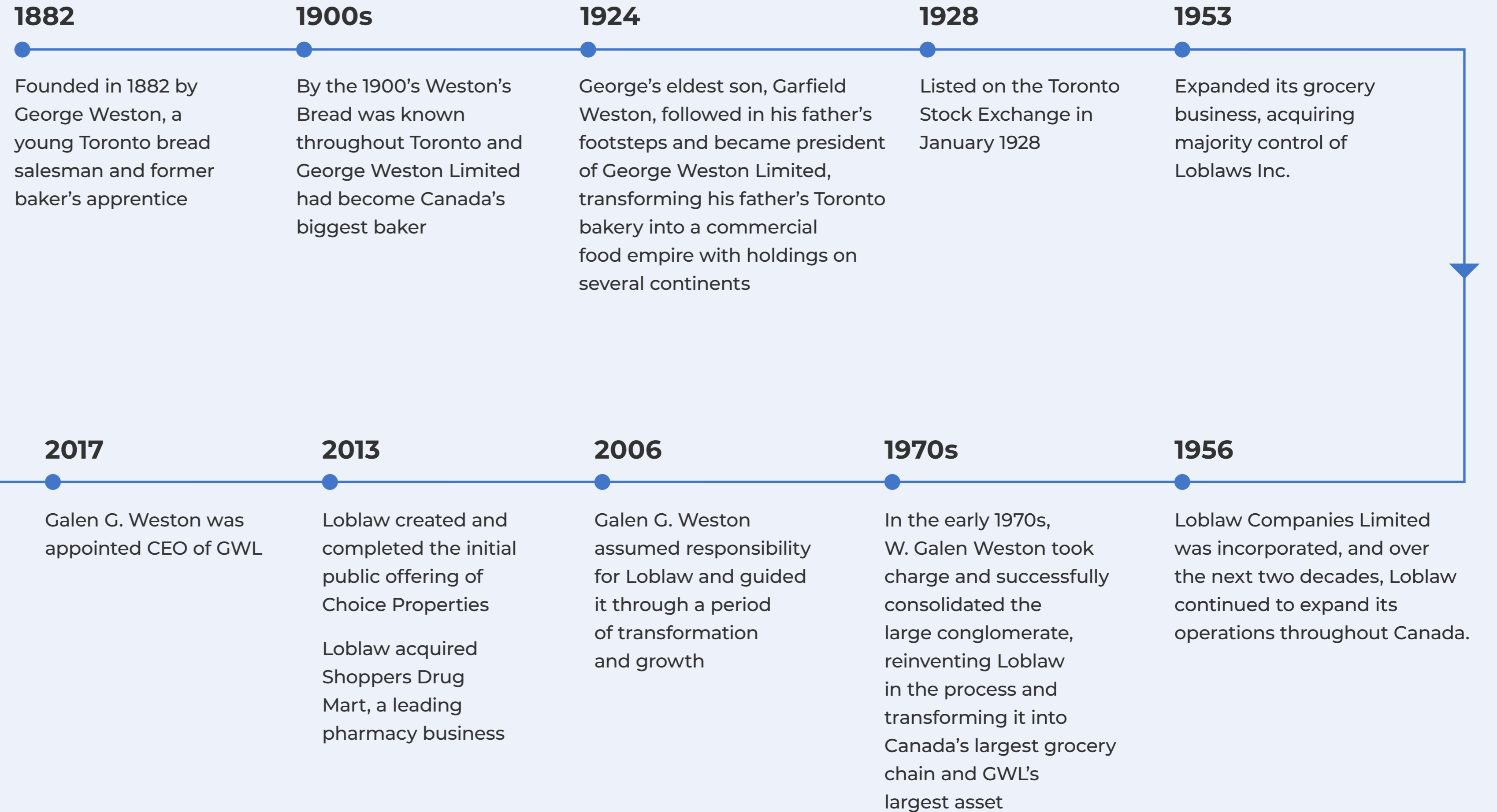


“We believe in our core values of Care, Ownership, Respect and Excellence, underscored by a strong sense of ethics, compliance and social responsibility. These are not simply words we use – they are how we operate.”

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%¹ 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®/Pharmaprix®, 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 the largest retailer and private-sector employer in the country, Loblaw has a unique opportunity to address the issues that matter most to Canadians, driving local, national, and global impact.



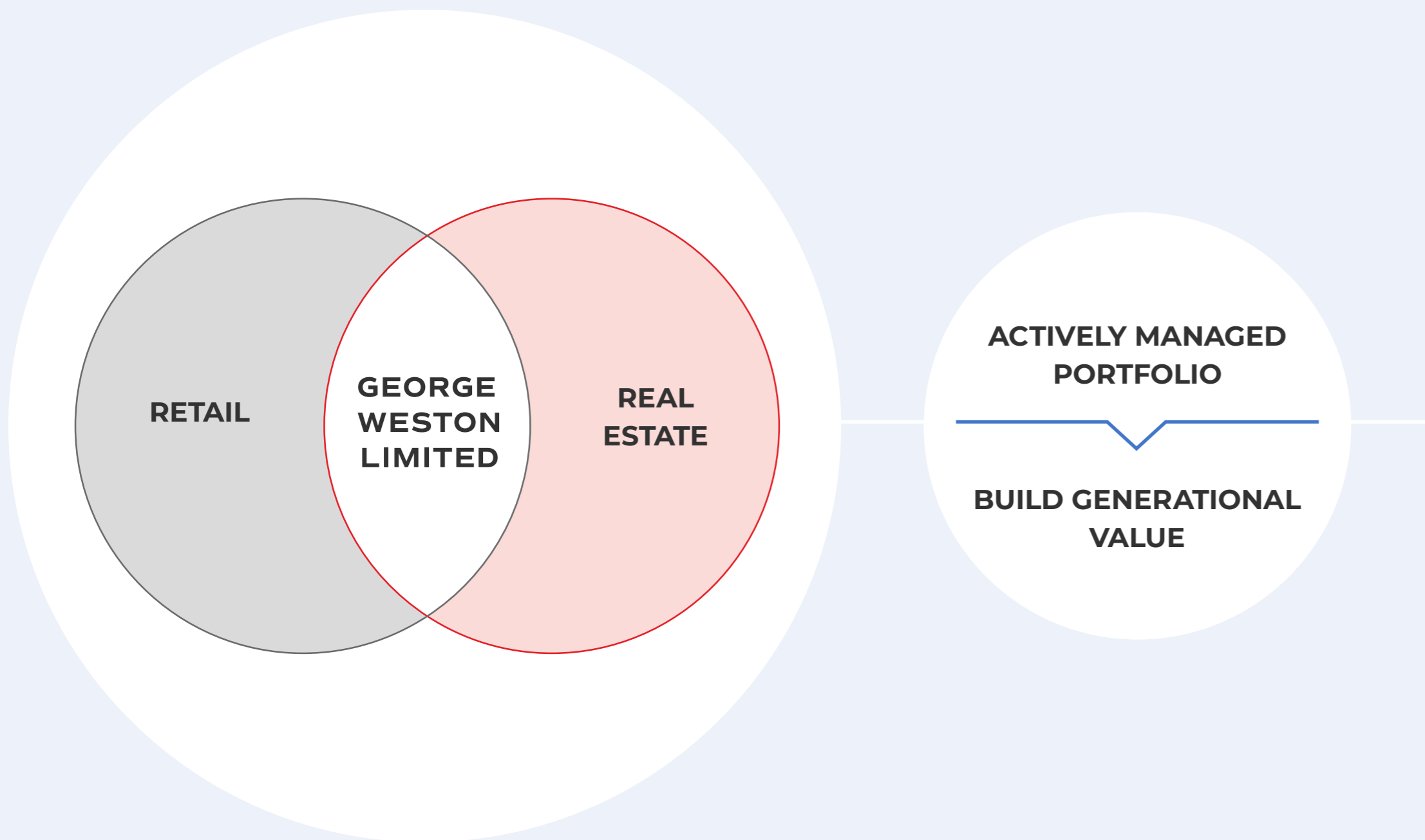
61.7%¹ ownership interest in Choice Properties

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.

¹ As of December 31, 2023.

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 development.



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 social, demographic and environmental trends 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 environmental and social initiatives, which are supported by robust corporate governance frameworks. Loblaw's and Choice Properties' 2023 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; Human Rights; Colleagues, Culture and Community; and Cyber Security.



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2023 Highlights

GWL believes that its shareholders, 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 2023 at GWL, Loblaw and Choice Properties, though we recognize much more work remains to be done. We’re committed to continue to build on our efforts and drive even greater impact across the Weston Group in the years to come.



ENVIRONMENT

Eliminating Food Waste

100% of Loblaw food retail operations and DCs, and eligible Shoppers Drug Mart®/ Pharmaprix® associate-owned locations are actively donating to a food recovery partner

Fighting Climate Change

Loblaw entered into a renewable energy plan to eliminate carbon emissions from electricity purchases in Alberta starting in 2025

Green Leases

First Choice Properties tenants signed newly-implemented green lease clauses to promote energy efficiency, renewable energy, and low carbon design



SOCIAL EQUITY

Empowering Colleagues

GWL and Choice Properties achieved *The Globe & Mail’s Women Lead Here* 2024 benchmark for having significant representation of women in leadership positions and Loblaw was named one of *Canada’s Top 100 Employers* in 2023

Social Impact Framework

Choice Properties developed a Social Impact Framework that aligns with its core business, and promotes local economic development and social cohesion at the neighbourhood level

Supporting Health and Wellness

Loblaw raised and donated (including donations in-kind) \$180 million to support research, charities and non-profits across Canada



GOVERNANCE

Commitment to Diversity, Equity and Inclusion (DEI)

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

Compensation and ESG Goals

Continue to link ESG metrics with pay, including embedding ESG performance metrics in the annual short-term incentive program

ESG Reporting

ESG reporting practices assessed to identify alignment with emerging ESG reporting standards and regulations

Weston Group ESG Principles

GWL's ESG Principles, adopted by the Company's Board of Directors 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 2023 versions of which are included in, and form part of, this ESG Report.



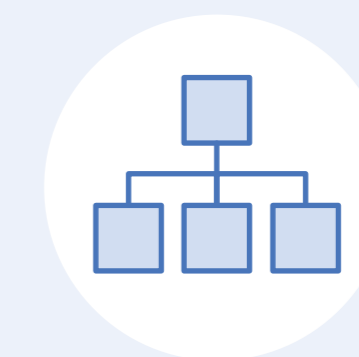
ENVIRONMENT

- 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 impacts. 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.

¹ Includes corporate, franchise, associate-owned, and T&T® operations as well as corporate offices and distribution centres.

² Short-haul outbound corporately owned and operated fleet only.

Loblaw



Achieve net-zero by 2040

for its enterprise operating footprint¹, and 2050 for its Scope 3 emissions

Operate a zero emissions fleet² by 2030

Reduce plastic waste

by making all control brand and in-store plastic packaging recyclable or reusable, by 2025

Send zero food to landfill by 2030

and achieve measurable food waste reductions in each of its stores by the end of 2023

Choice Properties



Achieve net-zero greenhouse gas emissions

reduction targets to the entire portfolio of income-producing and development properties, including a 50% reduction in absolute Scope 1 and Scope 2 emissions and a 30% reduction in Scope 3 emissions from tenant energy use and development activities by 2030, in each case relative to a 2019 base year, and a 90% reduction in absolute scope 1, 2 and 3 emissions by 2050 relative to a 2019 base year

Achieved target of

certifying 65% of total portfolio under LEED or BOMA BEST

Completed asset-specific

net-zero transition plans for all income producing properties within its portfolio in 2023



Social Equity

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

The Weston Group seeks to be a force for equity and opportunity, create an inclusive and diverse work environment, respect and protect human rights of all people who support and intersect with its business, 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 is committed to being Canada's most representative and inclusive employer, and to supporting the health of children and women as the building blocks of healthy communities.

Loblaw's activities include the following: (i) achieving industry-leading representation goals for management and executive roles and the Board of Directors by the end of 2024, (ii) completing inclusion training for 200,000 colleagues and employees by the end of 2024, (iii) supporting President's Choice Children's Charity (PCCC), Canada's top non-government provider of direct-to-school kids' food programs, as PCCC seeks to raise \$150 million by 2027 and feed 1 million children a year by 2025, (iv) supporting

the Feed More Families™ program by donating 1 billion pounds of food to food charities by 2028, and (v) supporting the efforts of the Shoppers Foundation for Women's Health, by contributing \$50 million by 2026 to make care more equitable and accessible for all women in Canada.

Choice Properties aims to enhance the economic well-being and social fabric of the communities where it operates and builds. In 2023, to further embed social sustainability practices across its business operations, Choice Properties developed a Social Impact Framework. The framework outlines how Choice Properties can leverage its assets and non-profit partnerships across the country to promote local economic development and social cohesion at the neighborhood level. In 2023, Choice Properties committed to colleagues completing a minimum of 2 hours of dedicated learning pertaining to diversity, equity and inclusion topics.

In 2023, through the Choice Cares program, Choice Properties donated over \$600,000 and volunteered over 1,400 hours in support of charities across the country, focused on supporting and empowering children and youth in low-income communities. Since the launch of Choice Cares, Choice Properties has raised approximately \$2.3 million in support of various Canadian charities.

Choice Properties – Advancing 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 to the diverse communities it serves. **Choice Properties is proud to continue participating in 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 putting its commitment to accessibility into action through the completion of 29 Accessibility Assessments within its retail and office properties. To further its accessibility journey, Choice Properties has selected 13 pilot sites to pursue the Rick Hansen Foundation Accessibility Certification and entered the 2023/2024 Buildings Without Barriers Challenge.

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.

The Canadian government enacted the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (referred to as Canada's "Modern Slavery Act") to help combat the use of forced labour and child labour in global supply chains. The Modern Slavery Act introduced annual reporting obligations for specific entities. GWL and certain of its impacted subsidiaries, including Loblaw, have publicly filed their initial joint Modern Slavery Act Report for the 2023 fiscal year. The Modern Slavery Act Report was reviewed and approved by the Board of Directors and is available on GWL's website at www.weston.ca.



Loblaw and Choice Properties' Human Rights Commitment and Supplier Accountability

Loblaw

Human Rights at Loblaw

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 to conduct a Human Rights Due Diligence (HRDD) to assess its procedures and policies across its enterprise operations and international supply chain. In 2023, in collaboration with Ergon Associates, Loblaw commenced a Human Rights Impact Assessment (HRIA), specifically focusing on the production of broccoli and cauliflower in Loblaw's supply chains.

Supplier Accountability at Loblaw

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 its domestic and foreign suppliers, vendors, producers and manufacturers. 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. As a result of approximately 1,400 factory audits conducted in 2023, Loblaw permanently delisted 6 facilities.

Choice Properties

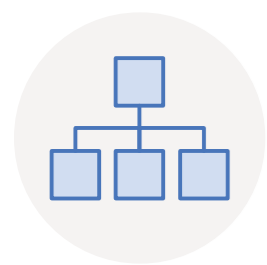
Human Rights at Choice Properties

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. Choice Properties has a Supplier Code of Conduct that sets 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. Choice Properties also works with a third-party assessor who certifies that contractors who work on Choice Properties' sites. 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 tracking progress against ESG related goals and the Audit Committee reviews the adequacy and effectiveness of controls relating to Loblaw’s ESG disclosures. 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. 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 2023. The ESG metrics make up 10% of the overall STIP and were designed to focus employees on continuing to drive further sustainability and social impact progress across the enterprise.

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



Global Real Estate Sustainability Benchmark



Carbon Disclosure Project



Global Reporting Initiative



Science Based Target Initiative



Sustainable Development Goals



The International Sustainability Standards Board



International Financial Reporting Standards

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



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Corporate Governance

The Company’s Board and management are dedicated to strong and effective 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](#).

Compliance and Ethics

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.

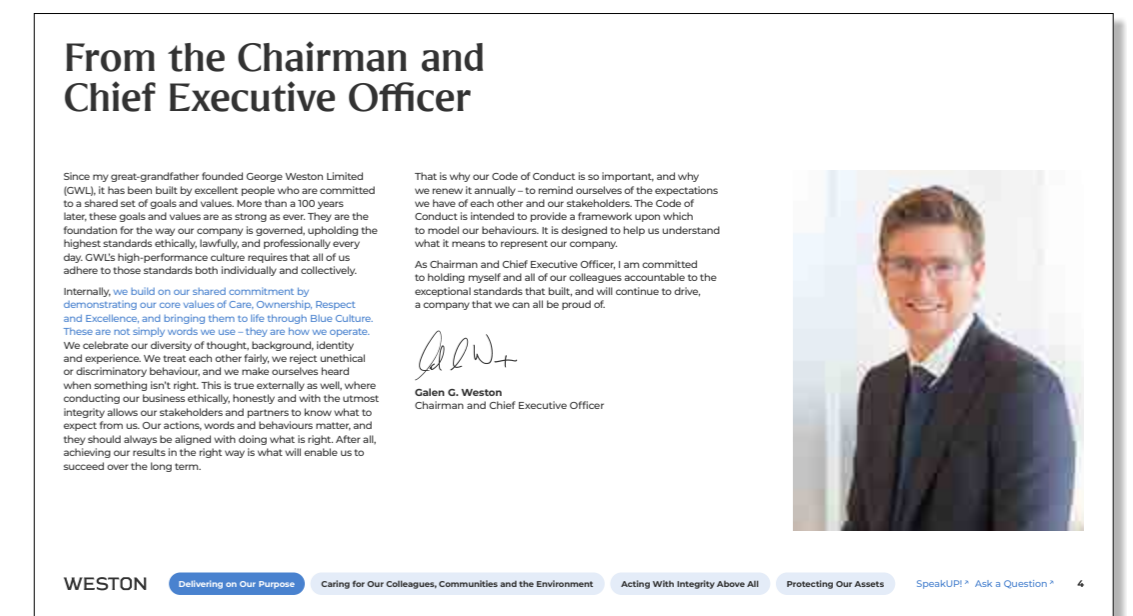
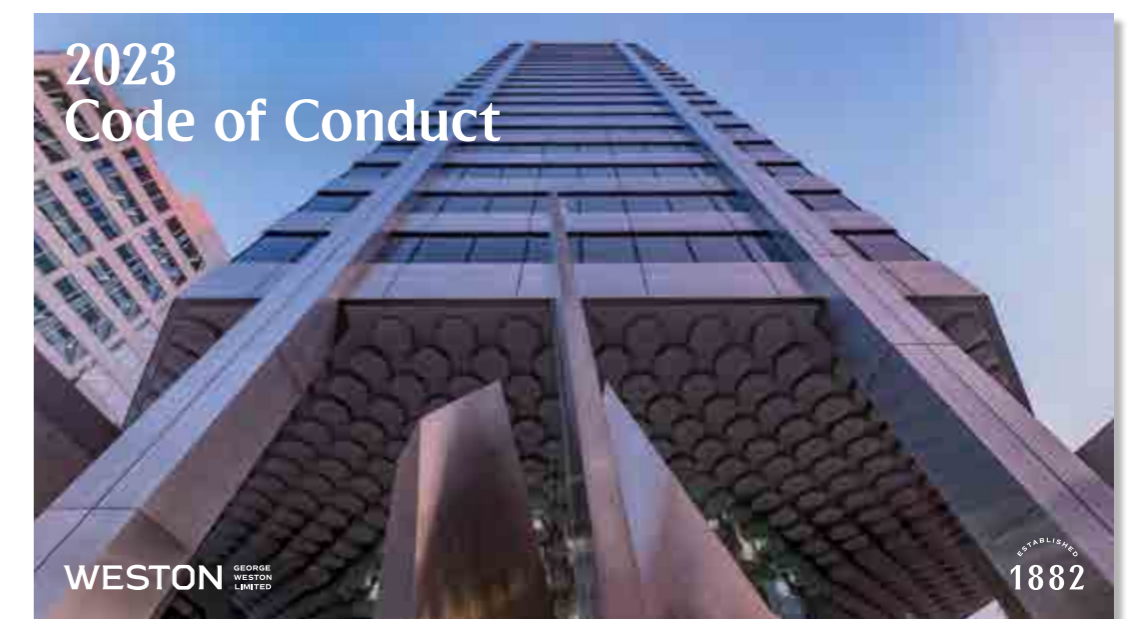
All directors, officers and employees of the Company are required to comply with the Code and must acknowledge their commitment to abide by it on an annual basis. The Code of Conduct addresses, among other things conflicts of interest, use of corporate assets, confidential information, compliance with laws, and fair competition.

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.

Stakeholder Engagement

The Company engages with its shareholders and other stakeholders on an ongoing basis, in a variety of ways, tailored to its particular context as a holding company. By engaging with a broad range of stakeholders through open dialogue, both formally and informally, senior management gains a better understanding of key topics and can make better decisions on important issues. Examples of the Company’s stakeholder engagement include:

- Each year, the Company proactively meets with a number of its largest institutional investors, advocacy groups and others in the investment community to provide an opportunity to discuss the Company’s approach to various issues, including financial performance, business strategy, corporate governance, executive compensation and emerging ESG practices and related activities.
- The Chairman and Chief Executive Officer and President and Chief Financial Officer meet with investors and other stakeholders, including in the context of one-on-one discussions with investors to discuss specific matters.



- Shareholders can participate in the annual shareholder meeting in-person or through a live webcast where they have the ability to ask questions and interact with management.
- The Company communicates with shareholders through its Annual Report; Management Proxy Circular; Annual Information Form; ESG Report; Quarterly Report to Shareholders; news releases; investor presentations; participation in industry conferences, and other meetings.

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, including cyber security matters (as further described on the next page), and reviews the adequacy and effectiveness of applicable controls related to the Company's ESG disclosures. The Audit Committee reviews the Company's ESG disclosures prior to publication, including in respect of disclosure aligned with applicable ESG reporting frameworks.

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.

Please refer to GWL's Management Proxy Circular for a more detailed description of the Board of Director's oversight and mandate at www.weston.ca.

AS OF
DECEMBER 31, 2023

7

Directors

71%

Independent Directors

43%

of directors identify
as women

29%

of directors identify
as visible minorities

Cyber Security

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

The Company and its operating businesses are committed to protecting their corporate, customer, tenant and other 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.



Loblaw

Loblaw operates a vendor management program to monitor key suppliers that handle information or critical systems to assess their security programs and controls. Loblaw's program is subject to internal, external and regulatory audits, using industry best practices for the following: awareness and training, cyber security assessments, penetration testing, benchmarking and tracking cyber security control maturity, and Payment Card Industry Data Security Standard (PCI DSS) requirements. 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. Loblaw has 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. To learn more about Loblaw's cyber security privacy programs please see Loblaw's ESG report.

Choice Properties

Choice Properties keeps up-to-date with the latest physical and cyber threats and has devised solutions that help keep its data, network, colleagues and tenants secure. Choice Properties has developed an awareness strategy program to raise the security awareness level of the organization. All Choice Properties colleagues are required to complete mandatory cybersecurity awareness training on an annual basis. This has contributed to the cybersecurity maturity rating for Choice Properties exceeding the industry benchmark by 16% in 2023. Choice Properties also work closely with its 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. To learn more about Choice Properties' cyber security privacy programs please see Choice Properties' ESG report.

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.

2023 Information Security Awareness by the Numbers

70 minutes

average minutes per employee per year spent on cyber security related training materials.

393

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

43

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

2,006

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

Diversity, Equity and Inclusion

At GWL, we work every day to create an inclusive, safe, and supportive environment for all our colleagues.

At GWL, we remain committed to building a more equitable and inclusive world by increasing diverse representation at every level and fostering an inclusive culture that brings everybody in. In 2020, GWL set measurable representation goals for gender diversity and visible minorities across all levels of management.



GWL has been recognized in the 2024 *Report on Business, Women Lead Here* list for the second consecutive year.

The *Report on Business Women Lead Here* list, is an annual benchmark recognizing Canadian businesses with the highest achievement for executive gender diversity.



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

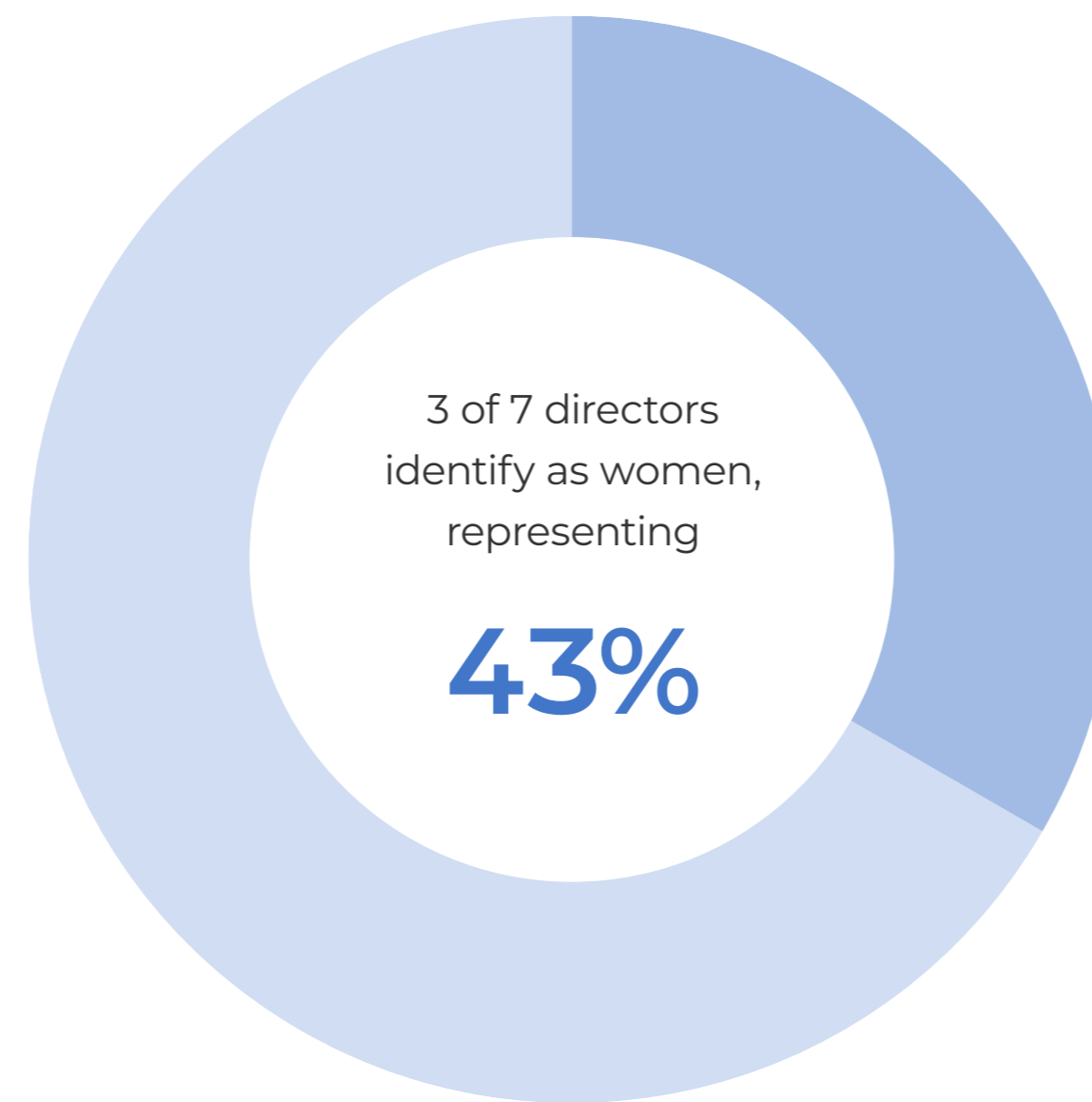
Nomination of Directors

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

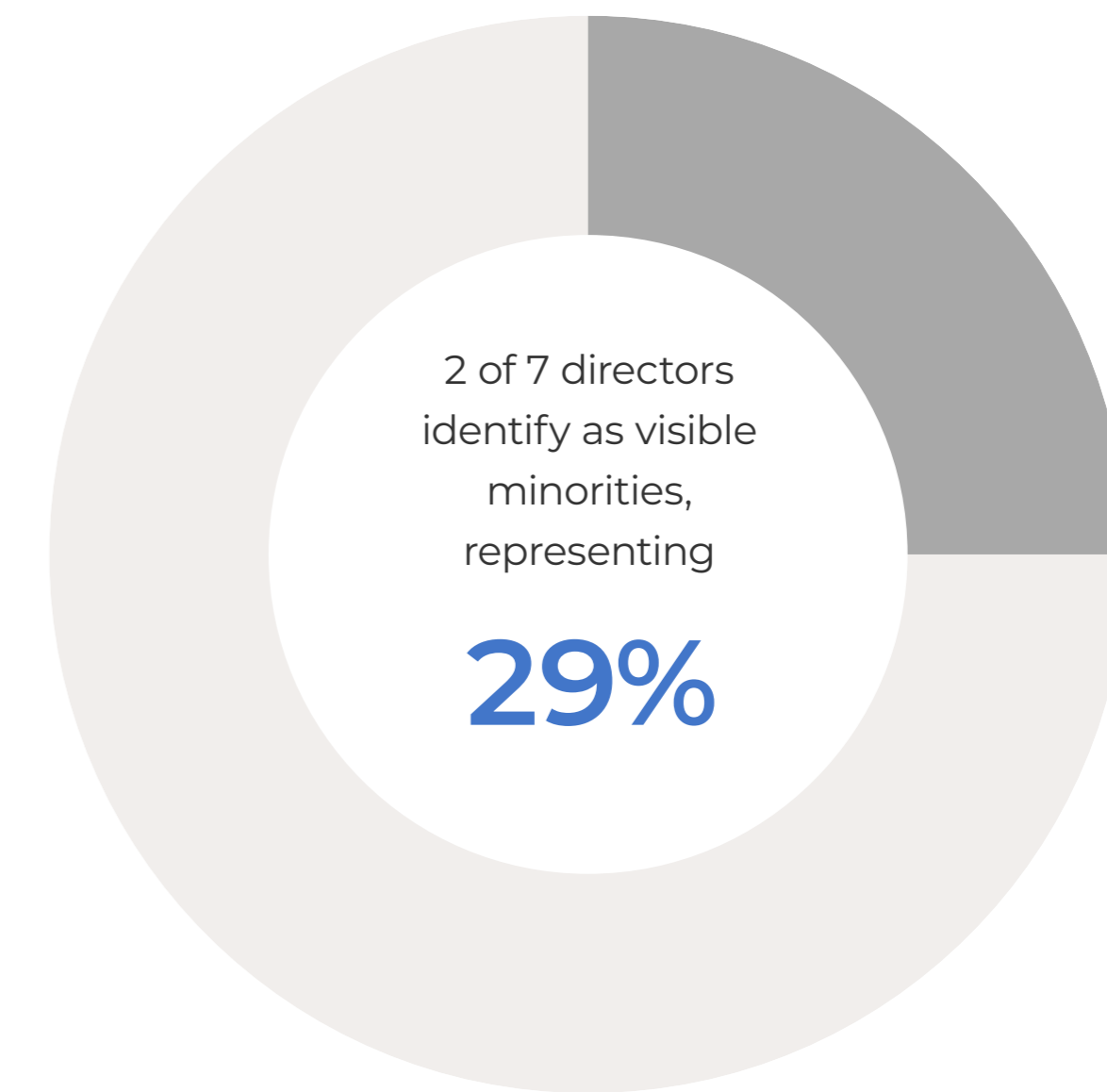
The Company adopted a written Board Diversity Policy in 2015 and has subsequently enhanced it by adopting targets for Directors who identify as women and visible minorities. The Board Diversity Policy requires that, among other qualities, a nominee’s gender, age, ethnicity, disabilities and geographic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

Directors Who Identify as Women¹



TARGET:
Women comprise at least 30% of the Board by 2024

Directors Who Identify as Visible Minorities¹



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

¹ As of March 2024.

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.



2024 Representation Goals

Executive Management
(Vice President and above)

50%

of positions will be held by women

35%

of positions will be held by visible minorities

Middle Management
(Senior Manager to Senior Director)

50%

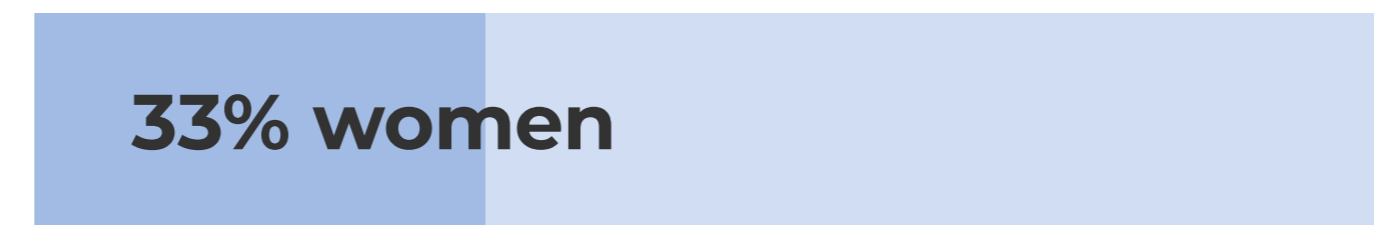
of positions will be held by women

45%

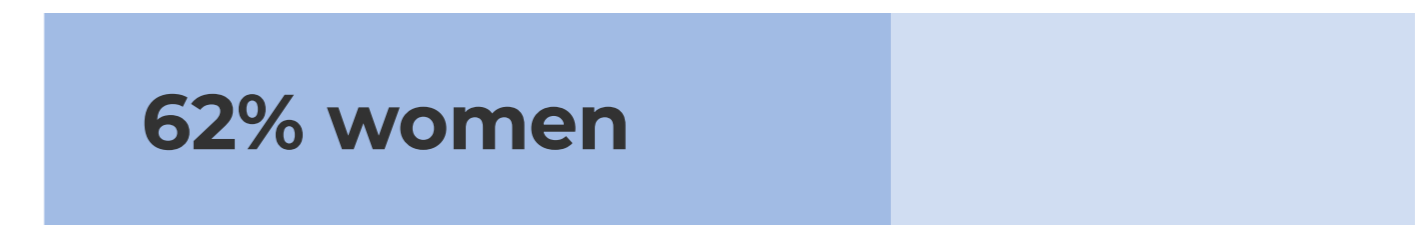
of positions will be held by visible minorities

Progress Toward Goals¹

Executive Management
(Vice President and above)



Middle Management
(Senior Manager to Senior Director)



¹ As of March 2024.

Colleagues, Culture and Community



ERIN JOHNSTON

Senior Vice President, Finance
Choice Properties REIT

“First and foremost, my time at GWL allowed me to work in a center of excellence where I had the opportunity to work on some very transformative projects for the group of companies. I was able to build meaningful relationships with a broad group of stakeholders that continue to support and mentor me today. My experiences also allowed me to progress through a number of roles within the group, including at Loblaw, Loblaw Digital and now at Choice Properties, and have helped me bring new perspectives to each role.”

“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.”



JODAT HUSSAIN

Senior Vice President,
Retail Finance
Loblaw Companies Limited



AMY CHAN

Senior Director, Strategy & Planning
Shoppers Drug Mart

“Working in the Corporate Development group at George Weston gave me the opportunity to learn not only from seasoned executives, but to deeply engage with a variety of operating businesses. This mix of experience enabled me to broaden my horizons and further my career with Loblaw and now with Shoppers Drug Mart. With such a dynamic group of companies, there is never a shortage of interesting opportunities to pursue.”

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:



Colleagues attending GWL’s annual Culture Day event



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.

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.**



2

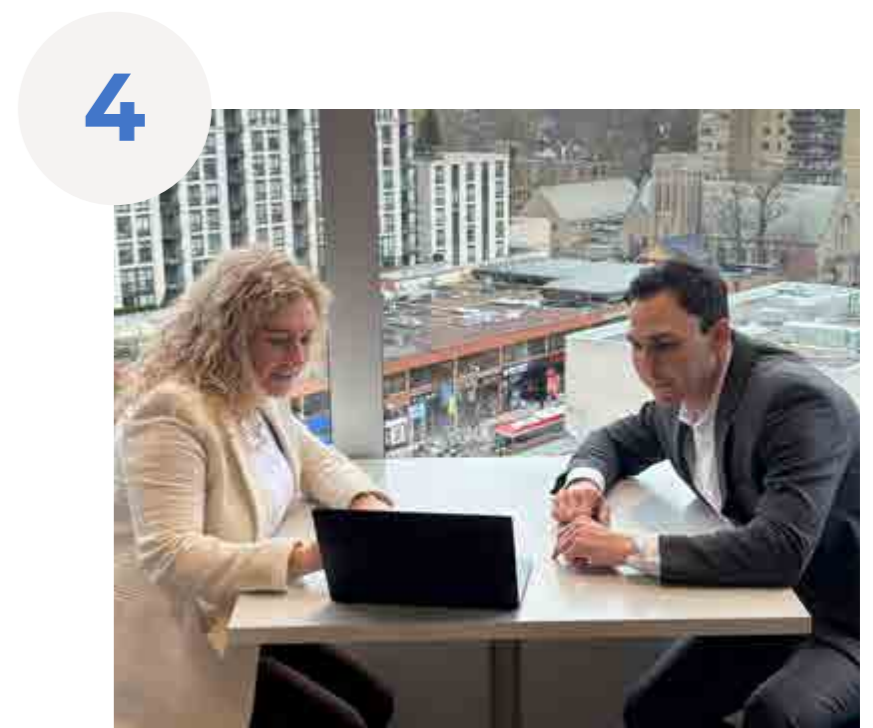


3

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:

The Wellness Movement

The Wellness Movement is dedicated to strengthening colleague connections, enhancing engagement, and improving overall well-being. The committee hosts various company-wide wellness and social events, and also provides resources and tools to help colleagues lead happier, healthier, and more balanced lives.

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.

Diversity, Equity and Inclusion Committee

The DEI committee is dedicated to creating a sense of belonging for all employees by championing initiatives that embrace diversity, ensure equity, and foster an inclusive environment through awareness, education, and celebration. We are committed to creating an environment where diversity is not just recognized, but also embraced and celebrated.



Colleagues at the annual Weston Olympics event



Colleagues at the 2023 Run for Women Event supporting the Shoppers Foundation for Women's Health



Members of the Inspire Women Committee



Co-leads of the DEI Committee with guest speaker, Peter Dinsdale, President & CEO of YMCA Canada

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
Leadership, Engagement, and Development	<ul style="list-style-type: none"> 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
Mentorship	<ul style="list-style-type: none"> Mentoring program in place to help colleagues develop both professionally and personally through shared experience Provides mentors with the tools necessary to develop potential as an emerging and effective leader
Tuition Reimbursement	<ul style="list-style-type: none"> Reimbursement for approved courses related to current role or career development goals
Academy	<ul style="list-style-type: none"> Launched in 2020, a web-based learning platform for all colleagues to access courses related to their role or career development goals
Graduate Rotation	<ul style="list-style-type: none"> Launched in 2019, this program is an actively managed development program for new graduates
Secondment	<ul style="list-style-type: none"> Deploying colleagues into, and receiving colleagues from, the operating businesses
Annual Performance Reviews	<ul style="list-style-type: none"> Offers colleagues the opportunity to have meaningful conversations with their managers about their performance, growth and development.



Colleague Engagement Survey

98%

participation rate in the Annual Colleague Engagement Survey in 2023

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

- 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 98% in 2023
- 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.



\$258,551



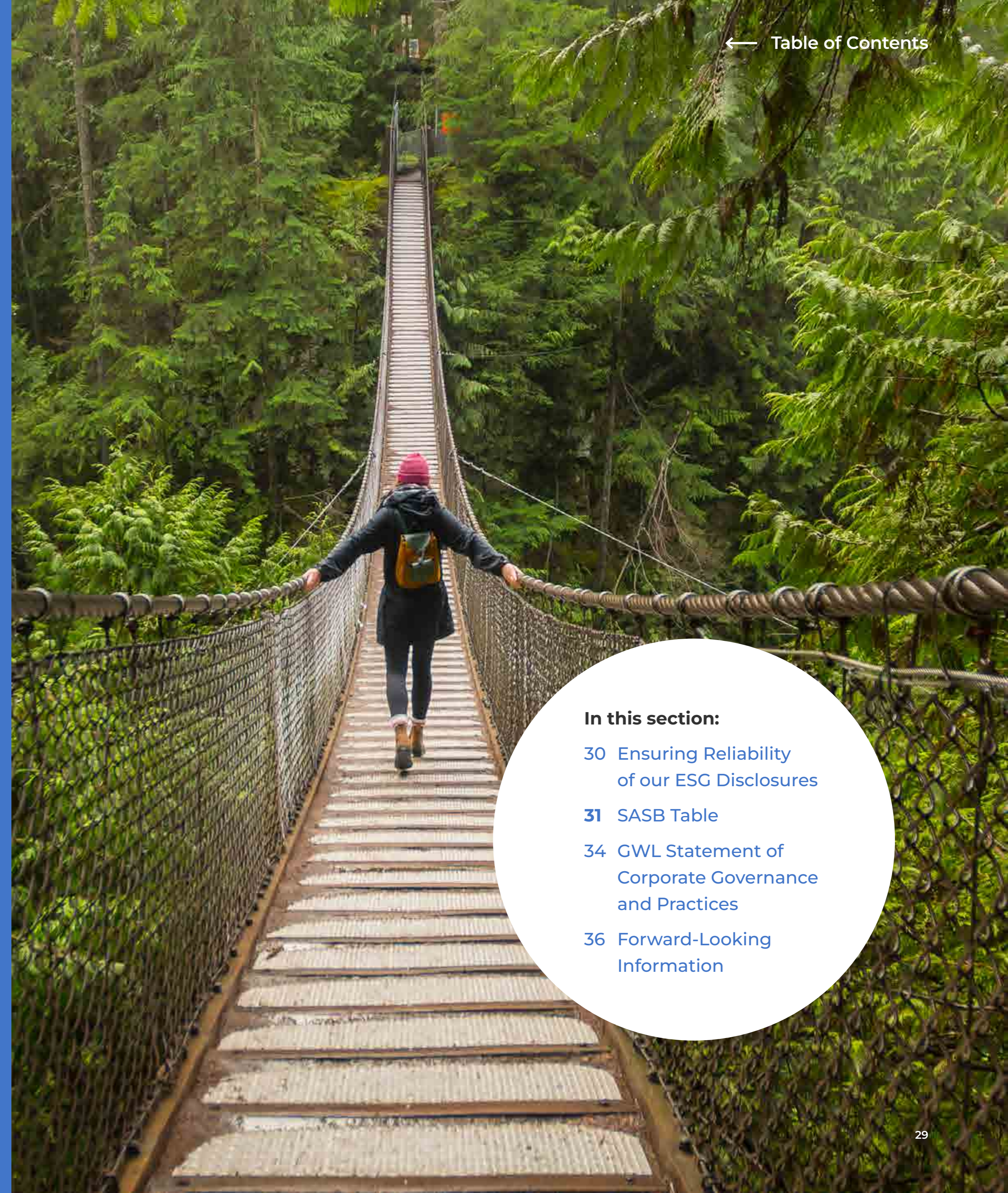
in funds raised for North York Harvest Food Bank in 2023. The mission of the North York Harvest Food Bank is to engage the community in meeting the food needs of northern Toronto by providing dignified food assistance, education, focused advocacy, and long-term food solutions.

\$109,391



in funds raised in 2023 for Pathway to Education Canada, an organization that provides youth in low-income communities with academic, financial and social support to remove barriers to high school graduation and promote positive youth development.

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, may not prevent or detect misstatements.

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 team was engaged to perform a review over a risk-based subset of quantitative information disclosed in the Loblaw ESG Report. Additionally, Loblaw's external auditor, PricewaterhouseCoopers LLP was engaged to perform limited assurance over its Scope 1 and Scope 2 greenhouse gas emissions for the current reporting year. Loblaw will continue to assess and determine the appropriate level of assurance required for its key ESG disclosures.

A copy of the Limited Assurance report can be found in Loblaw's 2023 Early Release of Priority ESG Disclosures, available on Loblaw's website at www.loblaw.ca.

Choice Properties' external auditor, PricewaterhouseCoopers LLP, provided assurance over select 2023 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 SAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. A copy of the Statement of Assurance can be found in Choice Properties' 2023 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
Employee Diversity & Inclusion	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 ¹ : (1) Executive Management ² – 33% (2) Middle Management ³ – 62% (3) Not Reported (4) Not Reported Minority representation: (1) Executive Management ² – 33% (2) Middle Management ³ – 44% (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.
Business Ethics	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 2023 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>	Code of Conduct
			<p>Substantiated complaints regarding breaches of privacy and data</p> <p>(1) 0 in 2023 (2) 0 in 2023 (3) Not Applicable</p>	
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		
	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>What data security means:</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>Oversight for Data Security:</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>Responsibility for Cyber Security:</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>2023 Cyber Security Awareness by the Numbers:</p> <ul style="list-style-type: none"> • 70 minutes is the average time per employee per year spent on cyber security related training materials. • 393 training modules assigned and completed as part of the Company's mandatory quarterly cyber security education program. • 43 new colleagues completed the New Hire Cyber Security Awareness Training program. • 2,006 phishing E-Mails sent to colleagues via the authorized phishing simulation program. 	

Sustainability Accounting Standards Board (SASB) Table				
Topic	Code	Accounting Metric	Data / Disclosure	Additional Information
Data Security (continued)			<p>Information and Cyber Security at George Weston Limited:</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"> • Effective risk management and compliance monitoring; • Appropriate segregation of duties, organizational structure, reporting lines, authorities, and security responsibilities; • A security risk monitoring function that applies key risk indicators providing insight into our operations and risk profile. <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>Highlights of the 2023 Information Security program:</p> <ul style="list-style-type: none"> • Completed annual penetration test without any critical findings. • Migrated to a modern, cloud-based device management platform, allowing for greater visibility and control of remote systems. • Enhanced third-party risk program by identifying and tiering all third-party vendors based on criticality to the business. • Improved the ISF maturity score by enhancing Security Governance, Threat and Incident Management, and Security Assurance domains. • Completed inventory and classification of structured application data to better understand value and support risk-based decision making. • Enhanced brand monitoring solution to detect and alert on threats to the organization stemming from the surface web, dark web, and social media. 	

GWL Statement of Corporate Governance Practices

Governance			
Approach	Reference	Application	2023 Highlights
Majority Voting Policy	See Majority Voting Policy on www.weston.ca	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
Independence Statement	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
Board Effectiveness	See Management Proxy Circular for additional detail on www.weston.ca	Ensures that the Board and its Committees are functioning effectively and independently	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
Share Ownership Policy	See Management Proxy Circular for additional detail on www.weston.ca	Aligns the interests of directors and executives with those of shareholders. Applies to each director and senior executives	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
Continuing Education	See Management Proxy Circular for additional detail on www.weston.ca	Ensures relevant continuing education sessions are provided to directors	16 continuing education sessions were provided to a Committee or the Board in 2023
Director Tenure Guidelines	See Management Proxy Circular for additional detail on www.weston.ca	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	42% of directors have tenure of 0 to 5 years. 29% of directors have tenure of 5 to 10 years. 29% of directors have tenure of 10+ years. Average tenure of 7.0 years
Director Interlock Policy	See Management Proxy Circular for additional detail on www.weston.ca	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
Related Party Transactions	See Management Proxy Circular for additional detail on www.weston.ca	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. The Board oversaw all significant related party transactions in 2023
Corporate Opportunities Principles	See Management Proxy Circular for additional detail on www.weston.ca	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
Advisory Vote on Executive Compensation (Say-On-Pay)	See Management Proxy Circular for additional detail on www.weston.ca	Provides shareholders with an opportunity to vote on the Company's approach to executive compensation	97.52% of votes cast at the 2023 Annual Meeting of Shareholders were cast in favour of the Company's approach to executive compensation
Executive Clawback Agreement	See Management Proxy Circular for additional detail on www.weston.ca	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	2023 Highlights
Code of Conduct and Culture	See Code of Conduct at www.weston.ca	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. Promotes a respectful environment and encourages employees to help shape culture by speaking up and challenging behaviours when they do not align with the Company's values	Annual review and approval of the Code and collaboration with management to set the tone from above and promote a strong governance culture. Annual acknowledgment by the Company's employees and directors of their commitment to abide by the. Regular meetings with the Chief Talent Officer, Chief Legal Officer and Chief Risk Officer to review key matters and progress on programs that strengthen enterprise culture and conduct
Ethical Business Conduct	See page 17 of this ESG Report and the Management Proxy Circular for additional detail on www.weston.ca	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	Annual review of the Anti-Fraud Policy and the Accounting, Auditing and Internal Controls Procedures by the Audit Committee. Regular compliance reporting to the Audit Committee
Securities Trading Policy	See Management Proxy Circular for additional detail on www.weston.ca	Addresses trading restrictions for the Company's employees and others subject to the policy. Addresses procedures for the reporting of trades by the Company's reporting insiders	Annual review and approval of the policy. Prohibits trading, directly or indirectly, in the securities of the Company, Loblaw or Choice Properties while in possession of material undisclosed information
Disclosure Policy	See Management Proxy Circular for additional detail on www.weston.ca	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	2023 Highlights
Mandate of the Board	See Mandate on www.weston.ca	Provides guidance on the Weston Group approach to ESG. Oversight of GWL's approach to ESG	Oversees and monitors the Company's approach, policies and practices related to ESG matters. Receives periodic reports on ESG initiatives and reviews and approves the Company's ESG report annually. Receives periodic updates on key ESG initiatives at Loblaw and Choice Properties. Oversees inclusion, employee engagement, employee health, safety and well-being
Mandate of the Audit Committee	See Mandate on www.weston.ca	Review of the controls related to the Company's ESG disclosure	Reviews the adequacy and effectiveness of applicable controls related to the Company's ESG disclosures. Receives updates on ESG-related trends and regulatory changes impacting disclosures
ESG Reporting	See: <ul style="list-style-type: none"> www.loblaw.ca/en/responsibility www.choicereit.ca/sustainability 	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
Board Diversity Policy	See Management Proxy Circular for additional detail on www.weston.ca	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
Management Diversity and Inclusion Programs	See page 21 of this ESG Report and Management Proxy Circular for additional detail on www.weston.ca	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. Target that by the end of 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	33% of Vice President or higher positions and 62% of Senior Manager to Senior Director positions were held by people who identify as women and 33% of Vice President or higher positions and 44% of Senior Manager to Senior Director positions were 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 including those published by the International Sustainability Standards Board (ISSB), for their

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 and/or email 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 is driven by its purpose and goal of creating long-term value for its business and the communities in which it serves. Loblaw's approach to addressing ESG issues is focused on two priorities where it can make the biggest impact: Fighting Climate Change and Advancing Social Equity.

Loblaw's 2023 ESG Report is included here and is also available on [Loblaw's website](#).

**Loblaw
Companies
Limited**





2023

Environmental, Social and Governance Report

Loblaw Companies Limited

In this Report

As Canada’s food and pharmacy leader, Loblaw Companies Limited (“Loblaw” or “the Company”) aspires to be a force for positive environmental and social change, and to demonstrate robust corporate governance practices. As the largest retailer and private-sector employer in the country, we have a unique opportunity to address the issues that matter most to Canadians, driving local, national, and global impact. Our purpose is to help Canadians Live Life Well®, and we are committed to addressing Environmental, Social and Governance (ESG) priorities where we can make a meaningful difference. Specifically, we are focused on fighting climate change and advancing social equity.

In this, our 17th ESG report, we reflect on our past efforts, holding ourselves accountable and staying focused on the issues that are most important to Loblaw and to our stakeholders. This includes finding sustainable solutions to ESG risks and opportunities, setting measurable targets and ensuring transparent disclosures, pro-actively engaging with stakeholders and implementing strong governance practices.



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Reading and Understanding this Report

This report covers Loblaw Companies Limited’s 2023 fiscal year. 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 2022 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, T&T®, and Shoppers Drug Mart®/ Pharmaprix® associate-owned locations.

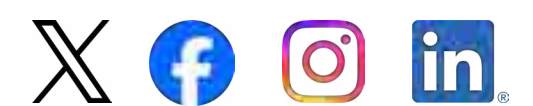
Loblaw Companies Limited and its subsidiaries own a number of trademarks. These trademarks are the exclusive property of Loblaw Companies Limited or one of its subsidiaries.

Loblaw publishes various disclosure documents outlining how it is addressing environmental and social issues. On an annual basis, the Company analyzes which third-party disclosure frameworks to report against based on the global prominence and reputation of the framework as well as those frameworks which most closely align with the Company’s ESG strategy, risk management, and material topics. This report references and/or is aligned to select disclosures from the Global Reporting Initiative (GRI) Standards 2021, 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). Our goal is to deliver robust and transparent ESG disclosures in a timely manner for our stakeholders. As such our disclosures also take guidance from the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-Related Financial Information (S1), and IFRS S2 Climate-Related Disclosures (S2). Loblaw is planning to align fully with the IFRS standards once they are endorsed by the Canadian Sustainability Standards Board (CSSB) and required by the Canadian Securities Administrators (CSA). We will adjust our disclosures in the coming years accordingly. Supplemental information is available in table format on our [data sheets](#).

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

For the latest updates regarding our progress, follow us on X (formerly 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



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 2,500 locations, Loblaw, its franchisees and associate-owners employ approximately 220,000 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 1,100 grocery stores that span the value spectrum from hard discount to specialty, to our full-pharmacies at more than 1,300 Shoppers Drug Mart® and Pharmaprix® locations which carry Canada's top consumer brands: President's Choice®, Farmer's Market™, no name® and Life Brand®, to the hundreds of stores offering services like PC Financial®, and our affordable fashion apparel brand, Joe Fresh®.



JOE FRESH



Raised and donated
\$180
million



Approximately
220,000
colleagues and employees



\$1 billion +
Value of PC Optimum™
Points redeemed by customers

3
of Canada's favourite brands
President's Choice®,
no name® and
Farmer's Market™

More than
2,500
stores and pharmacies



Message from the Chairman



Being Canada's largest private-sector employer and one of the country's largest networks of independent business owners comes with a lot of responsibility. Our customers expect us to not only support their weekly grocery and wellness needs, but to also play an active role in the long-term sustainability of their communities, and prosperity of our country.

With thousands of stores located within 10 minutes of 90% of Canadians, we and our franchise owners employ 220,000 people who all take great pride in delivering on these expectations. This is at the heart of our purpose – to help Canadians Live Life Well® – and informs the countless decisions we make every single day on everything from operations and logistics, to pricing and promotions, to health and wellness offerings, and beyond.

But, perhaps most pressingly, our purpose also underpins a commitment to Environmental, Social and Governance (ESG) excellence. For well over a decade, we have taken pride in our leadership position. We were among the first to set carbon reduction targets; to eliminate artificial colours, flavours and ingredients of concern from our control brands; to tackle food waste; and more. We did so with the belief that we could do right for the environment, our communities, our customers and our shareholders at the same time.

Years later, our ESG efforts are more firmly woven into the fabric of our business than ever before. Organized around two core priorities – fighting climate change and advancing social equity – we are pleased with the progress we made in 2023 to deliver on our objectives, and more committed than ever to our future ambitions, including:

Fighting Climate Change

Achieve net-zero carbon emissions for Scope 1 and Scope 2 (by 2040), and Scope 3 (by 2050).

In 2023, we invested almost \$44 million in capital to complete 490 carbon-reduction projects, integrated our first 14 electric vehicles into our transport fleet, and ultimately reduced our emissions by 11% relative to our 2020 baseline.

Ensure all of our control brand and in-store plastic packaging is either reusable or recyclable by 2025.

In 2023, we achieved 64% compliance with the Golden Design Rules for plastic packaging design, production and recycling, with a clear path to full compliance by the end of 2025.

Send zero food waste to landfill by the end of 2030.

In 2023, our corporate food retail operations diverted more than 78,000 metric tonnes of food from landfill. And, 100% of our food retail operations and DCs, and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations, donated to food rescue organizations.

Advancing Social Equity

Be Canada's most diverse and inclusive employer.

By the end of 2023, more than 166,000 colleagues and employees completed training on fundamental Diversity, Equity & Inclusion topics, ensuring that our workforce is equipped with the knowledge and understanding to create an inclusive environment. We also achieved four of our representation targets for women and visible minorities, ahead of schedule.

Provide nation-leading support for women's health and access to care.

In 2023, Loblaw raised and donated more than \$13 million for the Shoppers Foundation for Women's Health, serving 370 women's health programs across Canada.

Help feed 1 million kids a year by 2025 through President's Choice Children's Charity.

In 2023, Loblaw raised and donated more than \$22 million for the Charity, which ultimately fed more than 990,000 kids – making a positive impact on the lives of children in need.

Address food insecurity by providing 1 billion pounds of food to charities by 2028 through our Feed More Families™ program.

In 2023, we donated almost 47 million pounds of food through the program, supporting communities and addressing food insecurity across the country.

As a family business, we consider the consequences of our decisions over decades rather than just financial quarters. This is especially important in relation to ESG matters. In this, our 17th annual ESG Report, you will find meaningful evidence of our impact as we look to improve our communities now and for generations to come. We know there is no time to spare, which makes our progress all the more meaningful.

Ultimately, there is much work ahead, and with his recent appointment as President and CEO of Loblaw, Per Bank joins me in being intently focused on driving our ESG agenda forward. I am confident that, along with every single one of our colleagues and employees, we will undertake this work with pride and conviction, as yet another demonstration of our commitment to helping Canadians Live Life Well®.



Galen Weston
Chairman, Loblaw Companies Limited

Leading with Purpose: Helping Canadians Live Life Well®

Our Approach to Environmental Sustainability and Social Impact

We are driven by our purpose and goal of creating long-term value for our business and the communities in which we serve. 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 emissions (GHG) and eliminating waste from our business, through these and other actions, we aspire to:

- Achieve net-zero by 2040 for our enterprise operating footprint¹, and 2050 for our Scope 3 emissions. ([More information on climate action](#))
- 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 each 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:

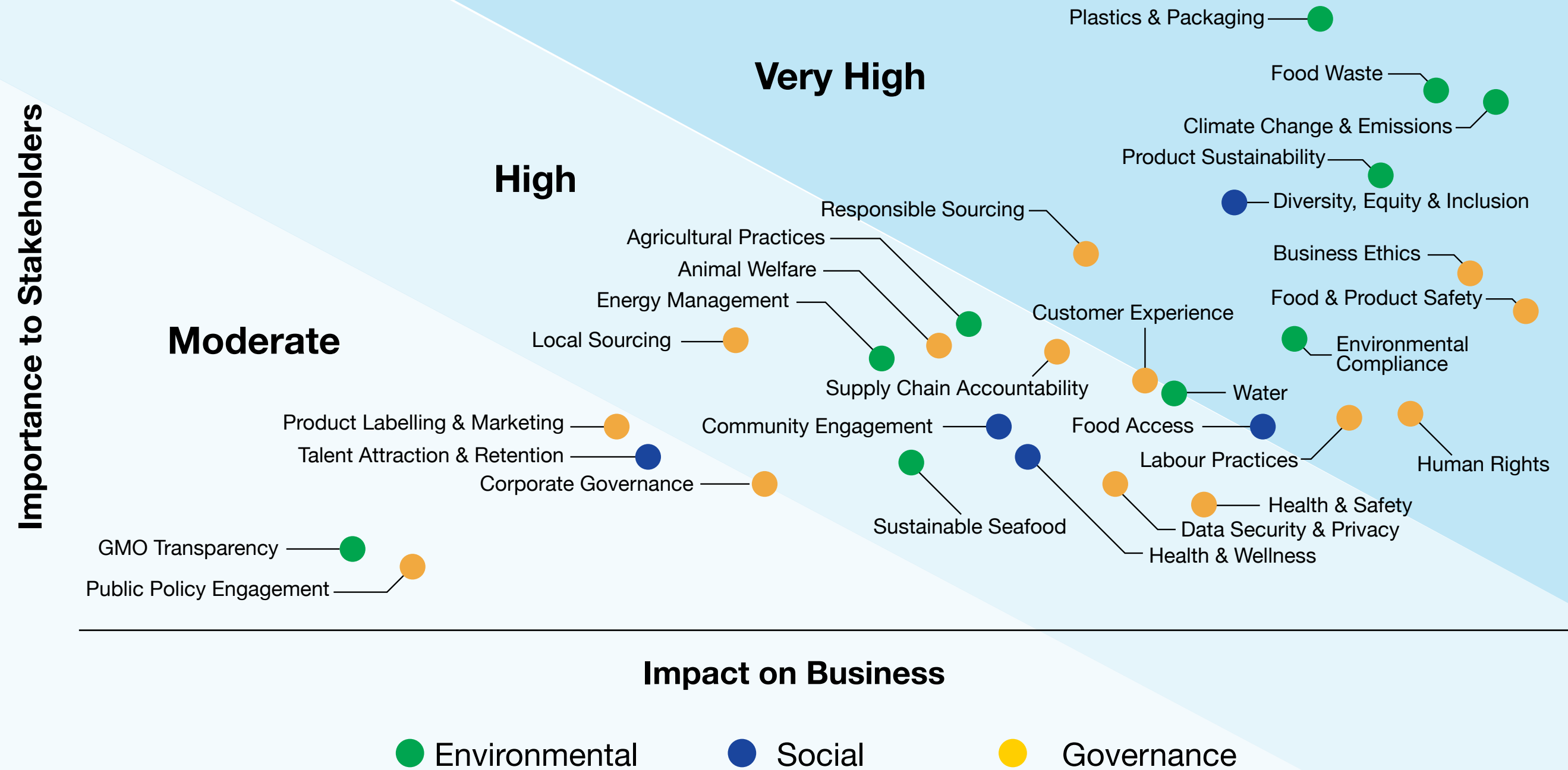
- Achieve representation goals for our management, executives and Board of Directors by the end of 2024. ([More information on representation goals](#))
- Create a ripple effect of inclusion and empathy in our communities by completing inclusion training for 200,000 colleagues and employees by the end of 2024. ([More information on inclusion training](#))
- Support President's Choice Children's Charity (PCCC), Canada's top non-government provider of direct-to-school kids' food programs, as they seek to raise \$150 million by 2027 and feed 1 million children a year by 2025. ([More information on community engagement](#))
- Through our Feed More Families™ program, donate 1 billion pounds of food to food charities by 2028. ([More information on community engagement](#))
- Shoppers Foundation for Women's Health is investing \$50 million by 2026 to make care more equitable and accessible for all women in Canada. ([More information on community engagement](#))



¹ Includes franchise and associate-owned operations

Materiality

In 2021, we conducted a materiality assessment following GRI Standards 2016, identifying key issues impacting our business and those that are important to our stakeholders. Engaging a third-party consultant, we surveyed over 600 internal and external stakeholders, including colleagues, suppliers, government entities, academia, Non-Governmental Organizations (NGOs), and investors. This survey gauged the significance, relevance, impact, and perception of select ESG issues, considering familiarity with our sustainability practices and evolving sustainability concerns. Acknowledging investors' growing influence, targeted interviews were conducted to understand their top sustainability concerns. Although we intended to undertake a 2023 assessment, the ISSB's proposed materiality assessment requirements led us to defer this to ensure alignment with IFRS S1 and S2 standards once finalized in Canada.



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

Contribution to the United Nations Sustainable Development Goals (UN SDG)



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 Governance

ESG matters have the potential to impact business operations, regulatory compliance, reputation, and financial outcomes, and are therefore an important area of focus for the Loblaw Board of Directors and its committees. The Board oversees and monitors the Company's approach, policies, and practices related to ESG matters.



Loblaw has an ESG Steering Committee comprised of senior leaders who guide the Company and its colleagues on the ESG program and related activities and is tasked with ensuring that the Company considers and adopts leading ESG practices and programs. Responsibilities include overseeing strategic business objectives for ESG commitments and targets, as well as setting the “tone from the top” to foster an ESG-focused culture within the organization. The ESG Steering Committee also provides leadership to the various ESG Management committees which are responsible for setting priorities and implementing and monitoring ESG-related initiatives across the organization. Our programs and practices are designed to align with industry-leading standards and to support the achievement of our business objectives, including our ESG commitments and targets.



We are actively developing internal and external assurance strategies, starting with our focus on climate change and our commitment to achieving net-zero emissions.

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.



Board of Directors

- **Board of Directors** - Oversees and monitors the Company's strategy, policies and practices related to ESG matters.
- **Risk & Compliance Committee** - Oversees the Company's ESG strategy, design and program, and progress against its ESG related goals.
- **Audit Committee** - Oversees the adequacy and effectiveness of applicable ESG controls and reviews ESG disclosures prior to publication.
- **Governance Committee** - Oversees the design and achievement of the short-term incentive plan which 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 metric tracking, and external disclosure frameworks.

Management-Level

- **ESG Program**
 - Responsible for establishing and maintaining adequate internal controls over ESG disclosures and the implementation of a control environment which mirrors the Internal Controls over Financial Reporting (ICFR) framework.
- **ESG Committees:**
 - **Carbon**
 - **Plastics**
 - **Food Waste**
 - **Inclusion Council**
 - **Community Investment**
 - Executes projects and processes to support the achievement of ESG commitments;
 - Updates the ESG Steering Committee and/or Management Board on ESG progress;
 - Manages sustainability-related risks and opportunities; and
 - Advances ESG in business decision-making.

ESG Reflected in Compensation

To drive ESG performance, Loblaw includes ESG as a criterion in the Company's short-term incentive program, linking performance on fighting climate change and advancing social equity activities to compensation for permanent, non-unionized, corporate colleagues at all levels. These targets make up 10% of the annual short-term incentive plan criteria.

The ESG targets for 2023 were designed to focus colleagues on continuing to drive further sustainability and social impact progress across the business. Achievement of the ESG metric was determined based in equal part on environmental and social initiatives. For more information, please refer to the [Management Proxy Circular](#).

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 specifically. 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.

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

2023 Performance Highlights

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

Achieved an 11% reduction in our Scope 1 and Scope 2 emissions compared to 2020 baseline year.



Completed 490 carbon reduction projects.

Achieved major milestone toward our goal of decarbonizing our fleet, by rolling out 14 heavy-duty fully electric transport trucks.



Eliminating food waste sent to landfill by 2030

100% of our food retail operations and distribution centres, and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations are actively donating to a food recovery partner.



Be Canada's most diverse and inclusive employer



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



On track towards our goal of providing inclusion training to 200,000 colleagues in an effort to increase empathy in our communities.



Launched Loblaw Community Grants program, supporting five organizations over four years for a total contribution of \$1 million.



Increased representation of visible minorities in Management roles to 32% and our Executives to 28%, achieving our 2024 goal of 30% and 25% representation, respectively.

Tackling plastic waste



Achieved 64% compliance relative to the Golden Design Rules for control brand and in-store plastic packaging, with a clear path to achieve 100% by 2025.

Eliminated front-end single-use plastic bags nationally.



Support the health and well-being of children and women



Raised and donated \$180 million to support research, charities and non-profits across Canada.



Supported the Shoppers Foundation for Women's Health Giving Shelter campaign through a \$1 million donation to Women's Shelters Canada and Canadian Women's Foundation for gender-based violence initiatives.



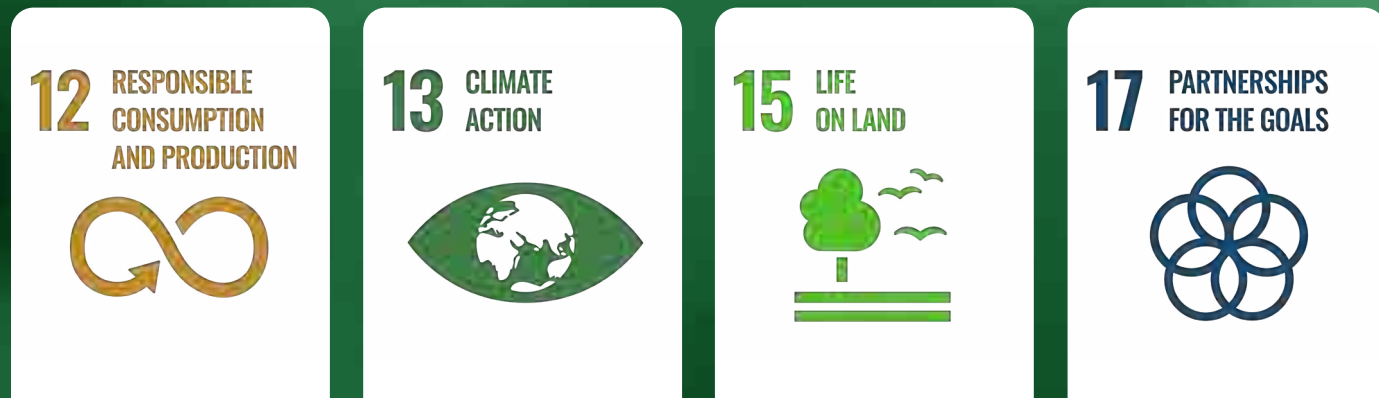
Donated almost 47 million pounds of food to food charities across Canada, in support of Feed More Families™.

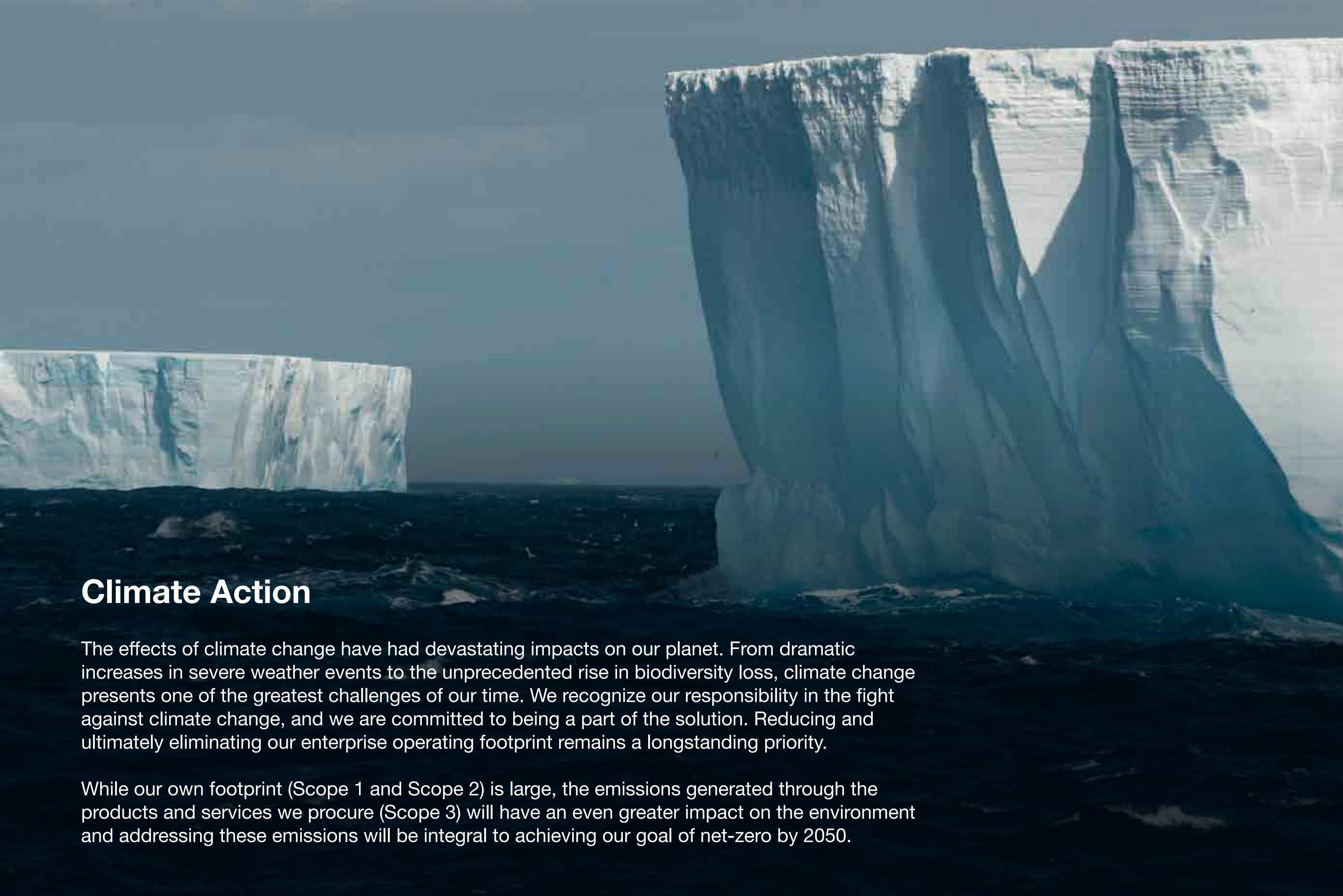


Helped President's Choice Children's Charity feed 990,000 kids as part of their mission to tackle childhood hunger.

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Environmental





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 remains a longstanding priority.

While our own footprint (Scope 1 and Scope 2) is large, the emissions generated through the products and services we procure (Scope 3) will have an even greater impact on the environment and addressing these emissions will be integral to achieving our goal of net-zero by 2050.

Our carbon footprint

Loblaw's emissions are categorized as follows: Scope 1 represents approximately 2% of total Loblaw emissions and stems from sources owned or controlled by Loblaw, while Scope 2 is approximately 1% and relates to indirect emissions associated with electricity, steam, heating and cooling purchases. The significant majority, approximately 97%, of our carbon footprint stems from external sources in our value chain (Scope 3). These are vital to our operations but are not directly managed by Loblaw.

While it represents challenges, tackling Scope 3 emissions is of critical importance to our plan to fight climate change and achieve net-zero by 2050. To succeed, strong data collection and collaboration across the value chain will be required. That is why in late 2023 we increased our transparency by disclosing our plan to tackle Scope 3 emissions. This included a call to action sent to our largest suppliers asking them to **#JoinTheCarbonFight** against climate change and align to the Science Based Targets initiative (SBTi), and report on their carbon emissions and reductions. As part of this work, we announced a new target to ensure suppliers from whom we source 70% of our volume by spend will set targets reflecting the guidance set by SBTi, by 2027.

Achieving net-zero

For decades, we have led our industry on environmental action and have been tracking the carbon footprint of our corporate stores and operations. In 2016, we committed to a 30% reduction of GHG emissions by 2030 from a 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, franchise, and associate-owned stores, as well as corporate offices and distribution centres, by 2040. Our plan focuses on four key aspects of our footprint: refrigerants, heating, electricity, and decarbonizing our fleet, and in 2023, we released our plan to tackle our scope 3 emissions by 2050. Our plan is aligned with the Paris Agreement, limiting global temperature rise to 1.5 degrees Celsius.



¹ Includes corporate, franchise, associate-owned, and T&T® operations as well as corporate offices and distribution centres

² Short-haul, outbound, corporately owned and operated fleet



On April 9, 2024, SBTi confirmed validation of our 2027 and 2030 reduction targets as conforming with the SBTi Criteria and Recommendations (Criteria version 5.0) and that our company's Scope 1 and Scope 2 target ambition as in-line with a 1.5 degrees Celsius trajectory.

Scope 1 and Scope 2 GHG Emissions Reporting^{1,2,3}

We are proud of the achievements we have made so far on our Scope 1 and Scope 2 reduction journey, and as of the end of 2023 we have decreased these emissions by 11% against our 2020 baseline.

Metric	Unit of Measure	FY 2023	FY 2022	FY 2021	FY 2020
Scope 1 (Direct) ⁴ – Fleet and building fuel consumptions, refrigerant releases, and company-owned travel	Metric tonnes of CO ₂ e	726,052 ⁵	752,306 ³	766,856 ³	826,921 ³
Scope 2 (Indirect) ⁴ – Electricity, location-based	Metric tonnes of CO ₂ e	392,500 ⁵	407,217	427,857	429,413
Scope 2 (Indirect) ⁴ – Electricity, market-based ⁶	Metric tonnes of CO ₂ e	388,300 ⁵	407,217	427,857	429,413
Total (Scope 1 and Scope 2, market-based)	Metric tonnes of CO₂e	1,114,352	1,159,523	1,194,713	1,256,334
Change as a % compared to prior year	%	-4%	-3%	-5%	-
Change % against baseline year (2020)	%	-11%	-8%	-5%	-
Change % against baseline compared to prior year	%	-4%	-3%	-5%	-
Carbon reduction capital spend	\$	\$43,990,000	- ⁷	- ⁷	- ⁷
Carbon reduction projects	Count	490	250	- ⁷	- ⁷
Number of corporate owned electric trucks	Count	14	nil	nil	nil

¹ A level of measurement uncertainty exists in these metrics due to the use of estimates for data points that are difficult to obtain. If actual data becomes available we will adjust historical estimates where applicable.

² Emissions are calculated by The Delphi Group following the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and emission factors defined by the National Inventory Report (NIR), although, for Scope 1 and Scope 2 emission factors, Management used 2018 NIR for 2020 figures, 2019 NIR for 2021 figures, 2020 NIR for 2022 figures, and 2021 NIR for 2023 figures and Management has included emissions from HCFC refrigerant leaks in Scope 1.

³ Numbers in the GHG inventory table may fluctuate as more accurate information becomes available such as updates to the emission factors as defined by the NIR. Scope 1 values have changed from prior years disclosed amounts due to a change in estimate related to franchise refrigerant leak data. The previous values for 2022, 2021, and 2020 were 623,613, 629,662, and 691,679, respectively.

⁴ Includes enterprise operations (corporate, franchise, associated-owned, and T&T[®]).

⁵ This symbol identifies that third-party assurance was obtained for this data point. Please refer to the [2023 Early Release of Priority ESG Disclosures](#) and the related Limited Assurance report.

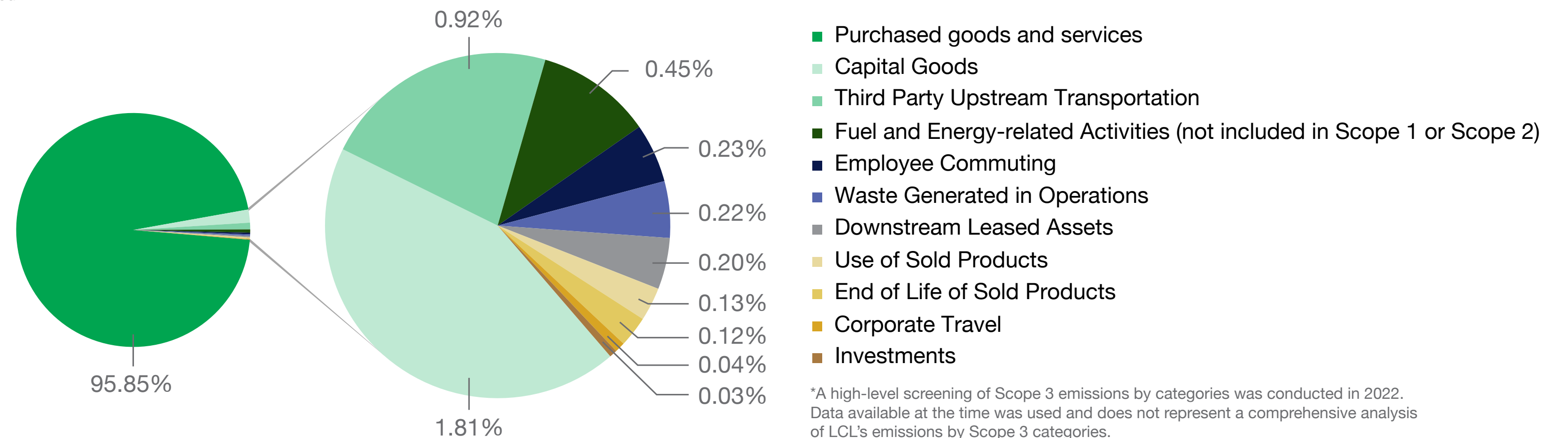
⁶ In 2023, Loblaw had contractual agreements for Clean Energy Credits in Ontario which represents approximately 5% of the overall electricity consumption for the year.

⁷ This metric was not formally tracked in prior years, therefore data is not available to disclose for this time period.

Tackling Scope 3

The following represents the contribution of various value chain activities to our overall Scope 3 emissions. The weighting of Purchased Goods and Services underpins the importance of working with our vendors up and downstream, to achieve net-zero by 2050.

Our plan to achieve net-zero by 2050 is science-based and will focus on five key areas - vendor commitments, sustainable sourcing, empowering our people, tackling food waste and circularity, and enabling low carbon living for our customers. See our [net-zero plan](#) for more details.



ESG Strategy

We recognize that as a diverse company there are a wide range of ESG topics that fall under the scope of our operations. Our ESG strategy is rooted in two purpose-led pillars: fighting climate change and advancing social equity. Under these two pillars, we have developed five purpose-led focus areas: carbon net-zero; eliminating food waste; tackling plastic waste; being Canada's most diverse and inclusive employer; and supporting the health and well-being of children and women. Through these focus areas, we address the topics that matter most to our business and prioritize the concerns of our stakeholders. We understand the importance of being accountable for our commitments and the need to demonstrate progress and challenges transparently.

The ESG strategy has been informed by specific sustainability-related risks and opportunities. Annually (at a minimum), a thorough review is performed to ensure that key ESG risks and opportunities are embedded in the Company's ESG strategy and long-term plans. This involves continuously monitoring potential sustainability-related risks and opportunities across the value chain, so that we can make changes to our overall program and/or metrics as required.

Taking guidance from IFRS S2, our ESG climate strategy has been informed by climate-related risks and opportunities. Performing a climate risk assessment using physical and transition risks is a recognized approach to assess climate-related risks and opportunities. Physical risks are risks resulting from the increase in the intensity and frequency of climate hazards. Transition risks and opportunities are those resulting from a global transition to a low-carbon economy. As such, in order to shape our understanding of the potential implications of both the physical and transition risks and opportunities associated with climate change, in 2022 we conducted both a qualitative and a quantitative scenario analysis across a medium term (2030) and long term (2050) time horizon. This scientific assessment is a core methodology used to assess climate-related risks and opportunities and it was performed by an independent third-party expert. This assessment enabled our evaluation of the potential effects that physical risks and transition risks have on our strategic and financial position across various scenarios that follow internationally recognized frameworks. These included the Representative Concentration Pathway (RCP) which is a framework of climate scenarios used to understand future climate projections in response to changing atmospheric greenhouse gas (GHG) concentrations and Shared Socio-economic Pathway (SSP), which is the latest version of climate projections that inform the assessment reports from the Intergovernmental Panel on Climate Change.

The results of the assessment have been used to identify climate-related risks and opportunities that inform the development of our transition plan, which anticipates the scenario of a 1.5-degree-Celsius global temperature increase, in line with SBTi.



ESG Risk Management

Loblaw faces ESG risks that could, directly or indirectly, negatively impact our reputation, operations, or performance over the short, medium or long term. We assess risk for all of our significant sustainability-related risks and opportunities as well as a specific assessment of climate-related risks and opportunities. Teams within the business such as ESG Integration and Reporting, Sustainability and Social Impact, Legal, Investor Relations, and External Financial Reporting, work together to identify and set mitigation strategies for sustainability-related and climate-related risks and opportunities throughout the year.

Loblaw has a defined ERM program to assess enterprise risks, including potential environmental and social related risks. ESG risk management is aligned to the ERM program where possible, though the ERM and ESG risk timelines are different given that ESG risks include longer-term risk horizons. The climate risk assessment conducted in 2022 aligned with the ERM risk assessment model to allow for consistent criteria and comparability. The specific criteria used within the assessment included potential impact to the business, likelihood of occurrence, the speed of onset, the current control environment and the level of mitigation activity required to address the risk. More information on our ERM program can be found in the [Annual Information Form and in the Management Discussion and Analysis](#).

Climate change presents a growing risk with the potential to impact or alter current and future 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. The 2022 Climate Risk Assessment identified the following risks as having the highest potential to impact our business operations:

Transition risks

- **Carbon pricing** - Carbon pricing has a significant impact on the cost of energy, fuel, raw materials, and operations and it is expected to increase annually to meet Canada's net-zero target.
- **Food waste** - food waste is a key component of our GHG emissions and is expected to experience stricter regulations, increased transportation costs, as well a social pressure in the years to come.
- **Refrigeration and refrigerants** - 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.

Physical risks

- **Supply chain interruptions** - The effects of physical risks (wildfires, ice/snow, droughts, flooding) have the potential to impact the cost and availability of products to the company through its supply chain.
- **Long-term temperature and precipitation rise** - Rising mean temperatures, along with the accompanying changes in precipitation patterns, could potentially drive more acute extreme events, and impact LCL's operations and personnel, such as the potential to impact access to our stores and distribution centres.

ESG risks and opportunities noted through risk management exercises inform the Company's ESG strategy during the annual review of ESG materiality and progress. As a result of risks and opportunities identified, changes to the strategy, metrics and/or targets are made as required.

At Loblaw we understand that ESG is a priority for stakeholders who seek to understand how companies incorporate sustainability considerations into their strategic decision-making, and risk management. Stakeholders are interested in how a company's sustainability plans align with its business model, risk mitigation plans, and, its potential for long-term value creation. Therefore, in the near future, we aim to provide transparency into the costs, trade-offs, and road map required to achieve our sustainability commitments.

Climate Risk Mitigation

The climate risk mitigation initiatives we have undertaken present a dual advantage in mitigating climate-related risks while propelling our journey towards achieving our net-zero objectives. The following illustrates the strategies we are implementing to mitigate and/ or minimize exposure to the identified risks.

Carbon pricing

Risk Type: Transition

Time Horizon: Short/Medium/Long

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. In 2023, we saw our Scope 1 and Scope 2 emissions decline by 11% against our 2020 baseline despite the opening of 15 new stores. Additionally, we announced our plan to reach net-zero emissions for Scope 3 including a call to action for a minimum of 70% of our Tier 1 suppliers by spend to set reduction targets aligned to SBTi and actively report on emissions reductions by 2027.



Smart controls: We are implementing smart controls as we complete store renovations, which allow us to wirelessly control our lighting systems. This is in addition to the existing centralized building management systems for Refrigeration and HVAC (Heating, Ventilation and Air Conditioning). These smart controls help us save, on average, 10% annually.

Decarbonization of our fleet: Loblaw will operate a zero-emission short haul outbound corporately owned and operated fleet, by 2030. To date, we are progressing on this target despite supply delays, and in 2023 we saw the addition of the first 14 heavy-duty electric transport trucks to our fleet.



LED lighting conversions: LED lighting has a wide variety of positive environmental impacts: it uses up to 75% less energy, produces very little heat which eases cooling costs, and lasts 30 times longer than some alternatives – all without the use of harmful materials. While swapping out lights in our stores and pharmacies is a lengthy process, we are well underway. All of our new stores are being equipped with energy-efficient lighting, and we have completed 189 upgrades leading to an estimated annual carbon reduction of 3,200 tCO₂e.

Food waste

Risk type: Transition

Time horizon: Short/Medium/Long

Zero food waste by 2030: After achieving our goal of 50% corporate food waste reduction in 2020, five years early, Loblaw set the ambitious goal of sending zero food waste to landfill for all of our enterprise operations, by 2030. We have progressed this commitment by redirecting more than 78,000 metric tonnes of food through donations, reclamation, anaerobic or aerobic digestion, and farm diversion.

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 23](#).



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 770 of our stores, and in 2023, we eliminated more than 9.3 million kilograms of potential food waste, while saving Canadians millions on their grocery bills.

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 critical. 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 and other systems, we will ensure food is ordered or prepared in amounts that aim to reduce waste.

Refrigeration and refrigerants

Risk type: Transition

Time horizon: Medium/Long

Refrigerant conversions and leak detection: As an integral component of all our stores and distribution centres, changes to regulations regarding refrigerants have the potential to significantly impact our operations.

Our approach to reduce the impacts of refrigerants is twofold:

- All new grocery stores are built with natural refrigerant-based refrigeration systems.
- In our legacy stores, we are actively converting our systems to use lower impact refrigerants. Since beginning this work in 2019, we have converted 450 legacy grocery stores to lower global warming potential refrigerants resulting in an estimated annual carbon reduction of more than 187,000 tCO₂e.



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 implemented in more than 300 stores and it is projected to reduce emissions by more than 12,000 tCO₂e annually.

Supply chain interruptions

Risk type: Physical

Time horizon: Short/Medium/Long

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. Through our work with the Canadian Alliance for Net-Zero Agricultural (CANZA), we are focused on developing, testing, and scaling innovative technologies, and incentivizing the adoption of regenerative agriculture and carbon farming practices, offering an opportunity to transform the sector and create a circular, net-zero agri-food value chain.



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.

Long-term precipitation and temperature rise

Risk type: Physical

Time horizon: Long

Building codes:

Loblaw follows municipal building requirements to ensure locations are built to address the various environmental factors such as 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.



Reducing Plastic Waste by 2025

Fighting plastic waste is one of the important challenges that a company like ours is uniquely well-positioned to take on. As a retailer and a brand owner we have the opportunity to make better choices through the lifecycle of a piece of plastic packaging that can amount to significant change. We can choose reusable materials, better resins, smaller sizes, and more recycled content. Increasingly, we have control over the recycling systems that receive our packaging and we can make those systems perform better as well. We also understand that the issue of plastic is one that will require collective effort to tackle and is well beyond the actions of any single company. That is why we are working within leading industry coalitions like the Consumer Goods Forum's global Plastic Waste Coalition of Action and the Canada Plastics Pact as well as industry led organizations charged with running the recycling systems across Canada including Circular Materials and Recycle British Columbia. We believe that through collective action we can significantly reduce plastic waste and improve our environment.

As a member of the Consumer Goods Forum's global Plastic Waste Coalition of Action, where our Chairman, Galen G. Weston is an executive co-sponsor, we were instrumental in the creation and endorsement of global Golden Design Rules. These rules were 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.

Canada Plastics Pact

A critical factor in the fight against plastic waste is the collaboration of all players across the sector. From government to resin makers to brands and recyclers, real changes are going to require everyone's support. That is why in 2021 we were proud to be among the 41 founding partners that launched the Canada Plastics Pact (CPP). The CPP is a member of the Ellen MacArthur Foundation's Global Plastics Pact network and is leading Canada's response to the escalating plastic crisis. The CPP has facilitated critical industry action on important topics such as the Golden Design Rules and continues to drive progress on a wide variety of other solutions such as reusables, recycled content and better data.



Golden Design Rules

In alignment with the Ellen MacArthur Foundation, the Consumer Goods Forum, and the Canada Plastics Pact, Loblaw actively champions the Golden Design Rules (GDR) established by leading retail and consumer goods entities. These rules set a benchmark for packaging design, emphasizing the reduction of materials and the removal of problematic elements.

Embracing these principles, in 2022 we took proactive steps by communicating the GDRs to our hundreds of control brand vendors, outlining our new packaging standards, and highlighting the global guidelines. In 2023, we continued to work with our control brand vendors to encourage them to build their internal capabilities on design aligned with these principles. By the end of 2023, in collaboration with our vendors, we have achieved compliance with the GDRs for 64% of our more than 10,000 control brand and in-store plastic packaged products, with an established roadmap to convert the balance of our control brand and in-store plastic packaging products by 2025.

Additionally, in October 2023 we sent a communication to all our national brand vendors, encouraging them to adopt the design rules. We informed our national brand vendors that our merchants will begin incorporating suppliers' use of these rules as a factor in all product listings starting January 1, 2025. And, that we aspire to have only recyclable or reusable packaging on our shelves by January 1, 2026.

Full extended producer responsibility

We are supporters of the transition that sees brand owners given full responsibility for both the cost and performance of the recycling systems that manage our products. By providing producers the ability to coordinate the system that will accept the packaging they are designing, we can generate meaningfully better recycling outcomes. That is why we were an enthusiastic founder of Circular Materials, a national producer responsibility organization (PRO), focused on advancing recycling priorities across the country. Producers, through Circular Materials are already actively converting existing recycling systems and exploring new technologies to achieve better recycling rates.

Reduce, Reuse, Recycle

Re-Use City pilot

Loblaw has signed on to pilot a re-use system in 2025 in collaboration with Consumer Goods Forum (CGF), another major retailer, and several consumer goods brands.

Leveraging innovation to improve plastic circularity

In response to growing societal demand to eliminate single-use plastics, in 2023 Loblaw extended our closed-loop recycling pilot in Guelph, Ontario with Friendlier. Customers were provided with take-out meals packaged in a reusable container for free. When the customer returned the packaging to one of the friendlier return bins, they were provided with a fifty-cent incentive. This pilot eliminated 8,000 plastic single-use containers.



Minimizing plastics across our operations

To improve recycle-ready components of our packaging, in 2021 we started transitioning mushroom trays from black or blue plastic to beige. In 2023, we continued that transition to clear PET allowing for greater detectability in the recycling stream. This transition will be completed in 2024. In 2023, this resulted in 39.9 million better mushroom trays going into the recycling stream.

We also started a transition of our meat and seafood trays from expanded polystyrene to clear rPET, again allowing for greater detectability in the recycling stream. In 2023, 35.9 million trays were made from better plastic and we plan to complete the transition for all meat and seafood trays in 2024.

The conversion of our 10 kilogram potato bags to be made entirely of paper, removing the plastic window from the bag, allowed 23 million bags to be more easily recycled in 2023.

In 2023, Quo Beauty® made significant strides in reducing plastic use by introducing 40 new products that feature eco-friendly packaging with a reduced plastic footprint. Quo Beauty® converted their bath poufs to 100% recycled mesh, eliminating the use of approximately 100 metric tonnes of virgin plastic annually. In addition, Quo Beauty® launched their natural cosmetics line as part of the “More Planet Love” campaign, which uses components made with at least 30% post consumer recycled (PCR) materials and formulated with a minimum of 70% naturally derived ingredients.

In 2023, PC Bank extended the physical card’s expiry dates for the PC Money™ Account and PC® Mastercard® which should prevent more than 10,000 kilograms of plastic waste over the next 12 years.

Eliminating plastic bags

In 2023, we celebrated the final exit of plastic bags in our stores, signifying the end of a 15-year journey started in 2007 when we implemented our pay-for-bag program to help reduce plastic waste.



Funding research for better plastic outcomes

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

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

Loblaw was proud to again be a presenting sponsor of the Ocean Wise Shoreline Cleanups in 2023, an initiative that rallies communities across the country to remove litter from their waterfronts (i.e., lakes, creeks, rivers and oceans) and provides invaluable data for addressing pollution at its source. With more than 100 volunteers from 17 communities across Canada participating in cleanups this year, we removed 264 kilograms of waste from potentially entering waterways.

This year, we continued our support of The University of Toronto’s pELASTic Project, through a contribution of \$75,000. 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 billion¹. Although some degree of waste is unavoidable in food retailing, a significant part of it is unnecessary and unacceptable.



Zero food to landfill by 2030

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 set an interim goal: by the end of 2023, each of our eligible stores will achieve food waste reductions, and we are extremely proud to have met this goal with 100% of our food retail stores and DCs, and eligible Shoppers Drug Mart®/Pharmaprix® associate-owned locations actively donating to a 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.



Metric	FY 2023	FY 2022	FY 2021
	Metric tonnes		
Redistribution of food surplus ²	16,992	6,667	2,064
Feeding animals ²	23,987	21,623	17,203
Bio-based materials / biochemical processing ²	3,987	3,261	3,883
Anaerobic digestion ²	13,751	32,936	34,296
Composting / aerobic processes ²	20,070	379	343
Total Food Waste Diverted²	78,787	64,866	57,789

¹ Second Harvest, 2019, The Avoidable Crisis of Food Waste.

² Includes corporate food retail operations only.

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 to the UN SDG Target 12.3 to halve global food waste by 2030.

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. In 2023 we expanded the Flashfood program to include frozen food in our Real Canadian Superstore® and Maxi® banners and we look forward to continuing this expansion to other banners in 2024 and beyond.

As of the end of 2023, Flashfood is available in over 770 of our stores. In 2023, this partnership has also diverted more than 9.3 million kilograms¹ of potential food waste.

¹ During 2023, the Company had a change in estimate with respect to the methodology used to determine the number of Flashfood kilograms saved during the year. The change has been applied in 2023 prospectively.



Food banks and food recovery agencies

After reaching our goal of matching 100% of our eligible stores with local food banks and food recovery agencies across Canada, in 2022, this year our focus was on frequency of donations and as a result we donated nearly 47 million pounds of food to our partners, Second Harvest, Food Banks Canada, and Banques Alimentaires Quebec. These donations directly support our Feed More Families™ pledge to donate one billion pounds of food to community-based charities by 2028.



ZooShare

In 2023, we continued our partnership with ZooShare Biogas LP., 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 Ontario provincial power grid. Through this program, our stores diverted 822,000 kilograms of residual material from disposal.



Bakery waste

Expired and damaged bakery items no longer fit for human consumption are converted into ingredients for animal feed. In 2023, through this program, we diverted more than 3.3 million kilograms of bakery food waste from grocery stores in Ontario and Nova Scotia.

Compost

One of the other methods we utilize to manage inedible food waste is composting and in 2023, 110 stores diverted more than 20 million kilograms through this stream. In Ontario, the food waste we send to organic recycling facilities is turned into compost and then sold in select garden centres.

Food to farm

We continue to partner with Loop Resource Ltd. to send food that is not fit for human consumption to farms where it is fed to animals. In 2023, more than 130 participating stores nationwide sent 19.8 million kilograms of food to more than 2,900 farms.



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 long-standing membership to the Roundtable on Sustainable Palm Oil (RSPO). 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 (WWF) Canada, as they work to protect and restore nature and biodiversity loss in Canada. 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 2023, we again provided \$450,000 to support WWF's Regenerate Canada program, an effort to fight biodiversity loss and other impacts from climate change. During 2023, donations provided to WWF's Regenerate Canada mission helped plant over 68,000 native plants and trees.

In 2023, 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 and in 2023 we provided more than \$85,000 in direct funding. 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.



Restoring
nature with
native plants.



Responsible Water Use

Water plays a vital role in maintaining biodiversity. We have a responsibility to work within our business operations and value chain to use water responsibly and to protect local water sources. While our water consumption (more than 2,700 megalitres¹) represents a small percentage of our environmental footprint, we understand that food production relies heavily on a sufficient supply of clean water. Starting in 2012, we partnered with WWF-Canada to create the Loblaw Water Fund and were the largest financial contributor to their freshwater program, supporting grants to 73 restoration projects from coast to coast and restoring 3,300 hectares of important watersheds and habitat. For more information, please see [Our Statement on Water Use](#).

¹ based on information available to date.



Our CDP progress and scores

In 2023, we extended our commitment to sustainability by addressing CDP Water, alongside our existing efforts in Climate Change and Forest conservation. While water consumption makes up a relatively small portion of our operational footprint, it plays a crucial role in sustaining clean water supplies for food production. Our score of 'C' serves as an indicator of the proactive steps we are taking to gather essential data for our future response.

In the area of Climate Change, we achieved a score of 'B', and for Forest 'C' for palm oil, 'C' for timber, 'C' for soy and 'C' for cattle. These enhanced ratings signify the progress made on our net-zero journey as well as through the completion of a third-party Commodity Risk Assessment and the revision of assessment plans for these specific commodities.

Assessing Nature-Based Risk

In 2022 we engaged a third-party to conduct a Commodity Risk Assessment. This assessment aimed to evaluate the impacts associated with high-risk commodities within our value chain, specifically focusing on cattle, coffee, tea, cocoa, palm oil, soybean, and timber products. The assessment considered five impact areas with specific themes:



Biodiversity

Impact on: Land Use and Natural Habitats, Soil Quality and Risk of Biodiversity Loss



GHG and Climate

Impact on: Land Use Change (LUC)
Risk of Vulnerability to Climate Change



Water

Impact on: Water Quality
Risk of Vulnerability to Climate Change



Human Rights

Impact on: Child and Forced Labour, Local Communities, Labour Rights, Peoples Health and Safety



Societal Concerns

Risk related to: Animal Health and Welfare, GMOs, Business Ethics

The assessment evaluated the selected commodities based on two areas of vulnerability: Exposure to Risk and Risk Management. The outcomes of these evaluations have been used to inform the development process of our control brands. By incorporating the results into our product roadmaps, we aim to enhance our control brand portfolio and address the biodiversity-related impacts within our value chain.

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 Loblaws 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 more than 60 Rainforest Alliance and 35 Fairtrade certified products.

Sourcing Rainforest Alliance certified cocoa addresses concerns such as 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.



Sourcing sustainable Beef

We are committed to environmental, social and economic sustainability in the Canadian beef industry. The Canadian Roundtable for Sustainable Beef (CRSB) is committed to safeguarding wetland and grassland habitats, which are Canada's most biodiverse habitats. 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.



Partnerships for Nature

Supporting Net-Zero Agrifood Systems

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



Our partnership with the Climate Institute

Loblaw is a proud supporter of the Canadian Climate Institute, Canada's leading climate change policy research organization. With funding provided by Loblaw, the Institute produces rigorous analysis, economic modelling, and in-depth research to help Canada respond to climate change. The Institute's research priorities include incentivizing clean economic growth and low-carbon competitiveness, reducing emissions and accelerating the net zero energy transition, and making Canada's economy and infrastructure more resilient to a warming climate.



The Canadian Alliance for Net-Zero Agriculture

This national, industry-led, multi-stakeholder alliance of Royal Bank of Canada (RBC), Maple Leaf Foods, Nutrien, and Loblaw is committed to driving sustainable outcomes in Canada's agri-food sector. An integral driver of the Canadian economy, this sector is also a significant emitter of greenhouse gases. 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 value chain. By collaborating with farmers to achieve nature-positive outcomes, the alliance is committed to developing, testing and scaling innovative technologies, championing bold and transformative policy measures, and developing a national carbon market that will help enable and incentivize practice changes across Canada to mitigate 150 megatonnes of emissions from across the agri-food sector, by 2050.

Our engagement with CANZA's Climate-Smart Farming Initiative is a pivotal step toward revolutionizing our value chain. By supporting and actively participating in this initiative, we are fostering a shift toward sustainable agricultural practices in Canada. CANZA's research reveals the promise of climate-smart agriculture in enhancing productivity while effectively sequestering carbon back into the soil. Our involvement in supporting the development of a robust Measurement, Reporting, and Verification (MRV) framework emphasizes our dedication to transparently quantify and report environmental outcomes. Collaborating with leading soil science teams, CANZA's innovative MRV tools pilot in Saskatchewan signifies our drive to implement scalable, cost-effective, and industry-aligned systems. This initiative's success in monitoring soil carbon and GHG emissions lays the groundwork for us to adopt more efficient MRV tools to track various environmental outcomes, ensuring the sustainability of our value chain.



Loblaw and The Arrell Food Institute's Net-Zero Food Systems Challenge

We are proud to partner with the Arrell Food Institute at the University of Guelph, and in 2022 we launched the Loblaw Net-Zero Food Systems Challenge – a 10-month experiential learning program that brought together graduate students from across Canada to investigate strategic levers to drive demand and adoption for net-zero agriculture products. The program had a dual focus, addressing both Farmer Adoption and Consumer Awareness, and aimed to provide answers to pressing questions, such as: How can food retailers work with each other to encourage farmers to adopt regenerative farming practice to achieve net-zero? And furthermore, how can food retailers encourage consumer awareness and purchase behaviours of climate-responsible products to achieve net-zero?



Throughout the program, the students conducted extensive literature reviews, independent research, and comparative analysis of sustainability practices among companies in Canada and internationally. Their efforts culminated in the development of a series of recommendations for food retailers on how to support sustainability throughout the food value chain.

The recommendations and responses to the two key questions have been published in two reports on the [Arrell Food Institute website](#).

The students found that retailers can play a crucial role in supporting and incentivizing climate-smart practices on farms, as well as fostering knowledge sharing among farmers. Additionally, they identified that retailers can help consumers make sustainable choices by implementing clear labeling, third-party verification, and engaging storytelling techniques that appeal to both hearts and minds.

“The program not only significantly enriched my technical understanding of net-zero food systems, incentives for environmental services and carbon markets but also provided an opportunity to experience and appreciate the power of teamwork and collaboration in achieving common objectives... the experiences have deepened my understanding of the complex interplay necessary to achieve net-zero agriculture and connected me with a network of peers and mentors who are on a similar journey.” – Student Participant



Research support for natural climate solutions

By protecting, and better managing and restoring nature, Canada can reduce its greenhouse gas emissions by up to 78 MtCO₂e annually, by 2030¹. 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.

More specifically our contribution helped 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.

¹ source, Nature United, 2022 Product Sustainability

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 – including third-party certification of responsible sourcing.



Local sourcing

We take great pride in offering an expansive array of fresh fruits and vegetables, and in 2023 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 2025¹.

Loblaw is an enthusiastic supporter of our Canadian growers and we have always understood the benefits that are realized when we buy from close to home. When we find ways to purchase more locally grown produce we are delivering on a number of important benefits including fresher products, lower carbon emissions, meeting customer needs and ensuring our investments are placed with local businesses. Over the years we developed a variety of programs to do just that. In 2023 we built on those approaches through our new small supplier program.

¹ from our 2017 baseline. In 2023 we retired this commitment as we turn our focus to supporting small suppliers.

Products supporting healthy living

By year-end, we offered more than 2,400 control brand products designed to meet customers nutritional and health concerns and preferences regarding ingredients, additives and potential allergens. Some of these products include PC® Blue Menu®, PC® Organics, gluten-free, plant-based, peanut-free and lactose-free products.

Revenue for this product category increased by 5% in comparison to 2022. These products are available at our various grocery stores and drug stores, making health-oriented alternatives available to our customers no matter where they shop with us.



Loblaw’s Small Supplier Program

Every day, customers visit our stores to fill their fridges, stock their pantries and find the items they need to Live Life Well®. Now more than ever, Canadians are looking for locally-made products and more access to unique goods and new flavours that for generations we have sourced from small businesses. Recognizing this, in 2023 we announced the Loblaw Small Supplier Program, with the aim of making it easier for small suppliers to reach our customers. Over 900 small suppliers benefit from this program which reflects our commitment to be the best retail partner in Canada for small suppliers.



Start strong:

Making it easier to get products on our shelves fast by adjusting supply chain and listing programs, and subsidizing retail industry fees.



Time to grow:

We provide a six-month on-shelf commitment, giving new small suppliers the opportunity to thrive.



Faster payments:

Suppliers in the program will have payment terms of seven days to enhance cash flow and enable reinvestment.



Help when you need it:

This new approach to dedicated support will leverage our organization’s insights and experience to help suppliers thrive.

Product Sustainability



PC® Planet First™

In 2023 we expanded the PC® Planet First™ product lineup to include more than 20 products. Our new cleaners are formulated without parabens and sodium laureth sulfate. Plus, these products have not been tested on animals and do not contain any animal or animal-derived ingredients. We bottle them in a container¹ made from 100% post-consumer recycled plastic, which reduces the use of virgin material.

¹ excludes cap and label



Plant-based Products

In 2023, we continued to meet the needs of our customers who are looking to reduce consumption of animal-based products, by offering more than 90 PC® Plant Based products. Our PC® Plant Based products are third-party certified vegan and contain no animal by-products.



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 2023, the PC® Organics product lineup included more than 750 food and non-food products. All products are third-party certified and meet organic standards, which emphasizes sustainability and a holistic approach to agriculture.



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 encourages greater protection of aquatic habitats and more attention to careful harvesting.

Loblaw is committed to sourcing all seafood from sustainable sources.² This commitment cuts across our business and includes our control brands and national brands, in our canned, frozen and fresh wild and farmed seafood.

We are proud to offer 200 products with Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), and Best Aquaculture Practices (BAP) ecolabels across our stores, including more than 65 control brand products.

² excluding T&T stores

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. The details of these requirements are outlined in our [supplier code of conduct](#).

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. However, there is growing evidence and concern around anti-microbial resistance. That is why we launched PC® Free From® line of meats raised without the use of antibiotics or added hormones more than a decade ago.

By the end of 2023 we offered more than 200 products. Our PC® Free From® animals are strictly raised without the use of antibiotics, and in the case of beef, 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.



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.



Eating quality food should not cost more, that is why our no name® Simple Check™ products are formulated based on our commitment to eliminate specific ingredients from our products. By the end of 2023, 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 colours¹,
- artificial flavours,
- monosodium glutamate²,
- butylated hydroxyanisole (BHA)/ butylated hydroxytolulene (BHT)/ tert-butylhydroquinone (TBHQ),
- hydrogenated oils,
- artificial sweeteners,
- sugar alcohols,
- azodicarbonamide,
- polydextrose,
- brominated vegetable oil.

¹ As defined in Canadian regulations
² Except those naturally occurring

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), we have been sourcing packaging alternatives, including glass containers and plastic pouches. 100% of our President's Choice® baby tubs and food pouches are BPA-free.



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.

Responsible Apparel

Joe Fresh® sample downcycling

In 2023, Joe Fresh® committed to permanently diverting textile samples from landfills in partnership with CSR Eco Solutions. These samples would not be suitable for consumer use and so it was important that a responsible end-of-life solution was found. CSR Eco Solutions works with textile recyclers to downcycle the no longer needed samples and use them to produce building and automotive insulation.

In 2023, the partnership diverted 101 metric tonnes of textile waste, effectively saving the planet the equivalent of nearly 300 tonnes of CO₂e¹. As the industry and technology develops better fibre-to-fibre recycling, Joe Fresh® will continue to identify opportunities to further progress circularity.

¹ Calculated in accordance with the EPA methodology, by CSR Eco Solutions.

Cascale (formerly the Sustainable Apparel Coalition)

In 2023 Joe Fresh® became a member of Cascale (formerly the Sustainable Apparel Coalition), and obtained access to the Higg Index. The Higg Index is developed and owned by Cascale and serves as a standardized sustainability measurement framework for the apparel, footwear, and textile industry, assessing various aspects of sustainability within the supply chain. We have begun onboarding our vendor base to the Facility and Environmental Module (FEM) and the Facility Social & Labour Module (FSLM).

JOE FRESH

PrimaLoft®

In 2019, we began using PrimaLoft® thermal insulation for our Joe Fresh® insulated apparel. PrimaLoft® insulation is predominantly manufactured with post-consumer recycled (PCR) content including plastic water bottles, providing warmth without bulk, and is also water repellent. In 2023, we were able to divert 2.9 million recycled bottles or 72,400 kilograms of plastic water 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 2023, the production of 160,000 yards of denim fabric used reclaimed water, saving approximately 4 million litres of fresh water.



Responsible cotton

Joe Fresh® is committed to converting 100% of its cotton-rich products to more sustainable cotton by 2025. This includes converting such products to either Global Organic Textile Standard (GOTS) certified organic cotton or 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 in 2023 we increased our Better Cotton usage from 25% to 84% in cotton rich products². Additionally, we sourced 10% of our cotton as GOTS certified organic for cotton rich products². In 2024 we will be working with our indirect licensed partners to achieve our commitment.

² 2023 responsible cotton calculation scope included directly manufactured products only (excludes licensed product).



Recycled Polyester

Joe Fresh® uses recycled polyester fabric certified by the Global Recycled Standard, recognized as the leading standard for recycled materials worldwide, and is made from post-consumer recycled plastic. In 2023, we had more than 550 products that were produced using more than 226 metric tonnes of recycled polyester.

Responsible Viscose

In 2023, Joe Fresh® introduced responsible viscose products containing ECOVERO™ viscose. Responsible viscose is derived from wood sources that are FSC® or PEFC™ certified from sustainably managed forests. In 2023, we launched 6 products which used more than 5 metric tonnes of responsible viscose. We look forward to increasing the use of this material in our product line in 2024.

Sustainability in our Pharmacy Business

Reducing waste

Data published by PharmaCompass in June 2023 suggests that Canada faces some of the highest rates of drug shortages globally as other more profitable markets are prioritized for supply. The Shoppers Drug Mart® network experiences waste every year due to factors that cannot be managed by the robust existing inventory control systems in our pharmacies including patient transfers, patient death and patient discontinuation of medications. To reduce pharmaceutical waste in the system, we have launched a central portal that will streamline pharmacy-to-pharmacy transfers of prescription medication based on patient need, with consent provided by participating pharmacies. An internally derived algorithm initiates a transfer of a specified number of units to another pharmacy within a predefined radius in the same province, where there is a patient need for the medication based on the receiving pharmacy's history of inventory use. The medication is then transported between pharmacies through our existing distribution channel, which meets all requirements for environmental and security controls, preventing medications from expiring on pharmacy shelves resulting in waste - both the medication itself as well as the packaging.

Sanis Health Inc, a subsidiary of Shoppers Drug Mart Inc. is a pharmaceutical manufacturer offering a range of generic medicines. In 2023, Sanis made a significant impact by reducing 1,110 kilograms of plastic through a focused transition to larger pack sizes. This shift to “bulk packaging” for medications, utilizing larger bottles, effectively minimizes waste and decreases the consumption of plastic.

In September 2023 Specialty Health Network by Shoppers™ (SHN) implemented an initiative to address concerns about packaging waste and lack of polystyrene recycling. Instead of using single-use polystyrene coolers for cold chain medication delivery, patients within the local delivery radius now receive their medications individually packaged in mailers with gel packs. These mailers are then placed inside a reusable cooler for bundled delivery by an external courier. The courier returns the reusable cooler to SHN after delivering the individual mailers to each patient. Since the inception of this initiative an average of 60 single-use polystyrene coolers per week have been diverted from use.

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 high-temperature incineration. In 2023, our pharmacy network collected 260,000 kilograms of unused or expired medication and 228,000 kilograms of biomedical sharps.

Additional Environmental Initiatives

An efficient, performance-based environmental management system

We maintain an effective environmental management system (EMS) which includes compliance and performance programs with assigned roles and responsibilities to manage risks, and ensures strict adherence to company policies and relevant laws, managing risks comprehensively. This program relates to our enterprise operations including corporate retail, food franchise, and associate-owned drug stores, as well as distribution centres (T&T Supermarkets Inc. is excluded).

Within this structured framework, we proactively identify potential issues, exercise due diligence, and maintain emergency preparedness procedures. Our commitment extends further through colleague training and awareness programs.

Continuous improvement is integral to our EMS. Through ongoing monitoring, reporting, inspections, and internal audits, we refine our strategies for waste diversion and energy reduction, translating aspirations into actionable plans integrated into our daily operations.

Moreover, our EMS manages internal and external communications concerning environmental management issues, promoting transparency and open dialogue. Addressing corrective action plans is pivotal for our commitment to ongoing enhancement.

The Compliance and Ethics department oversees the EMS, ensuring clear implementation direction. Roles and responsibilities are outlined in our Environmental Management Manual, solidifying our commitments, actions, and compliance adherence. Aligned with ISO 14001 standards, our EMS policy emphasizes continuous improvement.

To ensure the effectiveness of our environmental compliance program, internal audits conducted by certified environmental auditors are a key component. Audits prompt corrective action plans, fuel improvement, and drive excellence in environmental practices.

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Social

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



17 PARTNERSHIPS FOR THE GOALS



Culture and Inclusion

At Loblaw, our 220,000 colleagues, franchisees, associate owners and their employees, are the heart of our business. It is their passion and outstanding talents that bring forward new and creative ideas, solve everyday business challenges, show up for our millions of customers every day, and work hard to deliver what they need.

A decade ago, we set the intention to invest in the important role culture plays in our performance and competitive advantage. Our goal was simple: make Loblaw a great place for everyone to work and grow, and in turn our customers will also benefit from a great shopping experience. Since then, we have prioritized culture as core to our Company's strategy, and 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. We continue building a culture that is inclusive of all people in Canada, where people can show up as themselves and break barriers so everyone can succeed.

Not only have our colleagues appreciated these efforts, but in 2023, Loblaw was recognized with several awards that reflect the many years of investment and commitment to our people and culture. Waterstone named Loblaw as one of Canada's Most Admired Corporate Cultures again in 2023. 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.



Governance

We have seen progress in culture and inclusion because it has been leader-led and is embedded in our business strategy. Our Culture & Inclusion Council, which consists of more than 20 senior leaders from across the organization, meet at least once a quarter to guide and advance our efforts.



Employee resource groups

Since 2018, Loblaw's Culture and Inclusion strategy has been guided by colleagues who are part of four equity-seeking Employee Resource Groups (ERGs): Able at Loblaw, Embrace Your Roots at Loblaw, Proud at Loblaw, and Go Further Women at Loblaw. Each of these ERGs has an executive sponsor, funding, and an active group of colleagues who identify as part of the community, and some allies. In addition, each operating division has their own committee to advance Culture and Inclusion. In 2023, these ERGs organized events for Black History Month, International Women's Day, Transgender Day of Visibility, Pride, National Day for Truth and Reconciliation, National Disability Employment Awareness Month and more. The annual Day of Inclusion brought all ERGs together and was kicked off by our new CEO, Per Bank, with a focus on the importance of Culture and Inclusion.



Representation goals

Our diversity achievements can be attributed in part to the collaborative approach we have taken to embed our culture and inclusion 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.

In 2023, we maintained focus on our industry leading representation targets and our commitment to educate people on culture and inclusion in nearly every community across Canada through our vast network of store teams. We saw meaningful progress in 2023 that brought us within reach of our end of 2024 targets. Looking ahead, we are preparing our next phase of culture and inclusion targets to be set starting in 2025, upon the achievement of our 2024 targets.

Metric ^{1,2,3}	Unit of Measure	2024 Target	FY 2023	FY 2022 ⁴	FY 2021
Percentage of women in Board of Directors	%	40%	42%	45%	42%
Percentage of women in Executive ⁵ positions	%	40%	39%	38%	38%
Percentage of women in Management ⁶ positions	%	43%	46%	47%	44%
Percentage members of visible minorities in Board of Directors	%	25%	17%	18%	17%
Percentage members of visible minorities in Executive ⁵ positions	%	25%	28%	26%	24%
Percentage members of visible minorities in Management ⁶ positions	%	30%	32%	30%	26%
Cumulative number of colleagues that have completed two courses covering fundamental DEI topics	Count	200,000	166,400	122,100	16,500

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

2 Self-identification data is collected through our HR Information System throughout the year, with race/ethnicity information being collected on a voluntary basis. As at year-end 2023, 65% of management and 90% of executives voluntarily disclosed their race or ethnicity.

3 Includes corporate workforce only.

4 To ensure consistency in application of the definitions used, certain 2022 numbers have been adjusted

5 Executive positions include vice president level and above.

6 Management is comprised of senior director, director, senior manager, manager, DC managers, store managers, and assistant store managers.



Gender equity and advancing women

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

Since setting new goals in 2020, representation of women in executive positions and management have increased 5% and 3%, respectively. This is partly attributable to the work being done to integrate Diversity, Equity and Inclusion into talent hiring and development programs.

- We monitor and remove biases in our Talent Management Programs. As a result, in 2023, 45% of executive successors identified as women, as did 44% 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 2023, women represented 37% of Loblaw Digital and 38% of Loblaw Technology & Analytics teams.
- Our focus on new talent is enabling us to build a more gender diverse pipeline. In 2023, 50% of our interns and 63% 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 remains a key focus for our organization. In 2023, we successfully reached a significant milestone by achieving a 0% pay gap between like-for-like positions.

This accomplishment reflects years of diligent reviews and implementation of action plans aimed at improving the pay of women where gaps existed. Today, our commitment to equality persists. In the coming years, we will develop tools to proactively assess the impact of pay decisions on gender gaps, safeguarding our gender equity standing.

- As of the end of 2023, the average gender pay gap between men and women, regardless of position, for our corporate colleagues stood at 4.57%. This indicates continuous improvement from 5.73% in 2022. The steady decline underscores our unwavering dedication to fostering a fair and equitable pay for our colleagues.
- In 2023, we focused on celebrating and developing our colleagues through a company-wide International Women's Day event, as well as quarterly newsletters with colleague spotlights and our third annual Go Further Women Awards where we recognized winners from across the country.
- As of year-end, 50% of our total corporate workforce identified as women, including 53% at the corporate store level.



Shivali Sharma, Associate Owner at Shoppers Drug Mart® in Edmonton knows that strong women build strong communities. With the support of her entire district, Shivali organized an International Day of the Girl event where basic need products and beauty items were gifted to amazing young women from Braemar School: an educational institution that provides teen mothers with an opportunity to graduate high school while caring for their little ones. The strength, perseverance and dedication to creating a better life for themselves and their families exhibited by the students at Braemar School was awe-inspiring for all in attendance.

This event not only showcased Shivali and her colleagues' dedication to uplifting marginalized communities, it also fostered strong connections amongst team members. The extraordinary effort in organizing this impactful event highlights both Shoppers Drug Mart's commitment to community investment and the importance of striving to make a difference across marginalized communities.



Anti-racism and celebrating cultural diversity

Embrace Your Roots celebrates the many cultural backgrounds that exist in our business and promotes the importance of having multiculturalism at all levels of our organization. Since 2020, representation of members of visible minorities or racialized groups increased 7% in executive positions and 11% in management.

- We are supporting a new and more ethnically diverse generation into the workforce - 76% of interns and 44% of Loblaw Scholarship recipients in 2023 self-identified as Indigenous, members of visible minorities, or racialized groups.
- We monitor and remove biases in our Talent Management Programs. As a result, in 2023, 35% of Top Talent and 35% of executive successors identified as members of visible minorities or racialized groups.
- Black colleagues represent 3% of our corporate workforce. In 2023, we continued our partnership with the Black Business and Professional 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. We also provided professional coaching as a development opportunity to 15 Black colleagues across the organization in 2023.



- 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.
- As of year-end, 26% of our total corporate workforce voluntarily self-identified as a visible minority.

Moses Ojemakinde immigrated to Canada in 2006, hoping to continue his career as a pharmacist. However, his Nigerian certifications were not recognized upon landing in Calgary with his family. After three years of studying and working nights as a merchandiser at Shoppers Drug Mart®, Moses finally became a licensed pharmacist in 2009.

In 2015, an opportunity arose for Moses to become an Associate-Owner at a Shoppers Drug Mart® location in Strathmore. As someone who faced challenges due to his lack of Canadian experience, Moses is passionate about providing opportunities for newcomers at his store. He has trained many new pharmacists at his store and believes that everyone deserves a chance to showcase their abilities and potential.

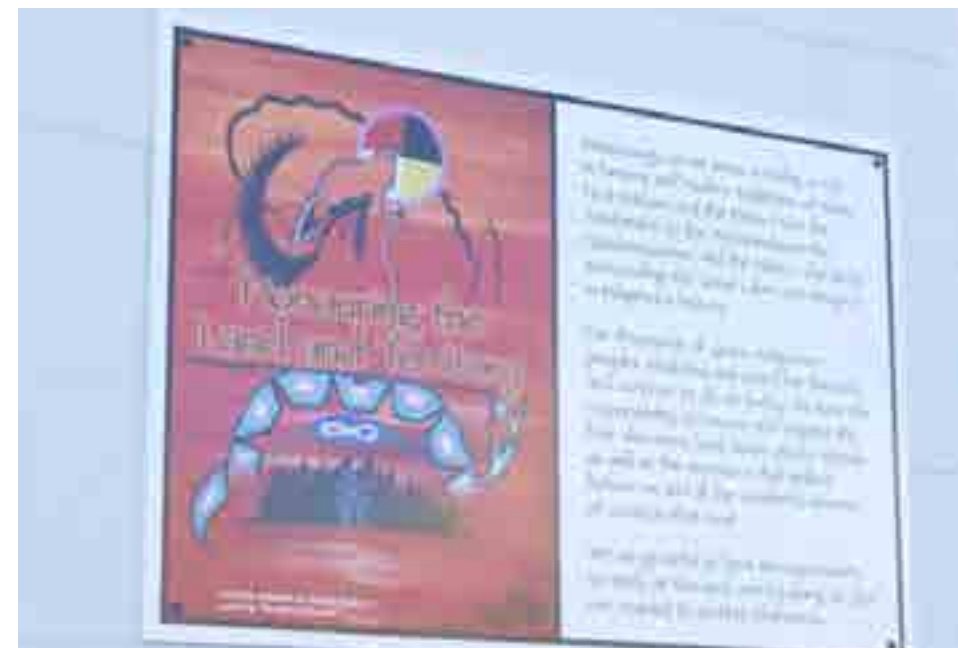
Moses takes immense pride in how he and his family have thrived in Canada. His children have successful careers of their own, while he found fulfillment again as a pharmacist—a profession he loves.



Reconciliation and inclusion of Indigenous peoples

As a proud Canadian company, we recognize our responsibility and opportunity to enhance reconciliation and inclusion of Indigenous peoples.

- 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 approximately 1%.
- In 2023, we focused efforts on our updated commitments and actions for Truth and Reconciliation: building allyship through education; championing employment of Indigenous peoples; driving the well-being 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, and we installed Land Acknowledgement Plaques in more than 230 stores in 2023.

Loblaw has donated \$175,000 in Emergency Food Access Grants to four Indigenous organizations through its partnership with Food Banks Canada. These grants will support vulnerable Canadians in need of emergency food supplies.

The Northern Peninsula Mi'kmaq Band received \$40,000 to create food hampers and restock their Community Kitchens. Behdzi Ahda First Nation received \$55,000 to stock up on fresh meat and vegetables. Cold Lake Food Bank Society received \$20,000 to purchase perishable items needed for well-balanced meals. The Municipality of Cambridge Bay was granted \$65,000 to expand its Emergency Food Bank program.

Laurie Reed, beauty manager at a Shoppers Drug Mart® in Thunder Bay, organized the inaugural Love Yourself event to help survivors of residential schools and domestic violence regain a sense of self and feel beautiful in their skin – an experience that many had never had. Laurie spoke about love, compassion, and self-care during difficult times. Fifty women aged 23 to 93 enjoyed dinner, meditation sessions, water healing ceremonies, skincare, and makeup tips. Each woman received two goodie bags filled with products and a \$50 Shoppers Drug Mart® gift card. Several attendees called Laurie's store and sent her letters to say how much the event meant to them. "Some said that they hadn't felt so much love in their lives, and they'd never felt beautiful before," Laurie says. Due to overwhelming demand for this event, an even larger gathering next year is underway with support from a generous \$5,000 donation from the Shoppers Foundation for Women's Health.



2SLGBTQIA+ inclusive spaces

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.

In 2023, we continued to focus on promoting allyship and support for our 2SLGBTQIA+ colleagues through inclusive business practices, community investment, and training sessions. We sustained training including Being an Ally, and continue to offer and support colleagues and their managers with a Gender Transition Guide. These trainings aim to create a welcoming and supportive workplace for all, regardless of their sexual orientation or gender identity.

- In 2023, 2% 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 the Shoppers Drug Mart® Pride campaign – “Pride Vibes” – through the distribution of a Pride Guide with resources and educational materials, as well as a \$25,000 contribution to Pflag Canada, raised through a portion of sales on Quo Beauty® Pride celebration products.



Bobby Gale (they/them), Director, Analytical & Data Platforms at Loblaw, exemplifies the company's commitment to diversity and inclusion. Starting in a store-level role in 2006, Bobby steadily progressed within the organization. In 2011, they transitioned to an office role and became a transformative leader.

After coming out as genderfluid, Bobby took courageous steps to promote inclusivity across the organization. They championed gender-inclusive bathrooms across all offices and advocated for inclusion of pronouns in email signatures and nametags.

As a leader, Bobby's team mirrors the diversity they champion. With 66% women representation and varied educational backgrounds, Bobby's team has thrived under the shadow they cast.

In 2023, Bobby's courage and allyship were recognized externally with a Catalyst Next Generation Leader award.



Championing disability inclusion

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

In 2023, we continued to expand our efforts to hire more persons with disabilities through our partnership with Ready Willing and Able in stores across Canada.

By year-end, 2% 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 sustained our training related to Accommodation in the Workplace and Disability Etiquette. Additionally, we are proud to offer American Sign Language courses to our colleagues, led by the Canadian Hearing Society.

Awareness and education for our colleagues continued in 2023 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. To improve inclusive experiences for our customers, we continued with two pilot programs to provide a more accessible in-store experience:

- Leveraging loop system technology¹ to provide a more inclusive experience for customers and colleagues using hearing devices.
- Utilizing a booking service to allow customers with disabilities to pre-book an appointment to have dedicated assistance when shopping.

¹ Loop system uses hearing aid technology to cut out background noise.



At the East Village Real Canadian Superstore® in Calgary, Les Alexander is supported by Vecova, a disability services organization. Vecova helps people facing barriers to employment find and succeed at work; for Les, that means providing a support worker—Brent—who helps him navigate tasks.

Les enjoys his job but has a goal to be more independent. Eventually, he wants to succeed at work without Brent's support. And a small, pen-shaped device might help him do that.

It's called the OrCam Read, and it can recite any printed type, which means Les doesn't need to ask for help reading labels or forms. Real Canadian Superstore® recently bought one in the hopes it would better accommodate Les' disability at work, and it has been a game-changer.

By wearing the device on a lanyard throughout his shift at work, Les feels empowered and has a sense of ownership over his responsibilities.



Our Colleagues

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.

Colleague Learning and Career Development

We believe that our people are our greatest asset, and we are committed to their growth and development. Our Talent Development Programs (TDPs), including workshops, coaching, assessments, and external immersive experiences, are designed to support individuals at various stages of their careers. These programs typically span from 3 to 12 months, with a focus on learning diverse aspects of job skills and leadership development. We also offer workshops on specific leadership topics in an open enrollment format and offer a robust People Leader Development Program based on our Leadership Behaviour Model, Culture Principles and CORE Values. Through the Academy, our fully integrated learning platform, colleagues and employees also have access to more than 3,500 voluntary and mandatory training courses, supporting them with growing in their current role or building new skills for career development. This harmonized platform enables us to track all training courses completed by our colleagues and employees. In 2023, colleagues and employees completed more than 3 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.

One of the most recognized advantages of working at Loblaw is the unique development opportunities and we are committed to supporting colleagues with growing their career at Loblaw. We have thousands of job opportunities across food, healthcare, apparel, banking, e-commerce, technology, data and analytics, supply chain and warehouses, construction and real estate, media, finance, marketing, brands, consumer goods, and more. With the support of their leaders, we encourage colleagues to own their career path and development by creating robust Individual Development Plans that focus on achieving their career and personal development goals. Other programs like our Cross Talent Showcase provide a platform for encouraging internal mobility to move outstanding people across different operating divisions and support functions, to ultimately develop careers through diverse work experience.



**better me
better we
better Loblaw**



Even Better3

In 2023, we continued offering our culture shaping workshop, b3, which stands for Better Me, Better We, Better Loblaw. In 2024, to accelerate culture and inclusion, we are rolling out a new workshop that builds off the progress we have made and introduces new concepts around allyship, psychological safety, empathy and compassion. Even Better3 aims to further support a positive working environment. In 2024, we will roll out the in-person Even Better3 workshop to various store, DC, and store support teams.

Inclusion 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 2023, over 166,000 of our colleagues completed two courses covering fundamental DEI topics – Building a Culture of Inclusion and Being an Ally, well on our way to achieving our goal of 200,000 by the end of 2024.

Loblaw scholarship fund

Since 2011, Loblaw has awarded financial assistance to deserving colleagues and employees who are pursuing post-secondary education. In 2023, 200 recipients were awarded \$2,000 towards their education. The scholarships are awarded based on academic achievement, leadership potential, and community involvement. By offering these scholarships, Loblaw aims to alleviate the financial burden of education and enable students to pursue their academic goals.



Talent recruitment and retention

To be the best, we need to hire the best people and retain them. We have positioned our company as a first-job destination for those entering the workforce. 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 2023, more than 86,900 corporate colleagues and food franchise employees were hired across our network. Our talent recruitment ratio shows slight growth at a rate of 1.07. Involuntary turnover was 7.2% and voluntary turnover was 47.9% for corporate colleagues in 2023.

Equal parental leave and top up

In 2023, we announced that effective January 1, 2024, our parental leave time off and top-up policy would apply equally to birthing and non-birthing parents. This effort recognizes the diversity of families and supports parents who have children through adoption or surrogacy and encourages shared responsibilities and time for family bonding.

Bereavement

As part of our ongoing efforts to support our colleagues during times of personal loss, in 2023 we took significant steps to expand our bereavement policy. We formally recognized pregnancy loss, acknowledging the profound emotional and physical impact it can have on individuals and their loved ones. Furthermore, we extended our policy to encompass chosen family members, ensuring that all forms of familial connections are respected and that colleagues receive the support they need during challenging times.

Additional health benefits

Our corporate non-union benefits program, My Benefits, is a flexible benefits plan that allows colleagues to customize their coverage each year to support the unique health and wellness needs that they and their families have. In 2023, at no additional cost to our colleagues, we invested in additional equitable coverage, including additional mental health support for colleagues and dependents, new gender affirmation care coverage for transgender colleagues and/or dependents, and fertility treatment support for colleagues. Loblaw is also committed to discussing opportunities to provide this coverage within union managed or store owner benefits programs.



Accommodations for cultural observances

In 2023, we proactively encouraged our colleagues and employees to engage with their leadership teams to ensure they could leverage flexible working options to accommodate for cultural observances. This plan was designed to honour cultural moments of significance that may not be officially recognized as statutory holidays in Canada. Importantly, this initiative allowed our colleagues and employees to participate in these observances without the need to utilize their vacation days.

Our shift swapping program provides colleagues with flexibility and autonomy, empowering them to maintain a harmonious work-life integration. In a Store or Distribution Centre role, this could mean picking up an extra shift, swapping shifts, compressing a work week, etc. in line with union agreements. In a store support role, this could mean extending work hours or working from home on a weekend or statutory holiday to make up for the time off.



Inclusive customer and colleague experience

We leverage multiple tactics to create an inclusive experience for our customers, employees and colleagues. Pronoun tags and email signatures help foster an environment where all feel that they are being acknowledged and respected, while language pins enable effective communication by bridging language barriers and promote cultural sensitivity. Hearing loops provide essential accessibility for those with hearing impairments, ensuring that they can participate fully in discussions or activities.

Colleague engagement

A semi-annual engagement survey - commonly known as Tell It as It Is - is distributed to our entire organization to collect feedback in order to understand how our people are feeling and take action to improve the colleague experience. The survey measures engagement, leadership effectiveness, culture, inclusion and belonging, customer centricity, compliance and ethics, wellbeing and more. We also ask participants to self-identify their gender, ethnicity, sexual orientation and disability in the survey to compare aggregate results of the marginalized groups to the majority groups. Since measuring these gaps in 2020, we have seen improvement on engagement, leadership effectiveness, and sense of belonging for women and visible minorities. Action planning is completed once annually, and it is a collaborative activity between leaders and their teams. In 2023, our overall enterprise engagement score was 79%. Grocery Retail scored 76%, Drug Retail scored 83%, and Supply Chain scored 71%. It is worth noting that the average benchmark for employee engagement in the retail industry is 78%¹.

¹ Based on Qualtrics database of employee engagement retail average from April 2023.

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 more than 370 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 2023, our full-time and part-time corporate store and distribution centre colleagues had an average hourly rate of \$19.80. When including fringe benefits, the average hourly wage was \$26.60. 80.79% of in-store and distribution centre corporate colleagues earn in excess of the provincial minimum wage.

Supporting Our People

39% of executive positions are women and **28%** are visible minorities

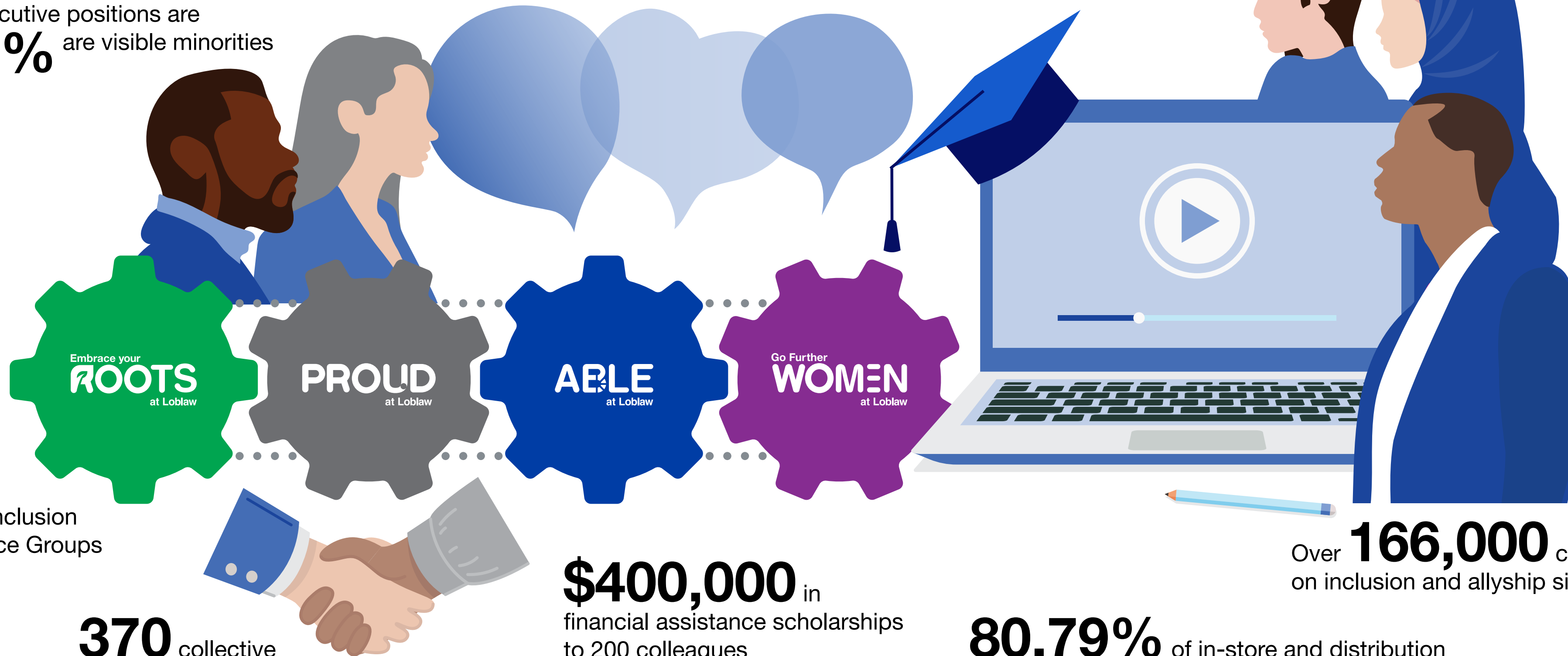
79% overall enterprise colleague engagement score

46% of management positions are women and **32%** are visible minorities

3+ million training courses completed

86,900 colleagues and employees hired

4 Culture and Inclusion Employee Resource Groups



370 collective bargaining agreements

\$400,000 in financial assistance scholarships to 200 colleagues

Over **166,000** colleagues trained on inclusion and allyship since 2021

80.79% of in-store and distribution centre corporate colleagues earning in excess of 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 for implementation. 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	2023	2022 ¹	2021 ¹
Total injury claims	3,274	3,431	3,610
Accident frequency ²	5.73	6.31	6.58
Lost time frequency ³	2.82	3.04	3.15
Total Fatalities	0	0	1

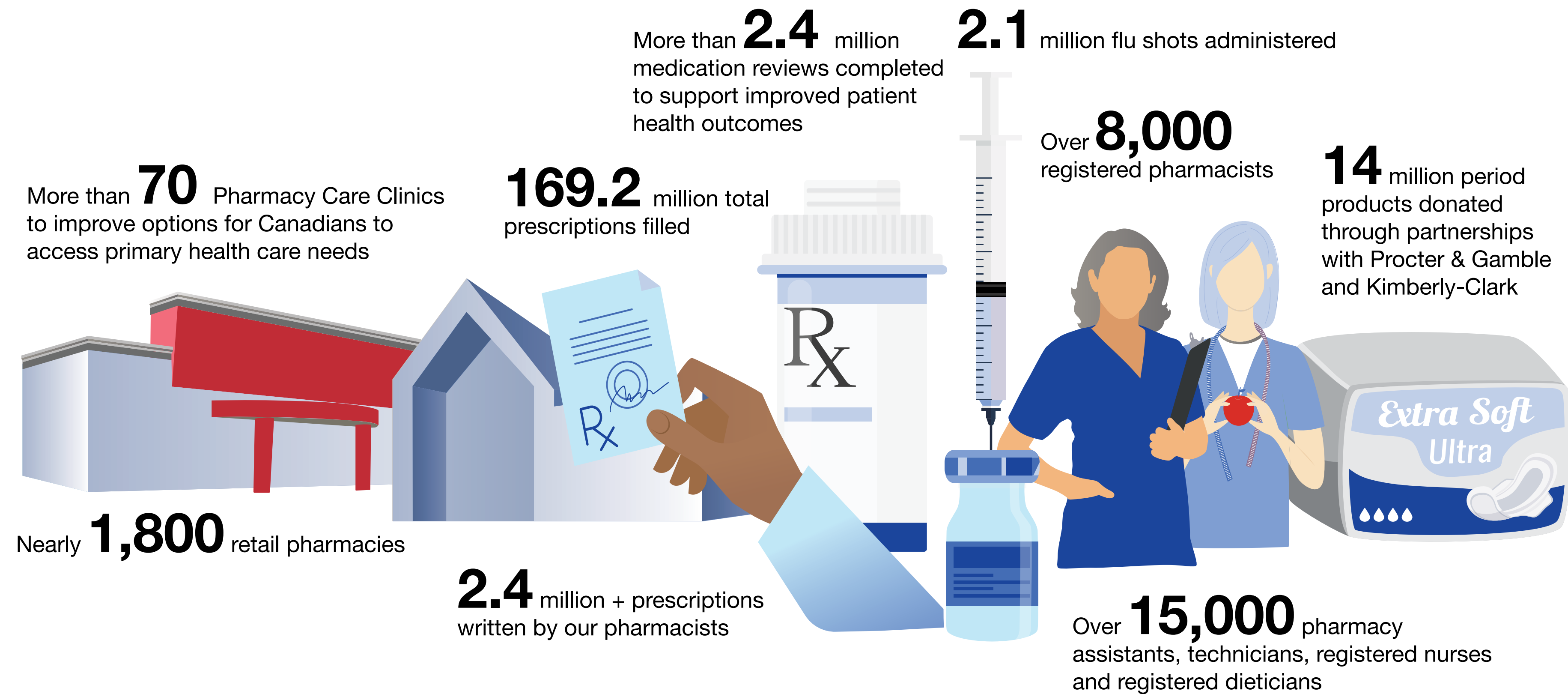
¹ **Note:** Prior year metrics are subject to change slightly from prior year reporting due to resolution of ongoing appeal processes.
² **Accident Frequency** - an industry measurement that represents the number of total accidents per 100 full time employees
³ **Lost Time Frequency** - an industry measurement that represents the number of lost time accidents per 100 full time employees

Ask for Angela

In 2023, we were proud to partner with Victim Services Toronto (VST) to introduce the Ask for Angela program at 230 of our stores. This program provides a discreet way for individuals feeling unsafe or threatened to seek immediate assistance from colleagues. Participants can approach colleagues in our stores and use the phrase “Ask for Angela,” signaling a need for help, leading to prompt and confidential support. To ensure a seamless implementation, VST and Loblaw developed a concise and user-friendly online training tool accessible to all colleagues in participating stores.

Access to Care

We aim to make high-quality healthcare more convenient and accessible to millions of Canadians every day through our network of pharmacies, stores and other healthcare businesses.



Opioids

Opioid abuse continues to devastate families and communities across Canada. 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 such as chronic disease through nutrition. We offer individualized nutrition services, virtually, to support health and wellbeing. In 2023, our registered dietitians performed more than 9,500 nutrition consultations, helping customers make more informed and educated choices to support a healthier lifestyle. Dietitian services are also featured in the PC Health™ app.

PC Health™ app

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 1.9 million downloads of the PC Health™ app. These services are provided through Loblaw's own capabilities and professionals as well as external partners.



Lifemark Health Group

With more than 5,800 highly trained clinicians, medical experts and team members working in over 340 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 3.4 million patient visits annually.



Wellwise by Shoppers™

Wellwise by Shoppers™ is the largest Canadian retailer of home healthcare products and services to support aging in place. In 2023, Wellwise® helped 250,000 Canadians purchase home health care products from more than 40 locations and our online store.



MediSystem by Shoppers Drug Mart™

With access to over 1,300 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 54,000 seniors in nursing and retirement homes from our 10 operating sites across the country.



Healthcare Services

To support the growing number of Canadians in need of access to care, we opened 74 Pharmacy Care Clinics. These clinics offer a range of healthcare services including assessment and treatment of common ailments, and chronic disease management. Services provided increased access to primary care in communities across Canada.

Optical Services

Through our more than 175 optical centres across Canada, our more than 165 opticians and optometrist partners offer a variety of services, including eye exams and fittings for glasses and contact lenses, and help Canadians with early detection and monitoring of eye conditions.

Medication adherence

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

Our network of registered pharmacists provide services such as vaccinations, medication reviews and chronic disease management, playing an important role in primary and preventative care.

In 2023, we conducted more than 2.4 million medication reviews, supporting improved patient health outcomes.

Our Digital Pharmacy, a prescription management platform, continues to support patient medication adherence through automatic refills and patient pickup notifications and we offer medication organizer options making it easier for patients and their caregivers to appropriately manage their care.

Investing in Our Communities

In 2023, with the help of our customers, colleagues, employees and business partners, we raised and donated (including donations in-kind) a record of \$180 million to research, charities and non-profits across Canada.

Caring Company Certification



For the 32nd consecutive year, our community contributions have earned us Imagine Canada's Caring Company certification. Our various charitable activities make a positive impact in our communities – with a particular focus on the health of children, women and the environment.

Shoppers Foundation for Women's Health

Corporate contribution \$1,959,000
Fundraising \$11,209,000

Through the foundation, women's health charities are supported by donations, associate-owner led fundraising and national events.



Other corporate contributions

\$1,113,000

Our charitable giving is focused on national strategic initiatives that align with our company purpose, to help Canadians Live Life Well®.

Store Fundraising

\$1,062,000

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

Gift Card Discounts

\$5,245,000

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

WWF-Canada

\$450,000

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



Disaster Relief & Humanitarian Response

Corporate contribution \$330,000
Fundraising \$380,000

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 communities affected by wildfires, through the Canadian Red Cross.

Food Banks and Food Recovery Agencies

Corporate contribution \$1,284,000
In-Kind donation \$117,714,000
Fundraising \$13,201,000

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.



Give a Little Help a Lot®

\$1,220,000

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.

The Salvation Army

\$3,559,000

Through the generosity of our customers, these funds raised in participating Loblaw stores went toward Salvation Army's Annual Christmas Kettle Campaign to help feed, clothe and shelter those in need during the holidays and all year round.

President's Choice Children's Charity

Corporate contribution \$2,000,000
Fundraising \$20,180,000



After 34 years spent dedicated to nurturing Canadian children, President's Choice Children's Charity has an ambitious goal to feed 1 million kids annually by 2025. Together, through the generous contributions of our customers, colleagues, and vendors, we are working towards a Canada where kids go far - not hungry.

Community Engagement



Feed More Families™

To underpin our commitment to advancing social equity, in 2022 we launched our new pledge through our Feed More Families™ program to donate one billion pounds of food to community-based food charities by 2028. Feed More Families™ program activities 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. Since the launch of this program in 2022, almost 74 million pounds of food have been provided to food charities across Canada.



President's Choice Children's Charity

President's Choice Children's Charity operates the nation's largest charitable direct-to-school food program. Students who participate in the Charity's Power Full Kids™ programs benefit from regular meals, snacks and food education. In 2018, Loblaw committed to raise and donate \$150 million by 2027, to support the Charity's mission to remove hunger as a barrier to education for Canadian students and empower them with the skills to grow and cook. Since making this commitment, we have activated our network of stores, vendors, colleagues and customers to contribute more than \$111 million. Specifically, in 2023 we further demonstrated our support with the inaugural Get to Give Day, which resulted in \$2 million donated to President's Choice Children's Charity.

This support helped the Charity reach more than 990,000 students nationwide this school year, in pursuit of their goal to feed one million children annually by 2025.



Shoppers Foundation for Women's Health

For more than a decade, Shoppers Drug Mart® has been supporting women's health charities and organizations across Canada. In early 2023 we celebrated the rebrand of the LOVE YOU by Shoppers Drug Mart™ program to the Shoppers Foundation for Women's Health, with a strengthened focus on supporting women's health equity. Shoppers Foundation for Women's Health is investing \$50 million by 2026 to make care more equitable and accessible for all women in Canada.

In 2023, Shoppers Foundation for Women's Health contributed more than \$11 million in support of more than 370 women's health organizations across Canada. Through the 2023 Run for Women events, more than 24,000 participants helped to raise \$2.9 million in donations to support Canadian organizations that work to improve women's access to mental health care and support programs.



Shoppers Drug Mart® academic partnerships

Having committed a total of \$16.5 million from 2020 to 2026, these partnerships are dedicated to catalyzing transformative changes in healthcare. It reinforces the intersection of education, research, and inclusive innovation. The partnerships champion the progression of pharmacy education, foster pioneering research to broaden pharmacist roles, and propel innovation in healthcare delivery. By allocating scholarships, bursaries and research funding across vital domains like addiction medicine, primary care, environmental health, and workforce sustainability, these initiatives aim to forge a more inclusive, resilient, and visionary healthcare landscape.

Further support for communities

PC Bank continued their support of the Scarborough Health 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.

Supporting New Canadians

As Canada's largest grocery and pharmacy retailer, we have a responsibility to uplift new Canadians. This commitment is about recognizing and embracing the diversity that enriches Canada when we welcome new Canadians. By developing products and services that meet these demands, we are ensuring that newcomers feel welcomed and supported along their journey.

Our commitment to establishing a deeper relationship with newcomers goes beyond providing a diverse assortment of international products. We strive to make our stores accessible through convenient locations, understanding that proximity plays a crucial role in the decision to adopt a "home" store. We go the extra mile by offering healthcare services in a variety of languages in our Pharmacy Care Clinics, as we strive to become a trusted partner for newcomers as they navigate Canada's healthcare system.

Fostering equity and inclusion

This year saw the launch of the Loblaw Community Grants program. This program is rooted in a centralized and coordinated approach to foster social equity in the communities we serve. Over the next four years, Loblaw will provide \$1 million to support five charitable organization partners, chosen by our DEI employee resource groups. These selected organizations will channel the funding into programs that directly target critical areas aligned with their missions.

The 2023-2026 Loblaw Community Grants partners are:



- Holland Bloorview Kids Rehabilitation Hospital Foundation - Dear Everybody campaign and Room to Grow Fund



- Black Business and Professional Association - Rise Up competition



- Canadian Women's Foundation - Ending Gender-Based Violence Program



- PRIDE at Work - THRIVE and FLOURISH leadership programs



- Canadian Council for Aboriginal Business (CCAB) - Indigenous Business Connect Tool and The Young Indigenous Business Connector Program

PC Financial® Resilience Project Accelerator

In 2023, the University of Toronto – Mississauga, was awarded the PC Financial® Resilience Project Accelerator Best Project title at the Enactus Canada National Exposition in May. The students created a platform that empowers users to build skills in budgeting, expenses, and saving tracking and planning tools. Based on this success, 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 educational programs needed to address Canadian social issues. Six Enactus teams have been selected to participate in the PC Financial® Resilience Project Accelerator for the 2023-2024 academic year. Each of these teams have also been paired with an Enactus Team Advisor from PC Financial®, to support the launch and delivery of their project over a period of six months. The Enactus teams will complete a final report showcasing their community empowerment project and related impact, and one team will be recognized with the PC Financial® Resilience Project Accelerator ‘Best Project’ award at the Enactus Canada National Exposition in May 2024.

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. This year saw an unprecedented wildfire season, with areas of the country not typically susceptible being impacted. In addition to corporate contributions totaling \$330,000, through the generosity of our customers and colleagues, we raised an additional \$380,000. These funds supported the Canadian Red Cross to assist recovery efforts in communities across Canada, such as emergency food and housing for those displaced by the wildfires.



Supporting those affected by wildfires

When wildfires broke out in Alberta, our priority was the safety and well-being of our colleagues, employees, and customers. As evacuation orders were lifted, our Edmonton and Calgary distribution centres sprang into motion to support local food banks. Working in unison, they sourced and delivered crucial supplies like food, water, and hygiene products which supported hundreds of evacuees while they waited for the safe return to their communities. Despite the challenges due to certain areas being re-evacuated, our local stores remained open to provide essential services to first responders. Furthermore, our stores united to offer complimentary meals to the incredible first responders.

Working with Second Harvest, our distribution centres donated more than 2,000 kilograms of the most needed items to support members of the indigenous communities of Fort Resolution, Lutselk'e, Behchoko, and Colville Lake who had been displaced or had no access to grocery stores due to the wildfires in the summer of 2023.

In partnership with L'Oreal Luxe (a division of L'Oreal Canada), Shoppers Drug Mart® announced a partnership with Tree Canada, aimed at addressing the devastating destruction of the recent wildfires across Canada, by planting more than 8,000 trees. For every refillable or refill product purchased in July 2023, one tree was planted in the Northwest Territories. This endeavour was undertaken in close collaboration with First Nations communities, with the objective of restoring wildlife habitat and rejuvenating ecosystems.

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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 Chief Executive Officer 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 (ERM) program, and our commitment to ESG issues and other topics addressed in this report.

As of April 30, 2024, 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. Recognizing the importance of strong independent Board oversight, the Board 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 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, ERM 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 internal audit function and related party transactions.

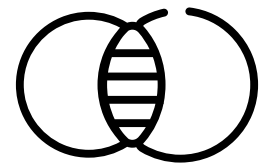
For more information relating to our governance practices, please refer to our [Management Proxy Circular](#).

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/employees. This information is core to our business and we understand the responsibility that comes with collecting, using and sharing this 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 and outline how customers may initiate inquiries and raise concerns regarding their privacy. We are also committed to developing processes that enhance privacy and incorporate protections into our business strategy, culture and ongoing operations.



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.



Additional resources

[Full Loblaw Privacy Policy](#)

[Loyalty Privacy](#)

[Notice Health Privacy](#)

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

[Notice President's Choice](#)

[Financial® Privacy Notice](#)

[President's Choice® Insurance Privacy Notice](#)

Cyber security

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

Supply Chain Accountability

We source with integrity. For years we have worked to increase the transparency and traceability of goods, partners and practices within our supply chain. To preserve the trust of our stakeholders, we count on our network of suppliers to understand and uphold our high standards of integrity, values and operating principles. Through various programs and policies, we hold our suppliers accountable and use environmental and social certifications to confirm our expectations and third-party validation that our sourcing standards are practiced consistently.

Supplier Code of Conduct

We recognize our responsibility to respect and protect the human rights of customers, colleagues and employees 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 hosted by a third-party service provider. The tool can be used to submit confidential and anonymous reports 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 and associate networks, all suppliers and related third-parties and their workers. Reports can be submitted anonymously online ([www.integrityactionline.com](#)) in English, French or Spanish, or by calling a toll-free number (1-800-525-7868) 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, reinforcing our commitment to a safe reporting environment.

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.

The message is simple – speak up if you have a concern. We maintain an unwavering commitment to ethical and compliant conduct. Regular and targeted communications and campaigns across diverse channels within our organization are delivered to promote and emphasize the importance of speaking up. We have taken deliberate steps to demystify the reporting process, ensuring it is clear, straightforward, and accessible to all.





Human Rights

Loblaw is committed to advancing social equity, with a key focus on protecting human rights in our global supply chain and providing transparency to our customers about our efforts in doing so.

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 business priority for us and is addressed in [Our Position on Human Rights](#). Given our stature, 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 the formal acceptance of our Supplier Code, our suppliers attest that they, any of their contractors, agents, sub-contractors and sub-agents, will uphold human rights within their operations.

In October 2023, Loblaw developed and launched mandatory Human Rights-specific training for select store support roles. The scope of this training focuses on our policies and due diligence practices to address modern slavery, in addition to promoting awareness of our obligations under legislation, identifying key risk factors for human rights violations, reporting on human rights issues and our formal reporting requirements. Human Rights training assists in preparing our colleagues to meet our collective responsibility to respect and protect human rights.

Our human rights program continues to evolve, building on feedback and key learnings from our colleagues, customers, internal and external stakeholders, and investors. This will allow for us to continue advancing our approach to human rights.

Modern Slavery Report

In 2024, we issued our [2023 Modern Slavery Report](#) which sets out actions that Loblaw has taken during the 2023 fiscal year to prevent and reduce the risk of forced labour or child labour within our operations and supply chain.

Loblaw's commitment to prevent and reduce the risk of forced and child labour applies to our network of stores and facilities nationwide, our business partners and our worldwide supply chain network.

Human Rights Due Diligence

Completing a human rights due diligence assessment within an organization is a key principle of the United Nations Guiding Principles on Business and Human Rights (UNGP) to assess adverse human rights impacts.

In 2022, Loblaw partnered with a third-party expert and leader in sustainability and supply chain services, ELEVATE, to conduct a Human Rights Due Diligence (HRDD) to evaluate our human rights and responsible sourcing procedures and policies against the UNGPs. In partnership with ELEVATE, a multi-step process (including, current state assessment, gap analysis, supply chain risk assessment and stakeholder engagement) was used to identify opportunities to strengthen policies and processes across the enterprise, including our international supply chain.

Through this process, management aligned to five (5) inherent Salient Risks – (1) forced labour; (2) child labour; (3) discrimination; harassment, and abuse; (4) livelihoods; and (5) occupational health and safety, which inform the ongoing work Loblaw will do on human rights and responsible sourcing.

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. As per United Nations Guiding Principles (UNGPs) guidance, salient risks do not factor in mitigating steps that we as a company may be taking on specific issues; instead, they focus on issues likely to be encountered due to the nature of our business.

Below is a brief description of the five (5) inherent Salient Risks

1

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.

2

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.

3

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.

4

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.

5

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.

We have assessed these salient risks as they relate to our business and have developed and will continue to implement fit-for-purpose mitigation strategies where applicable.

Human Rights Impact Assessment – Broccoli and Cauliflower

As Loblaw continues its Human Rights journey and work on salient risk mitigation strategies, it is committed to conducting Human Rights Impact Assessments (HRIA) to understand risks in our supply chain and remediate those actions within our control, as well as collaborating with other industry partners, government and NGOs for actions that require larger industry engagement.

In 2023, we engaged Ergon Associates, a leading labour and human rights firm, and commenced an HRIA as part of our salient risk mitigation plan. The focus of the HRIA is on the production of broccoli and cauliflower, in our supply chain, sold as standalone items and as ingredients in value-added products, such as florets, vegetable medleys and packaged salads, whether sold as national brands or under our control brand labels. These product categories were prioritized and are closely associated with our salient human rights risks. To Loblaw’s knowledge, no Human Rights Impact Assessment (HRIA) has been conducted for these commodities within our operating geography to date (including by other retailers).

The scope includes Mexico, the USA (Arizona/California), and Canada, with the goal of identifying and addressing potential human rights issues across critical supply chain activities such as primary farming, processing, and packaging of products. This assessment is planned to conclude in 2024 and is being conducted through thorough documentation review, robust engagement with stakeholders and rightsholders, and fieldwork being completed at supplier sites.



This work will provide the enterprise with valuable insights, including a deeper understanding of potential human rights impacts and their underlying causes, improved supply chain visibility, and recommended actions to address and remediate any potential negative impacts.

Loblaw recognizes the vital role HRIAs play in promoting ethical sourcing, cultivating sustainable supply chains, and demonstrating responsible investment and due diligence, which ultimately safeguards our business interests and reinforces our commitment to ethical practices.



Supply chain compliance and factory audits

For a decade, we have maintained a team of audit compliance managers and production auditors, with the core team in Toronto supplemented by in market, on the ground teams, in China, Bangladesh, Thailand, Vietnam, Cambodia, and India. Together 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. We continuously review the supplier monitoring program to determine if an expanded scope of the program is necessary; and, as we are made aware of new considerations as they relate to our supply chain.

Prior to sourcing goods from a supplier, Loblaw has the factories, processing facilities, plants, farms, packing or other facilities, which are located outside of Canada and the USA, audited for (1) control brand products sourced by Loblaw; or (2) products for which Loblaw is the Importer of Record.

Once sourcing has begun, Loblaw has 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.

Initial and annual facility compliance audits are typically 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, the core team conducts an equivalency review to ensure the audit meets our standards. The in-market audit teams also provide in person follow-up with remediation audits, additional information audits and verification of corrective actions.

If an audit identifies a compliance issue, including but not limited to, child labour, forced or bonded labour, or life-threatening health and safety situations, Loblaw will suspend relationships with those facilities (and/or supplier). Loblaw will work with suppliers to determine whether satisfactory remediation of the compliance issue is possible and will terminate relationships with suppliers who are unable or unwilling to remediate non-compliance.

In accordance with Loblaw's Supply Chain Compliance program, in 2023, Loblaw completed approximately 1,400 facility (factory) compliance audits within our supply chain; and permanently delisted 6 facilities. A record of these results is also maintained by our third-party compliance provider.

The following is a summary of the audit program results and we will continue to report on our progress annually.

All infractions and temporary suspensions that did not result in a delisting were resolved, or are in the process of being resolved, to our satisfaction.

Metric	2023	2022	2021
# of suppliers	~600	~700	~800
# of facilities ¹	~1,250	~1,400	~2,000
Audits conducted	~1,400	~1,200	~1,000
Permanent delistings	6 ²	10 ³	3 ⁴

¹ Facilities exclude those that had been inactive or blocked for a period of 3 years or more. The figures in the table above reflect this changed approach in 2022.

² The delistings in 2023 were related to non-compliance with Supplier Code requirements in one or more of the following themes: unauthorized contracting, attempted bribery, suspected child labour, suspected discriminatory practices, and building structural/fire safety concerns.

³ Delistings in 2022 were due to one or more of suspected child labour, attempted bribery, and building structural/ fire safety concerns.

⁴ Delistings in 2021 were due to one or more of unauthorized contracting and/or attempted bribery.

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 [Tier 1 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 2023, 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.

Joe Fresh® Restricted Sourcing Regions

Our commitment to ethical sourcing practices is integral to our operations. Joe Fresh® prohibits and will not knowingly use cotton sourced from any region that is associated with forced or child labour such as Uzbekistan, Turkmenistan, and the Xinjiang Uyghur Autonomous Region (XUAR) of China, including textile products using Uzbek, Turkmen and XUAR cotton in any form. These regional restrictions are explicitly outlined in our supplier agreements for our Joe Fresh® apparel and footwear business, mandating that suppliers confirm annually that they do not source materials from these regions.



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 as required 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 2023, we executed 17 Canadian Food Inspection Agency (CFIA) public food recalls. Of those recalls, 3 (18%) related to our control brand products, and 14 (82%) related to national brands. None of our control brand recalls were determined notable, in terms of scope or customer impact.

Provincial and federal regulators conducted 747 food safety inspections in our facilities in 2023. 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.

In 2023, we executed 45 Pharmacy related recalls. In addition, there were 10 recalls executed for our Wellwise by Shoppers™ sites. None of the recalls related to our private label brands.



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 applicable government safety requirements, and through our Restricted Substances List mitigate harmful chemicals in our products wherever they are sold. Joe Fresh® ensures product safety and compliance by conducting accredited laboratory testing and quality audits covering 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 2023, Joe Fresh® had 1 product safety recall.

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.

Our [Animal Welfare Statement](#) outlines activities we will complete in 2024 related to cage-free eggs. These include providing added profile to cage-free options on our e-commerce platforms; investing in marketing promotion of cage-free eggs; and transitioning 100% of eggs used in our corporate grocery retail in-store prepared sandwiches and meals, to cage free (pending available supply).

In 2023, the sale of cage-free eggs accounted for approximately 19.5% of control brand category sales.



Banned fibres

Joe Fresh® is committed to sourcing more responsible and ethical materials, we have implemented a ban on the inclusion of fur, mohair (from Angora goats), and angora (from Angora rabbits) in all our products. Furthermore, we pledge to accurately label any synthetic materials that may 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.



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 the end of 2023, we had converted more than 70% of fresh PC® Free From® pork to group housing for gestating sows.

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 External Financial Reporting 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, may not prevent or detect misstatements.

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 disclosures. In 2023, our Internal Audit team was engaged to perform a review over a risk-based subset of quantitative information that we disclose in this report. Additionally, PricewaterhouseCoopers LLP was engaged to perform limited assurance over our Scope 1 and Scope 2 GHG Emissions for the current reporting year. The Limited Assurance report can be found in the [2023 Early Release of Priority ESG Disclosures](#) (page 14 and 15). 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 ESG 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. The ESG Report is informed by the Global Reporting Initiative (“GRI”), the Sustainable Accounting Standards Board (“SASB”) and the International Sustainability Standards Board (ISSB). 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 the ESG 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 the ESG 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 the ESG 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 the 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 the ESG Report are made as of the date hereof and are qualified by these cautionary statements.

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 and places where people thrive 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 Strengthening Communities to Prosper. Choice Properties' 2023 ESG Report is included here and is also available on [Choice Properties' website](#).

ChoiceProperties



2023

Environmental, Social and Governance

Report

ChoiceProperties



Solar Panels
at 650 Dupont St Toronto, ON






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About Choice Properties

Choice Properties Real Estate Investment Trust (“Choice”, “Choice Properties”, or the “Trust”) is Canada’s largest REIT. Our portfolio is comprised of retail properties primarily leased to necessity-based tenants, as 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 to the communities that we serve.

		Properties	Occupancy	Sq. Ft. GLA
	Retail	573	97.7%	44.7M
	Industrial	122	99.0%	19.7M
	Mixed-Use & Residential⁽ⁱ⁾	10	94.2%	1.7M
	Total⁽ⁱⁱ⁾	705	98.0%	66.1M
	Development⁽ⁱⁱⁱ⁾	14	-	2.0M

Unless otherwise noted, data included in this report represent information as of December 31, 2023.

(i) Occupancy shown is for retail and office portion of Mixed-Use properties, residential units are excluded. 1.7 million sq. ft. of GLA includes 0.6 million sq. ft. associated with Choice Properties’ 772 residential units.

(ii) Includes 1.8 million sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.

(iii) Projects under active development.

About this Report

Our 2023 Environmental, Social and Governance Report (“ESG Report”) outlines our accomplishments for the year ended December 31, 2023. Unless otherwise noted, data included in this report represent information as of December 31, 2023. We reflect on our achievements and share details regarding many of the initiatives that we have established as part of our Environmental, Social and Governance (“ESG”) programs.

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 or email sustainability@choicereit.ca. Additional information has been filed electronically with various securities regulators in Canada through SEDAR+ at www.sedarplus.ca.

Reporting Scope, Boundary and Methodology

Our ESG metrics represent data collected for the properties owned in full or in part by Choice Properties REIT. 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 and the World Business Council for Sustainable Development’s “The Greenhouse Gas Protocol, Revised Edition”.

The term “operational control” as used throughout this report aligns with the Greenhouse Gas Protocol’s definition: an organization having the authority to introduce and implement operating policies at the operation. An organization means “Choice” and “operation” means a property within this report.

Environmental data (energy, GHG emissions, water, waste) relates to Choice’s portfolio as of December 31, 2023 and includes comparative data for each reported year from 2019 to 2022. Previously reported 2019, 2020, 2021, and 2022 energy, water consumption, waste generation, and greenhouse gas (“GHG”) emissions are restated. This restatement accounts for (1) greater data availability subsequent to previous reporting as well as changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions and (2) an update in estimation methodology to account for newly-released CBECS survey data (from 2012 values to 2018 values). Within the environmental data appendix further detail as to this restatement is given. The data used is the best available data for estimating energy and emissions as at December 31, 2023.

Where metrics are presented by gross leasable area (“GLA”) at “100% share”, the total GLA of individual properties is applied, and where presented at “ownership share”, GLA included is the portion of the total GLA represented by Choice’s ownership interest in the property.

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

Forward-Looking Information

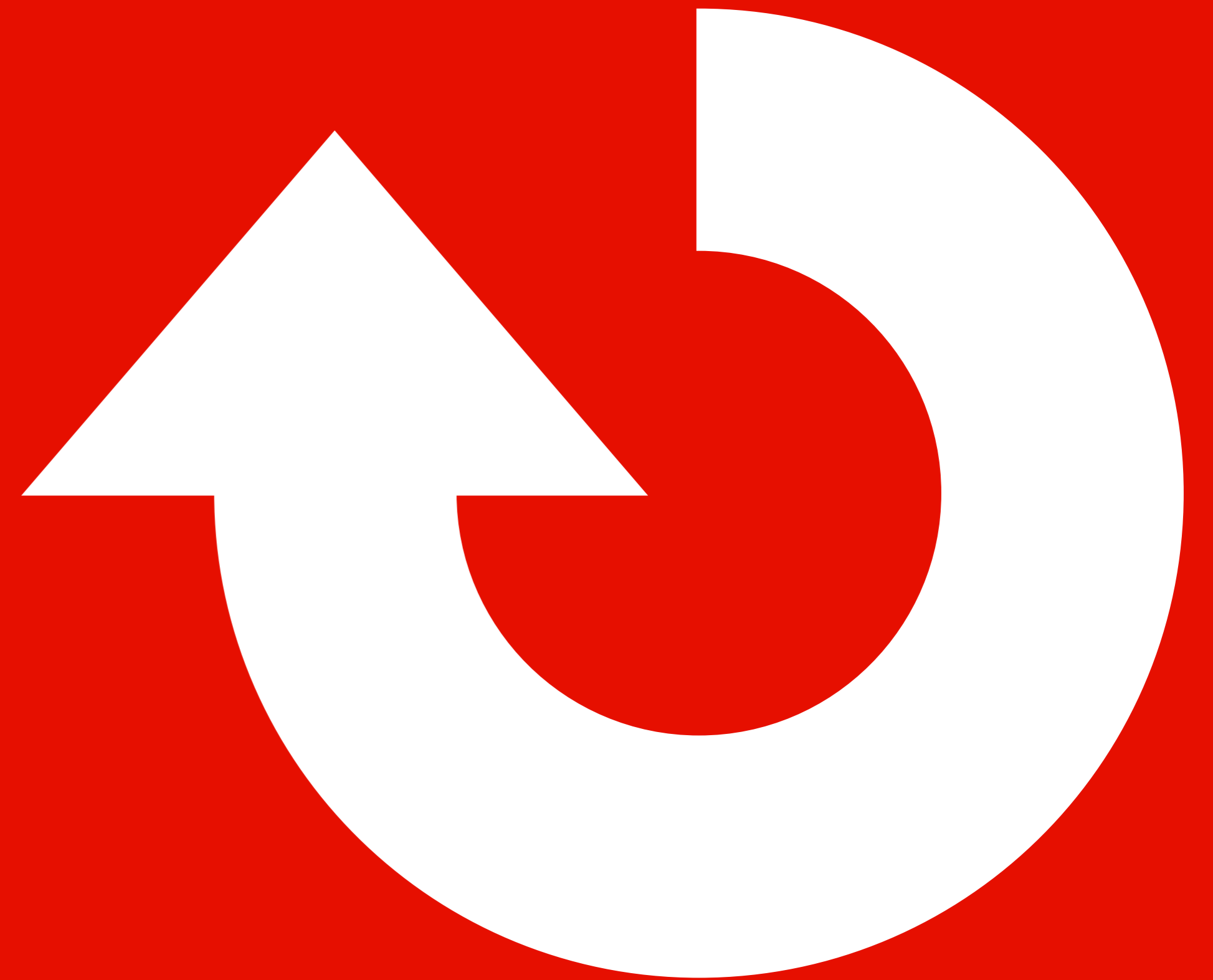
This ESG Report may contain forward-looking information within the meaning of applicable securities legislation which reflects the Trust’s current expectations regarding future events. Although the Trust believes that the expectations reflected in such forward-looking information are reasonable, assessing 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”), the Task Force on Climate-Related Financial Disclosures (“TCFD”), and the International Sustainability Standards Board (“ISSB”). 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 2023 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.

2023 Highlights



Message to Our Stakeholders

April 25, 2024

Looking to the Next Ten Years

In the past year, Choice Properties celebrated its tenth anniversary. As I reflect on the last decade, I recognize the foundation of excellence that Choice has established. We have consistently delivered strong operating performance with ESG integrated into our Strategic Framework. We envision an even greater impact as we continue to advance our environmental efforts, particularly in the area of **Fighting Climate Change**. Additionally, we aim to enhance our social impact program, focusing on **Strengthening Communities to Prosper**. These initiatives are essential for supporting our tenants, colleagues and stakeholders, and for building resilience throughout our business.

Choice's Pathway to Net-Zero

At Choice, we are committed to reducing the environmental impact of our business. In 2023, we achieved the final two of our original seven environmental targets set in 2018. Our focus for the next ten years and beyond now shifts to achieving our ambitious net-zero targets set in 2022. These targets, which have been validated by the Science Based Targets initiative ("SBTi"), include reduction of absolute Scope 1, 2 and 3 emissions over both the near and long term. Since the announcement, Choice has been implementing changes needed to achieve these targets. Initiatives such as executing green leases and property-specific net-zero transition plans are being put into action, breaking down the work required to

reach our emissions targets. While there is still much work ahead, Choice is moving toward a less carbon-intensive future.

Strengthening Communities to Prosper

We are committed to enhancing the economic well-being and social fabric of the communities where we build and operate. Throughout the past five years, we have established an exemplary colleague-led fundraising and volunteer program, Choice Cares. Our colleagues have been empowered to fundraise and volunteer their time to over twenty-five Canadian charities. We are proud to have developed a strong culture of philanthropy and good citizenship at Choice Properties.

In 2023, to further embed social sustainability practices across our business operations, we developed a Social Impact Framework. The Framework outlines how we can leverage our assets and partnerships across the country to promote local economic development and social cohesion at the neighbourhood level. Our social impact efforts, along with our colleagues' shared value of giving back, will enable Choice to Strengthen Communities to Prosper.

During 2023, we became a Corporate Charter signatory of the Inclusive Local Economic Opportunity initiative ("ILEO"). ILEO brings together the private, public, and community sectors to find innovative ways to reduce gaps in economic prosperity at the local level. Today, ILEO pilot projects are focused in the Greater Golden Mile area of Toronto, where we currently own a shopping centre that is slated for re-development into a mixed-used community.

Our ESG practices are foundational in creating enduring value for our business, our unitholders, our communities, and other stakeholders. Over the past decade, we've made significant strides, and our ongoing commitment to ESG will continue to guide our strategy for decades to come.

Rael L. Diamond
President & CEO



2023 Key Achievements

Environmental



Net-Zero

Completed asset-specific net-zero transition plans for all income producing properties



Green Lease

First tenants signed newly-implemented green lease clauses to promote energy efficiency, renewable energy, and low-carbon design



Development

Achieved the first CAGBC Zero Carbon Building Design certification to be awarded to a retail property



Green Buildings

Achieved our target of certifying 65% of GLA⁽ⁱ⁾ under LEED or BOMA BEST

Social



Social Impact

Developed a Social Impact Framework that aligns with our core business, and promotes local economic development and social cohesion at the neighbourhood level



Giving

Donated \$610,000 and 1,435 hours of colleague time to Canadian charities



Community

Hosted a local pop-up market with emerging business owners residing in the Golden Mile area as part of ILEO's Storefront Starter Program



Top Employer

Named one of Greater Toronto's Top Employers (in 2023 and 2024) in recognition of our programs such as benefit enhancements and mentorship programs

Governance



Leadership

Addition of Vice President, Sustainability and Placemaking role to the senior leadership team



Recognition

Maintained GRESB 4-star rating for second year (scored 82 on a 100-point scale), and continued to receive "low" Sustainalytics ESG risk rating



Cybersecurity

Continued advancing our cybersecurity program and received a maturity rating that exceeds the industry benchmark by over 16%



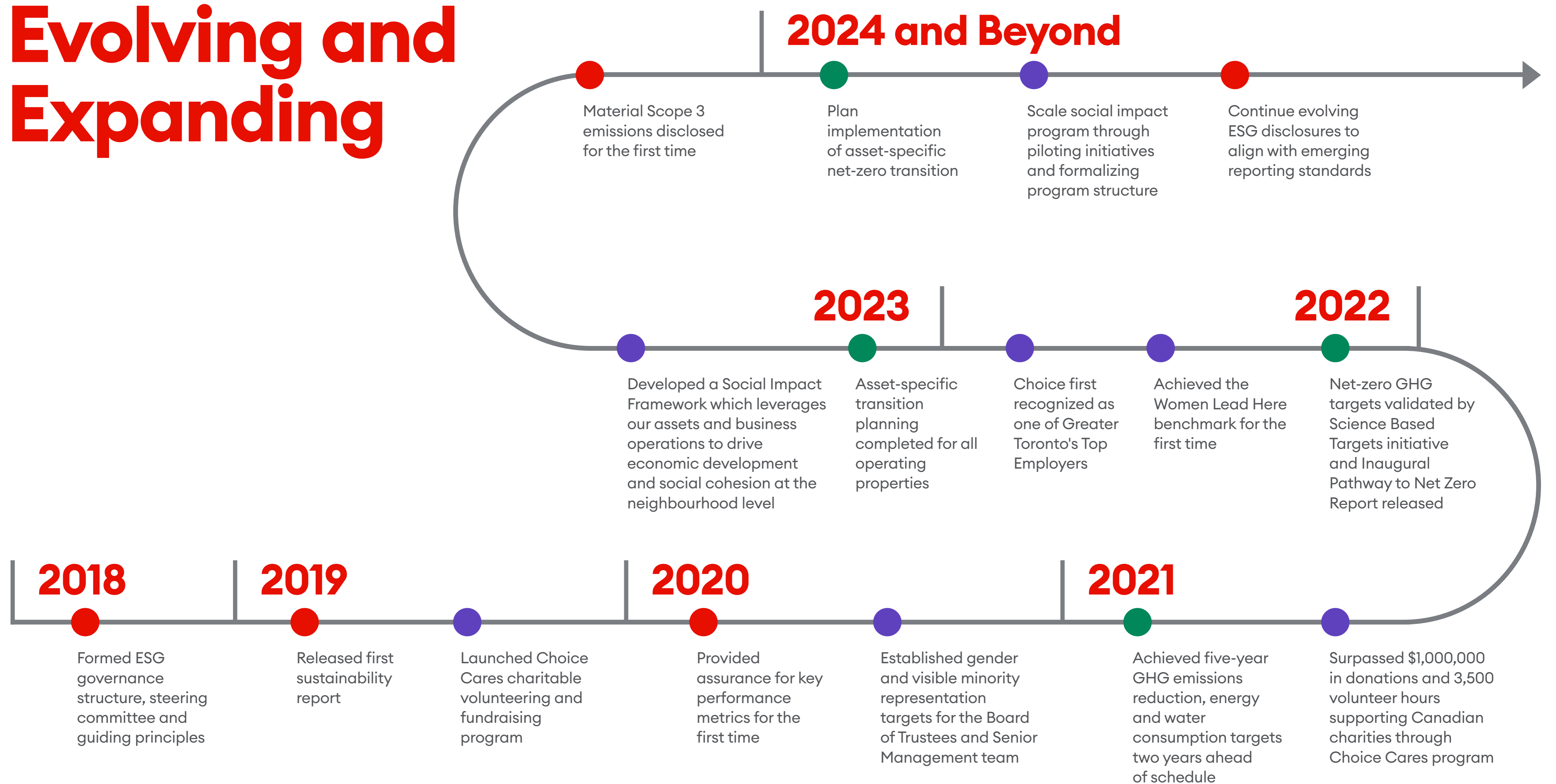
Disclosure

ESG reporting practices assessed to identify alignment with emerging ESG reporting standards and regulations

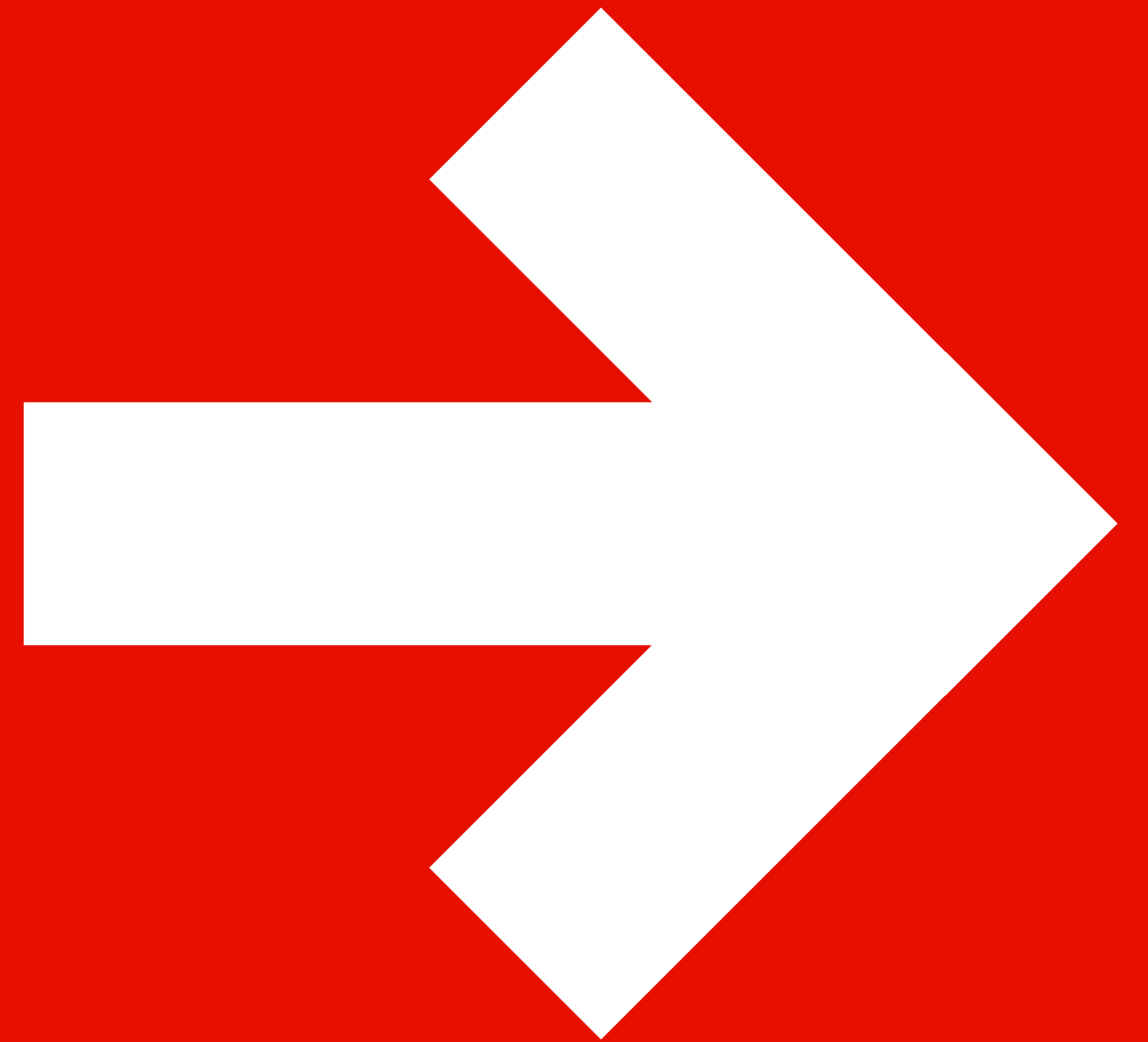
➔ [Navigate to Performance Appendices here](#)

(i) By GLA, at 100% share

Evolving and Expanding



Our Approach



Places People Thrive™

Choice Properties is a leading Real Estate Investment Trust that creates enduring value and places where people thrive.

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.



10 Lower Jarvis St
Toronto, ON

Proven Strategic Framework

Our ESG program is fundamental to our business. It enhances our ability to deliver on our strategic priorities and enables 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, overseen by a strong governance framework and delivered by our experienced, engaged and diverse team.

GOALS

Creating Enduring Value	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



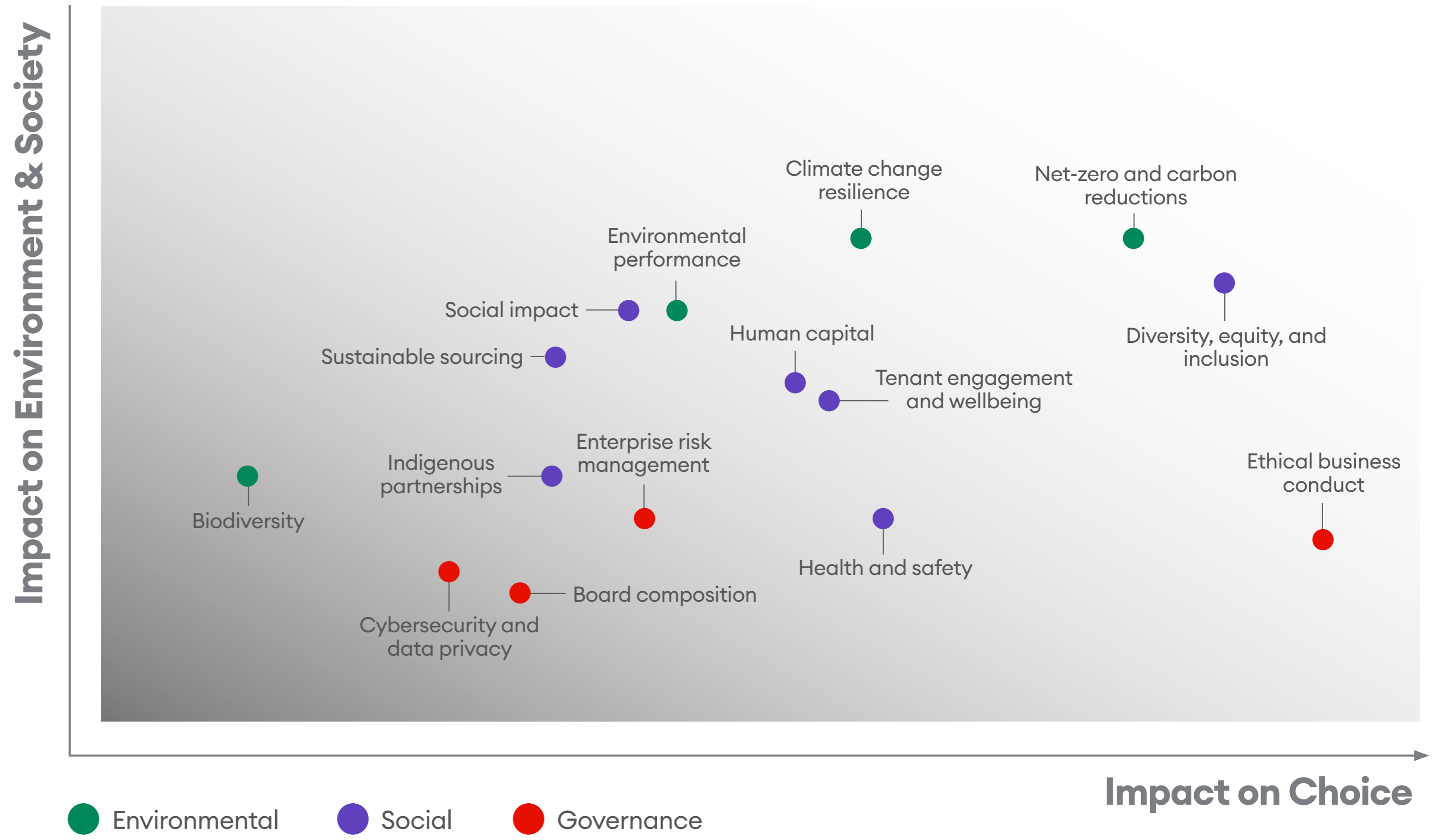
International Council of Shopping Centres Conference

Double Materiality

Gathering Stakeholder Opinions

In 2022, we engaged a third-party consultant to undertake a double materiality assessment to evaluate and incorporate non-financial topics into our plans. Double materiality assessments concurrently identify ESG topics that may have material impacts on Choice and topics that Choice may have the ability to influence. Feedback was gathered from a wide variety of stakeholders including Choice's Board of Trustees, industry professionals, business partners, and tenants. This assessment reinforced our view that our ESG pillars of **Fighting Climate Change** and **Strengthening Communities to Prosper** 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, while also identifying areas that are emerging and may increase in importance over time.

Choice reviews this materiality assessment annually and will update it as necessary to capture shifts in stakeholder sentiment as well as financial materiality.



Topics identified through **Double Materiality** are capable of impacting our business performance; and reciprocally by addressing them, Choice has an opportunity to make a 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

We develop and carry out a wide range of environmental programs throughout our operating properties and development projects, with emphasis on our ESG pillar area of **Fighting Climate Change**. Within this section you will discover more about our environmental programs, including the following:

OUR NET-ZERO STRATEGY

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Pathway to Net-Zero	18

ENVIRONMENTAL PERFORMANCE

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OPPORTUNITY & RISK MANAGEMENT

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Physical Resilience	25
Environmental and Occupational Health and Safety	26



3455 Johnston Rd
Port Alberni, BC

Defining Emission Scopes

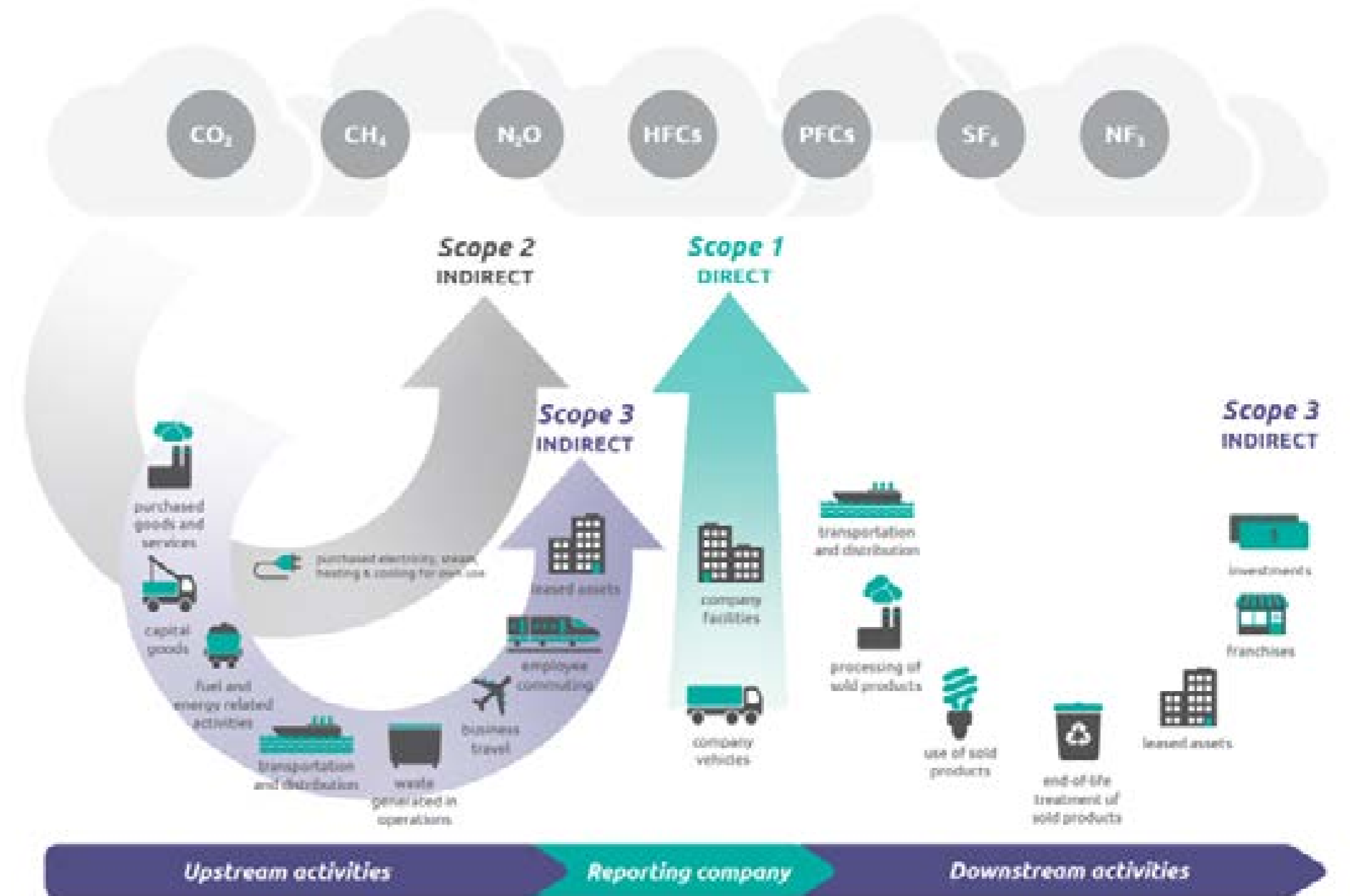
What are Scope 1, 2, and 3 emissions?

Throughout this report, we refer to Scope 1, 2 and 3 emissions. Each of these represents a different category of greenhouse gas emissions that together comprise 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 each scope:

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 fuel combustion for space or hot water heating with equipment managed by Choice Properties.

Scope 2 emissions are indirect emissions associated with the purchase of electricity for spaces controlled and managed 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 generated during building construction, including the manufacturing of building materials. Choice's downstream emissions largely consist of fuel or electricity purchased by tenants for their leased space.



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

Emissions Across Our Value Chain

The vast majority (95%) of Choice’s emissions fall within Scope 3 categories: a collection of activities in our value chain beyond our direct operational control. Of those Scope 3 emissions, 98% are from either tenant emissions (where a tenant leases space in our building but maintains operational control over their own energy use) or development activities (mostly from the manufacturing of materials used in construction and renovations).

As is typical practice in reporting on our Scope 3 emissions, a portion is estimated where directly measured data is unavailable. We intend to improve 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

1%

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

1%

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

98%

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 reflect Choice’s portfolio as of December 31, 2023.

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 to 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 to be necessary to avoid the worst impacts of climate change (hence, “science-based target”). The SBTi also provides independent third-party validation of corporate 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. They are ambitious and necessary to play a meaningful role in fighting climate change. These targets have been validated by the SBTi and apply to our entire value chain across our portfolio including wholly or partially owned properties. The targets will be addressed with deep reductions to Scope 1, 2 and 3 GHG emissions first and foremost.

Achieving these targets will involve collaborating with our tenants and suppliers, and include 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](#).

Our Net-Zero Targets

Choice Properties commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2019 base year. Choice is committed to near-term and long-term targets as part of this commitment. Those targets and our performance against them are outlined below:

Focus Area	Target	2023 Performance
Scope 1 and 2 GHG Emissions: Near Term	50% reduction in absolute Scope 1 and 2 emissions by 2030 from a 2019 base year (mostly emissions resulting from natural gas and electricity purchased by Choice Properties)	40% reduction of market-based emissions
Scope 1 and 2 GHG Emissions: Long Term	90% reduction in absolute Scope 1 and 2 emissions by 2050 from a 2019 base year	
Scope 3 GHG Emissions: Near Term	30% reduction in absolute Scope 3 emissions from purchased goods and services and downstream leased assets by 2030 from a 2019 base year	12% reduction of location-based emissions
Scope 3 GHG Emissions: Long Term	90% reduction in absolute Scope 3 emissions from purchased goods and services and downstream leased assets by 2050 from a 2019 base year	

Emissions from **Purchased Goods and Services** are derived primarily from the manufacturing of building materials used in our developments

Emissions from **Downstream Leased Assets** are derived mainly from the energy purchased by our tenants for use in their leased space

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

Emissions and Energy

Our Approach to Emissions and Energy

Reducing energy and emissions from our operations is the fundamental focus area of our environmental pillar of Fighting Climate Change. Our programs are highlighted over the next two pages and explored more deeply in our [Pathway to Net Zero Report](#).

Transition Planning

In 2023, we completed greenhouse gas transition plans for each asset in our portfolio of income-producing properties. These plans provide a schedule of upgrades and equipment replacements that follow the trajectory needed to meet our net-zero targets.

During the year, we began replacing standard natural gas fired rooftop units with dual-fuel models at several properties. Dual-fuel rooftop units are equipped with a heat pump that operates on all but the coldest days, reducing the amount of natural gas consumed by the units. In most provinces, these dual-fuel units also reduce energy costs, creating a win-win scenario for our tenants and for the planet.

Efficiency Programs

Improving energy efficiency is a crucial step towards emissions reductions. We use asset-specific capital upgrade plans to guide improvements at our properties. Our Pathway to Net-Zero report provides additional detail on this and other identified strategies.

Choice continues to pursue LED upgrades throughout our portfolio. By end of 2023, we had completed exterior lighting upgrades at over 85% of our retail and industrial portfolio (at 100% share). LED upgrades completed over the last four years are expected to save over 12 GWh per year, more than the annual energy use of 426 homes¹. As we have completed LED upgrades throughout the vast majority of our exterior spaces and parking lots, our focus in the coming years is collaboration with tenants to upgrade their lighting within leased spaces.

Renewable Energy

Choice, in collaboration with Loblaw, has 49 active solar photovoltaic installations across our portfolio. Since 2019, these panels have generated over 75 GWh of renewable electricity – enough to replace over 43,000 barrels of oil¹. As part of our pathway to net-zero emissions, we are exploring opportunities to develop new on-site solar projects to reduce emissions in a manner that is cost-effective for us and our tenants. Renewable energy has the added benefit of enhancing building resilience in the event of power grid interruptions.



3045 Mavis Rd
Mississauga, ON

¹Calculated using Natural Resources Canada's Energy Equivalencies Calculator

Emissions and Energy (Continued)

Green Lease Clauses

For years, our standard office lease has included provisions that promote improved energy performance, water conservation and indoor air quality. In 2023, we began implementing clauses in retail leases that encourage data sharing with our tenants and enable us to implement upgrades to our properties, such as LED lighting, HVAC controls and building envelopes.

As a result, Choice Properties achieved Green Lease Leaders Gold recognition. Under the auspices of the United States Department of Energy’s Better Building Alliance and the Institute for Market Transformation, Green Lease Leaders sets the benchmark for green leasing best practices.

Achieved

Gold

Green Lease Leader Gold



Tenant Engagement

We work closely with our tenants to achieve their resource efficiency goals. Our leasing, property management, and construction teams work with tenants to improve energy efficiency within leased spaces with high-performance equipment and lighting. In 2023, we updated our retail fit-out guides with information on sustainable design and operations. We also provide tenants with an ESG guidebook and news flashes that offer tips and resources for reducing energy consumption.

EV Charging Infrastructure

We envision a future where increasing numbers of customers and tenants travel to our sites in zero-emission vehicles. To support this vision, in 2023, we focused on further expanding our electric vehicle (EV) charging infrastructure. New EV charging stations were made available at several properties in 2023 and Choice will continue to explore opportunities at properties that are well-positioned to expand EV charging infrastructure.



1226 Place D'Orleans Drive
Ottawa, ON

Water and Waste

Our Approach to Water

Water efficiency preserves natural resources and reduces costs for tenants. Our water efficiency program includes:

Capital Upgrades: 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.

Xeriscaping and drought-tolerant plants: Choice Properties chooses plants that are naturally adapted to their climate, as well as those with lower watering needs. This is a natural way to reduce water consumption while enhancing biodiversity.

Smart systems for leak detection: We analyze water consumption across our portfolio to identify higher-than-expected water use. Choice also deploys smart leak monitoring at select buildings, including residential developments, to identify and diagnose leaks early so that they may be addressed to curb consumption and limit damage.

Our Approach to Waste

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

Tenant engagement: We engage with tenants on waste management programs through our tenant handbook, lunch and learn sessions, and education campaigns. In 2023, Choice maintained its focus on increasing waste diversion at offices by improving containers and signage, and engaging with individual tenants on opportunities for improvement.

New recycling streams: We work with our waste providers to increase diversion through organics and e-waste programs, and with periodic waste drives.

Smart Waste Tracking: 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 maximize proper waste management practices.

Target Achieved

70%

Target: Divert 70% of annual waste from landfill at office properties



For energy, emissions, water and waste consumption data, see the Environmental Data appendix

Low Carbon Developments

Planning Ahead

Choice's pipeline of commercial and mixed-use developments consists of long-term projects that progress with our sustainability goals in mind. Our team uses third-party frameworks and tiered performance requirements, such as the Toronto Green Standard, to convey our environmental priorities to our suppliers, contractors, consultants and partners. As these projects progress to active developments, we will continue to provide updates on these initiatives.

Our Development and Construction group continues to collaborate with our Sustainability team to establish a development framework which outlines the environmental performance expected of newly-constructed projects across all asset classes. This framework will be a tool to communicate our environmental priorities with our suppliers, contractors, consultants and partners.

Focus on Emissions and Energy

We deploy emission reduction technologies specific to new developments across asset classes. Our Uniti residential project in Brampton, Ontario incorporates a geothermal field designed to reduce operational carbon for heating by over 50%. Choice Industrial Centre in Surrey, British Columbia uses dual-fuel rooftop units, which supply heating sourced from electricity when conditions are favourable and from natural gas (a more emission-heavy fuel source) when weather conditions call for it. In our retail asset class, our Construction and Development team completed a low-carbon building feasibility study that led to the achievement of Canada Green Building Council's (CAGBC) Zero Carbon Building Design Certification.

Reducing Embodied Carbon

Embodied carbon is comprised of 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 undertake life cycle analyses of select projects and, where feasible, incorporate low-carbon materials into their design. Emissions from embodied carbon are included within our Net-Zero target boundary.

Our Choice Industrial Centre project in Surrey, British Columbia used reduced-carbon concrete throughout the flooring and exterior walls, and two recent retail intensification projects have been designed to achieve more than a 20% reduction in embodied carbon.

Green Roofs

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

Pursuing Net Zero at Retail Properties

In Calgary, Choice completed the design of Canada's first retail project to be aligned with CAGBC's Zero Carbon Building Design Certification.

It was through this design process that Choice identified several opportunities to reduce both operational and embodied carbon. One opportunity was insulation substitutions, which achieved the bulk of embodied carbon reductions. A more air-tight and insulated building envelope in combination with a better performing window glazing system reduced the amount of equipment necessary to provide heating and cooling. This process would not have been possible without the collaboration of our tenants.

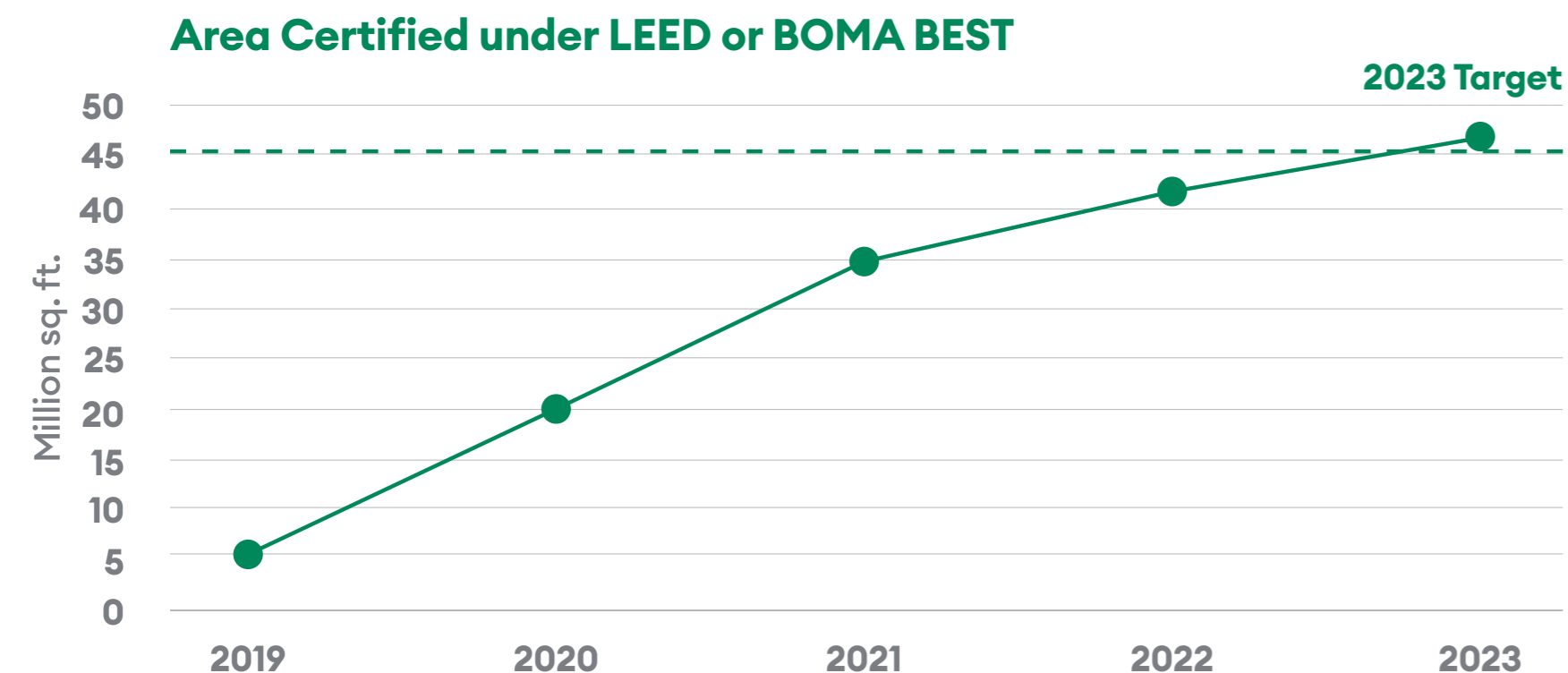


Rendering of Intensification at Coventry Hills
Calgary, AB

Building Certifications

Building certifications provide third-party validation of building design and management best practices and demonstrate the breadth of our environmental programs to our stakeholders. BOMA BEST and LEED are two certifications focused on sustainability-related practices.

In 2023, we increased the total GLA certified under either BOMA BEST or LEED to 46.3 million square feet, or 67% of our total portfolio (both at 100% share). This represents a fourth year of consecutive increases in green building certifications across the portfolio, having risen from 6.6% in 2019. We are proud to have achieved our target of certifying over 65% of GLA (at 100% share) by the end-of-year 2023. We will continue to pursue Green Building certifications across our asset classes.



Target Achieved

67%

Target: Certify 65% of our portfolio under LEED or BOMA BEST by end of Year 2023

BOMA Saskatchewan Earth Award

We are proud to share that our Confederation Drive property in Saskatoon, SK was awarded the 2023 BOMA Saskatchewan Earth Award (Retail), for demonstrating excellence in resource preservation and environmentally sound commercial building management.

The Earth Award is presented to the building that obtained the highest overall BOMA BEST score in its asset class during the previous year.



Earth Awards BOMA Saskatchewan

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.

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.

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

In the fourth quarter of 2023, Choice fully allocated the proceeds of this offering. After reviewing the allocation report, Sustainalytics determined that projects funded with the proceeds met the eligibility criteria.

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

[↗ Navigate to the 2023 Allocation Report here](#)



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 which 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 the physical climate risks facing our properties based on their location and climate-related data projections.

The assessment results indicated the most common physical climate-related risks facing our properties stem from flooding events and extreme storms. We then assessed the robustness of operational programs already in place to protect against these events and identified areas to build additional resilience.

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



6767 Boul. Newman
Lasalle, QC

Environmental and Occupational Health and 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 and safety matters. Choice uses an Environmental and Occupational Health and Safety Management System (“EOHMS”) including policies, procedures and training to manage compliance with these laws and monitor the performance of the portfolio. Choice’s Environmental and Occupational Health and Safety (“EOHS”) team oversees environmental and occupational health and safety due diligence for leasing, transactions and developments, and undertakes ongoing site investigations, monitoring/assessment programs and remediations.

Environmental training is required for specific colleagues including our property managers and operators who receive specialized training on a variety of environmental topics, such as spills management and halocarbons. In addition, we have implemented a national spill reporting tool to gather and communicate relevant information to ensure immediate response and resolution.

Remediation

We conduct environmental assessments to evaluate possible environmental contamination throughout our portfolio for internal due diligence as needed as well as prior to the acquisition, disposition or development of properties. If contamination is identified, we liaise with the vendor or purchaser to review the potential to remediate the site or to develop a remediation/monitoring plan, as appropriate. Our EOHS and Legal teams track remediation activities and report on them regularly to senior management. Our Development team also works to remediate sites or develop remediation plans prior to development, as necessary.



West Block
500 Lakeshore Blvd W
Toronto, ON

Environmental and Occupational Health and Safety (Continued)

Hazardous Materials Management

We conduct hazardous materials assessments and surveys 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 and Construction teams on the appropriate handling of hazardous materials in ongoing property management and upcoming projects. In addition, we also proactively conduct hazardous materials assessments and surveys of vacant units to help attract prospective tenants and facilitate an efficient and expeditious leasing process.

Health and Safety

Choice is committed to providing a safe and healthy work environment for our colleagues. Health and safety training is required for all colleagues. Property managers, operators and construction project managers undergo specialized training on a variety of health and safety topics such as asbestos awareness, designated substances and hazardous materials management, working from heights, confined space, electrical lockout-tagout, Workplace Hazardous Materials Information System and first aid. We work with a third-party assessor who evaluates that contractors who work on our sites have adequate health and safety procedures and training.

Each of our offices has either a Joint Health and Safety Committee or Representative that inspects their office. The committees meet regularly to discuss health and safety concerns and ensure matters of concern are raised with management. The committees are empowered to ensure that the organization is keeping the health and safety of colleagues at the forefront.

➔ For Health and Safety metrics, see the appendix

Hives and Honey

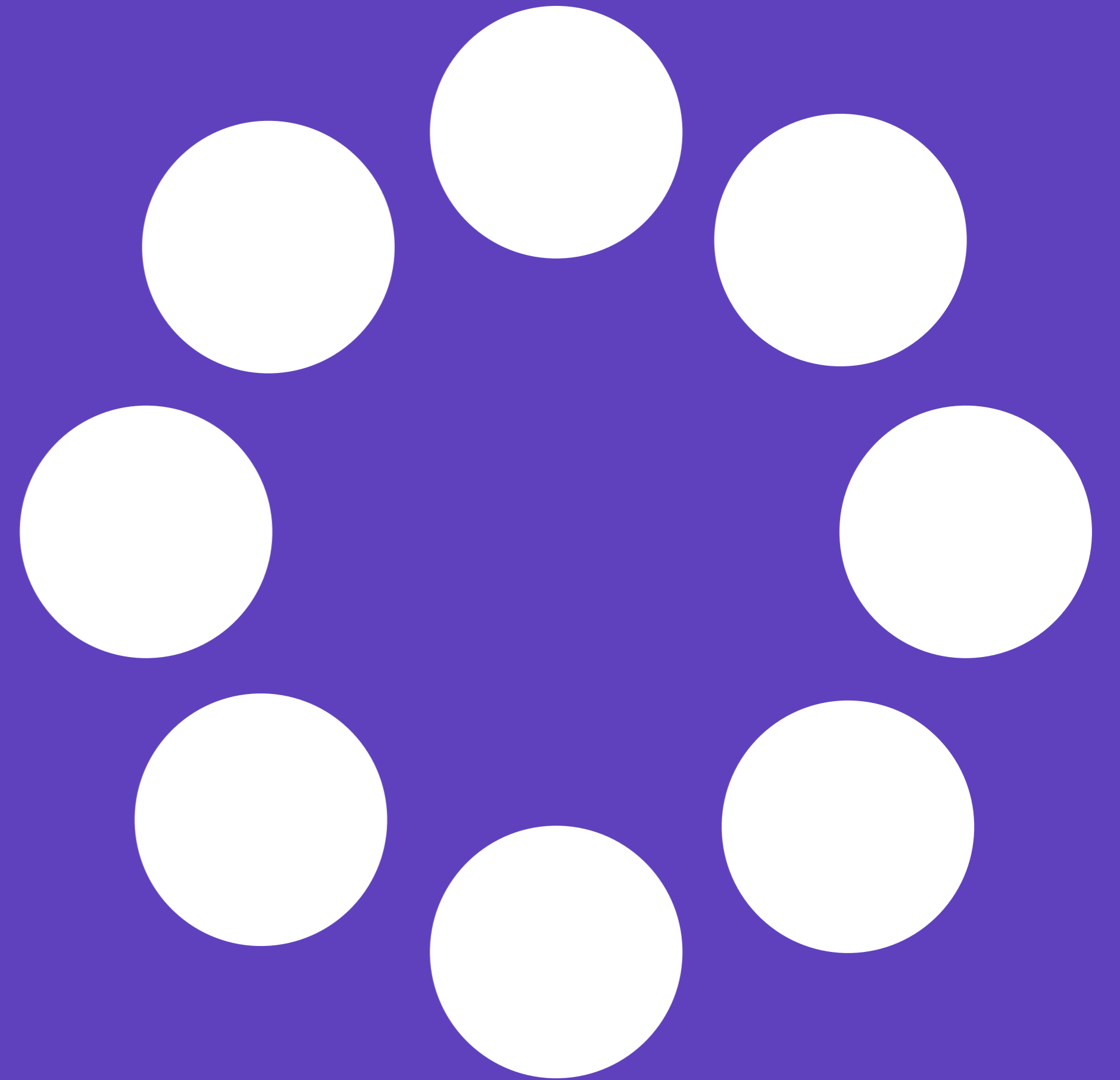
In 2023, Choice was proud to further support our “smallest” tenants – our three bee hives located on rooftops in Toronto and Dartmouth. These hives connect our colleagues, tenants, and their customers with nature in our urban environments. They are tended to by urban beekeepers who send us updates throughout the year as the hives grow and honey and wax products are produced during harvest season.

Honey bees are excellent urban pollinators, benefitting local flowers, fruit trees and vegetable gardens. By supporting plant diversity, honey bees enhance the overall resilience of urban ecosystems against the impact of environmental stressors such as habitat loss.



Choice Hive
The Weston Centre
Toronto, ON

Social



Our Social Programs

We develop and carry out a wide range of social sustainability programs. This year, we are proud of the evolution of our social pillar from Advancing Social Equity to **Strengthening Communities to Prosper**. Within this section you will discover more about our social programs, including the following:

OUR WORKPLACE

- | A Great Place to Work 30
- | Diversity, Equity and Inclusion 33

OUR IMPACT

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Bloor Danforth
BD Beats Festival

A Great Place to Work

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 throughout our organization and the Weston Group, and they come to life with our culture principles: Be Authentic, Build Trust, and Make Connections.

Our CORE values underpin our corporate culture and the programs we have in place to support our colleagues. Choice is proud to have been named one of Greater Toronto's Top Employers (in 2024) for the second year in a row. This accolade recognizes Choice's continued efforts to create the best working environment for our colleagues.

Engagement

Colleague engagement is measured semi-annually through our “Tell It As It Is” survey, conducted by an independent service provider. The survey asks questions relating to colleague engagement, leadership effectiveness, culture, change support, well-being, inclusion and intention to stay with the organization. Participation rates have exceeded 89% since 2019. Our overall engagement rating remains high at 89%, as reflected in our most recent fall survey (a 3% increase from 86% in our 2023 spring survey). Following each survey, we build an action plan that helps us target opportunities to further increase engagement.

Recognized as one of

**Greater
Toronto's Top
Employers**

(in 2023 and 2024)



Choice's Culture Day

A Great Place to Work (Continued)

Benefits and Perks

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

- **Competitive compensation** that includes a short-term bonus incentive program for all permanent colleagues. The program is based on achieving key financial and non-financial targets, including ESG targets.
- **Long-term incentives** that include a national pension plan, group RRSP, employee unit purchase plan, and long-term incentive grants for eligible colleagues
- **Hybrid work model** allowing colleagues the flexibility to work from home as well as in the office according to the needs of their roles and departments
- Active colleague-led committees such as our **social, health and wellness, diversity, equity and inclusion ("DEI"), and Choice Cares committees** which organize colleague events
- **Competitive vacation policy** designed to provide a greater amount of time off for our colleagues earlier in their careers

Colleague Health and Wellness

Choice promotes and supports the overall health and well-being of our colleagues and their families through various wellness programs, including:

- **Enhanced medical coverage** that supplements provincial healthcare coverage. We offer customizable medical benefit plans for colleagues and their families which cover a range of services such as vision, dental, paramedical, prescription drugs, and fertility. We regularly review our benefits programs and strive to ensure that they are sustainable and offer meaningful benefits to our colleagues. In 2023, we made significant changes to our plan to increase coverage for mental health support and fertility treatments, as well as introducing gender affirmation coverage (these benefits will be effective starting in 2024).
- **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 and wellness subsidy** to reimburse colleagues for expenses related to their overall wellness

- **Mental health programming** delivered through a comprehensive Employee and Family Assistance Program, a digital mental health platform, and guest speakers
- **Health and wellness committee** that encourages colleagues to engage in both physical and mental health awareness activities

Teaming Up to Support Terry Fox

In 2023, our Health and Wellness Committee rallied our colleagues in Toronto, Vancouver, Calgary and Halifax to "Team Up for Terry" by participating in a national run and fundraising event for the Terry Fox Foundation. Over 50 Choice colleagues walked or ran up to 10km and together raised over \$20,000 for charity!

The Terry Fox Run has become an autumn tradition in Canada, with more than 650 communities fundraising for cancer research. Participation in this event is just one example of how our colleague-led committees strive to promote health, wellness and philanthropy.



A Great Place to Work (Continued)

Training and Development

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

- **Tuition reimbursement policy**, which assists colleagues in formal training related to their field with tuition costs, seminars, conferences and professional membership fees
- Access to an **enterprise-wide learning platform** offering courses on a variety of topics, such as leadership, coaching, and health and safety
- Our **fall learning series** offering all colleagues an opportunity to participate in various workshops covering topics based on identified needs throughout the business
- **'Talk Master Workshops'** for select colleagues, hosted by external partners, focusing on improving presentation skills and effective communication
- **DEI training** provided to all colleagues, in which they had the opportunity to gain foundational knowledge and learn about unconscious bias

- **Individual development plans** unique to each colleague
- **Mentorship program** connecting colleagues and leaders throughout the organization to help them develop leadership capabilities and promote knowledge sharing
- Immersive learning and interactive sessions as part of Choice's **culture** program, including a biennial national Culture Day, which encourages an environment built on authentic, trusting connections between colleagues

Last year we focused on training our colleagues and people leaders on the topics of DEI, talent calibration and mentorship. Colleagues were also trained on our Code of Conduct, with a focus on social media, confidential information, and competition law.

➔ For workforce metrics, including training and development metrics, see the Social Data appendix



Choice's Culture Day

DEI Training for People Leaders and Colleagues

In 2023, Choice committed to having all colleagues undertake a minimum of two hours of dedicated learning pertaining to DEI topics. This is a crucial first step towards boosting cultural awareness and developing the open mindset necessary for an inclusive work environment. Colleagues were consulted to help determine training topics resulting in a focus on foundational DEI knowledge and tools.

For people leaders, inclusive leadership in the workplace was highlighted, focusing on bias and power awareness and the tools they need to support their colleagues. For colleagues, topics emphasized the foundations of DEI and unconscious bias. We plan to expand training to colleagues in 2024 in the areas of microaggression and anti-racism.

Diversity, Equity and Inclusion

Our Inclusive Culture

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 2023, 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 among colleagues.

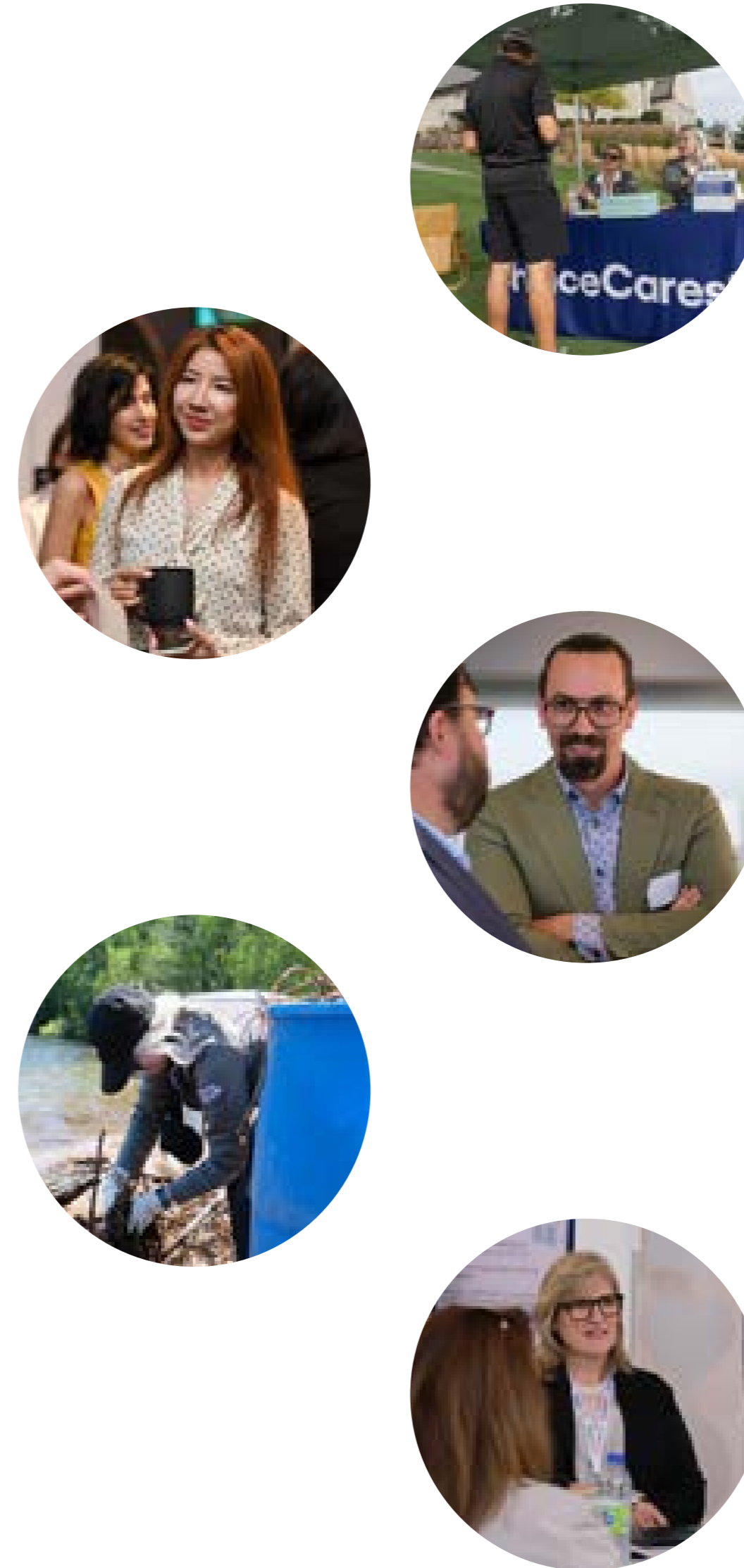
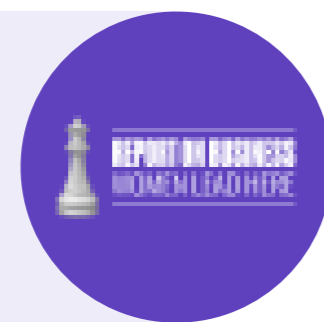
Our DEI Committee held numerous events in 2023 aimed at providing education, training and networking opportunities and to acknowledge key cultural celebrations. These events included:

- Guest speakers and interviews
- Sharing of cultural information and supporting local businesses celebrating:
 - National Indigenous History Month
 - Black History Month
 - Pride Month
 - International Women’s Day
 - Asian Heritage Month
 - Jewish Heritage Month
 - Latin Heritage Month

Achieved the

Women Lead Here Benchmark

(in 2022 and 2024)



Choice colleagues demonstrating our CORE Values

Truth and Reconciliation

We are grateful to be able to conduct our work on the traditional territories of many Indigenous nations across Canada.

Choice’s DEI Committee organized several events in 2023 to raise awareness for Indigenous communities, including hosting a small market at our head office for Indigenous vendors and a smudging ceremony for colleagues. In recognition of National Indigenous History Month, Choice was honoured to hear the lived experiences of Margaret Sault, a member of the Mississaugas of the Credit First Nation. By sharing of traditional knowledge and lived experience, Choice colleagues came face-to-face with uncomfortable truths including the generational impact of the residential school system – a necessary step in the ongoing process of reconciliation.

Our colleagues marked the National Day for Truth and Reconciliation by learning from Waneek Horn-Miller, a Mohawk Olympian from the Kahnawake Mohawk Territory. She shared her insights into how organizations can meaningfully support Reconciliation. Colleagues also took part in local and virtual cultural events and shared educational resources. A donation was also made to an Indigenous-led charity.

Diversity, Equity and Inclusion (Continued)





Diversity Targets

Choice is committed to increasing the diversity of members 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 the diversity of the entire workforce, not just the diversity of new hires. Taking this approach, we intend to focus efforts beyond talent attraction to encompass retention and promotion of a diverse workforce.





We continue to make strides in our representation of visible minorities across all our groups at Choice, with 35% of our overall workforce (Executives, Senior Management, and Colleagues) identifying as a visible minority.

Choice collects information from all colleagues to help determine the representation of women. 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 – gender, visible minorities, Indigenous peoples and persons with disabilities. We define visible minority as non-Caucasian. The process is voluntary and confidential. In 2023, we completed a self-identification campaign to improve our colleague demographic data. We continue to gain a more accurate understanding of such representation to help us track against diversity targets and ensure that our future programs and initiatives are as inclusive as possible.

Representation of Women

Group	2023		2024 Target
Board of Trustees	45% 	Maintain at or above	40%
Executive ¹	53% 	Maintain at or above	45%
Senior Management ²	57% 	Maintain at or above	50%
Colleagues ³	65% 	No target set	

Representation of Visible Minorities

Group	2023		2024 Target
Board of Trustees	18% ⁴ 	Improve to	20%
Executive ¹	26% ⁵ 	Improve to	30%
Senior Management ²	29% ⁶ 	Maintain at or above	25%
Colleagues ³	39% ⁷ 	No target set	

¹ Executive is defined as colleagues with the title of Vice President or higher.

² Senior Management is defined as colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President.

³ Within these tables, colleagues refer to employees who are not defined as Executive or Senior Management.

⁴ Pending election of the Board of Trustee nominees standing for election at Choice Properties' annual meeting of unitholders on April 25, 2024, this target is projected to be achieved.

⁵ 5% of Executives did not disclose in 2023; results reflect the full population size and were not adjusted to exclude those who did not disclose.

⁶ 19% of Senior Management did not disclose in 2023; results reflect the full population size and were not adjusted to exclude those who did not disclose.

⁷ 27% of colleagues did not disclose in 2023; results reflect the full population size and were not adjusted to exclude those who did not disclose.

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

[➔ For complete social data, see the Social Data appendix](#)

Choice Cares Program

About Choice Cares

Through our community involvement program, known as Choice Cares, colleagues raise funds and volunteer their time to support the work of local charitable organizations. The program's mission is to create a culture of giving amongst our colleagues to deliver positive impact in the communities in which we live and work.

Our colleague-led approach encourages our people to take ownership of our Choice Cares program. Colleagues across the country are invited to join a national committee of Choice Cares Champions. The Champions are responsible for leading philanthropic activities and assume responsibility for the success of their respective region's campaign.

Fundraising

We are committed to engaging our colleagues, tenants and business partners in the crucial work undertaken by local charitable organizations. In 2023, over fifteen colleagues volunteered to form our Choice Cares Committee, which organized several engaging fundraising activities, including participating in the national Terry Fox Run, a vacation day raffle, and a walkathon.

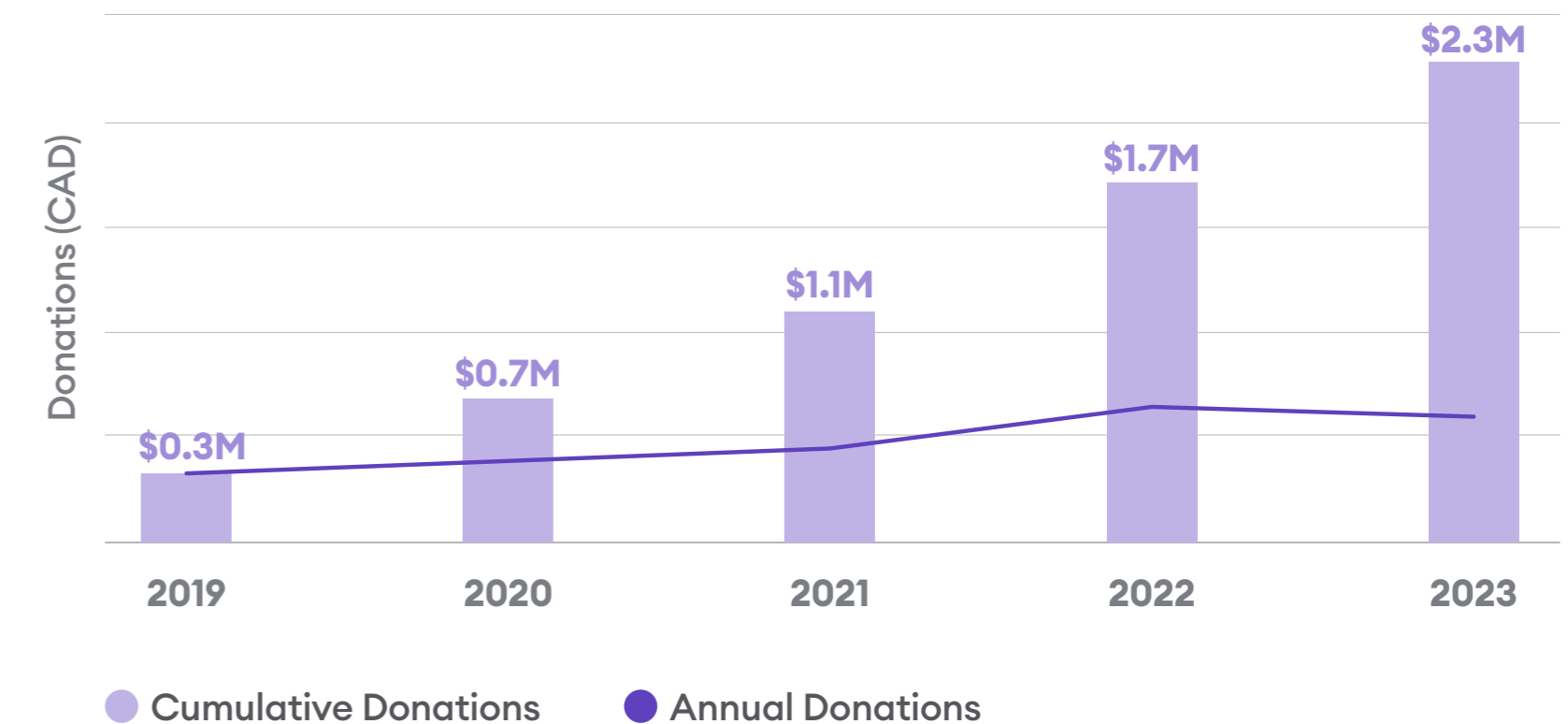
In 2023, we hosted our 8th Annual Golf Classic. It was a sold-out event with over 50 of our business partners participating in and/or sponsoring the tournament. Together, we grossed a record-breaking amount with all net proceeds going to our six charity partners. We are immensely grateful for our business partners who return each year to help us invest in the communities where we all live and work. Because of their contributions, our charity partners can continue to deliver impactful programming that provide food security, leadership camps, tutoring, mentorship, scholarships, and much more to young Canadians in need.

Our 2023 Charity Partners

In 2023, we maintained our focus on supporting organizations that offer programs to empower children and youth in low-income communities. The following local charities were selected by our colleagues:



Choice Cares Fundraising Achievements



➔ For Volunteering and Fundraising metrics, see the Social Data appendix

Choice Cares Program (Continued)

Volunteering

We are guided by our target to volunteer an average of four hours per year per colleague and are entitled to one paid day annually for volunteering. We worked closely with our charity partners to offer these volunteer opportunities in 2023:

- Shopping for groceries, cooking, and serving meals to families at Ronald McDonald House BC & Yukon, giving families a night off from preparing meals
- Tending to Hope Blooms' expanded gardens to grow produce for equity-deserving youth in Halifax
- Helping coordinate Sun Youth's Back to School Campaign which distributes backpacks full of school essentials to elementary and high school students in Montreal
- Preparing healthy lunches for children with Brown Bagging for Calgary's Kids
- Preparing food donations for distribution to those in need with Second Harvest in Toronto

Target Achieved

5.1 hrs

Target: Volunteer an average of 4 paid hours per colleague per year

1,435 hrs

Total hours volunteered by Choice colleagues in 2023



Moorelands Kids Camp Day

Last spring, 29 colleagues travelled to Kawagama Lake, Ontario, to volunteer for one of our Choice Cares partners, Moorelands Kids. The charity operates an overnight camp for at-risk children and youth in grades 3 to 8 that focuses on developing leadership qualities while enjoying the outdoors.

Our colleagues assisted Moorelands in preparing their camp for summer programming,

completing tasks in small groups such as raking leaves, clearing debris from pathways, and cleaning the beach areas. In between volunteer responsibilities, colleagues participated in fun team-building activities facilitated by Moorelands' Camp Director.

In one day, our colleagues completed what would have been over a week's worth of work for the small but mighty team at Moorelands Kids.



Clean up at Camp Kawagama

Social Impact Framework

PILLAR

Strengthening Communities to Prosper

FOCUS AREAS



Local Economic Development



Social Cohesion



ILEO Holiday Market



Bloor Danforth BD Beats Festival

In 2023 we developed our Social Impact Framework to further embed social sustainability practices across our operations. The Framework outlines how we can leverage our assets, business, and non-profit partnerships across the country to promote local economic development and social cohesion at the neighbourhood level. We believe that by aligning our social impact efforts with our core business, we will be best positioned to **Strengthen Communities to Prosper**.

We aspire to advance local economic development by creating opportunities for emerging entrepreneurs and independent contractors who reside in the neighbourhoods where we operate and build. To support social cohesion, we will activate our properties in collaboration with local non-profits to provide shared, meaningful experiences amongst community members. Focusing on these two areas allows us to leverage our spaces, foot traffic, purchasing power, network, and people and expertise to drive positive impact for generations today and to come.

Building scalable social impact programming will be a multi-year journey. We look forward to providing updates and sharing our learnings from pilot projects in future ESG reports.

Social Impact Framework (Continued)

Our Framework In Action

In 2023, we piloted new social impact initiatives to learn how we can leverage our resources and operations as a real estate entity to bring about greater positive social change. We are excited to take the insights we obtained through these pilot initiatives to deliver on our Social Impact Framework over the coming years.

Supporting Entrepreneurship in Golden Mile

As a landowner in Toronto’s Golden Mile area, Choice is proud to be a Corporate Charter signatory of the Inclusive Local Economic Opportunity initiative ("ILEO"). ILEO brings together the private, public and community sectors to discover innovative ways to reduce gaps in economic prosperity at the neighbourhood level. The Greater Golden Mile area is the first neighbourhood to be a part of this initiative.

In collaboration with United Way Greater Toronto, Choice organized a four-day ILEO Holiday Market at our Golden Mile Plaza in November. The market was part of ILEO’s Storefront Starter Program, which supports emerging entrepreneurs from the Greater Golden Mile area to launch and grow their businesses. The market showcased a diverse array of products and provided approximately 20 hours of retail experience each to seven entrepreneurs. 100% of the vendors indicated that they would participate in the local market again.



ILEO Holiday Market

"This program has provided me with the validation I needed to know that my product is wanted."

- Yasin Stanley, ILEO Storefront Starter Program participant



Social Impact Framework (Continued)

Creating Pathways to Meaningful Employment

Choice is always looking for ways to leverage our colleagues' expertise to help create pathways to meaningful employment for underserved groups.

Since 2022, Choice has been a proud member of the Homeward Bound Industry Council. The Homeward Bound program, offered by Woodgreen Community Services, supports homeless or inadequately-housed single mothers to earn college diplomas, start careers and achieve financial stability and independence. In 2023, a mix of our colleagues from various departments volunteered to host a workshop for program participants. We introduced them to a broad range of roles that exist within the real estate industry, and provided guidance on the job search process. Additionally, we hired two graduates from the Homeward Bound program.

In 2023, we also supported Law in Action Within Schools ("LAWS") which is an organization focused on the education and engagement of high school students facing barriers to postsecondary access. Colleagues from our Legal Department acted as guest speakers for students to be given exposure to legal thinking and the justice system.



Woodgreen Workshop

Developing a Sustainable Funding Model

In 2023, Choice completed our first lease agreement with GreenDrop® in Oakville, Ontario, marking the organization's entry into the Canadian market. The GreenDrop® donation center collects donated household goods (clothing and small items) at a mobile donation trailer, and serves as a supplier of goods to second-hand retailers like Value Village. In addition to helping keep reusable items out of landfills, part of GreenDrop®'s profits from second-hand merchants are then reinvested in the community through monetary donations to their charity partners.

Rental revenue from our license agreement with GreenDrop® will help fund Choice's future social impact initiatives. We look forward to exploring similar sustainability-focused partnerships that can act as a sustainable funding model for our social impact work.



GreenDrop® Donation Center

Community-Focused Development

Community Building

As community-based developers, we see our developments as opportunities 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 reducing underutilized parking
- Bringing essential services and food offerings closer to community members and residents
- Collaborating with local community groups, current tenants, and business improvement areas through the redevelopment process
- Incorporating design elements that celebrate the community fabric and connection to place, including art pieces made by local artists

Livable Spaces

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

- Accessible suites and common areas designed to accommodate various stages of life and lifestyles
- A variety of suite sizes and layouts including two-bedroom and three-bedroom units
- Integration of nature and natural features that enhance biodiversity such as green roofs, greenery, new trees and, in some instances, parks
- Providing housing in under-supplied Canadian markets
- Delivering affordability-focused housing in targeted regions
- Amenities catering to a variety of needs and interests including gyms, exercise studios, co-working areas, culinary spaces, and dog runs

Habitat for Humanity Build Days

Choice and The Daniels Corporation are proud to partner with Habitat for Humanity GTA to provide a family with a new townhome at our Mount Pleasant Village (MPV) development site in Brampton.

Over the course of three days, our executive team and senior leaders rolled up their sleeves to contribute to the building of the home for the Habitat partner family. They completed various tasks such as priming and trimming baseboards of the townhome.

The Habitat Build Days are a unique opportunity for corporate teams from diverse backgrounds to come together in a concerted effort to build more than homes. Under the expert guidance of Habitat GTA's experienced crew leaders, participants learn invaluable skills, fostering a sense of unity and purpose.



Habitat for Humanity Build Day
Brampton, ON

Tenant and Supplier Engagement

Tenant Engagement

We actively engage with our tenants to create welcoming and sustainable shopping centres, industrial facilities and workplaces. We regularly meet with our largest tenant, Loblaw, to coordinate on sustainability initiatives, such as the installation of LED lighting and electric vehicle charging stations. In addition, we provide resources such as our Tenant Sustainability Guide and Environmental News Flashes to retail and industrial tenants to encourage environmentally friendly programs.

In 2022, tenant satisfaction surveys were conducted throughout our retail, industrial and office properties. In 2023, we focused on building action plans to implement improvements.

C3 Portal

At Choice, we are committed to providing our customers with best-in-class service. We work diligently to continuously improve our tenant services program with the help of 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 to support us as we strive to consistently meet the needs of our tenants and manage our properties to the highest standards.

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 providing uniforms for our staff. We actively engage with suppliers and have a range of policies and processes in place to support our supply chain. We use our Choice Supplier Code of Conduct to define the minimum standards we expect from suppliers. We use an e-tendering platform to award contracts, which enables Choice and our suppliers to exchange information transparently, securely and efficiently. We also work with a third-party assessor who certifies that contractors who work on our sites incorporate adequate health and safety procedures and training. These procurement policies and tools enable us to strengthen transparency in our supply chain.

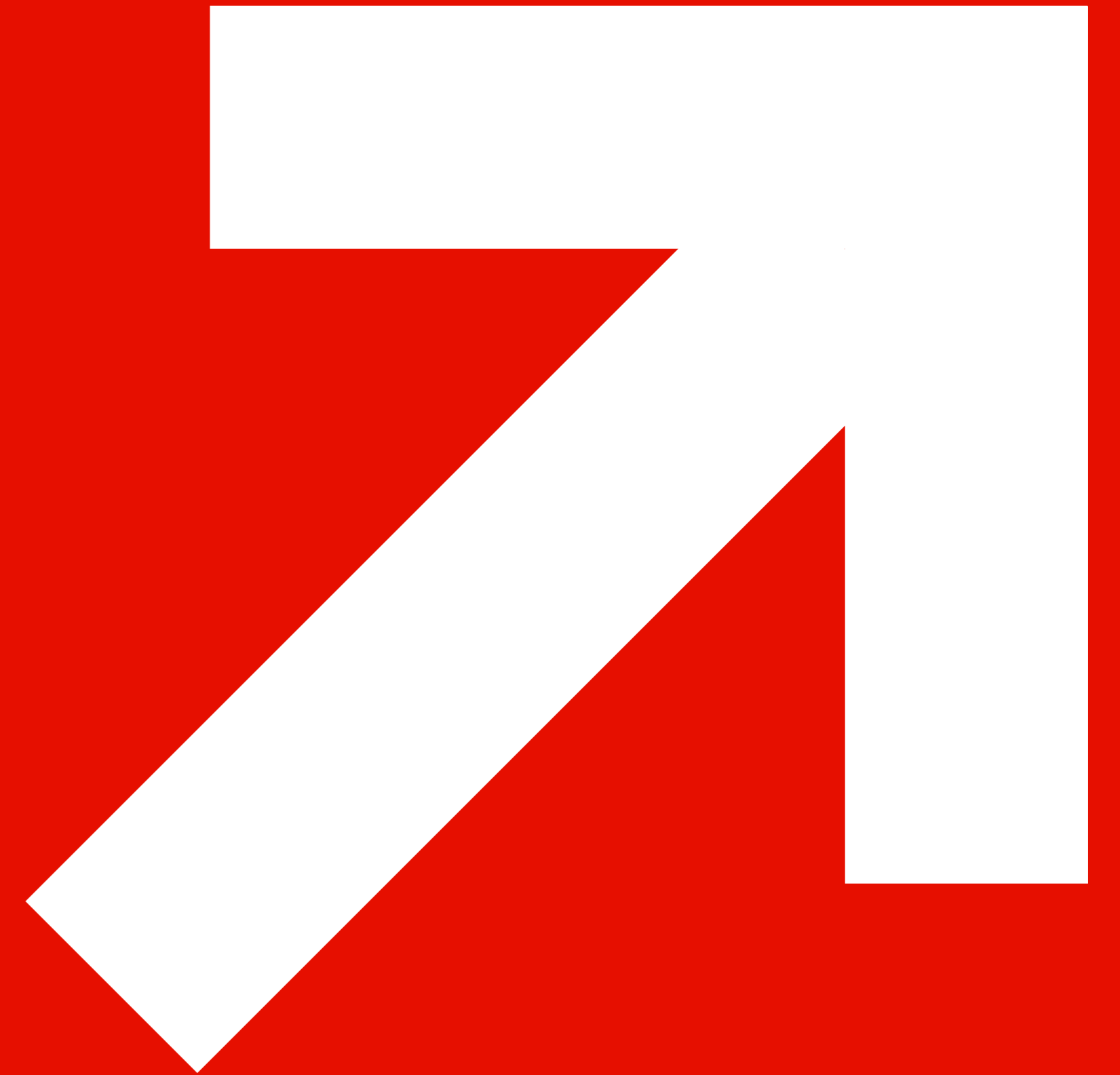
Advancing Accessibility

We believe in creating spaces that are accessible to the diverse communities we serve. Choice is proud to continue to be a part of the Accelerating Accessibility Coalition (“AAC”) as one of its founding members. The AAC is a first-of-its-kind community of real estate development and accessibility leaders that aims to create a more accessible Canada.

In 2023, Choice engaged Rick Hansen Certified Professionals to complete 29 accessibility assessments at various retail and office properties. We are excited to pursue the Rick Hansen Foundation Accessibility certification at 13 properties, and to have entered the 2023/2024 Buildings Without Barriers Challenge.



Governance



Governance

Governance Overview

Choice Properties recognizes that strong governance practices are a key driver of ESG success. We have embedded ESG responsibilities into all levels of the organization to facilitate decision-making that includes ESG considerations.

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 website provides additional information and governance documents, including: 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 responsibility 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

As of December 31, 2023, the Board was comprised of eleven 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 assessment of 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, including sustainability and climate risks. 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

- ➔ [2024 Management Proxy Circular](#)
- ➔ [2023 Annual Report](#)
- ➔ [2023 Annual Information Form](#)
- ➔ [Governance Information, including Board and Committee Mandates](#)
- ➔ [2023 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 into business functions and embedding oversight within established governance structures. The following groups and individuals have responsibilities related to the oversight of the ESG program:

Board of Trustees

ESG function: As included within the Mandate of the Board of Trustees, the role of the Board includes stewardship and governance of the Trust. Responsibilities include oversight of the ESG program and review and approval of the ESG Report.

Led by: Chair of the Board and independent Lead Trustee

Frequency of ESG-related updates: Quarterly

ESG-related skills and competencies:

Choice's Management Proxy Circular identifies the key skills of each Trustee. Four of Choice's Trustees have Environmental and Social skillsets; six of Choice's Trustees have Governance-related skillsets.

Audit Committee of the Board

ESG function: As included within the Mandate of the Audit Committee, this Committee's duties include oversight of the adequacy and effectiveness of ESG disclosure controls and review of ESG disclosures prior to publication. This includes reviewing internal and external assurance results.

Comprised of: Independent Trustees including those with Environmental, Social, and Governance-related skillsets

Frequency of ESG-related updates: Annually at minimum

Governance Committee of the Board

ESG function: In accordance with the Mandate of the Governance Committee, this Committee reviews and approves the total compensation and benefits of Choice's senior executives. The Trust's incentive programs include ESG-related targets within the short-term incentive plan. Duties also include identification of Trustee nominees in accordance with Choice's Board Diversity Policy.

Comprised of: Independent Trustees including those with Governance-related skillsets

Frequency of ESG-related updates: Annually at minimum

President and CEO

ESG function: Executive Sponsor of ESG program

ESG-related performance targets: Choice's 2023 organization-wide short-term incentive plan incorporated ESG-related targets

ESG Performance and Compensation

At Choice, colleagues' financial benefits related to performance targets are assessed partially through the Short-Term Incentive Program ("STIP"). The STIP is available to all full-time colleagues, including Choice Properties' senior management team.

The STIP incentivizes colleagues to meet annual financial and operating performance targets. Operating performance targets are identified as Pursuit Measures and are designed to focus on the key drivers of the business and value creation over both the short and long term. Within the 2023 STIP, 10% of the incentive was tied to ESG-related Pursuit Measures. In 2023, these ESG-related Pursuit Measures included (but were not limited to) operationalizing the retail Green Lease, completing a minimum number of energy audits and feasibility studies, DEI training for all colleagues, as well as advancing Choice's Social Impact Framework.

For more information, please refer to Choice's Management Proxy Circular.

ESG Program Management

Strategy Integration

Choice has an ESG Steering Committee comprised of senior leaders who collaborate to integrate ESG objectives into Choice's overall strategy. Their responsibilities include overseeing strategic business objectives for ESG commitments and targets, as well as establishing an ESG-focused culture from the highest level of management.

The VP, Sustainability and Placemaking, a member of the senior management team reporting directly to the President and CEO, chairs the ESG Steering Committee. They identify opportunities and risks related to Choice's ongoing operations and advocate for the inclusion of ESG-related considerations into management planning. If necessary, the risks and opportunities are incorporated into the ongoing work of the related business units. This is facilitated by collaboration with the ESG teams. The partnership between the business units and ESG teams is paramount to addressing the identified risk or opportunity. The business unit ensures that ongoing operational factors are considered while the ESG team corroborates that the outcome addresses the identified risk or opportunity and monitors the outcome with respect to identified metrics and targets.

The following groups have specific responsibilities related to the management and execution of ESG-related risks and opportunities:

ESG Steering Committee

ESG function: Cross-functional committee championing ESG programs across the organization, advising and overseeing the ESG teams

Chaired by: VP, Sustainability and Placemaking

Sponsored by: President and CEO

Comprised of: President and CEO, Senior Management, and subject matter experts from relevant business functions

Frequency: Quarterly

ESG Teams

ESG function: Management of ESG program including:

- Coordinating activities contributing to the ESG program including environmental and social impact initiatives
- Establishing targets and measuring impact
- Public reporting and benchmarking

- Provides updates to the Board on the progress of ESG commitments
- Climate and sustainability-related risk identification and strategy integration, including resource identification

Comprised of: A group of dedicated full-time colleagues focused on sustainability and social impact, led by the VP, Sustainability and Placemaking.

ESG-related skills and competencies:

Each ESG team member has education and/or practical work experience related to their specific function, included but not limited to urban planning, building science, climate change, social impact and philanthropy.

Enterprise Risk Management ("ERM") Program

ESG function: Identifies and manages risks relevant to Choice, including climate and sustainability risks

ESG-related skills and competencies: Working knowledge of ESG-related disclosure and regulatory environments; access to industry expertise on ESG-related risk mitigation

Frequency: ERM program results communicated to the board quarterly

Industry Groups and Associations

Choice aims to collaborate and participate in industry initiatives through membership and/or association with a variety of organizations (either as an entity or through colleague-affiliation). The following is a non-exhaustive list.

- Black North Initiative
- Building Owners and Managers Association Canada (BOMA Canada)
- Canadian Association of Women in Construction (CAWIC)
- Canadian Centre for Diversity and Inclusion (CCDI)
- Canada Green Building Council (CAGBC)
- Commercial Real Estate Women Network (CREW)
- International Council of Shopping Centres (ICSC)
- Real Property Association of Canada (REALPAC)
- Urban Land Institute (ULI)

ESG Data Validation

Roles and Responsibilities

We recognize the importance of ensuring the accuracy and reliability of our ESG disclosures. Management is responsible for establishing and maintaining adequate internal controls over ESG disclosures to provide confidence regarding the reliability of ESG reporting and the preparation of ESG reports for external purposes. 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.

The following groups participate in the preparation 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 the Trust's ESG disclosures.
- **ESG Report Disclosure Committee:** Comprised of members of senior leadership from all areas of the business who have oversight of the programs discussed in this annual ESG report.

- **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, development, and operations, which is included with ESG disclosures.
- **Internal Controls Compliance:** This team evaluates the design and tests the operating effectiveness of ESG controls regarding the preparation of the ESG report for external purposes. The results are reported to the Audit Committee of the Board.
- **Independent Assurance:** PricewaterhouseCoopers LLP has provided assurance of select Choice 2023 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 ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. Refer to Appendix G for their Statement of Assurance.

Internal Controls Over ESG Reporting

The President and CEO and the Chief Financial Officer have stipulated that the effectiveness of the internal controls over ESG reporting be evaluated using the framework established in 'Internal Control - Integrated Framework (COSO Framework)' (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, they have concluded that the design and operation of the Trust's internal controls over ESG reporting were effective as at December 31, 2023.

In designing such a control environment, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

There were no changes in the Trust's internal controls over ESG reporting in 2023 that materially affected or are reasonably likely to materially affect the Trust's internal control over ESG reporting.



9711-23rd Ave. NW
Edmonton, AB

Ethics and Compliance

Code of Conduct

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

The Code 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 violence, harassment and discrimination and speak up when something doesn't feel right. The Code also outlines our zero tolerance for 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 do things the right way. All colleagues are required to annually acknowledge that they have read and understand the Code.

During 2023, all colleagues completed training on certain sections of the Code, with a focus on social media, confidential information, and competition law.

The Code of Conduct is available [here](#).

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 with whom we do business to do the same. To support this endeavour, Choice has a Supplier Code of Conduct ("the Supplier Code") setting out the minimum standards we expect from suppliers. The Supplier 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.

Human Rights

Choice is committed to respecting human rights. Our commitment 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' 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](#).

Dedicated Compliance Team

Compliance is an integral component of Choice's business. Choice has a dedicated Compliance Program, overseen by the Director, Compliance, which 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.



Ethics and Compliance (Continued)

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, to 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 colleagues or Trustees to anonymously report potential noncompliance with the Code of Conduct or with applicable laws and regulations. The Code of Conduct summarizes the SpeakUP! Program, our prohibition on retaliation and the implications for any colleagues who 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 provides the Audit Committee with a summary of any incidents that are reported.

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 that 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 acknowledgement.

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

In 2023, 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. Survey results showed that 98% agreed or strongly agreed that they were.

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 attest annually that they have disclosed any conflicts of interests.



Privacy and Cybersecurity

Our Fair Information Principles

We are committed to safeguarding the personal information of our tenants and colleagues through physical, procedural and technological 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 and how individuals may initiate inquiries or 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 and Data Governance, who presents updates 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, colleagues and tenants secure.

Security Awareness Program

We have developed an awareness strategy program to raise the security awareness level of the organization. All colleagues are required to complete mandatory cybersecurity awareness training on an annual basis. This has contributed to the cybersecurity maturity rating for Choice exceeding the industry benchmark by 16% in 2023.

In addition, we provide resources to all colleagues 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 in accordance with our policies.

Business Continuity and 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 that provide a framework for reporting on the risks associated with climate change. This appendix outlines Choice's climate change risk management program, aligned to the four elements of the TCFD Recommendations: governance, strategy, risk management and metrics and targets.



Climate Risk Governance

The Board of Trustees oversees Choice Properties' Enterprise Risk Management program, which identifies and manages risks relevant to Choice, including climate change risks. The senior management 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 described in the ESG Program Governance section of this report. The mandate of the ESG Steering Committee includes 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. The ESG team is led by the VP, Sustainability and Placemaking who reports directly to the President & 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 prepare adequately 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 lower carbon economy and may entail extensive changes to policies, regulations and technologies to address mitigation and adaption 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 legislation 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. Property-specific projects related to energy efficiency and decarbonization are typically prioritized on the basis of financial return and environmental impact. Management may also pursue projects that have been brought forth by the ESG Steering Committee which address climate-related opportunities or risks and align with Choice’s strategy and ESG-related targets. Capital projects that deliver cost savings to tenants may be recovered through green lease clauses, and are resourced through property capital and leasing expenditures. Portfolio-wide strategic work related to climate risks and opportunities is resourced through general and administrative expenses.

In 2023, we completed asset-specific low-greenhouse-gas transition plans for our entire portfolio of operating properties. These plans identify, at a preliminary level, the upgrades and replacements necessary to make progress towards Choice’s net-zero targets. The outputs of these transition plans include capital costing plans that may be integrated into the Trust’s capital planning program. There are several uncertainties associated with these analyses including emissions forecasting from electricity grids, utility costs, material costs and availability, labour costs, available incentives, and tenants’ adoption of and adherence to their own net-zero targets. The capital cost plans are subject to change as uncertainties and/or assumptions are modified to reflect updated information as it becomes available.



Management of Climate Risks and Opportunities

The Trust uses stakeholder engagement, a dedicated ESG team, the groups outlined within the ESG Program Governance and ESG Program Management sections 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 (risks related to the transition to a lower-carbon economy) 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 that 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 24 months, in the case of industrial or office premises.

Choice completed a comprehensive physical climate risk assessment for its entire portfolio of operating 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 alongside projected climate related data.

With the data provided, Choice was able to analyze:

- Seven forward-looking climate change risks (precipitation stress, riverine floods, tropical cyclone, drought, wildfires, heat stress and sea level rise);
- Seven current climate risks (earthquake, extratropical (winter) storms, flash floods, hail, storm surges, tornados and tsunamis);
- The above risks throughout three 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 throughout three timeframes (Current, 2050 and 2100).

Our 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. It should be noted that the difference in climate impacts between the RCP 2.6 and RCP 8.5 climate scenarios is not significant in 2050. When comparing the RCP 2.6 and RCP 8.5 climate scenarios, the difference in climate impacts increases in the half decade that follows 2050.

In 2021, Choice began implementing the findings of the assessment, as described in the Physical Resilience section of this report.

Management of Climate Change Risks and Opportunities – Continued

Climate Change Risks and Opportunities

	Short and Medium-Term	How Choice’s Strategy is Impacted
Transition Risks	<ul style="list-style-type: none"> • Increasing utility costs • Carbon pricing • Regional regulations facilitating zero carbon planning • Changing tenant demand for assets in response to changing cost of utilities, carbon pricing, or regional regulations 	<ul style="list-style-type: none"> • Choice has adopted net-zero targets, continues to implement efficiency upgrades, and has begun asset-specific transition planning to adapt to increasing costs associated with utilities and emissions as well as regulations facilitating carbon reduction. • Choice has a diversified portfolio throughout Canada and Choice’s Asset Management function is represented within Choice’s ESG Steering Committee. Net-zero planning and tenant engagement consider these risks.
Transition Opportunities	<ul style="list-style-type: none"> • Investment in on-site renewables • Investment in efficiency measures • Energy procurement strategy • Support for e-vehicles 	<ul style="list-style-type: none"> • Choice’s Pathway to Net Zero Report outlines Choice’s response to the identified transition opportunities. Further information is also available in the Emissions and Energy section of this report. Choice is investing in the exploration of on-site renewable energy opportunities and actively pursuing efficiency opportunities, support for e-vehicles, and energy procurement strategies.
Physical Risks (natural disaster or serious weather conditions)	<ul style="list-style-type: none"> • Business interruption • Unscheduled repairs • Construction delays • Increased utility demand and costs 	<ul style="list-style-type: none"> • Choice mitigates these risks through insurance, property condition assessments, as well as capital improvement planning based on the property condition assessments. Further, Choice has begun to incorporate physical risks into the transactions process.
Physical Opportunities	<ul style="list-style-type: none"> • Low exposure of portfolio to short and medium term physical risks creates inherent resilience 	<ul style="list-style-type: none"> • Choice has begun to incorporate physical risks into the transactions process.

Management of Climate Change Risks and Opportunities – Continued



Metrics and Targets

To enable our stakeholders to consider and compare our reporting, we compile and align our outputs 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 (continued)

	Long Term	Impact to Choice’s Strategy
Transition Risks	<ul style="list-style-type: none"> • Pressure on tenants' business sectors • Changing visitor behaviour • Further policy and regulation shifts 	<ul style="list-style-type: none"> • Choice has adopted net-zero targets, continues to implement efficiency upgrades, and has begun asset-specific transition planning to adapt to increasing costs associated with utilities and emissions as well as regulations facilitating carbon reduction. • Choice has a diversified portfolio throughout Canada and Choice’s Asset Management function is represented within Choice’s ESG Steering Committee. Net-zero planning and tenant engagement consider these risks. • Choice’s ESG team works to identify policy and regulation shifts that may affect Choice’s strategy over the long term through participation in industry groups and ongoing education. These are managed through the work of the ESG Steering Committee.
Transition Opportunities	<ul style="list-style-type: none"> • Outperformance of carbon-efficient assets • Availability of net-zero ready assets 	<ul style="list-style-type: none"> • Choice’s Pathway to Net Zero Report outlines Choice’s response to the identified transition opportunities. Further information is also available in the Environmental section of this report. When major renovations are required to increase performance, opportunities exist to coordinate these with existing capital planning and replacement projects.
Physical Risks (natural disaster or serious weather conditions)	<ul style="list-style-type: none"> • Changes in insurance coverage • Tenant turnover • Obsolescence of equipment 	<ul style="list-style-type: none"> • Choice has begun to incorporate physical risks into the transactions process.
Physical Opportunities	<ul style="list-style-type: none"> • Availability of resilient assets 	<ul style="list-style-type: none"> • Choice has begun to incorporate physical risks into the transactions process.

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 and Energy Data

The energy and emissions data presented within this report reflect Choice's portfolio as of December 31, 2023 and includes comparative data in each reported year from 2019 to 2023. Where emissions factors are sourced from Canada's Greenhouse Gas Inventory 1990-2021, they are accessed from the 2023 National Inventory Report, published in April 2023.

Except where indicated as market-based, the consumption information presented within the emissions and energy data of this report represent 100% grid electricity across all property asset classes. Market-based figures include the purchase of Green-e® certified renewable energy certificates.

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

Landlord-Controlled Energy/Scope 1 and 2 Emissions:

Retail and Industrial: Data represent 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 based on asset class and climate zone sourced from the United State's Energy Information Administration's Commercial Building Energy Consumption ("CBECS") Survey (2018 Edition).

Mixed-Use and Residential: The energy data presented here is typically complete energy data from office properties that Choice owns and manages (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 meter) which includes all tenant uses.

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

Retail and Industrial: Data represent 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.

Mixed-Use and Residential: Residential properties are managed by third-parties and are outside of Choice's operational control. The energy data presented here is representative of the whole building and is estimated.

Also included here are office properties owned by Choice that are managed by tenants. This data is representative of the whole building and is directly measured.

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 GHG emissions. The categories that are excluded are either not applicable to our business, or estimated to represent less than 10% 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.

Quantitative metrics presented within this appendix are absolute unless otherwise stated.

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 other than 1 and 13 represented less than 10% of our Scope 3 emissions. No material changes to those categories have occurred since the screening.

Scope 3	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"> 1. Development 2. Maintenance (primarily repairs to roofing and pavement) 3. Water 4. Corporate products and services <p>Methodology:</p> <ol style="list-style-type: none"> 1. Development: We work with third-party consultants to calculate the embodied carbon emissions of certain 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: <ul style="list-style-type: none"> A1-A3: Product Stage A4: Transport to construction site⁽ⁱ⁾ B4-B5: Replacement and Refurbishment C1-C4: End-of-Life 2. Maintenance: Material quantities are collected from contractors and multiplied by database-supplied product emission factors. 3. Water: Primary data from Choice-paid water meters is multiplied by a product emission factor. 4. Corporate Products and Services: Choice’s procurement spend is multiplied by a spend-based emissions factor. <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>⁽ⁱ⁾ A5: Construction Process is intermittently captured and not a requirement of the LEED LCA reporting process (the basis of most LCA studies). It is excluded here, but may be included in future.</p>	<p>Development: 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 (“LCA”) reports, 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 1990-2021</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 other than 1 and 13 represented less than 10% of our Scope 3 emissions. No material changes to those categories have occurred since the screening.

Scope 3	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-controlled energy meters is collected where it has been made available. When there is no primary 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: Energy use intensity based on asset class and climate zone sourced from the United State's Energy Information Administration's CBECS (2018 Edition)</p>	Canada’s Greenhouse Gas Inventory 1990-2021.

Emissions and 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 the daily average consumption at the account level based on all available 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 tenant utility trackers, where provided to Choice, or estimated as shown in the data sources table to the right.

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

	2019	2020	2021	2022	2023
Directly Measured	70.4%	68.8%	70.8%	71.7%	64.1%
Accrued	4.6%	2.3%	3.7%	8.1%	12.7%
Estimated	25.0%	28.9%	25.5%	20.2%	23.3%

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

	2019	2020	2021	2022	2023
Directly Measured	71.6%	70.2%	70.5%	70.9%	69.4%
Estimated	28.4%	29.8%	29.5%	29.1%	30.6%

Emissions

GHG Emissions (thousand tCO₂e)

Our emissions are influenced by factors including tenant operations, building occupancy, weather conditions, equipment retrofits and newly-developed properties. We intend to continue reducing emissions to meet our climate targets, including through ongoing efficiency projects, tenant engagement, and the implementation of renewable energy sources. These initiatives are detailed in the Environmental section of this report.

Asset Class	2019						2020						2021					
	Scope 1 Emissions	Scope 2 Emissions – Location Based	Scope 3 Category 1	Scope 3 Category 13	Scope 3 Total	Total Emissions – Location Based	Scope 1 Emissions	Scope 2 Emissions – Location Based	Scope 3 Category 1	Scope 3 Category 13	Scope 3 Total	Total Emissions – Location Based	Scope 1 Emissions	Scope 2 Emissions – Location Based	Scope 3 Category 1	Scope 3 Category 13	Scope 3 Total	Total Emissions – Location Based
Retail	2.7	3.8	0.1	393.2	393.3	399.8	3.1	3.5	0.1	372.0	372.1	378.7	2.9	3.1	0.1	366.1	366.2	372.2
Industrial	0.9	1.5	0.1	58.9	59.0	61.5	0.9	1.3	0.1	56.0	56.1	58.2	1.0	1.1	0.1	53.3	53.4	55.4
Mixed-Use & Residential	1.2	0.3	0.0	4.3	4.3	5.8	1.2	0.2	0.0	4.0	4.0	5.4	1.6	0.3	0.0	4.1	4.1	6.0
Portfolio	-	-	45.8	-	45.8	45.8	-	-	23.0	-	23.0	23.0	-	-	27.4	-	27.4	27.4
Total	4.9	5.6	46.0	456.4	502.4	512.9	5.2	5.0	23.2	431.9	455.1	465.3	5.4	4.5	27.6	423.5	451.1	461

Data included above reflect Choice's portfolio as of December 31, 2023. See the next page for 2022-2023 data and information on restatement of data from 2019-2022.

Emissions (Continued)

GHG Emissions (thousand tCO₂e) (Continued)

Asset Class	2022						2023							
	Scope 1 Emissions	Scope 2 Emissions – Location Based	Scope 3 Category 1	Scope 3 Category 13	Scope 3 Total	Total Emissions – Location Based	Scope 1 Emissions	Scope 2 Emissions – Location Based	Scope 2 Emissions – Market Based	Scope 3 Category 1	Scope 3 Category 13	Scope 3 Total	Total Emissions – Location Based	Total Emissions – Market Based
Retail	3.0	3.2	0.1	367.1	367.2	373.5	2.8	3.4	0.7	0.1	349.8	349.9	356.2	353.4
Industrial	0.5	1.0	0.1	55.1	55.2	56.7	0.7	1.4	0.0	0.1	53.4	53.5	55.5	54.2
Mixed-Use & Residential	1.8	0.3	0.0	5.2	5.2	7.3	1.8	0.3	0.3	0.0	5.0	5.0	7.1	7.1
Portfolio	-	-	12.6	-	12.6	12.6	-	-	-	32.8	-	32.8	32.8	32.8
Total	5.3	4.5	12.8	427.5	440.3	450.0	5.3 	5.1 	1.0 	33.0	408.2	441.2	451.7	447.6

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

Restatement Details

Previously reported 2019-2022 emissions are restated. The Restatement Details tables provide the movement from previously published values in Choice's 2022 Environmental, Social and Governance report to the current year data (as stated above) which reflects the portfolio as of December 31, 2023. This restatement accounts for (1) greater data availability subsequent to previous reporting as well as changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions and (2) an update in estimation methodology to account for newly-released CBECS survey data (from 2012 values to 2018 values).

Scope 1 Emissions Restatement Details

Aspect	2019	2020	2021	2022
% change due to transactions and increased data availability	-53%	-46%	-42%	-41%
% change due to estimation methodology update	13%	15%	14%	11%


Scope 2 Emissions - Location-Based Restatement Details


Aspect	2019	2020	2021	2022
% change due to transactions and increased data availability	-65%	-60%	-60%	-61%
% change due to estimation methodology update	-4%	-5%	-6%	-6%

Energy

Total Energy Consumption (eGWh)

Our energy is influenced by factors including tenant operations, building occupancy, weather conditions, equipment retrofits and newly-developed properties. We intend to continue reducing energy consumption to meet our climate targets, including through ongoing efficiency projects, tenant engagement, and the implementation of renewable energy sources. These initiatives are detailed in the Environmental section of this report.

Asset Class	2019			2020			2021			2022			2023		
	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total	Landlord Controlled	Tenant Controlled	Total
Retail	47.2	2,176.6	2,223.8	48.6	2,144.2	2,192.9	45.6	2,172.1	2,217.6	45.9	2,170.1	2,215.9	46.1	2,032.3	2,078.4
Industrial	8.2	302.8	311.1	8.3	297.1	305.4	7.8	300.7	308.5	4.4	309.3	313.7	6.3	298.7	305.0
Mixed-Use & Residential	15.3	28.1	43.4	15.8	25.3	41.1	18.6	27.7	46.3	19.7	40.4	60.1	20.8	38.7	59.5
Total	70.7	2,507.5	2,578.3	72.7	2,466.7	2,539.4	72.0	2,500.5	2,572.5	69.9	2,519.8	2,589.7	73.2 	2,369.8	2,442.9

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

Restatement Details

Previously reported 2019-2022 energy consumption is restated. The Restatement Details table provides the movement from previously published values in Choice's 2022 Environmental, Social and Governance report to the current year data (as stated above) which reflects the portfolio as of December 31, 2023. This restatement accounts for (1) greater data availability subsequent to previous reporting as well as changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions and (2) an update in estimation methodology to account for newly-released CBECs survey data (from 2012 values to 2018 values).

Landlord Controlled Energy Restatement Details

Aspect	2019	2020	2021	2022
% change due to transactions and increased data availability	-38%	-32%	-30%	-30%
% change due to estimation methodology update	4%	5%	4%	2%

Renewable Energy

Choice has equipped some sites with rooftop solar panels. We do not claim the carbon offsets generated by these assets as credits in our carbon accounting (the renewable energy credits are retained by third parties).

The consumption information presented within the emissions and energy data of this report represent 100% grid electricity across all property subsectors except where indicated as market-based. Market-based figures include the purchase of Green-e® certified renewable energy credits.

Solar Installation Details

	# of Properties	Panel Capacity (kW DC)	Operating Capacity (kW AC)
Retail	47	13,160	9,600
Industrial	1	850	500
Mixed-Use & Residential	1	150	100
Total	49	14,160	10,200

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

	2019	2020	2021	2022	2023
Retail	13.6	14.6	14.5	14.0	14.0
Industrial	0.9	0.9	0.9	0.9	0.9
Mixed-Use & Residential	0.2	0.2	0.2	0.2	0.2
Total	14.7	15.7	15.6	15.1	15.0

Understanding Water Data

The water data presented within this report relate to Choice's portfolio as of December 31, 2023 and includes comparative data in each reported year from 2019 to 2023.

The data represent 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.

Water

Our water consumption is influenced by factors including tenant operations, building occupancy, weather conditions, equipment retrofits and newly-developed properties. We intend to continue reducing water consumption through ongoing upgrades and monitoring. These initiatives are detailed in the Environmental section of this report.

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 are 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.

5. 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", and although it 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 area 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 78.4% of 2023 totals, 80.3% of 2022 totals, 93.8% of 2021 totals, 92.7% of 2020 totals, and 94.6% of 2019 totals. The remainder was accrued. It is typical for water data coverage to be lower within the reporting year (2023) due to low billing frequency by utility providers. Accruals made in place of unavailable data at time of reporting are corrected in future years.

Total Water Consumption (thousand m³)

Asset Class	2019	2020	2021	2022	2023
Retail	891.0	770.9	795.5	850.4	950.8
Industrial	151.9	136.3	153.0	152.2	151.4
Mixed-Use & Residential	45.6	61.1	58.2	55.2	98.1
Total	1,088.5	968.3	1,006.7	1,057.8	1,200.3 

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

Data included here reflect Choice's portfolio as of December 31, 2023. Previously reported 2019-2022 water consumption is restated to account for greater data availability subsequent to those previous reporting periods, as well any changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions.

Understanding Waste Data

The waste data presented within this report relates to Choice's portfolio as of December 31, 2023 and includes comparative data in each reported year from 2019 to 2023.

The data represent 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, though 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 are within Choice's control, such as multi-tenant retail locations where a common waste storage area is used, as opposed to individual tenants with individual bin locations). Retail and industrial tenants are typically responsible for their own waste disposal, where available.

Waste Data Coverage


2023 waste data presented in this report represent 13.3% of our portfolio by GLA (at 100% share). By asset class this represents: 15.8% of our retail portfolio, 4.9% of our industrial portfolio, and 30.8% of our mixed-use and residential portfolio. In 2023, 99.5% of data represented is directly measured from waste bills with 0.5% of data accrued. 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. We should note that Choice's ability to capture and report waste data has generally 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 waste; however, Choice does not collect data pertaining to the quantity of hazardous waste generated, as these operations are the responsibility of tenants.

Waste

Weight of Non-Hazardous Waste (tonnes)

Our waste generation is influenced by factors including tenant operations and building occupancy.

Year	2020				2021				2022				2023			
Asset Class	Landfill	Recycle	Total	Diversion (%)	Landfill	Recycle	Total	Diversion (%)	Landfill	Recycle	Total	Diversion (%)	Landfill	Recycle	Total	Diversion (%)
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%	2,429	3,109	5,538	56.1%
Industrial	138	295	433	68.2%	128	275	402	68.3%	120	266	386	68.8%	58	134	192	69.8%
Mixed-Use & Residential	8	-	8	-	185	102	288	35.5%	239	193	432	44.7%	247	156	402	38.6%
Total	1,526	2,406	3,932	61.2%	2,252	3,740	5,992	62.4%	2,556	3,594	6,150	58.4%	2,734	3,399	6,133 	55.4%

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

Waste data from our Office properties to which our waste diversion target applies is a subset of the Mixed-Use & Residential asset class.

Restatement Details

Previously reported 2020-2022 waste consumption is restated. The Restatement Details table provides the movement from previously published values in Choice's 2022 Environmental, Social and Governance report to the current year data (as stated above) which reflects the portfolio as of December 31, 2023. This restatement accounts for greater data availability subsequent to previous reporting as well as changes to the portfolio composition from the previous reporting period due to acquisitions or dispositions.

Weight of Non-Hazardous Waste Restatement Details

Aspect	2020	2021	2022
% change due to transactions and increased data availability	-7%	-5%	-6%

Appendix C – Social Data

Understanding Representation Data





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, namely, 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.

Within this data, employment groups are defined as follows:





- Executive: Colleagues with the title of Vice President or higher
- Senior Management: Colleagues with the title of Senior Manager, Director, Senior Director or Associate Vice President
- Colleagues: Employees who are not defined as Executive or Senior Management

Quantitative metrics presented within this appendix are absolute unless otherwise stated.

Representation of Women

Group	2020	2021	2022	2023
Board of Trustees	44%	44%	40%	45% 
Executive	38%	50%	50%	53% 
Senior Management	50%	51%	57%	57% 
Colleagues	58%	63%	68%	65% 

Representation of Visible Minorities

Group	2020	2021	2022	2023
Board of Trustees	0%	0%	10%	18% 
Executive ¹	19%	23%	23%	26% 
Senior Management ²	– ³	17%	18%	29% 
Colleagues ⁴	– ³	37%	37%	39% 

¹ 5% of Executives did not disclose in 2022, 5% did not disclose in 2023. Results are reflective of the full population size and were not adjusted to exclude those who did not disclose

² 37%, 36%, and 19% of Senior Management did not disclose in 2021, 2022, and 2023, respectively. Results are reflective of the full population size and were not adjusted to exclude those who did not disclose

³ Self-identification information was not available for 2020

⁴ 32%, 27%, and 27% of colleagues did not disclose in 2021, 2022, and 2023, respectively. Results are reflective of the full population size and were not adjusted to exclude those who did not disclose.

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

Workforce Training and Development Metrics

	2020	2021	2022	2023
Average Training and Development Hours per Colleague	4.3	12.2	7.3	9.6
FTE Participation in Individual Development Plan Program ¹	100%	100%	100%	100%
Spend on Colleague Training and Development (\$ thousands CAD)	243	212	65	323

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

Workforce Metrics

	2020	2021	2022	2023
Number of Active FTE Permanent Employees	293	285	282	280
Number of FTE Contract Employees	10	7	8	20
Number of Part Time Employees	0	0	2	1
FTE Permanent Positions Filled by Internal Candidates	28%	23%	17%	17%
Participation in Employee Engagement Survey	92%	96%	95%	89%
Engagement Rating ²	85%	88%	90%	86%
Percent Voluntary Turnover	5%	13%	14%	14%
Average Cost per New Hire (\$ thousands)	10.7	13.9	12.2	18.9

² Engagement score is measured semi-annually – figures represented here are for the spring survey

Workforce Details

Colleagues

Age	2020			2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	13	21	34	15	32	47	16	23	39	24	20	44
30-50	66	86	152	72	93	165	63	100	163	68	109	177
>50	34	46	80	33	46	79	59	27	86	28	52	80

Type of Employment	2020			2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-Time Permanent	110	151	261	117	167	284	101	177	278	110	170	280
Part-Time	0	0	0	0	0	0	0	1	1	0	1	1
Full-Time Contract	3	2	5	3	4	7	5	4	9	10	10	20

Geographic Region	2020			2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Western	17	26	43	14	24	38	14	21	35	10	19	29
Central	76	107	183	88	130	218	82	141	223	98	144	242
Eastern	20	20	40	18	17	35	10	20	30	12	18	30

Employment Category	2020			2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive	9	3	12	11	10	21	11	11	22	9	10	19
Senior Management	32	26	58	34	32	66	33	42	75	39	49	88
Colleagues	72	124	196	75	129	204	62	129	191	72	122	194

Western includes British Columbia, Alberta, Saskatchewan, Manitoba

Central includes Ontario

Eastern includes Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island

Health and Safety Metrics

Per one million hours worked	2020	2021	2022	2023
Lost-time injury frequency rate for employees ¹	0	0	0	0.4
Occupational illness frequency rate for employees ¹	0	0.8	0	0
Number of work-related fatalities for employees and contractors	0	0	0	0

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

Fundraising and Volunteering

	2020	2021	2022	2023
Amount Donated (\$ CAD) ²	350,000	405,000	629,400	610,000
Hours Volunteered	1,330	1,290	1,240	1,435
Average Volunteer Hours per Colleague	4.9	4.4	4.4	5.1

² Includes a portion of funds from George Weston Limited's matching program in years 2020, 2021, and 2022

Appendix D – SASB Index

One of the primary challenges with ESG disclosures is the lack of consistent and comparable metrics among reporting entities. Choice supports the standardization of ESG reporting metrics. This report has been prepared using the Real Estate Sustainability Account Standard of the “SASB Standards”, Sustainable Industry Classification System® (SICS®) IF-RE, Under Stewardship of the International Sustainability Standards Board.

Quantitative metrics presented within the SASB are absolute unless otherwise stated.

SASB Code	Accounting Metric	Deviation from SASB	Metric and Location of More Information																														
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	No deviation from SASB metric. Where directly measured utility data is unavailable, it has been estimated. Refer to “Understanding Emissions and Energy Data” and “Emissions and Energy Data Coverage” sections of Appendix B for more information.	Energy and emissions data presented in this report represent 100% of our retail, industrial, and mixed-use and residential 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 sector	Energy reported as eGWh (3) Includes renewable energy certificates purchased by Choice allocated to Choice's landlord controlled energy. Not included here is the sum of renewable energy inherently supplied within the relevant electricity grid.	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>(1) Consumption (eGWh)</th> <th>Data Coverage % (See IF-RE-130a.1 above)</th> <th>(2) % Grid Electricity</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>2,078.4</td> <td>100%</td> <td>70%</td> </tr> <tr> <td>Industrial</td> <td>305.0</td> <td>100%</td> <td>56%</td> </tr> <tr> <td>Mixed-Use & Residential</td> <td>59.5</td> <td>100%</td> <td>56%</td> </tr> <tr> <td>Total</td> <td>2,442.9</td> <td>100%</td> <td>68%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>(3) % Renewable</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>0.2%</td> </tr> <tr> <td>Industrial</td> <td>0.0%</td> </tr> <tr> <td>Mixed-Use & Residential</td> <td>0.1%</td> </tr> <tr> <td>Total</td> <td>0.3%</td> </tr> </tbody> </table>	Asset Class	(1) Consumption (eGWh)	Data Coverage % (See IF-RE-130a.1 above)	(2) % Grid Electricity	Retail	2,078.4	100%	70%	Industrial	305.0	100%	56%	Mixed-Use & Residential	59.5	100%	56%	Total	2,442.9	100%	68%	Asset Class	(3) % Renewable	Retail	0.2%	Industrial	0.0%	Mixed-Use & Residential	0.1%	Total	0.3%
Asset Class	(1) Consumption (eGWh)	Data Coverage % (See IF-RE-130a.1 above)	(2) % Grid Electricity																														
Retail	2,078.4	100%	70%																														
Industrial	305.0	100%	56%																														
Mixed-Use & Residential	59.5	100%	56%																														
Total	2,442.9	100%	68%																														
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Mixed-Use & Residential	0.1%																																
Total	0.3%																																
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	No deviation from SASB metric	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% Change in Energy Consumption (2023 v. 2022)</th> <th>Data Coverage % (See IF-RE-130a.1 above)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>-6%</td> <td>100%</td> </tr> <tr> <td>Industrial</td> <td>-3%</td> <td>100%</td> </tr> <tr> <td>Mixed-Use & Residential</td> <td>-1%</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>-6%</td> <td>100%</td> </tr> </tbody> </table>	Asset Class	% Change in Energy Consumption (2023 v. 2022)	Data Coverage % (See IF-RE-130a.1 above)	Retail	-6%	100%	Industrial	-3%	100%	Mixed-Use & Residential	-1%	100%	Total	-6%	100%															
Asset Class	% Change in Energy Consumption (2023 v. 2022)	Data Coverage % (See IF-RE-130a.1 above)																															
Retail	-6%	100%																															
Industrial	-3%	100%																															
Mixed-Use & Residential	-1%	100%																															
Total	-6%	100%																															
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	No deviation from SASB metric	(1) No Choice Properties have an energy rating (0%) (2) No Choice Properties are ENERGY STAR certified (0%)																														

SASB Code	Accounting Metric	Deviation from SASB	Metric and 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	See “Governance / ESG Program Management”		
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 sector	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 represent 100% of our retail, industrial, and mixed-use and residential 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 sector	(1) Description of data coverage in IF-REa.1 above, and within “Environmental Data / Appendix B – Water / Understanding Water Data” (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 experience or will experience very high drought stress by 2050 assuming global temperatures rise at a rate consistent with RCP8.5.	(1) Asset Class	Consumption (thousand m ³)	Data Coverage (See IF-RE-140a.1 above)
			Retail	950.8	100%
			Industrial	151.4	100%
			Mixed-Use & Residential	98.1	100%
			Total	1,200.3	100%
			(2) Five 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 0.7% of Choice's 2023 retail water consumption and 0.6% of Choice's 2023 total water consumption.		
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	No deviation from SASB metric	Asset Class	% Change in Water Consumption (2023 v. 2022)	Data Coverage (See IF-RE-130a.1 above)
			Retail	12%	100%
			Industrial	-1%	100%
			Mixed-Use & Residential	78%	100%
			Total	13%	100%
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		The primary water management risks are access and quality. Choice’s Physical Risk assessment discussed in “Appendices and Data / Appendix A – TCFD Response” did not identify drought as a common climate-related risk. Water management strategies and practices are discussed in “Environmental / Water and Waste”		

SASB Index Pg. 3 (Continued)

SASB Code	Accounting Metric	Deviation from SASB	Metric and Location of More Information		
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 sector	(1) % Not currently tracked (2) Not currently tracked	(1) See “Environmental / Emissions and Energy / Green Lease Clauses” (2) Not currently tracked		
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	(1) % Not currently tracked (2) % Not currently tracked	(1) Description of coverage in “Environmental Data / Appendix B – Energy / Understanding Emissions and Energy Data” (2) Description of coverage in “Environmental Data / Appendix B – Water / Understanding Water Data”		
IF-RE-410a.3	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	No deviation from SASB metric	See “Social / Tenant and Supplier Engagement” and “Environmental / Emissions and Energy / Green Lease Clauses”		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	No deviation from SASB metric	Asset Class	Area ⁽ⁱ⁾ (thousand sq. ft.)	% of ⁽ⁱ⁾ Asset Class
			Retail	4,080	8%
			Industrial	494	3%
			Mixed-Use &		
			Residential	355	17%
			Total	4,929	7%
			(i) 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	See “Appendices and Data / Appendix A – TCFD Response”		
IF-RE-000.A	Number of assets, by property subsector	No deviation from SASB metric	Asset Class	Number of Assets	
			Retail	573	
			Industrial	122	
			Mixed-Use &		
			Residential	10	
			Total	705	

SASB Index Pg. 4 (Continued)






SASB Code	Accounting Metric	Deviation from SASB	Metric and Location of More Information	
IF-RE-000.B	Leasable floor area, by property subsector	No deviation from SASB metric	Asset Class	Area ⁽ⁱ⁾ (million sq. ft.)
			Retail	44.7
			Industrial	19.7
			Mixed-Use & Residential	1.7
			Total	66.1
			(i) At ownership share. Includes 1.8 million sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.	
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	No deviation from SASB metric	Asset Class	
			Retail	34%
			Industrial	62%
			Mixed-Use & Residential	23%
			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 (%) ⁽ⁱ⁾
			Retail	97.7%
			Industrial	99.0%
			Mixed-Use & Residential	94.2% ⁽ⁱⁱ⁾
			Total	98.0%
			(i) At ownership share. Includes 1.8 million sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.	
			(ii) Occupancy shown for retail and office portion of mixed-use properties, residential units are excluded.	

Appendix E – 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 “Environmental / Environmental and Occupational Health and Safety Management”
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 “Social / Diversity, Equity and Inclusion”
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 “Environmental / Water and Waste”
7: Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	See “Environmental / Emissions and Energy” and “Environmental / Low Carbon Developments”
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 “Environmental / Emissions and Energy” , “Environmental / Low Carbon Developments” and “Social / Diversity, Equity and Inclusion” as well as Choice’s “Pathway to Net Zero” 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 “Environmental / Emissions and Energy” and “Environmental / Low Carbon Developments”
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. 11.7 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 “Environmental / Low Carbon Developments” and “Social / Community-Focused Development”
12: Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	See “Environmental / Water and Waste”
13: Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	See “Environmental / Physical Resilience” and “Appendices / TCFD Response”

Appendix F – Stakeholder Engagement

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

Appendix G – Independent practitioner’s limited assurance report on select performance metrics as presented within Choice Properties’ 2023 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 of select performance metrics included in Schedule 1 (the select performance metrics) as presented within the Choice Properties’ 2023 Environmental, Social & Governance Report (the Report) for the year ended December 31, 2023.

Management's responsibility

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

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

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 Standards on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance 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 select performance metrics 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.

Appendix G – 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 or 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, energy, water, and waste 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, 2023 are not prepared, in all material respects, in accordance with the applicable criteria.

Purpose and restriction of use

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 other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario

April 24, 2024

Appendix G – 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, 2023.

Performance Indicator	Criteria	2023 Value	Report Page(s)
Total water consumed (thousand m3) (For the year ended December 31, 2023)	SASB IF-RE-140a.2 as referenced within the 2023 Environmental, Social & Governance Report. Data includes retail, industrial, mixed-use & residential asset classes.	1,200.3	64
Total waste generation (tonnes) (For the year ended December 31, 2023)	Management’s internally developed criteria: Total waste generated within Choice’s operational control with data coverage as disclosed in the 2023 Environmental Social & Governance Report. Data includes retail, industrial, mixed-use & residential asset classes.	6,133	66
Total landlord controlled energy consumption (eGWh) (For the year ended December 31, 2023)	SASB IF-RE-130a.2 as referenced within the 2023 Environmental, Social & Governance Report. Data includes retail, industrial, mixed-use & residential asset classes.	73.2	62
Greenhouse gas emissions – Scope 1 (thousand tCO₂e) (For the year ended December 31, 2023)	Quantification methodology for Scope 1 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard as stated within the 2023 Environmental, Social & Governance Report. Data includes retail, industrial, mixed-use & residential asset classes. Management’s internally developed criteria has been used for emission factors. Emission factors used are from the 2023 National Inventory Report (NIR) published by Environment and Climate Change Canada (ECCC).	5.3	61
Greenhouse gas emissions – Scope 2 – Location Based (For the year ended December 31, 2023)	Quantification methodology for Scope 2 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard as stated within the 2023 Environmental, Social and Governance Report. Data includes retail, industrial, mixed-use & residential asset classes. Management’s internally developed criteria has been used for emission factors. Emission factors used are from the 2023 National Inventory Report (NIR) published by Environment and Climate Change Canada (ECCC).	5.1	61
Greenhouse gas emissions – Scope 2 – Market Based (thousand tCO₂e)	Quantification methodology for Scope 2 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard as stated within the 2023 Environmental, Social & Governance Report. Data includes retail, industrial, mixed-use & residential asset classes. Management’s internally developed criteria has been used for emission factors. Emission factors used are from the 2023 National Inventory Report (NIR) published by Environment and Climate Change Canada (ECCC).	1.0	61

Appendix G – 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, 2023.

Performance Indicator	Criteria	2023 Value	Report Page(s)
Representation of women amongst Board of Trustees (As at December 31, 2023)	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.	45%	34, 67
Representation of women amongst Executives (As at December 31, 2023)	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.	53%	34, 67
Representation of women amongst Senior Management (As at December 31, 2023)	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%	34, 67
Representation of women amongst Colleagues (As at December 31, 2023)	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.	65%	34, 67
Representation of visible minorities amongst Board of Trustees (As at December 31, 2023)	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.	18%	34, 67
Representation of visible minorities amongst Executives (As at December 31, 2023)	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.	26%	34, 67
Representation of visible minorities amongst Senior Management (As at December 31, 2023)	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.	29%	34, 67
Representation of visible minorities amongst Colleagues (As at December 31, 2023)	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.	39%	34, 67

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