



KnowTheChain Engagement Questions 2018 Food & Beverage Benchmark

Completing these questions provides you the opportunity to guide us to information regarding your company's efforts to address human trafficking and forced labor in its supply chains. **Answers to these questions will be made publicly available on the [Business & Human Rights Resource Centre \(BHRRC\) website](#), a KnowTheChain partner.**

KnowTheChain will review the information available on your public website, as well as information you link to from your website.

If your company was included in our 2016 benchmark and you completed our engagement questionnaire at that time, relevant responses will be included in our 2018 benchmark as long as the information is not more than three years old.

Over a period of two months (during Q2-2018), you will be invited to review the information we collected and provide additional disclosure. We will particularly welcome specific examples you may be able to provide regarding the implementation of your processes, as well any leading practices. We will invite you either publish additional disclosure on your website, and send us the link to the specific page(s), or send the information to us, and we will publish them on the [website of Business & Human Rights Resource Centre](#).

In case you do not have sufficient publicly available information on some or all of the indicators of the KnowTheChain benchmark methodology (see attached methodology and guidance), you **are welcome to disclose relevant information to us at this stage already**.¹ Please let us know by 9 February that you wish to do so, and send us the additional information by 9 March. We will publish the information provided on the [website of Business & Human Rights Resource Centre](#).

Please email your response to the below questions to Felicitas Weber, BHRRC KnowTheChain Project Lead at weber@business-humanrights.org and CC companies@knowthechain.org.

The accuracy of our reports is important to us, we appreciate your help and cooperation. Should you have any questions, please contact Felicitas Weber at weber@business-humanrights.org.

¹ Please indicate which benchmark indicators the information relates to. Should this be of interest, we would be happy to send you the indicators in an Excel or Word document for you to fill out.



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General Information

Name of company: Loblaw

Name of respondent: Sonya Fiorini

Position of respondent:

Respondent's email address:

Disclosure Information

1. Documents

KnowTheChain aims to decrease the reporting burden for companies. Therefore, we will review information available on your company's public website. However, to ensure we take into consideration all relevant documents, we invite you to provide us with links to any statements, reports, webpages, or documents that you would us to take into account as we review your company's approach to managing forced labor risks in its supply chains.

Loblaw Annual CSR Reports:

<http://vwheacqst06:4503/content/lclcorp/en/responsibility/reports.html>

Code of Conduct:

http://www.loblaw.ca/content/dam/lclcorp/pdfs/Governance/LCL_Code_of_Conduct_2017_EN.pdf

Board of Directors Mandate:

<http://www.loblaw.ca/content/dam/lclcorp/pdfs/Governance/2015%20LCL%20Board%20Mandate.pdf>

Supplier Code of Conduct:

<http://www.loblaw.ca/en/responsibility/supplier-code-of-conduct.html>

Ethical Sourcing and Factory Disclosure list:

<http://www.loblaw.ca/en/responsibility/Ethical-Sourcing.html>

Annual Information Form:

[http://s1.q4cdn.com/326961052/files/doc_financials/2016/annual/2016-AIF-LCL-Final-version-\(Feb-27\).pdf](http://s1.q4cdn.com/326961052/files/doc_financials/2016/annual/2016-AIF-LCL-Final-version-(Feb-27).pdf)



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Management Proxy Circular:

http://s1.q4cdn.com/326961052/files/doc_financials/2017/annual/408150_Loblaw_Eng_Final_SEDAR.PDF

Ethical Sourcing – Bangladesh Accord:

<http://media.loblaw.ca/English/media-centre/company-statements/company-statements-details/2017/Loblaw-renews-commitment-to-the-Accord-on-Fire-and-Building-Safety-in-Bangladesh/default.aspx>

Overview of Corporate Social Responsibility and Environmental Policies at Loblaw

The Company's approach to Corporate Social Responsibility (CSR) is driven by the Company's purpose - *Live Life Well*. By sourcing responsibly, respecting the environment and making a positive difference in communities, the Company aims to be a leading contributor to Canadian society both today and for generations to come.

The Company's CSR initiatives include the following:

Sourcing Responsibly

The Company strives to source its products in a responsible way, and has made significant strides in sourcing more products sustainably and ethically. The Company has identified a number of opportunities to have an impact through its supply chain, particularly in the context of offshore sourcing. Recent and ongoing initiatives in this area include:

- Updated Vendor Code of Conduct: The Code commits the Company's vendors to behaviours and practices that reflect the Company's values and internal code of conduct.
- Working Conditions: the Company has developed a tailored process within our supply chain to help ensure the Company's international vendors adhere to local working standards for employees, providing them with safe and secure working conditions.
- Bangladesh Accord on Fire and Building Safety: We have played a key role in the development of the Accord 2.0 which is planned to take effect in 2018, when the original Accord expires.
- Transparency: In 2017, the Company began publicly disclosing its contracted factory list for apparel and footwear products. This transparency will allow the Company to continue to strengthen its process and find ways to collaborate further.



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- **Local Sourcing:** the Company takes pride in working with local farmers, fisherman and producers. More than 30% of the Company's annual produce purchases are from Canadian growers. During summer, approximately 45% of the Company's produce is Canadian grown. The Company's *PC Free-From* poultry and pork is sourced exclusively from Canadian farmers.

Specific Sustainable Sourcing Commitments:

Sustainable Seafood:

Loblaw supports the globally recognized Third party certifications, Marine Stewardship Council (MSC) certification for wild capture fish and seafood and Aquaculture Stewardship Council (ASC) certification for farmed fish and seafood (aquaculture) that certify sustainable fisheries and responsible aquaculture practices. If MSC / ASC sources are not available, Loblaw's has a Sustainable Seafood Sourcing Guide providing sourcing criteria and direction by species and harvest location.

In 2015, we increased the number of Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certified sustainable and responsible seafood products in our stores to 200. Additionally, 76 Loblaw stores in Western Canada earned MSC and ASC chain-of-custody certification, bringing our total to 305 Loblaw stores and four distribution centres. The certification confirms that traceability, storage and record-keeping systems are in place to ensure that only seafood from certified sustainable fisheries and responsible farms carry the MSC and ASC labels in our fresh seafood counters. By the end of the year, 94% of our core seafood categories – frozen, fresh, canned and frozen grocery – was procured from certified sources, sources acceptable with conditions, or sources making meaningful progress toward sustainability.

Palm oil:

Loblaw is a member of the Roundtable for Sustainable Palm Oil and is committed to supporting the sustainable production of palm oil for our control brand products. We aligned with the Roundtable for Sustainable Palm Oil (RSPO) supply chain models for our food and household control brand products. We encourage our vendors to use certified physical palm oil where possible or to purchase GreenPalm certificates which support palm oil producers who comply with the RSPO standard for sustainable production.

Cocoa:

In 2015, we launched a range of President's Choice Gold Bar chocolate bars that support sustainable cocoa farming practices through the UTZ sustainability program.

Respecting the Environment

The Company aims to continue reducing the environmental impacts of its operations specifically in the areas of waste, electricity, transportation, and packaging.



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A long-standing initiative that has had a significant impact is our plastic bag reduction program. Charging consumers for plastic bags has led to the reduction of more than 10 billion plastic bags in the Company's stores since the start of the program.

While retail is a relatively small contributor to food waste volumes, the Company understands the impact it can have throughout the value chain and with consumers. The Company has five categories of food waste prevention and diversion. The Company sorts its food waste under a progression of five filters/uses:

- Reclamation: the Company is one of Canada's largest food bank donors with approximately 4.4 million pounds of food donated in 2017. The Company has been a partner with Second Harvest for 25 years, and with Food Banks Canada since 2009. Over 300 Company stores are matched with local food banks to donate perishable food items.
- Feed Animals: Ontario bakery waste is processed for grain-based animal feed.
- Composting: Quebec/Atlantic Canada/Western Canada produce trimmings and inedible perishables are processed for fertilizer.
- Industrial Use: National yellow grease is converted to bio-diesel. Meat/seafood renderings are converted to value-added material.
- Energy Production: Ontario produce trimmings and brown grease are sent to anaerobic digesters to produce green energy.

In 2016, the Company announced a commitment to reduce its carbon footprint 20% by 2020 and 30% by 2030 relative to a 2011 baseline. The Company has an action plan focused on energy-efficient stores and distribution centres, fuel-efficient transportation, and managing refrigerant leaks and organic waste diversion. The Company intends to deliver carbon reduction in line with Canada's national targets and, along with other forward-looking Canadian companies, demonstrate that these goals can be achieved without sacrificing economic growth.

Making a Positive Difference in Communities

The Company undertake several charitable activities, which underpin the Company's community-oriented approach to CSR. The Company's principal charitable activities center on helping Canadian families *Live Life Well* by putting women's health first and tackling childhood hunger:



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- **President's Choice Children's Charity (the Charity)** believes nothing will create better conditions for success than feeding and nourishing children. In 2017, the Charity announced a commitment of \$150 million over the next decade to tackle childhood hunger and deliver nutrition education to children across Canada through two new strategic pillars: (a) Feed Kids Good Food to fuel their day; and (b) Feed Kids Knowledge to empower them to make healthier, more responsible and better informed food choices. As one of Canada's largest charitable funders of school nutrition programs and through new and existing partnerships, the Charity will feed and help teach children the importance of nutrition and how it affects their well-being. The Charity has been fighting childhood hunger since 2008 and over that time has granted over \$33 million to organizations that fed over 450,000 children annually.
- **SHOPPERS LOVE. YOU.** - Putting Women's Health First - is committed to helping women stay focused on being their best in body, mind and spirit. The program shares the expertise of its partners at leading women's health organizations, offers new health resources, and connects women with others in support of local women's health initiatives across Canada. Over the past six years, **SHOPPERS LOVE. YOU.** has contributed \$60 million, benefiting over 200,000 Canadian women.
- **Feeding Hungry People:** Each of the Company's grocery stores is paired with a local food bank. These food banks are supported throughout the year, including through bi-annual food drives. In 2017, over 1.8 million pounds of food and \$2.9 million was contributed to food banks across the country.

Loblaws publishes its CSR objectives and progress in meeting those objectives annually in a public document. Our CSR reports can be found at www.loblaws.ca.

2. Membership in industry and multi-stakeholder associations

Please indicate your membership in industry and multi-stakeholder associations relevant to addressing forced labor in the supply chain.



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