

Loblaw Companies Limited and its subsidiaries are committed to responsible corporate citizenship. This includes providing a safe workplace for employees, contributing to its local communities, respecting the environment, and promoting health and food safety, while offering products that provide meaningful choices to consumers.

These commitments are instilled throughout the organization and are overseen by the Environmental, Health and Safety Committee of the Board of Directors (the “Board”) of the Company, and by the full Board itself. The Board reviews and monitors policies, procedures, practices and compliance in these fields. Initiatives in these areas are undertaken through any combination of four approaches: by the Company itself, in conjunction with other industry members, as part of industry-government partnerships, and in direct cooperation with governments.

Respecting the Environment in a Sustainable Way

The commitment to the environment is demonstrated through measures in such areas as environmental awareness and management, energy efficiency, waste management and packaging.

Environmental Awareness Management

Measures in this area are driven by an Environmental Management System designed to achieve the structured integration of environmental programs into the Company's operations. This system also focuses on ensuring the control of high-risk activities, the management of hazardous wastes, and the control and reduction of ozone-depleting substances. Environmental risk assessments and audits of ongoing and newly acquired or established operations are conducted on a regular basis by in-house environmental staff as well as by external parties. In addition, employees receive education and training that enable them to recognize and minimize environmental risks and to respond to any incidents that might occur.

Energy Efficiency

Ongoing efforts are directed towards improving energy efficiency throughout Loblaw, including cooperating with federal and provincial agencies. The areas in which these efficiencies are pursued include the lighting used inside and outside stores, energy-efficient refrigeration, the use of energy in corporate facilities, and the fuels used in the Company's transportation and other operations. In September 2005, Loblaw opened its new, energy-efficient National Head Office and Store Support Centre in Brampton, Ontario.

Furthermore, Loblaw has established partnerships and commitments with federal and provincial agencies to achieve energy conservation at the retail store level in a realistic and focused manner, including the use of innovative refrigeration system technology.

Waste Management and Packaging

Waste management programs follow a three-stage process – source reduction, diversion to re-use or recycling and, finally, disposal. Loblaw is a long-standing supporter of, and financial contributor to, such industry-sponsored programs as Corporations Supporting Recycling and the Composting Council of Canada. This commitment is evident throughout the Company's operations. In-store photo labs recycle disposable cameras, processing fluids and even film cuttings. Post-consumer recycled material is used in private label packaging to the greatest extent possible without compromising the safety or quality of the product. Packaging of control label products is labelled as appropriate with the symbols that help customers identify materials that can be recycled through local municipal programs. As well, customers are offered a choice in grocery checkout packaging, including conventional plastic shopping bags, re-usable plastic bags, recyclable corrugated containers and re-usable bins. Also, this commitment extends to the administration, support and corporate offices of the Company, where waste minimization and recycling activities are actively employed. These programs promote the diversion of plastics, metals, paper, corrugate and organics from landfill.

Promoting Health and Food Safety

The commitment to health promotion and food safety is reflected in the Company's participation in standard-setting initiatives, in its operations, in its dealings with suppliers, and in the information provided to customers.

The Company supports national food initiatives designed to promote health and food safety. It works to ensure that products meet or exceed the food safety requirements of the Canadian Food Inspection Agency. It also participates in national joint industry-government initiatives in the development of food safety programs for different parts of the food supply system. Suppliers are informed of the standards to which they must adhere and are expected to observe them. Manufacturing and food handling procedures, employee education and training programs, compliance systems and independent audits are among the measures used to promote food safety within the Company's stores and other operations. Through packaging and labelling of control label products, customers are informed of ingredients and whether certain products may have come in contact with one or more allergens. This allows consumers to make more fully informed purchasing decisions.

Offering Products that Provide Meaningful Choices

The Company provides a wide range of product offerings to meet an equally wide range of consumer preferences. This includes the provision of alternative food products that provide customers with meaningful choices.

The environmentally responsible collection of *President's Choice GREEN* products and the hundreds of *President's Choice Organics* products have been developed to satisfy customers' environmental or health preferences. The organic products are third-party certified as organic, are in packages containing recycled materials, and are priced to be competitive with similar national brands. The *Natural Value* department in many stores is a one-stop source for health food needs, offering a selection of healthy and nutritious alternative foods, vitamins and herbal products.

The focus on healthy and nutritious food products is further demonstrated by the continued expansion of product offerings under the *President's Choice Mini Chefs* and the *President's Choice Blue Menu* programs. The line of *PC Mini Chefs* products has been designed to fit into a healthy eating plan for young children consistent with the federal government's "Nutrition Recommendations for Canadians." These products have been approved by a team consisting of prominent nutrition researchers and registered dietitians. The *PC Blue Menu* products, now numbering over 250 products, offers adults a variety of alternatives lower in fat, calories and sodium, and higher in fibre.

For more information,
visit our website at:

