



# Animal Welfare Principles

At Loblaw Companies Limited, we recognize the importance of animal welfare in our supply chain and believe that animals should be treated humanely. From our policies on animal fibers and animal testing, to responsible antibiotic use, to commitments for animals raised for food, we have set high standards. We commit to upholding, evaluating and evolving these standards.

We believe in taking a science-based approach when making purpose-led commitments, ensuring that our actions are guided by evidence and research.

Since 2011, we have been an active associate member of the National Farm Animal Care Council (NFACC) – a multi-stakeholder forum and national leader on farm animal care and welfare standards. Loblaw is a strong supporter of the NFACC's process and approach. We have engaged in the development of the organization's national codes for farm animal care and welfare, which are based on science and reflect the values of Canadian consumers. NFACC provides expert industry guidance to retailers as we work to strike the balance between the demands of welfare animal advocates, supply chain realities and the cost to consumers.

In addition to the guidance of the NFACC, Loblaw relies on the support of our external animal welfare science consultant, Dr. David Fraser, who is Professor Emeritus in the internationally recognized Animal Welfare Program at the University of British Columbia. Dr. Fraser provides guidance on best practices.

As a member of the Retail Council of Canada's Animal Health and Welfare Committee, we actively participate in monitoring and collaborating with Canadian food retailers and stakeholders to address animal welfare concerns in our industry.

Loblaw expects all suppliers to be engaged and supportive of advancing animal welfare. We require our suppliers to treat animals in accordance with government and industry-accepted guidelines for humane treatment, as outlined in our [Supplier Code of Conduct](#).

By embracing this evidence-based, standards-based approach, Loblaw is committed to creating positive change and contributing to a more sustainable future.

## Positions and Progress on Animal Welfare

As one of Canada's largest buyers and sellers of meat, poultry, eggs, and dairy products, our customers expect us to ensure the food they purchase is safe, high quality, responsibly sourced and produced in a humane way. In turn, we expect the same from our suppliers, who raise and process animals for food. We expect that animals will be treated in accordance with government- and industry-accepted guidelines for humane treatment.



Loblaw is committed to enhancing our animal wellness practices in a manner that advances the Five Freedoms, the most widely accepted global standard for responsible animal care:

1. **FREEDOM FROM HUNGER AND THIRST** by providing ready access to fresh water and a diet that maintains good health and vigor;
2. **FREEDOM FROM DISCOMFORT** by providing an appropriate environment, including shelter and a comfortable resting area;
3. **FREEDOM FROM PAIN, INJURY OR DISEASE** through prevention or rapid diagnosis and treatment;
4. **FREEDOM TO EXPRESS NORMAL BEHAVIOUR** by providing sufficient space, proper facilities, and company of the animal's own kind; and,
5. **FREEDOM FROM FEAR AND DISTRESS** by providing conditions and treatment which avoid mental suffering.

### **Antibiotic Use**

Animal welfare experts and the Government of Canada approve the use of antibiotics to treat sick animals and they regulate the safe return of those animals to rearing programs. At the same time, there is growing evidence and concern around anti-microbial resistance due to antibiotic use. That is why we took a leadership position on the issue, making meats raised without the use of antibiotics or added hormones available to customers. We launched the PC® Free From® line of products, which has grown to offer over 200 products. Our PC® Free From® animals are strictly raised without the use of antibiotics and, like all poultry and pork in Canada, are raised without the use of added hormones too. 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.

### **Veal**

Calves are healthier when provided mobility. Since 2018, we have sourced fresh veal only from suppliers who have transitioned calves to group housing, not single housing. This requirement is included in our sourcing guidelines.

### **Animal Fibres**

Joe Fresh® apparel supports the ethical sourcing and humane treatment of animals. We have banned the use of fur, mohair (Angora goat) and Angora (Angora rabbit) in all Joe Fresh® products. Further, we clearly and properly label any synthetic materials that resemble animal by-products.



### **Animal Testing**

Our Quo Beauty™ brand is 100% cruelty-free; we do not test finished products or ingredients on animals, nor do our suppliers or third parties. Adherence to this policy is maintained through annual attestation.

People for the Ethical Treatment of Animals (PETA) have certified that none of our products are manufactured with animal by-products.

### **Plant-Based Products**

We continue to increase our offering of plant-based products across multiple categories to meet growing consumer interest and appetite for alternatives to animal-based products. Our PC® Plant-Based products are third-party certified vegan and contain no animal by-products. They are also merchandised parallel to their animal-based counterparts, making it convenient and easy for our customers to find plant-based alternatives.

### **Focus Areas**

#### **Broiler Chickens**

A growing number of our customers want higher-welfare products. That is why we work with industry partners and producers to advance animal welfare outcomes, while maintaining good quality and value for our customers. We also believe strongly that animal welfare standards should be based on scientific evidence, and we support NFACC's ongoing work to ensure the standards are updated and reflect current science.

We work with our partners to provide customers with options. In 2022, 100% of our control-brand chicken products complied with the Chicken Farmers of Canada Animal Care Program (CAP), a third-party audited code of practice endorsed by Canada's National Farm Animal Care Council (NFACC).

We will continue to work with our partners to track progress on animal welfare commitments. By the end of 2023, more than 84% of our control-brand fresh chicken will be sourced from suppliers who use multi-step controlled-atmosphere stunning to minimize stress.

#### **Sows**

We are committed to sourcing from farms that use 100% group-housing systems for gestating sows as soon as practically possible. Animal welfare experts agree that sows may experience health and other problems when housed individually in gestation stalls for the duration of pregnancy.

We continue to make progress in this area and by 2022 we had converted 50% of fresh PC® Free From® pork to group housing systems for gestating sows. We are working with our partners to achieve incremental goals, targeting the conversion to group-housing for 60% of fresh PC® Free From® pork products by the end of 2024, and 100% as soon as practical.



### Cage-Free Eggs

We are committed to transitioning to 100% cage free eggs as soon as practically possible.

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, feed and nest in open-concept barns with perches and nests.

In 2021, however, it became evident that our farmer partners would not be able to meet the 2025 timeline. At that time, we communicated publicly that the initial timeline would not be met and reaffirmed our commitment to NFACC and their efforts to generate good standards.

Moreover, “cage-free” refers to a wide range of housing systems that vary in space, group size and access to amenities. It is now clear that the welfare of birds in such systems varies widely depending on specific options and on the skill of the staff to manage birds in less structured housing. There is also debate about the relative merits of “colony” housing (sometimes called “enriched cages”) that provide more space and opportunities for natural behaviour for groups of modest size.

We continue to value the guidance of animal welfare and farming partners, and we remain committed to working with suppliers to transition completely to high-welfare systems in a way that ensures eggs are available and affordably priced for our customers. As part of these ongoing efforts, in 2024 we will:

- Begin annually disclosing cage-free egg sales for our national and control brand egg portfolio for our grocery retail stores.
- Provide added profile to cage-free options for our e-commerce business, to inform customers of hen-housing systems and encourage them to consider cage-free eggs.
- Invest in marketing promotion of cage-free eggs.
- Ensure all our corporate grocery retail stores have cage-free options for consumers\*.
- Transition 100% of eggs used in our corporate grocery retail instore prepared sandwiches and meals, to cage-free eggs\*.

We recognize there is still work to be done. Transformative change requires commitments from all levels of industry, and we will continue to actively engage with our farmer partners, NFACC, governments and NGOs (Non-Governmental Organizations) on the path forward, with the goal of announcing a multi-year progress plan in 2024.

\* Pending available supply