



## Morning Keynote Address October 20, 2008, 8:45am

Speaker:

Galen Weston Jr., Executive Chairman, Loblaw Companies Limited

Presentation: [http://www.cbsr.ca/cbsrftp/Summit\\_Presentations/Summit - Loblaws.pdf](http://www.cbsr.ca/cbsrftp/Summit_Presentations/Summit - Loblaws.pdf)

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Mr. Weston described the Loblaw operating strategy as built on a foundation of “corporate social responsibility (CSR) as an opportunity, not an anchor”.

Mr. Weston commented that, despite very difficult economic times, Loblaw has not compromised their historically consistent ideals of operating as a socially responsible company, which he emphasized is a huge testament to his colleagues.

Mr. Weston stressed that CSR is an integral part of the Loblaw culture with CSR objectives as a component of all operating goals. He noted they have recently taken a more “focused, systematic and structured approach” to CSR by concentrating on areas where they can have the greatest impact. Loblaw produced their first CSR Report in April 2008. Mr. Weston concluded by noting that socially responsible decision making ultimately “aids in good business decisions”.

- The fact that Loblaw is making progress despite very difficult economic times is a huge testament to the team at Loblaw.
- Loblaw has not had to make compromises or trade-offs to stay consistent with its CSR philosophy.
- Gross Revenue = \$30 billion.
- Over 1,000 stores corporate and franchise owned.
- Largest employer in Canadian private sector with 140,000 colleagues.
- Vision: To be Canada’s best food, health and home retailer by exceeding customer expectation through innovative products at great prices.

### Principles of business at Loblaw:

#### **I. Respect our environment**

- LEED certified store in Scarborough.
- Alternative refrigeration processes and heat management.
- Waste diversion of 300 million plastic carry bags (sold 14 million green bags).

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- Conduct packaging audits with vendors.
- 2. Source with integrity**
- Recently produced vendor code of conduct policy.
- 3. Make a positive difference in our community**
- National program Children's Charity plus local decision making ability for local projects.
- 4. Reflect our nation's diversity**
- Recruiting diverse workforce makes for a good business decision.
- 5. Be a great place to work**
- Solicit and act on employee input:
    - Over 4,000 communications directly to Mr. Weston from employees over last 18 months.
    - Employees receive discount cards.
    - Colleagues are supported and empowered to exceed customer expectations.
  - Historically, social responsibility has been integral to Loblaw operation.
    - In order to be successful, CSR must be integrated into corporate culture not a sideline or separate responsibility.
  - All Loblaw operating objectives have CSR goals. Recently modified tactics with:
    - More systematic and structured approach to CSR issues - focus on areas with biggest impact.
    - [www.loblaw.ca/csr](http://www.loblaw.ca/csr) -- first report published in April 2008

### **CSR Challenges:**

- Embedding CSR principles into a large and complex organization.
- Leadership must be fully and visibly engaged.
- Choosing when to collaborate and when to go alone.
- Public relations and promotional messages are key to help colleagues align with desired corporate goals (identify with desired corporate culture).
- Adjusting to rapidly changing economic times.
- Value is key to consumer decisions so it cannot be compromised.
- Prioritizing what to do when.
- Must be patient.

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- Have a clear plan of action.
- Must be strategic and thoughtful.

Key Message: Social Responsibility is an opportunity not an anchor.

**Audience Question: *How does CSR help you manage risk?***

- Primarily in food safety – doing the right things ultimately aids in good decision making.
- With financial risk again – doing the right thing is ultimately less risky.

**Linking Stakeholders to the *Bottom Line*.**