



Together, let's build the future

2022 Sustainable Development Report

RONA

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About RONA inc.



5 banners
to meet all the
needs of Canadians



A network of some
425 stores
across Canada



A network of some
22,000 employees
serving our customers



350,000 products
for our customers' projects



**3 pillars of sustainable
development:**
our products, our operations,
and our employees and communities

Note: In 2022, RONA inc. operated under Lowe's Canada's name with its four banners Lowe's, RONA, Réno-Dépôt, and Dick's Lumber.

Message from our President and Chief Executive Officer

In light of the current environmental changes, it is hard to overstate the importance of taking concrete and meaningful actions to lower our impact on the environment. At RONA, we are focused on three sustainability pillars: helping our customers reduce their environmental footprint, reducing the environmental impact of our operations, and supporting the well-being of our employees and communities with various programs and initiatives. We are on a journey where there's no finish line, just a continuous desire to do better.

I couldn't be prouder to work for an organization that makes sustainability a strategic imperative and alongside colleagues who are focused on helping us shift the needle in the right direction. Whether it's through our operational practices, our responsible procurement policies, our eco-friendly product offering in-store and online, or our community involvement programs, our team is dedicated to making a real difference. This Sustainable Development Report is a critical step to measure the impact of our actions and assess our progress toward our sustainability targets.

Among our achievements in 2022, RONA:

- Was the first home improvement retailer to end the distribution of single-use plastic shopping bags in all its stores across the country;
- Trained more than 10,000 employees in stores on its ECO product offering;
- Converted the exterior lighting technology of several corporate stores to LED lighting to improve energy efficiency; and
- Presented \$4.2 million to more than 300 non-profit organizations across Canada.

I am very pleased with the progress we made across our Sustainable Development commitments in 2022 and extend my thanks to the dedication and hard work of our team. It is with great pleasure that I invite you to read our 2022 Sustainable Development Report.

ANDREW IACOBUCCI



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Making a Difference for the Future Starts Today

Our sustainable development strategy is based on the conviction that to act as a good corporate citizen, RONA must ensure that sustainable practices are integrated throughout the organization. We focus on projects that have a positive impact on our communities, our employees, and the environment, promoting initiatives that not only help to reduce the environmental footprint of our operations, but also encourage the search for innovative solutions. This is how we fuel our culture of sustainability and rally our teams and partners to our commitment. To build a stronger tomorrow, we need to work together... today.

The 3 pillars of our strategy

Our 2022 priorities



OUR PRODUCTS

1. Help our customers reduce their environmental footprint

- Ensure compliance with the guiding principles of our wood products procurement policy
- Maintain our offer of over 5,000 ECO products for our customers



OUR OPERATIONS

2. Reduce the environmental impact of our operations

- Reduce our scope 1 and scope 2 greenhouse gas emissions
- Reduce the quantity of operational waste sent to landfill



OUR EMPLOYEES AND COMMUNITIES

3. Support our employees and communities

- Progress towards a “zero incident” workplace
- Maintain our status as an employer of choice and develop the full potential of our employees through our trainings.
- Support the communities where we operate with donations and community initiatives

2022 Key Highlights

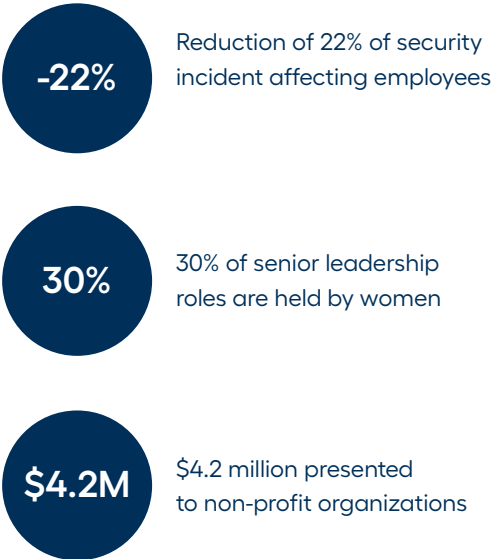
OUR PRODUCTS



OUR OPERATIONS



OUR EMPLOYEES AND COMMUNITIES



Responsible Procurement for Our Products

We believe in our power of influence to inspire our business partners and other retailers of home improvement and construction products to adopt the industry's best practices for responsible procurement. We are determined to keep the bar high by continuing our efforts to respect human rights, protect natural resources, and manage chemical substances responsibly throughout our whole supply chain.

Our 2022 Commitments and Accomplishments



Ethical and safe manufacturing conditions

- Maintain our [Vendor Code of Conduct](#) and perform numerous audits to ensure compliance.
- Respect our human rights and conflict minerals policies.



Wood from Responsible Practices

- Maintain our [Wood Sourcing Policy](#) and conduct an annual survey with our suppliers to better understand our procurement and its potential impact on the resource.



Responsible Chemicals Management

- Maintain our [Safer Chemicals Policy](#).
- Perform laboratory tests to ensure our commitment to the complete elimination of plants and pesticides containing neonicotinoids.



Recyclability Labelling

- Addition of the **How2Recycle** label to 483 private brand products since our partnership began in 2022.



Canadian Procurement

- Promote our **"Well Made Here"** product offering.



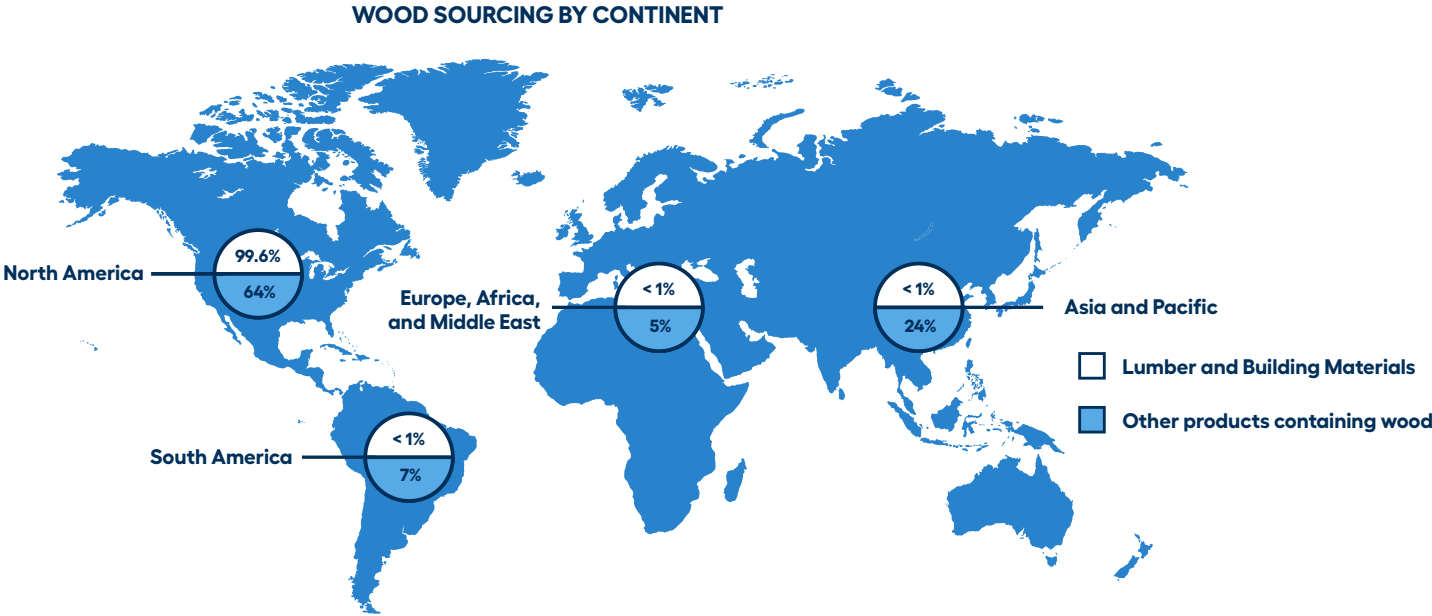
Drinking Water Preservation

- **WaterSense**® certification for 100% of our new private brand products.

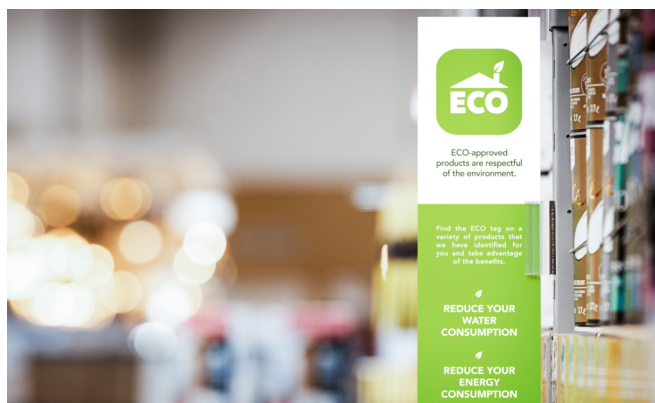
Our Efforts to Adopt Sustainable Forestry Practices

RONA plays an active role in promoting responsible and sustainable forest management. Back in 2008, when we adopted our first Wood Sourcing Policy, we made a commitment to ensure responsible procurement of forest products sold in our stores, preferably choosing wood products certified by the Forest Stewardship Council® (FSC). Our promise is based on close collaboration with our vendors, certification bodies, and industry associations.

We are focusing our efforts on improving our understanding of our impact on the world's forest resources and securing FSC certification for regions where local practices are at higher risk of deforestation.



Over 5,000 Eco-Responsible Products



Helping Canadians reduce the environmental footprint of their home improvement and construction projects is one of our priorities. From seasonal items to building materials, appliances, bathroom, home décor and private brands, we strive to offer ECO products that address consumer concerns in all price ranges:

- Reduce energy consumption
- Limit water consumption
- Use products made from recycled materials
- Limit waste generation
- Avoid products containing chemicals of concern
- Encourage responsible forestry

OUR COMMITMENT

Offer ECO products in all our corporate and affiliated Lowe's, RONA, and Réno-Dépôt stores.

OUR 2022 INITIATIVES AND ACCOMPLISHMENTS

- Selection of hundreds of new products based on the lifecycle approach and the top environmental certifications.
- Train 10,327 employees in stores on ECO products and their benefits for our customers.

A SOURCE OF PRIDE!

RONA received the 2022 ENERGY STAR® Retailer of the Year Award in recognition of its efforts to increase its offering of ENERGY STAR-certified products and the training of its employees in stores to help customers with energy efficiency.



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Spotlight on Some of the 2022 New ECO Products

LAMINATE FLOORING

Our entire new product assortment is made from responsibly harvested wood, and emits fewer volatile organic compounds (VOCs) than comparable products.

NEARLY 50
PRODUCTS

PAINT

Five low-VOC paint brands have been added to our ECO selection.

NEARLY 80
PRODUCTS



SICO ECOSOURCE



PROJECT SOURCE PLUS



VALSPAR SIGNATURE



VALSPAR ULTRA



VALSPAR SIMPLICITE

OUR PRIVATE BRANDS

Style Selections cushions are covered in fabric made entirely from recycled plastic bottles, and their filling contains 65% recycled plastic. Allen+Roth plant pots are made from 100% post-consumer recycled plastic.

OVER 45
PRODUCTS

Innovate for Better Packaging!

Our Global Sourcing team successfully completed an optimization project in 2022 to change the shape of the packaging boxes for our Project Source toilets and Holiday Living Christmas trees from rectangular to triangular. These changes have enabled us to reduce the volume of our boxes and carry more products in the same number of containers.

Reducing the volume of our toilet boxes means we can transport 30% more product in the same number of containers.



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Act to Reduce the Environmental Impact of Our Operations

Increasing the efficiency of our operations enables us to achieve our business objectives while contributing to the fight against climate change and the preservation of biodiversity. Our approach aims to reduce our carbon footprint by improving the energy efficiency of our stores, distribution centres, and head office while ensuring optimal waste management.

Reduce Greenhouse Gas Emissions

Our strategy is to prioritize projects with a high potential for reducing greenhouse gas (GHG) emissions from our transportation operations and facilities. Our projects are based on a collaborative approach and on the analysis of the financial and technical impacts to assess feasibility.

A SOURCE OF PRIDE!

RONA received the 2022 *Stratégie de développement durable Desjardins Mercure* award from the [Gala Les Mercuriades](#). This award recognizes our commitment and accomplishments in sustainable development and highlights the outstanding work and results of our major project aimed at improving our buildings' energy efficiency.



OUR COMMITMENT

Reduce our greenhouse gas emissions
from our operations.

2022 ACCOMPLISHMENTS

- Conversion of 31 of our corporate stores' exterior lighting technology to LED lighting.
- Replacement of 12 lead-acid forklifts at our Calgary distribution centre with lithium-powered models.



Waste Management

Our waste management approach aims to divert as much material as possible from landfills. To achieve this, and to continue improving our performance, we are particularly focusing on standardizing in-store operating practices.

IN 2022, OUR EFFORTS HAVE RESULTED IN A 59% DIVERSION RATE THROUGH OUR WASTE REUSE AND RECYCLING PROGRAMS.

OUR COMMITMENT

Reduce the quantity of operational waste sent to landfill.

2022 ACCOMPLISHMENTS

- Implementation of the ECO Squad, a unique initiative in our sector which consists of identifying one volunteer per store to be responsible for promoting our sustainable development programs and procedures.
- Launch of the Incentive Program to reward stores with the best performance or biggest improvement in their waste management efforts.
- Implementation of an initiative to reuse gypsum scrap in our stores network, extending the life of nearly 57 tons of material.
- Stop of the regular paper flyers distribution that allowed us to avoid cutting thousands of trees.
- End of single-use plastic shopping bags in all our stores and expanded offer of reusable bags with profits given to Nature Conservancy of Canada.



**DONATIONS PRESENTED TO
NATURE CONSERVANCY OF
CANADA IN 5 YEARS:**

\$255,000

Thanks to the profits from the sale of single-use plastic bags and reusable shopping bags.

A SOURCE OF PRIDE!

RONA ranks among [Canada's Greenest Employers](#) for a third consecutive year. This is awarded as part of a contest organized by Mediacorp to highlight the accomplishments of employers who are sustainability leaders and proactively create a culture of environmental awareness within their organization.



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Second Life for Our Recycled Products

RONA's in-store product Take-Back Program is the most comprehensive among those offered by home improvement and construction retailers. By enabling our customers to dispose of multiple materials in an eco-friendly way at a single location, we limit their travel and facilitate their efforts to protect the environment.

**THE PROGRAM DIVERTED 2,167 TONS OF MATERIALS
FROM LANDFILL IN 2022.**



**LIGHT BULBS
AND FLUORESCENT TUBES**
More than 96 tons recycled



BATTERIES
Nearly 155 tons recycled



PAINT
Nearly 2,000 tons recycled



Proven Take-Back Program

In 2022, our stores collected nearly 2,000 tons of leftover paint our customers brought back. Thanks to our partners, these products avoid landfills and can have a second life by being manufactured as new paints. This is the case for the Boomerang paint produced from 90% post-consumer recycled content (70% in the case of white paint). A great way for RONA and its customers to participate in the circular economy.

A SOURCE OF PRIDE!

Since 2009, RONA has been a **Call2Recycle** national partner for battery recovery in our stores and offices. Our 2022 result, our best since the beginning of the partnership, put RONA in the top 5 Canadian retailers for battery recovery.



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Mobilize Our Teams to Have Stronger Communities

We put our people at the centre of our sustainable development plan because we know that our success depends on those who put their trust in us. To earn that trust, we understand the need to act in a responsible, caring manner with our teams, suppliers, customers, and communities. By mobilizing the strength of our network, we align our commitments with the positive social impact that we all aspire to.

Our People's Health and Safety Comes First

Through the pragmatic and proactive approach of RONA's Health and Safety team, we are able to reduce accidents and injuries involving our staff members in our facilities. To achieve this, we rely on detailed analyses of the causes of incidents and on proper corrective actions.

A SOURCE OF PRIDE!

RONA received the certification of recognition issued by the Workers Compensation Board (WCB) and the Alberta Association for Safety Partnerships (AASP) to employers who have successfully implemented a health and safety strategy that meets the province's high standards.



OUR COMMITMENT

To move towards a “zero incident” workplace through effective root cause analysis, compliance, audits, as well as communication and awareness.

2022 ACCOMPLISHMENTS

- 22% reduction in mandatory reportable safety incidents.
- 27% reduction in the frequency of incidents.
- Launch of AP4Me, a digital platform for communication and commitment to safety.
- Conducted 970 internal audits on health and safety compliance, earning an average score of 83%.

Diversity and Inclusion Embed in Our Culture

At RONA, we firmly believe that maintaining a positive and sustainable working environment depends on a culture based on the diversity and inclusion values. This culture is essential not only to attract and retain talent, but also to meet the expectations of our customers and communities.

OUR COMMITMENT

Have concrete measures to promote diversity and inclusion throughout the organization.

2022 ACCOMPLISHMENTS

- The percentage of positions held by women on the Senior Leadership Team has risen from 14% to 30% compared to 2021.
- Launch of the first resource group to empower women and thus encourage their professional development in the organization.
- Partnership with the Canadian Centre for Diversity and Inclusion (CCDI) to support our diversity and inclusion efforts.

A SOURCE OF PRIDE!

For three years now, RONA is one of the celebrated employers in the Greater Montréal area that stand out in their industry because of the exceptional working environment they offer, a [ranking](#) established by Mediacorp Canada.



Develop the Full Potential of Our Employees

We leverage our status as an employer of choice to attract, develop, and retain talent within our organization. We create a distinctive employee experience by adopting a human resources vision focused on tailored, and accessible training, communication, feedback and transparency, as well as performance and advancement incentives.

OUR COMMITMENT

Maintain our status as an employer of choice and develop the full potential of our employees by offering a training program tailored to individual needs.

2022 ACCOMPLISHMENTS

- The annual BEST Survey to gather employees' feedback on their working environment, as well as the corporate culture. In 2022, over 85% of employees answered.
- Roll out of the Discover app, gathering information on our products to help our managers offer ongoing coaching to their teams. In 2022, over 500 products were added.
- Launch of a new welcome and onboarding program for people joining the head office team.
- Over 850 employees took advantage of the Study Encouragement Programs.

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People of Heart, Mobilized, and Determined to Make a Difference

Our commitment to serve Canadians goes well beyond our retail operations. As we want to develop community initiatives that have a positive impact on our communities, we mobilize our teams to support organizations whose missions are consistent with our three priorities: access to essential needs, support for children and families, and health and well-being. This approach allows us to have a huge impact, while supporting causes that are close to our people's hearts.

**IN 2022, WE DONATED \$4.2 MILLION*
TO MORE THAN 300 NON-PROFIT
ORGANIZATIONS.**



*This amount includes one-off donations and excludes donations of materials to Habitat for Humanity Canada.



Our campaigns

Opération Enfant Soleil and Children's Miracle Network

NEARLY \$1.5M IN DONATIONS

Since 2018, RONA has been a major partner of [Children's Miracle Network](#) and [Opération Enfant Soleil](#) and contributes to their mission to support sick kids and their families in concrete ways.

The Heroes Campaign

TOTAL DONATIONS OF \$1.44 M

Our network's employees are really involved in their communities by raising funds to support a non-profit organization or a public school of their choice. At the end of the campaign, we matched the raised funds by 50%, up to \$2,000 per location.

Habitat for Humanity Canada

DONATION OF \$1.3M IN MATERIALS

We are proud to help provide safe and affordable housing to many Canadian families through our involvement with [Habitat for Humanity Canada](#).

The RONA Foundation Golf Day

DONATION OF \$450,000

The RONA Foundation raises funds to support non-profit organizations that make a significant impact in their communities. Two organizations benefited from this initiative in 2022: the [Véro & Louis Foundation](#) and [Sleep in Heavenly Peace](#).

Tour CIBC Charles-Bruneau

DONATION OF \$385,000

Since 2018, we participate in the Tour CIBC Charles-Bruneau for the [Fondation Charles-Bruneau](#). Thanks to the generosity of vendors and the involvement of the RONA team cyclists, we support pediatric oncology research.

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Superheroes of 2022!

Remarkable mobilization in the West

11 of our stores in Alberta and Manitoba have joined forces to raise funds for Sleep in Heavenly Peace as part of the Heroes campaign. Their efforts raised over \$48,000. The employees of these stores also took part in building beds during volunteer sessions organized by the organization.

A memorable rock concert in Fort Erie

The [RONA Fort Erie](#) Store Manager Jeff Hill and his team raised a record Heroes Campaign donation of \$44,600. This amount was raised by organizing a benefit rock concert for a local food bank.

A SOURCE OF PRIDE!

In 2022, RONA received the Corporate Partner of the Year Award for Canada at the Children's Hospital Week event organized by the Children's Miracle Network.

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Lumber and Building Materials

Sourced from FSC-, SFI- and/or PEFC-certified forests	80%	71%	81%
Sourced from at-risk regions	< 1%	< 1%	0%
Sourced from at-risk regions with a FSC certification	93%	20%	n.a.

Other products containing wood

Certified sourcing (FSC, SFI and/or PEFC)	22%	27%	14%
Sourced from at-risk regions	4%	2%	2%
Sourced from at-risk regions with a FSC certification	14%	13%	8%

Responsible Consumption

ECO products available in stores and online	4,995	5,336	5,032
ENERGY STAR certified products available in stores and online	1,726	1,490	1,335
WaterSense® certified products offered in stores and online	253	185	226

Waste Management

Diversion rate	44%	45%	59%*
Recycled materials	44%	45%	35%
Reused materials	n.a.	n.a.	24%
Take-back program in stores			
Paint and aerosols recycled (tons)	2,199	1,861	1,957
Bulbs and fluorescent tubes recycled (tons)	78	95	96
Recycled batteries (tons)	98	126	155

Occupational Health and Safety

Employees trained in safety compliance	n.a.	81%	82%
Number of stores without safety incidents	n.a.	23	35
Frequency of workplace accidents per 200,000 hours worked	8.7	7.9	5.8

Diversity and Inclusion

Women with positions in the Senior Leadership Team	0%	14%	30%
Members of a racialized group with positions in the Senior Leadership Team	14%	14%	10%

Community involvement and support

Total donations	\$4.1M	\$4.1M	\$4.2M
Number of non-profit organizations supported	300	300	300

*The calculation methodology has been revised for 2022 to also include the reuse of our materials.

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RONA 