

RONA

Together, let's build the future

2023 Sustainable Development Report





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About RONA inc.

22K 🖧

employees serving our customers

425 corporate and affiliated dealer stores across the country

350K 🗎

products available in

stores and online

banners to meet all the needs of Canadians

sustainable development pillars: Our products, Our operations and Our employees and communities

RONA⁺ RONA RÉNO^{*}DÉPÔT[®]













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Message from our President and CEO



As I reflect on the accomplishments of 2023, one of the areas that brings me a lot of satisfaction is our dedication as an organization to environmental and social priorities, and the progress we have made against the key goals under our three sustainable development pillars, namely:

• Offering products that meet recognized environmental standards and are manufactured under safe and ethical working conditions.

- Reducing the environmental impact of our operations and helping to fight climate change.
- Creating safe and healthy workplaces for our employees and supporting the communities where we operate.

Doing the right thing and being a responsible corporate citizen are things we care deeply about at RONA. That caring shows in the lengths our teams go to every day to minimize the impact of our operations on the environment. It also shows in the passion that our colleagues and our partners put into the programs and campaigns of the RONA Foundation, which aim to help vulnerable populations revitalize their living environment or gain access to affordable housing.

In 2023, our communities faced many social, economic and environmental challenges, making it more important than ever that we do our part to ensure the well-being of our teams, our customers and our communities.

I invite you to read through this report to get a better appreciation for the progress we have made against these important priorities. I'd like to extend my thanks to all who have contributed so tirelessly to these initiatives. Your efforts have made a real difference!

ANDREW IACOBUCCI

President and CEO, RONA inc.

2023 Key highlights



(Our operations

+5,000ECO products available in store and online

1,980

tonnes of paint, aerosols, batteries, light bulbs and fluorescent tubes diverted from landfill

81% employee confidence rating on

3,608 in-store employees trained on our ECO products

66% Reusing or recycling 66% of our waste

\$3 M donated to non-profit organizations

15

RONA is proud to have supported the Forest Stewardship Council[®] (FSC[®]) certification for over 15 years

1,024 solar panels installed at the

Milton Distribution Centre

97%

of employees trained in safety compliance





Our employees and communities

diversity, equity, and inclusion issues





Our products

Offer products that meet recognized environmental standards and are manufactured under safe and ethical working conditions.



An ethical supply chain

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At RONA, we strive to maintain business practices free from any form of discrimination, harassment, or disregard for human rights. And we demand that same commitment from our suppliers. Through its process, RONA supports the core human rights principles (as defined in the Universal Declaration of Human Rights, and aligns with the UN Global Compact, the International Bill of Human Rights, and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

OUR COMMITMENT

Require compliance with universal human rights across our supply chain.

Achievements in 2023

 Continued implementation of our Vendor Code of Conduct and Human Rights Policy, which provide a framework for our activities and set out our requirements for vendors in terms of respecting human rights.

References:

- Vendor Code of Conduct
- Human Rights Policy statement
- 2023 Report Under the Fighting Against Forced Labour and Child Labour in Supply Chains Act





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We aim to maintain a supply chain free from illegal logging and deforestation, specifically through certification by the Forest Stewardship Council (FSC), an organization we have supported for over 15 years. To that end, we actively collaborate with our vendors and ask them to know and verify the origin of the wood used in their products.



The mark of responsible forestry

OUR COMMITMENT

Contribute to the adoption of sustainable forestry practices.

Achievements in 2023

- Gathered information among our suppliers in terms of the sourcing of the wood in their products (country of origin and certification) to better understand our sourcing and its impact on the forestry resource.
- Continued implementation of our Wood Sourcing Policy, which requires FSC certification for wood from geographical regions identified as being at high risk of deforestation.

Reference:

Wood Sourcing Policy









Eco-responsible products

In all our product categories—seasonal, building materials, appliances, bathroom, home decor, or private labels—our approach is simple and clear: offer ECO products that meet consumers' expectations, whatever the price range.

- Less water and energy used
- Less waste produced
- Fewer chemicals of concern
- More products made with recycled materials
- More wood harvested from certified sustainable forests

OUR COMMITMENT

Help reduce the environmental impact of our customers' home improvement and construction projects.

Achievements in 2023

- Over 5,000 eco-responsible products available through the ECO Products Program.
- ENERGY STAR® and WaterSense® certified products listed in our flyers.
- ECO products and their ecological attributes showcased online.
- 3,608 in-store employees trained on ECO products and their advantages.

Reference:

• ECO Products Program







A SOURCE OF PRIDE!

RONA was awarded the ENERGY STAR® Special Recognition Award for its efforts to increase the range and visibility of ENERGY STAR-certified products.









Chemicals management

We take action to assess and manage the risks associated with chemicals. By adopting a proactive and collaborative approach with independent experts, vendors, and consumers, we take action to identify, reduce, and eliminate specific chemicals that may be harmful to health and the environment.

OUR COMMITMENT

Proactively eliminate potentially harmful chemicals to protect the health of our customers and employees, as well as the environment.

Achievement in 2023

identified chemicals.

Reference:

Safer Chemicals Policy

Canadian products

RONA is proud to do most of its business with Canadian suppliers, thereby supporting the country's economy. We also encourage the purchase of building materials and other home improvement products made by local companies by offering a wide selection of quality Canadian products and making them easy for customers to identify with the "Well Made Here" logo.





• Continued implementation of our Safer Chemicals Policy to ensure that targeted products in the flooring, insulation, lawn care, paint, and cleaning categories are free of





Our operations

Reduce the environmental impact of our operations and help fight climate change.



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Our waste management is focused on strengthening and standardizing in-store operational practices. It relies on programs and incentives, employee involvement, and partnerships to give a second life to unsold products.

OUR COMMITMENT

Divert as many materials generated by our operations as possible from landfill and offer our customers recovery solutions for products that may be harmful to the environment.

Reference: In-Store Take-Back Program

Achievements in 2023

- Activated the ECO Squad, which encourages our employees to follow best practices in terms of in-store sorting and foster positive reinforcement among participants.
- As part of our incentive program, which recognizes stores' efforts to effectively manage waste:
- \rightarrow 18 stores received awards
- \rightarrow \$16,000 was donated to Nature Conservancy of Canada and Habitat for Humanity Canada.
- Materials valued at \$2.3 million were donated to Habitat for Humanity Canada, which helped divert unsold products from landfill and supported low-income Canadian families with access to safe and affordable housing.
- 1,980 tonnes of material diverted from landfill thanks to our In-Store Take-Back Program.







151 tonnes recycled



Paint and aerosols 1,736 tonnes recycled



A SOURCE OF PRIDE!

RONA was named Sustainability Leader by Call2Recycle for the twelfth consecutive year, ranking among the top 3 Canadian retailers with the highest volume of batteries recovered in Canada. This award is presented annually to organizations that demonstrate an outstanding commitment to the environment and responsible battery management.







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Energy efficiency in our network

For several years now, we've been investing in technology that improve the energy efficiency of our stores, distribution centres, and head office. In 2023, we implemented a number of transportation initiatives to increase the efficiency of our deliveries by optimizing truck space and reducing fuel consumption.

074 CANADA'S **GREENEST EMPLOYERS**

A SOURCE OF PRIDE!

RONA ranks among Canada's Greenest Employers for a fourth consecutive year thanks to its achievements in 2022 and 2023. This recognition 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.

OUR COMMITMENT

Reduce our greenhouse gas emissions.

Achievements in 2023

- Completed our yearly assessment of our scope 1 and 2 GHG emissions.
- Installed 1,024 solar panels at our new Milton Distribution Centre.
- Optimized our travel and reduced our overall transportation fleet through various initiatives:
- \rightarrow Deployed a transportation management system between suppliers, distribution centres, and stores, and implemented a tracking system to automate delivery circuits for 40 stores.
- \rightarrow Implemented a pilot project to replenish our Ontario stores from the Milton Distribution Centre. They used to get their supplies from Boucherville, which was further away.

→ Adopted "hub" stores in Québec and Ontario to centralize deliveries from several stores and optimize truck filling.

 \rightarrow Integrated pick-ups from suppliers when trucks return to distribution centres, and consolidated appliance deliveries with store merchandise deliveries to reduce "empty" mileage.

→ Increased intermodal travel between Québec and New Brunswick.





Our employees and communities

Create safe and healthy workplaces for our employees and support the communities where we operate.



Health and safety

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Because the safety of our employees is one of our main concerns, the company's Health and Safety team makes a sustained effort to minimize incidents and injuries. Thanks to our national health and safety program, ongoing training, and technological tools that facilitate data collection, our dedicated advisors can focus their efforts and support where it counts. Our ultimate goal is to have a "zero incident" workplace through effective root-cause analysis, compliance, communication, and awareness.

OUR COMMITMENT

Provide a safe environment for all our employees and the customers who visit our facilities.

Achievements in 2023

- On the DoneSafe management platform, rolled out the module for the occupational health and safety committees' monthly meetings and inspections. This new feature makes it possible to centralize information from each of our sites, enabling us to identify priority issues.
- Implemented an IT solution on the APConnect platform to simplify the quarterly racking inspection.
- Increased awareness of the importance of training in reducing the number of incidents, despite major changes in our facilities.



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.









Wellness and engagement

We promote a working environment that fosters a work-life balance, so that everyone can pursue their passions and commitments. Because we believe in the importance of listening to our employees to identify our strengths and their needs, we take practical action to gather their views. Finally, we make sure to offer benefits that make a difference in their lives, and a flexible benefits plan that can be adapted to suit each individual's reality. The RONA plan includes universal coverage for psychology and psychotherapy services, access to an Employee and Family Assistance Program (EFAP), complementary maternity and parental leave benefits, and an on-site Childcare Center for those who work at our head office.



A SOURCE OF PRIDE!

RONA has been awarded the "Great Place to Work" certification, which underlines the high level of confidence employees have in their organization. Our company stood out for its inclusive culture, pride in one's work, and friendly and welcoming working environment.

OUR COMMITMENT

Create a working environment where everyone feels valued and motivated to give their best.

Achievements in 2023

• Formed a new partnership with the Great Place to Work® certification program to advance our corporate culture and frame our commitment to listening to our employees and integrating their feedback into our strategic decisions.

• Reached an employee trust index that is high enough to get the certification from Great Place to Work

• Created a resource page for associates on mental health via MyHR internal platform.

Diversity, equity, and inclusion

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Our culture of diversity, equity, and inclusion (DEI) is supported by several practical initiatives, such as Business Resource Groups (BRGs), training, and regular communications on these themes. RONA is a partner of the Canadian Centre for Diversity and Inclusion, which offers all our employees with access to various resources via an online platform. We also take the time to empower our dedicated recruiting teams to ensure an equitable hiring process for diverse groups (First Nations, retirees, people with physical or cognitive limitations, etc.).

OUR COMMITMENT

Keep diversity, equity, and inclusion at the heart of our corporate culture by providing a workplace where everyone feels safe and is treated fairly.

Achievements in 2023

- Communicated our Diversity and Inclusion Policy to all new employees.
- Trained all new employees on preventing harassment in the workplace.
- Created a new BRG dedicated to supporting the 2SLBGTQI+ communities.
- Organized activities as part of our BRG aimed at driving women's ambition, including a commemoration of International Women's Day.

- Developed an online training program on unconscious bias, which will be rolled out among all employees in 2024.
- Scored an 81% confidence rating in the annual employee survey on DEI issues.
- Updated of our Human Rights Policy, which sets out RONA's commitments, particularly with regard to DEI, and applies to all employees.





A SOURCE OF PRIDE!

RONA ranks as one of Greater Montreal's top employers for a fourth consecutive year for its achievements in 2022 and 2023. Our company stood out this year with regard to questions about inclusion, with favourable scores primarily driven by associates feeling they can be their authentic selves at work and are part of a team.



Professional development

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Thanks to several training and development programs, our employees have the chance to develop their skills and advance their careers. RONA offers programs designed to help managers create healthy, safe, and inclusive environments for their teams. We promote the transfer and progression of employees within the company and encourage the pursuit of academic careers related to our industry by offering a Tuition Reimbursement Program and student incentives.

OUR COMMITMENT

Foster a workplace where everyone can acquire knowledge and develop the skills they need to succeed in their role.

Achievements in 2023

- Revamped the onboarding program for new head office employees to make it more interactive and adapted to our new business context.
- Created an onboarding program for new head office managers, providing all the administrative and technical tools they need to quickly integrate into their role.
- Implemented the Workday RONA system for training and skills development.
- Launched two modules in our first-ever «RONA Leadership» series, designed to empower our managers at key moments in the organizational cycle.



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Community support

Since 1998, the RONA Foundation has overseen the company's philanthropic activities and supports non-profit organizations that make a significant impact in their communities. It aims to help improve the quality of life of Canadians in need by revitalizing their living environments or making it easier to access housing, with a focus on victims of domestic violence and their children, low-income families, and people with disabilities or mental health issues.

RONA FOUND TION 25

OUR COMMITMENT

Support social causes for the well-being of Canadians

Achievements in 2023

- Canada.

• Updated the RONA Foundation's mission to align it more closely with RONA inc.'s business sector, namely construction and home improvement.

• Launched the **Build from the Heart** program to support a construction or home improvement project led by one organization per province.

• Donated over \$3 million to nearly 200 charities across Canada through various initiatives, such as:

 \rightarrow The annual Golf Day in support of the **Build from** the Heart campaign, which brought together over 300 players, including many RONA suppliers.

 \rightarrow The Build from the Heart fundraising campaign at self-service checkouts in our stores across

→ The Home Sweet Home campaign, run by our in-store employees throughout September, which supported nearly 180 non-profit organizations.

Stores mobilized as part of the Home Sweet Home campaign

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Three Réno-Dépôt stores in the Québec City area joined forces to raise a total of \$27,542 for Laura Lémerveil, an organization offering housing services to people with disabilities.

35 RONA stores across the country joined forces to donate a record \$106,336 to Habitat for Humanity Canada, an organization that helps low-income families achieve home ownership.

A \$150,000 donation makes a difference thanks to the Build from the Heart program

Located in the Basses-Laurentides region, Le Petit Patro provides housing for teenagers in vulnerable situations. After 37 years of existence, the organization sought to build an extension to its current building to help more young people. Thanks to a \$150,000 donation, new bedrooms and three extra bathrooms will enhance residents' comfort.

"We help young people take responsibility and increase their independence and self-confidence, through a healthy lifestyle routine. The new multi-purpose room will give us the space we need to help young people discover simple, accessible ways to take care of their mental health."

Renée Brosseau

Director of the Maison d'hébergement Le Petit Patro



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TESTIMONIES

Performance indicators

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Lumber and Building Materials			
Sourced from FSC $^{ m B}$ -, SFI $^{ m B}$ - and/or PEFC $^{ m B}$ -certified forests	71%	81%	87%
Sourced from at-risk regions	< 1%	0%	0%
Sourced from at-risk regions with FSC $^{\ensuremath{\mathbb R}}$ certification	20%	N/A	N/A
Other Products Containing Wood			
FSC [®] -, SFI [®] - and/or PEFC [®] -certified wood	27%	14%	17%
Wood sourced from at-risk regions	2%	2%	1%
Wood sourced from at-risk regions with FSC [®] certification	13%	8%	4%
Eco-responsible Products			
ECO products available in store and online	5,336	5,032	5,013
ENERGY STAR certified products available in store and online	1,490	1,335	1,289
WaterSense certified products offered in store and online	185	226	294
Waste Management *			
Diversion rate (%) **	45%	59%	66%
Reused materials	n.d.	24%	37%
Recycled materials	45%	35%	29%
In-store Take-Back Program			
Paint and aerosols (tonnes)	1,861	1,957	1,736
Batteries (tonnes)	126	155	151
Light bulbs and fluorescent tubes (tonnes)	95	96	93
Health and Safety *			
Employees trained in safety compliance	81%	82%	97%
Number of stores without safety incidents	23	35	30
Frequency of workplace accidents (per 200,000 hours worked)	7.9	5.8	6.7
Diversity, Equity, and Inclusion *			
Number of Business Resource Group	N/A	1	2
Women working within the organization	N/A	N/A	37%
Women in management positions	N/A	N/A	33%
Women in the Executive Leadership Team	14%	30%	27%
Community Involvement and Support			
Total donations	\$4.1M	\$4.2M	\$3.2N
Number of non-profit organizations supported	300	300	200

OUR PRODUCTS





* The indicators were calculated for corporate RONA +, RONA and Réno-Dépôt stores.

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



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