Leo Burnett Canada
& Loblaw Companies Ltd.



RFI Project Gen A – Enterprise Creative Agency Search
Delivered prior to 11am, October 17th, 2022

This could be the start of something beautiful.

October 17, 2022

Hey there, Project Gen A team,

We can't tell you how excited we were when we received this RFI from you. We're a newish executive team who have been working over the past three years to transform Leo Burnett here in Canada. We live for creativity. It's what gets us jumping out of bed in the morning. Using creativity to transform human behaviour and drive real business results. We'd love to bring the talents of our creative consultancy to bear on your amazing and iconic brands.

No doubt you're going to be reading a lot over the next couple of days. We really hope you've stocked up on some of the finest coffee from your stores to keep you going! We promise to provide you with an enjoyable, entertaining and hopefully engaging submission that demonstrates what we're all about and why we believe we would be the perfect partner for you.

Enjoy, we look forward to meeting you all soon.



1.

1. Agency General Information
2. Presentation of Your Agency Team
3. Experience Relevancy Case Study
4. Capabilities and Point of View
5. Proposed Fee Structure

“When you reach for the stars, you may not quite get one, but you won’t come up with a handful of mud either.”

Leo Burnett

Full legal name and affiliations with holding company, if any:
We are Leo Burnett Canada Ltd., a wholly owned subsidiary of Publicis Groupe.

Address and contact information:
When we're not working from home, you can find us at 175 Bloor Street East, Toronto, ON M4W 3R9.
Ben Tarr; 416-909-9817/Ben.Tarr@LeoBurnett.ca

List of Canadian offices:
Leo Burnett Toronto
Leo Burnett Design (based in Toronto)
Martel & Cie (our Montreal office)

Number of employees:
182 employees across Canada

Revenue:
We wish we could share Leo's financials with you, but as part of a publicly traded company, we are not at liberty to provide this. You can, however, view our holding company's strong results reported through Publicis Groupe's Annual Report, which can be found at: https://www.publicisgroupe.com/en/news/press-releases/publicis-groupe-2021-full-year-results

Current clients

We never take it for granted how lucky we are to work with these incredible brands; Our relationships with global brands, many of Canada's largest businesses and lots of retail and food-related clients, enable us to bring a diversity of experience to your business. Our work takes us across Canada, the U.S. and Caribbean. Clients engage us to develop brand purposes and major campaign platforms; for a select few, brand identity and design thinking. We believe in being a partner, not a vendor, and many of our clients have partnered with us for over a decade!

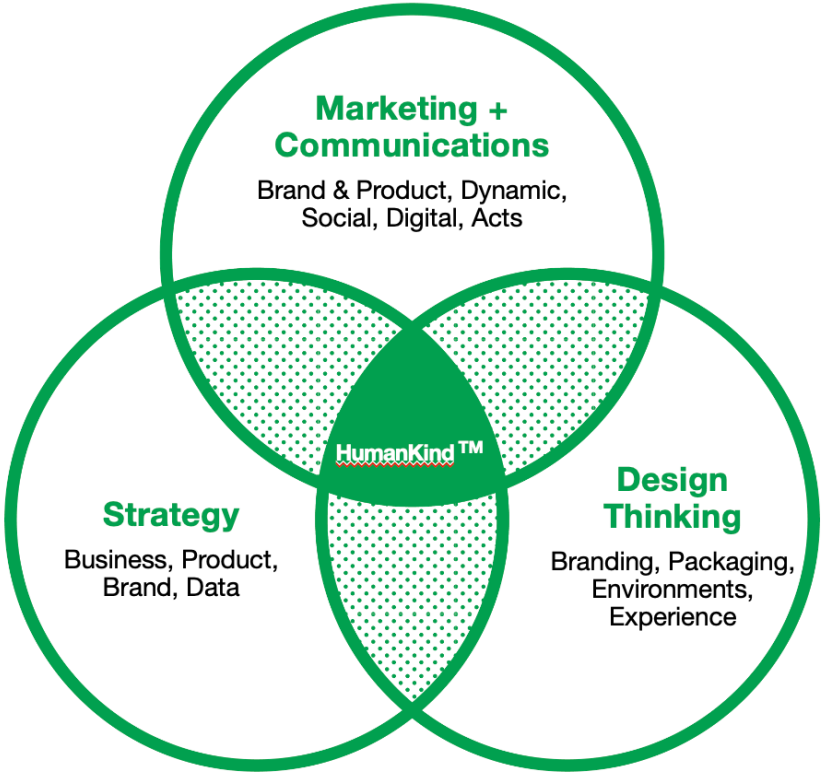
Clients	Brand Purpose & Platforms	Brand Identity	International Clients
AAA Bell Buick Cadillac Campbell's Campari Canadian Tire Chunky Daily Bread Food Bank Daily Blends Elections Ontario Enbridge Ferrero Rocher GMC Grace Kennedy Finacial Group Kellogg's Metrolinx North Star Bets Presto Proctor & Gamble ROM The J.M. Smucker Co. Sun Life Toronto Star Virgin Plus	Bell Canadian Tire Metrolinx Enbridge Campbell's Ferrero Rocher The J.M. Smucker Co Campari Kellogg's Toronto Star GMC Presto	Elections Ontario Virgin plus ROM Daily Bread Food Bank Aspira Retirement Living Sun Life	P&G AAA GK GraceKennedy Financial Group Victoria Mutual

Products
Over the past three years, we have transformed our business offering from an advertising agency to creative consultancy.

Everything that matters in our business begins and ends with two things: people and their behaviours. We focus on these two things in everything we do, from uncovering human insights to applying the power of creativity to help solve our clients' biggest challenges, and we never rest in our pursuit of great thinking and beautiful ideas.

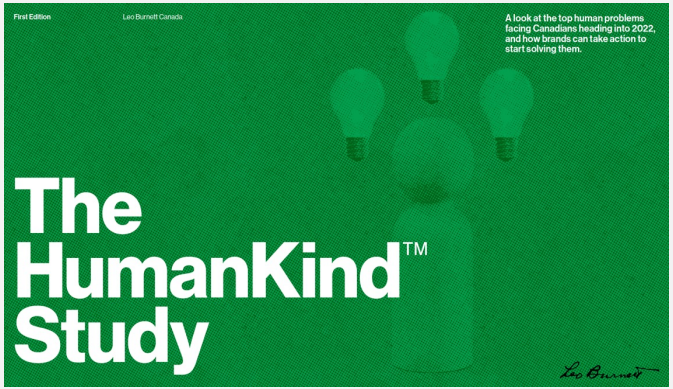
We have a simple and singular approach: put brand purpose at the centre of everything the brand does to truly connect with people and then use creativity to change behaviour and drive business results. Our approach is collaborative and wholly human. It is what makes us different, and we call it **HumanKind™**.

HumanKind™ is a framework for strategic and creative excellence regardless of category, audience or media. Our commitment to changing human behaviour by focusing on purpose has produced highly successful brand strategies, advertising campaigns and business changing ideas for countless clients.



Products

As you'd expect, we offer strategy, marketing & communications and design-thinking services, but we have also developed two new products to help strengthen the connections our clients make with their customers. We'd love to put them into practice across the Loblaw brands.



The HumanKind™ Study is a proprietary piece of intelligence that unearths the human problems with which Canadians are faced with and offers unique insights into how brands can start solving them. Second edition is planned for January 2023.



The **HK Think Forward Innovation Method** translates real human problems into unique product, experience and service offerings. It engages a diverse team to ideate, test, learn, prototype and market size ideas that bring the brand purpose to life in new forms.

2.

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Description of your agency, its brand and DNA

As we've mentioned, we're not a traditional agency anymore. We are a creative consultancy, that uses the power of creativity in all its forms to solve big business and human problems. Our passion for solving these types of problems with creativity drives our relentless pursuit of great thinking and beautiful ideas.

We opened our doors in Canada in 1952, and 70 years later we continue to push ourselves and our clients to do ground-breaking work to better connect with the people they serve.

Since opening, we've acquired Martel, our Montreal-based agency, which has operated as part of Leo Burnett for 25 years. We also founded Leo Burnett Design 15 years ago to help support the wider needs of our clients, from brand identity to spaces, objects and product experiences.



Description of your agency, its brand and DNA (cont.)

Our HumanKind™ operating system sits at the heart of our work and begins with developing a brand's conviction and purpose. *Conviction*, is the fundamental POV or belief about how the world could or should be, and *purpose* is the compelling reason why the brand exists in people's lives.

When embedded at the heart of an organization, the brand purpose can and should drive the entire business strategy.



Description of your agency, its brand and DNA (cont.)
Here's what guides and drives our business and decision-making at Leo Burnett Canada:

Conviction: We believe creativity has the power to transform human behaviour.

Purpose: We exist to better the relationship between people and brands.

Key personnel / biographical notes (incl. people who may be assigned to the Loblaw account)

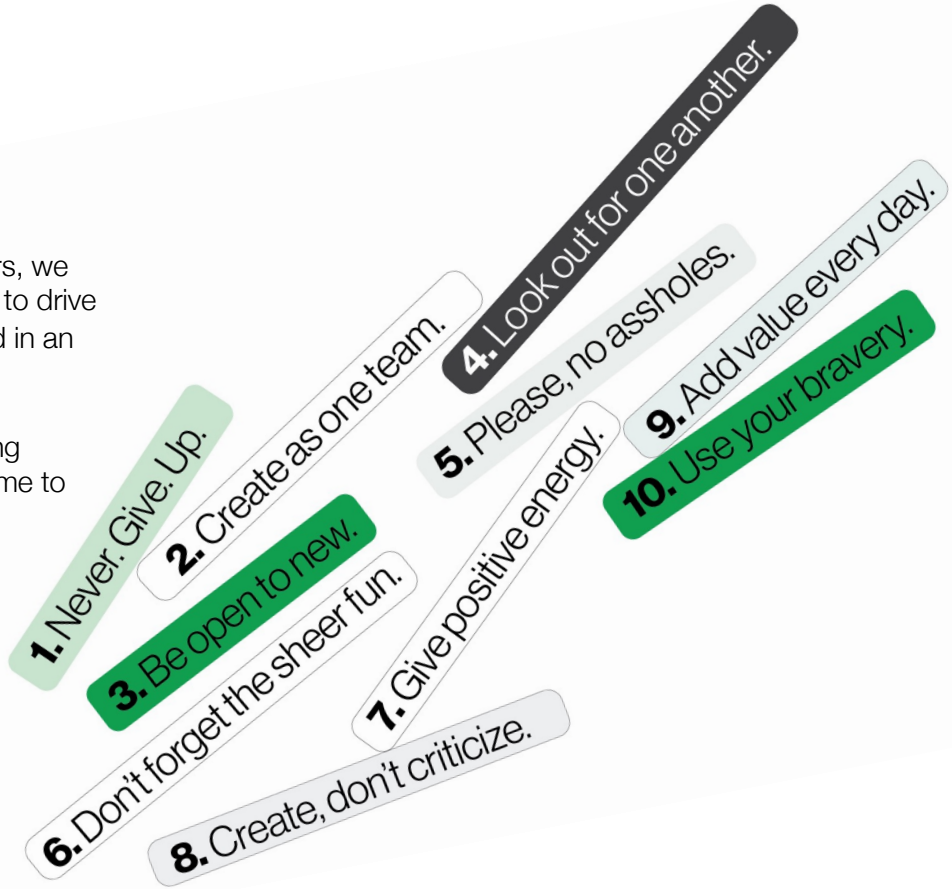
Our people and our values

We love our people because our people are our product.

Without an effective, diverse group of talented team members, we cannot provide our clients with the type of creativity required to drive winning business results. And great people can only succeed in an environment with strong, embedded values.

Our values help steer our decision-making, including our hiring practices, and create the type of company we all want to come to work for every single day.

We look for similar values in our clients too!



Key personnel / biographical notes
(incl. people who may be assigned to the Loblaw account)

Your Leo Burnett executive team

Hello again! We are the Leo Burnett Canada executive team, and we're on a mission to inspire and empower all of our Burnetters to do the best work of their careers and, in doing so, help us achieve our vision of ***solving human problems with beautiful ideas.***

We also love and live for the work, and, as such, you will see us rolling up our sleeves and working alongside the lead team on your business.

We look forward to using our deep retail and food experience to serve the Loblaw brands. Let's introduce ourselves (with a little flavour of how we shop your stores) and the lead triumvirate team who would run your business.



Top left: **Tahir Ahmad**, Chief Strategy Officer.
Bottom left: **Natasha Dagenais**, SVP, Head of Account Management.
Centre: **Ben Tarr**, President.
Top right: **Lisa Greenberg**, Chief Creative Officer.
Bottom right: **Steve Persico**, Chief Creative Officer.

Tahir

Tahir has led the development of *The HumanKind™ Study* and *The Think Forward Innovation Method* as part of Leo's evolution to creative consultancy. Over his 18-year career, Tahir has helped shape multiple retail and food brands, including Canadian Tire, Ikea, Campbell's, Kellogg's, Vega, Amazon, TD, Forty Creek Whisky and Metrolinx. Through his work Tahir has won creative and strategy effectiveness awards across all major shows, including Cannes, Effie, Ogilvy, Jay Chiat and Strategy awards and has consistently been ranked as one of the top planners in the country.

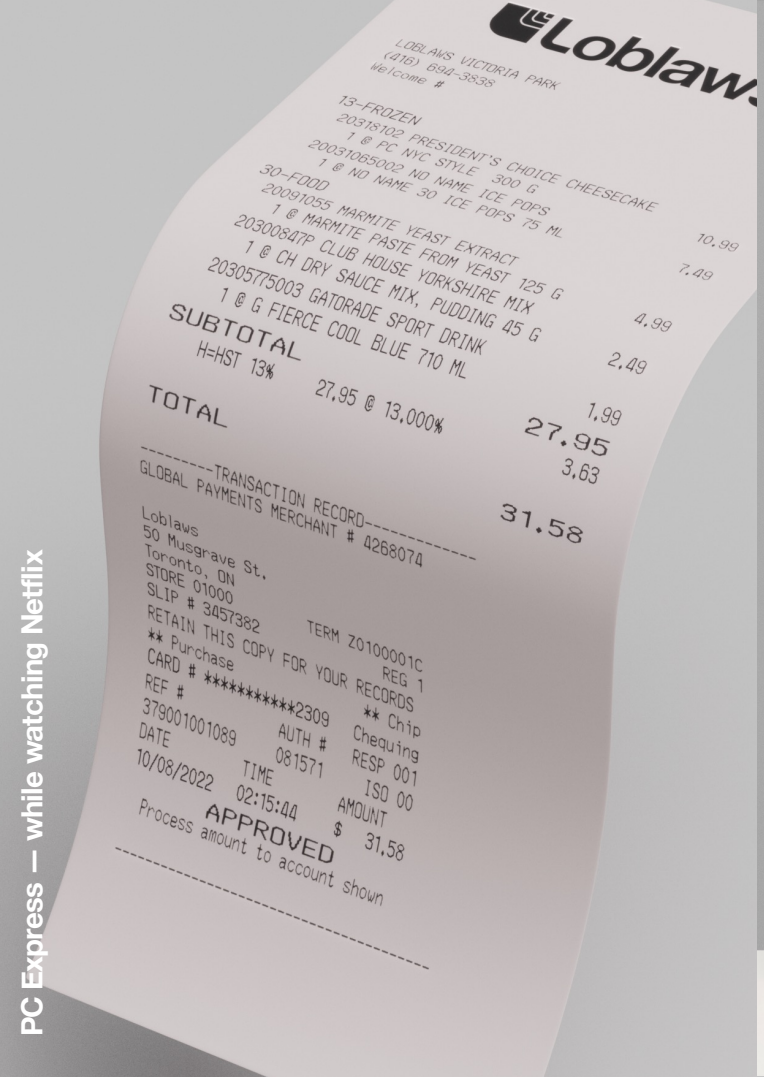


Tahir Ahmad
Chief Strategy Officer



Loblaws — Late Night Shopper

PC Express — while watching Netflix



Ben

Ben has been leading Leo Burnett for the past four years alongside the executive team. Helping to shape and guide the vision for building the creative consultancy model, Ben is always thinking about where the world is heading and what our clients need to succeed. His background in design, digital communications, business transformation and service design always has him pushing our creative solutions. Ben has worked across many sectors, including retail, food, tech, finance, telco and grocery. He's terrible at karaoke, but is always first up on stage.

Ben Tarr
President

Tash

Natasha is another veteran of Leo, having helped build our business over the last 19 years. Her experience across all forms of creativity is vast, and there's not a sector in which she hasn't worked. She understands business needs and helps marry the right solutions to help our clients succeed. The most awarded account person at Leo, she has led and grown the Canadian Tire business over the last five years, as well as Campbell's, Kellogg's, Smucker's and before that, IKEA, Moosehead Breweries, Bulk Barn, P&G and TD, to name a few. She's also the last person to leave the company party!



Natasha Dagenais
SVP, Head of Account Management



Loblaws — New puppy runs



Steve

If you ask any creative in the country, they'll tell you that Steve is arguably the most talented writer in Canada. He has honed his skills over 17 years at Leo Burnett and has won countless global awards, including grand prix for innovative work on Ikea. Steve is a born leader who manages from the front. He is a partner to clients, and his first question is always, "How are the business results looking?" Steve has driven significant results for the likes of Canadian Tire, Amazon, Campbell's, Kellogg's, TD, GM, Bell and Ikea, to name a few.

Steve Persico
Chief Creative Officer

Lisa

Lisa is one of the most awarded designers in Canada. Having led Leo Burnett Design for over a decade, there's nothing she hasn't seen. Lisa was the architect of rebrands and design system creation for major Canadian retailers including Amazon, Bulk Barn, TD, LCBO, Ikea and the Canadian Tire owned brand portfolio. She sits on the board of the ADCC and, in her spare time, designs and builds everything from plate collections to trendy motels in PEC. Whether it's a flyer or a global brand identity, she brings meticulous craft to everything she does. Clients are always heard saying, "What does Lisa think?"



Lisa Greenberg
Chief Creative Officer



7am — Tea Total run

Key personnel / biographical notes (incl. people who maybe assigned to the Loblaw account).
Each of our clients has triumvirate leads who drive the business forward and who would act as the day-to-day team for you. The leads will build and manage the bespoke team of diverse talent, the members of which will depend on the mandates and banners you would have us assigned to.



Kohl Forsberg
Group Creative Director

Kohl is a highly awarded and respected creative director who knows how to build iconic brands. Another retail and food specialist, Kohl worked with Leah on the No Frills account and has worked on many food brands, including the Kellogg's brands, at Leo. He is loved by his teams and clients alike for his kindness and incredible creative passion.



Pooja Beri
Strategy Director

Pooja has been with Leo Burnett in multiple offices and is an expert in human behaviour, research and helping turn insights into business-driving creative. She has worked on many retail and food clients, including Canadian Tire and McDonald's. You'll always find her at the heart of any conversation with her strong curiosity and wonderful sense of humour.



Leah Lanza
VP, Group Account Director

Leah has been leading national and global retail brands since starting in the business. She leads with empathy, is a strong partner to clients and worked on the No Frills business while at her previous agency. She's smart, kind and a lot of fun to work with.

How you would structure your team to support Loblaw if your agency is selected;

As shared, each account is led by a team representing each discipline – bringing diversity of thinking to your brand and marketing challenges and campaigns. We call this lead group the triumvirate team. The triumvirate then build multi-functional groups that would be adapted to support and fit the Loblaw organisation and the banners we would serve.

That team would then be supported by our Maker Group – made up of highly specialized production talent, including producers, creative technologists, front & back end developers, motion artists & editors – and our affiliate partner companies both internally at Publicis Groupe (CRM, Film Production, Media, PR) and externally (TikTok, Google etc.). We believe collaboration is one of the strongest tools and as such we will lead the integration of all teams at every turn (including your media & shopper partners and your in-house agency teams).



Collaboration Principles:

1. Work as one
2. Have conversations, not presentations
3. Share early & often
4. Are open to new
5. Support decisions

How you would structure your team to support Loblaw if your agency is selected;

Example structure based on being awarded two banners and key design work. Structure can scale up/down.

Client Marcom Team

Ben Tarr + Natasha Dagenais + Tahir Ahmad + Lisa Greenberg + Steve Persico

Leah Lanza + Kohl Forsberg + Pooja Beri

Loblaw Agency

Banner Team 1	Banner Team 2
Sr. Art Director	Snr. Art Director
Sr. Copywriter	Snr. Copywriter
Account Director	Account Director
Project Manager	Project Manager

Leo Burnett Design	Design Director Group Director Strategist
Martel & Cie	President Creative Director Copywriter

Maker Team

Digital	Content	Still Content
Creative Technologist	Editors	Retouchers
Front End Devs	Motion Artists	Producers
Back End Devs	Post Producers	Mac Artists
Project Managers	Flame Artists	Pre-Press Specialist

Platform Partners

Google

Meta

Publicis Groupe Partners

MSL

publicis sapient

ThePub

PUBLICIS MEDIA

HAWKEYE

What is your approach to talent succession and team stability?

We are proud to say that our attrition rates are well below industry norms, with our average employee tenure being 6.2 years! We believe our commitment to our ‘People First’ organizational approach is a major contributing factor. We live our values; we provide our team with the right working environment, the right opportunities by promoting from within, the right training and an industry-leading benefits package for them and their families.

We are also privileged to have many of Canada’s largest brands under our management. Diversity of work allows us to offer our teams new and exciting opportunities, which, in turn, maintains high engagement levels and passion for the work product.

Our aim is to inspire and empower all of our Burnetters to do the best work of their careers and we spend time and investment in a selection of industry-leading tools and benefits that allow us to plan succession and maintain stability:

MRCL

Our AI employee-growth platform offers world-class training and connectivity to new opportunities.

CAREER CONVERSATIONS

Our employee-management platform ensures that we are having the right conversations and succession planning for every team member throughout the year.

WORK YOUR WORLD

Our flexible working model allows teams to work from one global office for up to 6 weeks a year.

Your agency's expertise, services and capabilities (including services offered by affiliate partners);

As shared in the product answer in section one, Leo Burnett is a Creative Consultancy providing services and capabilities across communications (brand & product, dynamic, social, digital and acts), strategic consulting (business, brand, product and data) and design thinking (branding, packaging, environments and experiences). Within Leo Burnett Canada we have two specialized entities offering world class design and on the ground expertise to tackle the unique Quebec market.

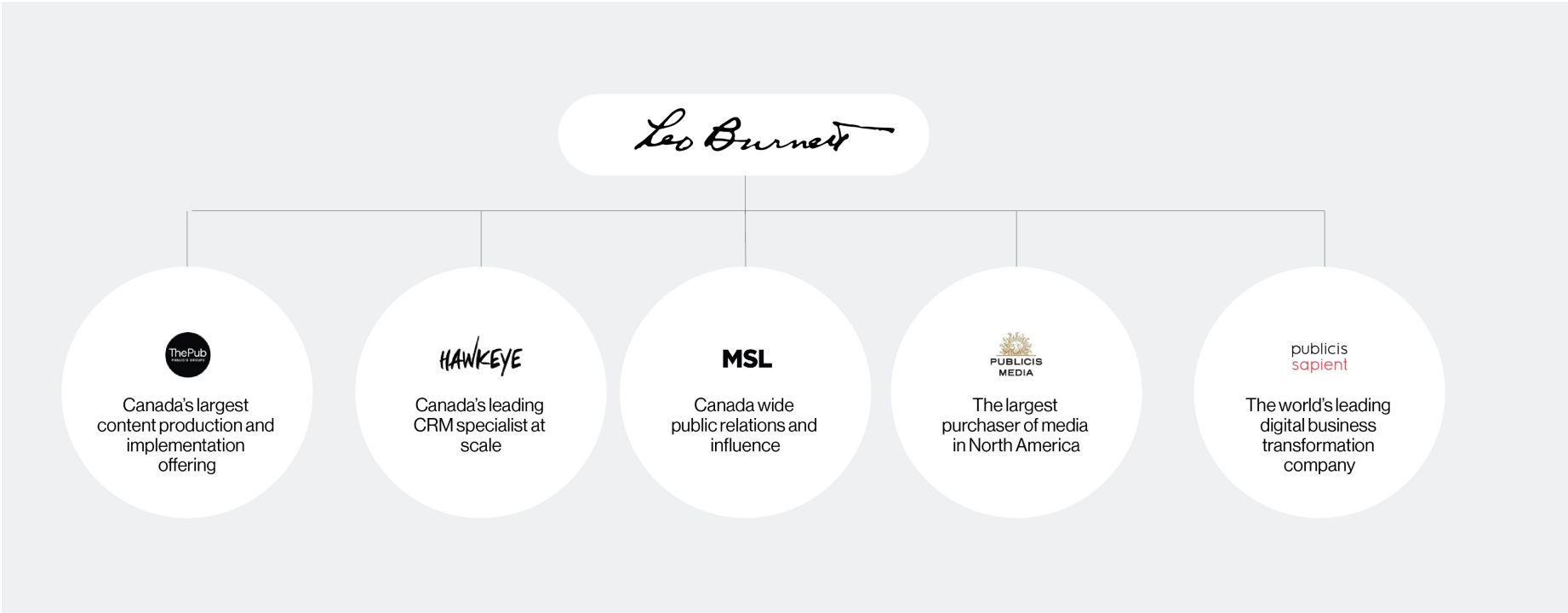
Leo Burnett Design

Our design thinking is provided by Leo Burnett Design who are the most awarded Canadian studio of the decade. The team is a full-service design & branding studio, housed within Leo Burnett Canada and made up of twenty-two design specialists. Leo Burnett Design pursue the marriage of thoughtful design, strategic thinking and meticulous craft. From start-ups to corporations, we create brand identities, packaging, websites, editorial, animation, objects, environments and experiences.

MARTEL &CIE

Quebec is a unique market, with unique needs and as such we have a team of specialists that handle all transcreation and original in-market work for Leo Burnett's national clients. Martel has been a wholly-owned subsidiary of Leo Burnett for over 25 years and operates seamlessly with our Toronto office as one national team consulting across all clients.

Your agency's expertise, services and capabilities (including services offered by affiliate partners).
We also have access to an incredible array of services from within our Publicis Groupe network of agencies. Where necessary for services such as multicultural, we partner with preferred companies from the Toronto market.



Business success track record and key success factors.

The Connected KPIs

At Leo Burnett we focus on four key performance indicators of health and success that are inextricably linked and cannot happen in isolation from each other, starting with the health of our people.



Business success track record and key success factors continued.

A decade of of success in Canada has seen us deliver on all key success metrics.

1.

Our People:
We have been recognized as one of Canada's Great Places to Work® and have an average employee tenure of 6.2 years, well above industry norms. Our leaders in strategy, creative & design have all been ranked No.1 in Canada, & we have high engagement in all our training programs.

2.

Our Work:
We have been recognized as a top-five agency in the world by Gunn Report, our design studio, is the most awarded of the past decade in Canada & we have won multiple back-to-back agency of the year awards in Strategy (Effies), Creative (Strategy Agency of the Year) & Design (DAOY).

3.

Our Clients:
We have an average client tenure of 13 years, demonstrating satisfaction in our ability to help deliver on their business & communications goals.

4.

Our Business:
We have delivered consistent growth to shareholders as indicated by YoY, performance and net new client wins across Canada, the U.S. & global markets include Campari, Metrolinx, Toronto Star, North Star Bets, Ottawa Hospital, ROM & Daily Bread, all in the past 18 months!



Provide your Agency's diversity, equity and inclusion policy

We welcome all to the Leo Burnett family. Whether an employee, client or partner, as part of this family, it is our responsibility to ensure that you feel welcome, safe and supported at work, regardless of your race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, disability, or age.

Fostering a workplace where everyone can reach their potential while being their authentic selves is central to our values as a company. As a network, we believe that diversity of thought leads to better ideas, and in turn, better work overall.

We have put words into action by creating and enacting the following:

1. **The Black Pencil Fund** - an annual commitment to BIPOC scholarships, partnering with registered educators
2. **The Rooney Rule** - at least one woman and one member of a minority group to be considered for every open job position
3. **Mandatory training** - outlining unconscious bias, creating change, and communicating through culturally sensitive issues
4. **DE&I education allowance** - imploring each employee to educate themselves using recommended reading materials and training
5. **DE&I annual survey** - allowing the leadership team to set annual priorities and benchmarks for future programs
6. **DE&I statement on all on-boarding materials** - conveying the importance of inclusivity in our workplace from day one
7. **Monthly training and seminars** - holding guest speaking engagements to educate employees on specific and meaningful topics
8. **Mental Health Taskforce** - dedicated to education, action and certification: currently 10% of employees are now trained and certified in mental health first aid



3.

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“Our real purpose in life is that of improving the sales effectiveness & reputation of our clients through ideas.”

Leo Burnett

Summarize your retail, food, beauty industry experience & managing large, complex matrix client structures.

We are proud of our strong retail and food experience and of the impact we've made across a range of diverse brands. Small brands with small budgets looking to make a mark in categories that are crowded with legacy brands, and iconic brands who are committed to evolving with the needs of their customers. Brands that are led by small client teams who are the decision makers, to brands that have a more layered client structure, requiring the expertise of a team who understands how best to navigate these complex matrixes successfully. We have proven that we can be successful with our partners, no matter what.

Enjoy the below link that highlights some of the amazing work we've achieved with great food and retail brands.

<Please enjoy the highlight video here>

If you have any troubles with the links, please visit:

www.leoburnett.ca/loblaw

Food and Retail Experience:

Canadian Tire
Ikea
Bulk Barn
LCBO
OCS
Smucker's
Save-On-Foods
Campbell's
Kellogg's
Foodland
Amazon
Foodora
General Motors
TD
Bell



Our HumanKind™ operating system drives strategic excellence through the marriage of rich insights and a true understanding of the role a brand plays in people's lives. This strong foundation then creates a springboard for ideas, ideas that will make a meaningful connection with the audience through all channels, demonstrating our ability to work with big or small budgets on a regional and national scale.
We have chosen to share two highly relevant retail case studies:
TD Bank and Canadian Tire.



Our first case study, for Canadian Tire, demonstrates our ability to:

— Create meaningful connections with new & existing consumers.
— Launch new brands with impact, often with small budgets.
— Become #1 most beloved brand in Canada in 2021.

<Please enjoy the Canadian Tire Case Study here>



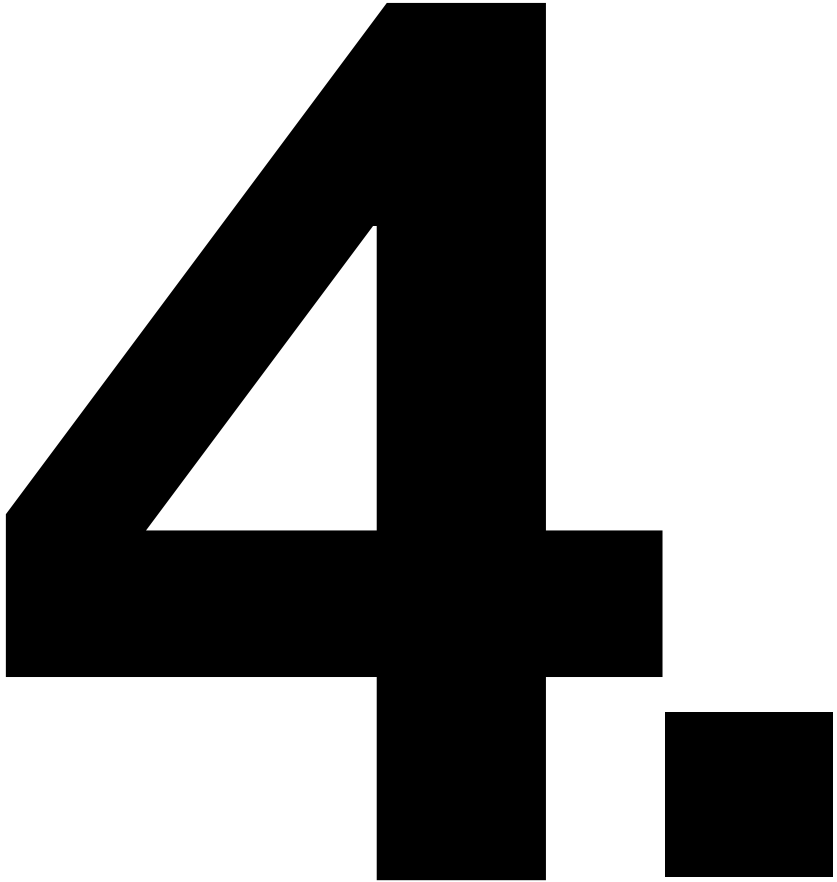
Our second and final case study for TD & its large-scale retail operation highlights our ability to:

— Evolve an iconic brand platform to meet consumer needs.
— Drive brand consistency across every line of business.
— Get to #1 in brand consideration
— Increase financial confidence 7.7%

<Please enjoy the TD Case Study here>

4.

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Describe why your agency is suited to meet Loblaw's needs & how your agency will contribute to the continued success of Loblaw's divisions and brands.

As you've indicated in the RFP, Loblaw Companies Limited (LCL) operates under various divisions and banners & conducts business across many industries. With that range comes intricate brand architectures, complex client structures and a large group of partners all looking to drive success within their individual verticals. We have helped operationalize some of Canada's largest brands. Our success has been driven by our belief in partnership, from unlocking a brand's purpose with the CEO and CMO to working with a brands internal agency to deliver continuity and consistency across every consumer touchpoint. Here's how we ensure we contribute to this success.

Understand the intricacies of your organization with a steady & dedicated team across all disciplines. +

Seamlessly support you with reliable and proactive management of the everyday driven through our strong integrated project management model. +

Deliver thought leadership at every phase to encourage conversation with the goal of getting to great. +

Plan for flawless execution by leading the collaboration with all partners. +

Always bring passion and drive to push for better, more effective, more innovative, more efficient, more meaningful solutions that will positively impact your business and its relationship with Canadians. +

In addition, given our integration with Leo Burnett Design, Martel (Montreal office) and our affiliate partners, we are perfectly poised to optimize all programs and deliver meaningful results using creativity as a business tool.



Describe how your agency works most effectively and efficiently in a hybrid model with Loblaw Agency, internal teams and across multiple agency partners.

Things are moving faster than ever before, and with the relationship between home and office being an evolving dynamic, we are ensuring that our work is as effective and efficient as ever. To do this we have been focusing our people on four key tenets:

1

Work for the work.
This is what we call our Return to Office Policy. It focuses on being together, in person for the right moments and utilizing the productivity of home when it best suits the work, clients, partners and employees.

2

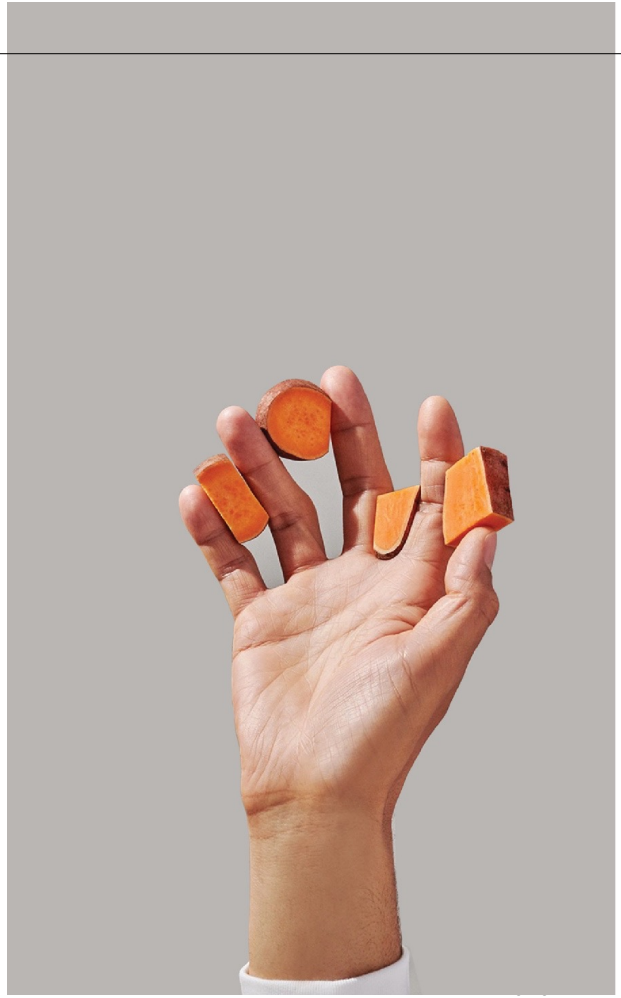
Living our values.
Despite not being in the office every day, our values (already shared) always guide how we show-up and tackle challenges with our partners.

3

A one team model.
We believe collaboration, from start to finish, is the most effective and efficient way to work. Period. We will engage with your partners and in-house teams, as well as well as with you, the client team, early and often throughout the process, be it in person, on Zoom or via a good old-fashioned telephone call.

4

Process, process, process.
We utilize a proven four-stage process (mapping, thinking, making, measuring) to ensure that we are working at our best throughout all projects. The process is adaptable for this agile age and allows us to pivot when needed and ensure the entire team is able to move together.



Briefly share your point of view on our grocery brands and Shoppers Drug Mart.

This is such a simple yet juicy question.

Everyone on the Leo team, whether born and raised, or recently relocated to Canada, has an emotional connection to Loblaw, Shoppers Drug Mart and your other grocery banners. We all spend more time in Shoppers than we care to admit, we still get a little rush of excitement every time we walk into a Loblaw's market, and parents in our group still have baby clothes from Joe Fresh that they will hold onto forever.

So to properly answer this question we approached our POV with two perspectives in mind:

1. the current cultural and societal context in which people are living
2. people's shift in attitudes and behaviours towards LCL brands as a result

As such, our POV is informed by the people who truly matter, existing and potential consumers.

We have a lot of juicy findings but will do our best to be brief…

To help inform our POV, we heard from Canadians across the country:

- **506 Canadians (rep pop.)**
- **Across 6 provinces: ON, QC, MB, AB, BC, SK**



With great availability, comes great responsibility.

We live in a world where our lives have started to normalize after 2+ years of disruption and upheaval; Canadians are now shifting their focus from the personal cost of covid to the rising cost of living as prices and inflation rates hit highs and a recession looms.

As a result, more and more households are now living paycheque to paycheque (27% of Canadian households[1]), their emphasis now and for the foreseeable future is on value for money, with 92% of Canadians making at least one change in their grocery shopping habits to save money, including moving to discount store brands (52%).[1]

From a Loblaw Companies Limited perspective, the portfolio of brands is well poised to serve Canadians and remain profitable on the strength of the discount division and private label brands; however, the challenge of standing out and growing in a category even more focused on price matching and cost cutting will be even greater.

In fact, based on our survey, in people's minds no LCL grocery or pharma brand is truly standing out as offering anything different or unique in the category:

- **Standing out the most: Real Canadian Superstore (25%), SDM (22%) and Canadian Tire (20%)[2]**
- **Standing out the least: Loblaws (10%), FreshCo and Metro (9%), Fortinos (7%), No Name and Zehrs (5%)[2]**

As Canada's largest retailer, with a footprint that reaches almost half the population, you have the competitive advantage of being embedded in people's communities and lives. It not only represents such a tremendous opportunity, but also a tremendous responsibility to show up in more ways ***to help Canadians live life well.***

We have 3 initial strategic observations on how your brands can pivot and grow as part of our POV.

Sources: [1]Consumer Economic Pulse, Angus Reid, Sept 23-27 [2]Leo Burnett Survey, Oct 2022, n=506, representing AB, BC, MB, ON, QC and SK

Observation #1: Trust to aisle 1, please. Trust to aisle 1.

As Canadians struggle to find their way through growing financial, societal and environmental concerns, they're looking outward for help, but unfortunately, not to brands as being part of the solution.

Only 20% of Canadians trust brands to help solve the issues, concerns and problems impacting the quality of their lives.[1] Why? Because 76% of Canadians either don't trust that brands truly understand what they're going through[1] or in some cases, believe that brands are part of the problem. A recent poll found that 4 in 5 Canadians believe that grocery stores are taking advantage of inflation to increase their profits.[2]

We asked Canadians what words immediately come to mind when thinking of LCL Grocery brands and SDM[3]:



To help Canadians *live life well,* they first need to trust that you are putting them and their best interests at the heart of your business.



Sources: [1]The HumanKind Study, 2021. [2]Angus Reid, Aug 2022 [3]Leo Burnett Survey, Oct 2022, n=506

Observation #2: Stand out by standing up for Canadians.

We live in a world where the pandemic brought life starkly into question for many Canadians. It caused them to re-evaluate what is important to them, with many concluding that they are either not content (34%) or are unfulfilled in the one life they have (50%)[1].

As a result, many Canadians are rethinking the brands and services they are willing to support and pay more for. A recent study found that Canadians of all ages and demographics now expect a brand's larger purpose to align with their outlook and approach to life.[2]

However, a majority of Canadians are not seeing LCL brands as having a bigger role in their lives (beyond what you sell), nor do they see LCL brands as having a significant impact on society or their communities (beyond proximity to retail).

- **Stand out as having a bigger role to play in my life:** agree, 17.8% (avg across LCL brands)[3]
- **Stand out as having a positive social/community impact:** agree, 6.4% (avg across LCL brands)[3]

> ***They exist to make money for themselves, they don't really care about Canadians.***
> Male, 35—44, ON

> ***They aren't looking out for Canadians & are putting profits above us.***
> Female, 18—34, AB



This is the time to more definitively demonstrate your commitment to Canadians through actions not just words.

Sources:
[1]The HumanKind Study, 2021 [2]Accenture, Reimagined Consumers, 2021. [3]Leo Burnett Survey, Oct 2022, n=506, representing AB, BC, MB, ON, QC and SK

Observation #3: From potential to power.

Today, a brand with a clearly defined and activated purpose can create attraction, differentiation and preference with consumers. However, for a purpose to drive growth, it needs to be true to the DNA of the brand, credible through the brand's actions and believable in the minds of consumers.

Despite Canadians ongoing perceptions of LCL brands, there is strength and believability in LCL's ability to improve the quality of their lives.

When asked how believable is it that LCL and their portfolio of brands can *help them live life well:*

- **42% of Canadians**[1] somewhat to completely believe LCL can deliver on their purpose in a meaningful and credible way
- **26% were undecided,**[1] which represents a movable middle who need to see and experience the *how* behind the *why* to believe in the role you can play in their lives

Additionally

- **18% of Canadians** stated they were more likely to shop an LCL brand as a result of the purpose statement[1]

> ***It is believable...but actions speak louder than empty words. How are they making my life better beyond price bundles on groceries?***
>
> **Female, 18—34, AB**

In words alone, the LCL purpose has the potential to change how people think and feel, supercharged across the banners in ways that fully activates your purpose through products, services, innovations and brand experiences, it has the power to change how people shop and advocate for your brands.

The time is now for people to *Live Life Well* with Loblaw Canada Limited.



Sources: [1]Leo Burnett Survey, Oct 2022, n=506, representing AB, BC, MB, ON, QC and SK

5.

1. Agency General Information
2. Presentation of Your Agency Team
3. Experience Relevancy Case Study
4. Capabilities
5. **Proposed Fee Structure**



Please outline your financial compensation approach by addressing the below points

1. Baseline hourly rate (and rate grid if not a blended rate);
We are happy to provide scaled blended rates by guaranteed annual volume to allow for transparency and ease of comparison. Rates are exclusive of tax and are as follows:

< $500,000	$200 per hour
$501,000nn - $1,000,000	$190 per hour
$1,000,001 - $2,000,000	$175 per hour
$2,000,001 - $3,000,000	$165 per hour
> $3,000,001	$155 per hour

2. Approach to third party cost and expenses
All third party costs are billed as flow-through and, as such, are billed with no markup providing highly competitive access to third party talent pools.

Agency expenses under $250 will be shared and billed monthly after incurring the cost. All expenses over $250 will require written approval from client before the expenditure.



Please outline your financial compensation approach by addressing the below points (continued)

3. Your view and perspective on pay-for-performance models

When structured properly and with the right measurements in place, we believe strongly in pay for performance models (PPM). Our preferred approach is one that sees both hard and soft metrics contribute to the PPM e.g. hard metrics like sales, customer engagement, brand health results; and soft metrics like client/agency relationship evaluations.

Measures like these allow us to confidently put up a sizeable percentage of profit for the opportunity to gain incremental revenue if we meet or exceed targets.

4. Your view on cost control, efficiencies and productive spend

In this world of modern marketing and with the proliferation of new channels, it is imperative that we ensure your production investments work hard. Along with our $0 markup approach to vendor costs and triple bidding on all work over $50,000, we also implement a smart-content production approach for every job, bundling productions when possible and ensuring we capture as many assets as possible without mounting separate productions. Our creative teams consider this when developing the ideas and our maker team deliver on it with their many trusted vendors.

Our billings are transparent and shared per job, every month, to ensure that we openly discuss cost control and efficiency in spend together.

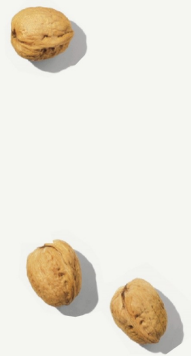


4. Your view on cost control, efficiencies and productive spend (continued).

Strict accounting process controls relating to separation of duties ensures that separate individual employees will be involved with the following functions: placing orders, approving invoices, and paying invoices. These compliance measures provide an added level of oversight and stewardship throughout the financial process.

All estimates, along with associated purchase order (“POs”), are entered into Leo Burnett’s network accounting software, Altair. Client invoices are generated based on agreed payment terms. As invoices are received for expenses related to client-authorized estimates, they are checked against POs and entered into Altair. All invoices and agreed fees will be reviewed by an account manager when a monthly billing report is produced for internal approvals. The billing report will be compared against a budget control report (“BCR”), which tracks billing report against planned fees and production jobs. The BCR reflects what has been billed and what is remaining to be billed against client-approved estimates.

The monthly BCR process tracks the estimates and POs against invoicing on a monthly basis. This report is also shared with client every month. Once a project is nearing completion, all POs, estimates and invoices are reviewed through our Final Actual (“FA”) process. Any outstanding invoices or payments will be requested, and once received, the job will be closed.



Well there you have it, an introduction to Leo Burnett as a creative consultancy; providing you with deep human insights through our proprietary tools, unprecedented design thinking through Leo Burnett Design a unique perspective to the QC market with Martel, and an approach to creativity that drives real results to quarterly earnings targets.

We look forward to seeing you virtually in the coming days to share more of who we are and answer any questions you may have for us.

Until then, thanks again for the opportunity to share,

Ben, Lisa, Natasha, Steve and Tahir

Ben Lisa Tash Steve Tahir



Thank you.

Leo Burnett