metro

2022 • 2026

Corporate Responsibility Plan

Nourish the health and well-being of our communities

Messages from the leaders

Corporate responsibility approach 5
Vision
Governance
Materiality assessment
Stakeholders
The 2022 • 2026 CR plan at a glance 9
Priorities & Business fundamentals
Priorities11
Products and services
Environment
Colleagues
Communities
Business fundamentals17

Scope of the plan

This plan covers fiscal years 2022 to 2026 and applies to our food and pharmacy activities. The targeted sites are those over which we have operational control: corporate and franchise stores, including corporate pharmacies within food stores (Ontario only), production centres, distribution centres and administrative offices.

Whenever possible, we also include the activities of our affiliated merchants under the Metro and Première Moisson banners, as well as the pharmacist owners affiliated with the Jean Coutu and Brunet networks.

The objectives are to be achieved by the end of fiscal 2026, unless otherwise stated.

With over 18 billion dollars in annual sales, METRO is a food and pharmacy leader in Québec and Ontario.

Through its retail, franchise, distribution and manufacturing activities, it operates and supplies a network of some 950 food stores under several banners, including Metro, Metro Plus, Super C and Food Basics, as well as some 650 pharmacies, under the Jean Coutu, Brunet, Metro Pharmacy and Food Basics Pharmacy banners, providing employment to more than 90,000 people.

For more details, visit corpo.metro.ca.

Nourish the health and well-being of our communities



Eric La Flèche
President and
Chief Executive Officer

When we introduced our first corporate responsibility (CR) roadmap in 2010, we committed to taking serious and considered steps to ensure our actions were coherent with our business strategy. We understood it was a long-term process and focused on the sectors we believed were the most significant to our stakeholders and financial performance.

Today, I have the same convictions. And I see how much the business environment has changed.

Our customers' consumption habits are changing, and employees' expectations that their employer will share their values are growing. We have noted an evolution in the practices of our fellow industry members and suppliers, and our conversations with investors increasingly touch upon environmental, social and governance (ESG) factors.

Indeed, we are facing often complex ESG issues—a reality that has recently become more prevalent. Social movements for diversity and inclusion, climate change and biodiversity are among the pressing topics to which we must respond. Of course, there is also the COVID-19 pandemic, an unprecedented public health crisis that has only exacerbated inequalities.

This context highlights the relevance and need for our CR approach. We have made a lot of progress over the past decade, and I am especially satisfied with how we have been able to integrate CR into our business practices.

That is an essential requirement to embody our purpose to nourish the health and well-being of our communities, which represents our aspirations and extends beyond our financial performance and remains essential to achieve our mission to exceed our customers' expectations every day and earn their long-term loyalty.

Governance is another aspect of our corporate life that has adapted. Among the key elements is the mandate of the Corporate Governance Committee of the Board of Directors, which was reviewed to specifically include ESG. The committee was also given a new name in early 2021 and is now the Governance and Corporate Responsibility Committee.

Building on our experiences and learnings, we remain aware of the fact that managing key social issues is a shared responsibility. Our 2022–2026 plan constitutes an effective lever to contribute to these efforts, position ourselves and create value for METRO.

Steered by our leaders, our teams are prepared and driven to achieve our ambitions. We are all embarking on this next step with a great deal of assurance and will continue to proudly report on all our accomplishments.

Mobilized to achieve our ambitions



WChude Faim

Marie-Claude Bacon

Vice President,
Public Affairs and
Communications

This new roadmap builds on the CR efforts in which we invested: two plans, eleven annual reports, many structuring documents and broader in-house expertise.

It also marks a renewal. We are embracing the business fundamentals that ensure METRO's vitality and sustainability alongside our ESG priorities and raising the bar in many respects:

- The materiality assessment confirmed that we focused on the right issues and emphasized those that merit more attention.
- CR governance is clearly defined and integrated into our overall corporate governance, making it a success-driving factor of our plan.
- Our objectives and indicators will enable us to follow up on the performances of our programs and measure our progress, as well as support sustained implementation across our business units.
- > The integration of CR into our business practices is well supported. In that respect, we are especially proud of the inclusion of the pharmacy division in our plan following the acquisition of the Jean Coutu Group in 2018.
- Finally, the review of our processes and tools will enable us to enhance our non-financial disclosure through relevant and transparent communication.

The work we have undertaken in recent months to build this plan would never have been possible without the exceptional mobilization of our teams led by our executives. Together, we are moving into this new phase with energy and enthusiasm. Our work will be guided by our ambitions, and we are confident our 2022–2026 vision is in line with the new business reality and will create future value.

CORPORATE RESPONSIBILITY APPROACH

Vision

Our third corporate responsibility (CR) plan builds on a decade of solid achievements and learnings.

It constitutes the expression of a rigorous and committed approach to integrate environmental, social and governance (ESG) factors into our business practices in order to create value for METRO and society.

The ambitions we are pursuing were determined within the broader context of global sustainable development and are driven by the commitment of our teams and executives.

Alignment with the UN Sustainable Development Goals

In 2015, the member states of the United Nations General Assembly, including Canada, unanimously adopted the resolution to establish the 17 Sustainable Development Goals (SDGs) to be attained by 2030.

The SDGs aim, in particular, to eliminate poverty, achieve gender equality, improve the daily lives of people around the world and protect the planet.

To achieve the SDGs, every stakeholder must do its part: governments, civil society and businesses. With its CR plan, METRO is contributing to several of these goals.

































CR governance

METRO's Board of Directors attaches great importance to the sound governance of the Corporation, and its directors, officers and employees are expected to uphold rigorous ethical standards.

METRO's corporate responsibility governance is part of the Corporation's management structure, is driven by the leadership of its executive team and relies on specific individuals in each decision-making and implementation stage, under the guidance of the Board of Directors.

Board of Directors

The Governance and Corporate Responsibility Committee is responsible for the oversight of the Corporation's activities and disclosure with regards to corporate responsibility, including ESG matters. The Board of Directors approves corporate responsibility plans and reports.

Executive Committee

Approves the corporate responsibility strategy, and ensures the priorities are in line with the Corporation's business strategy and that objectives have been achieved.

Vice-Presidency, Public Affairs and Communications

Develops the strategic corporate responsibility directions and reports on progress to the executive committee and to the Governance Committee.

In-house teams

Reporting to the vice-presidencies responsible for the programs of the corporate responsibility plan, the teams assigned to the initiatives ensure their progress against the goals and targets set.

Materiality assessment

In 2021, we conducted a materiality assessment to identify the environmental, social and governance (ESG) issues on which we could take action and have the greatest impact on our business, society and our external stakeholders, thus enabling us to determine the directions of the new plan.

The assessment was carried out through a desktop review of the practices implemented by our peers and other retailers worldwide and the expectations of our stakeholders.

The exercise was conducted in collaboration with an external consulting firm, in accordance with internationally recognized sustainability standards.

The following frameworks were considered:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- AA1000 SES (Stakeholder Engagement Standard) by AccountAbility
- United Nations Sustainable Development Goals (SDGs)

Key ESG factors

The desktop review enabled us to identify the 23 most significant ESG issues for METRO. See the materiality matrix.

- 1. Product quality and safety
- **2.** Health and nutrition
- 3. Customer satisfaction
- **4.** Responsible procurement
- 5. Climate change
- 6. Energy
- 7. Transport
- 8. Waste

- 9. Packaging
- 10. Water
- **11.** Biodiversity
- **12.** Occupational health and safety
- 13. Employee well-being
- **14.** Labour relations
- 15. Diversity and inclusion
- 16. Talent management

- **17.** Socioeconomic contribution
- **18.** Ethics and integrity
- **19.** Data security
- 20. Responsible marketing
- 21. Human rights
- **22.** Governance and accountability
- 23. ESG disclosure

We ranked them in order of importance, consolidated some and established our levers of action. The exercise enabled us to identify the ESG issues that should serve as the basis for our plan.

Priorities and business fundamentals

We identified the issues for which our actions could make a difference and made them the **eight priorities** of our plan: responsible procurement; health, nutrition and well-being; climate change; equity, diversity and inclusion; food waste; packaging and printed materials; waste; socioeconomic contribution.

Objectives, specific programs and performance indicators to measure our progress were set out for each priority.

We also introduced a new dimension to the plan: **business fundamentals.** These principles, which were clearly identified in the materiality analysis, are key ESG factors that are part of METRO's day-to-day activities. They will figure in our plan and be subject to disclosure, along with our priorities, in our corporate documents.

These business fundamentals are: product quality and safety, employee health and well-being, data security, responsible marketing, ethics and integrity, sound governance, customer satisfaction.

Stakeholders

Transparent and constructive communication with our stakeholders has been part of our corporate responsibility (CR) approach for more than a decade and enables us to improve our mutual understanding of issues.

With our stakeholders, we lead discussions on current topics, implementation challenges, improvement levers and emerging issues.

Taking their perspective into account is part of our continuous improvement approach. These relationships take on different forms, and the frequency of the exchanges depends on the situation at hand.

Our goal is to create value for our stakeholders, and we believe our commitment to them and an ongoing dialogue are key to the success of our CR approach.

STAKEHOLDERS	COMMUNICATION CHANNELS
Customers	SurveysFeedback to Customer ServiceCommunications on social media
Colleagues — employees, unions, merchants and pharmacist owners	 Individual and sectoral meetings Joint committees Internal communications Training Dedicated line for employees
Suppliers	Discussions and meetingsSurveys on their practicesTraining
Investors — shareholders and lenders	 Annual meetings Annual corporate documents: annual report, information report, proxy circular One-on-one meetings Participation in studies (questionnaires and surveys)
Interest groups/non-government organizations (NGOs)	Discussions and meetingsParticipation in studies (questionnaires and surveys)
Community partners	Participation on committeesEmployee volunteeringContributions and partnerships
Industry	Memberships to associationsParticipation on sectoral committeesConferences
Legislators	Participation in industry initiativesRepresentation

OUR PRIORITIES



1

Offer and promote products and services to improve the health and well-being of our customers.

2

Work with our suppliers to improve the social and environmental aspects of our supply chain. 3

Participate in the transition to a lower-carbon economy by enhancing the environmental performance of our operations.

4

Strengthen an equitable, diverse and inclusive work environment that reflects the communities we serve and enables our employees to develop to their fullest potential.

5

Be a key player in strengthening our communities' socioeconomic foundation.

Priorities & Business fundamentals

The ESG issues targeted by our priorities were identified based on their relevance to the Corporation and society. Our priorities are grouped under the four pillars of our approach: products and services, environment, colleagues and communities.

Our ESG priorities are supported by business fundamentals we apply every day to ensure METRO's sound management and vitality. In addition to providing updates on the progress of our priorities, we will also disclose on our business fundamentals in our ESG reporting documents.

Products and services

RESPONSIBLE PROCUREMENT

Our ambition is to implement responsible practices within our supply chain to offer our customers products that respect workers and the environment. This long-term task requires continuous issue monitoring, close collaboration with our suppliers and rigorous implementation programs.











with our suppliers and rigorous implementation programs.	:
Objectives	Key performance indicators
Require suppliers to respect working conditions across the supply chain, as set out in our <u>Supplier Code of Conduct</u>	 For the private brand, meat, poultry, fish and seafood and fruits and vegetables products: percentage of suppliers evaluated and that meet our criteria
 Offer fish and seafood products from responsible sources to preserve natural resources and encourage sustainable operating methods 	 For fresh, frozen and canned products: percentage of products that meet the requirements of our <u>Sustainable Fisheries and Aquaculture Policy</u>
 Reduce deforestation across our food supply chain Beef products: avoid products from areas in which the risk of deforestation is known to be high Palm oil: avoid the use of palm oil or use palm oil from recognized responsible sources 	 For private brand beef and beef from the perishable food section: percentage of products from regions not considered to be at risk Private brand products that may contain palm oil: percentage of products containing RSPO-certified palm oil or palm oil from another recognized responsible source
 Require the application of practices aiming to ensure animal health and welfare by our suppliers Offer products derived from sound animal health and welfare practices Pork: broaden our offer of fresh pork products from sows that were not raised in gestation crates according to the transition rate of our suppliers Eggs: sell eggs from cage-free hens in all our stores 	 For unprocessed meat and cultured salmonids, milk, cheese and eggs: percentage of suppliers assessed and that meet our criteria For pork products and eggs offered in our food stores: conversion rate of our pork product suppliers from gestation crates to alternative housing and percentage of stores that offers eggs from cage-free hens
 Not market the main genetically-modified products on the Canadian market (listed opposite) 	 For sweet corn, apples and potatoes in the produce section and salmon: obtain letters of confirmation from suppliers that their products do not contain GMOs
 Facilitate customers' access to organic products by providing them with more visibility and better promoting them 	 Marketing initiatives in stores and on our communication platforms
 Assess the private brand cosmetic product portfolio to offer a responsible product line 	 Product characterization: identification of target attributes in the first project phase
 Enhance our cosmetic and beauty product offer for people from diverse backgrounds 	First product launch for a cultural community in 2022 and for a second cultural community in 2023

HEALTH, NUTRITION AND WELL-BEING

Our ambition is to support our customers in their daily actions to care for their health and well-being by offering products that meet their aspirations and nutritional needs and providing professional services to help them take concrete actions for their health. We intend to continue to play an active role in supporting public health through our network of neighborhood stores and pharmacies.





Objectives	Key performance indicators				
Product offers					
 Increase the total number of private brand products that foster healthy eating by 10% each year 	 For Life Smart private brand products: number of products offered and rate of increase per year 				
 Develop tools to help customers make better food choices based on their lifestyles 	 Marketing initiatives in stores and on our communication platforms 				
 Define the offer of products that foster health and well-being in our pharmacy network 	 For food, health and beauty and baby products: identification of target attributes in an initial project phase 				
Professional services					
 Raise awareness of the importance of vaccination and make it as widely accessible as possible 	Scope of laboratory team training initiativesAwareness-building initiatives				
 Raise awareness of the appropriate use of medication and encourage people to take part in the program to recover expired and discontinued medication for safe disposal at the pharmacy 					
 Raise awareness and support people who want to stop smoking 					

PACKAGING AND PRINTED MATERIALS

Our ambition is to optimize our packaging and printed materials by reducing their use, relying on optimal design, choosing environmentally responsible materials and facilitating their recovery and recycling. These practices aim to reduce the use of resources, limit product losses and diminish waste generation, while contributing to the fight against single-use plastic.



Objectives ¹	Key performance indicators
 Reduce overpackaging and single-use plastic 	 In our food and pharmacy banners: Eliminate single-use plastic shopping bags by the end of 2022 In the fresh products sections of our food stores: Reduce the use of single-use plastic packaging, such as polystyrene foam trays and plastic wrap Increase the recycled content and recyclability of our plastic containers
 Optimize private brand food packaging by the end of 2025 	 Reduce the average weight of packaging by 10% as compared to 2018 Use 100% recyclable or compostable (fibres only) materials in 100% of packaging Increase postconsumer materials in packaging to 45% Provide sorting instructions on 100% of packaging
> Optimize the promotional material used in our food and pharmacy activities	 Reduce by 10% the total weight of paper used in food store and pharmacy flyers by the end of 2022 compared to 2018 Use 100% recycled content in temporary fibre-based promotional signage in stores
Eliminate single-use packaging and disposable utensils and tableware at our administrative sites	 Achieve annual reductions in the quantities of products purchased: Single-use plastic water bottles Single-use plastic straws and stir sticks Disposable dishware and utensils

Environment

CLIMATE CHANGE

Our ambition is to reduce our greenhouse gas emissions to limit global warming by focusing our efforts on key sectors over which we have direct operational control. Through these actions, we aim to contribute to the collective effort to transition to a lower-carbon economy.







- Reduce greenhouse gas (GHG) emissions by 37.5% by 2035 compared to 2020 for an average reduction of 2.5% per year
 - The main sources of GHG emissions that will be the target of our reduction programs are building energy consumption, refrigerants, waste and transport.
- > For establishments and activities under our operational control:
 - GHG emissions in tonnes CO₂eq
 - Intensity in kg CO₂eq/sq. ft.

WASTE

Objective

Our ambition is to avoid sending waste generated by our activities to landfill with the view to achieving zero waste at our locations, representing a diversion rate of at least 90%. We intend to enhance our performance by mobilizing our teams to optimize our operational practices.



Objective Key performance indicators

- > Improve the average diversion rate of all our establishments compared to 2020:
 - Corporate and franchise food stores:
 - Achieve zero waste in 25% of stores
 - Achieve 80 to 89% diversion in 25% of stores
 - Achieve at least 50% diversion in all stores
 - Distribution and production centres:
 - Achieve zero waste

- For establishments and activities under our operational control:
 - Diversion rate (the percentage of waste that is not sent to landfill)

FOOD WASTE

Objective

Our ambition is to ensure that food that is safe for consumption and food residue generated by our activities are not thrown away. By redistributing them to organizations or giving them a second life, we are helping to address food insecurity and reduce the GHG emissions caused by landfilled organic waste.





>	Reduce food	waste	in ou	ur	activities	by	50%	by	2025	cor	mpar	ed	to	201	б
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 This commitment was jointly made in January 2019 with other actors in Canada's food industry. For corporate and franchise food stores and distribution centres: percentage of food wasted

Key performance indicators

Colleagues

EQUITY, DIVERSITY AND INCLUSION (ED&I)

Our ambition is to strengthen our actions to support an equitable, diverse and inclusive work environment that reflects the customers we serve. We also aim to provide customers with a shopping experience with which they identify in terms of product offer and customer service. We want our initiatives to be a driving force to accelerate the transition to a society rooted in ED&I values.

12 months following their hiring (current hires must complete the training by 2025)100% of senior managers must have taken part in the diversity workshop by 2022









Objectives	Key performance indicators
 Increase the number of women and culturally diverse people in management positions: Representation of women Senior management positions: 30% Management positions: 35% Management positions in stores: 25% Board of Directors: 30% Representation of people from culturally diverse backgrounds (people who self-identify as being a member of a visible minority or ethnocultural minority) Management and senior management positions: 17% 	 For employees in administrative centres, distribution centres and corporate and franchise stores: Percentage of women in management positions in stores and management and senior management positions Number of women considered in hiring processes for management positions Number of persons from culturally diverse backgrounds in management and senior management positions Percentage of women on the Board of Directors
 Develop a pool of diverse talents Mentorship program: include at least 50% women or persons from ethnically diverse backgrounds in all the upcoming program groups Internal movement: fill 80% of management positions internally each year Hiring: 50% of new hires for management positions must be women 	 For employees in administrative centres, distribution centres and corporate and franchise stores: Percentage of women and people from culturally diverse backgrounds in the mentorship program Percentage of management positions filled internally, including lateral movements and promotions Percentage of new hires for management positions who are women
 Strengthen an inclusive organizational culture by raising awareness, educating and developing employees' skills as they pertain to ED&I issues 90% of employees must have watched at least one short video by 2024 100% of managers and senior managers must have completed the training module in the 	 For employees in administrative centres, distribution centres and corporate and franchise stores: Rate of employee and senior management diversity training for current employees and new hires

Priorities

Communities

SOCIOECONOMIC CONTRIBUTION

Our ambition is to help reduce social inequalities, especially as they pertain to food and health. Building on our tradition of commitment since our founding in 1947, we count on the strength of our network of employees, merchants and pharmacist owners to contribute to the well-being of communities and generate sustainable benefits.



Objectives	Key performance indicators
 Community investment Dedicate an amount equal to 1% of the average adjusted net earnings of the past three fiscal years to supporting communities 	> Corporate financial contributions
 Local purchasing Foster access to local fruits and vegetables in our food stores year-round Optimize our purchasing throughout the year Work with local producers to increase their production capacity Facilitate the identification of local products in our food stores Improve the variety of local products in our pharmacies 	 In food stores: Profiles of the local suppliers who supply our stores and the categories to which their products belong In-store marketing initiatives Product offer in pharmacies: Identification of target attributes in the first project phase

Business fundamentals

Product quality and safety	Product quality assurance and food safety are an integral part of our efforts to provide our customers with products that are safe and of consistent quality and meet their needs.
	As a retailer, franchisor, distributor and manufacturer, ensuring the quality and safety of the products available in our network of food stores and pharmacies constitutes one of our most important responsibilities toward consumers.
Employee health and well-being	The health and well-being of our colleagues are primary conditions for us to truly embody our purpose and ensure our organizational effectiveness. We therefore build on occupational health and safety, respectful labour relations, talent management and an ethical, inclusive, respectful and positive work environment.
Data security	With hundreds of service points, we depend on a number of computer systems that are essential to our operations. In the normal course of business, we collect significant quantities of data from our customers, suppliers, employees and partners, as well as from the patients of our affiliated pharmacists and members of our loyalty programs.
	Our first commitment is to maintain the trust they place in us by implementing the measures required to face the risks to which we are exposed, including cyber-attacks, and which could impede the availability and integrity of the systems or jeopardize the confidentiality of the data.
Responsible marketing	Marketing activities include advertising, promotion and sponsorships. We are committed to leading them with ethics and fairness.
	Our customer-focused communication programs on all our platforms must be guided by the values of transparency, equity and truth. Our marketing must inspire trust and enable our customers to access quality products and services in our food and pharmacy banners.
Sound governance	METRO's sound management requires the establishment of clear governance systems for the Board of Directors and management team to ensure reporting, risk management and controls are adequately integrated into the corporate structure. Further details are available on the Corporate Governance page of the corporate website and on page 6 of this document.
Ethics and integrity	METRO provides a rigorous framework for the conduct of its employees, executives and Board of Directors. The Employee Code of Conduct and Code of Ethics of the Directors guide and clarify the behaviours that must be adopted in corporate life.
Customer satisfaction	As it has been for many years, our mission is to exceed our customers' expectations every day to earn their long-term loyalty. Our customers' satisfaction remains the key indicator to measure our banners' performances.