

Food Loss and Waste Infosheet

Update
December 2022

metro



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Food loss and waste (FLW) has become a more prominent area of focus as its mitigation helps to directly curb food insecurity and reduce the environmental impacts generated by landfilling organic waste. METRO has joined other members of the Canadian food industry to reduce FLW generated by its activities.

1.0 Forward looking Statement

We might use, throughout this infosheet, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. The use of the future tense as well as expressions such as "anticipate", "intend", "expect" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food and pharmaceutical industries, the general economy, our annual budget, as well as our 2022 action plan and our 2022-2026 Corporate Responsibility Plan. These forward-looking statements do not provide any guarantees as to the future performance of METRO and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. We believe these statements to represent our current expectations and to be reasonable and pertinent as at the date of responding to this questionnaire. METRO does not intend to update any forward-looking statement contained herein, except as required by applicable law.

1.1 Our Target for Food Loss and Waste

In January 2019, METRO announced its goal to reduce food loss and waste generated by our activities by 50% by 2025 compared to 2016¹. For this specific target, METRO has focused on the activities within its operational control, resulting from corporate and franchise food store activities in Québec and Ontario within our Metro, Super C, Food Basics and Adonis banners. METRO also discloses its performance on FLW at its distribution and production centres (DCs).

1.2 How we Quantify Food Loss and Waste

METRO follows the definition of FLW as described in the [Food Loss and Waste Accounting and Reporting Standard \("Standard"\)](#), an international standard and guidance on how to account for such waste. According to the Standard, food loss and waste refers to the weight of "food and/or associated inedible parts removed from the food supply chain."² In short, FLW refers to any food and associated inedible parts that does not reach its intended destination:

¹ www.retailcouncil.org/community/grocery/food-industry-leaders-commit-to-tackle-food-waste-in-canada/

² [FLW Standard final 2016.pdf \(flwprotocol.org\)](#) p. 141

human consumption. For this reason, food and associated inedible parts redirected to food donations or discounted food sold at stores are called food surplus (other terms: food recovered or rescued) and are *not* considered food loss and waste, as this food is meeting its intended purpose of going to human consumption.³

As a result of this, our quantification focuses on the scope of FLW generated at stores and DCs that have an end destination of any of the following:

- Animal feed: Diverting material from the food supply chain (directly or after processing) to animals
- Biomaterial/processing: Converting material into industrial products (biodiesel)
- Co/anaerobic digestion: Simultaneous anaerobic digestion of food loss and waste and other organic material in one digester
- Compost/aerobic: Production of organic material
- Controlled combustion: Combustion in a controlled manner, which may include some form of energy recovery
- Landfill⁴

When analyzing our FLW data, we further follow the FLW Accounting and Reporting Standard by removing any weight data associated to packaging, ensuring that our data only captures actual FLW.⁵

1.3 How We Are Doing

Corporate and franchised stores:

Our key performance indicator (KPI), metric A, for tracking our FLW reduction consists of the ratio of the total weight of FLW (metric tonnes (MT)) by the total food sales (million \$) ⁶ :

$$\text{Food loss and waste KPI (metric A)} = \frac{\text{weight of total food loss and waste (tonnes)}}{\text{total food sales (\$M)}}$$

Table 1: Store progress on FLW KPI (metric A), 2022

Year type	Reporting year	FLW Weight (MT)	METRIC A (KPI)	Variation (50% target)
Base year	F16	57,614.31	6.30	0%
Current year	F22	52,162.50	4.75	-25%
Target year	F25	n/a	3.15	-50%

METRO opted for an intensity metric to have a representative KPI that considers the growth of store sales. Food sales was selected because of its direct link to FLW generation.

Table 1 indicates that in 2022, METRO had succeeded in reducing its FLW by 25% since 2016. This represents the halfway mark to its 50% reduction target for 2025.

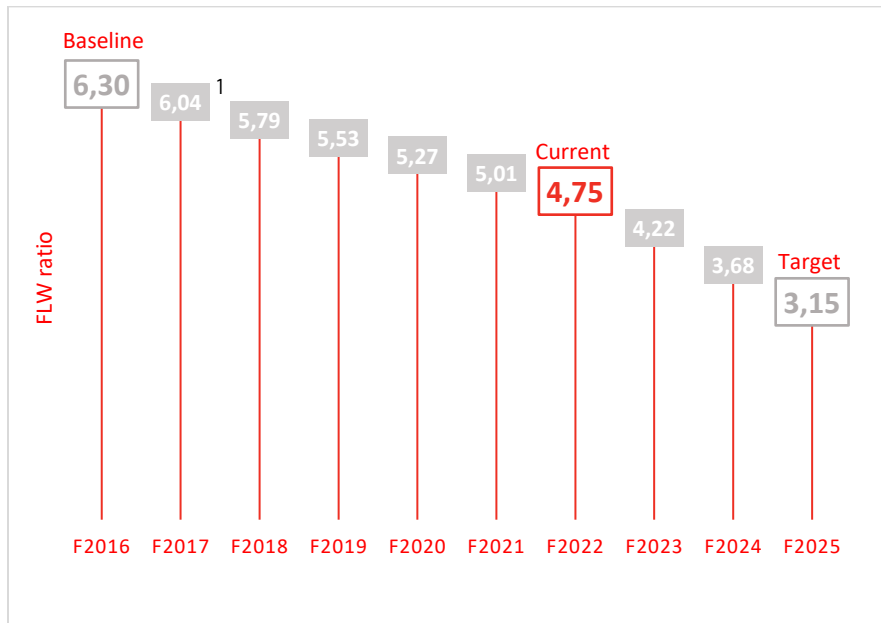
³ [FLW Standard final 2016.pdf \(flwprotocol.org\)](https://flwprotocol.org/wp-content/uploads/2017/05/FLW_Standard_final_2016.pdf) p.18

⁴ [https://flwprotocol.org/wp-content/uploads/2017/05/FLW Standard final 2016.pdf](https://flwprotocol.org/wp-content/uploads/2017/05/FLW_Standard_final_2016.pdf), page 40 (table 6.1)

⁵ [https://flwprotocol.org/wp-content/uploads/2017/05/FLW Standard final 2016.pdf](https://flwprotocol.org/wp-content/uploads/2017/05/FLW_Standard_final_2016.pdf), page 71

⁶ Reporting period 2022: July 2021 to June 2022

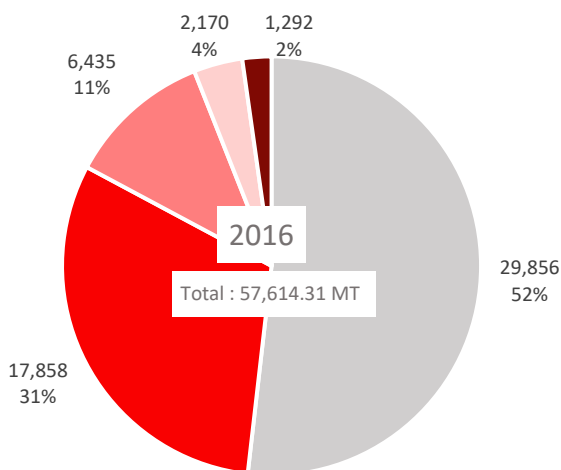
Graphic 1: Store progress on FLW KPI (metric A), 2022



¹Note that ratios in light grey are not real data but placeholders to illustrate reduction throughout the years

With the continuing efforts across all departments, METRO was able to reduce FLW in stores by 25% between 2016 and 2022.

Graphic 2: Store FLW Stream quantities 2016 vs 2022 (in MT)

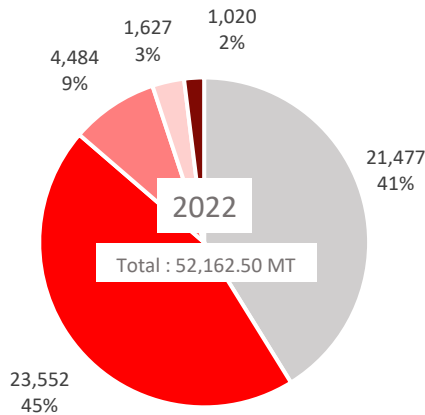


Since 2016, our stores have decreased the amount of FLW generated while prioritizing recovery streams such as green organics (produce, bread, dairy, grocery items, etc.) and red organics (meats, fish, bones, etc.). This ensures less food is sent to landfill.

METRO has been tracking waste diversion in stores for years, but this is the first year it is extracting data specifically on FLW. Most of the data used in this quantification relies on primary data coming from the records of our service providers who manage our waste streams and transform our products. However, some estimations were necessary, such as our food to landfill ratio and the

weight attributed to packaging, which is also approved by the Standard.

We are working towards improving this data acquisition and accuracy all the while aligning with external international standards.



LEGEND:

- Waste
- Green organics
- Red organics
- Grease trap
- Cooking Oil

Distribution and production centres:

Our KPI for tracking our FLW reduction in DCs consists of the ratio of the total weight of FLW (kilograms) by surface area of our DCs (square footage) ⁷:

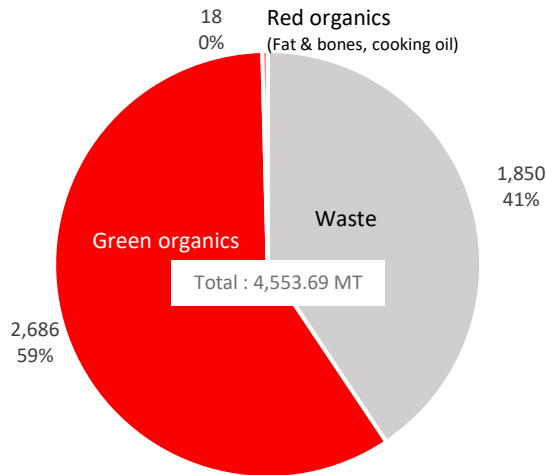
$$\text{Food loss and waste KPI (DCs)} = \frac{\text{weight of total food loss and waste (kg)}}{\text{total surface area (sq ft)}}$$

Table 2: DCs progress on FLW KPI (metric A)

Year type	Reporting Year	FLW Weight (MT)	Surface area (sq ft)	DC KPI kg/sq.ft.
Current year	F2022	4,553.69	5,461 217.67	0.83

Graphic 2: DCs progress on FLW KPI, in MT (2022)

⁷ Reporting period 2022: July 2021 to June 2022



This is our first year gathering data on our DCs' general waste performance. METRO has worked to better understand its operations, including what materials are entering landfill, and opportunities to divert.

In addition, we've also focused on improving data acquisition and accuracy through collaboration with our service providers and internal departments.

1.4 What is Next

For the upcoming reporting period, METRO will be implementing actions in both provinces and across its operations (Stores and DCs) to ensure we are doing our part in this global fight against food loss and waste:

1. Stores: We have launched a FLW task force in both provinces that is working on developing an operational action plan to reach our target. These groups will focus on:
 - Understanding where and why food loss and waste is generated
 - Optimizing existing programs like discounting food surplus in stores, partnering with food surplus mobile apps and donating through the One More Bite program
 - Develop new programs that address opportunity areas for reducing FLW
 - Improving data collection and quantification
2. DCs: We are implementing and optimizing procedures to capture and redirect food loss and waste to higher valorized destinations
3. METRO will also expand its quantification of FLW with an additional KPI that will monitor the amount of FLW sent to high valorization destinations.