

BIODIVERSITY STATEMENT

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metro

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1. Vision

Offering responsible products is one of the priorities of METRO's corporate responsibility (CR) approach. Since the publication of its first CR roadmap in 2010, several initiatives related to responsible procurement have been achieved, including the adoption of a Supplier Code of Conduct for responsible procurement in 2017.

The rigorous approach adopted by METRO to manage its practices is based on this structuring document, which are in addition to our other responsible procurement policies and programs.

The **Supplier Code of Conduct** was developed according to best practices and recognized standards. It is based on four key principles that build on METRO's product and service selection criteria, such as price, quality, and availability:

- Business ethics;
- Respect for workers;
- Environmental protection;
- Respect for animal health and welfare.

METRO also considers that one of its corporate responsibilities is to manage the environmental aspects of its food and pharmacy operations. Through its **Environmental Policy**, METRO is committed to protecting the environment through pollution prevention, waste reduction, climate

change mitigation, sustainable resource use, protection of biodiversity and ecosystems, and energy efficiency throughout the company and with its affiliate retailers and suppliers when possible.

This statement consolidates METRO's policies and commitments related to biodiversity and details our expectations with respect to this issue.

2. Management principles

The implementation of METRO's responsible procurement program is governed by management principles and a range of operationalization tools.

- Collaboration with suppliers in a perspective of ongoing improvement;
- Reliance on practices, recognized certifications, and corporate responsibility initiatives;
- Consideration for the market's capacity to provide alternative product options at competitive prices and in sufficient amounts;
- Transparency and sharing our results and initiatives;
- Follow up on results based on performance indicators and communication of these results in METRO's annual corporate responsibility report.

3. Criteria and recommended practices

METRO recognizes that biodiversity¹ is facing a global decline, largely due to human activities. Changes in land use, pollution, climate change and population growth threaten biodiversity, which is essential to the functioning and resilience of ecosystems and therefore vital to human health and well-being.

METRO recognizes that there is a close interdependence between the food industry and biodiversity, and that the preservation of the latter is essential. Also recognizing that environmental impacts occur in its supply chain, METRO seeks to limit its impact on biodiversity as well as to conserve natural resources, as defined in the environmental protection principle of its Supplier Code of Conduct.

Biodiversity considerations are also an integral part of other METRO policies, programs and initiatives. We have identified four priority environments where our operations can have an impact and have grouped our criteria and recommended practices according to these environments:

3.1 Forest environments

METRO recognizes that deforestation and land conversion have a negative impact on biodiversity.

METRO encourages its suppliers to operate supply chains that are free of deforestation and land conversion and to participate in efforts to restore forest environments to their natural state.

METRO's **Packaging and Printed Materials Management Policy** defines several principles to aimed at reducing the impact of packaging and printed materials on the forest environment, either by reducing their use, by designing them in an optimal way or by choosing eco-responsible materials. METRO encourages its suppliers to adopt such practices.

METRO encourages products, packaging, printed materials and suppliers that are certified or part of a recognized initiative to protect forest environments and resources, such as the Roundtable on Sustainable Palm Oil (RSPO), the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).

3.2 Marine and aquatic environments

Sustainable fisheries and aquaculture

METRO recognizes that the fishing and aquaculture industries face serious challenges, many of which are directly related to resource conservation and biodiversity.

Through its **Sustainable Fisheries and Aquaculture Policy**, METRO aims to market healthy species harvested using responsible operating methods that limit environmental impacts both physically (air, water, soil) and biologically (fauna and flora).

METRO has several **implementation programs** for this policy. For example, certain groups of species that present increased risks in terms of sustainable fisheries and aquaculture, either because of the stock status is of concern or because of the potential impacts of the operating method used, have been placed in continuous improvement programs for which METRO has additional requirements. Such requirements include obtaining credible, recognized certifications, active participation in species conservation, and improvement of fishing techniques. Some species have also been temporarily removed from our inventory, as the stocks were deemed too sensitive to support commercial exploitation.

METRO also encourages third-party certification processes and favours suppliers and products certified to a Global Sustainable Seafood Initiative (GSSI) recognized standard as well as fisheries managed through a Fishery Improvement Project (FIP) and aquaculture operations participating in an Aquaculture Improvement Project (AIP).

Plastic

METRO recognizes that packaging, particularly plastic packaging, has direct and indirect impacts on the marine and aquatic environments, especially when it reaches the end of its useful life.

Plastic waste dumped in large quantities in the oceans threatens marine and coastal species which are affected by ingestion, entanglement and other hazards.

Through its **Packaging and Printed Materials Management Policy**, METRO aims to adopt practices that reduce the use of packaging and printed materials, choose eco-responsible

¹ The **Convention on Biological Diversity of the United Nations** defines biodiversity, or biological diversity, as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

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materials, limit product loss and reduce waste generation. METRO encourages its suppliers to adopt such practices.

3.3 Agricultural environments

METRO recognizes that the intensification and expansion of agriculture has an impact on biodiversity.

METRO encourages its suppliers to adopt the principles of regenerative agriculture, which help create and maintain healthier soils and protect aquatic environments as well as biodiversity. This approach includes minimizing soil disturbance, increasing plant diversity, keeping roots alive in the soil year-round, and keeping the soil covered. Composting, use of cover crops, crop rotation and mixed farming are some examples of good practices.

METRO also encourages its suppliers to limit the use of non-essential chemicals and to adopt integrated pest and disease management strategies that favor environmentally friendly methods and other creative solutions for the use of less toxic products. METRO encourages its suppliers to adopt practices that protect pollinators, such as phasing out the use of neonicotinoids and planting buffer zones.

3.4 Operating environments

METRO recognizes that its stores, offices, distribution and production centres and transportation network can have impacts on biodiversity. METRO's operations produce greenhouse gas (GHG) emissions, generate residual materials as well as food loss, contribute to land development and consume natural resources.

Climate change

METRO recognizes that climate change disrupts ecosystems and causes changes within them.

METRO also recognizes that biodiversity contributes to climate change mitigation and adaptation measures, including through the absorption of CO₂ by marine and terrestrial ecosystems and by providing natural protection against flooding, erosion, landslides and other natural disasters.

Food loss and waste

METRO is aware of the indirect effect that food loss and waste have on biodiversity. When food is not consumed by a human being, all the environmental impacts related to its production, storage, transformation, packaging and transportation have been unnecessarily generated. This concept of waste and unnecessary impact on biodiversity also applies to all materials that end up in landfills.

METRO encourages its suppliers to reduce and quantify annually their direct and indirect GHG emissions, the amount of waste they produce, and the amount of food loss and waste they generate, all in accordance with internationally recognized standards. METRO also recommends that suppliers make their performance indicators and calculation methodologies public and set ambitious targets for reducing their environmental impact.

4. METRO's commitments

As part of its [2022-2026 Corporate Responsibility Plan](#) (the "Plan"), METRO has set several objectives to reduce the direct and indirect impacts of its activities on each of the four priority environments (forest, marine and aquatic, agricultural and operational). These objectives are divided among five of the eight priorities of the Plan:

4.1 Responsible procurement

METRO has identified beef and palm oil as drivers of deforestation.

- For private brand beef and beef from the perishable food section, METRO aims to avoid sourcing from areas at high risk of deforestation.
- METRO also aims to avoid the use of palm oil in its private label products or to source from a recognized responsible source, the Roundtable on Sustainable Palm Oil (RSPO).

To preserve marine and aquatic resources, METRO has the objective to:

- Offer fish and seafood products from responsible sources to preserve natural resources and encourage sustainable operating methods.

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Regarding agricultural environments METRO has the following objectives:

- Not market the main genetically modified products on the Canadian market (sweet corn, apples, potatoes and salmon);
- To facilitate customers' access to organic products by providing them with more visibility and better promoting them.

4.2 Packaging and printed materials

METRO intends to reduce over-packaging and the use of single-use plastic by:

- Gradually eliminating single-use plastic shopping bags since September 2022;
- Reducing the use of single-use plastic packaging, such as polystyrene foam trays and plastic wrap;
- Increasing the recycled content and recyclability of our plastic containers.

METRO aims to optimize private brand food packaging by the end of 2025 by:

- Reducing the average weight of packaging by 10% as compared to 2018;
- Using 100% recyclable or compostable (fibres only) materials in 100% of packaging;
- Increasing postconsumer materials in packaging to 45%;
- Providing sorting instructions on 100% of packaging.

METRO also wants to optimize the promotional materials used in its food and pharmacy activities by:

- Reducing by 10% the total weight of paper used in food store and pharmacy flyers;
- Using 100% recycled content in temporary fibre-based promotional signage in stores.

METRO also aims to eliminate single-use packaging and disposable dishes and utensils at its administrative sites by:

- Decreasing the quantities purchased annually of the following items: single-use plastic water bottles, single-use plastic straws and stir sticks, and disposable dishes and utensils.

4.3 Climate change

In addition to these procurement initiatives, METRO is working to reduce its greenhouse gas (GHG) emissions, thereby helping to limit the negative effects of climate change on biodiversity.

- METRO aims to reduce greenhouse gas (GHG) emissions by 37.5% by 2035 compared to 2020 for an average reduction of 2.5% per year.

4.4 Waste

METRO also aims to improve the average diversion rate of all its establishments compared to 2020:

Corporate and franchise food stores:

- Achieve zero waste, representing a diversion rate of at least 90%, in 25% of stores;
- Achieve 80 to 89% diversion in 25% of stores;
- All stores will be required to achieve a minimum diversion rate of 50%.

Distribution and production centres:

- Achieve zero waste, representing a diversion rate of at least 90%.

4.5 Food waste

Finally, METRO aims to reduce food waste in its operations by 50% by 2025 compared to 2016.

4.6 Reporting

For our biodiversity reporting and our various fact sheets, policies and statements, please visit the [corporate responsibility](#) section of our corporate website.