

***METRO AND CLIMATE CHANGE***  
***FREQUENTLY ASKED QUESTIONS (FAQ)***

January 25, 2022

***metro***

<p><b>METRO’s GHG emissions reduction target</b> 2022-2026 Corporate responsibility plan</p>	
<p>Our ambition is to reduce our greenhouse gas (GHG) 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.</p> <p><b>Objective</b> Reduce GHG emissions by 37.5% by 2035 compared to 2020 for an average reduction of 2.5% per year.</p>	
<p><u>Scope</u></p> <p>Sites and activities under METRO’s direct operational control:</p> <ul style="list-style-type: none"> <li>- Stores: Metro Québec (except affiliate retailers), Metro Ontario (except franchised retailers), Super C, Food Basics, Adonis, Première Moisson (except partnerships)</li> <li>- Distribution centres</li> <li>- Production centres</li> <li>- Administrative offices</li> <li>- Transport</li> </ul> <p>The scope will be updated annually based on changes in METRO’s operational control.</p>	<p><u>Performance indicators</u></p> <ul style="list-style-type: none"> <li>- GHG emissions in tonnes CO<sub>2</sub>eq (absolute emissions)</li> <li>- Intensity in kg CO<sub>2</sub>eq./sq. ft.</li> </ul>

## FREQUENTLY ASKED QUESTIONS (FAQ)

### 1. Is this the first time METRO has set a GHG emissions reduction target?

Yes, it is our first GHG emissions reduction target.

However, it is not the first action we have taken to reduce our GHG emissions. We have already set reduction objectives for our energy and waste, which are two sources of our GHG emissions. In addition, we have filled out the CDP climate change questionnaire since 2008, and our data have been publicly available since 2016.

As stated in our [2021 Corporate responsibility report](#) (p. 8), we reduced our GHG emissions intensity by 14% between 2015 and 2020.

### 2. How did you set the specific target of 37.5%?

The 37.5% target is the mathematical result of an average GHG emissions reduction of 2.5% per year over 15 years.

We have established this target by referencing to the two-degree (2°C) scenario defined by the Science-Based Target Initiative (SBTi), which points to a 2.5% reduction per year.

Our approach has been to identify all realistic opportunities for emission reductions in the operations on which we have direct control within the established timeframe and to rely on a recognized scientific framework to guide our decision making.

While this target corresponds to the levers and resources we currently have, we closely follow the latest developments in the field and are aware of the light shed on the scenario to limit global temperature rise to 1.5 degrees. Such a target corresponds to an average GHG emissions reduction of 4.2% per year, an ambitious goal that is currently not within METRO's capacity to achieve.

Our ambition is certainly to contribute to the collective effort to transition to a lower-carbon economy and we are confident that the execution of our plan helps us move in that direction.

### 3. Why did you set a 15-year period to reach your reduction goal? Why such a long period?

According to the Science Based Targets initiative (SBTi), a reference in this field, the recommended timeframe for GHG emissions target-setting cannot be less than 5 years, nor more than 15 years, from the date the target is set.

This recognized practice encourages us to develop a long-term strategy which will enable us to implement major system changes and take advantage of future innovative technologies, while also encouraging immediate actions.

The reduction of GHG emissions cannot be achieved overnight. We have therefore chosen a well-thought approach which includes both short and longer-term initiatives.

### 4. Why have you chosen 2020 as your reference year (baseline)?

According to the Science Based Targets initiative (SBTi), the reference year must be recent enough to ensure our targets are representative of our current operations.

To reflect this strategic approach, we wanted to take into consideration three important factors for us: the completion of the acquisition of Adonis in 2017, the acquisition of the Jean Coutu Group in 2018, as well as the improvements we have made to our GHG emissions calculation methodology in recent years.

We consider that 2020 provides us with the most accurate baseline to work with.

## 5. What are the key actions of your strategy to reach your target?

Our strategy to reduce our GHG emissions by 37.5% between 2020 and 2035 is based on an understanding of the sources of our emissions and the technological advancements that will enable us to significantly reduce them in a way that is in line with our corporate objectives.

In addition to our ongoing optimization practices, we will focus our efforts on 4 key initiatives:

- **Transportation**  
Electrification of our fleet of cars and trucks, and our carriers' fleets, in order to limit the use of fossil fuels.
- **Refrigerants**  
Replacement of part of our refrigeration systems that use CFC/HCFC gases (ozone-depleting substances), with less damaging systems that rely on CO<sub>2</sub> as part of major store renovations. We also anticipate closing older stores, which will put a certain number of CFC/HCFC systems out of service. And finally, CO<sub>2</sub> refrigeration systems are now the standard for our new constructions.
- **Energy efficiency**  
Pursuit of our energy-saving projects, such as LED lighting conversions in our buildings. It is important to note that these projects in Québec will not reduce our GHG emissions drastically because hydroelectricity used in Québec is low in GHG emissions.
- **Waste management**  
With our zero-waste program, we aim to increase our diversion rate as landfilling is the most GHG-intensive means of disposal. For example, food waste sent to landfill results in 4 times more emissions compared to food waste sent to composting.