

***PACKAGING AND  
PRINTED MATERIALS  
MANAGEMENT POLICY***

May 2019

***metro***

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## 1. Vision

The Packaging and Printed Materials Management Policy is in line with METRO's corporate responsibility (CR) approach, which aims, among other things, to adopt responsible procurement practices and manage METRO's environmental footprint.

Since the early 2010s, we have carried out a number of packaging and printed materials optimization initiatives. With this policy, we now seek to set out a framework to guide the actions undertaken by METRO's teams and suppliers for the effective management of our packaging and printed materials in all our activities.

METRO's vision for packaging and printed materials management includes use reduction and optimization while limiting product losses. To develop the principles of this policy, we turned to accepted concepts: life cycle analysis and circular economy.

## 2. Scope

### Activities covered

This policy applies to the packaging and printed materials used in all METRO's corporate, food and pharmacy activities.

Packaging covered (primary, secondary, tertiary):

- Packaging for private brand products
- Packaging used in our activities: stores, pharmacies, online grocery services, administrative centres
- Packaging for handling, transport and logistics

Printed materials covered:

- Flyers
- Point of sale materials
- Stationery

### Term of the policy

METRO's Packaging and Printed Materials Management Policy will be implemented as of May 2019 and come under review in 2025.

## 3. Responsibility

The Executive Vice President and Québec Division Head, the Executive Vice President, Ontario Division Head and National Supply Chain, the President of the Pharmacy Division and the Senior Vice President, National Procurement and Corporate Brands are responsible for the implementation of the policy and continued improvement of its results.

The Vice President, Public Affairs and Communications and Manager, Corporate Responsibility oversee the approach.

## 4. Principles

The principles of the Packaging and Printed Materials Management Policy establish directions for the adoption of practices to decrease resource use, limit product losses and reduce waste generation. METRO will also invest efforts to find alternatives with the least environmental impacts.

METRO's Packaging and Printed Materials Management Policy is based on four principles:

### 4.1 Reduce the use of packaging and printed materials

As recognized in waste management models, the priority course of action is to use fewer materials.

METRO will therefore aim to reduce packaging and printed materials use in its activities at the source and avoid overpackaging, while ensuring these measures do not lead to product losses. The implementation of such measures will limit the use of single-use packaging.

The Company promotes measures such as the elimination of non-essential and non-structural elements and the reduction of the number of components. It also encourages the reuse of printed materials and packaging and plastic packaging in particular.

This principle is in line with the waste management program implemented in our corporate and franchised food stores, which seeks to achieve zero waste.

### **4.2 Implement optimal design**

METRO aims to use resources responsibly by adopting an ecodesign approach to utilize the right amounts of materials without compromising the function of the packaging (to protect products) or printed materials.

With regard to packaging, METRO favours packaging with a lower mass (or volume) relative to the mass (or volume) of the product. This may be achieved through actions to reduce component weights and wasted space

In implementing the approach, METRO ensures that the reduction in the use of materials does not lead to product losses, which would offset the environmental and economic gains generated by the proposed reduction.

Optimal design also helps enhance the user experience since it ensures an adequate product shelf life and avoids creating more waste when the packaging is not adapted to the need (e.g. a product that cannot be fully removed from its container). Optimal design therefore also reduces waste generation.

### **4.3 Select ecoresponsible materials**

METRO aims to select materials with the smallest environmental footprint by relying on current environmental certifications and scientific research and consensus.

METRO fosters the use of postconsumer recycled and recyclable materials.

When METRO chooses packaging or printed materials made from virgin fibres, it gives preference to fibres certified under the FSC, PEFC (including CSA) or SFI programs. These certifications attest that the forests from which the resources were harvested are responsibly and sustainably managed.

### **4.4 Facilitate recovery and recycling**

METRO aims to facilitate the recyclability of packaging and printed materials and their recovery by consumers through the use of recyclable materials that are compatible with current sorting and recycling infrastructures. In addition, the Company seeks to inform consumers of best recovery practices.

Including clear and specific recovery instructions on packaging and printed materials facilitates their recovery and fosters their recycling. The instructions provide information on the materials that should be recovered, how to recover them (e.g. disassembly instructions) and their nature (e.g. resin identification codes for plastics).

By using packaging and printed materials that are easily recyclable and for which there are outlets, METRO intends to contribute to the improvement of the overall efficiency of the curbside collection system and quality of the materials generated. This approach supports collective efforts to divert waste from landfills from the circular economy perspective.

## **5. Implementation approach**

With the implementation of the policy, METRO aims to raise awareness among its employees, suppliers and customers of sound management practices for packaging and printed materials in order to reduce their environmental impacts.

The implementation of these principles applies to all the materials used by METRO in its packaging and printed materials. As it develops its initiatives, METRO will target the materials whose environmental impacts are most significant and which represent the largest volumes in terms of use.

In the specific case of food packaging, METRO considers the product and its packaging as a whole and seeks to reduce the combined environmental footprint. In addition to its packaging reduction and optimization objectives, METRO is committed to reducing food waste and deems that packaging plays a part in the attainment of this objective.

METRO therefore favours packaging that ensures the integrity of the product and extends its shelf life so that the product is not discarded before it is consumed in its entirety. It is important to note that the environmental impact of packaging is generally far less significant than that of the product it protects, which is why it is important to optimize the use of packaging. This measure is in keeping with METRO's efforts to reduce organic waste at the source in its operations and by customers.

In selecting and designing more environmentally friendly packaging, METRO will not compromise with regard to the specific characteristics of its packaging for the preservation, quality and safety of its products.

The policy's implementation is based on a management approach that fosters ongoing improvement and collaboration between our teams and suppliers, including our suppliers of national brand products.

METRO has set out additional criteria to support the implementation of this policy.

### Avoid certain materials and substances

METRO conducts ongoing monitoring to identify materials and substances that may be controversial or of concern and which it will stop using or seek to progressively remove from its packaging and printed materials based on available alternative solutions. The list of substances and materials will be updated as new knowledge becomes available and regulatory changes come into effect.

METRO will also seek to avoid the use of materials that could disrupt the sorting and recycling processes or which are not yet accepted in organic waste collection (e.g. certain biodegradable and compostable plastics).

### Consider suppliers' environmental performance

METRO may assess the environmental performances of its packaging and printed materials suppliers. The Company will favour raw packaging materials suppliers and printers that adopt best practices with regard to their overall environmental performance.

## 6. Commitments

In addition to applying the principles of the policy, METRO is making commitments regarding the packaging and printed materials it considers to be priorities because of their environmental impacts and the volumes used.

While significant reduction efforts are being made, packaging and printed materials are still required in our operations. However, we want to reduce their environmental footprint as much as possible.

### **Packaging in stores**

- Reduce the number of single-use plastic shopping bags by 50% in METRO'S food and pharmacy banners by the end of fiscal 2023 as compared to fiscal year 2018.
- Reduce overpackaging and single-use plastics in our food stores' fresh sections by implementing the following initiatives:
  - Reducing the use of polystyrene foam trays and plastic wrap:
    - In the produce section, when appropriate, replace foam trays and plastic wrap with materials that are easier to recycle (e.g. cardboard) and offer bulk rather than packaged products starting in fiscal year 2019;
    - In the fresh product sections, when applicable, allow consumers to bring their own reusable containers to replace single-use plastic packaging starting in fiscal year 2019.
  - Reducing the number of single-use plastic produce bags by 10% by the end of fiscal year 2020 as compared to the previous year.
  - Reducing the environmental footprint of plastic containers:
    - Increase the recycled content of polystyrene foam trays from 25% to 50% by the end of fiscal year 2020;
    - Increase the recyclability of polystyrene foam trays by transitioning 20% of black and other colour foam trays to white foam trays by the end of fiscal year 2020;

- Increase the recyclability of PET plastic containers by eliminating all black plastic containers and replacing them with clear PET containers by the end of fiscal year 2020.
- Reducing the quantity of plastic used in disposable cutlery and straws in our store bistro areas by the end of fiscal year 2020 by:
  - Eliminating the plastic wrap used to package the utensils;
  - Eliminating the cutlery kits and providing individual utensils instead;
  - Replacing plastic straws and stir sticks with more eco-friendly options.

### **Promotional material**

- Reduce by 10% the total weight of the paper used in the flyers of METRO'S food and pharmacy banners by the end of fiscal 2022 as compared to fiscal year 2018.
- Use 100% recycled materials for all temporary in-store promotional signage made of fibre as of January 1, 2020.

### **Private brands (food products)**

- Reduce the average weight of our private brand packaging by 10% by the end of fiscal year 2025 as compared to fiscal year 2018.
- Ensure that 100% of private brand packaging is 100% recyclable or compostable (fibres only) by the end of fiscal year 2025.
- Ensure that 100% of private brand packaging includes sorting instructions by the end of fiscal year 2025.
- Increase the proportion of postconsumer materials in private brand packaging to 45% by the end of fiscal year 2025.
- Provide support to 100% of our private brand suppliers so they can access resources to develop more sustainable packaging.

### **Single-use materials in our administrative sites**

- Eliminate single-use plastic water bottles used by our employees in METRO'S administrative offices and distribution centres by the end of fiscal year 2019.
- Eliminate single-use plastic straws and stir sticks from METRO'S cafeterias by the end of fiscal year 2019.
- Eliminate disposable tableware and utensils from METRO'S cafeterias by the end of fiscal year 2020.

### **Implementation and awareness**

- Conduct research and enter into partnerships to further improve our practices and identify innovative levers.
- Develop awareness initiatives for our customers and invite them to join us in using less single-use packaging.
- Train our employees on the application of the principles and commitments of the policy and raise awareness among our workforce of ecoresponsible behaviours in connection with packaging and printed material use.

## **7. Reporting**

A report on the implementation of the policy, its objectives and its results will be integrated into METRO'S annual corporate responsibility report and communicated to stakeholders.