



***metro***

UPDATE

CORPORATE  
RESPONSIBILITY

2013

## INTRODUCTION

Following up on our first Corporate Responsibility Report published in 2012, which provided an update on the progress of various initiatives put forward by the Corporation in 2010 and 2011, we have put together this update, covering the 2012 fiscal year. It sheds light on last year's highlights and provides a summary of our efforts and accomplishments with respect to our commitments and priorities in matters of corporate responsibility.

While it is true that year after year the challenges involving corporate responsibility remain great, so do the opportunities.

*As a result, carrier projects emerged and several teams work on a daily basis to meet the challenges that these common goals represent, which contribute to making METRO a player in the sustainable development area.*

In that regard, we are pleased with the initiatives that we implemented and with those that continued throughout the year, under one of our four pillars of intervention. We put a great deal of attention on the procurement of our products, be it the origin of seafood products or the composition of private label products. We also deployed a lot of effort in trying to achieve the goals that we set for ourselves. This is particularly true for two goals from the Respect for the Environment pillar, through which we committed to reducing our waste by 25% and our energy consumption by 10% by 2016 using 2010 as our baseline.



## Respect for the Environment

Making responsible choices in every aspect of the business in order to minimize our environmental footprint

## PRIORITIES

RETHINKING  
PACKAGING

## 2012 ACHIEVEMENTS

- Metro participates in the **GS1 Canada Stewardship Initiative**, which aims at gathering information along with other retailers with respect to packaging weight. GS1, on behalf of Metro, began gathering data from our 450 private brand product suppliers. By the end of the 2012 fiscal year, almost 30% of our suppliers had provided the information.

- Metro adhered to the Éco Entreprise Québec (ÉEQ) Voluntary Code. As such, Metro pledged to increase the sustainability of its packaging.



- In December of 2011, after asking our suppliers to declare the presence of polyvinyl chloride (PVC), 26 packaging have been identified as containing this material. We replaced non-recyclable PVC plastic with 100% recyclable polyethylene terephthalate plastic (PET) in 5 of our containers, namely 250 ml bottles of Selection concentrated chicken, beef and vegetable broth as well as the 500 ml size for Selection beef and chicken concentrates. Furthermore, the 500 ml bottle is also 8% lighter.
- The safety seal around the bottle cap of our four Selection mouthwash products is now made of 100% recyclable polyethylene terephthalate glycol (PET-G), instead of soft and non-recyclable PVC.

## NEXT STEPS

- Continue to develop the database on the characteristics of private label packaging. This database will allow us to prioritize our packaging reduction actions and measure our progress in the years to come. It is aimed at about 6,000 containers from over 450 different suppliers. So far, about 70% of our 450 suppliers have been contacted. We hope to complete this database by September of 2014.
- Continue studying various options in order to optimize the packaging of private label products.



## OBJECTIVE FOR 2016

Improve sustainable packaging criteria on private label products

## ACTION

Implement our packaging policy by adopting an action plan that will enable us to meet our commitments.

## Respect for the Environment

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## PRIORITIES

ADDRESSING  
CLIMATE CHANGE

## 2012 ACHIEVEMENTS

## ENERGY FROM BUILDINGS

- Based on the follow-up method developed in 2011, we have continued to measure progress towards the goal of 10% reduction.

## Reduction in consumption of electricity and natural gas

2011	2012	Cumulative	P: 2016
2.5%	0.85%	3.35%	10%

## GREENHOUSE GAS

- In 2012, Metro took part in the CDP for the 5<sup>th</sup> straight year, receiving a grade of 77% for the quality of its declaration. That grade resulted in Metro being presented as a leader in its field in the latest CDP report.
- Implementation of a new standard for new construction: introduction of refrigerant gases with 50% less impact on global warming than the refrigerant gases normally used, which contributes to reducing our impact on global warming, given the impact of refrigerants on our overall environmental footprint.
- We calculated the carbon footprint of our corporate and franchised stores in Quebec and in Ontario for 2011.

## Source of GHG emissions in 2011

Energy from buildings*	35%
Landfill	27%
Refrigeration	22%
Transportation (external carriers)	13%
Transportation (Metro)	3%
Sum	100%

\*corporate and franchised stores in Quebec and in Ontario

## TRANSPORTATION

In Quebec and in Ontario, improvements made to infrastructures in the distribution centres have allowed us to increase the number of pallets contained in a load when they are returned to the supplier.

## OBJECTIVE FOR 2016

10% reduction in energy consumption by 2016 using 2010 as our baseline

## ACTION

Continue to convert to new lighting technologies and to modernize heat recovery equipment from our refrigeration systems.



## Respect for the Environment

Making responsible choices in every aspect of the business in order to minimize our environmental footprint

## PRIORITIES

## ADDRESSING CLIMATE CHANGE (CONTINUED)

## NEXT STEPS

## ENERGY FROM BUILDINGS

- Continue energy optimization projects for our buildings and the evaluation of refrigerants that are more environmentally friendly.
- In 2013, a \$7 million investment will be allocated to energy optimization projects for our buildings.
- Continue searching for energy efficiency opportunities.

## GREENHOUSE GAS

- Take part in the CDP in 2013

## TRANSPORTATION

- Continue to reduce the number of empty runs when our trucks return to the distribution centres (in both Quebec and Ontario).
- In Quebec, we plan to test and evaluate the use of 10 diesel and electricity hybrid trailer refrigeration units in July of 2013.



## OBJECTIVE FOR 2016

10% reduction in energy consumption by 2016 using 2010 as our baseline

## ACTION

Continue to convert to new lighting technologies and to modernize heat recovery equipment from our refrigeration systems.

## Respect for the Environment

Making responsible choices in every aspect of the business in order to minimize our environmental footprint

## PRIORITIES

## MANAGING WASTE

Waste	Tonnes in 2012
Cardboard	60,480
Plastic Film	1,480
Paper	200
Green Organics	5,270
Red Organics	8,270
Total	75,700



## 2012 ACHIEVEMENTS

- Almost 76,000 tonnes of waste were recycled.

## ORGANIC WASTE RECYCLING PROGRAM

- In Quebec, an organic waste recycling pilot project was implemented in June. It allowed us to evaluate the impact of the program on our in-store operations and to test different collection equipment in order to better define our needs. As a result of the positive results of the pilot project and the acquired knowledge that it provided, we will implement the program in all of our franchised and corporate Metro stores and our Super C stores by 2015.
- In Ontario, we continued with the green organics waste recycling program, which began several years ago. By the end of the 2012 fiscal year, the program had been implemented in more than half (52%) of the Metro and Food Basic food stores.

## MULTI-MATERIAL RECYCLING PROGRAM

- In Quebec, the first implementation phase of the program aimed at recycling waxed cardboard, paper, hard plastic and metal from in-store operations began in Super C stores in the greater Montreal area in October of 2012.

## NEXT STEPS

- Continue analyzing our waste in order to improve how it is managed.
- Inform and engage all employees with respect to the 25% reduction goal and the creation of new in-store recycling programs.
- Carry out the organic waste collection program in our Quebec franchised and corporate Metro stores and our Super C stores.
- Increase the diversion rate and further implement the organic waste collection program in Ontario Food Basics and Metro stores by 2015.
- Continue implementing multi-material recycling in our corporate stores.

## OBJECTIVE FOR 2016

Achieve a 25% reduction in waste sent to landfill by 2016 using 2010 as our baseline

**ACTION 1**  
Complete the inventory of our waste and recyclables to better measure our waste diversion performance.

**ACTION 2**  
Improve our existing programs and develop new programs to reduce the amount of waste.



## Delighted Customers

Our customer-centric approach is at the very foundation of our business and the key element of our corporate responsibility strategy.

## PRIORITIES

## PROMOTING HEALTH AND NUTRITION

## 2012 ACHIEVEMENTS

Line	Total – end of 2011	Total – end of 2012	Projection – 2013 total
Irresistibles Life Smart and Smart Kids	184	243	246
Irresistibles Gluten Free	20	30	42
Irresistibles Organic	80	104	85
Selection and Irresistibles Sodium Reduced	100	201	300
Selection products that have an on-package claim regarding nutritional attributes	147	260	300

- We expanded the variety of organic products available in stores.
- In Quebec, we partnered with nutritionist Linda Montpetit, and chef Caroline McCann, to promote healthy recipes and tips on promotional material in-store, on the weekly flyer, with thematic leaflets, through videos on metro.ca as well as on Coup de Pouce magazine's platforms in the *Complice de votre mieux-être* campaign.
- Metro was the main sponsor of Vélo Québec activities, to promote wellness and a healthier lifestyle.



Linda Montpetit



Caroline McCann

## ACTION

To continue expanding our Life Smart product line, making it even easier for our customers to make healthier food choices. A series of initiatives adds to that action, also helping us promote health and nutrition.



## Delighted Customers

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### PRIORITIES

## FOOD QUALITY AND SAFETY

### 2012 ACHIEVEMENTS

- We went from 720 quality controls on our private brand products in 2011, to 1186 in 2012.
- 70% of our suppliers manufacture our private brand products in compliance with the GFSI.
- 75% of our produce suppliers follow an audited food safety program; of that number, 73% are GFSI certified.

### NEXT STEPS

- Beginning in December, 2013, all of our produce suppliers must comply with a recognized standard certified by the GFSI.
- Beginning in January, 2014, all of our private brand suppliers must comply with a recognized standard certified by the GFSI.



### ACTION

To continue implementing *Global Food Safety Initiative (GFSI)* standards to our produce and to our private brand products.



## Delighted Customers

Our customer-centric approach is at the very foundation of our business and the key element of our corporate responsibility strategy.

## PRIORITIES

RESPONSIBLE  
PRODUCT  
OFFERINGS

## 2012 ACHIEVEMENTS

## CONTINUOUS IMPROVEMENT INITIATIVES

- We contacted and met with our suppliers in order to plan the implementation of new purchasing requirements for species classified as being in continuous improvement, including third parties certifications, which enable us to meet high quality and sustainability standards.

## TRACEABILITY INITIATIVES

- We continued to update traceability information with our suppliers in order to provide information that shows the product's origin, such as the fishing area and the type of fishing, on the packaging of private brand fresh and frozen seafood products.
- We developed a traceability information sheet for the packaging of private brand frozen seafood products.
- We supported the Quebec lobster promotional campaign and its new traceability system using a printed code on an ID tag hooked on to the claw.

## HEALTHY SPECIES

- We removed 7 new species that did not respect the criteria of our Sustainable Fisheries Policy, in addition to the 7 species that were removed in 2010.
- We added 16 new species to the continuous improvement program, through which we encourage suppliers towards the application of recognized standards, and to demonstrate responsible management of their activities and of their products' traceability.

## CONTACTS WITH OUR STAKEHOLDERS

- We took part in several meetings, panels and forums with our stakeholders.

## NEXT STEPS

- To launch an Irresistibles canned skipjack tuna product, pole and line caught, a fishing technique known for having low bycatch rates, in order to develop our expertise in procuring tuna coming from alternative fishing methods.
- To continue implementing our new purchasing criteria for seafood products and to continue working with all those involved in order to go beyond our role as a distributor and a retailer.
- To use new communication tools intended for consumers to make them aware of sustainable fishing issues and to show the efforts that we are making in that area.

## ACTION 1

To expand the scope of our Sustainable Fisheries Policy to include our private brand grocery products, while at the same time working with our suppliers for the continuous improvement of sustainable fishing methods.

**SUSTAINABLE  
FISHERIES**  
*my choice for the future*

## Delighted Customers

Our customer-centric approach is at the very foundation of our business and the key element of our corporate responsibility strategy.

### PRIORITIES

## RESPONSIBLE PRODUCT OFFERINGS (CONTINUED)

### 2012 ACHIEVEMENTS

- In 2012, this line of products, covering 22 families of the main home cleaning, clothes and hygiene areas, as well as our energy-saving light bulbs, has remained stable with 32 products.

### NEXT STEPS

- To evaluate the chances of developing other ecological and accessible products, but also to improve the environmental performance of our classic Selection clothes and house cleaning products (in terms of product concentration, environmental certifications like FSC, etc.).



### 2012 ACHIEVEMENTS

- Since 2012, all of our calls for tender have included the request for sustainable palm oil status. At equal performance, the sustainable product is favoured.

### NEXT STEPS

- To launch two Irresistibles cookies with sustainable palm oil, adding to the 18 Selection products (cookies) already using 100% sustainable palm oil.
- We will conduct a complete inventory of our palm oil consumption in order to prioritize our areas of intervention.
- We will share the fruit of our research with our suppliers with respect to the best practices during an awareness session.

### ACTION 2

To further expand our line of Eco-Selection products, which are Eco Logo-certified or that offer a strong environmental aspect with respect to the market.

### ACTION 3

To promote the procurement and the use of sustainable palm oil, where financially and logistically feasible.

## Strengthened Communities

Making a positive contribution to the communities in which we operate and source our merchandise.

## PRIORITIES

## INVESTING IN OUR COMMUNITIES

## 2012 ACHIEVEMENTS

- Our donations in cash and products added up to \$5.4 million, which is the equivalent of 1.4% of the average net earnings from 2009, 2010 and 2011:
  - \$2.6 million dollars worth of food was donated to various organizations, mainly organizations that support low-income families such as food banks.
  - \$2.8 million in corporate donations were handed out, including to various foundations and university research centres.
  - In September of 2012, the Metro Green Apple School Program, which for three years encouraged “green” projects, was given a new mission. Through this program, Metro now awards 1,500 scholarships, each worth \$1,000, to elementary and high schools in Quebec and in Ontario for carrying out projects aimed at promoting healthy eating habits for young people.



De l'Éclésièr school, Coteau-du-Lac



St-Noël-Chabanel school, Montréal

## NEXT STEPS

- Drawing from its community investment achievements already in place, Metro's new community investment program, “Nourishment for growth”, will be launched in the fall of 2013. This program will continue to include donations in both cash and food, and will be devoted to:
  1. education, health and the fight against poverty
  2. access to food
  3. promoting healthy eating in Quebec and in Ontario, which includes the Metro Green Apple School Program

## ACTION

We will invest in communities more strategically for an amount equal to 1% of our average net earnings over the last three years.



## Strengthened Communities

Making a positive contribution to the communities in which we operate and source our merchandise.

## PRIORITIES

SUPPORTING  
LOCAL SUPPLIERS

## 2012 ACHIEVEMENTS

- In June, Super C became the first discount banner to identify their *Aliments du Québec* products, as well as *Aliments préparés au Québec*, with shelf labels bearing the distinctive blue and yellow label.
- Metro and Super C banners supported the *Aliments du Québec* promotional campaign, both in-store with many postings and through our various promotional platforms (circulars, newsletter, radio Metro, website, Facebook page)
- Over 60% of managers registered for the *Les Aliments du Québec dans mon panier* contest organized by l'Association des détaillants en alimentation du Québec, were Metro merchants (94 Metro merchants out of 156 managers registered for the contest). One of the three winning retailers was Steve Lalande, owner of the Metro Plus Jean XXIII in Trois-Rivières.
- Our promotional campaign theme of *Le Québec on en mange* was seen all year in-store and through our various promotional communication tools, and put local products, depending on the seasons and deliveries, at the forefront: Quebec lobster, several local cheeses, fruits and vegetables such as apples, squash, strawberries, corn, without forgetting about our partnerships with various Federations such as Milk or Quebec pork.
- We partnered with Équiterre's Community Supported Agriculture (CSA) project in carrying out a pilot project, from June to October of 2012, during which time three stores served as drop-off points for baskets of certified organic, or on the verge of becoming certified organic fresh vegetables, prepared by farmers belonging to the family farmers network.
- In Ontario, we continued to work with Foodland Ontario, supporting their campaign throughout our network of stores. Several Metro stores also took part in the Foodland Ontario Retailer Awards, which rewards grocery retailers who distinguished themselves by raising awareness of fresh Ontario products in their establishment.
- We also continued to support products and suppliers from Ontario through our Harvest from Home campaign, using in-store promotional material, circular ads and a recipe contest on the Metro Ontario Facebook page.

## NEXT STEPS

- Metro wishes to continue to improve its association with agri-food industry players from Quebec and from Ontario and will announce its local purchasing policy in the spring of 2013.

## ACTION

We are working to define Metro's significant commitments to promote local procurement.

A series of initiatives adds to that action, also helping us to support local suppliers.



Anne-Marie Tanguay from Les Arômes de la Terre farm, and Sophie Joyal from Metro Plus des Forges in Trois-Rivières

## Empowered Employees

A top priority for Metro is the creation of an ethical, safe and healthy work environment with a dynamic culture of respect, diversity and professional and ethical conduct.

## PRIORITIES

## CREATING ETHICAL, SAFE AND HEALTHY WORK ENVIRONMENTS

## 2012 ACHIEVEMENTS

## ONTARIO

- We continued our efforts to ensure safe work practices based on identified needs. Example: new, upgraded CSA approved step ladders with handrails were implemented at all the Metro Ontario retail locations to prevent potential falls from heights.
- We completed the training, for approximately 13,000 employees, on the Company's Safe Work Practices for ladders.
- Over 25 sessions were conducted on the Company's Annual Health & Safety Standards training. Over 500 managers and supervisors participated in the training. Topics such as the prevention of Workplace Violence and Harassment, Occupational Health & Safety Law, Safe Work Practices for Working Outside, Dock Safety and Contractor Safety were covered.
- Over 250 training sessions were conducted for approximately 1,400 store department heads. Topics such as legal Occupational H&S Responsibilities and the Company's H&S Policy and Program were addressed.
- We partnered with the Canadian Red Cross and trained over 400 management employees in First Aid and Cardiopulmonary Resuscitation (CPR).
- We implemented revised Safe Work Practices for Contractor Safety Program – including requirements for contractors to complete Job Hazard Checklists and use Sign-In logs. Over 500 maintenance contractors received the revised requirements.
- We implemented Safe Work Practices for Material Handling at all retail store locations. Approximately 20,000 employees received information and instructions related to the safe handling, storage and transportation of materials.



## ACTION 1

Continue to implement initiatives to reduce the number of overall injuries, and ensure upgrade activities for our in-store equipment in order to eliminate the risks related to machine safety.

## Empowered Employees

A top priority for Metro is the creation of an ethical, safe and healthy work environment with a dynamic culture of respect, diversity and professional and ethical conduct.

## PRIORITIES

## CREATING ETHICAL, SAFE AND HEALTHY WORK ENVIRONMENTS (CONTINUED)

## 2012 ACHIEVEMENTS

## QUEBEC

- We developed and installed six structures for safe snow removal from trailer tops at six of our eight distribution centres, as falling from heights was a major safety issue during snow removal.
- We developed a safety procedure for clamp attachments used on lift trucks, and a safety procedure to pick up unstable or fallen boxes in top racking.
- 133 supervisors have been trained for a total of 2,200 hours on different safety matters such as accident investigation, subcontractor procedure, inspection procedure, Workplace Hazardous Materials Information System.
- More than 7,000 hours of safety training have been given to our distribution centres and stores employees on lift truck, pallet jack, ergonomics and CPR. Those hours don't include the job training that also assesses some safety specificities.

## NEXT STEPS

We will assess and implement further safe work procedures to improve the control over risks in workplaces, and will continue to provide required training to targeted groups in both provinces.

## 2012 ACHIEVEMENTS

- Fiscal 2012 marks the 5<sup>th</sup> consecutive year in Ontario and in Quebec for reductions in lost time frequency.
- We report 158 Metro locations with zero lost time accidents, which represent 44% of Metro facilities.

## NEXT STEPS

- Continue to focus on accident prevention and lost time injuries strategies.

## ACTION 1

Continue to implement initiatives to reduce the number of overall injuries, and ensure upgrade activities for our in-store equipment in order to eliminate the risks related to machine safety.

## ACTION 2

Continue to focus on the prevention and reduction of occupational injuries in our establishments

## Empowered Employees

A top priority for Metro is the creation of an ethical, safe and healthy work environment with a dynamic culture of respect, diversity and professional and ethical conduct.

### PRIORITIES

## PROFESSIONAL DEVELOPMENT AND REWARDING PERFORMANCE

### 2012 ACHIEVEMENTS

In 2012, employees who received the Customer Promises training



#### ONTARIO

a) Store Management & In-store Trainers (8 hours)	525
b) Store Employees (2 hours)	26,274
c) Administrative Offices (2 hours) (including Ottawa and distribution centres)	628
d) Distribution centres unionized employees (1 hour)	1,100

#### QUEBEC

a) Store managers (7.5 hours)	168
b) In-store ambassadors (15 hours)	227
c) Department managers (7.5 hours)	1,317
d) Employees (4 hours)	10,937

- We developed and tested an eight-hour training session related to our five customer promises for Quebec employees from the distribution sector.
- In both provinces, our other training programs have involved over 2,000 management employees in numerous topics including performance management, coaching, health and safety management, supervision, political savvy, union management continuous, technology and languages. In addition to these specific sessions, on-going training is performed during the regular employee activities.
- We implemented in every store of the Super C banner in Quebec an employee committee dedicated to the improvement of the shopping experience of customers. We trained members of the teams on a new problem-solving process and implemented a centralized electronic follow-up tool.

### NEXT STEPS

- We will continue to meet the organization and the employees' needs regarding training requirements.
- We will implement an eight-hour training session for Quebec employees from the distribution sector.

### ACTION

Give additional customer service training to store employees through our Customer Promises program

## Empowered Employees

A top priority for Metro is the creation of an ethical, safe and healthy work environment with a dynamic culture of respect, diversity and professional and ethical conduct.

### PRIORITIES

## EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL EFFECTIVENESS

### 2012 ACHIEVEMENTS

- We rolled-out an ongoing survey to a representative group of stores in approximately 50 locations in Quebec and Ontario to measure mobilization.
- We implemented the Store Recognition Program, to reward a quarterly divisional winner among the Metro, Super C and Food Basics banners, based mainly on overall customer satisfaction score and average basket size.
- We provided opportunity for a weight-management program to promote the well-being of our employees.

### NEXT STEPS

- We will conduct a new employee survey to measure mobilization in a number of stores in both Quebec and Ontario.
- In Ontario, the training program "specific actions and behaviors" in each department to support the 5 Customer Promises is being incorporated into new training program for all newly hired store employees.
- Based on the positive 2012 results, we will continue to roll-out the Store Recognition Program in both provinces.



Metro Plus Chicoutimi

### ACTION

Continue to roll-out our employee survey to better meet their expectations.

Adding to this action is a series of initiatives that also helps us in our attempt to achieve employee engagement and organizational effectiveness.