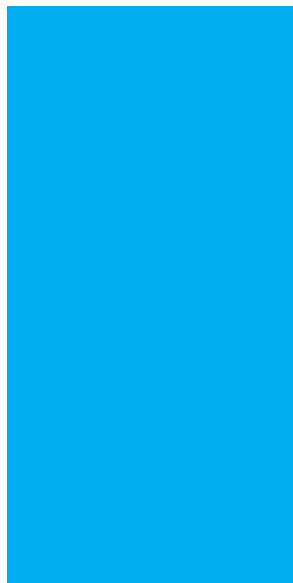




**metro**

2015  
Corporate  
Responsibility  
Update



# Table of Contents

- 2 COMPANY PROFILE
- 3 MESSAGE FROM THE PRESIDENT AND CEO
- 5 GOVERNANCE WITH RESPECT TO CORPORATE RESPONSIBILITY
- 6 DELIGHTED CUSTOMERS
- 10 RESPECT FOR THE ENVIRONMENT
- 13 STRENGTHENED COMMUNITIES
- 16 EMPOWERED EMPLOYEES

# Company Profile

With annual sales of over \$11 billion and more than 65,000 employees, Metro is a leader in food and pharmaceutical distribution in Québec and Ontario, where it operates a network of 588 food stores under several banners including Metro, Metro Plus, Super C, Food Basics, Adonis and Première Moisson, as well as 268 drugstores under the Brunet, Metro Pharmacy and Drug Basics banners.

## RETAIL NETWORK (SEPTEMBER 2014)

	QUÉBEC	ONTARIO	TOTAL
Supermarkets	207	141	348
	METRO METRO PLUS	METRO	
Discount stores	86	122	208
	SUPER C	FOOD BASICS	
Partners			
Adonis	6	2	8
Première Moisson	23	1	24
<b>Total</b>	<b>322</b>	<b>266</b>	<b>588</b>
Drugstores	194	74	268
	BRUNET BRUNET PLUS BRUNET TARGET BRUNET CLINIQUE CLINI PLUS	METRO PHARMACY DRUG BASICS	

## SUPERMARKETS



## DISCOUNT STORES



## PARTNERS



## DRUGSTORES





# Message from the President and CEO

## A Structured and Forward-Looking Approach

2014 marked the completion of our first Corporate Responsibility (CR) road map. In August of 2010, we unveiled our first CR Plan, which included the framework for future projects which aligned with our business priorities. Over the past four years we have significantly improved our performance with respect to CR. We have carried out a number of projects including our Local Purchasing Policy, our Sustainable Fisheries Policy and our Waste Management Program, which had an impact on our communities, our customers, our employees and our shareholders. We are very proud of the progress we made and will continue to take the same approach.

Over the next year, we will conduct a review of our CR Plan, which will be based on the same four pillars as the last, as they remain relevant. We will also ensure that our efforts continue to be directed towards the issues that we can impact in a significant way while remaining consistent with our business strategies. In order to achieve this, we will have to remain in constant communication with our internal and external stakeholders. This dialogue will allow us to ensure a better understanding of our initiatives, to benefit from our stakeholders' perspectives, to predict potential issues and needs, and to identify the risks and opportunities.

Our CR approach also puts emphasis on our procurement activities, since they represent a large piece of our environmental and social impact. This is an important way for us to assume responsibility and leadership with respect to sustainable development. Over the coming months, we will continue our efforts in implementing the initiatives that are already in place, and will begin analyzing our supply chain in order to develop the guiding principles that will enable us to have a comprehensive and integrated approach.

This updated report is intended to highlight all of the efforts made this past year regarding CR. These efforts are based on our four pillars: Satisfied Customers, Strengthened Communities, Respect for the Environment and Empowered Employees. We want to capitalize on our strengths and take advantage of what we have learned. We will continue our efforts with respect to CR and continue to improve over the coming years.

In closing, I would like to take a moment to thank the teams that have contributed to this project. It is thanks to their hard work and dedication that Metro is now a meaningful contributor with respect to Corporate Responsibility (CR).



*Eric R. La Flèche*  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

# Our Vision of Corporate Responsibility

An approach based on four pillars with priorities reflecting key societal issues and our business practices.

## OUR CR PILLARS

**DELIGHTED CUSTOMERS**

Ensuring Food Quality and Safety  
Promoting Health and Nutrition  
Providing Responsible Product Offerings

**RESPECT FOR THE ENVIRONMENT**

Rethinking Packaging  
Taking Part in the Effort to Fight Climate Change  
Managing Waste

**STRENGTHENED COMMUNITIES**

Investing in Our Communities  
Supporting Local Suppliers

**EMPOWERED EMPLOYEES**

Creating Ethical, Healthy and Safe Work Environments  
Supporting the Professional Development of Employees and Rewarding Performance  
Stimulating Engagement and Organizational Effectiveness

**GOAL**

**TO BE  
THE BEST PERFORMING  
FOOD RETAILER IN CANADA**

**MISSION**

*To satisfy our customers every day  
and earn their long-term loyalty*

**PILLARS**

**CUSTOMER  
FOCUS**

**STRONG  
EXECUTION**

**BEST  
TEAM**

**SHAREHOLDER  
VALUE**

**CORPORATE RESPONSIBILITY**

# Governance with Respect to Corporate Responsibility

Governance with respect to CR is integrated into the responsibilities of the entities already in place, dealing with Metro's corporate governance. These entities ensure that governance and control mechanisms are implemented and monitored to guarantee careful and uniform management of CR issues throughout the organization. They also ensure that the priorities and initiatives implemented are in harmony with the Corporation's business strategy and values.

Supervision of Metro's Corporate Responsibility strategy is handled by the Senior Director of Corporate Affairs, who reports to the Management Committee on the progress that has been made. She works very closely with Metro's CR Senior Advisor, in charge of coordinating the company's CR initiatives, as well as with those in charge of the various initiatives and the members of the sectorial committees that deal with specific projects such as local purchasing, sustainable development and the environment. That team's mandate is to ensure the implementation of the CR action plan and to monitor the progress of work being done to achieve our goals.

## Ongoing Relationships with our Stakeholders

In order to bring maximum value to our approach, we maintain regular relationships with our stakeholders. Establishing that dialogue is at the very heart of our approach. We recognize that our activities have an impact on society and that they affect a large number of people. To understand their needs and create value, it is essential to work with all of our stakeholders. Their points of view are essential information which we can use to better target our actions.

### **PRIX MERCURIADES**

In April of 2014, Metro received an award at the *Gala des Mercuriades 2014*, the awards ceremony organized annually by *la Fédération des chambres de commerce du Québec*, in the Sustainable Development – Large Company category. The award recognizes a company whose commitment and achievements with respect to Sustainable Development are remarkable and unique in its industrial sector.

Metro's Corporate Responsibility approach allows it to structure its programs and actions in order to link its commitment in that area to its business goals and commercial strategy.



Metro wins a Laureate in the Sustainable Development Large Company category at the Gala des Mercuriades 2014

### **ABOUT THIS REPORT**

This Report on Metro's Corporate Responsibility covers the 2014 fiscal year, which is defined as the 52-week period ending September 27, 2014. This report focuses on food store activities in Québec and in Ontario, which represent the major portion of our sales. The report was the object of a review by our Internal Audit Department, but was not audited by an external firm.

# Delighted Customers

The customer drives our business strategy and is therefore a huge part of our Corporate Responsibility (CR) approach. We feel that it is essential to offer our customers quality products and help them find healthy nutritional products. We also make sure that our purchasing is responsible, through our concern for the socioeconomic and environmental aspects of our supply chains.

## 1 → Ensuring Food Quality and Safety

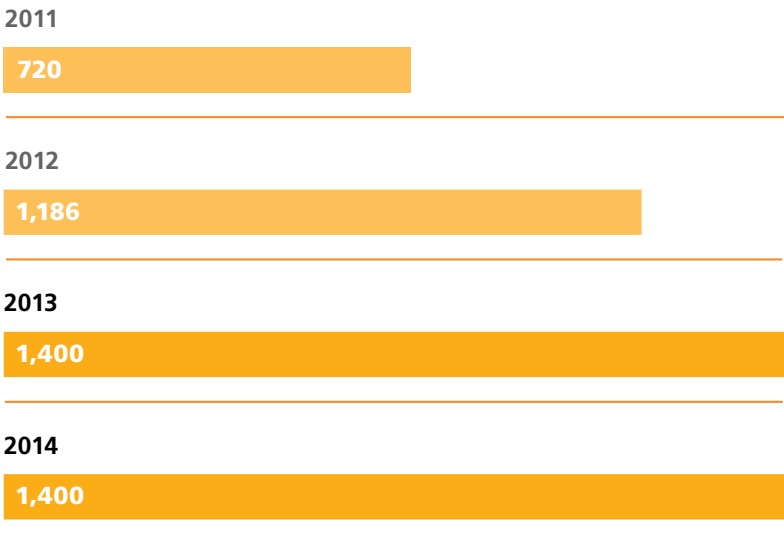
Making sure that the products on sale are always of good quality and safe to eat has always been part of the grocer’s job. Key players make an effort to adhere to high standards in order to reduce risks during both the food production and food processing steps.

Metro asks that its private brand and produce suppliers be certified according to standards recognized by the Global Food Safety Initiative (GFSI), the most highly respected standard in the industry. Metro recognizes that this may represent a major challenge to smaller or niche product companies, for whom no food safety system exists. When possible, we give preference to suppliers with GFSI-recognized certification.

% OF SUPPLIERS CERTIFIED BY A GFSI-RECOGNIZED STANDARD			
	RESULTS END OF DECEMBER 2012	RESULTS END OF DECEMBER 2013	RESULTS END OF DECEMBER 2014
Private brands	70%	89%	91%
Produce	73%	79% of our fruit and vegetable suppliers declare having a safety program in place; of these, 63% are GFSI-certified and 16% are in the process of becoming certified.	81% of our fruit and vegetable suppliers have implemented an audited food safety program; of these, 70% are GFSI-certified and 11% are in the process of obtaining that certification.

Our teams regularly monitor suppliers who have not obtained certification. Based on discussions with them, we set up an action plan and an implementation schedule.

### QUALITY CONTROLS CARRIED OUT ON PRIVATE BRAND PRODUCTS BY METRO’S QUALITY ASSURANCE DEPARTMENT



## 2 → Promoting Health and Nutrition

Because nutrition, health and the joy of eating are at the heart of its customers’ priorities, Metro launched the *My Healthy Plate with Metro* program promoting healthy eating in all Metro and Metro Plus stores in Québec and Ontario in October 2013.

The program aims to simplify the life of consumers who want to make healthier choices. It rests on four commitments.

1. Improve our product range to promote healthy eating.
2. Help our consumers select healthier food products.
3. Provide access to healthy products at affordable prices.
4. Promote healthy eating habits in the community (for more information on the *Metro Green Apple School Program*, please see the “Strengthened Communities” section).



1. Metro made a commitment to increase its *Irresistibles Life Smart* product offerings to 375 products by the end of 2015 (358 of which will not contain any sugar substitute).

The efforts made by Metro’s private brands to promote healthy eating, particularly through the *Irresistibles Life Smart* line, were recognized in 2014. In fact, Metro’s *Irresistibles Life Smart* line won first prize in the *Improved Food Product category, Large Company*, at the *DUX Gala* in January of 2014, for its contribution to the healthy eating habits of Québécois. The product line sets itself apart through its delectable vision of healthy eating on a daily basis and the joy of eating well at affordable prices.



PRODUCTS THAT PROMOTE GOOD NUTRITION				
PRODUCT LINES	END OF 2012	END OF 2013	GOALS END OF 2014	ACHIEVED 2014
<i>Irresistibles Life Smart</i>	243	244 in 80 product categories	310	326
<i>Irresistibles Gluten Free</i>	30	36* <small>*6 new in Q1 of 2014</small>	51	46
<i>Irresistibles Organic</i>	104	91	91	84
<i>Irresistibles and Selection Sodium Reduced</i>	201	390 Criteria now integrated into product development	500	661
<i>Selection products that have an on-package claim regarding nutritional attributes (less fat, no trans fats, less salt)</i>	260	300	325	565
<i>Irresistibles products without artificial colouring or flavours (Irresistibles, Life Smart, Smart Kids)</i>	n/a	100% of <i>Life Smart</i> products (244 products)  85% of <i>Irresistibles</i> products	100% of <i>Life Smart</i> products  85% of <i>Irresistibles</i> products	100% of <i>Life Smart</i> products  85% of <i>Irresistibles</i> products



## 2 → Promoting Health and Nutrition (continued)

2. To help consumers select healthier foods, Metro and its team of dietitians have continued to analyze grocery products in order to award small (good choices) or large (great choices) icons that are placed on price tags of products that are particularly nutritious.
3. To facilitate access to healthy products at affordable prices, Metro developed offers on healthy products, in order to show that eating well does not have to be expensive. We have increased the number of promotions improving the accessibility of affordable products, thanks in large part to the following.
  - Special prices (or bonus M points) on *Good Choice* or *Great Choice* products in flyers
  - Discounts (or bonus M points) in flyers on *Irresistibles Life Smart* products
  - Facebook offers (on good or great choices, on *Life Smart* products)
  - Bonus M points coupons sent through our *metro&moi* web communications to our *metro&moi* members

MAKING IT EASIER FOR SHOPPERS





In all, over 12,000 products were analyzed, in more than 60 categories, which resulted in over 3,000 smile icons being placed – 2,240 good choices and 1,044 great choices.

3,000 SMILES  
on the price tags of products  
that are healthy options



2,240  
GOOD CHOICES



1,044  
GREAT CHOICES

IN SEPTEMBER OF 2014, METRO SUBMITTED FIVE COMMITMENTS TO MELIOR.

1. Increase the number of *Irresistibles Life Smart* products to 375 by the end of 2015 (358 of which won't contain any sugar substitute). Our line included 326 products in January 2014.

2. Analyze the sodium content of each of our private brand products and reduce it whenever possible. (Ongoing).

3. Promote healthy eating habits in the community with the *Metro Green Apple School Program*.

4. Develop a system (smile icons) to locate products selected as being a good choice (small smile) or a great choice (big smile). (Accomplished).

5. Facilitate access to healthy products and recipes at affordable prices. (Accomplished).

Melior is a Québec initiative of the CFPI (Council for Food Progress Initiatives) aimed at stimulating progress in the food industry and contributing to improving food offerings in Québec. The program consists of a voluntary charter of commitments concerning nutritional progress and is intended for food manufacturers.





### 3 → Providing Responsible Product Offerings

Responsible procurement processes are essential in any CR approach. That is why we consider more than the traditional criteria such as quality, freshness and product availability. We also want to integrate environmental and social criteria into our purchasing habits, which can impact our activities as well as communities.

In recent years, we have implemented several initiatives with respect to responsible procurement practices. In 2014, we began a process that will allow us to consolidate those initiatives, optimize their implementation and equip ourselves with the tools needed to measure them. Furthermore, we will address new themes that have gained importance over the past few years, including GMOs and animal welfare. In that regard, we work closely with the various industry players, including distributors, producers, processors and their respective associations in order to identify the best practices with respect to farm animals. Also, Metro, as a member of the Retail Council of Canada, has made a commitment to source fresh pork products from sows raised in accordance with the Code of Practice for the Care and Handling of Pigs (conversion of housing practices planned by 2022). Metro is also paying close attention to the question of milk-fed calves and welcomes the commitment on the part of the *Fédération des producteurs de bovins du Québec* to phase in group housing by 2018. This process will be in harmony with the company's business practices and goals, with respect to both its guiding principles and its implementation.

#### SUSTAINABLE FISHERIES

Over the course of 2014, we continued our efforts with respect to sustainable fisheries.

##### — Choosing healthy species

Since implementing our policy, we have removed 16 species or groups of species that did not meet our criteria. Patagonian toothfish coming from an eco-certified fishery has been reintroduced in Ontario.

##### — Promoting sustainable operating methods

In 2014, we continued to implement procurement criteria for wild and farmed species targeted by a continuous improvement program. Various groups of species facing challenges were created based on the production mode and the solutions that can be brought to bear. The company therefore set up criteria adapted to each situation, to concretely measure the improvement of its procurement. For example, eco-certifications are used as a tool to monitor the improvement of practices for the following groups: farmed tropical shrimp, salmonids farmed in open net-cages, farmed tropical fish, the Patagonian toothfish, and certain other species. We have also maintained the requirements for the demonstration of good practices for large migrating predatory species such as tuna, marlin and swordfish.

##### — Product traceability

Product traceability remains an important principle of our Sustainable Fisheries Policy. We are continuing our monitoring and information management efforts with respect to product traceability, allowing us to provide information on a species' origin (scientific name, fishing zone and type of fishing) on scale labels in-store and on private brand packaging. We also produce periodic reports that enable us to better monitor the situation and take preventive action. For the second year, we conducted DNA analysis on several different species in order to validate the integrity of the information.

#### PALM OIL

The increasingly widespread use of palm oil as an alternative to hydrogenated oils and oils containing high levels of trans fats raises significant issues, given the environmental impact of current production practices. We conducted an inventory of palm oil use in our private brand products in order to fully understand the situation and undertake an approach to improve our practices.

As a result, all of our calls for tenders now require that our suppliers specify the type of palm oil they use. We will promote the use of sustainable palm oil whenever financially and logistically feasible.

Working with our suppliers, we will continue to document the origin of the palm oil that goes into our private brand products.

#### SELECTION ECO

Offering more environmentally friendly cleaning products is also part of Metro's commitment.

The *Selection Eco* line covers home cleaning, dishwashing and personal hygiene products, as well as energy-saving light bulbs.

In 2014, we offered 42 products under this brand.



# Respect for the Environment

We are aware that our commercial activities can have an impact on the environment. That's why we're committed to taking measures to reduce our environmental footprint as much as possible.

## 1 → Rethinking Packaging

Our main goal is to optimize the packaging of our private brand products in order to reduce their environmental footprint.

Over the course of 2014, we continued to improve our packaging by making it more environmentally friendly.

Our optimization approach is based on comprehensive knowledge of our private brand products and their packaging. In that regard, we work closely with our suppliers and invite them to integrate practices to improve their performance in this area. We use more environmentally friendly packaging material including the following.

- Request for the removal of rigid PVCs (polyvinylchloride).
- Removal of unexpanded PS (polystyrene).
- Gradual removal of bioplastics.
- Use of recycled cardboard whenever possible.
- Use of RPET (recycled polyethylene terephthalate) whenever possible.
- Use of vegetable-based inks.

### ENVIRONMENTALLY RESPONSIBLE ALTERNATIVES

The packaging optimization strategy varies according to the characteristics of the product and the options available on the market. Here are a few examples of our optimization efforts in 2014.

- A 19% reduction in the weight of the plastic packaging of our *Selection* dressings and a 40% reduction in the cap.
- Our soluble coffees changed from glass packaging to PET packaging, translating into an average weight reduction of 85% across all products. That improvement is mentioned on the label.
- Decrease in the weight of all of our *Irresistibles* and *Selection* unrefrigerated juice bottles, resulting in an average weight decrease of 13% on 15 of the line's products.
- Standardization of our PET *Tasty Pantry/Réserve aux délices* bulk container programs and removal of PS and of PP (polypropylene).



## 2 → Taking Part in the Effort to Fight Climate Change

In order to reduce the environmental impact associated with our activities, we have implemented programs to reduce our energy consumption, optimize transportation, improve our refrigeration equipment, and reduce the amount of waste going to landfill.

### GREENHOUSE GAS (GHG) EMISSIONS FROM BUILDINGS

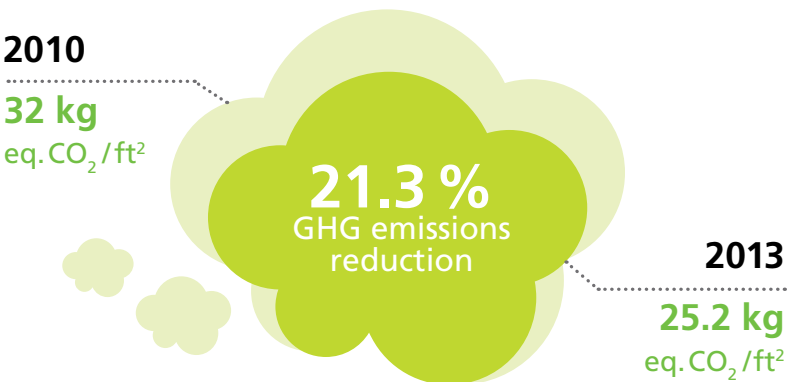
Our main commitment towards reducing our GHG emissions consists of reducing our level of energy consumption by 10% by 2016 compared to 2010. At the end of 2014, we achieved a cumulative decrease of 7.5% from 2010. This reduction stems from our efforts to reduce our electricity and natural gas consumption.

There were many projects that contributed to reducing our energy demand: we put the emphasis on the conversion of lighting in our stores through the modernization of equipment and the introduction of LED lighting for many applications. Other important projects were the program to upgrade the heat recovery systems in over 100 stores, and the modernization of refrigeration equipment in the case of major renovations.

We also implemented an in-store awareness program to train and brief managers and employees on the sound energy management of their site. A personalized approach enables store managers to get practical tips related to their store and to benefit from continuous support, when necessary, provided by the internal team responsible for energy.

In calculating the GHG emissions of our corporate and franchised stores in Québec and Ontario in 2013, we used the recognized Greenhouse Gas Protocol (GHG Protocol) calculation methodology, developed by the World Business Institute (WBI) and the World Business Council on Sustainable Development (WBCSD). Our 2013 emissions, calculated in 2014, came to 25.2 kg eq. CO<sub>2</sub>/ft<sup>2</sup>, compared to 32 kg eq. CO<sub>2</sub>/ft<sup>2</sup> for the reference year of 2010, which translates to a reduction of 21.3%.

Our main sources of GHG emissions are the energy consumption of the buildings and the disposal of our waste, which together account for 63% of our GHG emissions.



### TRANSPORTATION

We are pursuing our efforts to reduce the number of empty runs by continuing to encourage goods collection from our suppliers to our warehouses, in order to avoid driving empty trucks. Through this initiative, we work with our suppliers and in synergy with the various distribution centres to maximize our opportunities.

### CARBON DISCLOSURE PROJECT

For the seventh consecutive year, we submitted our carbon footprint to the Carbon Disclosure Project (CDP). We received a mark of 82% for the 2014 declaration of our 2013 carbon emissions. In terms of accountability, this result makes Metro a leader in the sector.



### 3 → Managing Waste

Waste reduction helps curb the environmental impact of waste disposal and reduce GHG emissions, and also promotes better recovery of materials throughout the various recycling systems.

In 2010, Metro made the ambitious commitment to reduce its waste disposal by 25% by 2016.

In 2014, we continued to implement our programs and we now stand at 15.85% of our goal of 25%.

#### THREE KEY AREAS OF INTERVENTION TO ACHIEVE THAT GOAL

- Organic waste recovery for biological treatment (composting and methanization) or food brokerage purposes
- Multi-material recycling
- Increased employee awareness

#### ORGANIC WASTE

In 2014, we completed the implementation of a company-wide organic waste recycling program in our corporate and franchised stores in Québec and Ontario. 12,000 metric tonnes of plant-based organic waste avoided disposal, more than twice the amount in 2013.



At Metro, we follow a hierarchy of resource conservation for food waste. We favour reduction at source, food donations and conversion for animal nutrition whenever possible. However, some organic waste cannot be converted using these methods, which is why we have organic waste collection programs for composting or methanization purposes.

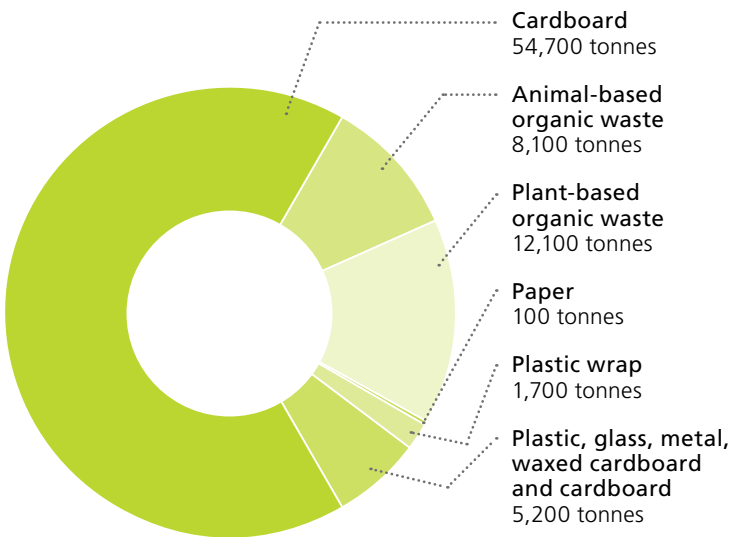
#### FOOD BROKERAGE

In 2014, we continued the food brokerage program in Québec in 11 Metro and Super C stores in the Greater Montréal Area in order to redistribute food surpluses to community organizations and food banks. This pilot project recovered approximately 165 kilos of food per store each week, which avoided disposal, representing 59 tonnes of donations, the equivalent of the annual food consumption of 87 adults (based on a daily consumption average of 1.87 kg/per day for an average North American). The program is beneficial because it allows us to give back, and it prevents the loss of food that is still edible.

#### MULTI-MATERIAL RECYCLING

The multi-material recycling program allows for the recycling, in bundles, of waxed cardboard, plastic, metal and paper. In 2014, we completed the development of the multi-material recycling program in Québec in all of our corporate and franchised stores. In Ontario, the program is in the implementation phase.

#### WASTE RECOVERED IN 2013 IN CORPORATE AND FRANCHISED STORES IN QUÉBEC AND ONTARIO: 81,900 TONNES



\*We assessed the weight of the cardboard boxes given out to customers of Food Basics stores in Ontario as packaging. As early as next year, this reuse of cardboard boxes will be accounted for in our quantities of recycled material because they are not sent to landfill. We believe that this adjustment made to the methodology will have a positive impact on the diversion rate of waste coming from stores.

#### INCREASED EMPLOYEE AWARENESS

Our in-store employees play a key role in the implementation of our programs. We have set up various initiatives that enable us to maintain constant communication with them.

- Officials devoted to in-store environmental programs
- Training on recycling programs
- Production of quarterly waste management performance assessments for each store
- Monthly communiqués sent out to stores
- Environmental audits of stores and warehouses

#### RESULTS OF THE IMPLEMENTATION OF WASTE RECOVERY PROGRAMS

Through the implementation of new programs, the continuous improvement of existing programs, and its continued efforts to raise awareness, Metro has made significant progress toward achieving the waste reduction goal it set in 2010.

Thanks to the various programs in place, our stores can reach avoidance rates of over 80%.

#### PROSPECTS FOR THE FUTURE

Efforts to divert recoverable resources from landfill will continue throughout our network in 2015 so that we may achieve our goal of a 25% reduction in 2016. We will also continue to pursue our efforts to categorize the waste that we generate in order to maximize the recovery rates in our corporate and franchised stores in Québec and Ontario.

# Strengthened Communities

Through our activities, we want to make a positive contribution to the communities in which we operate and to extend the scope of our programs that benefit them.

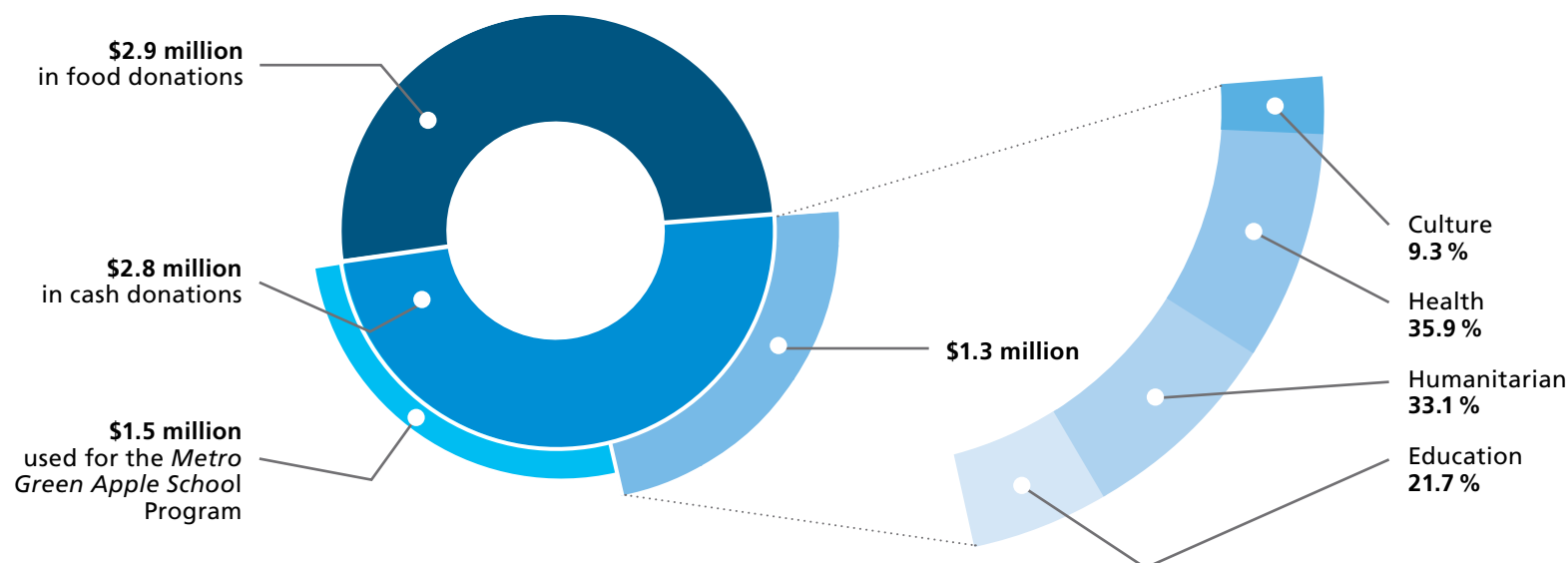
## 1 → Investing in Our Communities

Our community investment program revolves around two pillars: access to food, and promoting healthy eating. In 2014, we made company donations in cash and products for a total value of \$5.7 million, the equivalent of 1.1% of the average net earnings of the last three years (2011, 2012 and 2013). That is \$600,000 more than the previous fiscal year, an increase of almost 12%.

- \$2.9 million in food donations to various organizations, many of which assist low-income families, notably food banks, such as *Moisson Montréal*, *Accueil Bonneau* and *Maison du Père*.
- \$2.8 million in cash donations presented to organizations such as foundations and university research centres including \$1.5 million used for the *Metro Green Apple School Program*, a contribution that Metro and its merchants have made annually since 2012.

### METRO'S CONTRIBUTION IN 2014

TOTAL CONTRIBUTION: \$5.7 MILLION



### SUSTAINABLE FOOD BROKERAGE

During 2014, we continued our sustainable food brokerage program. Knowing that protein is an essential nutrient in a balanced diet, Metro began a pilot project with *Moisson Montréal* to recover meat in 11 of its stores. The pilot project confirmed that our actions with respect to community investment have a tangible impact on access to food.

As a result, 40 community organizations on the Island of Montréal benefited from the program. Finally, we formalized our partnership with *Moisson Montréal* in order to launch the program throughout the whole Island of Montréal and the South Shore in 2015. We are also assessing the next steps for our operations in Ontario and the rest of Québec.



# 1 → Investing in Our Communities (continued)

## METRO GREEN APPLE SCHOOL PROGRAM

For the third consecutive year, Metro, along with its Metro merchants in Québec, and its Super C and Food Basics merchants, awarded \$1.5 million to elementary and high schools in Québec and Ontario to carry out projects aimed at developing healthy eating habits. As a result, over the last three years, thousands of young people have discovered new foods and new tastes, learned to cook, created a vegetable garden, and generally learned about food in a healthy and fun way, encouraging them to adopt healthy living habits that will stay with them for the rest of their lives.



## ENGAGEMENT OF OUR EMPLOYEES

### METRO'S CONTRIBUTIONS TO CENTRAIDE HAVE CONTINUED TO INCREASE

#### ANNUAL YEARLY INCREASE

2010	\$546,490	3.32 %
2011	\$637,435	16.64 %
2012	\$748,229	17.38 %
2013	\$881,931	17.87 %
2014	\$970,934	9.96 %

In Ontario, employees contribute to several causes by taking part in the *Metro Full Plate* at-source deductions program. In 2014, the program collectively provided \$281,311 to four organizations: Breakfast Clubs of Canada, Ontario Association of Food Banks, Second Harvest, Leukemia Research Fund of Canada, and United Way.

## IN PARTNERSHIP WITH OUR CUSTOMERS AND SUPPLIERS

### MIRA

In 2014, in the name of the customers of its 86 stores, Super C made a donation of \$202,169 to the MIRA Foundation, an organization that aims to increase the autonomy of disabled persons and foster their social integration by providing them with dogs trained to meet their disability and rehabilitation needs.



### Feed a Child

A fundraising campaign held in all Metro supermarkets in Québec from September 4 to 13, 2014 raised \$180,900 for the Léger Foundation's Feed a Child campaign. The Foundation redistributes 100% of the donations to community organizations in Québec.



### Full Plate

Metro Ontario's annual charity golf tournament held in July 2014 raised \$122,487 for Metro's Full Plate program. 290 Metro employees and several generous suppliers took part in the charity tournament to help raise funds.

### Toonies for tummies contributes to making hunger disappear

Toonies for tummies, an initiative of The Grocery Foundation, raises funds for local breakfast programs that feed children in our communities. Metro and Food Basics store customers helped raise \$507,916 in February 2014.



### The Campbell Program

For the fifth consecutive year, Metro Ontario partnered with Campbell Canada to help fight hunger in our communities thanks to the Help Hunger Disappear program. This Campbell program raised \$103,212 for the Ontario Association of Food Banks, thanks to residents who took part in local events, and Metro customers who supported local food banks by making a donation when visiting one of our stores.



## 2 → Supporting Local Suppliers

### LOCAL PURCHASING POLICY

Throughout the year, we continued implementing our local purchasing policy, revolving around three guiding principles to support Metro's position.

- A unique showcase for regional products
- A partner of choice of *Aliments du Québec*, an organization devoted to promoting Québec agri-food products
- The main ally of innovative Québec suppliers

### A UNIQUE SHOWCASE FOR REGIONAL PRODUCTS

In 2014, we completed our pilot project in three regions: Lanaudière, Chaudières-Appalaches and Centre-du-Québec. The results of this pilot project gave us a better idea of the situation and improved our processes to help suppliers develop. We were able to introduce 300 new local products into our stores in these regions. We have continued to roll out our project and added the region of Estrie in November 2014, raising the number of new regional products offered to our customers to more than 400. In 2015, other new regions will be added to promote regional products in more stores and regions in Québec.



### A PARTNER OF CHOICE OF ALIMENTS DU QUÉBEC, AN ORGANIZATION DEVOTED TO PROMOTING QUÉBEC AGRI-FOOD PRODUCTS

In order to ensure the presence of Québec products at Metro, we continued our in-store *Le Québec on en mange* campaign, and 171 Metro and Metro Plus stores took part in the *Aliments du Québec dans mon assiette* contest. We also reached an agreement to allow our *Irresistibles* private brand chicken products to be 100% from Québec. All the regional products are also *Aliments du Québec*-certified. We also encourage Québec suppliers who are already present in Metro to register their products with *Aliments du Québec*.

### THE MAIN ALLY OF INNOVATIVE QUÉBEC SUPPLIERS

We signed agreements with innovative suppliers who had distinctive products and the ability to distribute to more stores. Two such suppliers are *Les Aliments Tristan*, who is present in most of our stores in Québec, and *Produits d'érable Cumberland* who is now present in more than 50 stores. This partnership acted as an important springboard for these companies, which resulted in growth of their production.

Our local purchasing policy allowed us to structure our efforts and ensure consistent implementation throughout Québec. We will be just as thorough in undertaking a similar approach and adapting our local purchasing policy to the Ontario market in the coming year.



### ÉQUITERRE'S PANIERS BIO ORGANIC PRODUCE BASKETS

For the third consecutive year, Metro partnered with Équiterre for the *Paniers bio* project. In all, 19 stores – 18 Metro and one Super C – five more than in 2013, were used all summer long as delivery points for baskets of fresh vegetables, that were certified organic or in the process of becoming certified, prepared by farmers who are members of Équiterre's network of family farmers.

The partnership, which will continue in 2015 and 2016, was extended in eight Québec regions: Montréal, Mauricie, Montérégie, Centre-du-Québec, Outaouais, Estrie, Capitale-Nationale, and Lanaudière.



### ONTARIO

Metro supermarkets throughout Ontario took part in our *Foodland Ontario* program, aimed at promoting Ontario products and showcasing the path from farm to plate. Metro highlighted the program through personalized promotional material at purchase points, and support from its online platforms and social media networks.

Metro Ontario Inc. received 34 awards at the Ontario Retailer Awards, an annual ceremony to recognize the constant commitment and efforts of grocers to promote Ontario-grown products.



# Empowered Employees

Metro seeks to retain and attract the best talent to support customers in Québec and Ontario. We recognize the importance of employee commitment. We bring out their talents by offering professional development, maintaining a healthy and safe work environment, and promoting quality of life at work. Our greatest strength is our team of 65,000 employees, all sharing common values: teamwork, innovation, customer focus, and results orientation.

## 1 → Creating Ethical, Healthy and Safe Work Environments

One of Metro's priorities is to provide a work environment in which employees can perform their tasks in a safe and healthy manner. With the support of our management team, we seek to ensure that safety is integrated into our daily activities. By training and raising the awareness of our employees, Metro seeks to establish a culture of safety in all aspects of its business.

In 2014, Metro's key performance indicators continued to show positive results. Over the past five years, there has been a 27% decrease in the number of lost-time accidents and a 41% drop in the severity rate.

Furthermore, there were no lost-time accidents in 178 of the organization's establishments, which is 26 more establishments than in 2013.

To maintain the focus on training, over 28,000 employees and supervisors were provided with a health and safety awareness course, a new type of training required by law that covers matters such as legislation, employer, supervisor and worker obligations, workers' rights, workplace hazards, and Joint Health and Safety Committees.

Moreover, 1,150 employees took part in the annual health and safety standards training program, 544 department heads were trained on their responsibilities with respect to health and safety, and 126 newly hired supervisors received training concerning accident investigation, the lock-out/tag-out procedure, the inspection program, the subcontractor program, and WHMIS (Workplace Hazardous Materials Information System.)

Over 500 employees also received first aid and cardio-pulmonary resuscitation (CPR) training. In our distribution centres, 1,420 employees successfully completed a forklift or pallet jack operating course and 480 others received training on materials handling.

We entered into a partnership with ContractorCheck to obtain third-party safety accreditation for Metro's contractors.

In 2015, Metro will focus on the execution of an integrated strategic plan across both provinces. The plan will be based on examining best practices relating to three key pillars: prevention and training, communication, and program management.



## 2 → Supporting the Professional Development of Employees and Rewarding Performance

To provide an exceptional customer experience, Metro relies on the best team in the industry. In order to ensure our employees possess the necessary knowledge to offer the best possible customer experience, we provide employee training that promotes excellence in customer service. To that end, we continue to create programs intended to improve our employees' customer service and leadership skills.

Following the 2014 Québec rollout of Metro's *Ready to Act in Courtesy* training program aimed at store managers, a specific action plan was put in place for each store, allowing each team to focus on its strengths and opportunities. In 2015, this program was launched in Ontario. It is directed at store managers and their assistant managers, as well as experts in field operations. By the end of this year, all store managers will have completed the program and will have the tools necessary to mobilize their store teams in support of our *Five Customer Promises*.



## 3 → Stimulating Engagement and Organizational Effectiveness

Employee commitment is essential not only for their well-being and development, but also to ensure a positive customer experience. Our objective is to ensure that our employees can put the skills that they have acquired to good use in order to help us deliver on our promises to our customers. Using regular communication, our employees learn about best practice initiatives aimed at improving customer satisfaction and organizational effectiveness.

Here are a few initiatives that were launched or continued in our various administrative centres in 2014.

- A mentoring program designed to accelerate the development of key people considered to be tomorrow's leaders was launched in Québec and Ontario.
- A coaching program, focusing on current and potential members of management, was launched as a pilot in 2014, also in both provinces.
- Our harmonized succession planning process helped us to better focus on talent on a company-wide scale. As we continue to improve the process to reach better outcomes, we have implemented an updated leadership model as well as behavior-based indicators of future potential.
- A training program for department managers will be piloted in Québec. Its objective is to improve the skills of new and existing incumbents and to accelerate their development. The program alternates in-class training with supervised in-store training to improve knowledge transfer to participants.





#### **FOR FURTHER INFORMATION**

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#### **FORWARD-LOOKING INFORMATION**

We have used, throughout this report, different statements that could be construed as being forward-looking information. In general, any statement contained in this report that does not constitute an historical fact may be deemed a forward-looking statement. The forward-looking statements contained in this report are based upon certain assumptions regarding the Canadian food industry, targets, the general economy, as well as our 2014 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation 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 be reasonable and relevant at the date of publication of this report and represent our expectations. Metro does not intend to update any forward-looking statement contained herein.