

2023 CDP FORESTS DECLARATION

December 2023

metro

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

We might use, throughout this questionnaire, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. The use of the future tense as well as expressions such as "anticipate", "intend", "expect" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food and pharmaceutical industries, the general economy, our annual budget, as well as our 2023 action plan and our 2022-2026 Corporate Responsibility 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 represent our current expectations and to be reasonable and pertinent as at the date of responding to this questionnaire. The Corporation does not intend to update any forward-looking statement contained herein, except as required by applicable law.

BACKGROUND

For 75 years, METRO has made its mark, first in Quebec and then in Ontario and New Brunswick, by meeting the nutrition and health needs of the communities it serves. Its organic and acquisition-led growth has positioned it today as a leader in the food and pharmacy sectors in Eastern Canada. As a retailer, franchisor, distributor, manufacturer and provider of eCommerce services, the Corporation operates or services a network of 975 food stores under several banners including Metro, Metro Plus, Super C, Food Basics, Adonis and Première Moisson, as well as 645 drugstores primarily under the Jean Coutu, Brunet, Metro Pharmacy and Food Basics Pharmacy banners. In all, some 1,600 points of sale and 15 distribution centres provide employment to more than 95,000 people. With a history going back to 1947 and annual sales of nearly \$19 billion, METRO provides essential services to the communities it serves.

OUR PURPOSE: Nourish the health and well-being of our communities

METRO's purpose is a reflection of its increased presence in health and represents its current reality and aspirations. For METRO, nourishing the health and well-being of our communities is the work our employees undertake with excellence, day after day, to feed and serve the people of the communities where we operate. Our purpose is based on four

pillars: (1) customer focus, (2) best team, (3) operational excellence and (4) financial discipline. These pillars are anchored in our daily practices and ways and guide our actions and decisions, allowing us to fulfill our mission of exceeding our customers' expectations every day to earn their long-term loyalty. More information can be found in our 2022 Annual Report: https://corpo.metro.ca/userfiles/file/PDF/Rapport-Annuel/2022/en/annual_report_2022_EN.pdf.

BUSINESS STRATEGY

The foundation of METRO's business strategy is corporate responsibility and the continued integration of ESG factors into our business model. We aim to ensure that our actions bring value and address the issues that matter most to METRO, and to our stakeholders - customers, employees, suppliers, shareholders and community partners.

CORPORATE RESPONSIBILITY

At METRO, corporate responsibility (CR) is expressed through a rigorous approach to integrate environmental, social and governance (ESG) factors into our business practices. CR governance is part of the Corporation's management structure and involves key individuals at each decision-making and implementation stage under the guidance of the Board of Directors. Our ambitions are driven by the commitment of our teams and executives in order to create value for METRO and society. We believe that creating an inclusive and sustainable future is a shared responsibility and we are committed to taking an active role in this regard. In 2022, we published and began implementing our third corporate responsibility plan, which is available at <https://corpo.metro.ca/userfiles/file/PDF/2022-2026-cr-plan.pdf>.

Additional information about METRO can be found at <https://corpo.metro.ca/en/home.html> and in our 2022 Corporate responsibility report at <https://corpo.metro.ca/userfiles/file/PDF/2022-cr-report.pdf>.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	September 24, 2021	September 24, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

CAD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Our current focus is on palm oil and cattle products. However, METRO acknowledges the importance of optimizing its packaging and printed materials by reducing their use, designing them in an optimal way, choosing eco-responsible materials and facilitating their recovery and recycling. With its Packaging and Printed Materials Policy, METRO has set out a framework to guide the actions undertaken by its teams and suppliers for the effective management of its packaging and printed materials in all its activities. This policy is based on 4 key principles: (1) Reduce the use of packaging and printed materials, (2) Implement optimal design, (3) Select eco-responsible materials and (4) Facilitate recovery and recycling. Since many packaging and printed materials are fibre-based (made from wood), many of those principles aim to reduce the impact of packaging and printed materials on the forest environments.

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Cattle products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we do not know if we have embedded commodities

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Our current focus is on palm oil and cattle products. Plant-based protein products, including soy, represent less than 1% of our annual purchase volume and were therefore not considered a priority.

Other - Rubber

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Our current focus is on palm oil and cattle products.

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Our current focus is on palm oil and cattle products. Cocoa products represent less than 1% of our annual purchase volume and were therefore not considered a priority.

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Our current focus is on palm oil and cattle products. Coffee products represent less than 1.5% of our annual purchase volume and were therefore not considered a priority.

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Canada

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Cattle products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

All national brand (supplier brand) products are excluded.

% of volume excluded

21-30%

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

METRO focuses its efforts on private label and perishable food section (over-the-counter) beef products, i.e., all products for which the Corporation has more leverage and control. These products represent the majority of our beef product purchase volume.

Forest risk commodity

Palm oil

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

All non-food products are excluded. All national brand (supplier brand) food products are excluded.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

METRO focuses its efforts on private label products, for which the Corporation has more leverage and control.

Private label products represent approximately 17% of our purchase volume for product categories susceptible to contain palm oil.

Within the private label category, we focus on food products only since non-food products represent a much smaller proportion of our purchase volume.

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	CA59162N1096

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Palm oil

Activity

Buying manufactured products

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Unknown origin

% of procurement spend

<1%

Comment

Although we did not document where palm oil originated from for private label products in fiscal 2022, we plan on doing so in the next 2 years.

Cattle products

Activity

Buying manufactured products

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Beef

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Australia

Canada

Chile

Ireland

Italy

Mexico

New Zealand

Spain

United Kingdom of Great Britain and Northern Ireland

United States of America

Uruguay

% of procurement spend

1-5%

Comment

We documented the origin of 97.5% of the beef used in our private brands and perishable food section (over-the-counter) products. For some of those purchases, products originated from the European Union, however it is immaterial to total purchase volume.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

% of revenue dependent on commodity		Comment
Palm oil	Don't know	METRO currently uses purchase volume as its main indicator since purchases are directly linked to suppliers and therefore easier to track in order to assess and manage suppliers' practices. Private label products containing palm oil represent less than 1% of our total annual purchase volume for fiscal 2022.
Cattle products	Don't know	METRO currently uses purchase volume as its main indicator since purchases are directly linked to suppliers and therefore easier to track in order to assess and manage suppliers' practices. Private label products and perishable food section (over-the-counter) beef products represent around 4% of our total annual purchase volume for fiscal 2022.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

Data availability/Disclosure	
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

68,331.18

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

97.5

Please explain

METRO conducts an annual literature review to identify areas where deforestation is a major concern for the beef industry, i.e., high risk areas. The corporation also documents the origin of its suppliers' ranching activities and cross-references these with the annual list of at-risk regions. In fiscal 2022, we documented the origin of 97.5% of our beef purchase volume of private brands and perishable food section (over-the-counter) products, and found that none of it comes from areas of high risk.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

306

Metric for commodity production/ consumption volume

Other, please specify

Number of products

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

18.9

Please explain

METRO aims to avoid the use of palm oil or use palm oil from recognized responsible sources, which is defined as RSPO (Roundtable on Sustainable Palm Oil) certified under one of three supply chain models: mass-balance, segregation and identity preservation. Although we did not document where palm oil originated from for private label products in fiscal 2022, we plan on doing so in the next 2 years.

In fiscal 2022, we examined our private label food products to determine the presence or absence of palm oil. Among the products susceptible to contain palm oil, only 19.7% were found to contain it. Out of these products, 25.4% underwent evaluation, meaning we documented whether the palm oil was RSPO certified or not, and we discovered that 74.4% of them were already using RSPO certified palm oil. This indicates that at least 18.9% of our private label food products containing palm oil are using RSPO certified palm oil. When a supplier confirms using RSPO certified palm oil, we ask for a copy of the certificate and verify its validity. We will continue our evaluation in the next year.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

100

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

100

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Cattle – Non DCF

% of non-DCF production/consumption volume from unknown origin

100

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Cattle products

Country/Area of origin

Mexico

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

7.8

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Australia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.3

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction**% of total production/consumption volume**

87.7

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction**% of total production/consumption volume**

1.7

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction**% of total production/consumption volume**

2.5

Please explain

87.7% of our beef purchase volume comes from countries that are not listed by CDP as at risk countries.

For 1.7% of our purchase volume, we have documented the origin of the beef, however it is a mixed origin between at risk and non-risk countries according to CDP.

Forest risk commodity

Palm oil

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

Although we did not document palm oil origin for private label products in fiscal 2022, we plan on doing so in the next 2 years.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Other, please specify

RSPO certification

Issues considered

Availability of forest risk commodities

Impact of activity on the status of ecosystems and habitats

Climate change

Tariffs or price increases

Social impacts

Stakeholders considered

Customers

Employees

Investors

NGOs

Suppliers

Please explain

(1) In 2021, METRO conducted a materiality assessment to identify ESG issues on which the corporation could take action and which have the greatest impact on its business, society and its stakeholders. Conducted in collaboration with an external consulting firm and in accordance with internationally recognized sustainability standards, this exercise enabled us to identify the ESG issues on which to base our 2022-2026 CR plan. This approach was supplemented by a literature and stakeholders concerns review regarding the responsible procurement priority. This review allowed us to identify deforestation as a key issue and to pinpoint the most at-risk commodities.

(2) Palm oil is considered a sensitive commodity whatever the volumes or the origin, thus it was included in our efforts to reduce deforestation across our supply chain.

(3) METRO's objective is to avoid the use of palm oil or use recognized certified sustainable palm oil, which the Corporation defines as being RSPO (Roundtable on Sustainable Palm Oil) certified under one of three supply chain models: mass-balance, segregation and identity preservation. METRO scopes all private label products containing palm oil annually and conversion to certified palm oil is prioritized according to purchase volumes and the product tender schedule. Scoping in fiscal 2022 only included whether or not our direct supplier used RSPO certified palm oil in each of our private label product, but we plan on also documenting palm oil's origin in the next 2 years.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities

Impact of activity on the status of ecosystems and habitats

Climate change

Social impacts

Stakeholders considered

Customers

Employees

Investors

NGOs

Suppliers

Please explain

(1) In 2021, METRO conducted a materiality assessment to identify ESG issues on which the corporation could take action and which have the greatest impact on its business, society and its stakeholders. Conducted in collaboration with an external consulting firm and in accordance with internationally recognized sustainability standards, this exercise enabled us to identify the ESG issues on which to base our 2022-2026 CR plan. This approach was supplemented by a literature and stakeholders concerns review regarding the responsible procurement priority. This review allowed us to identify deforestation as an important issue in terms of responsible procurement, especially when considering climate change and biodiversity loss, and to pinpoint the most at-risk commodities.

(2) After an analysis of our purchase volumes, beef (cattle) was deemed a significant commodity for the business and since it was also identified as an at-risk of deforestation commodity in the literature and stakeholders concerns review, it was included in our efforts to reduce deforestation across our supply chain.

(3) METRO conducts an annual literature review to identify areas where deforestation is a major concern for the beef industry, i.e., high risk areas. The Corporation also documents the origin of its suppliers' ranching activities and cross-references these with the annual list of at-risk regions.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

Value chain mapping	
Palm oil	Yes, we have partially mapped the value chain
Cattle products	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Cattle products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

73.2

Description of mapping process and coverage

METRO documents the origin of its suppliers' ranching activities at the country level only. In fiscal 2022, we documented origin for 73.2% of our beef suppliers (for private label and over-the-counter products), which represented 97.5% of our beef purchase volume, so it was deemed significant and representative of our business.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

N/A

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

N/A

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

9

Description of mapping process and coverage

In 2022, we documented the use or non-use of RSPO certification for 9.0% of our suppliers of private label products containing palm oil. Those suppliers represented

32.8% of our purchase volume of private label products containing palm oil. We will continue our evaluation in the next year.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

N/A

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

N/A

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas

1	No, and we do not plan to in the next two years
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F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

Risk identified?	
Palm oil	No
Cattle products	No

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

METRO is exposed to various risks that could have an impact on its earnings, financial condition and cash flows. METRO's management assesses risks and opportunities and their level of materiality on a corporation-wide basis. These risks are described in the Risk Management Section of the Corporation's Annual Report. Any existing financial impact is embedded in the Corporation's expenses and is not separately disclosed unless required as part of the preparation and presentation of the Consolidated Financial Statements. Management also determines adequate measures to manage these risks in a proactive way and presents both the risks and risk reduction measures to the Audit Committee and the Board of Directors on an ongoing basis. The Internal Audit Department has the mandate of monitoring the identification, evaluation and mitigation of all business risks, as well as all insurance activities that are carried out in connection with these risks. At least every three (3) years, each major sector of activity is subject to a review or an audit to ensure that control measures have been put in place to address the business risks associated with such sector of activity. Most of the identified risks fall into the following categories: operational risks, legal risks, financial risks, reputational risks, technological risks and security.

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

Primary reason		Please explain
Palm oil	Not yet evaluated	METRO recognizes that deforestation and land conversion pose a significant risk to the world, from biodiversity loss to security of supply, which is one of the reasons why this issue is the focus of a specific objective in our 2022-2026 Corporate Responsibility plan, under the responsible procurement priority. At this time, METRO has not conducted a formal analysis of forest-related risks and opportunities, but does monitor current events, scientific advances, as well as the interests and concerns of its stakeholders.
Cattle products	Not yet evaluated	METRO recognizes that deforestation and land conversion pose a significant risk to the world, from biodiversity loss to security of supply, which is one of the reasons why this issue is the focus of a specific objective in our 2022-2026 Corporate Responsibility plan, under the responsible procurement priority. At this time, METRO has not conducted a formal analysis of forest-related risks and opportunities, but does monitor current events, scientific advances, as well as the interests and concerns of its stakeholders.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Have you identified opportunities?	
Palm oil	No
Cattle products	No

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Palm oil

Primary reason

Not yet evaluated

Please explain

At this time, METRO has not conducted a formal analysis of forest-related risks and opportunities, but does monitor current events, scientific advances, as well as the interests and concerns of its stakeholders.

Cattle products

Primary reason

Not yet evaluated

Please explain

At this time, METRO has not conducted a formal analysis of forest-related risks and opportunities, but does monitor current events, scientific advances, as well as the interests and concerns of its stakeholders.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Director on board	The Governance and Corporate Responsibility Committee of the Board of Directors is responsible for the oversight of the Corporation's activities and disclosure with regards to corporate responsibility (CR), including environmental, social and governance (ESG) matters. The Board of Directors approves CR plans and reports. The 2022-2026 CR Plan includes a specific objective related to deforestation while the annual CR reports cover the Corporation's performance in relation to this objective.
Chief Executive Officer (CEO)	Our President and CEO provides strategic direction and ensure effective management of the organization. As the head of the Executive Committee, he also approves the Corporation's corporate responsibility (CR) strategy and ensures that the priorities are in line with METRO's business strategy. The Board of Directors and the CEO have approved METRO's 2022-2026 CR Plan which includes a specific objective for reducing deforestation across our food supply chain, more specifically for beef and palm oil. In 2022, they also approved METRO's 2022 CR Report.
Board-level committee	At the Board-level, our Governance and Corporate Responsibility Committee (G&CR) is composed of five members, all of whom are independent directors. The Committee's primary mandate is to assist the Board of Directors of METRO in fulfilling its oversight responsibilities by, among other things, overseeing the Corporation's activities and disclosure on corporate responsibility and ESG (environment, social, governance) matters. Also, the Audit Committee is specifically tasked with risk oversight. This committee oversees the Corporation's business resilience.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Other, please specify	Monitoring implementation and performance	The Board of Directors (“Board”) is responsible for the oversight of the Corporation’s activities and disclosure with regards to corporate responsibility
	The G&CR Committee receives reports on ESG issues on a periodic basis.	<p>Monitoring progress towards corporate targets</p> <p>Overseeing the setting of corporate targets</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>(CR), including ESG matters, which forests-related issues are part of. The Board approves CR plans and reports, which are presented by management and their approval is recommended to the Board by the Governance and Corporate Responsibility (G&CR) Committee. One of the eight priorities of the Corporation’s 2022-2026 CR Plan is responsible procurement, which includes a specific objective focused on deforestation. Our ambition is to implement responsible practices within our supply chain to offer our customers products that respect workers and the environment. This long-term task requires continuous issue monitoring, close collaboration with our suppliers and rigorous implementation programs.</p> <p>In 2022, METRO implemented year one of its 2022-2026 CR Plan. Our teams worked on the different priorities and are on track to meet the objectives and targets we set and our disclosure was improved by adding references to the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) to our ESG Performance Data table. The G&CR Committee received regular updates on the advancement of the work against the plan’s priorities from members of senior management to whom these priorities were assigned and was part of discussions regarding the constant evolution of the plan.</p>

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Not assessed

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Providing forests-related employee incentives Integrating forests-related issues into business strategy Setting forests-related corporate targets Other, please specify Our President and CEO provides strategic direction and ensure effective management of the organization. This includes reviewing and approving corporate responsibility strategy, including climate-related strategy and objectives.	Annually	Our President and CEO provides strategic direction, ensures effective management of the organization and reviews and approves corporate responsibility strategy, including forest-related objectives and strategy.

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Corporate responsibility committee	Monitoring progress against forests-related corporate targets	Annually	The primary objective of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by overseeing the Corporation's activities with respect to the Corporation's corporate purpose and corporate responsibility which includes environmental, social and governance matters (ESG). The Committee also reviews the Corporation's disclosure on these matters and reviews the Corporation's corporate responsibility plans and reports.
Other committee, please specify Responsible procurement committee : Senior VP National Procurement, VP National Procurement Perishables, VP Private label, VP Public Affairs and Communications	Setting forests-related corporate targets Monitoring progress against forests-related corporate targets	Not reported to board	In fiscal 2022, quarterly meetings were held with the VPS responsible for national procurement, the VP Public Affairs and Communications and METRO's responsible procurement team to review and monitor the Corporation's progress and performance in relation to its deforestation objectives. All of the VPs are part of the Corporation's management team.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	<p>Chief Executive Officer (CEO)</p> <p>Chief Financial Officer (CFO)</p> <p>Chief Operating Officer (COO)</p> <p>General Counsel</p> <p>Other, please specify</p> <p>President of the Jean Coutu Group, Executive VP National Supply Chain and Procurement, VP Human Resources, VP Public Affairs and Communications, Chief Information Officer (CIO)</p>	<p>Increasing commodity volumes with credible third-party certification</p> <p>Increased supply chain mapping</p> <p>Other, please specify</p> <p>Carry out the activities and achieve the targets set at the end of Year 1 for the priorities identified in the 2022-2026 Corporate Responsibility Plan, as assessed by the Corporate Responsibility Governance Committee.</p>		<p>In 2022, we began implementing our 2022–2026 Corporate Responsibility (CR) Plan. Our teams have worked diligently on our priorities, and we are on track. The accountability of the Corporation's Board of Directors and Executive Committee to our plan demonstrates the strength of our commitment. In addition, a portion of executive compensation is linked to these issues.</p>
Non-monetary reward	No one is entitled to these incentives			

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Cattle products

Palm oil

Timber products

Content

Recognition of the overall importance of forests and other natural ecosystems Other, please specify

Objective to reduce deforestation across our food supply chain

Document attachment

 [METRO_SupplierCodeOfConduct_FINAL_2022-01-10.pdf](#)

 [2022-cr-report.pdf](#)

 [2022-2026-cr-plan.pdf](#)

 [METRO_PackagingPrintedMaterialsPolicy.pdf](#)

Please explain

METRO’s Supplier Code of Conduct for responsible Procurement states the Corporation’s expectation related to environmental protection.

METRO seeks to purchase goods and services stemming from practices that are respectful of the environment and which aim to reduce the environmental footprint at every phase of their life cycle. METRO suppliers must give high priority to environmental issues and implement initiatives to foster sound environmental management through practices that prevent pollution and preserve resources.

METRO also encourages suppliers to adopt practices to reduce resource waste and foster optimal resource use, especially since natural renewable and non-renewable resources are produced by nature and useful to humans (e.g., forests and fish stocks).

Cattle and Palm oil:

METRO’s 2022-2026 CR Plan indicates the Corporation’s objective to reduce deforestation across its food supply chain. More specifically, METRO aims to avoid beef products from areas in which the risk of deforestation is known to be high and, for its private label products, to avoid the use of palm oil or use palm oil from recognized responsible sources like the RSPO certification.

Timber:

METRO’s Packaging and Printed Materials Management Policy defines several principles 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 also 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.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Palm oil	Yes
Cattle products	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Cattle products

Criteria

No sourcing of forest risk commodities from unknown/controversial sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

71-80%

Cutoff date

Not applicable

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2026-2030

Please explain

METRO aims to reduce deforestation across its food supply chain by avoiding sourcing beef products from areas in which the risk of deforestation is known to be

high. The scope of this objective covers private label and perishables food section (over-the-counter) beef products.

These products represent approximately 77% of our beef purchase volume. METRO conducts an annual literature review to identify areas where deforestation is a major concern for the beef industry, i.e., high risk areas. The Corporation also documents the origin of its suppliers' ranching activities and cross-references these with the annual list of at-risk regions.

Forest risk commodity

Palm oil

Criteria

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment**Cutoff date**

Not applicable

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2026-2030

Please explain

METRO aims to reduce deforestation across its food supply chain by avoiding the use of palm oil or use palm oil from recognized responsible sources, which we define as RSPO (Roundtable on Sustainable Palm Oil) certified under one of three supply chain models: mass-balance, segregation and identity preservation. The scope of this objective includes all private label food products. Private label products represent approximately 17% of our purchase volume for product categories susceptible to contain palm oil.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>METRO’s purpose is to “nourish the health and well-being of our communities”. Meeting our customer’s needs is at the core of METRO’s business strategy. We aim to provide consumers with products and services that meet their expectations and we work toward a more responsible supply chain. As stated by our CEO, “creating an inclusive and sustainable future is a shared responsibility and we are committed to taking an active role in this regard. Our business strategy aligns with environmental, social and governance (ESG) factors and addresses the issues that matter most to our customers, colleagues, communities and partners.” In 2022, we began implementing our 2022– 2026 Corporate Responsibility (CR) Plan and one of our aspirations for 2026 is to work with our suppliers to improve the social and environmental aspects of our supply chain. Responsible procurement is one of the eight priorities of our plan and our ambition is to implement responsible practices within our supply chain to offer our customers products that respect workers and the environment. This long-term task requires continuous issue monitoring, close collaboration with our suppliers and rigorous implementation programs. As a food and pharmacy retailer, we rely on forests for various aspects of our operations, especially for the products we sell. While our current focus lies on beef and palm oil, two commodities notorious for their association with deforestation, we recognize the pivotal role of forests in providing raw materials, preserving biodiversity, supporting packaging needs, and mitigating climate change, all of which are vital to our business's sustainability and long-term success. Forest-related risks and opportunities have, among other reasons, contributed to influence METRO’s strategy and led to the publication of our Supplier Code of Conduct. In this document, the protection of</p>

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
			<p>the environment, and preservation of natural resources like forests, are both part of the principles and prioritization criteria that METRO strives to implement in its supply chain. Recognizing the importance of responsible resource management, we are committed to fostering optimal resource utilization throughout our operations. Our objective to reduce deforestation across our food supply chain reflects our dedication to responsible practices.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>In a market where consumer demands and expectations continue to rise, we recognize the need to adapt and prioritize sustainable practices, including responsible procurement of commodities like beef and palm oil, in order to meet consumers' evolving preferences and contribute to forest preservation. In our 2022-2026 CR plan, we committed to reduce deforestation across our food supply chain. More specifically, we want to avoid beef products from areas in which the risk of deforestation is known to be high and, in our private label products, to avoid the use of palm oil when possible or use palm oil from recognized responsible sources otherwise. Regular monitoring and reporting of our progress are crucial to ensure the effectiveness of our forest-related objective. We have established metrics and data-driven mechanisms to assess our performance, track key indicators, and identify areas for improvement. METRO's Corporate Responsibility Report provides an overview of existing objectives and the progress made for each of those.</p>
Financial planning	No, forests-related issues were not reviewed and there are no plans to do so		

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Cattle products

Year target was set

2022

Target coverage

Company-wide

Target category

Traceability

Metric

Other, please specify

% of procurement spend from direct suppliers traceable to traceability point

Traceability point

Country

Third-party certification scheme

N/A

Base year

2021

Base year figure

0

Target year

2026

Target year figure

100

Reporting year figure

97.5

% of target achieved relative to base year [auto-calculated]

97.5

Target status in reporting year

New

Is this target linked to a commitment?

Other environmental commitments

Please explain

METRO aims to avoid sourcing beef products from areas in which the risk of deforestation is known to be high. In other words, we aim to not source beef from unknown/controversial sources. Thus, one of our targets is to have traceability documented for our beef purchases to at least the country level. In fiscal 2022, we documented the origin of 97.5% of our beef purchase volume for private brands and perishable food section (over-the-counter) products, and found that none of it comes from high-risk areas.

Target reference number

Target 2

Forest risk commodity

Cattle products

Year target was set

2022

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of procurement spend from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point

N/A

Third-party certification scheme

N/A

Base year

2021

Base year figure

0

Target year

2026

Target year figure

100

Reporting year figure

97.5

% of target achieved relative to base year [auto-calculated]

97.5

Target status in reporting year

New

Is this target linked to a commitment?

Other environmental commitments

Please explain

METRO aims to avoid sourcing beef products from areas in which the risk of deforestation is known to be high. Our second target linked to this objective is to engage suppliers in order to make sure the beef we purchase with them meets our objective. In fiscal 2022, we documented the origin of 97.5% of our beef purchase volume for private brands and perishable food section (over-the-counter) products, and found that none of it comes from high-risk areas.

Target reference number

Target 3

Forest risk commodity

Palm oil

Year target was set

2022

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

N/A

Third-party certification scheme

RSPO (any type)

Base year

2021

Base year figure

0

Target year

2026

Target year figure

100

Reporting year figure

18.9

% of target achieved relative to base year [auto-calculated]

18.9

Target status in reporting year

New

Is this target linked to a commitment?

Other environmental commitments

Please explain

METRO aims to avoid the use of palm oil or use palm oil from recognized responsible sources, which is defined as RSPO (Roundtable on Sustainable Palm Oil) certified under one of three supply chain models: mass-balance, segregation and identity preservation. Although we did not document palm oil origin for private label products in fiscal 2022, we plan on doing so in the next 2 years.

In fiscal 2022, we examined our private label food products to determine the presence or absence of palm oil. Among the products susceptible to contain palm oil, only 19.7% were found to contain it. Out of those products, 25.4% underwent evaluation, meaning we documented whether the palm oil was RSPO certified or not, and we discovered that 74.4% of them were already using RSPO certified palm oil. This indicates that at least

18.9% of our private label food products containing palm oil are using RSPO certified palm oil. We will continue our evaluation in the next year.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions
Palm oil	No			
Cattle products	Yes	Volume from direct suppliers only	We ask direct suppliers to declare all potential countries where they source the beef for all the products they sell to METRO. Once we have the products' provenance documented we cross-reference it with the high-risk areas we identify with our annual literature review to avoid sourcing from these areas.	Not applicable

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Cattle products	Country		97,5

F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Palm oil

Primary reason

We are planning to track and monitor the origin of forest risk commodities within the next two years

Please explain

We plan on developing and implementing a tool to document palm oil traceability to at least the country level within the next two years.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Palm oil	Yes	18,9
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO (any type)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

18.9

Form of commodity

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

306

Metric for volume

Other, please specify

Number of products

Is this certified by more than one scheme?

No

Please explain

METRO aims to avoid the use of palm oil or use palm oil from recognized responsible sources, which is defined as RSPO (Roundtable on Sustainable Palm Oil) certified under one of three supply chain models: mass-balance, segregation and identity preservation. Although we did not document palm oil origin for private label products in fiscal 2022, we plan on doing so in the next 2 years.

In fiscal 2022, we examined our private label food products to determine the presence or absence of palm oil. Among the products susceptible to contain palm oil, only 19.7% were found to contain it. Out of those products, 25.4% underwent evaluation, meaning we documented whether the palm oil was RSPO certified or not, and we discovered that 74.4% were already using RSPO certified palm oil. This indicates that at least 18.9% of our private label food products containing palm oil are using RSPO certified palm oil. We will continue our evaluation in the next year.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

A system to control, monitor or verify complian	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

METRO conducts an annual literature review to identify areas where deforestation is a major concern for the beef industry, i.e., high risk areas. The Corporation also documents the origin of its suppliers' ranching activities and cross-references these with the annual list of at-risk areas. Our goal is to avoid sourcing beef from high risk areas.

Monitoring and verification approach

Other, please specify

Literature review and traceability system

% of total volume in compliance

91-99%

% of total suppliers in compliance

71-80%

Response to supplier non-compliance

Other, please specify

We have not identified any non-compliant suppliers yet

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers

Other, please specify

We have not identified any non-compliant suppliers yet

Please explain

METRO documents the origin of its suppliers' ranching activities at the country level only. In fiscal 2022, we documented the origin for 73.2% of our beef suppliers (for private label and over-the-counter products), which represented 97.5% of our beef purchase volume in these categories and found that none of it comes from areas of high risk, meaning we have not identified any non-compliant suppliers. Although some suppliers were not assessed, they represent a small proportion of our purchasing volume and were therefore not considered significant.

In the event of a supplier sourcing from areas that our analysis has shown to be at high risk of deforestation, we require further details about the supplier's practices before deciding whether or not to continue to do business with them.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

For private-brand products containing palm oil, METRO relies on third-party certification (RSPO) and accepts the three RSPO supply chain models, i.e. mass-balance, segregated or identity preserved. We believe that RSPO certification acts as a robust compliance control system, ensuring that the palm oil originates from recognized responsible sources and guaranteeing the chain of custody.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

21-30%

% of total suppliers in compliance

<10%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers**Please explain**

In fiscal 2022, we started surveying our private label suppliers and will continue our evaluation in the next year. Our assessment revealed that almost 30% of our purchase volume of private label products containing palm oil are already using RSPO certified palm oil.

Because 2022 marked the start of our product characterization in regards to responsible palm oil, we engaged with non-compliant private label suppliers only to document their use or non-use of certified palm oil. We plan to work with them in the future to convert non-compliant products in forthcoming tenders, new listings and formulation changes, up until 2026, which is the target date for our responsible palm oil objective.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

Assess legal compliance with forest regulations		Comment
Cattle products	No, we do not assess legal compliance	

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

Are you working with smallholders?	Please explain
Palm oil	No, not working with smallholders
Cattle products	No, not working with smallholders

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Cattle products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

We require our suppliers to declare the origin of the beef they sell to us. This request underlines the importance we attach to the issue of deforestation, and encourages our suppliers not only to demonstrate transparency, but also to adopt responsible practices in this area.

% of suppliers engaged by procurement spend covered by engagement

73.2

Explain the impact of your engagement on the selected action

Requiring our suppliers to declare the origin of the beef they sell to us, allows us to cross-reference this information with an annual scientific literature review to identify potential deforestation risks, and thus avoid sourcing from high-risk areas, ultimately helping us meet our objective to reduce deforestation in our food supply chain.

In fiscal 2022, we documented origin for 73.2% of our beef suppliers (for private label and over-the-counter products), which represented 97.5% of our beef purchase volume, so it was deemed significant and representative of our business.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Targets 1-2

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

We engage with our direct suppliers through emails, meetings and a targeted questionnaire specifically designed to survey their RSPO (Roundtable on Sustainable Palm Oil) certification status and practices. This questionnaire not only serves as our primary tool for assessing their compliance with our responsible sourcing requirements and commitment to sustainability in palm oil production but also facilitates capacity-building opportunities to support their continuous improvement in sustainable practices.

In fiscal 2022, we documented the use or non-use of RSPO certified palm oil for 9.0% of our suppliers of private label products containing palm oil. Those suppliers represented 32.8% of our purchase volume of private label products containing palm oil. We will continue our evaluation in the next year.

% of suppliers engaged by procurement spend covered by engagement

9

Explain the impact of your engagement on the selected action

By actively assessing our suppliers' RSPO certification status and practices, we ensure that they align with our responsible procurement requirements. This engagement enables us to foster collaboration, offer capacity building support, and drive continuous improvement in sustainable palm oil sourcing, ultimately helping us meet our objective to reduce deforestation in our food supply chain.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)
Target 3

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Cattle products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement**Type of engagement****Details of engagement****Description of engagement****Explain the impact of your engagement on the selected action****Does this engagement contribute to achieving a reported target?****F6.10**

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, and we do not plan to within the next two years		

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Canada

Subnational area

Not applicable

Initiatives

Other, please specify

CRSB- Canadian Roundtable on Sustainable Beef

Please explain

METRO has been a proud member of the Canadian Roundtable for Sustainable Beef (CRSB) since 2016. In 2022, Metro Ontario committed to buying 3 million pounds of beef from CRSB-certified sustainable Canadian farms and ranches by 2026. So far, we have bought 1.65 million pounds.

Sourcing CRSB Certified beef addresses multiple elements of METRO's priorities when it comes to responsible procurement, including animal welfare, environmental protection, and social responsibility, to only name a few. Indeed, CRSB defines beef sustainability as being socially responsible, environmentally sound, and economically viable. In other words, it means caring for the animals, families and communities; conserving and enhancing the land, water and air; and building a strong foundation for generations to come.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

No

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

No, and we do not plan to implement project(s) within the next two years

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we do not verify any forests-related information reported in our CDP disclosure, and there are no plans to do so

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type**Comment**

The complexity of the beef value chain can be a significant barrier to implementing sustainable practices, as nature-related issues in supply chains often occur upstream and are beyond the reach of traditional retailer oversight and monitoring tools. The beef value chain involves multiple stakeholders, including producers, processors, distributors, and retailers, each with their own set of challenges and priorities, which adds complexity to implementing sustainable practices. Coordinating and aligning sustainability efforts across these various stages of the value chain can be complex, requiring collaboration and coordination among all stakeholders. Nature-related issues in supply chains often occur upstream and are beyond the reach of traditional retailer oversight and monitoring tools, creating an additional barrier. Ensuring traceability and transparency throughout the beef value chain can be challenging, especially in cases where beef passes through multiple intermediaries. Additionally, the lack of reliable data on the source/origin of.

certain commodities and product ingredients, along with the blending and commoditization of inputs, further complicates matters. While technology such as blockchain can enhance transparency and traceability, their adoption takes time, and further innovation is necessary to effectively address these challenges.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

While larger companies and suppliers have made strides towards achieving RSPO certification, smaller businesses may still be in the working towards or have yet to start their journey. The transition to certified palm oil can be more challenging for smaller players due to various factors such as resource limitations, access to information, or financial constraints. Supporting and encouraging these smaller businesses to embark on their sustainable palm oil journey is crucial to achieve widespread adoption and drive positive change throughout the industry.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Cost of sustainably produced/certified products

Comment

The cost of certified products can present a challenge for consumers and businesses alike. Certifications such as RSPO involve additional expenses, including certification fees, auditing processes, and compliance requirements. These costs can potentially make certified products more expensive and put an added burden on customers purchase decisions. Additionally, in a competitive market, businesses need to carefully balance the cost of certifications with the need to remain competitive. Thus, our ability to provide more sustainable options often depends on customer preferences and demands.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

The responsiveness and willingness of our supply chain partners to engage in deforestation-related projects and align with our sustainability goals represent a key measure for managing our exposure to deforestation in our supply chain.

Strengthening industry-wide cooperation and collaboration to implement training and capacity-building programs can foster a deeper understanding of deforestation risks and encourage suppliers to actively engage in sustainable practices.

Standardizing data requirements and adopting common data collection frameworks across the industry can streamline reporting processes and reduce the burden on suppliers.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

The responsiveness and willingness of our supply chain partners to engage in deforestation-related projects and align with our sustainability goals represent a key measure for managing our exposure to deforestation in our supply chain.

Strengthening industry-wide cooperation and collaboration to implement training and capacity-building programs can foster a deeper understanding of deforestation risks and encourage suppliers to actively engage in sustainable practices.

Standardizing data requirements and adopting common data collection frameworks across the industry can streamline reporting processes and reduce the burden on suppliers.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Reduced cost of certification/certified products

Comment

Reducing the cost associated with certification and certified palm oil products could positively contribute to managing deforestation risks. Lowering the financial barriers and burdens related to certification can incentivize more suppliers to adopt sustainable practices and obtain RSPO certification. By making certified palm oil more accessible and economically viable, we can promote widespread adoption, drive market demand for sustainable sourcing, and ultimately reduce deforestation in the palm oil industry.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Increased demand for certified products

Comment

Increasing the demand for certified palm oil products is another factor in managing deforestation risks. A higher demand for certified palm oil creates market incentives for suppliers to adopt sustainable practices and obtain RSPO certification. By actively promoting and educating consumers about the importance of sustainable palm oil, we can drive the demand for certified products and encourage more suppliers to transition to responsible sourcing. Increased demand creates a positive

feedback loop, as it not only supports the growth of sustainable palm oil production but also motivates other players in the industry to prioritize sustainability and align their practices with certification standards.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

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Strengthening industry-wide cooperation and collaboration to implement training and capacity-building programs can foster a deeper understanding of deforestation risks and encourage suppliers to actively engage in sustainable practices.

Standardizing data requirements and adopting common data collection frameworks across the industry can streamline reporting processes and reduce the burden on suppliers. If the industry collectively requested the same data in a consistent manner, using shared tools and platforms, it could help alleviate corporate fatigue and enhance supplier engagement.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

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F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	VP Public Affairs and Communications, who reports on matters relating to ESG to the Governance and Corporate Responsibility Committee of the Board of Directors.	Other, please specify VP Level and member of management team

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

I understand that my response will be shared with all requesting stakeholders			Response permission
Please select your submission options	Yes		Public

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