

# ***FOOD LOSS AND WASTE INFOSHEET***

Update  
December 2023

***metro***

## **Forward looking Statement**

We might use, throughout this infosheet, 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 "may", "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 2024 action plan and our [2022-2026 Corporate Responsibility Plan](#). These forward-looking statements do not provide any guarantees as to the future performance of METRO 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. METRO does not intend to update any forward-looking statement contained herein, except as required by applicable law.

## **Introduction**

Food loss and waste (FLW) has become a more prominent area of focus as its mitigation helps to directly curb food insecurity and reduce the environmental impacts generated by landfilling organic waste. METRO has joined other members of the Canadian food industry to reduce FLW generated by its activities.

## **Section 1: Our Target for Food Loss and Waste**

In January 2019, METRO announced its goal to reduce food loss and waste generated by our activities by 50% by 2025 compared to 2016<sup>1</sup>. For this specific target, METRO has focused on the activities within its operational control, resulting from corporate and franchise food store activities in Québec and Ontario within our Metro, Super C, Food Basics and Adonis banners. METRO also discloses its performance on FLW at its distribution and production centres (DCs).

## **Section 2: How we Quantify Food Loss and Waste**

### **2.1 FLW Definition**

METRO follows the definition of FLW as described in the [Food Loss and Waste Accounting and Reporting Standard](#) (the "FLW Standard"), an international standard and guidance on how to account for such waste. According to the FLW Standard, food loss and waste refers to the weight of "food and/or associated inedible parts removed from the food supply chain."<sup>2</sup> In short, FLW refers to any food and associated inedible parts that does not reach its intended destination: human consumption. For this reason, any food surplus that was either sold on food rescue applications or donated are not considered food loss and waste, as this food is meeting its intended purpose of going to human consumption.<sup>3</sup>

As a result of this, our quantification focuses on the scope of FLW generated at stores and DCs that have an end destination of any of the following:

- **Animal feed:** Diverting material from the food supply chain (directly or after processing) to animals
- **Biomaterial/processing:** Converting material into industrial products (biodiesel)
- **Co/anaerobic digestion:** Simultaneous anaerobic digestion of food loss and waste and other organic material in one digester

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<sup>1</sup> [Retail Council Canada, Food industry leaders commit to tackle food waste in Canada, 2019](#)

<sup>2</sup> [Food Loss and Waste Accounting and Reporting Standard, Glossary, p. 141, 2016](#)

<sup>3</sup> [Food Loss and Waste Accounting and Reporting Standard, Table 2.1, p. 18, 2016](#)

- **Compost/aerobic:** Production of organic material
- **Controlled combustion:** Combustion in a controlled manner, which may include some form of energy recovery
- **Landfill<sup>4</sup>**

## 2.2 Key performance indicators

Our key performance indicator (KPI) for corporate and franchise stores for tracking our FLW reduction consists of the ratio of the total weight of FLW (metric tonnes (MT)) by the total food sales (million \$)<sup>5</sup>:

$$\text{Food loss and waste KPI (stores)} = \frac{\text{weight of total food loss and waste (t)}}{\text{total food sales (M\$)}}$$

METRO opted for an intensity metric to have a representative KPI that considers the growth of store sales. Food sales was selected because of its direct link to FLW generation.

Our KPI for tracking our FLW reduction in DCs consists of the ratio of the total weight of FLW (kilograms) by surface area of our DCs (square footage)<sup>6</sup>:

$$\text{Food loss and waste KPI (DCs)} = \frac{\text{weight of total food loss and waste (kg)}}{\text{total surface area (sq. ft.)}}$$

## 2.3 Improvements in methodology

We have worked to refine our quantification methods throughout the year to ensure we are using the best data available to calculate our performance. Some of these changes impact the KPIs that were previously communicated for the years 2016 and 2022.

The first improvement pertains to a better estimation for accounting of packaging. We follow the FLW Standard by removing any weight data associated with packaging, ensuring that our data only captures actual FLW.<sup>7</sup> This year, we mandated a third-party waste auditor to perform an organics characterization, enabling us to establish an accurate estimate tailored to our specific circumstances regarding the weight of packaging entering our organics recovery stream.

Third-party auditors also conduct waste characterizations each year in a select number of stores to reveal what materials are present in our waste stream. We use these reports to extract an average proportion of food in our waste containers and compactors, and apply it to our real data of material weight sent to landfill. This year, we conducted the same exercise for our distribution and production centres for the first time. Therefore, the findings were used to determine 2023 performance and to correct 2022 performance.

<sup>4</sup> [Food Loss and Waste Accounting and Reporting Standard, Table 6.1, p. 40, 2016](#)

<sup>5</sup> Reporting period 2023: July 2022 to June 2023

<sup>6</sup> Reporting period 2022: July 2023 to June 2023

<sup>7</sup> [Food Loss and Waste Accounting and Reporting Standard p. 71, 2016](#)

## Section 3: How We Are Doing

### 3.1 Corporate and franchised stores:

#### Food loss and waste KPI

**Table 1 – Store progress on FLW KPI – previous methodology**

Reporting year	FLW Weight Metric tonnes	FLW Ratio FLW Weight/Food Sales	Variation Target -50%
2016 Base year	57,614	6.33	0%
2022	52,316	4.77	-25%
2023	59,342	5.07	-20%

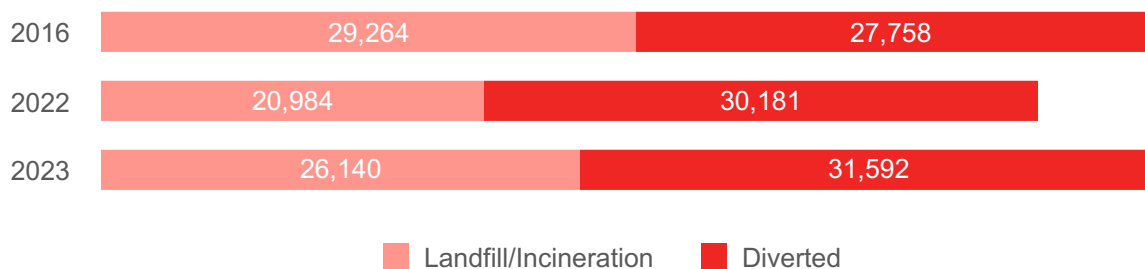
**Table 2 – Store progress on FLW KPI – improved methodology**

Reporting year	FLW Weight Metric tonnes	FLW Ratio FLW Weight/Food Sales	Variation Target -50%
2016 Base year	57,022	6.26	0%
2022	51,165	4.66	-26%
2023	57,732	4.94	-21%

Table 1 indicates that our progress under our previous methodology from 2022. Results are similar to this year's improved methodology, indicating that METRO seems further from target (increased FLW generation by 5% compared to 2022).

This year's performance is due to a larger proportion of food found in our sampled stores waste streams (destined for landfill) compared to last year. While our KPI may not accurately represent the efforts we are making to reduce FLW, we prioritize using the most recent data as opposed to data that would bolster our performance.

**Graphic 1 – Landfilled and diverted portion of store FLW (t)**



Our stores prioritize diverting FLW from landfill by prioritizing recovery streams such as organics recovery (produce, bread, dairy, grocery items, etc.) and fat and bone recovery (meats, fish, bones, etc.). Although 2023 has a lower diversion than 2022, there is still maintained improvement from the 2016 base year. Also, higher FLW generation in weight in 2023 compared to 2016 does not necessarily indicate a decrease in performance compared to 2016. As per Table 2, our intensity metric indicates a 21% reduction rate despite a higher FLW weight because of additional stores and increased business.

## Rescued Food

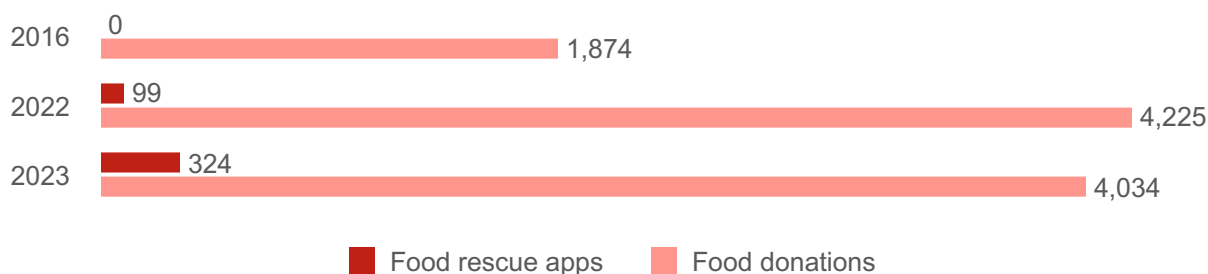
As of this year, we will factor in all food rescue programs when analyzing FLW data. This helps understand if food is migrating from a lower-valorization program (e.g. organics material recovery) towards a higher-valorization program (e.g. food rescue apps, food donations).

Table 3 shows a consistent increase in food rescued through donations and food rescue apps like FoodHero and Too Good To Go. We expect 2024 to show even higher results, with the onboarding of new donation partners and the expansion of these food rescue apps programs.

**Table 3 – Rescued Food in stores (t)**

Reporting year	Food rescue apps Metric tonnes	Food donations Metric tonnes	Total food rescued Metric tonnes
2016 Base year	0	1,874	1,874
2022	99	4,225	4,324
2023	324	4,034	4,358

**Graphic 2– Rescued Food in stores (t)**



## 3.2 Distribution and production centres:

Below is our progress in FLW reduction in distribution and production centres. In one year, as per stated in Table 5 with our new methodology, we have reduced our FLW generation by 10%.

Graphic 3 shows that despite a lower portion of diverted food, DCs have reduced overall FLW generation, due to better operational practices and management.

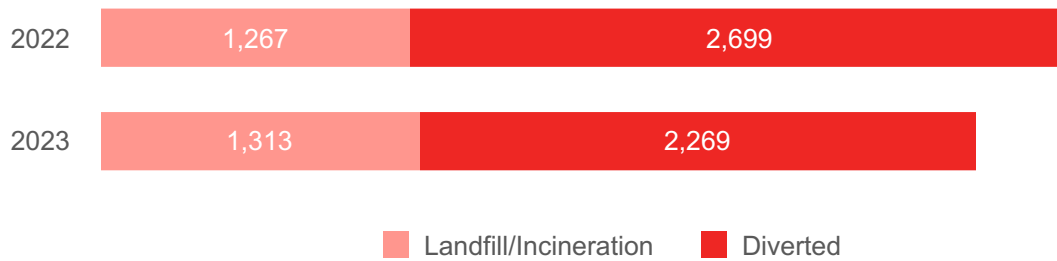
**Table 4 – DCs progress on FLW KPI – previous methodology**

Reporting year	FLW Weight Metric tonnes	Operational surface area square feet	DC KPI kg/sq.ft.	Progress Variation
2022	4,554	5,461,218	0.83	N/A
2023	3,964	5,431,289	0.73	-12%

**Table 5 – DCs progress on FLW KPI – improved methodology**

Reporting year	FLW Weight Metric tonnes	Operational surface area square feet	DC KPI kg/sq.ft.	Progress Variation
2022	3,966	5,082,909	0.78	N/A
2023	3,545	5,069,477	0.7	-10%

**Graphic 3 – Landfilled and diverted portion of distribution centres FLW (t)**



## **Section 4: Our Strategy in Action**

METRO has been hard at work to better address the food loss and waste generated by our daily operations.

METRO has a dedicated task force to oversee FLW reduction efforts and action plan management. Our strategy aims to prevent food from being lost or wasted throughout our internal supply chain and facilitate its journey to someone's plate when we have surplus food.

### **4.1 Prevent: investigate root causes of FLW and improve operations**

- This year, METRO participated in a research study led by Six Sigma students from the Université de Sherbrooke to better understand the generation of surplus food in the produce department of the METRO banner.
- We are pursuing the implementation of inventory management tools throughout our operations. With the use of artificial intelligence to forecast demand and aid in inventory planning, these tools play a large part in optimizing operations and contributing to reducing surplus food.
- Some of our banners have reduced the number of products available on their shelves. This strategic decision extends the shelf life of fresh products by maintaining optimal storage conditions and minimizes the risk of product damage due to handling.
- This year, we have increased instances of training and engagement concerning FLW issues, extending our efforts to both our operations teams and upper management.

### **4.2 React: rescue, redistribute or recover food surplus**

- In 2023, we launched a new partnership with Too Good To Go, whereby we offer bakery, cake, and produce surprise bags at all 126 corporate Metro Ontario stores. Based on Metro Ontario's success, the Too Good To Go program was expanded to Adonis in both provinces as of late August.
- At the end of 2022 and start of 2023, we have perfected the integration of FoodHero within our Metro Quebec stores to optimize the amount of food we can rescue through the app. New changes have resulted in an increase of 100 metric tonnes of food rescued and a sales increase of more than 50%.
- Every year, the One More Bite program expands its network by connecting more stores to food banks and community organizations.

- Through the preparation of a new organic waste recovery program for our distribution and production centres, new partnerships were created to ensure edible food surplus is donated before it enters recovery streams.

### **Section 5: What is Next**

For the upcoming reporting period, METRO will be implementing actions across its operations (stores and DCs) to ensure we are doing our part in this global fight against food loss and waste:

- We are working on the quantification of FLW with an additional KPI that will monitor the amount of FLW sent to high-valorization destinations.
- Our partnerships with food rescue apps will expand further throughout our network of food stores.
- We are actively seeking out innovative solutions to prevent food surplus and play a leading role in the global fight against food loss and waste.
- We are committed to engage as a member of the industry in conferences, workshops, and events that foster collaborative efforts to co-create solutions for a less wasteful food system.
- We intend to expand our current scope of action beyond our operational control, i.e. engaging our suppliers as well as our customers in the fight against food loss and waste. This is in direct link with our commitment to reducing our scope 3 land-related emissions (FLAG).