

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

Update  
December 2024

***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", "will", 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 2025 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 this document. 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 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 franchised 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 FLW**

### **2.1 FLW definition**

METRO follows the definition of food loss and waste (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 at a discount on food rescue apps 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 as an end destination any of the following:

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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](#)

- **Animal feed:** Diverting food from the food supply chain (directly or after processing) to animals.
- **Anaerobic digestion:** Simultaneous anaerobic digestion of food loss and waste and other organic material in one digester. This process generates biogas and nutrient-rich matter.
- **Compost:** Production of organic material (via aerobic processes) that can be used as a soil amendment.
- **Biofuel production:** Converting grease and used cooking oil into biofuel.
- **Landfill/Incineration:** Sending material to an area of land or an excavated site that is specifically designed and built to receive or to incinerate waste (with or without energy recovery).<sup>4</sup>

## 2.2 Key performance indicators

Our key performance indicator (KPI) for corporate and franchised 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>:

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

To have a KPI that is representative, METRO opted for an intensity metric 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) to the 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 Details on methodology

We follow the FLW Standard by removing any weight data associated with packaging, ensuring that our data only captures actual FLW.<sup>7</sup> We have 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 and DCs 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.

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

<sup>5</sup> Reporting period 2024: July 2023 to June 2024

<sup>6</sup> Reporting period 2024: July 2023 to June 2024

<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

Reporting year	FLW Weight Metric tonnes	FLW Ratio FLW Weight/Food Sales	Variation Target -50%
2016 (base year)	57,022.0	6.3	0.0%
2022	51,165.3	4.7	-26.5%
2023	57,732.7	4.9	-21.2%
2024	60,002.6	4.8	-22.6%

Based on our current quantification methods, METRO has generated less food loss and waste relative to our sales (FLW ratio) compared to last year. Higher performance is likely due to a higher rate of food rescued through apps and donations.

The KPI trend over the last three years suggests it is unlikely METRO will reach its 50% reduction target next year. However, our KPI may not accurately reflect our efforts to reduce FLW due to the fact that it is based on waste characterization audits which provides only a snapshot in time of a store sample. We are in the process of reviewing our methods to update our target past 2025.

#### Rescued food

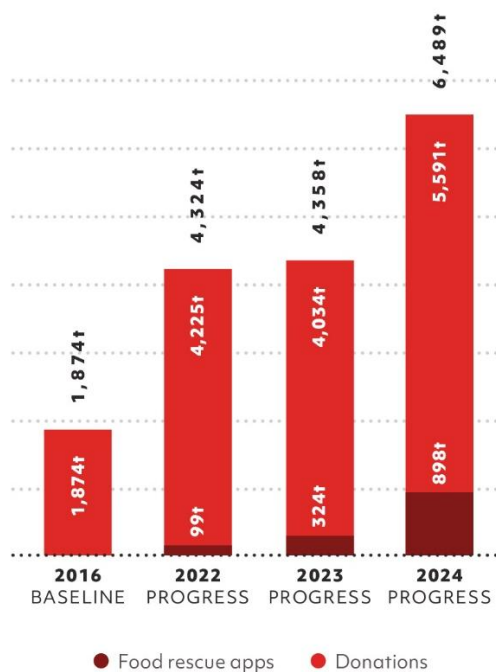
If food is not sold through traditional channels, it is sold at a discount or redistributed to people through food rescue programs. We track how effective we are in migrating food from lower-valorization programs (e.g. organics material recovery) toward higher-valorization programs (e.g. food rescue apps, food donations) to ensure we are feeding people with our surplus.

Table 2 shows a consistent increase in the amount of food rescued through food rescue apps like FoodHero and Too Good To Go and food donations to people. As expected, 2024 shows even higher results, thanks to the onboarding of new donation partners and the expansion of these food rescue apps programs.

**Table 2** – Rescued food in stores (t)

Reporting year	Food rescue apps Metric tonnes	Food donations Metric tonnes	Total food rescued Metric tonnes
2016 Base year	0.0	1,873.6	1,873.6
2022	98.7	4,224.9	4,323.7
2023	323.6	4,034.6	4,358.1
2024	897.6	5,591.2	6,488.8

**Graph 1 – Rescued food in stores (t)**



### End destination of all food surplus

As per the FLW protocol, METRO has identified the end destination of all its surplus food from stores in 2024. Surplus food includes both rescued food and food loss and waste. The destinations in Table 3 are organized from highest value (high valorization) to lowest value (low/no valorization), with rescued as a top priority.

**Table 3 – Store surplus food end destinations for 2024 (t and %)**

End destination	Level of valorization <sup>8</sup>	Tonnage per destination	Portion of total food surplus
		Metric tonnes	Percentage (%)
Food rescue apps	Rescued	897.6	1.4%
Food donations	Rescued	5,591.2	8.4%
Animal feed	High	6,772.1	10.2%
Anaerobic digestion <sup>9</sup>	Some	24,016.5	36.1%
Compost	Some	3,555.1	5.3%
Biofuel production <sup>10</sup>	Some	3,969.1	6.0%
Landfill/Incineration	Low/no	21,689.8	32.6%

<sup>8</sup> Anaerobic digestion, compost, and biofuel production are all categorized as “some valorization”. METRO does not identify any of these end destinations as more favorable than the others because the level of valorization is highly variable and depends on multiple factors. The scientific literature does not provide a clear consensus to confidently rank them.

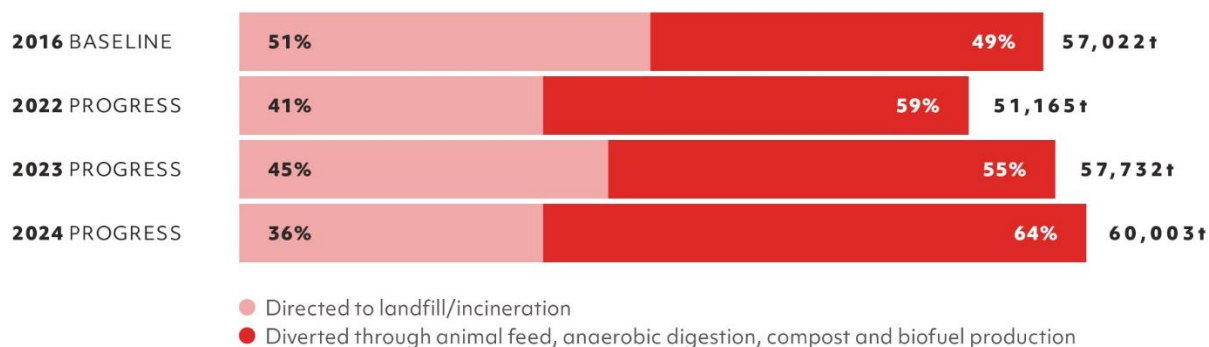
<sup>9</sup> Includes organics recovery stream only. Outputs include biogas and digestate that can be used as fertilizer.

<sup>10</sup> Includes cooking oil and grease trap recovery streams only.

When FLW does occur, our stores use recovery streams, such as our program to feed animals (farms, wildlife rescue centres, and zoos), organics recovery, and fat and bone recovery. The end destinations of food discarded through these programs are animal feed, anaerobic digestion, or compost.

Graph 2 shows significant improvement in the use of these recovery programs in 2024 compared to all previous years, with 64% of food waste diverted from landfill. Please refer to our [Waste Diversion Infosheet](#) for more information on our diversion of materials.

**Graph 2 – Food waste from stores diverted from landfill, % / metric tonnes of waste generated**



### 3.2 Distribution and production centres (DCs)

Table 4 below shows our progress in FLW reduction in DCs. The 2024 KPI suggests a 39% increase in FLW generated by these sites compared to 2023. Here are a few contributing factors:

1. A labour dispute caused a pause in daily operations of certain DCs, resulting in a delay transport of food to stores. Fresh food deteriorated past edibility and had to be discarded<sup>11</sup> once operations resumed.
2. The rollout of a national program for organics recovery has resulted in increased visibility of FLW in the data (refer to section 2.3 on methodology).
3. Several of our distribution sites transitioned to automated systems in 2024. There may be an increase in food loss and waste as our teams fine-tune and adjust the new processes. We foresee that these systems once optimized will ultimately reduce FLW.

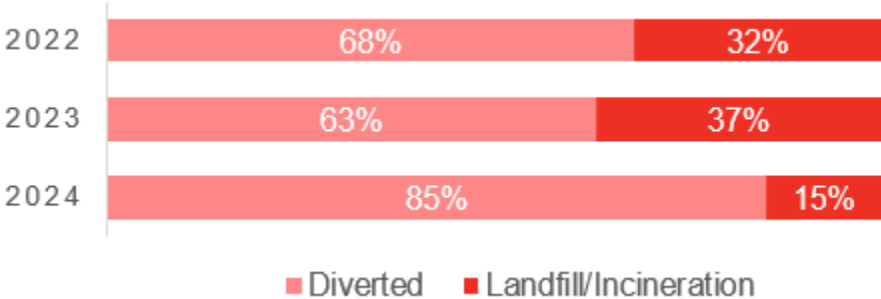
**Table 4 – DCs progress on FLW KPI**

Reporting year	FLW Weight Metric tonnes	Operational surface area square feet	DC KPI kg/sq.ft.	Progress Variation
2022	3,966.2	5,082,909.0	0.8	N/A
2023	3,544.6	5,069,477.0	0.7	-10.4%
2024	5,431.3	5,600,648.0	1.0	+38.7%

<sup>11</sup> With priority to recovery streams.

Graph 3 shows that despite a higher FLW generation, 85% of food was diverted to recovery streams.

**Graph 3 – Landfilled and diverted portion of DCs FLW (%)**



**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**

- In 2024, we worked with La Transformerie to map our processes that generate food loss and waste in our Québec produce distribution centre and in our stores. With this investigation, we were able to identify certain areas for improvement with key actions that can have a high impact on reducing FLW.
- We are committed to actively participating, 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. This year, we participated in the Centre for Intersectoral Studies and Research on the Circular Economy’s (CERIEC) and La Transformerie’s [Lab systèmes alimentaires](#), and the Retail Council of Canada’s (RCC) committee on FLW reduction and packaging. We have also contributed to Second Harvest’s and Value Chain Management International’s (VCMI) study to validate their [National FLW estimate from 2019](#).
- We have developed an interactive tool that facilitates the operational fluidity of fresh and frozen products from our warehouses to our stores. This tool prioritizes existing channels of sale within our own supply chain for food that might otherwise go to waste due to various reasons, such as damaged units in a case, or unexpectedly high product volume.
- 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.
- We continue to increase training and engagement opportunities concerning FLW issues, extending our efforts to both our operations teams and upper management. In 2024, we integrated FLW

verification points in our internal environment audit for stores and hosted a webinar for the entire administrative staff on managing FLW at METRO and at home.

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

- We continue to optimize our “Together against waste” program, which offers a 30% discount on products nearing their end of life. We are currently developing ways to increase the visibility of discounted product sections to ensure more customers can save on food and prevent it from being wasted. We will expand this program to the Adonis banner in F2025.
- Our partnerships with the food rescue apps FoodHero and Too Good To Go continue to grow, covering more food categories and more stores, resulting in an additional 574 metric tonnes of food being rescued in 2024 compared to the previous year. Following Too Good To Go’s success at Metro Ontario and Adonis banners, Metro Québec has begun to offer surprise bags for its assortments of fruits and vegetables, which are still perfectly good to eat, complementing the already successful frozen food products offering (meat and alternatives, bakery goods, etc.) on FoodHero. Our partnerships with food rescue apps will continue to expand further throughout our store network.
- Every year, the One More Bite program expands its network by connecting more stores to food banks and community organizations. In 2024, 13 additional stores in Québec were onboarded in the program. In Ontario, METRO partnered with Second Harvest’s Food Rescue app, facilitating donations from an additional 9 stores.
- This year, we have successfully identified the end destinations of all our surplus food to increase visibility and prioritize high-valorization destinations (see Table 3).