

# ***GHG EMISSIONS*** ***INFOSHEET***

Update  
December 2024

***metro***

## **Forward looking statement**

We might use, throughout this document, 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", "plans", "will", "targets", "may", "aim to" 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**

Climate change, being one of the most important global challenges, will exert its influence on how we conduct our business in the years ahead. METRO acknowledges that it is not exempt from its repercussions and is determined to proactively address this issue to mitigate our environmental footprint. We are aware that each of us has a role to play in minimizing the consequences of climate change.

## **Section 1: Our targets**

METRO's new near-term science-based targets (SBT), which have yet to be approved by the Science Based Targets initiative (SBTi), are consistent with the level of decarbonization required to keep global temperature increases to 1.5°C compared to pre-industrial temperatures. Our targets with a 2023 base year will consist of:

- **[SBT1]** Reducing absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 42% by 2030;
- **[SBT2]** Having 45% of our suppliers by spend with science-based targets by 2028;
- **[SBT3]** Reducing absolute scope 3 GHG emissions from purchases of goods and services by 25% by 2030;
- **[SBT4]** Reducing absolute scope 3 GHG emissions from downstream transportation and distribution by 25% by 2030; and
- **[SBT5]** Reducing scope 3 FLAG GHG emissions by 30% by 2030.

For more details on our approach, please see our [Methodology for Reporting our GHG Emissions](#).

## **Section 2: Our reporting period emissions**

METRO has redefined its reference year to 2023, following the adoption of its new and more ambitious targets above. In addition, improvements to our processes now enable us to present all our scope 3 emissions, providing a complete picture of the company's carbon footprint. The reporting period still remains out of sync with our financial year, and reflects emissions that took place between July 1, 2023, and June 30, 2024.

Please find in table 1 the inventory of GHG emission sources included in our targets presented in the previous section.

**Table 1** – 2023 (baseline) and 2024 GHG inventories in metric tonnes of CO<sub>2</sub>e

<b>Emission Source</b>	<b>2023 (baseline)</b>	<b>2024</b>
<b>Scope 1</b>		
Stationary combustion	78,713.5	78,169.5
Mobile combustion	18,623.9	19,312.9
Refrigerant leakage <sup>1</sup>	173,128.1	166,867.6
VOC	4.3	4.3
<b>Scope 1 Subtotal</b>	<b>270,469.8</b>	<b>264,354.3</b>
<b>Scope 2</b>		
Electricity consumption	15,605.2	19,573.4
<b>Scope 2 Subtotal</b>	<b>15,605.2</b>	<b>19,573.4</b>
<b>Scopes 1 &amp; 2 Subtotal</b>	<b>286,075.0</b>	<b>283,927.7</b>
<b>Scope 3</b>		
Purchased goods and services (including FLAG emissions)	9,080,802.1	9,513,351.0
Capital goods	91,464.5	83,280.8
Fuel- and energy-related activities (not included in scope 1 or 2)	25,382.5	28,382.7
Upstream transportation and distribution	87,388.2	100,271.1
Waste generated in operations	49,865.2	47,115.2
Business travel	774.5	769.8
Employee commuting	79,927.3	64,061.9
Upstream leased assets	808.8	848.3
Downstream transportation and distribution (optional) <sup>2</sup>	434,457.3	476,891.7
Processing of sold products	NA	NA
Use of sold products	2,912.3	14,047.1
End-of-life of sold products	210,646.7	417,927.0
Downstream leased assets	5,630.9	5,324.7
Franchises	58,103.1	58,466.4
Investments	NA	NA
<b>Scope 3 Subtotal</b>	<b>9,693,706.1</b>	<b>10,333,846.0</b>
<b>Scopes 1-2-3 Total</b>	<b>9,979,781.1</b>	<b>10,617,773.7</b>

<sup>1</sup>The estimation of GHG emissions associated with refrigerant leaks in stores is based on an average leak rate of 10%, a value derived from an internal study based on a sample of stores.

<sup>2</sup>Downstream transportation and distribution emissions reported in this table are related to our customers travelling to and from our stores and they are not included in the overall or scope 3 total. According to the [GHG Protocol Corporate Standard](#), they are optional emissions and presented here for the benefit of our SBT4 target.

In 2023, METRO calculated all the relevant scope 3 categories for the very first time. This exercise enabled us to conclude that more than 97% of our emissions are indirect, with the majority coming from category 1 - Purchase of goods and services, and this finding remained true in 2024.

### **Section 3: How we are doing**

METRO has managed to maintain and even slightly reduce its emission levels for scopes 1 and 2, despite significant challenges. These challenges include the addition of over 800,000 square feet of corporate space under our control – notably our new distribution centre in Terrebonne – and an increase in the carbon intensity of Ontario’s electricity grid. Although our electricity consumption in Ontario has grown by about 1.5%, our emissions have increased by nearly 27%. This rise in emissions is directly linked to a 25% increase in Ontario’s electricity emission factor, as reported in [Canada's latest National Inventory Report](#).

With regard to our scope 3 emissions, our calculations have shown certain variations in relation to the 2023 values, notably an increase in emissions from the purchased goods and services category. Part of this increase is attributable to the refinement of our methodological approach and the deepening of activity data collection regarding our activities, but also to the growth in sales volume and the business as a whole. We continue to engage with our value chain, and in particular to develop our methodology to better reflect future improvements. It is worth noting that we recognize the non-linearity of emissions reduction, as exemplified by the anticipated availability of electric truck fleet technology, which may not materialize until a few years after 2027.

METRO has continued to strengthen and act on its commitment to climate action. Building on our work of recent years, we have developed our internal capabilities in several critical areas. Notably, we have achieved a significant milestone by quantifying scope 3 emissions from all relevant sources throughout our value chain. This provides us with a comprehensive view of our company's carbon footprint and allows us to communicate more transparently.

### **Section 4: Our strategy in action**

In 2024, METRO launched two internal task forces - the Energy and Refrigerants Task Force and the Transportation Task Force - to optimize its approach and strategy to mitigate emissions in its operations. Through these task forces, METRO aims to focus on embedding climate mitigation into its systems and processes to enable the transition to less emission-intensive technologies and operations.

As described in our [FAQ Climate Change](#), METRO focuses its GHG reduction efforts in the following areas:

#### **4.1 Refrigerants**

Noting that refrigerant leaks are the largest single activity contributing to our direct emissions (scopes 1 and 2), METRO has prioritized converting high global warming potential (GWP) refrigerant systems into low GWP gas systems whenever possible.

As per our construction standard, all newly constructed stores and certain major renovations will have ultra-low GWP refrigerant gases in their systems – in particular, CO<sub>2</sub> gas. In addition, we use ammonia, a zero-GWP refrigerant gas, for refrigeration in newly constructed distribution centres. Investing in natural refrigerants is key for METRO to reduce GHG emissions because they offer a sustainable alternative to synthetic refrigerants, significantly lowering the carbon footprint of cooling systems in line with our climate goals.

#### **4.2 Energy efficiency**

METRO continues to pursue energy-saving projects within its buildings such as light-emitting diode (LED) lighting retrofits, equipment maintenance, and overall optimization of our mechanical systems. METRO's

focus on energy management is expected to reduce our emissions, more so in Ontario where the electricity grid is more emitting than in Québec.

In addition, in 2024, METRO continued its project encompassing 47 Québec stores to optimize electrical consumption. This 5-year project, which started in 2023, has a target to generate close to eight (8) million kilowatt-hours (kWh) in yearly energy savings. METRO continues to capitalize on opportunities to manage its energy internally and investigate clean energy alternatives.

### 4.3 Transportation

This year, METRO has continued to build upon the foundation laid last year, further developing our internal strategy to facilitate GHG reduction within our merchandise transportation operations and corporate-owned passenger car fleet.

In particular, our Finance team developed and implemented a Passenger Vehicle Energy Efficiency Policy which governs the rules regarding the fuel consumption of passenger vehicles acquired by METRO. Additionally, METRO launched a pilot project to introduce a fully electric vehicle option for 35 directors starting in fiscal 2025.

With regards to its e-commerce operations, METRO continued to explore electric vehicle options, testing two (2) models for our eCommerce fleet. The pilot project was a success, and METRO is proceeding to acquire one vehicle.

Regarding class 8 vehicles, METRO launched a pilot of two (2) electric trucks in Québec. To support the integration of these electric vehicles in our operations, we installed charging stations at our Terrebonne DC. Additionally, the electric shunt trucks acquired for this DC to replace diesel-powered ones are now fully operational and integrated into our operations. Furthermore, we installed 53 reefer plugs at our Terrebonne DC, which allow refrigerated units to run on electricity while on standby in the yard, reducing the need for diesel. This ensures the reefers remain cool using electricity until the trucks depart for deliveries. In Ontario, we installed an electrical line for our reefer fleet at our West Mall DC. Furthermore, METRO continues to optimize truck loads and increase backhauling.

Electric shunt trucks



Over the short- and medium-term, METRO aims to integrate electric transportation into our distribution operations, while continuing to monitor other technologies as they become available to the market.

### 4.4 Waste management

METRO has improved its data collection processes, as well as its waste management programs to help in its waste diversion. Please refer to our [Waste Diversion Infosheet](#) for more details on our waste diversion progress and initiatives.

## 4.5 Suppliers

METRO recognizes that it is not the only one responsible for addressing climate change and its impacts. We actively engage our suppliers to take climate change into consideration when providing us services and products via our [Supplier Code of Conduct for responsible procurement](#). Please refer to our [2024 Corporate Responsibility Report](#) for more details on supplier engagement. More specifically, in terms of our strategy for achieving our various targets – SBT2, SBT3 and SBT5 – we plan to work along the following main lines:

### FLAG emissions

- Participate in industry-led groups and engage with suppliers of high FLAG emitting products on favouring sustainable agricultural practices (e.g.: swapping to low-carbon crop and feed varieties, modifying fertilizer use, silvopasture, etc.).
- Explore contributing to carbon removal and storage measures.
- Develop programs that promote plant-based and low-carbon emitting food products (i.e., products with low FLAG emissions) with our merchandizing teams.
- Reduce food loss and waste (FLW) across our supply chain. Please refer to our [Food Loss and Waste Infosheet](#) for more details on specific measures of FLW reduction.

### Non-FLAG emissions

- Encourage our suppliers to adopt science-based targets and the reduction of their GHG emissions.
- Increase collaboration with specific suppliers on data sharing, improving our understanding and precision allowing us to better capture the impact of the industry's efforts.