

LOCAL PURCHASING POLICY

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metro

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1. Vision

METRO acknowledges that local products and suppliers support the health and well-being of communities where we operate and generate sustainable socio-economic benefits.

The Local Purchasing Policy is in line with METRO's corporate responsibility (CR) approach which aims, among other things to support its communities, adopt responsible procurement practices and manage its environmental footprint.

With this policy, METRO aims to:

- Facilitate access to local products;
- Build sustainable relationships with innovative local suppliers who stand out for their production methods or the originality of their products;
- Be a key player in the socio-economic strengthening of its communities.

2. Scope

This policy applies to the purchase of local food products available in all our food stores in Québec and Ontario. It also applies to non-food manufactured products available in Québec in all our food stores and in pharmacies affiliated with our banners in Québec.

This policy was originally adopted in 2013 and then revised in 2016. It was updated again in December 2022.

3. Responsibilities

The implementation of this policy and the continued improvement of its results are overseen by METRO's vice-presidencies, which are responsible for purchasing and merchandising the products offered in our food stores in Québec and Ontario and in the pharmacies affiliated with our banners in Québec.

4. Guiding principles

The local purchasing policy is driven by three guiding principles that enable METRO to optimize the accessibility and promotion of local products. The approach is carried out in alignment with METRO's business practices and based on customer needs and supplier offerings.

4.1 Support for provincial producers, processors and manufacturers

This guiding principle aims to promote Québec and Ontario agri-food products as well as Québec non-food products sought by a large part of our clientele in both provinces. It is based on:

- Aliments du Québec organization and its four certifications (Aliments du Québec, Aliments préparés au Québec and their corresponding organic certifications) that guarantee Québec origin of the product. These certifications are supported by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec and recognized by the province's agri-food industry;
- The two brands to identify Ontario origin: Foodland Ontario and its corresponding organic sub-brand. These brands are the property of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and are recognized by the province's agri-food industry;
- Les Produits du Québec organization and its three certification marks (Produit du Québec, Fabriqué au Québec, Conçu au Québec) which guarantee the Québec origin of non-food manufactured products. This non-profit organization is supported by the Government of Québec.

As part of this guiding principle, we will pursue our ongoing relationship with Aliments du Québec and Foodland, Ontario, and we are developing our collaboration with Les Produits du Québec. We also aim to continue to be a key partner for the various sectoral organizations that promote the Québec and Ontario origin of agricultural and agri-food products.

This guiding principle applies to Québec and Ontario products with a provincial scope that can be distributed across their province of origin.

Among the products that meet these criteria, METRO seeks varied and differentiated options whose freshness, quality, availability and quality-price ratio meet our customers' expectations.

The principle also applies to Québec and Ontario products with identifiers of origin granted by sectoral associations.

This principle is aimed, among others, at suppliers who meet the certification criteria of Aliments du Québec and Les Produits du Québec and suppliers who are certified or eligible to be certified by Foodland Ontario. Their production and distribution capacity enables them to supply the entire METRO food stores network in their respective province or the pharmacies affiliated with our banners in Québec.

In the context of this policy, they are referred to as provincial-scale suppliers.

4.2 Support for innovative suppliers

This guiding principle is aimed at strengthening and enhancing the relationships between METRO and its innovative Québec and Ontario suppliers seeking to maintain or to increase their market shares.

For METRO, an innovative supplier is one who offers a product that stands out for its originality, packaging, recipe, ingredients or function, one that originates from environmentally sound production practices or one grown through practices that provide added value in terms of appeal (e.g., taste, shape, colour, conservation, exclusivity, etc.) or market availability.

METRO therefore seeks to affirm its interest in Québec and Ontario suppliers that possess the drive and capacity to continuously develop their products or production and have the potential to increase their distribution.

In collaboration with our partners—and especially our regional partners—we intend to ensure that our teams identify these suppliers and products, provide guidelines to optimize our relations with them and promote our joint actions.

4.3 Support for provincial producers and processors

This guiding principle aims to ensure the presence and visibility of regional products in our retail networks.

It is anchored in the regional identities that have been developed and which are carried by, among others, recognized third parties whose mission is to identify and facilitate the marketing of agri-food products in their region.

METRO therefore seeks to ensure that a distinctive selection of regional products is available at competitive prices for its customers.

METRO is also pursuing the direct in-store delivery of certain summer produce (fruits and vegetables) to optimize the freshness and preservation of the products.

The products will be distributed at the regional level and there will be a limited number of intermediaries between the supplier and the store. Among the products identified by regional third parties, METRO will seek varied and differentiated products whose freshness, quality, availability and quality-price ratio meet our customers' expectations.

The suppliers that are targeted by this principle are those whose operations are carried out in the region relevant to the regional identification. In the context of this policy, they are considered regional suppliers.

5. Implementation approach

With this local purchasing policy, METRO aims to mobilize its employees, merchants, pharmacist owners affiliated with our Québec banners and their teams, as well as its partners and suppliers so that they may facilitate access to local products for their customers.

METRO has established the following guidelines to inform the implementation of the guiding principles of this policy:

- Increase the variety of local products in our food stores and in the Québec pharmacies affiliated with our banners by:
 - Fostering an increase in the number of Aliments du Québec, Foodland Ontario and Les Produits du Québec certified products in our stores;
 - Continuing to develop partnerships with sectoral associations;
 - Maintaining communication channels through which regional suppliers that qualify as innovative may submit their products.
- Facilitate the identification of local products in our grocery stores and in pharmacies affiliated with our Québec banners, by:
 - Carrying out initiatives to promote local products in stores and on METRO's various communications and marketing platforms;
 - Ensuring that products bearing the Aliments du Québec, Foodland Ontario and Les Produits du Québec certification marks are easily identifiable in METRO food stores in their province of origin and in pharmacies affiliated with our banners in Québec.
- Supporting regional suppliers by:
 - Assisting them in their development through cooperation from the time the products are selected up until they are introduced in stores;
 - Continuing to initiate projects that enable regional suppliers to strengthen their production or distribution capacity.

6. Reporting

To ensure transparency, a report on the implementation of this policy, its objectives and results will be incorporated annually into METRO's corporate responsibility report and communicated to the stakeholders concerned.