

METHODOLOGY FOR REPORTING OUR GHG EMISSIONS

Update
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metro

Forward looking statement

Throughout this report, we have used statements that may constitute forward-looking information. In general, any statement in this report that does not constitute historical fact may be considered a forward-looking statement. The use of the future tense as well as expressions such as “commit,” “aim,” “vision,” “ambition,” “seek,” “targets,” “objectives” and other similar expressions is generally indicative of forward-looking statements. The forward-looking statements that may be set out in this report refer to hypotheses on the Canadian food and pharmacy industries, targets and the economy in general as well as our 2025 action plan and [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 known and unknown risks and uncertainties that could cause the outcome to differ significantly. We believe these statements to be reasonable and relevant at the publication date and representative of our expectations. METRO does not intend to update any forward-looking statements contained herein.

Introduction

METRO believes that accurately calculating greenhouse gas (GHG) emissions is crucial for tracking progress and driving effective actions to reduce our carbon footprint. Equally important is ensuring the robustness of these calculations to uphold credibility and support informed decision-making. This document provides detailed information on our methodology for GHG emissions reporting.

Section 1: Our commitment

To understand our contributions to climate change, METRO calculates its GHG emissions to determine the impact of its activities and to support its annual public disclosures, its corporate responsibility report, internal GHG reporting, and GHG target setting. We use the results of the annual GHG emissions inventory to track and communicate progress against our emissions targets and assess the impact of implemented reduction initiatives. In addition, a GHG inventory allows us to better manage our GHG-related risks and identify further reduction opportunities for future action.

Section 2: Our methodology

METRO's approach to calculate its GHG inventory, including the calculations, boundaries, methodologies and assumptions is described below. Our GHG inventory is reported in metric tons of carbon dioxide equivalents or tCO₂e. This methodology is based on the principles of the [GHG Protocol Corporate Standard](#) and associated guidance documents.

2.1 Organizational boundary

METRO uses the operational control approach to define its organizational boundary, where it is required to account for all of the GHG emissions from operations over which it has the authority to introduce and implement operating decisions and policies. Using this approach, we assessed each of our banners, subsidiaries, and operations to determine their inclusion within our boundary of reporting. This assessment covers all the provinces where we operate: New Brunswick (NB), Ontario (ON) and Québec (QC).

Table 2 – Summary of METRO’s organizational structure and operational control

Category	Type of Site	Applicable provinces	Ownership Type	Operational Control?
Food	Metro corporate stores	ON & QC	Wholly owned	Yes
Food	Metro franchised stores	QC	Store operated by a franchisee under a commercial agreement	Yes
Food	Super C stores	QC	Wholly owned	Yes
Food	Adonis stores	ON & QC	Wholly owned	Yes
Food	Metro Manufacturing Group	QC	Wholly owned	Yes
Food	Food Basics stores	ON	Wholly owned	Yes
Food	Phoenicia Group production facility & distribution centres	ON & QC	Wholly owned	Yes
Food	Première Moisson production facilities	QC	Wholly owned	Yes
Food	Première Moisson – METRO corporate retail bakeries	QC	Wholly owned	Yes
Food	METRO corporate distribution centres	ON & QC	Wholly owned	Yes
Food	JBS foods – METRO-dedicated production facility in Belleville	ON	Associated entity (consolidated in financial accounts)	No
Food	Metro affiliate stores and Marché Richelieu affiliate stores	NB & QC	Store operated by an affiliate retailer under an affiliate agreement	No
Food	Metro franchise stores	ON	Store operated by a franchisee under a franchise agreement	No
Food	Première Moisson - affiliate retail bakeries	QC	Store operated by an affiliate under an affiliate agreement	No
Food	Première Moisson - franchise retail bakeries	QC	Store operated by a franchisee under a franchise agreement	Yes
Food	Affiliate convenience stores (e.g. Ami, Gem)	NB & QC	Store operated by an affiliate retailer under an affiliate agreement	No
Food	METRO-specific private brand product production facility	ON & QC	Not owned	No
Pharmacy	Groupe Jean Coutu/ McMahon corporate DCs	ON & QC	Wholly owned	Yes
Pharmacy	Groupe Jean Coutu franchise pharmacy stores	NB, ON & QC	Store operated by a franchisee under a franchise agreement	No
Pharmacy	Brunet franchise pharmacy stores	QC	Store operated by a franchisee under a franchise agreement	No
Pharmacy	Metro Pharmacies	ON	Wholly owned	Yes
Pharmacy	Food Basics Pharmacies	ON	Wholly owned	Yes
Pharmacy	Pro Doc production facility	QC	Wholly owned	Yes
Real Estate	METRO-owned shopping centres (common areas)	ON & QC	Wholly owned	Yes
Real Estate	METRO-owned shopping centres (leased areas)	ON & QC	Wholly owned but leased	No
Real Estate	METRO leased or owned office buildings/space	ON & QC	Multiple: Wholly owned OR not owned but have an operating lease	Yes

2.2 Operational boundaries

As per the GHG Protocol Corporate Standard, GHG emissions are separated into three categories: Scope 1, Scope 2, and Scope 3.

The GHG Protocol requires the inclusion of all material Scope 1 and Scope 2 emissions in a GHG inventory. Reporting on Scope 3 emissions is optional under the GHG Protocol, though it is best practice to include Scope 3 emissions sources that are material or significant to a company's operations.

The activities and sources of emissions which we currently report include:

- **Scope 1 emissions:** Direct emissions from sources owned or controlled by METRO. Sources of Scope 1 emissions include fuel combustion from both stationary and mobile sources and fugitive emissions from the leakage of refrigerants. METRO is phasing out ozone-depleting refrigerants, such as HCFCs, and reports emissions from these gases separately as excluded emissions, in line with GHG Protocol guidance. This approach enables greater transparency throughout our phase-out plan and continued emission reduction efforts.
- **Scope 2 emissions:** Indirect emissions from the consumption of purchased grid electricity and other similarly distributed energy types such as steam, hot water and chilled water. Sources of Scope 2 emissions from our operations only include electricity consumption; METRO does not purchase heat, steam or chilled water. We use the location-based method to calculate Scope 2 emissions, as our operations are located entirely in Ontario and Quebec, where electricity production and distribution are regulated provincially and where there is limited access to contractual instruments like Energy Attribute Certificates. As such, a market-based calculation is currently not applicable in our context.
- **Scope 3 emissions:** Other indirect emissions within our value chain. METRO calculates, includes and discloses all material and relevant emissions to the company's operations. See the following table for more information regarding calculated Scope 3 categories.

Table 3 – Scope 3 categories relevant and calculated

Category	Description	Explanation
1	Purchased goods and services	Relevant and calculated -
2	Capital goods	Relevant and calculated -
3	Fuel- and energy-related activities	Relevant and calculated -
4	Upstream transportation and distribution	Relevant and calculated -
5	Waste generated in operations	Relevant and calculated -
6	Business travel	Relevant and calculated -
7	Employee commuting	Relevant and calculated -
8	Upstream leased assets	Relevant and calculated -
9	Downstream transportation and distribution	Relevant and calculated Emissions in this category represent our customers travelling to and from our stores. They are optional and are presented separately from our Scope 3.
10	Processing of sold products	Not relevant This category is not relevant for METRO as we do not sell intermediate products.
11	Use of sold products	Not relevant This category is not relevant for METRO as the majority of products sold are food items that do not generate emissions during consumption.
12	End-of-life treatment of sold products	Relevant and calculated -
13	Downstream leased assets	Relevant and calculated -
14	Franchise	Relevant and calculated -
15	Investments	Not relevant This category is not applicable to METRO

2.3 Exclusions of emissions in our inventory

Due to data gaps and/or challenging data collection procedures in the past, several emissions sources and/or activities that are within METRO's organizational and operational boundaries have not been quantified in the current GHG inventory. According to the best practices, METRO uses the best available information to estimate the intensity of excluded activities and ensure they do not exceed the permitted exclusion threshold of 5% of the total Scopes 1 and 2 emissions or for Scope 3, 5% of total Scope 3 emissions.

2.3.1 Exclusions from Scope 1

- The consumption of propane from the use of forklifts and floor machines in warehouses is excluded from the inventory. Most forklifts are battery powered. Omissions of propane emissions from floor machines are expected to be immaterial to the overall GHG inventory.
- Emissions of refrigerant leaks from HVAC (heating, ventilation, air-conditioning) equipment at administrative, distribution and production centres are excluded as they are expected to be immaterial to the overall GHG inventory.

2.3.2 Exclusions from Scope 2

- METRO doesn't exclude any known activities generating emissions under the Scope 2.

2.3.3 Exclusions from Scope 3

- Due to limitations in data collection for upstream transportation, METRO does not currently include the following in its upstream transportation:
 - Transportation and distribution of products purchased between METRO and its tier 1 suppliers in third-party vehicles due to challenging data collection requirements.
 - Storage of purchased products predominantly occurs at METRO-owned distribution centres; where storage in third-party warehouses occurs, these spaces are typically shared with other retailers. For these reasons, emissions are considered negligible.
 - The transportation and distribution of products from one METRO-operated site to another METRO-operated site by means of transportation by a third party in a vehicle with a load not exclusive to METRO.

2.4 Data collection

The data used to calculate our GHG emissions, such as fuel consumption, are collected and managed by the relevant departments. Over the course of the year, this activity data is centralized and compiled. Once compiled, the data is entered into our Excel-based GHG inventory tool to calculate our annual carbon footprint.

2.5 Data gaps and estimations

Although METRO has real data for a large portion of its operations, some still require estimation. Where appropriate, METRO will estimate the emissions from these gaps using the most appropriate data and assumptions available (e.g., estimated fuel consumption based on available literature).

The table that follows presents the calculation methodology used to quantify our main emission sources. Methodology is aligned with the GHG Protocol Corporate Standard recommendations per category, and we use activity data multiplied by a documented emission factor. These factors are calculated ratios relating GHG emissions to a proxy measure of activity at an emissions source. This is the most common approach for calculating GHG emissions.

Table 4 – Methodology to quantify emission sources¹

Emitting Activities Under Scope 1 & 2	Calculation Methodology
Stationary Combustion	Primary / Secondary (sampling average) data
Mobile Combustion	Primary / Secondary (industry average) data
Refrigerant Leakage	Primary / Secondary (sampling average) data
Electricity consumption (location-based)	Primary / Secondary (sampling average) data
Emitting Activities Under Scope 3	Calculation Methodology
1- Purchased goods and services	Primary (product-specific) / Secondary (financial) data
2- Capital goods	Secondary (financial) data
3- Fuel- and energy-related activities	Secondary (national average) data
4- Upstream transportation and distribution	Primary (distance) / Secondary (industry average) data
5- Waste generated in operations	Primary (material-specific) / Secondary (industry average) data
6- Business travel	Supplier specific / Primary (distance) / Secondary (industry average) data
7- Employee commuting	Secondary (national average) data
8- Upstream leased assets	Secondary (industry average) data
9- Downstream transportation and distribution	NA
10- Processing of sold products	Average-based data
11- Use of sold products	NA
12- End-of-life treatment of sold products	Primary (material-specific) / Secondary (financial) data
13- Downstream leased assets	Secondary (industry average) data
14- Franchise	Secondary (sampling average) data
15- Investments	NA

2.6 Emission factors

Emission factors used in the calculation of our GHG inventory are presented in Table 5 below. Emission factors are sourced from reputable third-party organizations, typically government reports. They are updated on an annual basis. The emissions we present consist of a calculated CO₂ equivalent, defined as actual CO₂ emitted plus equivalent emissions from other GHGs: methane (CH₄), nitrous oxide (N₂O) and various refrigeration gases, included in hydrofluorocarbons (HFCs).

¹ Primary data are sourced from supplier invoices and operational data reported directly. When unavailable, secondary data are used, based on sampling or available industry averages.

Table 5 – Emission factor sources

Emissions source	Emission factor sources
Stationary combustion	National Inventory Report 1990-2023, Part 2, Annex 6; Table A6.1-1 and A6.1-3; Published in 2025 ; EPA Emission Factors for Greenhouse Gas Inventories, Table 1, 2025
Mobile combustion	National Inventory Report 1990-2023, Part 2, Annex 6; Table A6.1-15; Published in 2025
Fugitive emissions	IPCC AR6 Climate Change 2021: Chapter 7 Supplementary Material, Table 7; Published in 2021 ; IPCC AR4, AR5, and AR6 20-, 100-, and 500-year GWPs, EPA; Published in 2023 ; California Air Resources Board, High-GWP Refrigerants; ASHRAE Addendum f to Standard 34-2019, Table 4-2; Published in 2019
Electricity consumption (location-based)	National Inventory Report 1990-2023, Part 3, Annex 13; Table A13-5, Table A13-6 and A13-7; Published in 2025
1- Purchased goods and services	ADEME AGRIBALYSE v.3; Quantis World Food LCA Database v.3.5; EPA Supply Chain Greenhouse Gas Emission Factors v1.2
2- Capital goods	EPA Supply Chain Greenhouse Gas Emission Factors v1.2
3- Fuel- and energy-related activities	UK Government GHG Conversion Factors for Company Reporting; Published 2025 ; National Inventory Report 1990-2023, Part 3; Published in 2025 ; IEA Emission Factors Published in 2024 ; EPA Emission Factors for Greenhouse Gas Inventories, 2025
4- Upstream transportation and distribution	EPA Emission Factors for Greenhouse Gas Inventories, Table 9, 2025
5- Waste generated in operations	EPA Emission Factors for Greenhouse Gas Inventories, Table 10, 2025 ; UK Government GHG Conversion Factors for Company Reporting; Published 2025
6- Business travel	UK Government GHG Conversion Factors for Company Reporting; Published 2025
7- Employee commuting	National Inventory Report 1990-2023, Part 2, Annex 6; Table A6.1-1 and A6.1-3; Published in 2025 ; EPA Emission Factors for Greenhouse Gas Inventories, 2025 ; IPCC AR6 Climate Change 2021: Chapter 7 Supplementary Material, Table 7; Published in 2021
8- Upstream leased assets	EPA Emission Factors for Greenhouse Gas Inventories, Table 10, 2025 ; UK Government GHG Conversion Factors for Company Reporting; Published 2025 ; National Inventory Report 1990-2023, Part 3, Annex 13; Table A13-5, Table A13-6 and A13-7; Published in 2025 ; IEA Emission Factors Published in 2024
9- Downstream transportation and distribution	NA
10- Processing of sold products	NA
11- Use of sold products	NA
12- End-of-life treatment of sold products	EPA WARM v.16
13- Downstream leased assets	National Inventory Report 1990-2023, Part 2, Annex 6; Table A6.1-1 and A6.1-3; Published in 2025 ; EPA Emission Factors for Greenhouse Gas Inventories, 2025 ; IPCC AR6 Climate Change 2021: Chapter 7 Supplementary Material, Table 7; Published in 2021
14- Franchise	See Stationary combustion, Mobile combustion, Fugitive emissions & Electricity consumption
15- Investments	NA

2.7 Approach for baseline restatements

METRO has chosen 2023 as the base year for its GHG emissions. This decision was motivated by the desire to anchor its reduction targets in a period that is representative of its current activities. The year 2023 offered comprehensive data, notable stability in emissions, and significant advances in internal calculation methodology. It therefore provides a solid and representative basis for measuring progress in reducing GHG emissions.

We will recalculate our baseline emissions when one or multiple events result in a significant change to GHG emissions. Significant events that may trigger a recalculation include structural changes, methodological changes, or errors.

A structural change involves the transfer of ownership or control of emissions-generating activities or operations from one company to another. While a single structural change might not have a significant impact on the base year emissions, the cumulative effect of multiple minor structural changes can result in a significant impact. Structural changes include:

- Mergers, acquisitions, and divestitures;
- Outsourcing and insourcing of emitting activities.

In addition to structural changes, the GHG Protocol requires that significant methodological changes or error identification shall also trigger recalculation of base year emissions, such as:

- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data;
- Discovery of significant errors, or multiple cumulative errors, that are collectively significant.

METRO will assess its emissions relative to its base year at the end of each reporting year. METRO will adjust its base year if structural changes, methodological changes, or errors result in a significant change in emissions, classified as changes equal or greater than 5%. Nevertheless, METRO may choose to adjust its base year because of any changes it deems material, even if those changes do not result in a $\pm 5\%$ change in emissions from its base year.