

GHG Emissions Infosheet

Update
December 2022

metro



GHG Emissions Infosheet

December 2022

Climate change is one of the biggest challenges facing the world today and METRO understands that it is not immune to its effects. We must all play our part to limit the consequences and METRO is committed to taking action to minimize our environmental impacts.

1.0 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 "anticipate", "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 2022 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.

1.1 Our Target

METRO has set a GHG emission reduction target of 37.5% by 2035 compared to 2020 emissions in its Scope 1, 2 and specific Scope 3 activities, as noted in the chart below. Please see our GHG methodology document with more details on our approach [here](#).

Scope 1
Stationary Combustion
Mobile Combustion
Refrigerant Leakage
Volatile Organic Compounds (VOCs)
Scope 2
Electricity
Scope 3
Business Travel
Waste
Upstream Transportation & Distribution

1.2 Our Reporting Year Emissions

METRO continues to improve its data collection and calculations since setting its baseline emissions in its 2020 reporting year. As we continue to progress and learn about our emissions, we have made modifications to enhance our data from our past reporting periods. In turn, we have modified our reporting period for 2022 to reflect our activities from July 1, 2021 to June 30, 2022; we did not modify the reporting periods from our past reporting years (2020 and 2021) – there was no significant changes in the final data resulting from a shift in reporting period. We compare our GHG emissions performance relative to our baseline year: 2020.

Please find our GHG inventories for each reporting year in the table below.

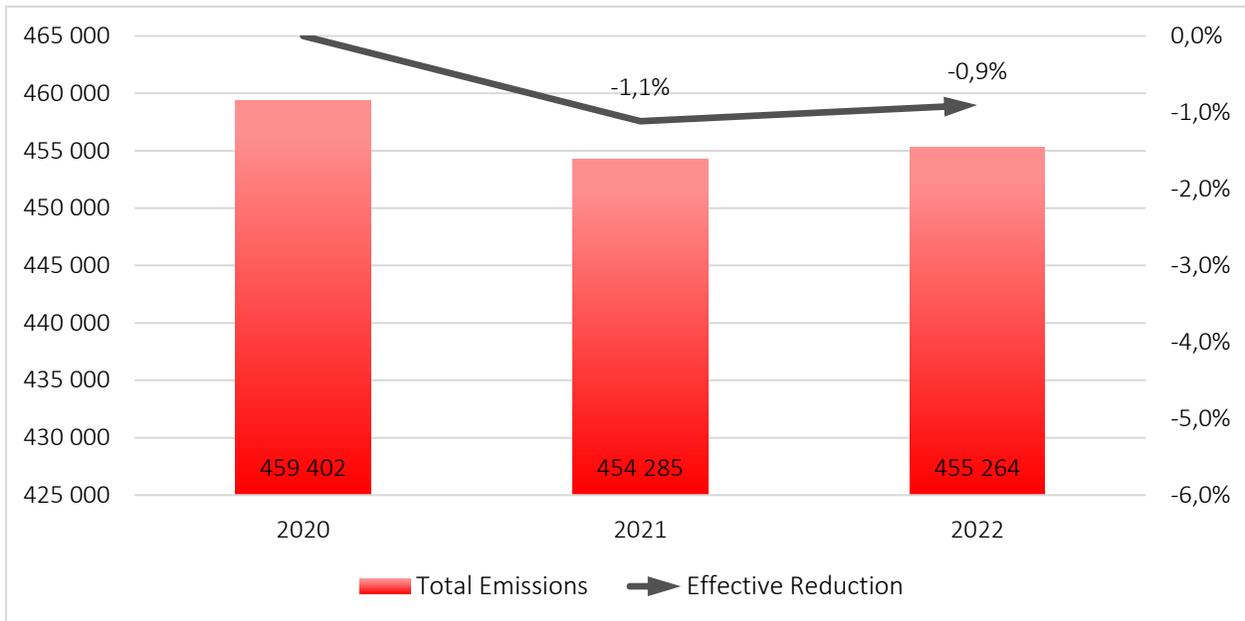
Table 1 – 2020 (baseline), 2021, and 2022 GHG Inventories

Emission Source	2020 GHG Emissions (Tonnes CO ₂ e)	2021 GHG Emissions (Tonnes CO ₂ e)	2022 GHG Emissions (Tonnes CO ₂ e)
Scope 1			
Stationary Combustion	80,676	77,344	78,481
Mobile Combustion	19,918	20,279	20,555
Refrigerant Leakage	170,163	167,028	167,592
Volatile Organic Compounds	4	4	4
Scope 1 Total	270,761	264,655	266,632
Scope 2			
Electricity	17,872	14,668	14,785
Scope 2 Total	17,872	14,668	14,785
Scope 3			
Business Travel	1,031	481	483
Waste	53,924	53,348	52,285
Upstream Transportation & Distribution	59,549	62,871	61,405
Franchises	56,266	58,262	59,674
Scope 3 Total	170,769	174,962	173,847
Overall Total	459,402	454,285	455,264

1.3 How We Are Doing

METRO has maintained a stable total absolute emissions despite its business' growth and changes in operations. The stabilization of emissions for a third consecutive year is a demonstration of METRO's actions to help prevent the growth of emissions proportional with the increase in business operations, which is an encouraging sign for the future. We are confident that we will progress and meet our 37.5% reduction target on or before 2035. In addition, METRO never expected that emissions reductions would be linear and slowly progressing through 2035. For example, METRO understands that transportation truck fleet electrification is not expected to be readily available until after 2027, in which case, any adoption of such technology by METRO will be iterative.

Graphic 1 – Total emissions per year relative to the reduction compared to 2020 (TCO2e)



This past year, METRO has continued to work on improving its data collection and accuracy. Building on the past years’ work on internal systems, processes, and education to support its data collection, METRO turned its attention to improving and broadening the Scope 3 data collection this year. To do so, METRO looked beyond its internal expertise and hired a consultant to further understand its relevant categories in Scope 3. In particular, METRO was able to disclose its Scope 3 Category 14 Franchises data in its most recent CDP disclosure, expanding its reporting boundary from the previous year. METRO is focusing on expanding its disclosure to include more Scope 3 categories that are material to our operations with the help of our consultant.

1.4 Our Strategy in Action

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

Refrigerants:

Based on market variances and accessibility, METRO has prioritized converting high global warming potential (GWP) refrigerant gases into systems that run on low GWP gases whenever possible. In fact, METRO converted 6 store systems to lower GWP gases, a new initiative that saved 449 TCO2e.

In addition, as per our policy for new constructions, all newly constructed stores have ultra-low GWP refrigerant gases in their systems – in particular, CO2 gas.

Transportation:

This year, METRO has worked to develop internal strategy to support GHG reduction within its transportation operations. In particular, our transportation division has incorporated emission components to its approval processes, further identifying climate change as a consideration when strategically planning projects and purchases. METRO has also established a Distribution and Logistics Committee to discuss and plan its strategy with a focus on climate change and its impact on METRO’s transport and distribution operations.

As METRO adapts its operational and financial strategies because of climate change, METRO's understanding of the vehicle electrification market has improved. With changing regulations and federal funding opportunities, METRO has worked internally to develop operational strategy and financial strategy to further efforts to pilot electric tractors and shunt trucks. METRO's team has worked collaboratively with industry partners to better understand the opportunity presented by vehicle electrification. By building networks with vehicle manufacturers and transportation companies, METRO is building the foundation to implement electric vehicle pilot projects in the coming years.

Energy Efficiency:

Building on the work from past years, METRO continues to convert to LED lighting in our buildings. In 2022, METRO performed 129 lighting retrofits in Ontario stores and 32 lighting retrofits in Québec stores. In addition to these retrofits, METRO has ensured that its new building constructions for stores and distribution centres implement LED lighting.

Waste Management:

METRO has improved its understanding and processes in waste diversion, including how waste is generated and METRO's handling of such materials. In doing so, we have reassessed our processes and identified innovative opportunities for waste diversion improvements – details can be found [here](#).

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 via our [Supplier Code of Conduct](#).

1.5 What is Next

METRO is keenly aware that the science is ever-changing, improving the world's understanding of climate change and its impacts.

METRO regularly reviews the changing scientific literature to understand its changing role and responsibility towards climate change. As a result of the improved science, METRO plans to analyze its ability to meet the net-zero targets of the [Science-Based Targets Initiative](#) (SBTi) by assessing the feasibility and costs of achieving these targets in the upcoming reporting year.