



Corporate Responsibility Report

2019 fiscal year

metro

Corporate profile

METRO – a food and pharmacy leader in Québec and Ontario



Food				Pharmacy			
metro	metro	PLUS		Jean Coutu			
							
							
950 food stores				650 drugstores			
Supermarkets	Discount stores	Neighbourhood stores	Partner	Québec	378	PJC Jean Coutu	
679	195 Metro Metro Plus	97 Super C	56 Marché Richelieu	541	163	PJC Santé	
10 Adonis	297 Marché Ami	24 Première Moisson			9	PJC Santé Beauté	
Ontario	132 Metro	135 Food Basics	1 Première Moisson	Ontario	72	Brunet	
271	3 Adonis				28	Brunet Plus	
Total	340	232	353	Total	650	Brunet Clinique	
						Clini Plus	

About this report

This corporate responsibility report covers the 2019 fiscal year: the 52-week period ending on September 28, 2019. The significant events that occurred between the end of the fiscal year and late December 2019 are also included. In this report, METRO refers to the corporation and Metro refers to the store banner. The report was reviewed by internal auditors but was not audited externally.

Forward-looking information

Throughout this report, we 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 forward-looking statements that may be set out in this report refer to hypotheses on the Canadian food and pharmacy industry, targets, the economy in general and our 2016–2020 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 date of publication and represent our expectations. METRO does not intend to update any forward-looking statements contained herein.

For more information

Marie-Claude Bacon

Vice President, Public Affairs and Communications
11011 Maurice-Duplessis Blvd.
Montréal, Québec H1C 1V6
514 643-1086
mbacon@metro.ca

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Cover: METRO's One More Bite program in Québec and Ontario

Messages

Making corporate responsibility part of our business practices

In 2019, we worked to implement our corporate responsibility (CR) policies and programs. Our management and teams continued to take our business practices further by integrating environmental, social and governance (ESG) factors into our decision-making mechanisms and action plans.

We led a number of major projects this year.

We released our Packaging and Printed Materials Management Policy. Within this context, we launched an initiative across Québec that enables customers to bring their own reusable containers to purchase fresh food products. The measure highlights our capacity to adapt our business processes to provide concrete solutions to pressing issues such as single-use packaging.

At METRO, we are keeping a close eye on the social and environmental repercussions of food waste. This is precisely why the sound management of our unsold food products remained a concern in 2019.

We increased the number of stores enrolled in our One More Bite food recovery program, which provided community organizations with the equivalent of over seven million meals. I also agreed to co-chair the major fundraising campaign launched by Food Banks of Quebec, one of our longstanding partners.

In addition, METRO and other industry members have committed to reducing food waste as part of our activities by 50% by 2025 as compared to 2016.

As a retailer, responsible procurement is a key facet of our business, and we know that it is also very important to our customers. Launched in Québec last spring, the Freshness You Can Trace campaign meets our customers' need for complete and transparent information on the provenance of the products they purchase.

As you read this ninth edition of our corporate responsibility report, you will learn more about all we have achieved in 2019 under our four pillars: customers, environment, communities and employees.

We are entering the final year of our 2016–2020 corporate responsibility plan. A number of projects are underway in our food and pharmacy divisions as we pursue our efforts to reach our objectives. I would like to thank my colleagues in management and all the teams for their commitment and professionalism. I appreciate how far we have come together.



A handwritten signature in black ink that reads "Eric La Flèche".

Eric La Flèche
President and Chief Executive Officer



A handwritten signature in black ink that reads "Marie-Claude Bacon".

Marie-Claude Bacon
Vice President, Public Affairs and Communications

Visibility for our actions

Our relationships with our stakeholders have always been a very important component to our corporate responsibility (CR) approach. Over the last few years, we have observed a steady increase in the number and diversity of people who reach out to us and the topics they raise.

The year 2019 was marked by a growing interest among our customers and employees to better understand the actions we are taking to address social and environmental concerns.

Food waste (food insecurity and environmental impacts), packaging (single-use, overpackaging, plastic), responsible procurement (origin of products, working conditions) and waste materials (diversion from landfill) are topics that fuelled our discussions with stakeholders last year.

For this reason, now more than ever, our teams must implement our CR programs and ensure their visibility among our stakeholders and especially among our customers and employees. Our packaging initiative is a prime example and putting it into practice requires close collaboration between our purchasing, merchandising, operations and marketing teams.

Building on our experience, we have begun to develop our next CR plan for 2021–2025. We started this project with a good understanding of the environmental, social and corporate governance (ESG) issues and a greater degree of maturity of our practices. We will have the privilege of presenting it in January 2021. Until then, we are pursuing the rigorous implementation of our 2016–2020 plan.

Corporate responsibility at METRO

Approach

METRO's corporate responsibility approach is built on four pillars. Priorities were set out for each pillar based on the corporation's significant economic, social and environmental impacts.



Delighted customers

- Ensure food quality and safety
- Promote health
- Offer responsible products

Respect for the environment

- Optimize the energy consumption of our buildings
- Manage our waste
- Enhance the energy efficiency of our merchandise transport
- Optimize our packaging and printed materials

Strengthened communities

- Invest in the communities in which we are present
- Support local suppliers

Empowered employees

- Ensure the health and safety of employees
- Promote an ethical and respectful work environment
- Provide employees with a work environment focused on positive relations
- Develop talent

Governance

At METRO, corporate responsibility (CR) governance is part of the corporation's management structure and involves key individuals at each decision-making and implementation stage.

Board of Directors

Approves CR plans and reports

Management Committee

Approves the CR strategy and ensures that the priorities are in line with METRO's business strategy

Vice President, Public Affairs and Communications

Defines the strategic CR directions and reports on progress to the management committee

Manager, Corporate Responsibility

Oversees the implementation of the CR plan: coordinates the work of in-house teams and external stakeholder relations

In-house teams

Report to their respective vice presidents, ensure the advancement of the projects as part of the four pillars based on the objectives and targets that were set

2019 Highlights



Seafood product traceability and transparency of our practices highlighted in the Freshness You Can Trace campaign



Commitment by METRO to reduce food waste generated by its activities by 50% by 2025 compared to 2016



Disclosure of the Packaging and Printed Materials Management Policy targeting initiatives including the reduction of plastic shopping bags and single-use packaging



Overall waste diversion rate of 66%: nearly half our stores have achieved a diversion rate of more than 70%



Improvement in our occupational health and safety record: decreases in the frequency (11.5%) and severity (9.8%) of injuries compared to 2018



Our customers' ongoing interest in organic, more natural and less processed products led to a 45% increase in the number of products in the Irresistibles Organics and Irresistibles Naturalia lines



325 employees—three times more than in 2018—donated close to 1,250 hours to some 20 organizations as part of the second edition of the employee volunteering activity



Through the One More Bite program, the equivalent of over 7 million meals was distributed to communities by recovering more than 3,800 tonnes of food in stores



Innovative initiative to encourage customers to bring their own reusable containers to purchase fresh food products



Numerous initiatives to promote health and well-being launched by our food and pharmacy banners in Québec, Ontario and New Brunswick



Delighted customers



Respect for the environment



Strengthened communities



Empowered employees



Delighted customers

Our 2016–2020 Priorities

- Ensure the quality and safety of food products**
- Promote health**
- Offer responsible products**

Meeting our customers' needs is at the core of METRO's business strategy. We aim to provide consumers with products that meet their expectations and we work toward a more responsible supply chain that is committed to the adoption of best practices.

Food quality and safety

Ensuring the quality and safety of food products is among a food retailer's most important responsibilities. Our teams implement rigorous monitoring systems and conduct regular follow ups with our suppliers so they can formalize their practices and meet our requirements.

Key objectives	2019 accomplishments	Status
Aim for 100% of private brand and fruit and vegetable suppliers to be certified by a standard recognized by GFSI	In 2019, the quality assurance and purchasing teams dedicated considerable resources to gathering information on the certification and developing a very high level of knowledge about our products and suppliers.	
Carry out quality controls for 100% of our private brand products	The goal was reached again this year.	
Première Moisson - Baie-D'Urfé plant: maintain GFSI SQF – Level 3 certification - Dorion plant: comply with Good Manufacturing Practices (GMP), hazard analysis critical control point (HACCP) system	The goal was reached every year since 2016.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Suppliers certified by a standard recognized by GFSI (Global Food Safety Initiative)

Private brands



Fruits and vegetables



* Represents close to 97% of purchases

Health promotion

Key objectives	2019 accomplishments	Status
Product offer: increase the number of private brand products in the lines that foster healthy eating by 10% every year	We increased the healthy product offer by 4% overall, below our target of 10%. However, there were significant increases in the range of the Irresistibles Naturalia (129%) and Organics (22%) lines.	
Promote products that foster healthy eating	Our food banners in Québec and Ontario continued their holistic approach to promote health and well-being by expanding their offers and advice on healthy, organic, natural, allergen-free, vegetarian and vegan products.	
Pharmacy: provide pharmacists with professional programs focused on patient health and provide customers with health advice	In 2019, the pharmacists owners affiliated to the Jean Coutu and Brunet networks launched initiatives to educate and guide patients in achieving their health goals.	

Objective reached

Project on track | Ongoing

Project in its initial phase



Health promotion

Healthy eating habits

Consumers' interest in organic, more natural and minimally processed products with short ingredient lists that are easy to understand has not waned. That is why we continue to develop our health approach through our product offer, the ways in which we promote it and the guidance we provide to our customers.

Private brand products that foster healthy eating

	2015 Reference year	2016	2017	2018	2019
Irresistibles Life Smart	289	228	257	228	183
Irresistibles Gluten Free	50	61	43	44	44
Irresistibles Organics	72	48	65	103	126
Irresistibles Naturalia			12	28	64
Total	411	337	377	403	417

Improving the profiles of our private brand products

- ▶ Nearly all our Irresistibles products (97%) contain no artificial colours or flavours. This is the case for 100% of our Irresistibles Life Smart, Irresistibles Organics and Irresistibles Naturalia products.
- ▶ Nearly 1,150 private brand products (over 35%) indicate a nutritional attribute, such as reduced fat, fat free, reduced salt, high in iron or high in vitamins.



Making it easier to identify products

This past year, we entered into partnerships with the following organizations in an effort to make it easier for our customers to find the products whose attributes meet their needs and preferences:

- ▶ Non-GMO Project Verified to indicate that a product does not contain any genetically engineered ingredients commonly referred to as GMOs (genetically modified organisms). The label will be added to the products in the Naturalia and gluten-free Life Smart lines. All organic products are necessarily non-GMO.
- ▶ Canadian Celiac Association to identify gluten-free products. The label will be progressively added to products in our Irresistibles and Selection lines.

At our customers' service

The METRO food and pharmacy banners continued to support customers seeking to adopt a healthy lifestyle. The reach of our many communications platforms enables us to effectively communicate with consumers and provide them with information, promotions and advice.

Food stores in Québec



In January 2019, we launched Meatless Mondays on our Facebook page to highlight new vegetarian and vegan products and recipes.



Metro sponsored the very first edition of DUX's La Grande Conversation event, during which manufacturers, processors, nutritionists and chefs came together to discuss key food issues.

Drugstores in Québec and New Brunswick



The pharmacists owners affiliated to the Jean Coutu and Brunet networks provide their customers with professional services to support their health and well-being. Because diet is an integral part of health, pharmacists have a role to play in promoting healthy habits, including good nutrition.

Food stores in Ontario



In addition to offering and promoting allergen-free products, Metro provides customers with helpful information on health trends throughout the year through its flyers and stores.



In Ontario, the Nature's Signature boutiques truly embody Metro's approach to health and well-being. To date, six stores have adopted the concept, which we wish to expand.

Michael Rose, Director, Category Management, Metro Ontario, and his team received the Innovator Award from Grocery Business magazine.

Drugstores in Ontario



Because our drugstores are mainly located in our grocery stores, our pharmacists are positioned to support customers in their health and nutrition needs. This past year, as part of the HealthBites program launched in January 2018, our pharmacists provided over 47,000 personalized recommendations.

HealthBites aims to help customers manage the nutritional deficiencies caused by certain medications and certain chronic illnesses through a tailored nutrition plan that accounts for the patient's medication. By establishing a link between health and nutrition, HealthBites empowers our pharmacists to provide our customers with more complete care.



Responsible product offer

Key objectives	2019 accomplishments	Status
Release the Responsible Procurement (RP) Framework and begin its implementation	The goal was reached in 2017.	
Revise the Supplier Code of Conduct and complete its deployment	The goal was reached in 2017.	
Revise the Sustainable Fisheries and Aquaculture Policy and begin its implementation	The goal was reached in 2018.	
Begin the responsible procurement approach in the pharmacy domain	The approach is in its early phase in the pharmacy domain in view of the acquisition of the Jean Coutu Group in May 2018.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Implementation in the food domain

In 2019, METRO developed a responsible procurement dashboard and implemented a governance structure. Our priorities were to document the practices in our supply chain and follow up on our commitments, as described in our [Responsible Procurement Framework](#). Here is an overview of each of these commitments.

Commitments

- ▶ For meat, poultry, egg, milk and dairy product suppliers:
 - Ensure they apply, at minimum, the Codes of Practice for the care and handling of farm animals (Codes);
 - Encourage them to refrain from using antibiotics used in humans as a preventive measure or growth factor.

We have already conducted evaluations of 35% of our meat and poultry suppliers (unprocessed products): 100% meet our criteria related to the Codes and 75% meet our criteria related to antibiotics.
- ▶ Develop a line of private brand meat products that are free of growth hormones: we are pursuing the approach that is currently under development. In light of Canadian regulations, the commitment only targets beef.
- ▶ Develop a line of private brand organic chicken products: in January 2017, METRO launched a line of fresh organic chicken products under its Irresistibles Organics brand. New products were added to the line in 2019.
- ▶ Ensure that 100% of Irresistibles private brand chicken is purchased in Québec and Ontario: in 2019, we have reached over 90%.
- ▶ Expand our offer of certified fair-trade cacao, coffee, tea and herbal tea products and our offer of organic products: in 2019, we saw a slight increase in the number of products in these categories.
- ▶ For aquaculture salmon and shrimp, ensure that 100% of private brand products are BAP-certified: 100% of our salmon and 96% of our shrimp are certified by Best Aquaculture Practices (BAP). The other 4% of our shrimp products are certified organic.
- ▶ Ensure that 100% of private brand canned tuna is from sustainable fishing: 100% of the canned tuna sold under our private brands meet this commitment. At METRO, sustainable procurement applies to products that are not from clearly endangered stocks, for which the supplier contributes to the conservation of the species and/or improvement of fishing practices and is able to document the traceability to the fishing vessel.



Fisheries and aquaculture: METRO chooses traceability and transparency

Nearly a decade ago, METRO began a major project to provide customers with seafood products that are caught or harvested according to responsible practices that threatened neither the health of the species nor integrity of their natural environments and protect the rights of workers. Product traceability is at the heart of our approach.

In March 2019, the Metro banner in Québec launched a major marketing campaign, Freshness You Can Trace, to promote the quality of our seafood products and practices, including comprehensive information on labels (species identification, provenance and operating method).

The campaign was adapted for several platforms (advertisements, stores, flyers and social networks) and was supported in-house through a training program for seafood counter employees.

For more information on our program and initiative, read our [Sustainable Fisheries and Aquaculture Policy](#) or the [Freshness You Can Trace](#) section of our website.



Recognition for METRO's practices

In 2019, METRO ranked among Canada's top three retailers according to the Seafood Progress online platform—an initiative launched by SeaChoice that provides consumers with information on the actions taken to support seafood sustainability. The rigour of METRO's traceability program and transparency in labeling were recognized.





Respect for the environment

Our 2016–2020 Priorities

Optimize the energy consumption of our buildings

Manage our waste

Enhance the energy efficiency of our merchandise transport

Optimize our packaging and printed materials

The continuous improvement of METRO's environmental performance is built on the rigour of the organization's processes and the optimization of its practices. Through the environmental management system (EMS) and implementation of core programs, our teams give priority to the factors that most contribute to the environmental footprint of our activities.

Management of our carbon footprint

In 2018, we recorded a reduction in our greenhouse gas (GHG) emissions. This improvement in our carbon footprint is attributable in part to our transport efficiency measures, waste management and the use of new refrigerants, as well as to the refinement of the method used to calculate the emissions generated by our transport activities, which helps us better define the scope of our direct emissions.

Carbon footprint

Corporate and franchised stores – Québec and Ontario

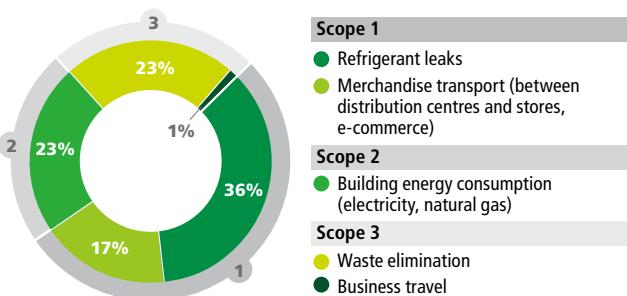
Fiscal years ending at the end of September

2018	Intensity: 23.88 kg CO ₂ eq./sq. ft.	
2017	Intensity: 25.63 kg CO ₂ eq./sq. ft.	
2016	Intensity: 25.31 kg CO ₂ eq./sq. ft.	
2015	Intensity: 25.85 kg CO ₂ eq./sq. ft.	

In 2019, METRO submitted its 12th carbon footprint to CDP. The data filed with CDP reflect the results of the previous year: data for 2018 were reported in 2019.

Methodology: Greenhouse Gas Protocol (GHG Protocol). METRO measured its emissions for scopes 1 and 2, which cover in-house activities. Only business travel and waste generation are measured in scope 3.

Sources of our GHG emissions



Optimization of our buildings' energy consumption

Key objectives	2019 accomplishments	Status
Integrate efficient features and equipment into new buildings to improve their energy efficiency by at least 5% compared to 2010 constructions	The measures implemented since 2016, primarily the LED lighting and CO ₂ refrigeration systems, led to a significant improvement in the energy consumption of our new stores. Our current standards for our supermarkets have generated an average decrease in our energy consumption of approximately 25% compared to 2010.	
Select, audit and recommission 10 existing sites to improve their energy efficiency by 5 to 10% compared to their initial performances	Our experience shows that the system optimization component generates, on average, just over 5% in energy savings. The preliminary results of the investment component, particularly as it pertains to refrigeration, show an increase in efficiency of 25 to 45% for the equipment—the equivalent of a 7 to 12% sitewide reduction.	
Enhance outdated mechanical systems as part of major renovation projects when applicable	Each of the renovation projects undertaken in 2019 was specifically assessed for the optimal integration of more efficient equipment that meets current standards. We integrated CO ₂ refrigeration systems into some of our renovation projects, which involved complex and costly logistics but led to a net improvement in our environmental footprint.	
Première Moisson: replace equipment at the end of its life cycle with less energy-intensive options	Energy efficiency is now among the criteria used to select new and replacement equipment for both production plants.	



Objective reached



Project on track | Ongoing



Project in its initial phase



A distribution centre that's making a difference

The lighting system in the West Mall distribution centre in the Greater Toronto area underwent a complete conversion. The installation of LED lighting in all the warehouse's sectors greatly improved the site's luminosity thus facilitating employees' work. In addition, the energy savings are significant: after just one year, we recorded a reduction of over 4.8 million kWh, equivalent to the energy consumption of over 500 Ontario homes.



Waste management

Key objectives	2019 accomplishments	Statut
Set out a specific waste management plan for every corporate and franchised store	The goal was reached in 2018.	
Aim for zero waste to landfill as established by the U.S. Zero Waste Business Council (90% waste diversion rate) for the corporate and franchised stores in Québec and Ontario enrolled in recovery programs	In 2019, the diversion rate of corporate and franchised stores in Québec and Ontario slightly increased to 66%. It should be noted that nearly half the stores have a diversion rate of over 70% and 80 have reached or are close to reaching the target.	
Optimize construction waste management	Contractors were surveyed to assess their waste and disposal site management. We also amended our specifications to better document practices on construction sites, specifically the weight of demolition materials generated.	
Première Moisson: implement the waste recovery program across the entire network	The program is currently in effect in 22 of our 25 stores. We are continuing our efforts to implement it in the three remaining stores, which must deal with the logistical constraints imposed by site lessors. At the Baie-D'Urfé plant, the program's implementation got underway in 2019.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Diversion rate

2019	66%	
2018	65%	
2017	67%	
2016	64%	

The waste diversion rate represents the portion of waste that is not sent to landfills.

Optimizing our approach

In 2019, our waste diversion rate improved slightly to 66%. Because our progress was more difficult than anticipated, we ramped up our efforts to raise teams' awareness of the zero waste objective and further analyze the recovery system.

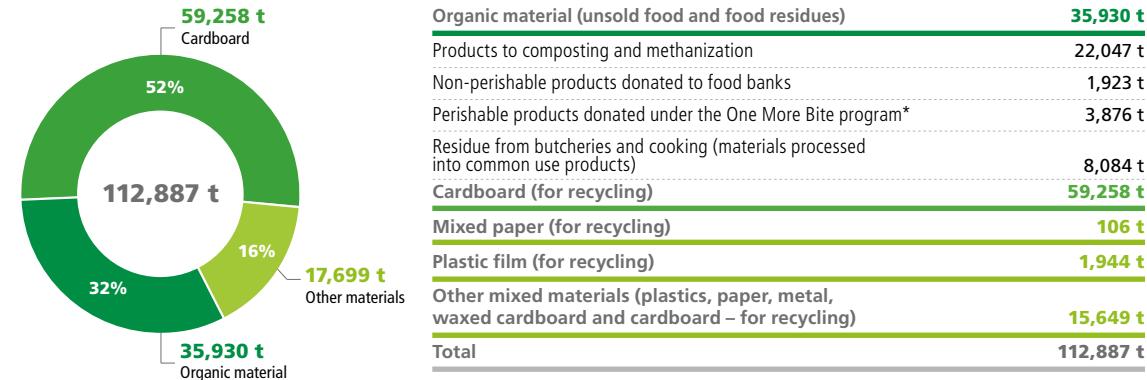
There are a number of efficient sites among our ranks. These represent close to half of the corporate and franchised food stores enrolled in the program:

- ▶ 70 to 79% diversion rate: 138 stores
- ▶ 80 to 89% diversion rate: 70 stores
- ▶ Over 90% diversion rate: 10 stores

We are confident that the efforts invested in the past year will pay off and that we will see an increase in our diversion rate in 2020.

2019 at a glance

Waste recovered (tonnes) Corporate and franchised stores – Québec and Ontario



* Including the affiliate stores participating in the program

Focus on food waste

In January 2019, METRO announced its goal to reduce the food waste generated by its activities by 50% by 2025 as compared to 2016. Undertaken with other members of the Canadian food industry, this commitment underscores the importance given to the issue, which ties into two important societal challenges: food insecurity and the environment. Beginning next year, we will report on the progress of this objective in our CR report.

At METRO, tackling food waste calls for the optimization of our processes and the waste management program, which includes a component dedicated to organic material. More information on METRO's approach to reduce food waste is available in the Strengthened communities section of this report.



Energy efficiency of transport

Key objective	2019 accomplishment	Status
Adopt best operating practices in energy efficiency for the transport fleet	In 2019, we undertook a series of actions whose results were assessed using our transport management system (TMS) software. The key performance indicators are the number of truck trips, kilometres traveled and merchandise volume per trip.	

 Objective reached  Project on track | Ongoing  Project in its initial phase

Actions to reduce our GHG emissions

In the past year, we launched a range of energy efficiency initiatives focused on transport in Québec and Ontario. For example, we worked to optimize trailer loading and increased the number of road train trips (drawbar tractor and two 53-foot trailers) to reduce the number of trips required to transport goods. We also installed electrical outlets to plug in the trailers' refrigeration units when the vehicles are parked and adopted strategies to travel less during periods of heavy traffic in an effort to consume less fuel.

We intend to implement more initiatives of this kind to reduce our GHG emissions intensity and identify levers to optimize our costs and improve our operational capabilities.

Optimization of our packaging and printed materials

Key objective	2019 accomplishment	Status
<u>Launch and deploy the Packaging and Printed Materials Management Policy</u>	Covering METRO's corporate, food and pharmacy activities, the policy was released in May 2019.	

 Objective reached Project on track | Ongoing Project in its initial phase

Measures at Première Moisson

In 2019, Première Moisson implemented packaging optimization measures:

- ▶ Removal of the cardboard rings from the terrine packaging.
 - ▶ Removal of the decorative seal on jars of jam, resulting in the elimination of close to 190,000 plastic tabs per year.
 - ▶ \$0.25 discount for customers who bring their own coffee mugs, fostering the use of reusable containers.

 Private brand initiative

In September 2019, METRO launched the Selection and Irresistibles sparkling spring water bottles – made from 100% recycled PET and recyclable. The analysis of every component – bottle, cap, label and bulk packaging – led us to market a more ecoresponsible packaging.

A solid integrated approach

METRO established a framework to ensure its teams, in collaboration with suppliers, continue to improve their packaging and printed materials practices.

Based on two recognized concepts—life cycle approach and circular economy—the Packaging and Printed Materials Management Policy is based on four rigorous and accepted principles that will enable us to reduce our environmental impacts and contribute to the global movement to tackle single-use plastics.



Reusable containers

Since April 2019, Metro customers across Québec may bring their own reusable containers and zipper bags to purchase fresh food products (deli, ready-to-eat meals, meat, seafood and pastries). This initiative helps reduce single-use packaging.

Metro is the first banner to have officially implemented this type of measure in Québec.



Improving our private brand packaging

In 2019, we pursued our approach to optimize our private brand food packaging initiated many years ago. Here is the progress made on our commitments under the Packaging and Printed Materials Management Policy.

Commitments	2018	2019
Reduce the average weight by 10% by 2025 as compared to 2018. Objective 2025: 46 g	50.85 g	49 g
Ensure that 100% of packaging is entirely recyclable and/or compostable (fibres) by 2025.	93%	93%
Ensure that 100% of packaging includes sorting instructions by 2025.	23%	27% (close to 850 products)
Increase postconsumer recycled content in packaging to 45% by 2025.	30%	30%
Provide support to 100% of our private brand suppliers so they can access resources to develop more responsible packaging.		Project starting up



Strengthened communities

Our 2016–2020 Priorities

*Invest in the communities in which we are present
Support local suppliers*

We play a part in the economic and social well-being of the communities in which we operate. Through our actions, we seek to make a positive contribution and expand the reach and benefits for them.

Investments in communities

Year after year, METRO remains actively committed to the communities in which it is present through significant financial and food contributions and supports local suppliers in Québec and Ontario.

Key objectives	2019 accomplishments	Status
With regard to philanthropy, dedicate an amount equal to 1% of METRO's net earnings* in the last three fiscal years	Considering its financial contributions and food donations, METRO achieved this objective in 2019.	
Foster food security through the implementation of a food recovery program in Québec and Ontario	In 2019, the One More Bite program extended its reach and distributed the equivalent of over 7 million meals (over 1 million more than last year).	
Promote healthy eating habits through the Green Apple program	The seventh edition of the Green Apple program awarded 1,200 scholarships valued at \$1,000 each to elementary and high schools in Québec and Ontario to support projects that promote healthy eating habits.	

* The calculation is based on the average adjusted net earnings of the past three fiscal years.

Objective reached

Project on track | Ongoing

Project in its initial phase



METRO earns the Award for Outstanding Corporation

On November 15, 2019, National Philanthropy Day, METRO received the Award for Outstanding Corporation, 250 or more employees, from the Association of Fundraising Professionals – Québec Chapter in Montreal.

Awarded yearly the recognition honours a corporation that demonstrates remarkable commitment through its financial support and willingness to act as a leader in philanthropy and community involvement.

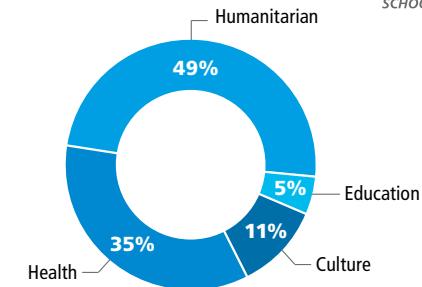
METRO was nominated by its long-time partners, Centraide and the CHU Sainte-Justine Foundation.



Financial contributions

Corporation: \$4.1M

- Green Apple program: \$1.2M
- Other sectors: \$2.9M



Employees: \$1.9M

- In Québec, METRO took part in Centraide's annual campaign for the 22nd consecutive year.
- In Ontario, the METRO Full Plate Program, the employee donation program supported four organizations: Ontario Association of Food Banks, Second Harvest, Breakfast Clubs of Canada and United Way.

Customers and suppliers: \$2.7 M

Our customers and suppliers supported their local communities by taking part in in-store fundraising events.

Food donations: \$42.9M

This amount represents the donations made through our distribution centres and stores.



Investments in communities

Employee volunteering

The second edition of METRO's employee volunteering activity held during regular workhours was successful. Last June, 325 employees across Québec and Ontario—three times more people than in 2018—donated close to 1,250 hours to some 20 organizations affiliated with Centraide/United Way. The increase in participation is largely due to the program's expansion to more METRO employees, including those in our pharmacy division, and the addition of new timeslots.

The initiative is yet another way for METRO and its employees to support the communities in which they live and work.



Making a **difference**, one act of kindness at a time

2019	325 employees	1,249 hours of volunteering	21 recipient organizations
2018	98 employees	340 hours of volunteering	14 recipient organizations



Community support from Première Moisson

Since 2012, Première Moisson has worked in collaboration with La Tablée des Chefs to recover unsold products from its stores and redistribute them in the community. In 2019, over 132 tonnes were donated—an increase of 57% compared to last year thanks to the more frequent collections by organizations and better collaboration with our teams. The food went to 81 community organizations, 35 more than last year.

Première Moisson also organizes annual in-store fundraising activities. Among its initiatives is a donation of \$20 for each Signature log sold during the holiday season. In 2018, sales of The Audacious log helped raised \$25,000 for the Fondation Accueil Bonneau, which supports people who are either homeless or at risk of becoming homeless.

Food security

In 2019, our One More Bite food recovery program experienced significant growth, especially with the enrolment of over 60 new stores in Ontario. More than 3,800 tonnes of food were recovered and donated to communities—the equivalent of more than 7 million meals (over 1 million more than 2018).

The program's implementation is made possible by our partners: Food Banks of Quebec and Second Harvest and Feed Ontario in Ontario.

Under the program, our partners received unsold quality products from our participating Metro, Metro Plus, Super C, Food Basics and Adonis stores in Québec and Ontario.

onemorebite

Year	Participating stores	Food donated	Equivalence in meals
2016	112	1,075,000 kg	+ 2.1 million
2017	146	1,680,000 kg [Represents only Québec. Data for Ontario are unavailable]	+ 3.3 million
2018	193	3,200,000 kg	+ 6.4 million
2019	272	3,876,000 kg*	+ 7.8 million

* Also includes three distribution centres in Ontario

Key support for Food Banks of Quebec

In November 2018, METRO announced that it would be making a \$500,000 donation to support the major fundraising initiative led by Food Banks of Quebec and co-chaired by our CEO Eric La Flèche to raise \$15 million in five years.

METRO is therefore expanding its collaboration with Food Banks of Quebec by helping it meet the some 1.9 million requests for food support it receives every month and reduce food waste, since the items provided to those in need are also diverted from landfills.

METRO works to reduce food waste

In January 2019, METRO set an objective to reduce its food waste by 50% by 2025 compared to 2016.

The very nature of our activities inevitably leads to food loss at our sites. To reduce food waste and divert food from landfills, we adopted a three-pronged approach and take action across the value chain.

1. Reduce at the source

Measures implemented to ensure products are sold and consumed by customers, such as discounting products nearing their expiry date.



After launching a pilot project in July 2019, the Metro banner rolled out its targeted product price reduction program in its stores in Québec.

2. Donate unsold items

Food donations made to community organizations such as the One More Bite program.

3. Recover food residues

Recovery streams optimized to give food residues a second life such as shipping food to processors for animal feed or industrial uses and producing compost and biogas (methanization).



Innovative suppliers

Oatbox granolas and oatmeals

Since June 2019, the products marketed by young Montréal-based company Oatbox, which were previously sold only online, are exclusively available in Metro stores in Québec. The certified organic granolas and oatmeals are made from mostly Canadian ingredients, including the oats that constitute the basis of the products and fruits they contain.



Pepper North Artisan Foods

Pepper North Artisan Foods is a family-owned company founded in Oshawa in 2013. With Metro's support, its production increased and its products are now available in 58 stores.



Support for local suppliers

Key objectives	2019 accomplishments	Status
Roll out the local purchasing policy in Québec and Ontario	The program expanded significantly in Ontario to cover every region. After six years of program implementation in Québec, popular local products have earned a place among those sold nationally.	
Première Moisson: support the local purchasing of high-volume ingredients	The goal was reached again this year.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Local purchasing program

In Québec, the local purchasing program was launched in 2013 and covers 11 regions. In 2019, we reassessed our regional product offer and the suppliers participating in the program.

Throughout the years, several local suppliers discovered through our local purchasing program saw an increase in their sales across our network. Indeed, products that were once only available in certain local stores, such as Mélio cricket flour pasta, Émulsion vinaigrette and items from the Jardins Saint-Antoine and Chocolaterie du Vieux-Beloeil, are now part of our national offer.



METRO is vigorously pursuing its efforts to support local purchasing and raise awareness among its customers. In summer 2019, the Our proud grocers campaign was launched on different platforms to encourage customers to choose Québec products. We are continuing to increase the visibility of Aliments du Québec, notably through promotional offers and shelf labels in supermarkets.

In Ontario, the program was launched in 2016, and its roll out is now complete. In 2019, the Thunder Bay and Greater Toronto areas were added. Retail sales training was provided for potential new local suppliers in collaboration with the Ministry of Agriculture, Food and Rural Affairs. A day was also organized for local suppliers and store managers to meet and to promote products. The number of local products available in stores increased by 72%, and the number of suppliers grew by 30%.

In November 2019, Metro Ontario became the presenter of Spotlight on Local to highlight local products at the Royal Agricultural Winter Fair.



Metro recognized by Foodland Ontario

The Foodland Ontario Retailer Awards recognize excellence in agri-food industry practices to promote Ontario products. In 2019, Metro and Food Basics distinguished themselves by winning 29 of the 60 categories.



**Foodland
ONTARIO**

Québec					Ontario				
Year	Regions	Stores	Suppliers	Products*	Year	Regions	Stores	Suppliers	Products*
2014	3	30	51	301	2014				
2015	7	80	118	710	2015				
2016	9	129	143	823	2016				
2017	11	142	175	1,013	2017	2	67	41	148
2018	11	164	205	1,279	2018	5	136	99	463
2019	11	168	131	810	2019	7	130	129	794

* Fresh and grocery products

* Fresh and grocery products



Empowered employees

Our 2016–2020 Priorities

- Ensure occupational health and safety (OHS)**
- Promote an ethical and respectful work environment**
- Offer a work environment focused on positive relationships**
- Develop talent**

We aim to support METRO's business objectives and provide a quality experience for our employees throughout their professional lives, from attraction, recruitment and integration to development, advancement and retirement. While the customer experience is at the core of our mission, the employee experience drives our human resource management approach.

Occupational health and safety (OHS)

METRO is committed to preventing occupational illness and injury in the workplace and providing the public with a safe shopping environment.

Key objective	2019 accomplishment	Status
Improve our performance regarding the frequency and severity of work-related accidents and number of lost days	The goal was reached again this year.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Main initiatives in 2019

Active employee participation, our collaboration with our union partners and the commitment by managers to identify risks are all key to our preventive actions.

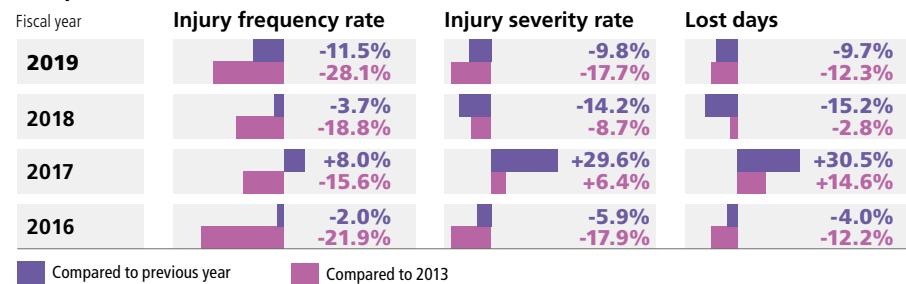
Prevention and training

- ▶ Annual health and safety standards training was provided to managers and supervisors in Québec and Ontario.
- ▶ Powered equipment training was provided to distribution centre supervisors.
- ▶ In addition to new employee training and managers' ongoing efforts to raise awareness in respect of safety, specialized safety training was provided across the network.
- ▶ Continued focus on collaboration with equipment and maintenance suppliers to ensure that proper safeguards are in place for new and existing machines.

Program management and communications

- ▶ New communication and promotion programs were developed to enhance METRO's safety culture.
- ▶ With the legalization of recreational cannabis, employees were reminded of the corporation's substance abuse program requirements and training was provided as needed.
- ▶ The new Stop, let's talk safety initiative was developed and implemented to further promote regular safety communications between supervisors and employees.

Our performance



In 2019, our key performance metrics improved significantly as compared to the previous year and to 2013. METRO's awareness and prevention initiatives are bearing fruit and contributing to the improvement of our performance.

Although our results are improving, we are continuing our efforts to maintain and improve our health and safety culture, as well as rigorously monitoring compliance with safe work methods and procedures for all our employees.

Ethical and respectful work environment

To reflect the constant evolution of our business context, we work to create a work environment that echoes our commitment to promoting high standards of ethics and integrity.

Key objectives	2019 accomplishments	Status
Review and launch the conflicts of interest and professional ethics policy	The goal was reached in 2016. Code of conduct of METRO's employees	
Review and launch the communications and public intervention policy	The goal was reached in 2016.	
Review and update the Employee and Family Assistance Program (EFAP)	The goal was reached in 2016.	

Objective reached

Project on track | Ongoing

Project in its initial phase



Work environment focused on positive relationships

Retail is a stimulating and highly competitive sector, facing significant staff retention issues. Employees' satisfaction with their work and workplace is a determining factor for retaining employees. We therefore aim to create work environments that recognize and value the talent and aspirations of our employees.

Key objectives	2019 accomplishments	Status
Update and implement a total compensation program	Efforts to align the compensation practices of our different areas will continue into 2020.	
Renew our actions to recognize the contributions of long-serving employees	Following an assessment of the program in 2018, the objective was withdrawn. It was agreed that the program would stand since it remains in line with our objectives.	
Reinforce open communications within the organization	The goal was reached again this year.	
Maintain positive employee relations	There were no labour disputes in the fiscal year. METRO considers its work relations to be satisfactory.	
Draft and implement a <u>diversity policy</u>	The goal was reached in 2016.	
Foster the integration of new immigrants in Québec's job market	The goal was reached again this year.	
Foster the career development of women to access management positions	The goal was reached again this year.	

Objective reached

Project on track | Ongoing

Project in its initial phase Objective withdrawn

Diversity

METRO values diversity through a range of initiatives, including its third edition of Diversity Week, in March 2019. This project aims to help employees learn more about their colleagues and give them tools to foster diversity throughout the year. Sharing the perspectives, experiences and skills of employees from different backgrounds is essential since it is the sum of this knowledge and experience that enables us to innovate, make sounder decisions and better understand our customers.

Women in the workplace at METRO

Launched in 2015, the WIN (Women's Inspirational Network) program includes activities to foster the career development of women within the organization by focusing on the exchange of ideas, experiences and contacts through conferences, training, workshops and networking.

METRO also seeks to encourage women to take on positions at more senior levels. Whenever possible, at least one woman must be considered among the final candidates in every management level recruitment process.

Women at METRO

Employees*

47% 18,044 women

53% 20,589 men

Senior management*

16% 9 women out of 55 executive positions

Management*

25% 160 women out of 650 management positions

Board of Directors

33% 5 women out of 15 members

Gender balance target for the Board of Directors: 30 %

*These data do not include employees in affiliated, franchised or neighborhood stores, Adonis, Première Moisson or Brunet, CliniPlus and Jean Coutu drugstores.

Recognition for our colleagues

Golden Pencil Award

Christian Bourbonnière, who served as Executive Vice President and Québec Division Head from February 2016 to September 2019, received the 2019 Golden Pencil Award (wholesaler/retailer) from the Food Industry Association of Canada in recognition of his significant contribution to the industry. Mr. Bourbonnière is now President of the Adonis Group within METRO.

Women of Distinction Awards

Geneviève Bich, Vice President of Human Resources at METRO, was recognized in the business and entrepreneurship category at the 20th Women of Distinction Awards organized by the YWCA Montréal and its foundation. The honour is a celebration and recognition of the remarkable contributions recipients make to the community.

Star Women in Grocery Awards

Norma Boyle, District Manager at Metro Ontario and Anna Kolakowski, Vice President of Merchandising and Grocery at Super C each earned a 2019 Star Women in Grocery Award handed out by Canadian Grocer magazine to recognize the expertise, innovation and leadership of women in the food sector.



Award for Première Moisson

In fall 2018, Première Moisson won the Entrepreneuriat Banque Nationale award at the annual Prix innovation en alimentation of the Conseil de la transformation alimentaire du Québec (CTAQ) awards, which highlights the entrepreneurial spirit of organizations that encourage their employees to realize their ideas.



Talent development

To secure its future growth, METRO relies on a competent and qualified team able to take on a range of challenges. Training programs are provided to all employees, in addition to special sessions tailored to the needs of new employees and employees in new positions.

Key objectives	2019 accomplishments	Status
Hire 10% more new graduates as compared to 2014 by late 2016	The goal was reached in 2017.	
Offer student internships	In 2019, we offered 128 internships in our administrative centres.	
Review and implement the orientation program	The goal was reached in 2018.	
Create a leadership development program	The goal was reached in 2016.	
Support internal mobility. Target: award 80% of promotions to internal candidates	Owing to very specific workforce needs, 64% of positions were filled by internal candidates, including promotions and lateral movements and temporary employees who were granted permanent positions.	
Review the performance assessment process and tool	The goal was reached in 2017.	

Objective reached

Project on track | Ongoing

Project in its initial phase

Sustained recruitment efforts

At METRO, there are a range of very interesting career prospects. We are deploying sustained efforts to identify quality applicants and make METRO their first choice.

Recruitment

- ▶ Participation in 42 recruitment events (10 more than in 2018)
- ▶ Presence at learning institutions (conferences, partnerships with university student associations, judges at the Commerce Games)
- ▶ Presence at the Commerce Games: 10 positions offered during the Games and 8 individuals were hired

Interns

- ▶ Held for the first time in Ontario this past summer, the Intern Challenge was successful: In teams, 25 interns had to resolve a real case proposed by METRO and present their solutions to a group of vice presidents from the company. The program will be offered in Québec in summer 2020.
- ▶ A total of 128 high school, college and university students were granted administrative internship positions. Several were hired following the internship period.

Recruitment days and open house events

- ▶ Recruitment days were organized in Québec for our Metro and Super C banners. In four days, nearly 4,000 people were welcomed in our stores, and more than 900 were offered a position.
- ▶ Over 500 people attended our open house events at three distribution centres in the Montréal area.

Employees

- ▶ Four breakfasts for new employees and five lunch and learn events on the different aspects of our corporation were held this past year.
- ▶ Career evenings were organized to give employees the opportunity to meet with management. Three events were held in 2019, and METRO intends to host more next year.



Interns at the Intern Challenge in Ontario



Participation in a job fair in Montréal