

2023 SUSTAINABILITY REPORT

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SUPPLY CHAIN



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INTRODUCTION



Message from our Founder

In 1974, Metro Supply Chain began with a single public warehouse in Montreal. Fifty years later, we have experienced significant growth, evolving into an integral end-to-end supply chain solutions provider operating from 175 locations across Canada, the US. the UK and Europe, supported by 9,000 dedicated employees.

Chiko Nanji Founder & Group Chairman



Chris Fenton Group President & Chief Executive Officer



METRO We've emerged as leaders in strategic contract logistics services, enabling us to better meet our customers' evolving needs.

Message from our CEO

Our expansion has been driven organically and through acquisitions that enhance our capabilities, geographic reach and industry presence. In the past decade, we have welcomed 12 companies into Metro Supply Chain, including Canadian third-party logistics provider SCI Group, in 2024. Together, we emerge as leaders in strategic contract logistics services, enabling us to better meet our customers' evolving needs.

Our continuous investment in our people, technology and infrastructure is guided by our enduring "Our Way" culture, which is based on the values of safety and wellness, sustainability, respect, transparency, inclusivity, communication, collaboration and continuous improvement. This strong culture directs our actions, helping us positively impact our employees, communities and the environment.

We are committed to maintaining safe, inclusive workplaces. Ensuring our team members return home safely is our top priority, and we reinforce this commitment with rigorous health and safety training, practices and reporting. As a minorityowned business, diversity, equity and inclusion (DEI) are integral to us. We support diverse suppliers and strive for gender equity within our

workforce to reflect the rich cultural fabric of the communities we serve.

Aligned with the UN Sustainable Development Goals (SDGs), we have established a framework to ensure our operations remain sustainable for future generations. Our strategies focus on environmental management, employee health and wellbeing, community support, good governance practices and innovative collaborations.

In 2023, we set nine ambitious sustainability targets to demonstrate our commitment to continuous improvement and accountability. Given our operations-driven nature, we aim to reduce our industry's carbon footprint through initiatives such as waste diversion, efficient electricity use and eco-friendly transportation solutions. For instance, our growing electric fleet is being developed in partnership with customers who share a strong sustainability vision and focused goals.

We proudly uphold sustainability as a fundamental principle at Metro Supply Chain, influencing our decisions and actions. Energized by our achievements thus far, we are dedicated to making even greater impacts in the future.

INTRODUCTION



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INTRODUCTION

Our Sustainability Committee

Led by our President and Chief Executive Officer, our Sustainability Committee unites leaders across departments to foster a cohesive, company-wide commitment to sustainability. This collaborative group drives strategic initiatives that align with our environmental, social and governance (ESG) goals, creating an inclusive framework for sustainable decision-making.

Through a structured governance process, the committee sets clear objectives, tracks progress and reports on outcomes to both the Board and stakeholders. This approach ensures that sustainability is deeply embedded in our operations and encourages every team member to take ownership of impactful initiatives.

As part of our commitment to continuous improvement, we review and update our sustainability objectives annually, emphasizing compliance, accountability and proactive policy enhancement. Key aspects include monitoring and reporting at all organizational levels, compliance with all applicable laws and fostering team empowerment to support sustainable growth.



INTRODUCTION

About Metro Supply Chain

We understand that our supply chain operations have far-reaching impacts on the environment, society and economy. With this responsibility in mind, we prioritize sustainability at every level, integrating it into how we design, build and run supply chain operations for our customers, with an eye to innovation.

This, our inaugural Sustainability Report, details our progress from January to December 2023. It shines a light on initiatives across business units that deliver on our shared vision to contribute to a more sustainable and resilient future.



We acquired SCI in 2024, an acquisition that builds up our sustainability ambition together. This Report proudly features SCI's sustainability achievements in 2023, celebrating progress made across our joint operations and setting the roadmap for a unified, strengthened approach going forward.

Thank you for joining us on this path toward a greener future. Together, we're making meaningful strides, one sustainable step at a time.



19M square feet of warehousing







7M last-mile deliveries in North America each year





OUR IMPACT APPROACH

Our vision



Our vision is to be a strategic supply chain solutions partner for the world's fastest-growing and most recognizable organizations.

Logistics is the backbone of our daily lives, underpinning industry, global trade and economic growth – a role clear during the COVID-19 pandemic.

At Metro Supply Chain, we aspire to deliver logistics in ways that build community resilience by ensuring people can access the goods and services they rely on in their daily lives. We work to create quality jobs, support local economies and enhance wellbeing by ensuring people and the goods they need remain connected, wherever they are produced.

In an era of rapidly evolving consumer expectations and technological advances, we remain focused on innovation, crafting solutions that reflect these trends while continuing to deliver value for our customers, communities and the generations who will inherit the world we shape today.



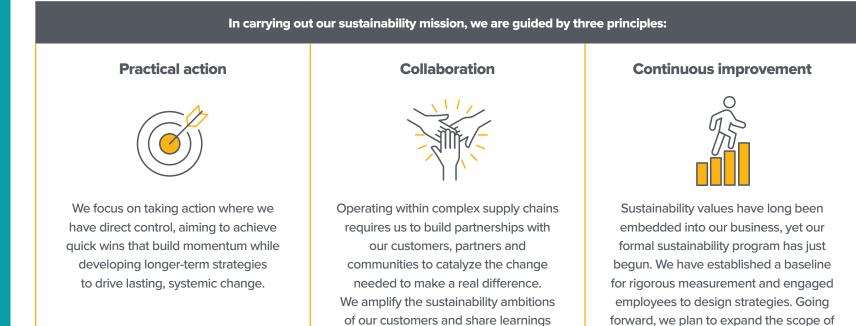


Our mission



Our mission is to advance our customers' businesses through innovative, real-world solutions within a culture that supports our communities, protects our environment and enables our team to thrive. As we grow our business to meet global needs, we recognize that how we operate matters as much as what we do.

Sustainability is central to our decision-making at every level, acting as a driver for innovative and responsible business practices. We work to not just minimize negative impact but seek opportunities to maximize positive impacts.



We are proud to share the progress that we made in 2023 and stand committed to making a meaningful difference – both now and for future generations.

with peers across our industry.



facilities and stakeholders we involve.

OUR IMPACT APPROACH

Our key impact areas

We categorize our sustainability actions into five impact areas:

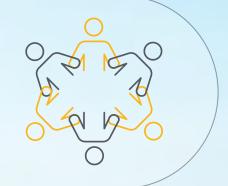


Central to our decision-making is helping our customers achieve their sustainability goals

OUR IMPACT APPROACH

Effective logistics

Strengthens community resilience Creates quality jobs that are skills-additive Supports local economies Enhances wellbeing Respects the environment





OUR IMPACT APPROACH



Materiality Survey

An inaugural Materiality Survey was conducted in 2023, engaging mainly team members and a few clients within a subset of our operations.

Employee Health, Safety and Wellness ranked as the top priority, reflecting the high participation of our team members in the Materiality Survey. This topic was followed by Ethics and Compliance, Client Experience and Training and Education. Environmental topics ranked lower than social topics in general, with Waste Reduction emerging as the highest ranked within this category

These results showed us the issues that matter to our teams working in logistics operations across Canada. This report presents the progress we've made so far in responding to these stakeholders.

What's next? We plan to expand our materiality assessment process to engage more team members across our global operations as well as external stakeholders from customers, investors and government representatives to further understand where we can make a difference that really matters.

OUR IMPACT APPROACH

The UN Sustainable Development Goals

At Metro Supply Chain, we understand that our actions impact both the communities we serve and the global community we share. This awareness drives our commitment to sustainability, which is focused on understanding our impact and prioritizing efforts that truly enhance people's wellbeing, support their aspirations for prosperous lives and foster equitable, inclusive societies.

The **2030 Agenda for Sustainable Development**, adopted by 193 countries around the world in 2015, provides a global blueprint for achieving peace and prosperity for people and the planet.

The **17 Sustainable Development Goals** (SDGs), are central to this Agenda, calling for urgent collective action to end poverty, address inequalities, improve health and education, spur economic growth and combat climate change while protecting natural resources like oceans and forests.

At Metro Supply Chain, the SDGs serve as a guiding framework for our sustainability initiatives. They help us focus on activities that create the most significant positive impact while aligning our local efforts with global priorities. This ensures we are contributing to the shared vision of a more sustainable and prosperous future for all. While we are dedicated to supporting all the SDGs in our work, the following four goals are at the core of our business and have the most meaningful impact:



SDG 10 – REDUCED INEQUALITIES

Our people are at the heart of everything we do. As a minority-owned, global business, we embrace a multicultural identity that celebrates diversity across our organization and supply chain, while providing quality jobs and creating inclusive opportunities.



SDG 3 – GOOD HEALTH AND WELLBEING

While ensuring the safety of our employees and communities is always our top priority, we go further by focusing on enhancing the overall wellbeing of all our stakeholders as our overarching goal.



SDG 13 – CLIMATE ACTION

As we grow our business and promote wellbeing, we are mindful of the environmental impact of our actions and are committed to minimizing our emissions and reducing waste across our activities.



SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE

We are always striving to be better and stay ahead, approaching everything we do with an innovative mindset. Our longevity as a business is a testament to this.

OUR IMPACT APPROACH

Our impact commitments

In 2023, Metro Supply Chain published nine environmental, social and governance commitments. As progress is made, we plan to revise and expand these objectives to drive ongoing impact.

ENVIRONMENTAL

Achieve net-zero by 2050

Reduce emissions in our owned last-mile fleet by **20%**

Include tracking in all new waste management contracts

SOCIAL

Increase diversity in our management team with an initial focus on increasing the representation of women

Achieve a 70% participation rate in a voluntary diversity identification survey

Grow charitable giving by 10% annually



GOVERNANCE

Ensure **100% of our team is aware** of our anti-modern slavery policy by 2023

Increase participation in our employee survey to **75%** within three years

Improve our current **loss time injury frequency rate** (LTIFR) by **20%** within three years

OUR PEOPLE

Our people-first culture defines who we are and is central to our continued success.

With more than 9,000 employees across Canada, the US, the UK

and Europe, our workforce mirrors the rich cultural diversity of the communities we serve. Each employee plays a vital role in our achievements, bringing passion and dedication to our workplaces each day

Supporting their health, wellbeing and personal development is our highest priority.







Our people are our most valuable asset.









OUR PEOPLE

Health, safety and wellbeing

3 AND HELD EXAMPLE

At Metro Supply Chain, our commitment to safety comes from the highest level of leadership.

It is deeply embedded into our culture. We continually seek new ways to support our employees, from increasing awareness around workplace safety and facilitating regular training programs to providing ergonomic assessments and offering nutritious, locally sourced food in our offices. Our approach to health and safety is holistic, extending beyond physical health to include mental health and overall wellbeing.

OUR COMMITMENT

Improve our current lost time injury frequency rate (LTIFR) by 20% within three years.

WHY?

Warehouse operations post inherent hazards that must be continuously assessed and minimized.

HOW?

Keeping our workplace safe starts right from our onboarding process. All new colleagues receive comprehensive health and safety training covering topics including:

- · Your Rights and Responsibilities
- In Case of Workplace Accident
- The Company's Workplace Health & Safety Policies
- Injury Prevention Including Back Safety

- Fire Safety & Emergency Evacuation
- Workplace Hazardous Materials Information System
- Accessibility for Ontarians
 with Disabilities Act

We offer a tailored health and training plan for every job classification, aligned with specific job tasks and responsibilities. All employees attend mandatory health and safety training sessions annually to keep their knowledge up to date.

Discussions on health and safety are a continuous priority across our operations, supported by site committees responsible for ensuring the sustainable safety of our operations on a day-to-day basis.



facilities achieved zero lost time

15,600

training hours offered on employee health and safety

Ranked top 25th

percentile for safety performance in the industry since 2019 (one of our business units)

OUR PEOPLE

HIGHLIGHTS:

MENTAL HEALTH TRAINING: We heard from team members that mental health is important. A pilot program was launched to train front-line leaders to recognize and support mental health across their teams, in partnership with CAMH (Centre for Addiction and Mental Health). We plan to expand this training across the full organization.

HEALTHY WORKPLACE NEWSLETTER: Our bi-monthly "Healthy Workplace" newsletter equips team members with knowledge to make informed choices about their health. Topics covered include mental and physical wellbeing, healthy eating habits and seasonal indoor and outdoor activities. The newsletter highlights initiatives like our annual Health and Safety Week, Mental Health Month and the benefits of giving back to the community.

ERGONOMIC ASSESSMENTS: We completed 31 ergonomic assessments across 14 warehouses and five office spaces, aimed at preventing work-related musculoskeletal disorders and educating employees about job-related risks and ergonomic solutions.

DRIVING TRAINING PROGRAM: 'On the road' safety is a priority for us. In 2023, 70 drivers participated in our driving training program, amounting to 737 hours of training.

CULTURE CALENDAR: Highlighting celebrations from various faiths and cultures, our culture calendar is emailed to our team monthly, displayed on digital screens and posted on bulletin boards across our sites. Each location organizes events that resonate with their team members, like Diwali celebrations and Black History Month activities. These efforts help create an inclusive environment that celebrates and reflects the diverse values of our workforce. **OUR PEOPLE AND CULTURE WEEK:** We host an annual weekly event focused on local and national initiatives that foster engagement and bring people together. Our goal is to ensure our employees know how much we appreciate them.

HEALTH AND SAFETY WEEK: Every year we encourage our facilities to participate in our Health and Safety Week to help improve attitudes, increase understanding and foster a safety-minded culture.

Our pilot program trained front-line leaders to recognize and support mental health. We plan to expand this training across the full organization.



Mathieu Descheneaux Chief Financial Officer Martin Graham Executive Vice Chairman Murray Brabender Group Vice President & Chief Operating Office Chiko Nanji Founder & Group Chairman Chris Fenton Group President & Chief Executive Office

OUR PEOPLE



As a minority-owned company, advancing DEI lies at our core.

We are a **proud minority-owned business certified by the Canadian Aboriginal and Minority Supplier Council** (CAMSC). In 1972, our Founder and Group Executive Chairman, Chiko Nanji, and his family were exiled from Uganda and made a new home in Montreal, Canada. In keeping with our founding values, we are proud to provide quality job opportunities for newcomers and local community members alike.





OUR COMMITMENT

Achieve a 70% participation rate in a voluntary diversity identification survey.

Our workplaces are inclusive spaces where everyone can come together, earn fair wages and grow their careers and community networks.



Currently, we know that our workforce speaks over **37 different languages** and represents more than **25 ethnicities**.

WHY?

We value the diversity of our workforce, which reflects the rich multicultural landscape of the communities where we work. With this target, we aim to collect the data we need to understand the makeup of our workforce and ensure that our workplace practices are inclusive, supportive and responsive to everyone's needs.

HOW?

We analyzed data from existing staff surveys to uncover valuable insights to inform our DEI survey approach, such as the diversity of languages spoken and ethnicities of our staff across our organization. We plan to conduct the comprehensive diversity identification survey in 2024.

OUR PEOPLE



OUR COMMITMENT Increase diversity in our management team with an initial focus on increasing the representation of women

WHY?

The logistics sector has traditionally been male-dominated at the management level. However, this is changing, and we at Metro Supply Chain are working actively to support this transition. This is why we prioritize actions to empower women across our workplace, from our management team and across our warehouses and offices.

HOW?

To achieve our target, we will start with a baseline measurement. We are developing thoughtful approaches to evaluate the representation of women on our management team and in our broader workforce. We understand the complexity of gender definitions and are working with gender experts to find ways to allow team members to selfidentify as women. This work is currently underway with survey results expected in Q1 2025.

HIGHLIGHTS:

TOWN HALL DISCUSSIONS: We foster a culture of open communication and inclusivity through regular town hall discussions, annual staff surveys and executive visits, ensuring all team members feel connected and heard.

CANADIAN ABORIGINAL AND MINORITY SUPPLIER COUNCIL (CAMSC) MEMBERSHIP: As a corporate member of CAMSC, we connect directly with certified Indigenous and minority-owned businesses.

WHAT'S IN A NAME INITIATIVE: In culturally and ethnically diverse teams, correctly pronouncing and spelling names is essential. To support this, we have developed a toolkit to help managers and leaders accurately pronounce the names of their team members.

CASE STUDY:

Canadian Women's Foundation partnership

Since 2021, we have proudly supported the Canadian Women's Foundation as a corporate partner. At our 2023 annual Management Conference, the CEO of the Canadian Women's Foundation provided a keynote session to educate our senior leaders on how the Foundation is helping lift women and gender-diverse people out of poverty and violence and into confidence and leadership.

We work to raise voices and perspectives on gender issues across our workforce, guided by experts from the Canadian Women's Foundation. Key events include two virtual forums attended by 25 women and gender-diverse employees from across our Canadian operations, including forklift operators, operations coordinators, managers and supervisors.

Voices across our workforce emphasized the importance of prioritizing safety, safeguarding mental health and addressing the harm caused by gender stereotypes. Many participants viewed themselves as trailblazers in the logistics industry, a sector historically dominated by men. The valuable insights gathered are helping us build a more supportive and inclusive work environment for all team members.

OUR PEOPLE

Growth and opportunity

We help our employees grow their skill sets.

Fulfilling jobs are key to enhancing wellbeing. At Metro Supply Chain, team members can join an exciting industry and build rewarding careers. In our operations, we prioritize hiring from local communities to help strengthen communities and offer entry-level roles that provide pathways for growth. Through extensive training programs, we support our employees in expanding their skill sets, equipping them for success. We are dedicated to promoting from within wherever possible. To facilitate this, we conduct talent mapping exercises that identify and develop high-potential team members, reinforcing our commitment to career growth.

HIGHLIGHTS:

OUR WAY TRAINING: Our commitment to professional development starts with onboarding. Each new team member participates in a full day of Our Way training, to gain insight into our company's founding story of entrepreneurism and dedication to growth. We show how our core values — respect, transparency, communication, sustainability, safety and wellness, collaboration and inclusivity — act as guideposts that keep us focused on making a positive impact for our customers and our communities.

SUPPORTING FUTURE LEADERS: We actively identify and nurture team members with high leadership potential. Our Intro to Leadership program builds the skills of our leaders, equipping them with the tools needed to motivate and reward staff, coach for success, foster teamwork, resolve conflicts, practice active listening and delegate tasks effectively. **7,648** hours of **Our Way** training completed by 956 employees

1,560 Hours of **Intro to Leadership** training completed by 195 employees **564** hours of **Emerging Leaders** training completed by 47 employees **1,718** hours of **LinkedIn Learning** training completed by 373 employees

LINKEDIN LEARNING PARTNERSHIP: Our partnership with LinkedIn Learning makes thousands of high-quality online courses on professional growth available for free with just a click.

EMPLOYEE RECOGNITION PROGRAM: Our team members drive the success of our operations. We recognize outstanding work through recognition programs such as our annual Gold Awards and Site Awards. It's our way of showing our appreciation and celebrating exceptional contributions. **CELEBRATING SMALL WINS:** We help our team to support each other. Under the "Our Stars" program, we celebrate one another's exceptional work on behalf of our customer, team, company and world. Winners are selected and awarded with prizes monthly. At some sites, staff can take the initiative to send "Kudos" cards to one another to mark incredible efforts and accomplishments.

CASE STUDY:

"Club 25" is an initiative designed to honour and thank employees who have been with us for 25 years or more, celebrating their distinguished commitment and many contributions to our company mission.

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In 2023, **12 team members** joined our Club 25 program, bringing our total to **38 members**.

OUR PEOPLE



Employee profile | Rapid pathway to career success

I joined Metro Supply Chain in 2018 through the Accelerated Management Program (AMP), fresh out of university and new to warehousing. My first rotation was at a fastpaced Ontario site during its peak period. Thanks to the welcoming team and guidance from the General Manager, I learned quickly and was soon contributing meaningfully.

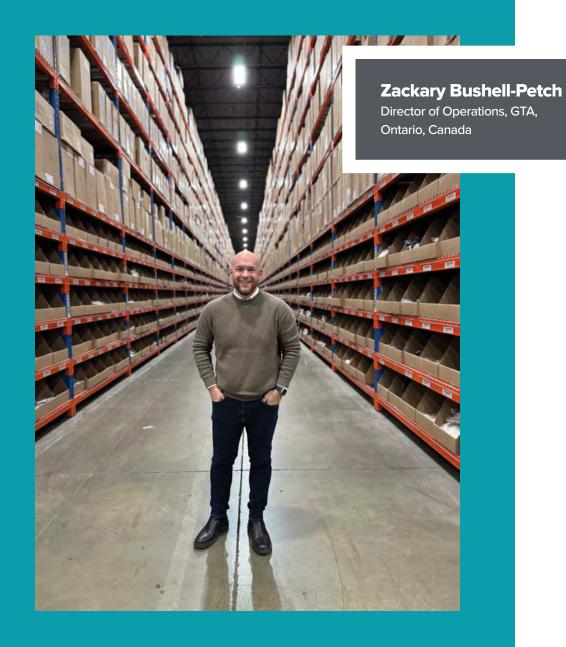
Rotations in Business Intelligence and Solutions followed, giving me additional insight into how Metro Supply Chain operates. My final rotation in Project Management became a pivotal moment – I was asked to lead a major robotics project in the US. With just one year of experience, I felt out of my depth, but Leadership's support and trust gave me confidence and helped me realize my potential.

After the project's success, I returned to Toronto and was given my first official role outside of the AMP as Operations Manager for a consumer-packaged goods (CPG) site. A year later, I became the General Manager, helping it flourish during COVID-19. After three years, I was homesick so transferred to Montreal to manage a new large account. This opportunity grew my accountability from one building with 40 employees to three buildings (and later four) with more than 100 employees.

Over six years, I have worked with hundreds of people from diverse backgrounds, opened and closed operations, worked on customer requests, and managed teams and buildings across sectors. Through both my successes and stumbles, the Metro Supply Chain Executive team has supported, encouraged and empowered me. I can't wait to see what the next six years bring!

I felt out of my depth, but Leadership's support and trust gave me confidence and helped me realize my potential.

OUR PEOPLE



Employee profile | Almost two decades of career growth

I never planned on a career in logistics – I was studying radio broadcasting and pursuing my passion for music. But life had other plans. When my wife and I learned we were expecting our first child, I needed to make quick decisions to support our family. In 2005, I started as an agency worker at one of our Ontario retail facilities. What I thought would be a temporary job has now become an 18year journey with Metro Supply Chain.

A year later, I joined full-time, working in various roles, from picking and forklift driving to senior-level management. In 2008, I became a shipping clerk during a system upgrade, setting the stage for future growth. Over the years, I've moved up through leadership roles – from Supervisor in 2010 and to Operations Manager in 2013, supporting a major facility expansion, and then to General Manager in 2018, where I managed multiple clients, including one of our longest-standing customer partnerships. When the pandemic hit in 2020, I was tasked with launching five new facilities in just six weeks to support a government PPE distribution contract, which resulted in significant growth and multiple subsequent contracts. In 2022, I was promoted to Director of Operations, now overseeing seven facilities and an amazing group of 350+ dedicated team members.

I'm proud to be part of Metro Supply Chain, which not only values its people but fosters career growth and development. I'm excited to keep building on this foundation, helping the next generation of leaders as we continue to innovate and delight our customers.

I'm proud to be part of Metro Supply Chain, which not only values its people but fosters career growth and development.

OUR PLANET

At Metro Supply Chain, we are committed to the global fight against climate change. We prioritize energy efficiency and process improvements that minimize our carbon footprint.

Through diligent monitoring and mitigation of our environmental impact, we actively support Canada's goal of **achieving net-zero emissions by 2050** while continuing to serve our customers and communities effectively and responsibly.

Our planet is our responsibility.

OUR PLANET



We are committed to ensuring our operations are sustainable for future generations.

The logistics sector contributes significantly to Canada's greenhouse gas (GHG) emissions. Transport is the country's second-largest source of emissions, responsible for 22% of emissions in 2022. It is critical for our industry to transform the way we operate to combat climate change, and at Metro Supply Chain, we are dedicated to playing our part.

Our climate action journey began in 2022 with the establishment of our greenhouse gas baseline inventory, giving us a clear picture of our emissions. This baseline covered all Scope 1 and Scope 2 emissions, along with the most significant Scope 3 categories, notably emissions from our contracted transportation fleet and fuel-related activities. In 2023, we built on this by completing our second GHG inventory and expanding our Scope 3 assessments to include additional emissions categories for selected sites and operations.

Moving forward, our focus is on improving both the quality and coverage of our data while progressively expanding our Scope 3 assessment across all operations. This effort reflects our commitment to transparency and continuous improvement in tackling sustainability challenges. As we gather more data and deepen our understanding of our emissions, we will work toward developing a comprehensive decarbonization plan. Metro Supply Chain has set both a short-term and a long-term target for reducing our greenhouse gas (GHG) emissions.

Achieve net-zero by 2050.

WHY?

Our long-term target reflects our commitment to contributing to the global effort to reach net-zero emissions and mitigate the worst impacts of climate change.

HOW?

Metro Supply Chain is taking a phased, step-by-step approach to achieve our net-zero target. We're starting with reductions in our operations and gradually expanding across our entire value chain. As we gather more data and deepen our understanding of our emissions, we will work towards developing a comprehensive decarbonization plan.

HIGHLIGHTS:

Within our operations, we have taken several key actions:

ELECTRIFYING OUR FLEET: In 2022, we began investing in transitioning our last-mile delivery fleet to zero emissions with the purchase of six Class 6 Electric Vehicles (EVs).

ELECTRIFYING OUR EQUIPMENT: 100% of material handling equipment (MHE) at our warehouses is powered by electricity rather than fuel.



OUR PLANET

ENHANCING ENERGY EFFICIENCY: We have installed LED lighting and motion sensor lighting in our warehouses, transport hubs and offices where feasible, considering factors such as lease durations and site control. This has resulted in complete or partial upgrades at 69 sites across Canada, the US and the UK.

REDUCING IDLING TIME: We've developed a company policy to limit vehicle idling, promoting more energy-efficient, lower emissions driving practices across our fleet. Many of our trucks have monitors to track idling time.

MINIMIZING SINGLE-USE PLASTICS: To reduce plastic waste, we provide reusable water bottles and refill stations for all staff.

Beyond our own operations, we also actively seek opportunities to support our clients with innovative solutions to reduce their carbon footprint:

REPAIRING RETURNED ITEMS: We offer repair and refurbishment services for items returned to some of our warehouses, such as car seats, strollers, vacuum cleaners, furniture and technical products.

SUPPORTING PRODUCT RESALE: We help customers resell returned and end-of-line products, like garments, on global ecommerce platforms, extending product life and reducing waste.

OUR COMMITMENT

Reduce emissions in our last-mile fleet by 20%.

WHY?

We're working to shift to a net-zero fleet, starting first by electrifying our own last-mile vehicles. We also aim to explore partnership opportunities to drive electrification across our transport value chain, together with our customers and contractors.

HOW?

Our electrification journey has started with the purchase of six electric Class 6 trucks in Vancouver and Montreal. We also provided expert services to a customer in British Columbia, coordinating the purchase and installation of EV charging stations. This work included installing the electrical system and reconfiguring the parking lot to accommodate the new charging infrastructure.







100% of warehouse material handling equipment (MHE) is electric



300 tCO2e reduction annually from electric fleet



\$2M+ investment in EVs in 2022/23



HIGHLIGHTS:

We recognize that collaboration across the transport sector is essential to achieving our net-zero goals. In alignment with the government of Canada's Action Plan for Clean On-Road Transportation, we support the Government's target of reaching 35% of total new medium- and heavy-duty vehicle sales being zeroemission vehicles by 2030.

We're also committed to initiatives that ensure existing gas and diesel vehicles operate as cleanly as possible, including practices like efficient driving, vehicle maintenance, route optimization and the use of cleaner fuels.

We believe that industry-wide collaboration is key to meeting these ambitious targets and actively contribute through actions such as:

PUBLISHING INDUSTRY GUIDANCE: We developed a white paper titled Driving fleet electrification forward: a guide to zero emission last-mile delivery, to share our learnings and encourage sustainable practices across the industry. **View white paper online.**

EXPANDING EV INFRASTRUCTURE: To support the growth of EV charging infrastructure, we designed and launched an innovative customer mobile EV charging station. Additionally, we provide technical expertise to our partners, who have installed more than 4,000 EV chargers alongside the roads and highways.



OUR PLANET

Calculating our carbon footprint

All emissions calculations have been conducted in accordance with the Greenhouse Gas (GHG) Protocol. Corporate Accounting and Reporting Standard and ISO 14064-1: 2018, supplemented by guidance from ISO 14083: 2023 and draw on the Global Logistics Emissions Council (GLEC) Framework and Guide for Greenhouse Gas Accounting at Logistics Sites (2019).

As a third-party logistics (3PL) provider, Metro Supply Chain operates within a complex multi-modal logistics supply chain that requires close coordination with customers and contractors.

Our GHG inventory applies an "operational control" approach to define organizational boundaries, focusing on areas where we can influence emissions outcomes. This includes our locations and operations across Canada, the US and the UK, covering transportation services, warehouses and office spaces.

Metro Supply Chain is a growth-focused company; this inventory consolidates GHG reporting for all owned and acquired operations in the 2023 calendar year.

GHG inventory results

The total GHG emissions from our core Scope 1, 2 and 3 emission categories across all Metro Supply Chain locations were **97,837 tonnes** of CO2 equivalent.

	Emissions category	Emissions (tCO2e)	Emissions (%)
	Stationary combustion	18,632	19.01%
SCOPE	Mobile combustion	3,354	3.4%
	TOTAL	21,987	22.5%
	Purchased electricity (facilities)	4,110	4.2%
SCOPE	Purchased electricity (electric vehicles)	3	0.0%
	TOTAL	4,113	4.2%
	Upstream transmission and distribution	50,802	51.9%
SCOPE	Fuel- and energy-related activities	20,936	21.4%
	TOTAL	71,738	73.3%

Emissions by source (MTCO2e)

https://public.flourish.studio/visualisation/20694125/

OUR PLANET

	Upstream Transmission & Distribution Emissions (tCO2e): 50,802	Expansion into Scope 3 categories We expanded our Scope 3 measurement transportation operations. The results sh emissions, especially from employee cor measurement program to encompass all Emissions Category Additional Scope 3 categories Purchased goods and services (special	
SCOPE 3		Purchased goods and services (third Capital goods	
		Waste generated in operations	
	Fuel & Energy Related Activities Emissions (tCO2e): 20,936	Business travel	
		Employee commuting	
SCOPE 2	Purchased Electricity Emissions (tCO2e): 4,113		
	Mobile Combustion Emissions (tCO2e): 3,354		
SCOPE 1	Stationary Combustion Emissions (tCO2e): 18,632		

Expansion into Scope 3 categories

We expanded our Scope 3 measurement to include additional categories, covering a subset of Metro Supply Chain's warehouse sites (34%) and ransportation operations. The results show that the operations related to these additional Scope 3 categories generate a significant amount of GHG emissions, especially from employee commuting and purchased goods and services. This underscores the importance of broadening our Scope 3 neasurement program to encompass all Metro Supply Chain operations in future inventories.

Emissions Category	Emissions (tCO2e)	Emissions (%)
Additional Scope 3 categories		
Purchased goods and services (spend)	5,509	50.2%
Purchased goods and services (third-party fleet)	575	5.2%
Capital goods	929	8.5%
Waste generated in operations	983	9.0%
Business travel	107	1.0%
Employee commuting	2,875	26.2%

OUR PLANET

Air quality

Cleaner air improves the health of our planet and our communities.

While it's essential for our customers to get their goods and services delivered to their door, our last-mile trucks can generate air pollution, impacting the health of our communities. At Metro Supply Chain, we understand the link between air quality and public health and work to provide our services in the healthiest way possible. This includes optimizing route planning and minimizing truck idling time.

Waste reduction

We are dedicated to delivering our services in the most wasteefficient way possible.

Logistics plays an essential role in everyday life and business – especially in the post-COVID era, with increased remote work, online shopping and home deliveries. However, this surge has intensified a growing "packaging waste crisis." At Metro Supply Chain, we are committed to tackling this issue throughout our operations. It is also an area with significant innovation potential: our long-term goal is to significantly reduce waste by implementing innovative, circular packaging solutions. Include tracking in all new waste management contracts.

WHY?

To date, waste sorting and recycling systems are in place across all our warehouse facilities and transportation hubs. However, gathering comprehensive data on waste diversion remains a challenge due to limitations in reporting by our waste service providers. That's why we set a target to include detailed tracking in all new waste management contracts. This will enable us to gather the information we need to design smart waste reduction strategies.

HOW?

Our warehouse managers now engage early with potential waste service providers to make clear that comprehensive waste tracking data is important to us, and we are building strategic partnerships with environmentally friendly vendors. As Canada's largest privatesector contract logistics provider, we aim to signal to the market that the demand for eco-friendly waste services is on the rise, encouraging more waste service providers to adopt sustainable practices. By collecting waste data, we can showcase current good practices at Metro Supply Chain-operated warehouses and identify areas for improvement.

HIGHLIGHTS:

We actively foster partnerships to launch innovative waste reduction initiatives, including:

USING RECYCLED PALLETS: We incorporate recycled palettes in our warehousing operations.

ENCOURAGING PACKAGING REUSE: We support customer initiatives to reuse packaging materials.

OFFERING REPAIR SERVICES: We offer repair services for faulty products at select warehouses.

FACILITATING PRODUCT RESALE: We assist our clients in reselling returned and end-of-line products, like garments, on global ecommerce platforms.

Looking ahead, we will continue to raise awareness about the importance of tackling packaging waste across our operations and with our partners while actively supporting innovative circular solutions to further reduce waste.



97% diversion rate reported at 30 warehouses reporting waste data

OUR COMMUNITIES

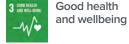
OUR COMMUNITIES

Through partnering with organizations dedicated to local impact, we strive to build stronger, healthier and more resilient communities. By supporting initiatives that make a positive difference in people's lives, we deepen our community impact while fostering employee engagement across all regions where we operate.

Our communities benefit as we leverage our business as a force for good.



Supporting communities in need



We collaborate with social enterprises to create shared value.

In the face of emerging challenges like climate change, communities – especially the most vulnerable – need to build resilience. We know our business can only thrive if the communities where we work are thriving, too. At Metro Supply Chain, supporting local communities around our sites is at the heart of what we do. We give each site the freedom to connect and partner with local organizations and causes that matter most to them, so our team members can make a real, positive impact where they live and work.

OUR COMMITMENT

Grow charity funding by 10% annually.

WHY?

Supporting local communities, businesses and organizations connects us and humanizes our mission. We know that, together, we can make things better for everyone. By partnering with organizations focused on local impact, we can help build stronger, healthier, more resilient communities and make a positive difference in the lives of people in those areas while driving employee engagement everywhere we operate.

HOW?

In 2023, our charity funding totalled more than \$606,000. This figure will provide the baseline for our commitment.

HIGHLIGHTS:

FONDATION DES JEUNES DE LA DPJ: Metro Supply Chain proudly uses our voice to raise awareness for the Fondation des jeunes de la DPJ, which advocates for Quebec youth in foster care. We donated \$75,000 to their holiday campaign and La Soirée des Grands.

KIDS HELP PHONE: With both physical and psychological safety top of mind, we are proud to have donated \$75,000 over three years (2023-2025) to Kids Help Phone to help the organization provide vital mental health services to young people across Canada when it is needed most.

\$75,000 donated to Kids Help Phone over 3 years

OUR COMMUNITIES





FOOD BANKS: At both the corporate and site levels, we have been supporting nationwide and community food banks with monetary and food donations for many years. In 2023, we donated \$10,503 to various food banks.

OUR COMMUNITIES

LA TABLÉE DES CHEFS: In 2020, Group Chairman Chiko Nanji served as Honorary Chair of La Grande Tablée Toronto, a charity event supporting La Tablée des chefs. This Québec-based organization provides food to community groups and teaches youth cooking skills. For several years, Metro Supply Chain provided the charity with complimentary transportation services and in 2023 we donated \$4,455 to further its goals.

CUSTOMER-LED CHARITIES: Metro Supply Chain proudly supports numerous customer charity events. In 2023, our event sponsorships of \$53,500 benefited our customers' chosen charities, including food rescue organizations and breakfast programs.

Indigenous communities

We recognize and honour the rich cultural heritage and contributions of Indigenous Peoples.

By 2031, one in three Canadians will be Aboriginal or a visible minority, and their economic success is essential to a thriving Canadian economy. At Metro Supply Chain, we strive to build meaningful relationships with Indigenous communities, respecting their traditions, knowledge and rights. In addition to providing donations to support these communities, we prioritize economic empowerment by actively working with subcontractors who serve Indigenous communities, providing essential last-mile transportation services.

In addition to being certified as a minority-owned business by the Canadian Aboriginal and Minority Supplier Council (CAMSC), we are a corporate member of CAMSC, which allows us to connect with certified Indigenous and minority-owned businesses.

Employee volunteering

Our employees enthusiastically take part in volunteering and fundraising activities.

Many communities face challenges that require support. At Metro Supply Chain, we believe in the power of giving back. By dedicating their time and skills to local initiatives, our employees not only contribute to the wellbeing of their communities but also foster a sense of teamwork and personal fulfilment.

2023 Donations | Support

\$10,503 community food banks \$4,455 La Tablée des chef

\$53,500 customer charities supporting food rescue and breakfast programs

https://camsc⁻ca/about/

OUR COMMUNITIES

OUR COMMUNITIES

Canadian Red Cross

The vital humanitarian work of the Canadian Red Cross helps people in Canada and around the world. We support the Red Cross in three key areas that align strongly with our values: Emergency Management and Disaster Risk Reduction, Community Health and Wellbeing and Indigenous Programming.

Supporting emergency management and disaster risk reduction

In 2023, through various events and initiatives, one of our business groups raised \$111,039 for the Canadian Red Cross. Employees also fundraised over \$4,000 to support Red Cross emergency appeals, including the 2023 Earthquake in Türkiye & Syria Appeal, the 2023 Nova Scotia and Atlantic Canada Fires Appeal and the 2023 Canada Wildfire Fund.

Supporting community health and wellbeing

HEALTH EQUIPMENT LOAN PROGRAM: Each year, the Canadian Red Cross Health Equipment Loan Program (HELP) assists individuals recovering from illness or injury by providing essential health equipment. This community-based service is supported by volunteers and relies on contributions from provincial governments, health authorities, donations of equipment, and the dedication of thousands of volunteers and professional staff. Our support has made a significant impact on HELP in British Columbia and Newfoundland and Labrador, where our donation of \$24,999 ensures that clients can recover at home, surrounded by their loved ones, with independence and dignity.

MOBILE FOOD BANK PROGRAM: The Canadian Red Cross Mobile Food Bank Program delivers food to people who cannot access a traditional food bank due to a permanent or temporary disability. This program ensures that people can receive healthy meals while continuing to live in their homes safely and with dignity. In 2023, nearly one-fifth of the Mobile Food Bank Program volunteers were our employees, who committed to volunteering monthly shifts. This dedicated volunteer team enabled the program to sustain its existing clients while addressing a growing demand. A total of 114 employees volunteered 354 hours to pack 1,974 food hampers, more than any other corporate group in Canada in 2023.

Supporting Indigenous programming

SUPPORT FOLLOWING TRAUMATIC EVENTS: Indigenous

communities are often most affected when emergencies or disasters strike. Canadian Red Cross teams provided outreach to five Indigenous communities in Ontario, providing essential resources

and assistance following several tragic events. Our support included raising awareness for social wellbeing courses such as Psychological First Aid.

SOCIAL WELLBEING FOR ELDERS: We helped the Canadian Red Cross to support a community Gathering Centre for Elders with events emphasizing the importance of spiritual, mental, emotional and physical health, explored through traditional stories, teachings, knowledge and art. Our contributions helped the Red Cross, in collaboration with Ontario Health North East region, to distribute wellness and/or disaster preparedness kits to Elders, coordinate activities, share resources and provide support during two events.

> **\$115,039** raised for the Canadian Red Cross ED CROS and Red Cross emergency appeals.

CASE STUDY:

The Canadian Red Cross Mobile Food Bank Program delivers food to individuals who cannot access traditional food banks due to permanent or temporary disabilities. This initiative ensures that they can receive healthy meals while continuing to live in their homes safely and with dignity.

In 2023, nearly one-fifth of their volunteers were our employees, who committed to monthly shifts. This dedicated team has enabled the program to sustain its existing clients while addressing the growing demand.

ANADIAN

OUR GOVERNANCE

Our commitment to strong governance is the foundation of our success and integrity. At Metro Supply Chain, we prioritize transparency, accountability and ethical decision-making at every level of our organization and throughout our supply chain.

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Our governance drives sustainable growth and trust.

We achieved a noteworthy **85% participation** in our annual employee opinion survey – a **14% improvement** from our 2022 results.

Communication and transparency

We prioritize a culture of communication and transparency.

Transparency builds trust. At Metro Supply Chain, the core of our strong culture is open communication between employees and leaders, ensuring that everyone is aligned to achieve our goals and live our values. Through thoughtful policies and programs, we work to create an environment where our people feel engaged, empowered and motivated to make a positive impact on our customers and in the communities we serve.

Increase participation in our employee opinion survey to 75% within three years.

WHY?

Strong participation in our annual employee opinion survey increases communication and transparency while fostering a sense of belonging within our organization. Results of the survey are shared across the organization at all levels; site managers meet first with Executives and then with their local teams to analyze results, discuss highlights and identify opportunities for improvements.

HOW?

In 2023, we are proud to have achieved a noteworthy 85% participation in our employee satisfaction survey, a testament to our commitment to listening to our employees and cultivating an environment where everyone feels empowered to voice their opinions. This marks a 14% improvement from our 2022 participation of 71%.

We are delighted to have surpassed our initial goal so quickly and are eager to achieve even higher participation in the future. To support this, we ensure that all employees have the necessary time to complete the survey through various accessible means.

HIGHLIGHTS:

TOWN HALL DISCUSSIONS: We foster a culture of open communication and inclusivity through regular town hall discussions held in two formats. Our Group CEO hosts annual all-company town halls, while VPs and General Managers lead quarterly town halls at each of our facilities. These discussions provide an excellent opportunity to share information and updates, celebrate successes, and address any questions, ensuring all team members feel connected and heard.

OPEN DOOR POLICY: Our "open door policy" encourages our employees to report any concerns anonymously, ensuring their voices are heard and valued.

OUR GOVERNANCE

OUR GOVERNANCE

YEAR IN REVIEW: Each year, we release a "Year in Review" article or video to share the key accomplishments and milestones of our company and team over the past calendar year with all stakeholders. This annual recap provides transparency into our progress, highlights achievements and reinforces our commitment to open communication, helping to keep all stakeholders informed and aligned with our mission and growth.

Ethics and integrity

We uphold ethical behaviour at every level of the organization.

As we navigate the complexities of our industry and strive to make a positive impact on our communities, upholding the highest ethical standards is critical. At Metro Supply Chain, to reinforce this commitment, we have developed and implemented a range of codes and policies to guide our practices, including policies on respect in the workplace, health and safety, workplace harassment, bullying and violence, and anti-slavery human trafficking.

As part of the onboarding process, all new employees are required to review these policies. We also ensure that all our policies are transparent and easily accessible to all employees, promoting a culture of openness and accountability.

Labour practices and human rights



We prioritize the wellbeing and rights of all workers within our supply chain.

Many workers around the world continue to face challenges such as unfair wages, unsafe working conditions and violations of their fundamental rights. Our commitment to ethical labour practices is fundamental to our sustainability strategy and the integrity of our operations.

We ensure fair wages, safe working conditions and strict adherence to labour laws and regulations. Through ongoing training and education programs, we equip our team with the knowledge and skills necessary to identify and address labour-related challenges effectively. Additionally, we conduct regular audits and assessments of our suppliers to ensure compliance with our labour standards and to promote continuous improvement. By prioritizing responsible labour practices, we aim to create a positive impact not only within our organization but also throughout our supply chain and the communities we serve.

OUR COMMITMENT

Ensure 100% of our team is aware of our anti-slavery policy by the end of 2023.

WHY?

Awareness of our anti-slavery policy helps equip employees to recognize and report potential signs of modern slavery or human trafficking, helping to prevent exploitation within our organization and supply chain. Our policies, practices and procedures assess and address the risk of modern slavery to our operations and supply chain and follow all applicable legislation.

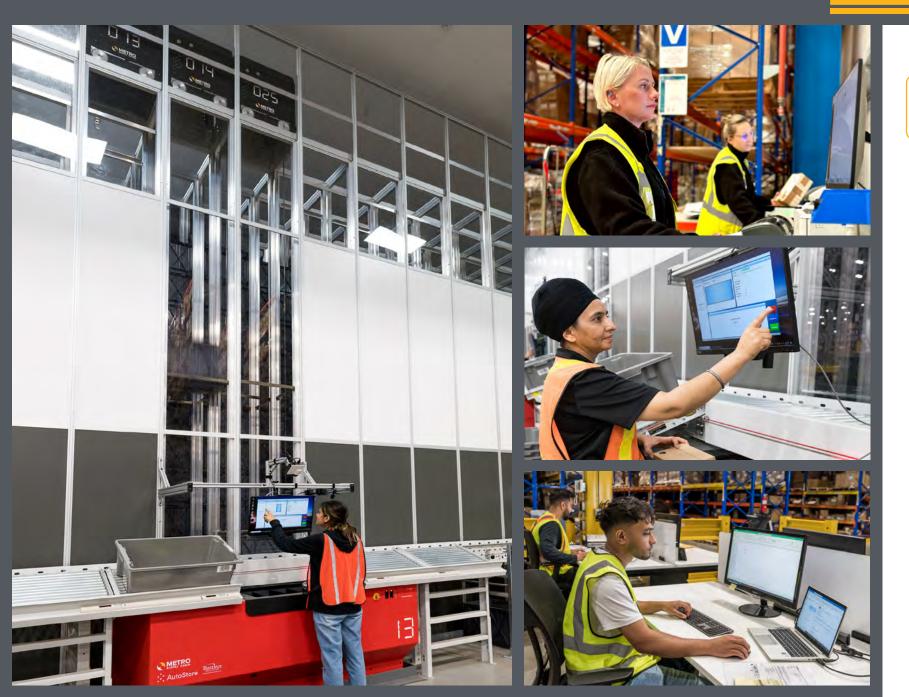
HOW?

In 2023, HR led the process of writing, distributing and collecting signed acknowledgments from every Metro Supply Chain team member with the help of senior leaders across operations and shared services. By the end of 2023, we were able to meet our commitment.



Our commitment to ethical labour practices is fundamental to our sustainability strategy and the integrity of our operations.

OUR GOVERNANCE



OUR GOVERNANCE

OUR COMMITMENT

Improve our current lost time injury frequency rate (LTIFR) by 20% within three years.

WHY?

Warehouse operations pose inherent risks, so we make sure our team members can be confident that they work in safe environments through the implementation of robust programs and policies that safeguard the wellbeing of our employees.

HOW?

With support from our Business Intelligence team, we are tracking our lost time injury frequency rate (LTIFR) across the organization to ensure accurate data aggregation for publication in 2024.

We include this commitment under both Our People and Our Governance, to emphasize its importance to us.

OUR HIGHLIGHTS:

VALUING OUR CONTRACTORS: With 138 company drivers and 1,000+ contractor drivers, we are committed to upholding labour rights for independent contractors, ensuring fair treatment, transparent agreements and safe working conditions across all roles and responsibilities within our operations.

Please see the **Our People section** for more information on our health and safety initiatives.

OUR INNOVATION

OUR INNOVATION

Innovation plays a pivotal role in driving sustainable development by fostering creative solutions to complex social and environmental challenges. It underpins our approach to fulfilling our sustainability commitments and is integral to our operations. The following highlights three priority areas of innovation for our business.

Our innovation drives positive change.

Encouraging Industry, EV adoption Infrastructure

CONTRACTOR OF STREET, STREET,

An immediate shift to electric vehicles (EVs) and the supporting infrastructure is essential for a sustainable future, yet many businesses are still relying heavily on fossil fuels. At Metro Supply Chain, we are committed to driving the transition to EVs as one of our innovation priorities. As outlined in the **Our Planet section of this report**, we have implemented several initiatives to reduce emissions through the electrification of our own delivery fleet and are actively working to accelerate the wider adoption of EVs across the industry.

SUPPLY CHAIN

OUR INNOVATION

OUR INNOVATION

CASE STUDY

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During our relocation from one warehouse to another in Vancouver, we encountered significant costs associated with installing, removing and then reinstalling EV chargers. To address this challenge, we developed an innovative, custom mobile charging station that can be easily relocated to adapt to evolving business needs.

This solution not only reduces costs but also minimizes our environmental impact by facilitating the use of EVs, allowing us to recharge truck batteries wherever required.

Leader in automation



Inefficient supply chains can lead to increased costs, longer delivery times and increased environmental harm. That's why success in supply chain management requires relentless innovation. At Metro Supply Chain, we are constantly looking for new ways to serve businesses better while minimizing our environmental impact. This means embracing automation and leading-edge technologies to find better, more efficient ways to design, build and run supply chain operations for our customers. Notably, in 2023, we publicly announced our intention to further invest \$100 million to highly automate several of our fulfillment facilities, and we are well on our way to doing so.



In 2023, we announced our intention to invest \$100 million to highly automate fulfillment facilities.

CASE STUDY:

In 2023, we launched our innovative multi-user fulfillment solution in Ontario, Canada, designed to help apparel brands scale. Fuelled by AutoStore's robotic hive, automated conveyors, high-capacity packing stations and high-density, very narrow aisle racking, this modern facility is highly efficient. This automation shrinks the required warehouse space, thereby reducing our operational and environmental footprint by lowering our energy usage.

To further boost productivity and safety while addressing challenges in the contracting labour market, we have invested in collaborative robots and vertical lift modules alongside leading technologies to boost productivity and customize solutions that improve throughput and manage peak times effectively.

OUR INNOVATION

OUR INNOVATION

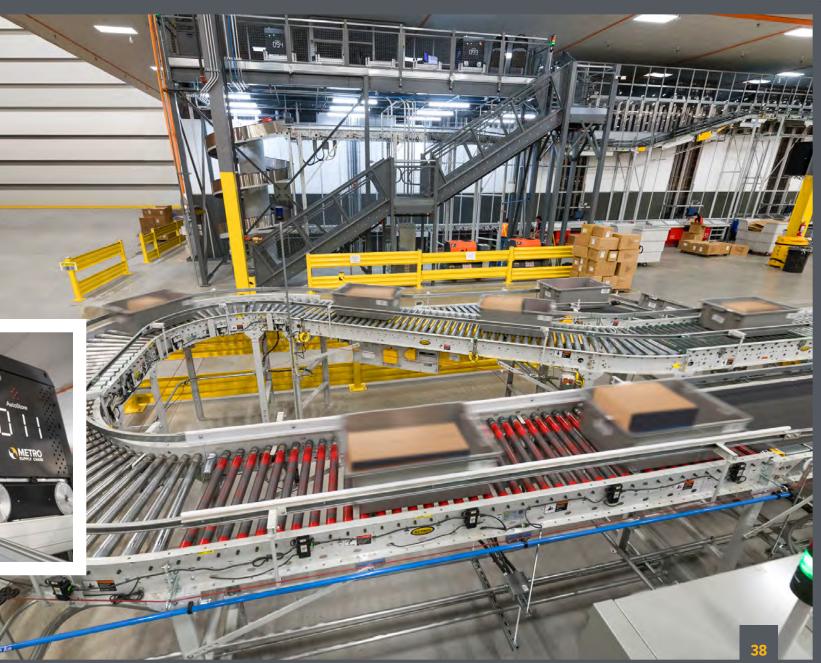
Social innovation

The rapid advancement of technology poses challenges for workers as traditional roles are increasingly automated, raising concerns about job displacement. At Metro Supply Chain, we recognize the need for a just transition and embrace innovation not only through technological advancements, but also through a social lens, recognizing its profound impact on our workforce and communities.

As we develop highly automated facilities, we are seeing a shift away from traditional labour toward new, advanced roles that require a different skill set. This transition creates opportunities for our employees to engage in more meaningful and intellectually stimulating work, fostering professional growth and satisfaction.

Our strong culture of continual improvement empowers our employees to actively innovate and identify areas for business development. By encouraging them to share their ideas and insights, we cultivate an environment where creative solutions can flourish.





AWARDS AND PARTNERSHIPS

AWARDS & PARTNERSHIPS

Our commitment to sustainability and supply chain excellence has been recognized through numerous awards and partnerships, including:



2023 Canada's Best Managed Companies Award

Metro Supply Chain was honoured with the prestigious 2023 award for our industry-leading performance, global business practices and sustained growth. This program recognizes excellence in private Canadian companies that demonstrate leadership in strategy, culture, commitment, capabilities, innovation, governance and financial performance. While Metro Supply Chain received strong marks across all criteria, we particularly excelled in strategy and capabilities, showcasing a dedication to continuous improvement that aligns closely with customer needs. Additionally, Metro Supply Chain's leadership development programs reflect a strong commitment to equipping high-performing employees with the skills and opportunities they need to thrive.



Bronze Level for EcoVadis

Our commitment to sustainability was recently externally validated by an EcoVadis assessment. We are proud of our results, which put us ahead of our industry peers in environment, labour and human rights, ethics and procurement.



Chiko Nanji Founder & Group Chairman



Fellow Supply Chain Management Professional[™]

Our Founder and Group Chairman, Chiko Nanji, has been honoured as a Fellow Supply Chain Management Professional[™] by Supply Chain Canada for his conspicuous service to the industry, profession and community at large. This accolade is reserved for executives who have demonstrated visionary leadership, innovation and excellence in supply chain management. Since 1919, only 67 recipients have received the designation, regarded as Canada's highest award in supply chain leadership.