

22nd July, 2025

Relating to: Alimentation Couche-Tard Inc Annual General Meeting (September 3, 2025)

Subject: **Supplementary Information regarding Proposal No. 6 requesting Alimentation Couche-Tard Inc. to disclose an emissions reduction strategy.**

SHARE is urging Alimentation Couche Tard's Inc shareholders to vote FOR Proposal No. 6 requesting the company to disclose an emissions reduction strategy.

The University Pension Plan represented by the Shareholder Association for Research & Education ("SHARE"), has submitted a shareholder proposal to be considered at Alimentation Couche-Tard ("ACT") 2025 annual general meeting of shareholders scheduled on September 3rd, 2025. This letter provides supplementary information relevant to your review in voting on Proposal No. 6 (page 102 of Management Information Circular), requesting that ACT disclose an emissions reduction strategy including mid-term greenhouse gas emissions ("GHG") reduction targets covering material Scope 1 and 2 emissions and aligned with the goals of the Paris Agreement and an approach to address its material Scope 3 emissions.

As you review the proposal, we would like to draw your attention to the following:

1. **ACT's 2025 greenhouse gas emission target is not commensurate with peers or aligned with internationally recognized methodologies.** ACT's 2025 GHG emissions reduction target makes it impossible for investors to meaningfully assess the company's progress on addressing its overall scope 1 and 2 emissions. In contrast, ACT's self-identified peers including Costco¹, Empire², Metro³, and Starbucks⁴, have comprehensive and unambiguous Scope 1 and 2 emissions reduction targets that align with the International Financial Reporting Standard and GHG Protocol Accounting and Reporting Standards.
2. **ACT recently removed disclosure of a mid-term 2030 Scope 1 and 2 greenhouse gas emissions target and does not have any quantifiable target past 2025.** In the company's 2025 Sustainability Report, the only reference to targets beyond 2025 are vague and unquantifiable. Now past the midpoint of the 2025 calendar year, ACT has not transparently disclosed a GHG emissions reduction target beyond this calendar year.
3. **ACT does not disclose a strategy to reduce its material Scope 3 emissions.** For two consecutive years, ACT has measured an increasing level of its Scope 3 emissions but has failed to disclose a plan to address these emissions. This lack of action undermines the value of the emissions data being reported and raises questions about the company's integration of climate risks into its overall business strategy.

We believe the company's arguments outlined in the Proxy Circular are insufficient, warranting shareholders to vote FOR Proposal No.6.

DISCUSSION

1. ACT's 2025 greenhouse gas emissions target is not commensurate with peers or aligned with internationally recognized methodologies

ACT's actions and disclosures lag those of its peers and the market more broadly. The company's self-identified peers⁵, including Costco⁶, Empire⁷, Metro⁸ and Starbucks⁹ disclose comprehensive and unambiguous Scope 1 and 2 emissions reduction targets that align with internationally recognized methodologies such as the International Financial Reporting Standards and the GHG Protocol Accounting and Reporting Standard. These internationally recognized methodologies provide guidance on the process of setting and reporting on a corporate GHG target, which includes indicating whether a target is absolute-based or intensity-based and specifying the target boundary. ACT's peers have taken further steps to accompany their emission reduction target with concrete plans that identify the factors driving reductions.

By contrast, ACT has a current 2025 target of "50% reduction equivalent from 2020 baseline in net scope 1 and 2 emissions from energy consumption".¹⁰ After careful review of the companies disclosures and direct engagement with the company it remains unclear what "reduction equivalent" means, what portion of Scope 1 and 2 emissions is covered by the target, and whether the target is absolute or intensity-based. The target mentions "energy consumption," but it does not specify whether this refers to retail energy use, internal fleet operations, or both, making it unclear if the full emissions inventory is accounted for and impossible to measure progress. We therefore disagree with the management's assertion that "the company has demonstrated a clear and sustained commitment to climate-related transparency and action."¹¹ ACT's active target falls short in terms of transparency, specificity, and alignment with internationally recognized standards, placing it behind both its self-identified peers and broader industry expectations, as further evidenced in the table below.

ACT Peer Comparison Table

Company	Comprehensive mid-term Scope 1 and 2 GHG Reduction Target	Scope 3 Target or strategy
ACT ¹²	No	No
Costco	Yes ¹³	Yes (strategy) ¹⁴
Empire	Yes ¹⁵	Yes ¹⁶
Metro	Yes ¹⁷	Yes ¹⁸
Starbucks	Yes ¹⁹	Yes ²⁰

2. ACT recently removed disclosure of a mid-term Scope 1 and 2 greenhouse gas emissions target and does not have any quantifiable target past 2025

In previous years, ACT has included in its disclosures a mid-term target of “carbon neutrality by 2030”, however, that target has been dropped without explanation. It is currently unclear whether the 2030 scope 1 and 2 carbon neutrality ambition published in the 2023 and 2024 Sustainability Report²¹ is still active, as the company does not clarify this in the 2025 Sustainability Report. Instead, the company disclosed the following: “Our 2030 climate-related ambition is also two-sided with actions leading to investments in capital expenditures reaching \$1.0 billion, between 2020 and 2030. Those investments will continue to support our work to reduce the Scope 1 and 2 emissions from energy consumption, as well as to increase the accessibility of our global renewable energy dispensers, for our customers, contributing to the global decarbonization of the planet.”²²

ACT does not provide details of the emissions reductions associated with this 2030 ambition or the information required to measure progress in relevant capital expenditures. In the absence of additional specificity on emission reductions and capital accounting implications, investors are left guessing as to the company’s targets and strategy post 2025. This gap raises concerns about the company’s longer-term strategy as physical and transition risks become more acute and as leading companies capitalize on transition opportunities. It also once again places ACT out of alignment with its self-identified peers Costco, Empire, Metro and Starbucks, which all maintain mid-term GHG reduction targets as per the table above. By improving mid-term scope 1 and 2 climate-related targets and performance disclosures, ACT will be better positioned to effectively minimize and manage climate-related risks, as well as provide investors with decision-useful information to assess the company’s strategy and performance.

3. ACT does not disclose a strategy to reduce its material Scope 3 emissions

ACT’s shareholders do not have any transparency on the company’s current approach to managing its material Scope 3 emissions and we therefore disagree with management’s assertion that “the company’s disclosures reflect a proactive and pragmatic approach to climate risk management.”²³

ACT reports that road transportation fuel resulted in the bulk of its revenue in the sum of \$53.9 Billion USD in fiscal year 2025.²⁴ It goes on to acknowledge that demand for road transportation fuel, an essential segment of its business, could decline due to regulations, uptake in passenger EVs, and changing consumer behavior.²⁵ However, ACT lacks a clear strategy to mitigate these risks posed by changing market forces. The company does continue to invest in renewable energy dispensers and discloses a scenario analysis indicating that passenger EV sales are anticipated to increase, but it does not disclose the role it sees EV charging play in its future revenue models.²⁶ Likewise, ACT identified that fuel and energy are of high relevance to stakeholders from a risk perspective, but fails to clearly demonstrate its plans to address these risks.²⁷

In contrast, Costco, a self-identified peer and one of ACT’s major competitors, has developed a fuel transition plan that covers the entirety of its fuel business, including emissions upstream of the fuel station, at the fuel station, and downstream of the fuel station.²⁸ To address emissions from its fuel

operations, Costco has disclosed its plan to focus on prioritizing purchasing from refineries that emphasize clean procurement and production and plans to engage with fuel suppliers to better understand their carbon footprint, climate goals, disclosure protocols, and carbon reduction initiatives.²⁹

ACT is well placed to develop a strategy to address scope 3 emissions. It measured and disclosed material Scope 3 emissions beginning in 2024 and reported a year over-year-increase of 14.6% metric tons (t) CO₂e in its 2025 Sustainability Report.³⁰ The company's reported scope 3 emissions are clearly material at 200 times the volume of this company's scope 1 and 2 emissions with Scope 3 category 11 (use of sold products) constituting, by far, the largest and fastest growing source of emissions.³¹ While ACT may not have sufficient upstream and downstream control to give it confidence in setting a GHG reduction targets for scope 3, it does have the necessary emissions data and material risk imperative to develop a coherent strategy to address these emissions.

Management argues that the company has outlined its efforts to reduce its Scope 3 emissions across the various geographies, however a selection of disparate initiatives does not amount to a comprehensive strategy. Given the concentration of both ACT's emissions and revenues in transportation fuel, a strategy that addresses these emissions is essential for investors to understand ACT's climate risk management and how it intends to seize opportunities in its industry.

For all the reasons mentioned above, we urge shareholders to vote FOR Proposal No.6 (page 102) in ACT's 2025 Management Information Circular.

For questions regarding the proposal addressed in this alert, please contact: Delaney Greig, Director Stewardship, The University Pension Plan at Delaney.greig@universitypensionplan.ca and Joanne Eboh, Engagement & Advocacy Specialist, SHARE at jeboh@share.ca.

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