



Consumer Goods Forum Forest Positive Coalition – Reporting KPI's METRO for Paper & Wood (PPP)

June 2022

Introduction

The Consumer Goods Forum (CGF) has created the Forest Positive Coalition of Action (FPC), led by 21 companies, to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains (palm, soy, paper & wood, beef), while supporting sustainable forest management, conservation, and restoration.

METRO is an active member of the Forest Positive Coalition of Action because we are convinced that collaboration is the only way to solve sustainability and social issues in our supply chains, including the paper & wood supply chains. We participate in the CGF FPC to combine our collective reach and knowledge, global networks and resources, to engage and collaborate with producers, suppliers and traders, as well as governments and NGOs, to advocate for forest positive solutions.

For each commodity, a dedicated working group has published a roadmap (action plan), with KPI's to act and report on. Currently, METRO commits to report on the KPI's publicly and regularly for the commodities soy, palm oil, beef, and paper & wood. In this document, we report on the paper & wood (PPP) working group KPI's.

More information on our work around the topic of deforestation, our work in the Forest Positive Coalition, as well as the KPI reporting for the other commodities, you can find on our website [here](#).

More information on the Consumer Goods Forum Forest Positive Coalition in general, the various coalition roadmaps (action plans) and more, you can find [here](#).

Element 1 – Own Supply Chain

Policy commitments to the Forest Positive Coalition goals:

Paper and wood products are also drivers of deforestation and conversion. Therefore, METRO committed to more sustainable products from paper and wood via our Paper and Wood Procurement Policy and to reduce the environmental impact of its Own Brand packaging products during the whole product life cycle.

We are committed to achieve deforestation- and conversion-free in our supply chains, therefore we have been engaging with our suppliers to work together. The focus is on own brand suppliers, with the priority to engage with those that are not supplying certified products.

We seek to understand our own supply base including footprint, origins and risk of deforestation or conversion. For areas with risk of deforestation or conversion we will work proactively to deliver commitments and identify and resolve any issues.



Timebound Action Plan

METRO has a timebound action plan towards the implementation of the [METRO P&W Procurement Policy](#) and the [METRO OB Packaging Commitments \(PPP\)](#) as referenced in the [METRO Single Use Plastic Policy](#). The Action Plan is set across Certification, Partnerships (including our work as member of the CGF FPC) and Projects. Following our timelines, there are two important milestones:

- METRO aims to ensure that, by 2023, 100% of its own brand (OB) products made from wood or wood fibre, in accordance with the scope originate from legal and responsibly managed forests.
- METRO aims to ensure that by 2023, 100% of our own brand (OB) primary and secondary packaging originates from responsibly managed forests. Specifically, we request 100% FSC/PEFC certified material or an allowance of 70% recycled content.

Other PPP related actions (Partnerships, Projects)

We have a long term partnership with Ecosia, which is a search engine that is pre-installed on all computers at the METRO Campus Düsseldorf. Ecosia invests 80% of its profits in reforestation projects around the world. Nearly 45 million trees have already been planted in this way, and more are being planted every second, as can be seen on the search engine's homepage.

KPIs

We are asking our business partners to have in place a proper system to track and report the origin of the timber contained in final products made from virgin fibre to verify that the timber has been harvested legally. The following traceability information is required for each wooden component of the product:

- Type of wood
- Scientific name of the tree species
- Country of origin of the wood

In line with our OB Paper & Wood and Single Use Plastic Policy (includes PPP commitments) scope(s), products / packaging made from virgin wood or wood fibre must be certified in accordance with one of the following third-party forest certification schemes:

- FSC (Forest Stewardship Council), or
- PEFC (Programme for the Endorsement of Forest Certification)

For OB products, we achieved a certification rate of 61% in FY 2020-2021, of which 78% was FSC certified and 16% was PEFC certified and 6% certified with other certification schemes– target is 100% in 2023.

For OB product packaging, we achieved an overall achievement of 34% (primary packaging) and 47,8% (secondary packaging) in FY2020-21. You can access the full breakdown and notes of the OB product packaging figures [here](#).

We consider sustainable products the ones made from recycled wood or wood fibre and ask for suppliers to certify them according to ISO 14024:2018 or an equivalent eco-label. However, we do not have KPIs in



this category (i.e. % of recycled wood fibre products) – we keep records for monitoring and further information purposes. A similar approach is followed for packaging made from recycled material with an allowance of 70% recycled content.

Risk approach

Our risk management system helps us avoid sourcing from high-risk areas – for example in 2020, we stopped sourcing from South America as it was identified as a high-risk area. Once a region is defined as ‘risk’ area, we either exclude it from our sourcing process or (in absence of alternatives) we enhance our existing compliance and control mechanisms to ensure products are traceable and certified in line with our policy requirements. Hence, we do not identify risk areas as such (and therefore % of our sourcing that come from risk areas) but work on an avoidance principle unless no alternative is available. The example of Vietnam is such an example of a risk area where – in lack of an alternative- our monitoring, compliance and supplier engagement efforts have intensified over the past years.