



## Consumer Goods Forum Forest Positive Coalition – Reporting KPI's METRO for Soy

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 soy 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, beef, and paper & wood. In this document, we report on the soy 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

Through our Soy Procurement Policy METRO aims to improve its soy related assortment by continuously optimising the environmental and social aspects in our supply chains, both embedded soy (in animal feed) and soy as an ingredient.

We are committed to achieve deforestation- and conversion-free soy in our supply chains, therefore we have been engaging with our suppliers (both branded and own brand / private label) to work together.

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.

Furthermore, to complement our efforts, we are committed to support initiatives delivering forest positive development at landscape level.



### Timebound action plan

METRO will convert actions towards the implementation of the [METRO Soy Procurement Policy](#) as well as our work as member of the CGF FPC, into 1 timebound action plan. Following our timelines in our Soy Procurement Policy, with a focus on own brand assortment, an important milestone is:

- By 2025, there should be no more deforestation or conversion-related soy in our supply chains, for branded and own brand (private label) suppliers, for products with soy as an ingredient as well as for soy used as animal feed for meat or aquaculture fish and seafood

### Percentage of soy in our supply chain with known and unknown origin

We are working within the CGF FPC, individually and with our supply chain partners, to obtain knowledge of the origin of the soy (direct and indirect in animal feed) that is in our supply chains. A Quality Assurance (QA) Process and system has been established to verify and collect such information from our direct suppliers.

We will also focus on the percentage of soy in our supply chains from high-risk origins or unknown origins, in order to be able to act and report on our progress on ensuring soy is Deforestation and Conversion Free (DCF) for high-risk origins.

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### Other soy supplier related actions

Our METRO France operation became a signatory of the soy manifesto, along with seven other major (French) retailers, to mobilise French actors to fight against imported soy linked to deforestation. Together with them, METRO has committed to ensuring that imported soy linked to deforestation or conversion in the Cerrado region does not find its way into the French supply chain, by implementing specifications across our own-brand products. METRO is also member of the STC (Soy Transparency Coalition), where we assess soy traders together with facilitator 3Keel.



## Element 2 – Suppliers & Traders

As part of the implementation of METRO Soy Procurement Policy, we are in ongoing discussions with our suppliers to work together on sustainable soy in our supply chains focusing on own brand.

As member of the CGF FPC, we also commit to engage our upstream suppliers to share our ambition of Deforestation and Conversion Free (DCF) soy. We are sharing our ambition of Deforestation and Conversion Free (DCF) with our top indirect suppliers and own brand suppliers. We are also organising meetings with soy traders to share our ambition of Deforestation and Conversion Free (DCF) across the wider supply chain, for instance with the Soft Commodities Forum, and individual traders and suppliers.

We are currently working internally on the process to communicate accordingly to our suppliers (starting with Tier 1, own brand suppliers) the coalition asks, along with our METRO Soy Procurement Policy. We will follow the 5 key elements of the Forest Positive Coalition Ask (as detailed in the public [Soy Roadmap](#)), which will serve as the further basis for our engagement and monitoring of progress of suppliers. The 5 key elements of the Forest Positive Coalition Ask are:

1. Public commitment to 'Deforestation and Conversion Free (DCF)' across entire commodity business including a public time-bound action plan with clear milestones. Suppliers would not be required to include any commercially sensitive information in these documents.
2. Process for regular supplier and trader engagement
3. Mechanism to identify and to respond to non-compliances
4. Support initiatives delivering forest positive development at landscape and/or sectoral level
5. Regular public reporting against key KPIs.

## Element 4 – Landscape Engagement

Since 2021 METRO has engaged financially with other CGF FPC partners in a landscape initiative partnered with Conservation International (do Brazil), in a project focused on [low-carbon regenerative agricultural production](#) systems in the Cerrado biome, integrating soy and beef.

This project aims to promote a low-carbon production model through two components:

1. Technical production: Working together with local farmers and traders in the Cerrado area, Conservation International has set up regenerative agriculture production, to capture carbon in the soil while improving soil health, crop yields, water resilience, and avoiding deforestation to use only pre-deforested areas; the project also improves the social standards and livelihoods of the farmers. Soy and beef are combined since the way of working also includes rotating use of the farmland (soy crops one year, beef grazing next).
2. Credit : raising awareness of farmers and producers of existing credit mechanisms and how to access to credit line of local financial institutions

For METRO, even if we do not know fully whether the selected municipalities are direct soy suppliers for our supply chains, this is an opportunity to support an area with a business link to METRO (we almost know for sure that we indirectly source from Cerrado, e.g. via soy in animal feed for our meat and



fish)The project is also connected to our ambition to stop deforestation in the Cerrado, as Cerrado Manifesto SoS signatory. Next to halting deforestation and overall environmental KPIs, one important selection criteria to support the Conservation International project was to improve the livelihood of farmers and securing their land rights.