

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

METRO is a leading international food wholesaler which specializes in serving the needs of hotels, restaurants, and caterers (HoReCa) as well as independent merchants (Traders). Around the world, METRO has approx. 17 million customers who benefit from the wholesale company's unique multichannel mix: customers can purchase their goods in one of the large stores in their area as well as by delivery (Food Service Distribution, FSD) – all digitally supported and connected. In parallel, METRO MARKETS is being developed as an international online marketplace for the needs of professional customers which has been growing and expanding continuously since 2019.

In financial year 2021/22, METRO operated in more than 30 countries, employed over 93,000 people worldwide and generated sales of €29.8 billion.

The group is headed by METRO AG, which acts as the central management holding company. It handles group management tasks and bundles central management and administrative functions for METRO.

Under the brands METRO and MAKRO, the company operates the segments Germany, West, Russia and East. In the area of Food Service Distribution (FSD), METRO maintains a strong presence with its METRO delivery service and the delivery companies. With the acquisition of AGM, METRO is strengthening the store-based wholesale network and the delivery business in Austria.

The store network comprises a total of 661 stores in 22 countries, of which 567 offer out-of-store delivery (OOS), and 64 dedicated depots.

In 9 countries, METRO runs only the delivery business (Food Service Distribution, FSD). FSD includes the METRO delivery service as well as the delivery specialists Classic Fine Foods, Pro à Pro, Rungis Express, Aviludo and Pro a Pro Spain.

The segment Others mainly includes the Hospitality Digital, METRO MARKETS and METRO PROPERTIES business units. Hospitality Digital pools the group's digitalisation efforts for customers from the hospitality sector. It includes the development of customised digital solutions for HoReCa customers under the DISH brand, which included the acquisition of Eijsink, a well-established provider of POS solutions for the hospitality industry. METRO MARKETS is further expanding its digital portfolio for independent restaurateurs with its new B2B online marketplace. Through this distribution channel, METRO offers non-food articles from its own product range as well as products from third parties. METRO PROPERTIES

develops, operates and markets an international real estate portfolio. This segment also includes companies providing services in logistics, IT, advertising and procurement.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

| | Start Date | End Date |
|----------------|-----------------|--------------------|
| Reporting year | October 1, 2021 | September 30, 2022 |

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

EUR

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Cattle products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Soy

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Other - Rubber

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Not material

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

Not material

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Explanation if not disclosing

not material

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Other, please specify

Supply chain: we have excluded branded products and focus our disclosure on own brand products across the different commodities

F0.6

(F0.6) Select the countries/areas in which you operate.

Austria

Bulgaria

Croatia

Czechia

France

Germany

Italy

Kazakhstan

Netherlands

Pakistan

Poland

Portugal

Republic of Moldova

Romania

Russian Federation

Serbia

Slovakia

Spain

Turkey

Ukraine

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Cattle products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

We have excluded branded products and focus our disclosure on own brand products across the different commodities

% of volume excluded

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

We rely on our suppliers' approach to deforestation to assess, manage and mitigate deforestation risks on their own supply chains.

Forest risk commodity

Timber products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

We have excluded branded products and focus our disclosure on own brand products across the different commodities

% of volume excluded

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

We rely on our suppliers' approach to deforestation to assess, manage and mitigate deforestation risks on their own supply chains.

Forest risk commodity

Palm oil

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

We have excluded branded products and focus our disclosure on own brand products across the different commodities

% of volume excluded

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

We have excluded branded products and focus our disclosure on own brand products across the different commodities

Forest risk commodity

Soy

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

We have excluded branded products and focus our disclosure on own brand products across the different commodities

% of volume excluded

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, an ISIN code | DE000BFB0019 DE000BFB0027 |

| | |
|---|------------------|
| Yes, a Ticker Symbol | B4B GR B4B3 |
| Yes, another unique identifier, please specify WKN | BFB001 BFB002 |

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Paper

Goods not for resale (GNFR)

Source

Trader/broker/commodity market

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

China

Finland

Germany

India

Latvia

Poland

United Kingdom of Great Britain and Northern Ireland

Viet Nam

Unknown origin

% of procurement spend

1-5%

Comment

We do source both: end products for re-sale containing Paper, Wood, Pulp as well as for goods not for resale (eg. printing paper).

Palm oil

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Indonesia
Malaysia

% of procurement spend

<1%

Comment

Transparency of all palm oil purchased and distributed by METRO is limited. METRO does have transparency for pure palm oil products for frying oil sourced by its international trading office in Hong Kong.

For processed products containing palm oil as one ingredient METRO relies mainly on the RSPO system. Therefore, METRO aims for CSPO (certified sustainable palm oil) on the RSPO systems of Identity Preserved and Segregated.

Cattle products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Cattle
Beef

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Brazil
France
New Zealand
Spain
United States of America
Unknown origin

% of procurement spend

1-5%

Comment

n/a

Soy

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Whole soy beans
Soy bean oil
Soy derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Bosnia & Herzegovina
Brazil
China
Ukraine
Unknown origin

% of procurement spend

<1%

Comment

Country/Area of origin: Currently working on this, but likely a mix of no-risk and high-risk areas; Starting with the established soy policy, we have started to map METRO's soy supply chain. Together with UK based consultant 3Keel, METRO reached out to their 30 biggest poultry and pork Tier 1 and 2 suppliers of the METRO meat trading office (Rotterdam Trading Office). METRO is currently participating in the 3Keel led 'Soy Transparency Coalition, with focus on soy traders in Brazil, to get more information on soy in the supply chain. METRO is further member of the Consumer Goods Forum Forest Positive Coalition of Action on Soy, Cerrado Manifesto Statement of Support Group, and RTRS

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

| | % of revenue dependent on commodity | Comment |
|-----------------|-------------------------------------|--|
| Timber products | 1-5% | Products within scope of the Paper & Wood policy: Own-brand products in which wood or wood fibre (pulp) accounts for more than 50% of the finished product (in terms of weight). |
| Palm oil | 1-5% | METRO includes all own brand Palm oil products used in pure palm oil and processed products as well. |

| | | |
|-----------------|--------|---|
| Cattle products | 1-5% | Cattle Own Brand products account |
| Soy | 11-20% | Soy is used as an ingredient in a number of our own brand products including as animal feed for our meat and dairy products. Therefore total revenue is estimated at 16%, including meat, farmed fish and dairy products. |

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

| | Data availability/Disclosure |
|-----------------|--|
| Timber products | Consumption data available, disclosing |
| Palm oil | Consumption data available, disclosing |
| Cattle products | Consumption data available, disclosing |
| Soy | Consumption data available, disclosing |

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

11,727

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

79

Please explain

Sustainably certified palm oil products according to the Roundtable for Sustainable Palm Oil (RSPO) certification levels Identity Preserved, Segregated, Mass Balance or Book & Claim

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume

234,200

Metric for commodity production/ consumption volume

Other, please specify

Volume of sales (€) of TIER 1 and 2 in our own brand assortment

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

72

Please explain

METRO sells products which contain soy as a direct ingredient (Tier 1) but also meat from animals fed with soy (Tier 2). The partial coverage refers to these tiers

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

7,718

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

We will start working with our suppliers in the origin of our Beef, specially those source from high risk areas in Brazil. This goes in line with our work within the Consumer Goods Forum Forest Positive coalition

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

232,700,000

Metric for commodity production/ consumption volume

Other, please specify

Volume of sales (€) of paper/wooden products in our assortment

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

60

Please explain

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

60

% of DCF production/consumption volume verified through monitoring systems

% of DCF production/consumption volume physically certified

60

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Timber products – Non DCF

% of non-DCF production/consumption volume from unknown origin

40

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

78

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

78

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

156

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

12

% of non-DCF production/consumption volume traceable only as far as country level

9

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

% of DCF production/consumption volume physically certified

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Cattle – Non DCF

% of non-DCF production/consumption volume from unknown origin

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Soy – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

72

% of DCF production/consumption volume verified through monitoring systems

% of DCF production/consumption volume physically certified

50

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Soy – Non DCF

% of non-DCF production/consumption volume from unknown origin

28

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

% of total production/consumption volume

23

Please explain

23% out of palm oil consumption

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

% of total production/consumption volume

30

Please explain

30% out of palm oil consumption

Forest risk commodity

Soy

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

The breakdown in % of total production/consumption volume per production area is not known as the specific sourcing volume from this origin has not been calculated.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.12

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

15

Please explain

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

85

Please explain

this includes European Beef and unknown origins

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

% of total production/consumption volume

22

Please explain

Forest risk commodity

Timber products

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

% of total production/consumption volume

4

Please explain

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Based on volumes of FY

Known or estimated deforestation/ conversion footprint (hectares)

12,813

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

In May 2022 as members of the Forest Positive Coalition of Action of the Consumer Goods Forum we worked with 3Keel to calculate the total hectare of land needed to produce commodity demand. Hectares were assessed by the conversions described by Fresh Fruit Bunch, production region using FAO Statistics

Forest risk commodity

Soy

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Based on volumes of FY

Known or estimated deforestation/ conversion footprint (hectares)

55,899

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

In May 2022 as members of the Forest Positive Coalition of Action of the Consumer Goods Forum we worked with 3Keel to calculate the total hectare of land needed to produce commodity demand. THE RTRS calculator was used to calculate the soybean equivalent of each soy product tyoe.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Based on volumes of FY

Known or estimated deforestation/ conversion footprint (hectares)

4,423

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

In May 2022 as members of the Forest Positive Coalition of Action of the Consumer Goods Forum we worked with 3Keel to calculate the total hectare of land needed to produce commodity demand. Conversion factor from Forest Research were used, as well as conversion factor from FAO.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Based on volumes of FY

Known or estimated deforestation/ conversion footprint (hectares)

53,059

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

In May 2022 as members of the Forest Positive Coalition of Action of the Consumer Goods Forum we worked with 3Keel to calculate the total hectare of land needed to produce commodity demand.

Forest risk commodity

Have you monitored or estimated your deforestation/conversion footprint?

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Forest risk commodity

Have you monitored or estimated your deforestation/conversion footprint?

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Sustainability related risks, including forest risks, of METRO are covered by our Risk Management (1 to 3 years perspective). 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 but work on an avoidance principle unless no alternative is available. The example of Vietnam above 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.

Regarding the impact on water: Water related risks of METRO's supply chain are covered by our Risk Management (1 to 3 years perspective) as well as Issues Management (mid- to long-term perspective), e.g. we ask our strategic suppliers via CDP Supply Chain Program on their water related risks. Mid- to long-term trends are monitored through Issues Management.” The risks evaluated during this process did not meet the threshold to be seen as a risk that could result in substantive impact to our business. Water risks in our value chain (beyond direct operations) exist, but no substantive financial or strategic impact has been anticipated. Possible risks are identified through asking our suppliers on their water risks. Criteria for determining, whether an identified risk is related to substantive change, is its extent of loss potential and the probability of occurrence. METRO applies a risk matrix with defined thresholds. Based on the prioritized risk portfolio, on corporate level Risk Coordinators prioritize risks which are most material and relevant threats for objectives. Finally, the Governance, Risk and Compliance (GRC) Committee selects top risks and chances for METRO, considering also results of internal control system and compliance management system, opportunity management system and internal auditing. This provides an enhanced overview of our company's risk and opportunity situation.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Sustainability related risks, including forest risks, of METRO are covered by our Risk Management (1 to 3 years perspective) as well as Issues Management (mid- to longterm perspective). Mid- to long-term trends are monitored through Issues Management.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Sustainability related risks, including forest risks, of METRO are covered by our Risk Management (1 to 3 years perspective) as well as Issues Management (mid- to longterm perspective). Mid- to long-term trends are monitored through Issues Management.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities

- Quality of forests risk commodities
- Embedded commodities
- Impact of activity on the status of ecosystems and habitats
- Regulation
- Impact on water security
- Loss of markets
- Leakage markets
- Brand damage related to forests risk commodities
- Corruption
- Social impacts

Stakeholders considered

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Other forest risk commodity users/producers at a local level
- Regulators
- Suppliers

Please explain

Sustainability related risks, including forest risks, of METRO are covered by our Risk Management (1 to 3 years perspective) as well as Issues Management (mid- to longterm perspective). Mid- to long-term trends are monitored through Issues Management.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

| | Value chain mapping | Primary reason for not mapping your value chain | Explain why your organization does not map its value chain and outline any plans to introduce it |
|-----------------|--|--|---|
| Timber products | No, but we plan to map the value chain within the next two years | Important, but not an immediate business priority | Due to EU Deforestation Regulation, we have accelerated our efforts on creating partnerships which will allow us to do an informative and in-depth mapping of our supply chain and identify risks and areas where our actions can have a material impact. |
| Palm oil | No, but we plan to map the value chain within the next two years | Important, but not an immediate business priority | With Rainforest Alliance, we are working on mapping the supply chain of several of our Own Brand products. Furthermore, due to EU Deforestation Regulation. |

| | | | |
|-----------------|--|---|---|
| Cattle products | No, but we plan to map the value chain within the next two years | Important, but not an immediate business priority | We are working on creating partnerships which will allow us to do an informative and in-depth mapping of our supply chain and identify risks and areas where our actions can have a material impact' |
| Soy | No, but we plan to map the value chain within the next two years | Important, but not an immediate business priority | Due to EU Deforestation Regulation, furthermore within our Soy Action Plan we are working on creating partnerships which will allow us to do an informative and in-depth mapping of our supply chain and identify risks and areas where our actions can have a material impact' |

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

| | Use of a classification system to determine deforestation and/or conversion risk of sourcing areas | Methodology used for classifying levels of risk | Use of risk classification | Attachment indicating risk classification for each sourcing area (optional) |
|---|--|---|---|---|
| 1 | Yes, we use a classification system | CGF FPC | Unkown origins are considered high risk areas. Following the CGF FPC, Soy/Cattle coming from South America is considered of high risk | |

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

| | Risk identified? |
|-----------------|------------------|
| Timber products | Yes |
| Palm oil | Yes |
| Cattle products | Yes |
| Soy | Yes |

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Definition of 'substantive financial impact':

All identified risks are classified based on uniform standards and quantitative and qualitative indicators with regard to the loss potential and probability of occurrence. For the risk matrix the significance levels are calculated based on EBITDA and updated prior to the annual Risk Inventory for each Governance Unit.

We assess the risks using a 4x4 matrix with the following thresholds:

Loss potential (group level)

- Significant > €300 million
- Major > €100–300 million
- Moderate > €50–100 million
- Minor ≤ €50 million

Probability and frequency of occurrence

- Probable > 50%
- Possible > 25–50%
- Low ≥ 10–25%
- Unlikely < 10%

Frequency is not disclosed separately. A „substantive financial impact“ would be related to risks assessed as follows: either the effect on EBITDA is more than €100 million, or the effect on EBITDA is €50-100 million and the probability of occurrence is above 25%, or the probability of occurrence is above 50%. The risk assessments on the highest aggregation level are reported in the Opportunities and Risk Report of the Annual Report.

An example of a transitional risk assessed in our annual risk inventory, is the risk "Environmental & climate related risks", which covers climate-related engagement of METRO and the risk of not achieving our targets. In METRO's internal "Functional Risk Profile" this specific risk, including the measure of probability of occurrence and the loss potential, is defined and described as follows:

Increasing risk of climate change related and environmental impacts on METRO's business
e.g. operational costs

Risk of non-compliance with (upcoming) legislation regulating impacts on environment and climate as e.g. upcoming EU deforestation due diligence, EU Supply Chain Due Diligence Directive

Reputational risk of missing METRO targets and late implementation of sourcing policies

Risk of underperforming in relevant indices (e.g. DJSI/CDP/Sustainalytics) hence risk of losing investors

Risk of restricted access to finance tools esp. sustainability linked loans/bonds due to lack of ambitious enough commitments, failure of transparent reporting on progress against environmental commitments and lack of achieving set targets

Physical risks resulting from extreme weather events and water damage (product scarcity or flooding), business disruptions due to extreme weather events and declining economic power for our customers' businesses and our sales

Transition risks such as plastic taxes, with short-term impact on costs and product prices
 Risks of resource scarcity and associated price increases, e.g. for agricultural products and energy supplies due to climate change as well as macroeconomic, societal and political developments. These can lead to negative impact on sales, loss of customers/turnover/reputation/investors

Gross risk description & loss potential:

Actual loss of sales of “more sustainable” products and potentially on-going. It needs to be considered for risk-view though that this sales loss may be rather replaced by conventional product sales

Potential risk of payment fines (e.g. in DE: max. 2% of annual sales for non-compliance with environmental aspects of supply chain law (DE and MAG) and upcoming EU deforestation due diligence)

Increased CapEx & OpEx for energy supplies based on calculations by METRO Properties Energy Management

Increased prices for (mainly) food raw materials for more than 10% based on current inflation rate

Historic fines from other retailers and FMCG companies

Probability of Occurrence: expert view based on METRO scenario analysis and scientific forecasts (e.g. IPCC report for climate risks, FAO outlook on global food markets , WEF risk report)

Reputation risk towards institutional stakeholders (Ratings, Investors, Legislation) based on expert view, e.g. CPP, IR, CR teams on current development

Respective mitigation measures decrease gross risk to a reduced net risk

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Non-compliance with international law and bilateral agreements

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

Financial, regulatory, operational risks stemming 1) from environmental developments with impact on our business/ assortment but also 2) non-compliance with self-commitments and new regulation as well as from lack of ambitions to take responsibility for reducing environmental impact of our business incl. supply chains. In detail, we look at risks as in: physical risks and business disruptions resulting from extreme weather events (e.g. floods/water scarcity) and declining economic power for our customers' businesses and our sales, transition risks such as plastic taxes with short-term impact on costs and product prices, risks of resource scarcity and associated price increases, e.g. for agricultural products and energy supplies due to climate change as well as macroeconomic, societal and political developments; these can lead to negative impact on sales, loss of customers/turnover/reputation/investors and risk of non-compliance with (upcoming) legislation regulating impacts on environment and climate as e.g. upcoming EU deforestation due diligence. In conclusion also reputational risk derived out of the before mentioned.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Greater due diligence

Description of response

In order to be prepared we establish a thorough governance structure with responsibilities (e.g. deforestation x-functional working group), guidelines and processes in order to conduct proper due diligence and comply with legislation, e.g. monitoring

compliance with CR guidelines and commitments, engagement with relevant external stakeholders, monitoring of (esp own brand) suppliers to determine whether they adhere to procurement and compliance requirements, establishing supplier engagement processes through country sourcing teams and increase of our so far established traceability concept to meet legislative requirements and contribute to ensuring non-deforestation sourcing

Cost of response

Explanation of cost of response

Forest risk commodity

Palm oil

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Non-compliance with international law and bilateral agreements

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

Financial, regulatory, operational risks stemming 1) from environmental developments with impact on our business/ assortment but also 2) non-compliance with self-commitments and new regulation as well as from lack of ambitions to take responsibility for reducing environmental impact of our business incl. supply chains. In detail, we look at risks as in: physical risks and business disruptions resulting from extreme weather events (e.g. floods/water scarcity) and declining economic power for our customers' businesses and our sales, transition risks such as plastic taxes with short-term impact on costs and product prices, risks of resource scarcity and associated price increases, e.g. for agricultural products and energy supplies due to climate change as well as macroeconomic, societal and political developments; these can lead to negative impact on sales, loss of customers/turnover/reputation/investors and risk of non-compliance with (upcoming) legislation regulating impacts on environment and climate as e.g. upcoming EU deforestation due diligence. In conclusion also reputational risk derived out of the before mentioned.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Greater due diligence

Description of response

In order to be prepared we establish a thorough governance structure with responsibilities (e.g. deforestation x-functional working group), guidelines and processes in order to conduct proper due diligence and comply with legislation, e.g. monitoring compliance with CR guidelines and commitments, engagement with relevant external stakeholders, monitoring of (esp own brand) suppliers to determine whether they adhere to procurement and compliance requirements, establishing supplier engagement processes through country sourcing teams and increase of our so far established traceability concept to meet legislative requirements and contribute to ensuring non-deforestation sourcing

Cost of response

Explanation of cost of response

Forest risk commodity

Cattle products

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Non-compliance with international law and bilateral agreements

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

Financial, regulatory, operational risks stemming 1) from environmental developments with impact on our business/ assortment but also 2) non-compliance with self-commitments and new regulation as well as from lack of ambitions to take responsibility for reducing environmental impact of our business incl. supply chains. In detail, we look at risks as in: physical risks and business disruptions resulting from extreme weather events (e.g. floods/water scarcity) and declining economic power for our customers' businesses and our sales, transition risks such as plastic taxes with short-term impact on costs and product prices, risks of resource scarcity and associated price increases, e.g. for agricultural products and energy supplies due to climate change as well as macroeconomic, societal and political developments; these can lead to negative impact on sales, loss of customers/turnover/reputation/investors and risk of non-compliance with (upcoming) legislation regulating impacts on environment and climate as e.g. upcoming EU deforestation due diligence. In conclusion also reputational risk derived out of the before mentioned.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Greater due diligence

Description of response

In order to be prepared we establish a thorough governance structure with responsibilities (e.g. deforestation x-functional working group), guidelines and processes in order to conduct proper due diligence and comply with legislation, e.g. monitoring compliance with CR guidelines and commitments, engagement with relevant external stakeholders, monitoring of (esp own brand) suppliers to determine whether they adhere to procurement and compliance requirements, establishing supplier engagement processes through country sourcing teams and increase of our so far established traceability concept to meet legislative requirements and contribute to ensuring non-deforestation sourcing

Cost of response

Explanation of cost of response

Forest risk commodity

Soy

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Non-compliance with international law and bilateral agreements

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

Financial, regulatory, operational risks stemming 1) from environmental developments with impact on our business/ assortment but also 2) non-compliance with self-commitments and new regulation as well as from lack of ambitions to take responsibility for reducing environmental impact of our business incl. supply chains. In detail, we look at risks as in: physical risks and business disruptions resulting from extreme weather events (e.g. floods/water scarcity) and declining economic power for our customers' businesses and our sales, transition risks such as plastic taxes with short-term impact on costs and product prices, risks of resource scarcity and associated price increases, e.g. for agricultural products and energy supplies due to climate change as well as

macroeconomic, societal and political developments; these can lead to negative impact on sales, loss of customers/turnover/reputation/investors and risk of non-compliance with (upcoming) legislation regulating impacts on environment and climate as e.g. upcoming EU deforestation due diligence. In conclusion also reputational risk derived out of the before mentioned.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Greater due diligence

Description of response

In order to be prepared we establish a thorough governance structure with responsibilities (e.g. deforestation x-functional working group), guidelines and processes in order to conduct proper due diligence and comply with legislation, e.g. monitoring compliance with CR guidelines and commitments, engagement with relevant external stakeholders, monitoring of (esp own brand) suppliers to determine whether they adhere to procurement and compliance requirements, establishing supplier engagement processes through country sourcing teams and increase of our so far established traceability concept to meet legislative requirements and contribute to ensuring non-deforestation sourcing

Cost of response

Explanation of cost of response

Forest risk commodity

Type of risk

Geographical scale

Where in your value chain does the risk driver occur?

Primary risk driver

Primary potential impact

Company-specific description

Timeframe

Magnitude of potential impact

Likelihood

Are you able to provide a potential financial impact figure?

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Description of response

Cost of response

Explanation of cost of response

Forest risk commodity

Type of risk

Geographical scale

Where in your value chain does the risk driver occur?

Primary risk driver

Primary potential impact

Company-specific description

Timeframe

Magnitude of potential impact

Likelihood

Are you able to provide a potential financial impact figure?

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Primary response to risk

Description of response

Cost of response

Explanation of cost of response

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

| | Have you identified opportunities? |
|-----------------|------------------------------------|
| Timber products | Yes |
| Palm oil | Yes |
| Cattle products | Yes |
| Soy | Yes |

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Palm oil

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased supply chain resilience

Company-specific description

To create a higher resilience of our palm oil supply chain, we are promoting the METRO membership of the RSPO, and the RSPO label on our products, collaboration in multi-stakeholder initiatives such as the CGF Consumer Goods Forum.

Our strategy to realize this opportunity is our work on achieving RPSO certification, complying with a higher level of RSPO schemes, and participating in additional initiatives such as concession mapping, and the Palm Oil Transparency Coalition.

In a concession mapping approach we will enhance further transparency in our palm oil supply chain, starting with pure palm oil as a first product to pilot the approach.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Based on past developments, we expect 2-digit percentage increase in sales as a result of certified, higher reputation of sustainable products.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased supply chain transparency

Company-specific description

Increased transparency strengthens stakeholder trust and consumer preference, leading to a better reputation, increased sales and ultimately more shareholder value.

Our strategy to realise this opportunity is our work on achieving RPSO certification, complying with a higher level of RSPO schemes, and participating in additional initiatives such as concession mapping, and the Palm Oil Transparency Coalition. In a concession mapping approach we will enhance further transparency in our palm oil supply chain, starting with pure palm oil as a first product to pilot the approach.

Transparency is needed also to meet stakeholder expectations such as NGOs who assess our work on sustainable palm oil.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Based on past developments, we expect 2-digit percentage increase in sales as a result of certified, higher reputation of sustainable products. Given the estimated sales value of our ongoing product range containing palm oil (about 50% of METRO's food assortment (with a total product range of approx. 20,000 products) contains palm oil, we have come to this financial impact assessment.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Timber products

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Sustainable agricultural intensification

Company-specific description

The EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan ensures that product is from legal sources and complies with the EU Timber regulation, which supports legal and sustainable logging practise and avoid illegal harvesting in third party (non-EU) countries. This helps METRO to reduce the risk to “no risk” to import illegal harvested wood and to comply with our due diligence processes.

Implementation of EU Timber Regulation is our opportunity to increase transparency (transparency is the basis to source sustainably) know our supply chain better, the relevant actors, origin countries of material and tree species etc. which helps us in case of incidents (illegal practises of actor) and customer demands and ensure reputation of our METRO brand, products and company.

Compliance to sustainability KPIs also helps us to create new business partnerships with the public sector: governmental and public institutions already ask in their due diligence / tender process for suppliers like METRO to prove offering sustainable products and services. As METRO meets this expectation, it is possible to gain new customers in the public sector such as canteens or offices.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Soy

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Resilience to future regulatory changes

Company-specific description

A pro-active approach to responsible soy sourcing allows METRO to stay ahead of regulatory developments, such as the anticipated EU Soy Sourcing regulation.

Compliance to sustainability KPIs also helps us to create new business partnerships with the public sector: governmental and public institutions already ask in their due diligence / tender process for suppliers like METRO to prove offering sustainable products and services. As METRO meets this expectation, it is possible to gain new customers in the public sector such as canteens or offices.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Cattle products

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Resilience to future regulatory changes

Company-specific description

A pro-active approach to responsible soy sourcing allows METRO to stay ahead of regulatory developments.

Compliance to sustainability KPIs also helps us to create new business partnerships with the public sector: governmental and public institutions already ask in their due diligence / tender process for suppliers like METRO to prove offering sustainable products and services. As METRO meets this expectation, it is possible to gain new customers in the public sector such as canteens or offices.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Soy

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description

Our supply chain engagement with regard to responsible soy sourcing gives METRO better knowledge and understanding of our supply chain, enabling better collaboration leading to increased efficiencies.

Compliance to sustainability KPIs also helps us to create new business partnerships with the public sector: governmental and public institutions already ask in their due diligence / tender process for suppliers like METRO to prove offering sustainable products and services. As METRO meets this expectation, it is possible to gain new customers in the public sector such as canteens or offices.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

Changing consumer preferences and increased consumer awareness about specific sustainability issues, including soy, are driving the demand for products containing sustainable materials. Especially in European markets which are very important drivers of METROs business performance, customer awareness and demand for deforestation free soy products and meat products fed without soy linked to deforestation are increasing

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Based on past developments, we expect 2-digit percentage increase in sales as a result of certified, higher reputation of sustainable products serving increased customer demand. Assessment is based on estimated sales value of soy-containing products in store at any given time.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

Changing consumer preferences and increased consumer awareness about specific sustainability issues, including beef and soy, are driving the demand for products containing sustainable materials. Especially in European markets which are very important drivers of METROs business performance, customer awareness and demand for deforestation free beef and beef products fed without soy linked to deforestation are increasing.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Palm oil

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Sustainable agricultural intensification

Company-specific description

As a member of the RSPO and a stakeholder in its own palm oil value chain, METRO needs to collaborate with other stakeholders in an approach of "shared responsibility" to build up the market availability of sustainable palm oil. This should lead to an economy of scale, which allows METRO to work with more sustainable suppliers. This is more efficient compared to being dependent on few sustainable palm oil producers.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium-high

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Expansion into new markets

Company-specific description

There is a significant opportunity for METRO increasing market availability for sustainable palm oil, and in enhancing the uptake of sustainable palm oil in emerging markets. METRO country operations in India and Pakistan account for the vast majority of palm oil volumes purchased and sold by METRO, especially pure palm oil as cooking oil. Today, market availability and uptake of sustainable palm oil in those respective countries are very low. METRO focusing on sustainable palm oil also here does create a business opportunity.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

High

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

| Position of individual or committee | Responsibilities for forest-related issues |
|-------------------------------------|---|
| Chief Executive Officer (CEO) | METRO's CEO, the Management Board member responsible for Sustainability, is chairman of the Sustainability Committee. The Committee comes together on a quarterly basis. The status of forest-related risks and related initiatives is a scheduled agenda item in each Committee meeting and is reported to him and the |

| | |
|-------------------------------|--|
| | other Committee members. The Management Board is therefore regularly informed about forest-related issues. |
| Board Chair | The CEO is the chairman of the board |
| Chief Operating Officer (COO) | METRO's COO is co-chairman of the Sustainability Committee. The Committee comes together on a quarterly basis. The status of forest-related risks and related initiatives is a scheduled agenda item in each Committee meeting and is reported to him and the other Committee members. The Management Board is therefore regularly informed about forest-related issues. |

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

| | Frequency that forests-related issues are a scheduled agenda item | Governance mechanisms into which forests-related issues are integrated | Please explain |
|-------|---|--|--|
| Row 1 | Scheduled - all meetings | Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy | METRO's CEO, the Management Board member responsible for Sustainability, is chairman of the Sustainability Committee. The Committee comes together on a quarterly basis. The status of forest-related risks and related initiatives is a scheduled agenda item in each Committee meeting and is reported to him and the other Committee members. The Management Board is therefore regularly informed about forest-related issues. |

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Through our sustainability committee we give progress reports on our CR focus areas, i.e. oversight on board- as well as executive management level is given also with regards to forest related issues (palm oil, soy, paper & wood, cattle).

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

| Name of the position(s) and/or committee(s) | Forests-related responsibilities of this position | Frequency of reporting to the board on forests-related issues | Please explain |
|---|--|---|---|
| Sustainability committee | Setting forests-related corporate targets Monitoring progress against forests-related corporate targets Managing value chain engagement on forests-related issues Assessing forests-related risks and opportunities Managing forests-related risks and opportunities | Quarterly | As the highest sustainability body in the company, the Sustainability Committee provides the strategic framework and group-wide goals and facilitates the exchange of information on sustainability issues at the highest management level. The Sustainability Committee is chaired by 2 representatives from the top management other participants are people in charge of corporate responsibility at METRO AG, representatives of the core functions procurement, quality assurance, communication as well as energy management/real estate sustainability, as well as representatives of the METRO national subsidiaries. METRO companies manage the operational implementation of overarching sustainable development goals. They are responsible for working on the relevant sustainability issues, for defining and implementing specific targets and measures and for monitoring their success. The Sustainability Committee meets four times per year and provides the board with an overview of commitments. Special topics |

| | | | |
|--|--|--|---|
| | | | will be presented to the Management Board directly. |
|--|--|--|---|

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

| | Provide incentives for management of forests-related issues | Comment |
|-------|---|--|
| Row 1 | Yes | Please refer to below responses for more details |

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

| | Role(s) entitled to incentive? | Performance indicator | Contribution of incentives to the achievement of your organization's forests-related commitments | Please explain |
|-----------------|---|--|---|---|
| Monetary reward | Board chair Board/Executive board Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Purchasing Officer (CPO) Other C-suite Officer | Ending deforestation and/or conversion of other natural ecosystems Company performance against a sustainability index with forest-related factors (e.g., CDP Forests Score) | There is an implicit link between the overall sustainability assessment of METRO via rating and the management of deforestation related issues. | (1) The sustainability indicators are relevant within the short-term incentive of the management board of METRO. In this, the metric used to measure the performance against the climate target is to achieve a reduction of CO2 emissions by 2 %pts in FY vs. 2011 basis (2) Remuneration paid to the the global senior management is linked with the assessment of the sustainability performance of METRO in the rating of the Dow Jones Sustainability Index (DJSI), which is a reflection of the company's overall sustainability performance, including forest-risk related issues |

| | | | | |
|---------------------|---|--|--|--|
| | | | | <p>such as raw material sourcing.</p> <p>(3) Executives of METRO have an overall sustainability related KPI in their Longterm incentive. LTIs contain 3 specific and business related KPIs with sustainability as linking KPI weighted with 10%. It is measured the same way in both LTIs. Target is to become one of the key players for sustainability within industry group measured by KPI "Rank in S&P CSA assessment in our industry group".</p> |
| Non-monetary reward | <p>Chief Executive Officer (CEO)</p> <p>Other, please specify</p> <p>Global Director Corporate Responsibility</p> | | | |

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

- Cattle products
- Palm oil
- Soy
- Timber products

Content

- Commitment to eliminate conversion of natural ecosystems
- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Adoption of the UN International Labour Organization principles
- Commitments beyond regulatory compliance
- Commitment to transparency
- Commitment to stakeholder awareness and engagement
- Commitment to align with the SDGs
- Recognition of the overall importance of forests and other natural ecosystems
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets
- Description of forests-related performance standards for direct operations

Document attachment

Please explain

Metro has a general approach for sourcing of raw materials, which includes forest related commodities (<https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products#sustainable-sourcing-approach>). Moreover, METRO has developed 4 sustainable sourcing policies that seek to end deforestation and conversion in our soy, palm, beef, and paper and wood supply chains. About our approach <https://responsibility.metroag.de/esg-priorities/climate-carbon/climate-protection#deforestation-free-supply-chains>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

| Forest risk commodity | Public commitments made |
|-----------------------|-------------------------|
| Timber products | Yes |
| Palm oil | Yes |
| Soy | Yes |

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Tropical Forest Alliance

Cerrado Manifesto

Other, please specify

Roundtables of Sustainable Palm Oil/Soy; CGF Forest Positive Coalition of Action

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Soy

Criteria

No conversion of natural ecosystems

Zero net deforestation

No land clearance by burning or clearcutting

No conversion of High Carbon Stock forests

Adoption of the UN International Labour Organization principles

Resolution of complaints and conflicts through an open, transparent and consultative process

Facilitate the inclusion of smallholders into the supply chain

No sourcing of illegally produced and/or traded forest risk commodities

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2019

Forest risk countries/areas that the cutoff date applies to

Argentina

Bolivia (Plurinational State of)

Brazil

Colombia

Ecuador

Peru

Venezuela (Bolivarian Republic of)

Reason for selecting cutoff date

Compliance with initiative, please specify
CGF Forest Positive Coalition

Commitment target date

2021-25

Please explain

The target year of the soy policy is 2025. By 2025, 100% of the soy Tier 1 (direct soy) and Tier 2 (soy used as animal feed) in our Own Brand supply chain is sourced from areas which are verified as zero deforestation, according to market availability. METRO's commitment is publicly available in the Soy Procurement Policy <https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products#for-soy>

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero net deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Remediate any adverse impacts on indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify
CGF Forest Positive coalition

Commitment target date

2021-25

Please explain

METRO Wholesale's objective is to reduce deforestation in its value chain, contributing to the goal of zero net deforestation, by responsibly sourcing our palm oil products and products which contain palm oil, as this is one of the key commodities causing deforestation.

METRO's palm oil commitment is publicly available in the Palm Oil Procurement Policy: <https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products#for-palm-oil>

Target: 100% of own brand products containing palm oil being RSPO Identity Preserved or Segregated certified by 2023 depending on market availability. We will require our branded product suppliers (food and non-food) to act in the same spirit of this policy and provide data and proof of sustainable palm oil. We will also work in a collaborative approach on palm oil projects together with our suppliers as well as other stakeholders in the supply chain. The METRO Palm Oil Action Plan will provide more detail on this.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero net deforestation
No conversion of High Carbon Stock forests
Adoption of the UN International Labour Organization principles
No sourcing of illegally produced and/or traded forest risk commodities
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2020

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify
 Accountability Framework initiative (Afi) & aligned in CGF Forest Positive Coalition

Commitment target date

2021-25

Please explain

METRO aims to contribute to the goal of zero net deforestation by responsibly sourcing its timber and paper products, as these are some of the key commodities causing deforestation.

Target: METRO aims to ensure that 100% of its own brand products made from wood or wood fibre originate from legal and responsibly managed forests by the end of 2023 depending on market availability.

METRO's timber commitment is publicly available in the Paper and Wood Procurement Policy: <https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products#for-paper-and-wood>

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are forests-related issues integrated? | Long-term time horizon (years) | Please explain |
|-------------------------------|--|--------------------------------|---|
| Long-term business objectives | Yes, forests-related issues are integrated | 5-10 | METRO is acting upon the future challenges with different long term strategy elements (3-10 years). We expect an increasing importance of climate change related risks, which will require us to expand our capabilities to monitor and assess climate change related aspects of our business in the long-term. Climate change needs to be fully integrated in management processes. The necessary reporting structures (e.g. measurement, KPIs) need to be implemented. One long-term strategy element is the adaptation of food |

| | | | |
|-----------------------------------|--|-------|---|
| | | | <p>procurement.</p> <p>Based on our latest materiality assessment (2021/22) (conducted with several internal and external stakeholder feedback), various topics including our climate protection target also with regards to the products dimension, Human Rights in the supply chain and resource protection are key strategic areas of METRO's ESG strategy until 2030. To meet the respective targets in these areas, an integrated approach with supply chain actors is a vital part. We aim to keep procurement structures flexible, targeting at local sourcing wherever possible but also following our centralised procurement approach for certain products i.e. ultra-fresh products. This helps us to react to local crop shortages and work with a stable logistics network flexible enough to cope with frequent changes of procurement paths. This enhances the resilience of our procurement against physical climate impacts.</p> |
| Strategy for long-term objectives | Yes, forests-related issues are integrated | 11-15 | Integrated in our overall climate target. |
| Financial planning | Yes, forests-related issues are integrated | 5-10 | <p>The central institution of our sustainability management is our Sustainability Committee. When it comes to forests-related issues, the Sustainability Committee is responsible to assess how deforestation could influence the business strategy and to define targets and related measures. Information is collected through issues monitoring, dialogue with stakeholders and KPIs (e.g. coverage of certification). In addition forest related risks are part of the regular risk assessment procedure. Through monitoring we are aware that deforestation is of increasing importance for our stakeholders, e.g. investors, politics, customers and there are risks related to own operations and supply chain.</p> |

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Year target was set

2012

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RSPO Identity Preserved

RSPO Segregated

RSPO Mass Balance

RSPO Book and Claim

Base year

2012

Base year figure

Target year

2023

Target year figure

100

Reporting year figure

79

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

100% sustainable palm oil on RSPO level Segregated or Identity Preserved until 2023 in METRO's own brand products.

Target reference number

Target 2

Forest risk commodity

Soy

Year target was set

2019

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

RTRS (any type)
RTRS Segregated
RTRS Mass Balance
RTRS Credits
ProTerra certification
Other, please specify
other FEAC approved schemes

Base year

2019

Base year figure

Target year

2025

Target year figure

100

Reporting year figure

42

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Soy as an ingredient (Tier 1 soy) in products with over 95% soy ingredient. e.g.: edamame beans, miso soup, miso paste, soybean oil, soy nuts, soy sauce, tofu, and Soy in animal feed (Tier 2 soy) must be certified zero deforestation by end 2025 . For TIER 1 our certified OB Products is at 78%, for TIER 2 at 41%, with an overall target achievement of 42%.

Target reference number

Target 3

Forest risk commodity

Timber products

Year target was set

2012

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

FSC (any type)

FSC Forest Management certification

FSC Recycled

PEFC (any type)

PEFC Sustainable Forest Management certification

Other, please specify

following certification schemes and eco-labels in accordance with ISO14024: EU eco label, Blue Angel, Nordic Swan, Austrian eco label, Milieukeur

NL, Media Ambiente Spain, Marque NF Environnement, Eco Mark Japan, Korean eco label, Global eco label.)

Base year

2012

Base year figure

Target year

2023

Target year figure

100

Reporting year figure

60

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Target achievement is the average across METRO AG Own Brand and does not reflect progress in certain countries and markets, where numbers are 100% or close to 100% (for example India, Italy or Turkey). At regional level the results are highly skewed. METRO wholesale aims to ensure that 100% of its own-brand products made from

wood or wood fibre in accordance with the before mentioned scope originate from legal and responsibly managed forests by the end of 2023. The target refers to all own brand products (common and local sourcing) sold by METRO wholesale, particularly those in which wood or wood fibre accounts for more than 50 % of the finished product (in terms of weight). Products made from recycled wood or fibre are considered to be sustainable for the purpose of this policy; preferably they should be certified according to ISO 140242 type I label. Products made from virgin fibre have to be certified in accordance with a third-party forest certification scheme, with the following order of priority: 1.1 Forest Stewardship Council (FSC) or 1.2 Programme for the Endorsement of Forest Certification Schemes (PEFC) or 1.3 Equivalent standard according to the available benchmark of certification schemes 3) Business partners must have proper in place to track and report the origin of the timber contained in the final product 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: 3.1 Type of wood 3.2 Scientific name of tree species 3.3 Country of origin of wood

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

| | Do you have system(s) in place? | Supply chain coverage | Description of traceability system | Exclusions | Description of exclusion |
|-----------------|---------------------------------|---|--|--------------------------|-----------------------------|
| Timber products | Yes | Volume from direct suppliers only | We are able to map our supply chain geographically by region and/or country of origin. Internal process / supplier survey within Due Diligence process in accordance with EU timber regulation. 1. Information gathering for products to be listed / sourced 2. Evaluation of this information + risk assessment 3. Minimizing risks. We are also working on the integration of timber traceability in the existing supplier monitoring platforms to improve reporting automation and supplier engagement. | Specific product line(s) | We exclude branded products |
| Palm oil | Yes | Volume from direct and indirect suppliers | We have improved our Quality system to track the supply chain model of our products and ask our supplier about the origin of the raw material. | Specific product line(s) | We exclude branded products |
| Cattle products | Yes | Volume from direct suppliers only | In particular cases as a retailer we are able to identify the location of production only indirectly with the help of our suppliers. METRO uses its own digital traceability system "ProTrace" to track back products such as meat back to the slaughterhouse and in some cases back to farm level in 9 country operations. In 2014 the Global Standard Traceability Solution (GSTS) was piloted at METRO | Not applicable | |

| | | | | | |
|-----|-----|---|--|--------------------------|-----------------------------|
| | | | <p>Germany enabling the traceability of products and the retrieval of obligatory traceability information from a global data pool in every step of the supply chain. This solution is in line with the current GS1 standards. The keys to this information are the two identifiers GTIN (Global Trade Item Number) and LOT number combined in a GS1 128, GS1 databar expanded or GS1 databar expanded stacked barcode or even better in a 2D GS1 Datamatrix code (Barcodes). Both types of data are maintained by the suppliers and stored into a global data pool (fTRACE) which is operated by Osapiens and GS1 or in METRO's inhouse system PIER which is fully synchronized with fTRACE. Suppliers have to name the manufacturing address in the supplier&product passport, a METRO internal specification. Currently, we are able to identify the location of production for some meat products in 9 METRO countries. We are preparing to be able to enhance traceability in our value chain: more products, more information and more METRO countries.</p> | | |
| Soy | Yes | Volume from direct and indirect suppliers | <p>We have In particular cases as a wholesalers we are able to identify the location of production only indirectly with the help of our suppliers. We do not always have direct contact to the manufacturer of products. Regarding own brand products we do have improved our product specifications in which suppliers are asked the country of origin of soy ingredients in our products and in animal feed. Most of the time our suppliers are not the ones sourcing directly the soy for</p> | Specific product line(s) | We exclude branded products |

| | | | | | |
|--|--|--|--|--|--|
| | | | <p>animal feed, hence we are reaching our major suppliers to engage on the topic and create further transparency in the chain. . Suppliers (Tier 1 and 2) have been asked regarding sustainable soy, animal welfare, social standards in the supply chain.</p> | | |
|--|--|--|--|--|--|

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

| Forest risk commodity | Point to which commodity is traceable | Countries/areas to which this traceability point applies | % of total production/consumption volume traceable |
|-----------------------|---------------------------------------|--|--|
| Palm oil | Country | Indonesia Malaysia | 53 |
| Timber products | Country | Brazil China Finland Germany Latvia Poland Turkey Viet Nam | 60 |
| Soy | Not traceable | | |
| Cattle products | Slaughterhouse | Argentina Australia Brazil France Ireland Italy New Zealand Spain United States of America | 0 |

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

| | Third-party certification scheme adopted? | % of total production and/or consumption volume certified |
|-----------------|--|---|
| Timber products | Yes | 60 |
| Palm oil | Yes | 79 |
| Cattle products | No, we have not adopted any third-party certification schemes for this commodity | |
| Soy | Yes | 42 |

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used

% of total production/consumption volume certified

1

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

117

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Not applicable

Please explain

From our total palm oil volume, 1% is certified through credits.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

31

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

3,635

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Not applicable

Please explain

From our total palm oil volume, 31% is certified RSPO Mass balance

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

46

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

5,394

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Not applicable

Please explain

From our total palm oil volume, 46% is certified RSPO Segregated

Forest risk commodity

Soy

Third-party certification scheme

RTRS Credits

Chain-of-custody model used

% of total production/consumption volume certified

1

Form of commodity

Whole soy beans
Soy bean oil

Volume of production/ consumption certified

224,000

Metric for volume

Other, please specify
sales in €

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Yes

Please explain

Forest risk commodity

Soy

Third-party certification scheme

RTRS (any type)

Chain-of-custody model used

Segregation

% of total production/consumption volume certified

8

Form of commodity

Whole soy beans

Soy bean oil

Volume of production/ consumption certified

50,900,000

Metric for volume

Other, please specify

sales in €

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Yes

Please explain

This includes Soy TIER 1 and 2 products certified with RTRS Mass balance or segregated

Forest risk commodity

Soy

Third-party certification scheme

ProTerra certification

Chain-of-custody model used

% of total production/consumption volume certified

10

Form of commodity

Whole soy beans
Soy bean oil

Volume of production/ consumption certified

60,000,000

Metric for volume

Other, please specify
sales in €

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Yes

Please explain

Refers to TIER 1 and TIER 2 certified products

Forest risk commodity

Soy

Third-party certification scheme

Other, please specify
FEFAC

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

6

Form of commodity

Whole soy beans
Soy bean oil

Volume of production/ consumption certified

7,000,000

Metric for volume

Other, please specify
sales in €

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Yes

Please explain

This includes Tier 1 and Tier 2 products in which the origin is not a high risk area, meaning is not from South America.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

46

Form of commodity

Pulp

Paper

Boards, plywood, engineered wood

Volume of production/ consumption certified

22,350,000

Metric for volume

Other, please specify

sales in €

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Not applicable

Please explain

Data covers own brand products only and refers to sales volume of certified products in the reporting year 2022

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

10

Form of commodity

Pulp
 Paper
 Boards, plywood, engineered wood

Volume of production/ consumption certified

4,868,000

Metric for volume

Other, please specify
 sales in €

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Not applicable

Please explain

Data covers own brand products only and refers to sales volume of certified products in the reporting year 2022

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

| | A system to control, monitor or verify compliance |
|-----------------|---|
| Timber products | Yes, we have a system in place for our no conversion and/or deforestation commitments |
| Palm oil | Yes, we have a system in place for our no conversion and/or deforestation commitments |
| Cattle products | Yes, we have a system in place for our no conversion and/or deforestation commitments |
| Soy | Yes, we have a system in place for our no conversion and/or deforestation commitments |

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

For timber products, METRO is using a due diligence process in line with the EU timber regulation. This includes to map our supply chain geographically by region and/or country of origin. The European Union Regulation (EU) No. 995/2010 addresses illegal logging and the associated trade in timber practice. At the core of the regulation is the establishment of a due diligence system by organizations involved in the placement of timber and timber products on the European market.

The internal process at METRO is based on the mandatory steps of the EU timber regulation. A supplier survey is done by the Category Management (sourcing) department to conduct the Due Diligence process in accordance with EU timber regulation.

1. Information gathering for products to be listed / sourced
2. Evaluation of this information + risk assessment
3. Minimizing risks

Monitoring and verification approach

Third-party verification

% of total volume in compliance

61-70%

% of total suppliers in compliance

61-70%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

10-20%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

METRO is building strong and trustful relationships with its suppliers. In this term, METRO seeks to keep a constant dialogue with its upstream business partners to work further on transforming supply chains to become more sustainable - also not only regarding deforestation but including eg. social standards, biodiversity aspects. In case a risk is identified, METRO in a first step seeks the dialogue with the affected supplier to create transparency, understand the background and support in mitigating actions. In case the issue includes specific so-called "deal-breaker" issues, the contract with the business partner will be set on hold and the supplier might be de-listed.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Selected facilities, businesses or geographies only

Description of control systems

In general, as a wholesale company further downstream in the complex palm oil value chain, METRO relies on its strong relationships with direct suppliers and their NDPE commitments as well as their monitoring systems and grievance mechanisms. For private-label producers, METRO is building up a monitoring system in its collaboration with other stakeholders of the industry within the Palm Oil Coalition of Action of the Consumer Goods Forum.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

71-80%

% of total suppliers in compliance

31-40%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

21-30%

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

METRO is building strong and trustful relationships with its suppliers. In this term, METRO seeks to keep a constant dialogue with its upstream business partners to work further on transforming supply chains to become more sustainable - also not only regarding deforestation but including eg. social standards, biodiversity aspects. In case a risk is identified, METRO in a first step seeks the dialogue with the affected supplier to create transparency, understand the background and support in mitigating actions. In case the issue includes specific so-called "deal-breaker" issues, the contract with the business partner will be set on hold and the supplier might be de-listed.

Forest risk commodity

Soy

Operational coverage

Supply chain

Description of control systems

In 2019, METRO established a global soy policy. This also includes creating more transparency in our supply chain to prevent deforestation and conversion linked to soy production. Also, with stakeholders in the Consumer Goods Forum Forest Positive Coalition Beef/Soy working groups, we are enhancing the dialogue with traders on traceability, and are working on trader and supplier engagement. In general, as a wholesale company further downstream in the complex soy value chain, METRO relies on its strong relationships with direct suppliers and their NDPE commitments as well as their monitoring systems and grievance mechanisms. For private-label producers, METRO is building up a monitoring system in its collaboration with other stakeholders of the industry within the Soy Forest Positive Coalition of Action of the Consumer Goods Forum.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

41-50%

% of total suppliers in compliance

41-50%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

21-30%

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Together with UK based consultant 3Keel, Metro reached out to their 30 biggest poultry and pork Tier 1 and 2 suppliers of the Metro meat trading office (Rotterdam Trading Office) using a questionnaire on different environmental and social indicators. METRO is currently participating in the 3Keel led 'Soy Transparency Coalition, with focus on soy traders in Brazil, to get more information on soy in the supply chain. METRO is further member of the Consumer Goods Forum Coalition of Action on Soy and RTRS to drive further stakeholder engagement and collaboration to build up capacity for sustainable soy. we further collaborate with suppliers and engage them in capacity building events and dialogue, both as an individual company and as members of the Consumer Goods Forum Forest Positive Coalition (Beef and Soy working groups)

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

METRO is building strong and trustful relationships with its suppliers. In this term, METRO seeks to keep a constant dialogue with its upstream business partners to work further on transforming supply chains to become more sustainable - also not only regarding deforestation but including eg. social standards, biodiversity aspects. In case a risk is identified, METRO in a first step seeks the dialogue with the affected supplier to create transparency, understand the background and support in mitigating actions. In case the issue includes specific so-called "deal-breaker" issues, the contract with the business partner will be set on hold and the supplier might be de-listed.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

<10%

% of total suppliers in compliance

<10%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<10%

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

With the establishment of METRO's Meat procurement policy end of 2020. METRO seeks to keep a constant dialogue with its upstream business partners to work further on transforming supply chains to become more sustainable - also not only regarding deforestation but including eg. social standards, biodiversity aspects, and full traceability of our products. For example, in 2021, we engaged in joint research and ongoing dialog with Bord Bia (Irish state agency with the aim of promoting sales of Irish food and horticulture both in Ireland and abroad). Bord Bia works for small producers by promoting and certifying farmers' markets, and for bigger producers by offering a great range of international outreach) on cattle topics , and our CR Team along with the teams of our Rotterdam International Trading Office paid site visits to suppliers (for example to T. Boer & Zn. / Van Drie Groep, our long-term meat supplier in the Netherlands)

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

| | Assess legal compliance with forest regulations |
|-----------------|---|
| Timber products | Yes, from suppliers |
| Palm oil | Yes, from suppliers |
| Cattle products | Yes, from suppliers |
| Soy | Yes, from suppliers |

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

For timber products, METRO is using a due diligence process in line with the EU timber regulation. This includes to map our supply chain geographically by region and/or country of origin. The European Union Regulation (EU) No. 995/2010 addresses illegal logging and the associated trade in timber practice. At the core of the regulation is the establishment of a due diligence system by organizations involved in the placement of timber and timber products on the European market.

The internal process at METRO is based on the mandatory steps of the EU timber regulation. A supplier survey is done by the Category Management (sourcing) department to conduct the Due Diligence process in accordance with EU timber regulation.

1. Information gathering for products to be listed / sourced
2. Evaluation of this information + risk assessment
3. Minimizing risks

Country/Area of origin

India
Indonesia
Viet Nam

Law and/or mandatory standard(s)

EU Timber Regulation

Comment

This applies to all countries of origin where METRO sources timber. Of the given dropdown-list these are only the ones indicated. In addition, this also applies to our other sourcing areas: China and Taiwan.

Palm oil

Procedure to ensure legal compliance

When entering a business relationship with METRO, it is important to us that our suppliers comply with our values and respect Human Rights and Environmental concerns, i.e. via our Declaration of Values on Human Rights and Environmental Concerns, Code of Conduct for Business Partners, Compliance Business Principles and our Social Compliance Policy for Own Brands: These documents define our fundamental principles in the areas of the environment, social compliance and business ethics. We expect our partners to fulfil the requirements stated in those documents in their daily cooperation with us. In our contracts we refer to those principles as well. These documents set forth the fundamental key principles we expect from our business partners and their subcontracted companies. Explicitly, in principle 8 of the Code of Conduct it is described: "Protection of environment and reducing environmental footprint", i.e. "To protect the environment and the climate we expect our business partners to responsibly use resources and to comply with or exceed all applicable local environmental legislation." We also follow a specific (social compliance) risk management to assess our own brand suppliers accordingly. Monitoring the requirements in above stated documents: These principles are regarded as minimum requirements which we strive to exceed wherever possible. Moreover, we expect our business partners to introduce a management system for themselves and their respective supply chain which must include clear responsibilities and processes as well as adequate documentation. Acknowledgement: In order to ensure compliance with these principles, we expect our business partners to inform all of their employees/subcontractors of those and ensure that they also comply with the provisions incorporated in e.g. the Code of Conduct. Reporting violations: We have established a complaint procedure where business partners shall report any (suspected) violation of regulations, laws and our principles as outlined in the referred documents. (Suspected) violations should be reported to the respective METRO contact person, or can be reported confidentially using the METRO Compliance Reporting System: <https://www.bkms-system.net/metro/speakup>

Country/Area of origin

Indonesia
Malaysia

Law and/or mandatory standard(s)

Other, please specify
METRO Supplier Code Of Conduct

Comment

Following our METRO Palm Oil Procurement Policy, we work towards sustainable palm oil (RSPO certified) in products in our supply chain.

Cattle products

Procedure to ensure legal compliance

When entering a business relationship with METRO, it is important to us that our suppliers comply with our values and respect Human Rights and Environmental concerns, i.e. via our Declaration of Values on Human Rights and Environmental Concerns, Code of Conduct for Business Partners, Compliance Business Principles and our Social Compliance Policy for Own Brands: These documents define our fundamental principles in the areas of the environment, social compliance and business ethics. We expect our partners to fulfil the requirements stated in those documents in their daily cooperation with us. In our contracts we refer to those principles as well. These documents set forth the fundamental key principles we expect from our business partners and their subcontracted companies. Explicitly, in principle 8 of the Code of Conduct it is described: "Protection of environment and reducing environmental footprint", i.e. "To protect the environment and the climate we expect our business partners to responsibly use resources and to comply with or exceed all applicable local environmental legislation." We also follow a specific (social compliance) risk management to assess our own brand suppliers accordingly. Monitoring the requirements in above stated documents: These principles are regarded as minimum requirements which we strive to exceed wherever possible. Moreover, we expect our business partners to introduce a management system for themselves and their respective supply chain which must include clear responsibilities and processes as well as adequate documentation. Acknowledgement: In order to ensure compliance with these principles, we expect our business partners to inform all of their employees/subcontractors of those and ensure that they also comply with the provisions incorporated in e.g. the Code of Conduct. Reporting violations: We have established a complaint procedure where business partners shall report any (suspected) violation of regulations, laws and our principles as outlined in the referred documents. (Suspected) violations should be reported to the respective METRO contact person, or can be reported confidentially using the METRO Compliance Reporting System: <https://www.bkms-system.net/metro/speakup>

Country/Area of origin

Argentina
Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Within the scope of our Meat Procurement Policy, Beef has a special focus to ensure that it does not contribute to deforestation or forest conversion through full traceability.

Soy

Procedure to ensure legal compliance

When entering a business relationship with METRO, it is important to us that our suppliers comply with our values and respect Human Rights and Environmental concerns, i.e. via our Declaration of Values on Human Rights and Environmental Concerns, Code of Conduct for Business Partners, Compliance Business Principles and our Social Compliance Policy for Own Brands: These documents define our

fundamental principles in the areas of the environment, social compliance and business ethics. We expect our partners to fulfil the requirements stated in those documents in their daily cooperation with us. In our contracts we refer to those principles as well. These documents set forth the fundamental key principles we expect from our business partners and their subcontracted companies. Explicitly, in principle 8 of the Code of Conduct it is described: "Protection of environment and reducing environmental footprint", i.e. "To protect the environment and the climate we expect our business partners to responsibly use resources and to comply with or exceed all applicable local environmental legislation." We also follow a specific (social compliance) risk management to assess our own brand suppliers accordingly. Monitoring the requirements in above stated documents: These principles are regarded as minimum requirements which we strive to exceed wherever possible. Moreover, we expect our business partners to introduce a management system for themselves and their respective supply chain which must include clear responsibilities and processes as well as adequate documentation. Acknowledgement: In order to ensure compliance with these principles, we expect our business partners to inform all of their employees/subcontractors of those and ensure that they also comply with the provisions incorporated in e.g. the Code of Conduct. Reporting violations: We have established a complaint procedure where business partners shall report any (suspected) violation of regulations, laws and our principles as outlined in the referred documents. (Suspected) violations should be reported to the respective METRO contact person, or can be reported confidentially using the METRO Compliance Reporting System: <https://www.bkms-system.net/metro/speakup>

Country/Area of origin

Argentina
Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance
Other, please specify

Comment

Following our Metro Soy Procurement Policy (2019), we work on zero deforestation and conversion free within our soy supply chains by 2025 latest through certification standards and full traceability, which includes legal compliance. For this, we engage with our suppliers, focusing on own brand (private label) products with both soy as a main ingredient or as animal feed.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

| Are you working with smallholders? | Type of smallholder engagement approach | Smallholder engagement approach | Number of smallholders engaged | Please explain |
|------------------------------------|---|---------------------------------|--------------------------------|----------------|
|------------------------------------|---|---------------------------------|--------------------------------|----------------|

| | | | | | |
|-----------------|--------------------------------|--|---|--|--|
| Timber products | Not applicable | | | | As a wholesale company downstream of the supply chain, METRO is focusing on its work and collaboration with manufacturers of processed products, also due to the complexity of the supply chain. Based on the materiality of the commodity, METRO is not focusing on engaging smallholders directly but encourages its direct Tier 1 suppliers to do so. |
| Palm oil | Yes, working with smallholders | Capacity building Financial and commercial incentives | Organizing capacity building events Prioritizing support for smallholders in high-risk deforestation regions | | Through the Consumer Goods Forum Forest Positive Coalition, Metro is working on engaging with smallholders in Indonesia, especially on education towards more sustainable palm oil production and improving the smallholders' livelihoods. Furthermore, we started an exercise of supply chain mapping of our several palm oil private label products with Rainforest Alliance. |
| Cattle products | Yes, working with smallholders | Financial and commercial incentives | Other, please specify Please refer to comment | | Through the Consumer Goods Forum Forest Positive Coalition, Metro is investing on Landscape initiatives, especially for Soy and Beef, we have engaged with Conservation International on the project low-carbon regenerative commodity production in the Cerrado biome: fostering adoption of integrated |

| | | | | | |
|-----|--------------------------------|-------------------------------------|--|--|--|
| | | | | | agricultural production systems in the state of Tocantins, Brazil. Additionally to the capacity building to avoid deforestation, a component of this landscapes is raising awareness among farmers of existing credit mechanisms. |
| Soy | Yes, working with smallholders | Financial and commercial incentives | | | Through the Consumer Goods Forum Forest Positive Coalition, Metro is investing on Landscape initiatives, especially for Soy and Beef, we have engaged with Conservation International on the project low-carbon regenerative commodity production in the Cerrado biome: fostering adoption of integrated agricultural production systems in the state of Tocantins, Brazil. Additionally to the capacity building to avoid deforestation, a component of this landscapes is raising awareness among farmers of existing credit mechanisms. |

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

As a part of the supply chain of products we source, we want to transform the way how these commodities are sourced, and we want to take action to end deforestation. Paper and wood products are also drivers of deforestation and conversion. Therefore, since 2012, METRO committed to more sustainable products from paper and wood via our Paper and Wood Procurement Policy. Furthermore, in line with the EU Timber regulation, all suppliers importing into EU countries must fulfill this certain Due Diligence process conducted by METRO

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Developing or distributing supply chain mapping tool
Organizing capacity building events

Description of engagement

METRO is including sustainable palm oil topics in the regular dialogue with its direct suppliers, also to increase the share of certified palm oil. For this, we do host supplier meetings on sustainability issues, eg connected to a trade fair. Further, METRO is working with indirect suppliers (eg. within the Palm Oil Transparency Coalition), traders and producers of palm oil, to build up capacity further upstream. We further collaborated with suppliers and engaged them in capacity building events and dialogue, also as member of the Consumer Goods Forum Forest Positive Coalition (Palm Oil working group).

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Forest risk commodity

Cattle products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

METRO is engaging direct suppliers, specially those from which we source overseas cattle products to ensure a full traceability. For this, we do host supplier meetings on sustainability issues. Further, METRO is working with direct suppliers and meatpackers as member of the Consumer Goods Forum Forest Positive Coalition (Beef working group).

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Soy

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

METRO is engaging direct suppliers, specially those with unknown origin of the soy (Tier 1 and Tier 2) in guarantee deforestation and conversion free supply chains through certification and/or full traceability. Further, METRO is working with direct suppliers and traders as member of the Consumer Goods Forum Forest Positive Coalition (Soy working group), as well as in the assessments to traders through the Soy Transparency Coalition.

% of suppliers engaged by procurement spend covered by engagement

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Does this engagement contribute to achieving a reported target?

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

As a wholesale company METRO is focusing on engaging the its direct suppliers and manufacturers of timber products.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Palm oil

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Since 2018, METRO is member of the Palm Oil Transparency Coalition POTC facilitated by 3Keel and CGF Forest Positive Coalition. Together with other retail companies and

manufacturers, the POTC annually assesses palm oil traders and importers on all relevant environmental and social indicators also to report their progress in transforming the palm oil market.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Cattle products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Description of engagement

we collaborate with direct and indirect suppliers and engage them in capacity building events and dialogue, following the publication of the METRO Meat policy in 2020 and as members of the Consumer Goods Forum Forest Positive Coalition (Beef working group).

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

Forest risk commodity

Soy

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

METRO is currently participating in the 3Keel led 'Soy Transparency Coalition, with focus on soy traders in Brazil, to get more information on soy in the supply chain. Through the Consumer Goods Forum Forest Positive Coalition, Metro is working even further on engaging smallholders.

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

| Do you engage in landscape/jurisdictional approaches? | |
|---|--|
| Row 1 | Yes, we engage in landscape/ jurisdictional approaches |

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

| | Criteria for prioritizing landscapes/jurisdictions for engagement | Explain your process for prioritizing landscapes/jurisdictions for engagement |
|-------|--|---|
| Row 1 | Commodity sourcing footprint Opportunity to increase market access for smallholders and local communities Opportunity to protect and restore natural ecosystems Recognized as priority landscape by credible multi-stakeholder groups | To complement our effort beyond our supply chain, and recognizing the importance of multi-stakeholder work, we are committed to support initiatives delivering forest positive development at landscape level. sSince 2021 METRO has engaged financially with 2 Landscapes Projects in key sourcing origins. With the objective to address deforestation and land use, one important selection criteria to support such projects was to improve the livelihood of farmers and securing their land rights. |

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

Country/Area

Brazil

Name of landscape or jurisdiction area

Cerrado Biome, state of Tocantins

Types of partners engaged in the initiative design and implementation

Local producers/smallholder

International company(ies)

Other, please specify

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate

Natural ecosystems conserved and/or restored

Credit available to family farms and/or local communities

Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)

Improved and/or maintained soil health

Uptake of regenerative agriculture (e.g., agroforestry) practices

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)

Description of engagement

Financially support multi-stakeholder entity leading initiative for Soy and Cattle growers.

Engagement start year

2020

Engagement end year

Not defined

Estimated investment over the project period (currency)

25,000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

Progress is monitored ever 6 months with reports and achievements from the field team

Landscape/Jurisdiction ID

Country/Area

Indonesia

Name of landscape or jurisdiction area

West Kalimantan

Types of partners engaged in the initiative design and implementation

Subnational government

Local communities

Local producers/smallholder

International company(ies)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate

Decreased ecosystem degradation rate

Improved capacity for community engagement in multi-stakeholder processes

Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)

Increased uptake of certification

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Identify and act on opportunities for pre-competitive collaboration with your sector

Collaborate on commodity traceability

Description of engagement

METRO is supporting financially with this Landscape as members of the CGF Forest Positive Coalition. The project is lead by the Rainforest Alliance.

Engagement start year

2020

Engagement end year

Not defined

Estimated investment over the project period (currency)

25,000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

| Indicate landscape/jurisdiction ID | Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume? | Commodity | % of total production/consumption volume from this landscape/jurisdiction |
|------------------------------------|---|-----------|---|
|------------------------------------|---|-----------|---|

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

- Tropical Forest Alliance 2020 (TFA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Palm Oil Transparency Coalition (POTC)
- Other, please specify
 - CGF Forest Positive Coalition

Please explain

Roundtable on Sustainable Palm Oil (RSPO) In 2011, METRO became member of the RSPO and therefore is publishing its annual palm oil volumes and the share per respective RSPO certification level. Consumer Goods Forum (CGF) As member of the Consumer Goods Forum (CGF) we are committed to help achieve zero net deforestation, following the WWF definition of zero net deforestation. Within the CGF we are also committed to the 2016 Social Resolution on Forced Labour, striving to eradicate forced labour from our value chain. CGF Palm Oil Working Group of retailers and manufacturing brands Within the CGF, METRO is also actively involved in establishing a broad dialogue on sustainable palm oil throughout the value chain also discussing challenges and possibilities with stakeholders like NGOs. Here, we collaborated to establish the publicly available Palm Oil roadmap to which the members of the coalition agreed to work on defined actions. The performance against these targets are measured through KPIs set up for 5 elements, including work beyond own supply and supply chain and engagement in landscape initiatives. Palm Oil Transparency Coalition (POTC) METRO joined the POTC to create more transparency within the palm oil supply chain. The POTC is formed of companies working together to remove deforestation and exploitation from palm oil supply chains. It aims to achieve this by greater transparency of the progress their supply chains are making towards zero deforestation and exploitation in palm oil production. Also by enabling individual retailers and product suppliers/manufacturers to make more informed sourcing/purchasing decisions.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Soy (RTRS)

Other, please specify

Soy Transparency Coalition & CGF Forest Positive Coalition

Please explain

METRO is member of the Consumer Goods Forum Forest Positive Coalition and is leading the CGF Soy Working Group, working together on an action plan to eliminate deforestation soy in supply chains. Round Table on Responsible Soy Association

(RTRS): METRO AG became member of the Roundtable on Responsible Soy Association (RTRS) in May 2018. Cerrado Manifesto Statement of Support Group: Since 2017, Metro is member of the Cerrado Manifesto Statement of Support Group, together with over 165 companies and NGOs such as WWF. Within this cross-sector group, founded to put the Cerrado Manifesto into action, companies are working together in the chain and within pre-competitive space to halt soy & cattle deforestation in Brazil/Cerrado area. Actions include continuous outreach to extend the group of companies that signed, and with that extend influence and reach, and following a Roadmap which clearly defines the actions that are requested to each participant. We are in close contact with the traders in the Soft Commodities Forum (which includes the biggest traders on soy), we discuss collaboration in the supply chain. Our actions with the traders currently focus on clearer exchange of data on deforestation and actions; tangible asks from manufacturers and retailers/wholesalers side (KPIs on deforestation figures, certified/no deforestation soy, and how to work on improving this); and communicating together to move and change the whole supply chain.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Initiatives

- Tropical Forest Alliance 2020 (TFA)
- Forest Stewardship Council (FSC)
- Programme for the Endorsement of Forest Certification (PEFC)
- Other, please specify
 - Consumer Goods Forum Forest Positive Coalition

Please explain

Consumer Goods Forum (CGF) As a member of the Consumer Goods Forum (CGF), we follow the CGF's 2010 Deforestation Resolution and are committed to helping achieve zero net deforestation, following the WWF definition of zero net deforestation. Moreover, METRO is a member of the Consumer Goods Forum's Forest Positive Coalition of Action. Together with other ambitious member companies, we are

committed to moving efficiently and quickly towards a 'forest positive' future and understand the need to work collaboratively with multiple stakeholders.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Brazil

Subnational area

Please specify

Cerrado and Amazon biomes

Initiatives

Tropical Forest Alliance 2020 (TFA)

Other, please specify

CGF FPC Beef Working Group

Please explain

METRO is a member of the Consumer Goods Forum's Forest Positive Coalition.

The Beef Working Group of the Forest Positive Coalition is composed of manufacturers and retailers who are committed to working towards a forest positive future for the beef sector.

Following the Coalition's theory of change, the group aims to:

- Accelerate efforts to remove legal and illegal cattle-driven deforestation and conversion of natural ecosystems from our individual supply chains
- Propose higher expectations for suppliers and meatpackers to act across their entire supply base and find opportunities for collaboration and alignment to drive sector-wide transformation
- Do business with upstream suppliers who are also committed to forest positive implementation across their business
- Drive transformational change in key cattle landscapes through positive engagement in high-risk origins; and
- Transparently report on progress to ensure accountability.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Expected benefits of project

Restoration of natural ecosystem(s)

Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

METRO is supporting financially with this Landscape as members of the CGF Forest Positive Coalition. The project is lead by the Rainforest Alliance.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2020

Target year

2024

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Indonesia

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

25,000

For which of your expected benefits are you monitoring progress?

- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)
- Securing continued supply of agricultural commodities

Please explain

Landscape Engagement CGF FPC - Since 2019, Rainforest Alliance has engaged in Sintang with the District Sustainable Oil Palm Platform, Lingkar Temu Kabupaten Lestari (LTKL- Sustainable Districts Platform), and smallholders to address issues of deforestation, smallholder livelihoods, and land use.

The goals of the initiative are:

1. A functional governance structure, bringing together all land users (producers, companies, communities, local governments, and NGOs) for joint decision-making and collective action on land use to conserve biodiversity and delineate go and no-go areas.
2. Strengthened smallholder livelihoods, linking them to global markets through supply chain mapping, and strengthening their capacities in enterprise and sustainable agricultural practices, in return for their agreement not to clear more land.
3. Increased sustainability awareness of the mills operating in the landscape through engagement with the Accountability Framework and linking them to global markets through the Palm Industry Platform.
4. Achievement of national and district governments' commitments to market-driven goals for smallholders and private companies in the landscape, through working collaboratively with stakeholders within the framework of LTKL, to promote a green development pathway.

You can read further here: <https://www.rainforest-alliance.org/in-the-field/stopping-deforestation-and-advancing-sustainability-in-west-kalimantan-project-profile/>

Project reference

Project 2

Project type

Natural regeneration

Expected benefits of project

- Improvement to soil health
- Improvement to sustainability of production practices
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)
- Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

METRO is supporting financially with this Landscape as members of the CGF Forest Positive Coalition. The project is lead by Conservation International

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2020

Target year

2023

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Brazil

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

25,000

For which of your expected benefits are you monitoring progress?

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Securing continued supply of agricultural commodities

Please explain

Landscape Engagement CFG FPC This project aims to promote a low-carbon production model through two components: Technical production and credit. 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). You can read further here: https://www.theconsumergoodsforum.com/wp-content/uploads/2022/05/FACTSHEET_Forest-Positive-Coalition-digital_version.pdf

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Our value chain is multi-layered and complicated, while at the same time country-based local sourcing operations are subject to significant turbulence and change from one year to another. Although we try to focus on 'common sourcing' operations (large volumes, long term supplier relationships, large suppliers), serving our customer needs requires us to embark on several more 'flexible' local sourcing approaches on which we do not hold the same level of control as in our 'common sourcing' ones.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

For example, in countries such as Pakistan or India, or in product categories with a small percentage or derivatives of palm oil as detergents.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Inexistent or immature certification standards

Comment

Lacking a clear certification focusing (only) on beef, means it is difficult for supply chain actors like Metro to take action. We are working on trying to solve this issue, collectively in the CGF Forest Positive Coalition of Action, Beef Working Group.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

Specially in soy as animal feed, it is quite hard to track

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Complexity of certification requirements

Comment

The soy supply chain is difficult to understand, specially for Tier 2, and so are some of the certifications (eg RTRS, Proterra, ...) We are working on trying to solve this issue, collectively in the CGF Forest Positive Coalition of Action, Soy Working Group (eg working with RTRS and other supply chain actors)

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Comment

Due to the EU ban of plastic also in packaging material, the shift away from plastic increased the demand for fresh pulp and paper for packaging. This did increase the price of certified timber products and also the availability of certified pulp. In addition, cost of certification and the need for chain of custody assurance includes certification cost to suppliers, which is turn could create challenges in supplier engagement practices.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

We are currently working on an updated IT platform and enhanced data monitoring and collection processes to ensure end-to-end transparency and coordination across our value chain.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater transparency

Comment

Driven also by the EUDR, full traceability will be a main focus

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Investment in monitoring tools and traceability systems

Comment

The soy supply chain is difficult to understand, and data is often disputed. We are working on trying to solve this issue, collectively in the CGF Forest Positive Coalition of Action, Soy Working Group (eg working with Soft Commodities Forum and other supply chain actors).

Forest risk commodity

Timber products

Coverage

Direct operations
Other parts of the value chain

Main measure

Reduced cost of certification/certified products

Comment

Cost improvement combined with efficiencies in certification process could be a change factor in improving certification levels and supplier engagement.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

We are working on more awareness and collective action in the Beef supply chain, within the CGF Forest Positive Coalition of Action, Beef Working Group.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater transparency

Comment

Working on full traceability of the cattle products

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

Soy has been a commodity which is less 'in the spotlight' compared to e.g. Palm Oil. We are keen to see an equal amount of attention to soy and its role in deforestation.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

| | Job Title | Corresponding job category |
|-------|--|----------------------------|
| Row 1 | Senior Vice President Corporate Responsibility & Public Policy | President |

Submit your response

In which language are you submitting your response?

English



Please confirm how your response should be handled by CDP

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|--|----------------------------|
| Please select your submission options | Yes | Public |

Please confirm below

I have read and accept the applicable Terms