



Water Policy

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1 Introduction

The METRO Water Policy outlines its overall strategy to protect water as a resource in objectives, scope and target. The related METRO Water Action Plan puts the policy into implementation with actions including supply chain initiatives and detailed targets on water stewardship for its own operations. The action plan consists of three pillars:

1. Water Management
2. Partnerships
3. Projects

In accordance to its [Environmental Policy](#) METRO aims to conduct its core business successfully and satisfy the needs of its customers while paying attention to water security. METRO in its own operations is dependent on the use of energy and natural resources today as well as tomorrow to transport and store products properly, refrigerate fresh produce and also maintain stores and administrative offices. By taking a responsible approach to the use of finite resources such as water, we can directly influence the cost of our business activities, anticipate environmental regulations and make a contribution to the protection of the climate and resources.

In 2019, the World Economic Forum's Global Risk Report (GRR) has listed water crises among the top-five risks in terms of impact for eight consecutive years. Around four billion people currently live without sufficient access to fresh water for at least one month of the year. Water supplies are often damaged by poor management, pollution and over-consumption, in addition to supply-side reductions due to climate change impacts and ecosystem degradation. Furthermore, securing water for food and economic activity will only become more difficult over time.

Experience in handling these issues can also be factored into solutions for METRO customers in the future, for example when offering advice to independent entrepreneurs regarding water-efficient kitchen fittings. Consequently, the customer can also save money and environmental impacts can be mitigated.

We have taken actions regarding water stewardship and will continue to do so. This METRO Water Policy emphasizes our further pursuit of operating business and trading products whilst carefully taking into consideration the topic of water scarcity. Through robust water stewardship we address all areas of water vulnerability along our supply chain and manage it in our own business..

METRO supports the United Nation's Sustainable Development Goals (SDG) and, with our commitment to sustainability, pays attention to achieving the SDG's global agenda. For this policy, particularly relevant are the goals:

- SDG 6 (water and sanitation for all)
- SDG 12 (responsible consumption and production)
- SDG 13 (climate action)
- SDG 17 (partnerships)

2 Objectives

We focus on reducing water consumption and managing waste water across the entire value chain, through

- partnering with our suppliers,
- considering water-related requirements in product and supplier selection,
- improving water efficiency in own operations,
- offering our customers products and solutions with less impact on water,
- raising awareness among employees, suppliers and customers.

METRO's objective is to reduce water use in its own operations as well as in its supply chain, contributing to the goal of water conservation and preservation, by responsibly using water as well as supporting the use of water security innovations (eg. for recycled water).

With this policy METRO contributes to further improving the conditions within its water value chain by

- a) actively managing its own water resources
- b) requiring certification of products hence providing more transparency and
- c) promoting water stewardship by establishing strong partnerships to collaborate actively on the challenges of water supply and safety.

Details on these measures are included in the METRO Water Action Plan.

We will require our suppliers to act in the same spirit of this policy and provide data and proof of water reduction in their supply chain. We will also work in a collaborative approach on water projects together with our suppliers as well as other stakeholders in the supply chain. The METRO Water Action Plan will provide more detail on this.

3 Scope and target groups

- All METRO operations in all countries

4 Targets

We commit to reduce the use of water in METRO's own operations by 5% until the target year of **2025**. This target is broken down into individual operations targets which are also defined per annual targets. Targets for METRO FSD companies will be developed in a second step.

5 Reporting

METRO will make this policy publicly available and progress will be reported in the annual METRO AG Corporate Responsibility Report. The progress against the target will be measured on the basis of the following key performance indicator (KPI):

- Water withdrawal and wastewater generated (in liters per m² of selling space)

6 METRO Water Action Plan

The METRO Water Policy is supported by the METRO Water Action Plan. In this plan we outline timings and actions to achieve our objectives and targets. The plan will be defined for 18-24 months and then reviewed and updated accordingly. The action plan consists of three pillars (Water Management, Partnerships and Projects) to ensure relevant actions with the right partners.

1. Water Management:

To achieve the targets of responsible water consumption METRO is constantly monitoring the use of fresh water withdrawn per country and on store level. The overall corporate METRO target aims to reduce water withdrawals by 5% until 2025. Targets are defined for each country operations individually and aligned per year.

Targets for the METRO FSD (Food Service Distribution) companies will be developed individually.

Geographical Scope

Some METRO stores operate in water stressed areas. This is also monitored on corporate level to incorporate this assessment into its risk management process. To identify water withdrawals in water stressed areas, METRO uses the World Resources Institute's (WRI) Aqueduct risk mapping tool.

2. Partnerships:

METRO is working actively on the implementation of its Water Policy together with different stakeholders within the value chain. METRO also encourages its METRO country based business operations to partner up with nationally relevant stakeholders.

Within its METRO Water Initiative, METRO engages with NGO OneDrop and collaborates with suppliers to support water safety projects. For details, please refer to the next paragraph about projects.

Further, METRO will seek collaborations with NGO's for insights and endorsements, and for them to challenge our policy and actions on sustainable use of water.

3. Projects:

METRO is playing an active part within the water supply chain to increase the availability and safety of water. We will select projects that will:

- Follow water stewardship and partnerships
- Engage along the entire supply chain
- Engage customers to reduce their water footprint

METRO will continue its partnership with CDP which was started already in 2010. Within this, METRO is disclosing the progress against its water targets and general data about use of water annually within the CDP Water Security questionnaire. Additionally METRO is supported by the CDP Supply Chain Program to assess the water footprint of suppliers.

METRO promotes suppliers who are engaged on water. In March 2018 METRO conducted a marketing campaign called METRO Water Initiative celebrating World Water Day in collaboration with engaged suppliers to raise awareness of customers and employees. In 2019 to 2021 the METRO Water Initiative is linked with METRO's social engagement to support the UN Sustainable Development Goal #6: "Sustainable access to water and sanitation for all". METRO therefore collaborates with NGO OneDrop and aims for to collect sales linked donations for a project providing safe access to water for 250,000 people in India.