

*Policy under revision due to EU Deforestation Regulation*



# Meat Procurement Policy

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# 1. Introduction

Meat plays a significant role in feeding our planet. As a global food company, METRO trades meat and meat products. In accordance with our [Approach for Sourcing of Agricultural Raw Materials](#), METRO provides its customers with meat products that comply with the highest quality and safety standards and that have been produced by socially and environmentally responsible means.

We are aware of the various sustainability topics surrounding meat (such as animal welfare, soy in animal feed and emissions), and we are committed to continuing to work in our supply chains on more sustainable meat. This document is the first version of the METRO Meat Procurement Policy ('Policy'). With this document, we bring together topics regarding meat and sustainability, and we explain our activities and commitments concerning these topics.

This Meat Procurement Policy is related to:

- METRO's overall Policy for Sustainable Sourcing and our Approach for Sourcing of Agricultural Raw Materials
- METRO's [Social Compliance Policy](#)
- METRO's [Soy Sourcing Policy](#)
- METRO's [Animal Health and Welfare Position](#)

All documents mentioned are available on our [website](#).

This policy also provides a METRO Meat Action Plan for initiatives on sustainable meat. The action plan implements the policy with actions. The action plan consists of 3 pillars:

1. Certifications
2. Partnerships
3. Projects

The action plan is a living document, which will be updated regularly.

METRO supports the United Nations Sustainable Development Goals (SDGs) and, with our commitment to sustainability, we strive to achieve the global agenda of the SDGs. For this policy, the following goals are particularly relevant:

- SDG 8 (Decent work and economic growth)
- SDG 12 (Responsible consumption and production)
- SDG 13 (Climate action)
- SDG 15 (Life on land)
- SDG 17 (Partnerships for the goals)

## 2. Objective

As meat is a very important element of the company's business, METRO takes responsibility at various stages of the value chain. METRO develops measures to promote sustainable meat in accordance with the needs of its customers, the planet and the people working in the meat industry.

With this policy, METRO seeks to create a more sustainable meat product range. METRO wants to contribute to further improving its meat product range to make it more sustainable, for instance regarding social standards for workers in the supply chain, animal health and welfare, traceability and transparency, and animal feed.

We also aim to provide our customers with a product range of meat alternatives and advice on these products. For METRO, offering conscious proteins means providing customers with diverse sources of protein: conventional animal protein as well as alternative proteins such as insects, plant-based proteins, and cell-grown proteins.

Further, with this Meat Procurement Policy, we aim to promote multi-stakeholder initiatives and work further with suppliers, customers, industry partner suppliers, experts, policymakers and NGOs to keep developing our sustainable meat offering.

## 3. Scope

The METRO Meat Procurement Policy applies within the following scopes:

### Operational scope

This policy is valid for all METRO operations in all countries, including the International Trading Offices and all Food Service Distribution (FSD) companies (for certain operations and certain country operations, alternative timelines can apply).

### Brand scope

- Focus is on Own Brand (Private Label) and no-name brand products purchased and sold by METRO
- We also work with branded suppliers of products
- In addition, we will also work with producer brands, industry partners and other stakeholders on systematic changes towards sustainable meat.
- Definitions
  - Own Brand: An article/product that carries a registered METRO brand.
  - No-name brand: Products not bearing a METRO brand but with METRO address. This also includes all in-house produced products and all products sold via counter and labelled with METRO address.

- Producer Brand: Any product labelled with a supplier brand.

#### Product scope

- All fresh meat products and meat preparations (fresh or frozen) in accordance with the definition in Annex 1
- A special focus will be placed on the category of beef, since beef from South America (high-risk areas in Brazil, for instance) poses a higher risk of being connected to deforestation

#### Geographical scope

- For the topic of soy in animal feed and the targets related to it, as well as the topic of beef, we will put an extra focus on the geographical area of South America, especially Brazil, the so-called high-risk areas related to deforestation

## 4. Targets

METRO aims to improve its meat product range by continuously optimising the environmental and social aspects of meat.

### 4.1 Animal health and welfare

METRO recognises animals as sentient beings and strives to increase quality of life for animals by balancing mental and physical well-being as well as natural behaviour, wherever reasonable. Therefore, METRO countries can engage on local level by:

- Continuously developing its product range, complying with higher animal health and welfare standards and local certification schemes (GLOBALGAP, Beter Leven, Tierwohl Initiative, etc.)
- Increasing transparency throughout the supply chain by tracking and monitoring relevant animal health and welfare criteria, such as livestock origin, transportation times, pre-stunning, etc.
- Promoting local multi-stakeholder initiatives and working with suppliers, customers, industry partner suppliers, relevant animal health and welfare experts, policymakers and non-government organisations to initiate a systematic transformation in the respective market for better farming systems that comply with higher animal health and welfare standards and have a reduced environmental impact

METRO's Animal Health and Welfare Position can be found on our [website](#).

## 4.2 Animal feed

METRO is committed to achieving zero deforestation soy in our supply chains by the end of Fiscal Year 2025. Therefore, we have published the METRO Soy Procurement Policy, which can be found on our [website](#).

By the end of Fiscal Year 2025, 100% of Tier 1 (soy products such as soy sauce) and Tier 2 (soy used as an ingredient for animal feed) in our own brand (common and local sourcing) and A-brand supply chain will be sourced from areas which are verified as zero deforestation, subject to market availability.

METRO's ambition is to increase the use of alternatives for animal feed in order to reduce the use of soy, thus engaging against deforestation and reducing the overall environmental impact. METRO constantly searches for alternative proteins as feed, including insects and plant-based feed.

## 4.3 Human Rights Principles

METRO is committed to protecting and addressing human and labour rights in the meat supply chain. Therefore, METRO aims to eliminate any form of slavery and requires that its suppliers at least meet minimum social standards in management practices, as recommended in the [Universal Declaration of Human Rights](#) and the International Labour Organization's Conventions and Recommendations. These are outlined in the [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work](#).

Within its own brand (private-label) supply chain, METRO has set the following goal for 100% of meat products by the end of the Fiscal Year 2025:

All processing factories must be audited or certified according to one of the [accepted social audits/certifications](#) following the requirements of the [METRO Value Declaration on Human Rights](#).

## 4.4 Traceability

By the end of Fiscal Year 2030, all own brand (private-label) meat products must be digitally traceable and meet key data specifications as described in Annex 2. We are striving for all of our A-brand meat products to meet the same requirements by the end of Fiscal Year 2030.

## 5. Reporting

METRO will make this document publicly available.

The progress in achieving the targets will be measured based on the following key performance indicators (KPIs):

### Animal feed

- Certifications for products containing soy as animal feed and for products containing soy as an ingredient (RTRS, Proterra or similar)

### Social standards

- Share of turnover of products audited/certified in accordance with one of the accepted social auditing/certification standards

### Transparency and traceability

- Share of own brand meat products that are fully (100%) digitally traceable to the farm level

This will be reported in the [METRO KPI Report Corporate Responsibility](#).

## 6. Policy framework

METRO is committed to the environmentally, socially and economically sustainable use of meat. METRO follows national and international legislation. Additional to national and international legislation, the policy covers the following core elements:

### 6.1 Conscious proteins

For METRO, offering conscious proteins means providing customers with diverse sources of protein. These include conventional proteins obtained from animals raised on more sustainable feed or with reduced environmental impact as well as alternative proteins such as insects, plant-based proteins and cell-grown proteins.

In 2020, METRO introduced its [position on conscious proteins](#). Animal and plant proteins are a crucial offering with which METRO can support its customers. We will partner with relevant stakeholders and use the latest scientific knowledge to understand what a diverse balance of proteins looks like, from production

through to the plate, and we will support our suppliers (including our meat suppliers) by encouraging them to operate more sustainably.

In doing this, we will have a positive effect on the overall food system.

## 6.2 Biodiversity

METRO supports the goals of the [Convention on Biological Diversity](#) and contributes to the protection of biodiversity. Therefore, METRO has formulated its [Position on Biodiversity](#) and asks all suppliers to adhere to the principles mentioned in the document.

## 6.3 Quality and food safety requirements

METRO requests that factories have a valid certification and audit report recognised by the [Global Food Safety Initiative](#) (GFSI) to ensure quality standards and maintain food safety.

METRO requires its suppliers to comply with the latest version of the METRO Supplier Qualification and Management Standard (QA036) as well as the METRO own brand Meat Standard (QA030).

## 6.4 Environmental/science-based targets

[METRO is committed to reducing absolute Scope 3 CO<sub>2</sub> emissions \(supply chain\) by 15% by 2030 compared to 2018.](#) Scope 3 emissions account for more than 90% of our total carbon footprint.

## 6.5 Packaging

METRO is working on improving its product packaging. Therefore, METRO expects its suppliers to comply with the principles described in our Packaging ambition for 2030 as well as in the [METRO Own-Brand Packaging Policy](#).

## 6.6 Value Declaration on Human Rights and Code of Conduct

To enhance its business impact and to benefit its customers, society and the environment, METRO has stated its respect for human rights as a fundamental value in its [Value Declaration on Human Rights](#) and formulated the [METRO Code of Conduct for Business Partners](#), which it expects all its suppliers to adhere to.



## 6.7 GMO

METRO strives to:

- Avoid the use of hormones that stimulate growth
- Avoid the preventive use of antibiotics
- More details can be found in our [Policy on Genetically Modified Organisms \(GMO\)](#).

## 6.8 Food waste

The reduction of food waste is an issue of particular importance to METRO's operations. Every food product that is rejected or discarded instead of being eaten represents wasted economic, social and environmental resources. METRO has therefore signed the [Food Waste Resolution](#) by the Consumer Goods Forum (CGF), undertaking to eliminate 50% of wasted food in our own operations by the year 2025 compared to 2016. Food waste is also an important topic relating to meat, and this is an aspect that we work on continuously within our supply chain for meat as well.

More details can be found in our [METRO KPI Report Corporate Responsibility](#).

# 7 Action plan

The METRO Meat Procurement Policy will be supported by an action plan. In this plan, we will outline timelines and actions to meet our target(s) for each topic where relevant. The plan will be defined for 18 to 24 months, then reviewed and updated accordingly. The action plan consists of 3 pillars (certifications, partnerships and projects) to ensure relevant actions with the right partners. For examples of recent actions, see Annex 3.

Regarding product scope in the action plan, we will also focus on processed meat, which will be a topic in specific sustainability projects with suppliers.

## 7.1 Certification

To achieve the objective and targets of this policy, METRO refers to various certification schemes. The list of accepted standards and certifications is a living document and will be updated according to new insights and benchmarks.

All suppliers are asked during the ongoing supplier talks to provide certification for the products they deliver. In order to evaluate if farms and producers have audits, we have integrated the labels into our internal data warehouse system. Here we can track if certification is available for a product.

We actively work together with certification schemes to improve the meat industry, helping it become more sustainable and future oriented.

- Where relevant, we will work within the supply chain with producers/traders, suppliers and partners to achieve certification
- We are in the process of contacting our suppliers and the whole value chain (traders) to establish what the current status is of certifications on topics such as soy in animal feed and animal welfare
- When we have a clear understanding of the current status, we will work with our suppliers on 'filling the gaps'
- We will explore tools to monitor our suppliers in parallel with the certification process. We have started to map our (meat) supply chain, beginning with the biggest volume suppliers of meat for our Rotterdam Trading Office

## 7.2 Partnerships

METRO is actively working on the implementation of its Meat Procurement Policy together with various stakeholders within the value chain, including suppliers (both own brand and A-brand), traders, competitors in a pre-competitive space, NGOs, certification bodies and other stakeholders such as the signatories of the Statement of Support for the Cerrado Manifesto. METRO also encourages its country-based business operations to partner with relevant national stakeholders.

Current partners we work with are, for example, the Consumer Goods Forum, signatories of the Statement of Support for the Cerrado Manifesto and Compassion in World Farming.

With our country operations, we will select partners to collaborate with, such as suppliers (both own brand and A-brand) and local/global NGOs.

METRO is working actively on transforming the markets so that sustainable meat becomes the norm. This means going beyond the markets of Europe to also reach the major consumer markets in China and India, for example.

Therefore, METRO will work closely in the respective countries to follow these 4 steps towards promoting the sustainable consumption and trade of meat:

1. Dialogue – establish round tables with suppliers and smallholders to analyse the current market situation
2. Collaboration – address the topic with stakeholders, such as international manufacturing companies
3. Time-frame – define realistic timelines on individual country level
4. Message – increase customer awareness concerning sustainability issues and support SMEs in their business

METRO is working on an overall sustainability strategy in relation to the topic of deforestation. This includes taking action both individually as a company and within partnerships such as the Consumer Goods Forum Forest Positive Coalition and the group of signatories of the Statement of Support for the Cerrado Manifesto, focusing on the main drivers of deforestation (palm, soy, paper/wood and cattle/beef), and taking steps for each of these 4 drivers to work towards zero deforestation.

### 7.3 Projects

METRO plays an active part within the meat supply chain. Not only does METRO strive for certification: it also recognises the positive impact projects can have on the sustainable development of an area or local community. We will be working with our country operations and partners on tangible projects, pursuing certifications and partnerships, improving the development of sustainable meat in our own supply chain with credit schemes, influencing the chain and supporting farmers, and communicating these projects and collaborative efforts. We will select and execute projects that will:

- Pursue certifications and partnerships
- Engage with players throughout the entire supply chain (including traders)
- Support farmers

In addition, we will seek further partnerships with NGOs for insights and endorsements and for them to challenge and advise us on our policy and actions on sustainable meat.

## Annex 1: Definitions of meat

(In accordance with METRO's own brand Meat Standard [QA030])

Meat	<p>Fresh or frozen Lamb, Mutton, Beef and other bovine species, Pork, Poultry, Goat, Wild and Farmed Game, Rabbit, Horse, Exotic species ( including Kangaroo, Crocodile, Ostrich).</p> <p><b>fresh meat:</b> <i>meat that has not undergone any preserving process other than chilling, freezing or quick-freezing, including meat that is vacuum-wrapped or wrapped in a controlled atmosphere(853/2004)</i></p> <p><b>minced meat:</b> <i>boned meat that has been minced into fragments and contains less than 1% salt</i></p>
Meat preparations	<p><b>meat preparations:</b> <i>fresh meat including meat that has been reduced to fragments, which has had foodstuffs, seasonings or additives added to it or which has undergone processes insufficient to modify the internal muscle fiber structure of the meat and thus to eliminate the characteristics of the fresh meat (853/2004)</i></p> <p>This definition includes:</p> <ul style="list-style-type: none"> <li>- minced meat</li> <li>- not completely marinated meat (not through to the centre)</li> <li>- meet, where curing is not complete</li> </ul>

## Annex 2: Traceability

METRO strives for full digital traceability back to the farm in order to prevent risks and increase transparency for customers. To fulfil the traceability requirements, METRO has set up the PRO TRACE programme.

Using the PRO TRACE app enables the customer to retrieve information about a product's origin, production and sustainability. All production steps are displayed in the app, leading to full transparency about the product specifications.

METRO's PRO TRACE solution enables the digital, lot-based traceability of meat. PRO TRACE covers attributes that are already legally prescribed and will gradually be enhanced with additional useful attributes.

For the purpose of traceability, the following attributes are relevant:

### Slaughtering event

- Cutter/slaughterer:
  - GLN and name
- Slaughtering date
- Slaughtering period end
- Farm identification:
  - GLN or
  - Name and address or
  - Country of birth
- Number of animals
- Slaughtering product:
  - GTIN
- Lot number
- Quantity and UOM (unit of measurement)

### Processing event

- GLN
- GTIN
- Lot number
- Quantity and UOM
- Processing company
- Processing date
- Best-before date (where applicable)
- Use-by date (where applicable)
- Previously frozen
- Date of first freezing

## Annex 3: Recent actions on meat sustainability

### Animal feed

- Active signatory of the Statement of Support for the Cerrado Manifesto
- Active member of the Consumer Goods Forum's Soy Working Group (co-lead), working on a roadmap with actions, reporting and monitoring
- Member of the Soy Transparency Coalition, engaging with traders and producers
- Regular updates from NGOs (WWF, Mighty Earth) on deforestation and soy

### Transparency/traceability

- Conducted a survey amongst the 30 biggest meat suppliers (with 3Keel) on meat topics such as animal welfare, animal feed, etc.
- Member of the Soy Transparency Coalition; engaging with soy traders and producers