

Policy under revision due to EU Deforestation Regulation



Paper & Wood Procurement Policy

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1. Introduction

This document is the revised version of the METRO Paper & Wood Procurement Policy signed in 2016.

Every year 130,000 square kilometres of forest are cut down or burned. This is equivalent to the destruction of an area the size of a football field every 1.4 seconds. The clearing of tropical forests is a big contributor to global climate change and accounts for about 20% of the world's greenhouse gas emissions.

METRO is committed to promoting sustainable forestry and continuously seeks to optimise the purchasing process in order to ensure that it only purchases products containing paper, wood deriving from legal and more sustainable sources. METRO is committed to the sustainable use of forestall resources in environmental, social and economic terms.

METRO supports the Sustainable Development Goals and, with our commitment to sustainability, pays attention to achieving the global agenda. For this policy, particularly relevant are:

- SDG 12 (responsible consumption and production)
- SDG 13 (climate action)
- SDG 15 (life on land)
- SDG 17 (partnerships)

This policy describes our Paper & Wood strategy in objectives, scope, target and geography. The related METRO Paper & Wood Action Plan 2023 puts the policy into implementation with actions. The action plan consists of three pillars:

1. Certifications
2. Partnerships
3. Projects

2. Objective

METRO aims to contribute to the goal of reducing deforestation in its value chain, contributing to the goal of zero deforestation by responsibly sourcing its timber and paper products and products which contain wood or wood fibre, as this is one of the key commodities causing deforestation.

With this policy METRO wants to contribute to further improving the conditions within its paper & wood value chain by requiring certification of products and establishing strong partnerships with respective business partner. METRO promotes sustainable paper and wood products and aims to provide more transparency within the own paper & wood supply chain.

In addition, METRO is aiming to contribute to sustainable forest management and enhance reforestation by partnerships and support of dedicated projects. Details on these measures will be included in the METRO Paper & Wood Action Plan.

3. Scope

Operational Scope:

- All METRO operations and in all countries, including International Trading Offices and Rungis, Classic Fine Foods and Pro á Pro (for these operations and certain country operations, alternative timelines may apply).

Brand Scope:

- Focus is on Own Brand (Private Label) products purchased and sold by METRO.
- In addition, we will also work with A-Brand and other brand suppliers, industry partners and other stakeholders on systematic changes in the market towards more sustainable wood and paper products.

Product Scope:

- Own Brand products in which wood or wood fibre (pulp) accounts for more than 50 % of the finished product (in terms of weight) in accordance to Annex 1.

4. METRO Target

METRO aims to improve its assortment by continuously optimising the environmental and social aspects.

4.1 Environmental

- (1) METRO aims to ensure that 100% of its own-brand products made from wood or wood fibre in accordance with the aforementioned scope originate from legal and responsibly managed forests by 2020.
- (2) For those countries, where the market is still challenging to meet the above mentioned target year a prolongation to 2023 applies. In accordance to our action plan approach we continue to work closely with our business partner, certification schemes, NGO's, customers and others to transform the market to more sustainable paper and wood product sourcing and consuming.

This is ensured when:

- The material is harvested in compliance with applicable legislation in force in the country of harvest (e.g. harvest rights),
- The forest has been managed in compliance with the principles of sustainable forest management, which balance social, economic and ecological needs,
- Traditional and civil rights of indigenous people, local communities and workers who benefit from the forest management and production are respected and protected,
- Ecosystems, biodiversity and ecological processes are maintained or restored, especially with regard to forests of high conservation value and
- A proper management plan and a corresponding monitoring process are implemented and documented

For assessing compliance with the aforementioned criteria on legal and sustainable forest management practices in the supply chain, the following shall apply:

- 1) Products in accordance to Annex 1 are made from recycled wood or fibre are considered to be sustainable for the purpose of this policy; on top they can be certified according to ISO 14024¹:2018 type I label in accordance to Annex 2 (not a must)
- 2) Products made from virgin fibre must be certified in accordance to one of the third-party forest certification schemes
 - FSC (Forest Stewardship Council) or
 - PEFC (Programme for the Endorsement of Forest Certification Schemes)



4.2 Traceability

Business partners must have proper in place a system 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:

- (1) Type of wood
- (2) Scientific name of tree species
- (3) Country of origin of wood

4.3 Social

METRO is committed to protect and address human and labor rights in its supply chain. Therefore, METRO aims to eliminate any form of slavery and requires from 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 as

- [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work](#)

By 2020 METRO aims within our Own Brand (Private Label) supply chain for 100 % of paper and wood products:

All processing factories have to be audited or certified against one of the [accepted social audits/certification](#) following the requirements of the [METRO Policy for Social Compliance](#).

5. Reporting

METRO will make this policy publicly available.

[The progress against the target will be measured on the basis of the following key performance indicators \(KPI\):](#)

- Total number of SKUs in the scope of the policy:
 - Thereof number of SKUs made from recycled material (e.g. FSC/PEFC Recycled, Eco Label etc.)
 - Thereof number of SKUs certified by FSC (100%, mix)
 - Thereof number of SKUs certified by PEFC (100%, mix)

6. Policy framework

6.1 Biodiversity

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

6.2 Quality and food safety requirements

METRO requests factories to have a valid [GFSI](#) recognised certification and audit report 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).

6.3 Environmental / Science Based Targets

[METRO is committed to reducing absolute Scope-3-CO2 emissions \(supply chain\) by 15% by 2030 compared to 2018](#). Scope-3 emissions account for more than 90% of our total carbon footprint.

6.4 Packaging

METRO works on the improvement of the packaging of products. Therefore METRO expects from its suppliers to comply with the principles described in the [METRO Own Brand Packaging Policy](#).

6.5 Value Declaration on Human Rights and Code of Conduct

To enhance our business impact and to benefit our customers, society and environment, METRO stated its respect for human rights as of fundamental value in its [Value Declaration on Human Rights](#) and formulated the [“METRO Code of Conduct for business partners”](#), which we expect all our suppliers to adhere to.

7. Action Plan

The METRO Paper & Wood Policy will be supported by the METRO Paper & Wood Action Plan 2025. In this plan we will outline timings and actions to meet our target. The plan will be defined for 18-24 months and then reviewed and updated accordingly. The action plan consists of three pillars (certifications, partnerships and projects) to ensure relevant actions with the right partners.



7.1. Certification

To achieve the targets of sustainable paper and wood in its Own Brand products METRO refers primarily to the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification Schemes (PEFC). FSC and PEFC have the objective to protect our forests by promoting sustainable forest management through certification that confirms that the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while ensuring it sustains economic viability.

Further accepted certification schemes and eco-labels in accordance with Annex 2

7.2. Partnerships:

METRO is working actively on the implementation of its Paper & Wood Procurement Policy together with different stakeholders on corporate as well as country level.

The work in the field of achieving zero net deforestation has shown us that this cannot be done in solo runs. Rather it is important to cooperate with partners from the private sector to governments to NGOs, smallholder farmers and local stakeholders. Therefore in our eyes, sustainable development goal 17 (SDG17) – partnerships for the goals – is one of the most important SDGs because it reminds each and every one of the power of partnerships and collaboration to achieve our targets.

Consumer Goods Forum CGF – Forest Positive Coalition of Action

As member of the Consumer Goods Forum (CGF) we follow the CGF 2010 Deforestation Resolution and are committed to help achieve zero net deforestation, following the WWF definition of zero net deforestation. Moreover METRO is a member of the Consumer Goods Forum Forest Positive Coalition of Action² and 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.

7.3. Projects:

METRO is playing an active part within the supply chain of paper and wood fibre to increase the market availability of sustainable paper and wood. We will select projects that will:

Follow certifications and partnerships

Engage along the entire supply chain (incl. traders)

Support local farmers

² <https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive/>



We will continue our partnership with Ecosia³, which is a search engine that is pre-installed on all computers of the Metro Campus Düsseldorf. Ecosia invests 80 percent of its profits in reforestation projects around the world. Nearly 45 million trees have already been planted in this way - more are being planted every second, as can be seen on the search engine's homepage. 5500 trees have already been planted thanks to the Metro involvement. (Status: November 2018) Further, we will seek collaborations with NGO's for insights and endorsements, and for them to challenge our policy and actions on sustainable paper and wood procurement within the Forest Positive Coalition of Action.

³ <https://www.ecosia.org/>

Annex 1: Own-brand product categories that are impacted⁴

Apparel	Baby world	Activity toys
		Baby beds
		Chairs
		Changing tables & mats
		High Chair
		Furniture
		Music & sounds
		Walkers
	Home textiles	Bed Frames & Mattress
		Venetian blinds
	Shoe Luggage Accessories	Clogs
		Men's jewellery
		Unisex jewellery
	Sports	Ice hockey equipment
		Pool/snooker equipment
		Skateboarding equipment
Table tennis equipment		
Business & homecare	Cleaning and laundry care	Clothes hangers
		Laundry accessories
		Waste bins
	Decoration and signage	Frames
		Posters
		Vases
	Shipping, packing and wrapping	Bags
		Cartons
		Gift Paper and Bags
		Inside protections
		Packing Rolls
		Wood
	Storage and handling	Basement / Cellar /

⁴ This is not an exhaustive list, and is intended solely to offer examples

		Garage
		Bedroom storage
		Cabinets and displays
		General wood storage
		Ladders
		Shelving and racking
	To build fix and maintain	Hammers
		Chipboards
		Front doors and frames
		Internal doors and frames
		Painting tools
		Wooden floor coverings
Kitchen, cooking & table	Gastro/catering equipment	Working and storage
	Home kitchenware	Baking moulds
		Baking utensils
		Cutlery trays
		Cutting boards
		Dish-drying racks
		Food containers
		Small utensils for preparation
		Strainers, bowls, funnels
	Home tableware	Cutlery /Cutlery tray
		Serving dishes
		Serving trays
		Spice grinder
	Professional cookware & utensils	Cutting boards
		Small Preparation Utensils Prof
		Serving Dishes
Office & media	Office furniture	Home Office Furniture
		Office Chair

		Office Furnishing
		Office Furnishing Executive
		Office Meeting Furniture
		Visitor chairs
Office supplies		Binders
		Binders/files
		Boards
		Boxes
		Business paper
		Calendars
		Clips Tags And Rubber Bands
		Colored Paper
		Collector Albums
		Copy Paper
		Desktop organisers
		Desktop organiser accessories
		Draw Paint Accessories
		Draw Paint Paper and Filing
		Drawing Painting
		Easels
		Files and pockets
		Filing School
		Forms
		Greeting Cards
		Index
		Mailing
		Note and flag
		Paper & Notepads
		Paper Rolls
		Pencils
		Planners and Organizers
		Stamper

Other non-food	Preliminary group non food	Home decoration
		Home improvement
		Seasonal
Seasonal	BBQ and charcoal	Charcoal barbecue
		Barbecue accessories
		Wood-related
	Gardening	Decorations
		Garden sheds
		Garage
		Greenhouses
		Hand tools
		Hand Tools Combi Systems
	Indoor Furniture	Banquet tables/chairs
		Bar games
		Bar/lounge furniture
		Bar stools
		Bar tables
		Bedroom furniture
		Bookcases and shelves
		Coffee tables and Occasional Tables
		Dining chairs
		Dining tables
		Double beds
		Kids' beds
		Kids' furniture
		King-size beds
		Media furniture
		Restaurant benches
		Restaurant chairs

		Restaurant furniture
		Restaurant tables
		Restaurant Table Assemble
		Sideboards and chests of drawers
		Single beds
		Sofas and armchairs
	Outdoor furniture	Dining Rattan and wicker
		Dining Wood
		Chairs and Benches
		Outdoor Rattan Natural
		Outdoor Seating Wood
		Outdoor Table
		Table Top
		Relaxing Rattan and wicker
	Party	Relating Wood
		Party decorations
Seasonal	Tableware licences	
	Advent calendars	
	Baskets	
	Chinese zodiac deco	
	Decoration Halloween	
	Nativity scenes	
	Other decoration items	
	Other tree deco items	
Toys	Paste paper	
	Castles, forts and accessories	
	Construction Wooden Toys	

		Educational Wooden Toys
		Family Games
		Other Wooden Toys
		Painting/Colori ng
		Puzzles
		Shopping Sets
		Vehicles
		Weapons
Beauty & personal care	Tissue & hygiene	Kitchen towels
		Toilet Paper
		Tissue
	Professional Tissue & hygiene	Hand towels
		Tissue
		Toilet paper
Disposabl es	Tableware	Napkins
		Tablecloth
		Coffee Steerer
		Straws
		Bowels
		Cutlery
		Plates
		Cups

Annex 2: Accepted certification schemes and eco-labels
in accordance with ISO 14024:2018 type I label

Label	Comment	Website Link
<p data-bbox="225 533 402 562">EU Ecolabel</p> 	<p data-bbox="467 533 1086 600">Established in 1992, recognised across Europe and worldwide.</p> <p data-bbox="467 607 1086 1057">Ecolabel is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal. TheLabel promotes the circular economy by encouraging producers to generate less waste and CO2 during the manufacturing process. The label criteria encourages companies to develop products that are durable, easy to repair and recycle</p>	<p data-bbox="1114 533 1538 636">http://ec.europa.eu/environment/ecolabel/products-groups-and-criteria.html</p>
<p data-bbox="236 1070 395 1099">Blue Angel</p> 	<p data-bbox="467 1070 1086 1346">The Blue Angel is the ecolabel of the federal government of Germany since 1978. The Blue Angel sets high standards for environmentally friendly product design and has proven itself over the past 40 years as a reliable guide for a more sustainable consumption.</p>	<p data-bbox="1114 1070 1422 1151">https://www.blauer-engel.de/en</p>
<p data-bbox="188 1357 379 1386">Nordic Swan</p> 	<p data-bbox="467 1357 1086 1664">In 1989, the Nordic Swan Ecolabel was created. The purpose was to make it easy for consumers to find environmentally friendly products and for companies to produce them. In the 30 years the Nordic Swan Ecolabel has been around, we have gone from ecolabelling toilet paper and detergents, to houses, grocery stores and funds.</p>	<p data-bbox="1114 1357 1513 1386">http://www.svanen.se/en/</p>
<p data-bbox="188 1677 379 1744">Austrian Eco Label</p> 	<p data-bbox="467 1677 1086 2022">The Austrian Ecolabel addresses itself primarily to consumers but also to manufacturers and public procurement. The ecolabel provides consumers with guidance in order to choose products or services with least hazardous to the environment or health. The ecolabel draws the consumers attention to aspects of environment, health and quality (fitness for use).</p>	<p data-bbox="1114 1677 1544 1812">http://www.ecolabelindex.com/ecolabel/osterreichisches-umweltzeichen-austrian-ecolabel</p>
<p data-bbox="188 2036 347 2065">Milieukeur</p>	<p data-bbox="467 2036 1086 2065">Milieukeur is the Dutch environmental</p>	<p data-bbox="1114 2036 1544 2065">http://www.ecolabelindex.co</p>

Label	Comment	Website Link
<p>Netherlands</p> 	<p>quality label for products and services. There are Milieukeur criteria for a wide variety of food products, consumer products and services, ranging from vegetables, potatoes, fruit, beer, pork, trees and plants to concrete products, fire extinguishers, florists, butchers, green electricity and car washes.</p>	<p>m/ecolabel/milieukeur-ecolabel-the-netherlands https://www.milieukeur.nl/19/home.html</p>
<p>Medio Ambiente Spain:</p>		<p>https://www.en.aenor.com/certificacion/certificaciones-de-aenor</p>
<p>Marque NF Environnement France</p>		<p>http://www.marque-nf.com/?lang=English</p>
<p>Eco Mark Japan</p> 		<p>http://www.ecomark.jp/english/</p>
<p>Korean eco-label Institute:</p> 		<p>http://www.ecolabelindex.com/ecolabel/korean-ecolabel</p>