

# EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES

METRO AG

REPORT SUBMITTED ON 09.07.2024 7 FOR FY 2022 /2023 (01.10.2022 - 30.09.2023)

Type of business/sector <i>(E.g. retail, dairy)</i>	Sustainability dimension <i>(E.g. environmental, social)</i>	Code aspirational objective <i>(1-7)</i>	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information (optional) <i>(E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)</i>	Comments (optional) <i>(E.g. enablers, ideas on how to improve)</i>
Wholesale	Environment	2	Reduction of food waste in own operations by 50% until end of 2025 with baseline 2017/2018	METRO produced 10.2 kg of food waste per m <sup>2</sup> of selling and delivery space, which represents an adjusted reduction of 23 % in FY 2022/23 against the FY 2017/18 baseline.	1) In September 2019 METRO joined the 10x20x30 initiative of the World Resource Institute. Within this initiative at least 10 of the world's largest food retailers and providers follow the "Target-Measure-Act" approach, meaning that each engages 20 of their priority suppliers to do the same – thereby halving their food loss and waste by 2030. Together with participating businesses we share the mission to massively increase private	

					<p>sector contribution to the global goal of reducing food loss and waste by 50% by 2030 by catalyzing efforts “up” the supply chain.</p> <p>(2) In 3 countries, we are working with Too Good To Go (TGTG). The company provides a platform to sell surplus food that otherwise goes to waste in a specially branded bag (the Magic Bag) at reduced prices. It operates an app that allows food waste fighting end-consumers to buy unsold food from participating METRO stores.</p> <p>In financial year 2022/23, the dedicated collaboration has ‘saved’ more than 82,469 meals, which corresponds to a reduction of 206 tonnes of CO2.</p> <p>(3) METRO has collaborated with the ‘Tafel’ (food bank) movement for more than 2 decades. In 19 countries and service units, we work with food bank organisations. In FY 2022/23 METRO Food Donations amount to 63,342,362 €.</p>	
Wholesale	Healthy, balanced diets	1	Offer of 1,500 own-brand products METRO-wide (thereof 150 common and 1,350 locally sourced) with less sugar, salt and saturated	Compared to baseline 2018 and concerning own-brand products, in FY 22/23 we had in our assortment*:	Reformulation here means reduction of sugar, salt and saturated fatty acids content of 0,1g per 100g for products with a minimum content of 0,5g sugar/saturated fatty acids per 100g and 1g salt per 100g.	

			<p>fatty acids, completely or partially free from additives and organic certified and/or alternative protein products by end of 2023.</p>	<p>-998 products reformulated as less of sugar/salt/ saturated fatty acids/free from additives;                      -475 organic products;                      -39 alternative protein products.</p> <p>* Figures shown here refer to baseline 2018 and own brand products only. They also represent extensions of the product range and do not necessarily only mean a reformulation of existing products.</p>		
Wholesale	Social	7	<p>(1)By end of 2030, Lost Time Injury Frequency Rate (LITFR) of 4.85 per 1 million hours worked.</p> <p>(2)Socially compliant supply chains for all risky own brand producers by end of 2030.</p>	<p>(1)In FY 2022/23, LITFR 6.62 per 1 million working hours.</p> <p>(2) 454 risky non- food producers audited, thereof all passed the audit (100%).</p> <p>118 risky food / near-food producers audited, thereof all passed the audit (100%).</p>	<p>The LTIFR captures the number of incidents with at least 1 missed day of work (not including the day of the incident) per 1 million working hours. Fatalities and cases of permanent sick leave or disability are likewise included, whereas accidents while commuting are not.</p> <p>(2) Some of our national entities work with their local producers and support them with training courses that serve to teach understanding and compliance with social standards. By training our own-brand suppliers on the implementation of fair labour conditions, we sensitise them to comply with conditions and avoid violations.</p>	

Wholesale	Sustainable sourcing	7	<p>(1) Palm oil: 100% of own brand products containing palm oil being RSPO Identity Preserved or Segregated certified by end of 2023.</p> <p>(2) <u>Sustainable fished or farmed products</u>: 90% of our TOP 12 own brand and no name fish and seafood species environmentally certified by end of 2025, 100% socially certified by end of 2025 and 100% digitally traceable by end of 2030.</p> <p>(3) <u>Cage free eggs</u>: All own brand shell eggs 100% cage-free in Western and Southern Europe by the end of 2022. In Eastern Europe (EU) by the end of 2025</p>	<p>(1) In FY 2022/23 35% of METRO Own Brand products have certified palm oil products. Also: In volume, 72% palm oil used in our METRO own brand products as RSPO certified.</p> <p>(2) In FY 2022/23 72% of certified own brand fish and seafood products.</p> <p>(3) In FY 2022/23, 60% of own brands are cage free shell egg products</p>	<p>For more details on METRO sourcing policies and results, please see <a href="https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products">https://responsibility.metroag.de/esg-priorities/ethics-and-trust/sustainable-sourcing-and-products</a> and <a href="https://responsibility.metroag.de/commitments/kpis-and-targets/organic-and-responsible-products">https://responsibility.metroag.de/commitments/kpis-and-targets/organic-and-responsible-products</a></p> <p>Considering the new EU Deforestation Regulation METRO currently revises its Sustainable Palm Oil and Paper &amp; Wood Policies and therefore has not renewed its targets.</p> <p>(3) We have successfully transitioned to exclusively use 100% cage free shell eggs for our own brand assortment already last year in multiple countries (Austria, Germany, Italy, Netherlands, Poland). In 2023/24 two additional countries France and Turkey reached their 100% target.</p>	
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			<p>and in remaining markets until end of 2027.</p> <p>(4) <u>Products from sustainable forestry:</u> 100% of own brand products containing more than 50% of wood in weight from sustainable forestry* by end of 2023.</p> <p>*Sustainable forestry means certified against FSC® or PEFC label or from recycled material.</p>	<p>(4) In FY 2022/23 65% of own products are from sustainable forestry.</p>	<p>(4) Sustainable forestry means certified according to FSC® or PEFC label or from recycled material. Brand data is not available as reporting system currently cannot discriminate product certificate vs. packaging certificate on sustainable forestry.</p>	
Wholesale	Environment	3	<p>Reduction of scope 1 and 2 of CO2 emission by 60% per m2 of selling and delivery space by 2030 compared to 2011 (Science-based target)</p> <p>Carbon neutrality: We aim to be climate-neutral by 2040 mainly through own investments. In FY</p>	<p>In FY 2022/23, compared to the base year 2011 the Scope 1-3 CO2 emissions have been reduced by 39.7% per m2 of selling and delivery space. Total figure is 232 kg of CO2 equivalents per m2 of selling and delivery space.</p>	<p>In the base year 2011 specific greenhouse gas emissions were 382 kg CO2/m2 of selling and delivery space.</p> <p>The significant decline in emissions to 232 kg CO2/m2 of selling and delivery space in the reporting period 2022/23 compared with the reference year 2011 can essentially be attributed to measures to reduce consumption relating to energy, company cars, paper and business travel, and to reduce emissions caused by refrigerant loss, as</p>	

			<p>2021/22, we expanded our 2040 climate protection target to include emissions from our own logistics fleet*.</p> <p>*Due to this expansion, the methodology for determining the CO2 equivalents per m2 of selling and delivery space was adjusted.</p>		<p>well as investments in green electricity and digitization.</p> <p>In addition to its climate protection target, in financial year 2018/19, METRO expanded its climate efforts to the supply chain and as the first German retailer set a recognised Science Based Target (SBTi) for itself. As part of the SBTi, METRO undertakes to reduce its Scope-1- and Scope-2-CO2 emissions by 60% per square metre selling and delivery area by 2030 compared to 2011. These SBTi Scope 1 and Scope 2 targets are consistent with the reductions required to keep global warming well below 2°C by 2100 compared to pre-industrial levels. In addition, as part of SBTi, METRO is committed to reducing absolute Scope 3 CO2 emissions (supply chain) by 15% by 2030 compared to 2018. METRO is currently reviewing the SBTi targets.</p>	
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More information: <https://reports.metroag.de/cr-kpi-report/2022-2023/>