

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES

METRO AG

REPORT SUBMITTED ON 27.04.2023 FOR FY 2021 /2022 (01.10.2021 - 30.09.2022)

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 kg of food waste per m ² of selling and delivery space, which represents an adjusted reduction of 10.9 % in FY 2021/22 against the FY 2017/18 baseline. In absolute terms, we produced 47.017 tonnes of food waste in FY 2021/22, which represents a reduction of -7% from the 53,195 tonnes of food waste produced in FY 2017/18.	(1) METRO work together with WRI (World Resources institute) and engage 20 of our suppliers to commit to halving their food waste by 2030 in line with SGD 12.3 (WRI 10x20x30 Commitment) (2) In several 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. In	

				<p>For more information, please see METRO Food Waste Report, available at: https://responsibility.metroag.de/esg-priorities/climate-carbon/food-waste</p>	<p>financial year 2021/22, the dedicated collaboration has 'saved' more than 121,000 meals, which corresponds to a reduction of 303 tonnes of CO2.</p> <p>(3) METRO has collaborated with the 'Tafel' (food bank) movement for more than 2 decades In 21 countries and service units, we work with food bank organisations. In FY 2021/22 METRO Food Donations amount to 63,342,362 €.</p>	
Wholesale	Healthy, balanced diets	1	<p>Offer of 1,500 own-brand products METRO-wide (thereof 150 common and 1,350 locally sourced) with less sugar, salt and saturated fatty acids, completely or partially free from additives and organic certified and/or alternative protein products by end of 2023.</p>	<p>Compared to baseline 2018 and concerning own-brand products, in FY 21/22 we had in our assortment*:</p> <ul style="list-style-type: none"> -787 products reformulated as less of sugar/salt/ saturated fatty acids/free from additives; -519 organic products; -39 alternative protein products. <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>	<p>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>	
Wholesale	Social	7	<p>(1)By end of 2030, Lost Time Injury Frequency Rate (LITFR) of 4.45 per 1 million hours worked.</p>	<p>(1)FY 2021/22, LITFR 7.27 per 1 million hours worked.</p>	<p>(1) During the financial year 2020/21 we set up a group-wide Operational Safety Management System (OSMS) for METRO. With communication campaign "Safe@Metro" which was launched in the beginning of 2022, we expect to</p>	

			<p>(2) Socially compliant supply chains for all risky own brand producers by end of 2030.</p>	<p>(2) 515 risky non-food producers audited, thereof all passed the audit (100%).</p> <p>95 risky food / near-food producers audited, thereof all passed the audit (100%).</p>	<p>increase safety awareness and decreasing work-related incidents.</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) <u>Palm oil</u>: 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>(1) By Dec 2022 53% METRO Own Brand certified palm oil products</p> <p>(2) By Dec 2022 64% certified own brand fish and seafood products.</p> <p>(3) By Dec 2022, our target achievement for Western and Southern Europe is at 81%, for all METRO entities including Eastern European and non-EU countries the share of cage free eggs is 58%.</p>	<p>For more details on METRO sourcing policies, please see https://responsibility.metroag.de/commitments/kpis-and-targets/organic-and-responsible-products</p> <p>(3) We have already achieved 100% cage free own brand assortment in AT, DE, IT and the NL. For the remaining countries, ES, FR and PT the challenges at local markets due to bird flu persist. Some countries have set shorter timelines for themselves. For example, PL has set an internal target of cage eggs withdrawal in 2022, three years before the METRO AG timeline, while TR has set a target in 2023, four years before the METRO AG timeline.</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 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. *Sustainable forestry means certified against FSC® or PEFC label or from recycled material.</p>	(4)By Dec 2022 60% own products from sustainably forestry.		
Wholesale	Environment	3	Reduction of scope 1 and 2 of CO2 emission by 60% per m2 of selling and delivery space by	In FY 2021/22, compared to the base year 2011 the Scope 1 and Scope 2 CO2 emissions have been reduced by 33.5% per m2of selling and delivery	In the base year 2011 specific greenhouse gas emissions were 382 kg CO2/m2 of selling and delivery space.	

		<p>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 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>space. Total figure is 242 kg of CO2 equivalents per m2 selling and delivery space.</p> <p>More information: Climate + Carbon - METRO Corporate Responsibility Report 2021/22 (metroag.de)</p>	<p>The significant decline in emissions to 242 kg CO2/m2 of selling and delivery space in the reporting period 2021/22 compared with the reference year 2011 can essentially be attributed to 2 factors:</p> <ul style="list-style-type: none"> -Measures to reduce consumption relating to energy, company cars, paper and business travel, and to reduce emissions caused by refrigerant loss, as well as investments in green electricity -General technical and scientific developments as reflected by the adjustment of the emission factors used to calculate CO2 equivalents. Above all in electricity generation, the emissions factor in many countries is declining due to the increased share of renewable energies. 	
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