

Consumer Goods Forum Forest Positive Coalition Reporting KPI's METRO for Paper & Pulp and fibre-based packaging (PPP)

June 2024

Introduction

The Consumer Goods Forum (CGF) has created the Forest Positive Coalition of Action (FPC), led by over 20 companies, to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains (palm, soy, paper & wood, beef), while supporting sustainable forest management, conservation, and restoration.

METRO is an active member of the FPC because we are convinced that collaboration is the only way to solve environmental and social issues in our supply chains, including the paper & wood supply chains. We participate in the CGF FPC to combine our collective reach and knowledge, global networks, and resources to engage and collaborate with producers, suppliers and traders, as well as governments and NGOs, to advocate for forest positive solutions.

For each commodity, a dedicated working group has published a roadmap (action plan), with KPI's to act and report on. Currently, METRO commits to report on the KPI's publicly and regularly for the commodities soy, palm oil, beef, and paper & wood. In this document, we report on the paper & wood (PPP) working group KPI's.

More information on the Consumer Goods Forum Forest Positive Coalition in general, the various coalition roadmaps (action plans) and more, you can find here.

METRO PPP related commitment to KPI's from CGF FPC PPP Roadmap

Element 1 – Own Supply Chain

Policy commitments to the Forest Positive Coalition goals:

Regarding deforestation and conversion free (DCF) packaging supply chains see our METRO Sustainable Packaging Policy: As a matter of principle, we support the further utilisation of resources and their recovery through recycling. To reduce our environmental footprint, we strongly support closed-loop recycling management and are committed to reduce the environmental impact of our own brand packaging products during the whole product life cycle. We work to develop innovative solutions to improve resource efficiency, for instance by reducing packaging material, increasing the proportion of recycled material used in our packaging, and designing our packaging to improve stacking on pallets while at the same time reducing the costs for our customers.

Re. Paper & Wood (P&W) Products as such see our <u>METRO Sustainable Paper & Wood Procurement</u> <u>Policy</u>: METRO's aim is to reduce deforestation in its value chain, contributing to the goal of zero



deforestation by responsibly sourcing its timber and paper products as well as products that contain wood or wood fibre. With this policy, METRO wants to contribute to further improving the conditions within its paper and wood value chain by requiring certification of products and establishing strong partnerships with respective business partners. METRO promotes sustainable paper and wood products and aims to provide more transparency within its own paper and wood supply chain. In addition, METRO aims to contribute to sustainable forest management and enhance reforestation by engaging in partnerships and supporting dedicated projects.

We are committed to achieve DCF PPP supply chains, therefore we have been engaging with our suppliers to work together.

Timebound Action Plan

Re. Packaging: to drive us further towards sustainability, we've refined our packaging commitments spanning from FY 2021/22 to FY 2029/30. We've collaborated closely with suppliers, ensuring FSC or PEFC certifications are at the core of our initiatives. We aim by 30 September 2030:

1. Increase Recycled Content

We target to achieve 30% recycled plastic content in our own brand packaging.

2. Packaging Circularity

We target to have 100% of our own brand packaging designed to be recyclable, reusable, or home compostable.

3. Paper, Paperboard & Wood Commitment

We target to use Forest Stewardship Council® (FSC®) / Programme for the Endorsement of Forest Certification Schemes (PEFC) certified materials or a minimum of 70% recycled content for all paper, paperboard, cardboard, and wood used in our own brand packaging in primary and secondary packaging level.

Re. P&W Products: METRO aims to ensure that, by 2023, 100% of its own brand (OB) products made from wood or wood fibre, in accordance with the scope originate from legal and responsibly managed forests.

Percentage recycled

Re. primary and secondary packaging, 47% is certified (FSC/PEFC) or recycled (recyled means at least 70% recycling quota)

Re. P&W products: We consider sustainable products the ones made from recycled wood or wood fibre and ask for suppliers to certify them according to ISO 14024:2018 or an equivalent eco-label. However, we do not have KPIs in this category (i.e. % of recycled wood fibre products).

Percentage of virgin supply certified, and percentage per scheme and chain of custody model

Re. own brand packaging: 53.3% (primary packaging) and 69.2%% (secondary packaging) certified or recycled (minimum of 70% recycled content) in FY2022/23.



For P&W products, we achieved a certification rate of 69% in FY 2022/23, of which 77% was FSC certified and 17% was PEFC certified and 6% certified with other certification schemes. 66% of our own brand suppliers are already compliant with our policy, as part of the implementation of the METRO Procurement Policy, we are in ongoing discussions with our suppliers, with the priority to engage with those that are not supplying certified products and stablishing action plans.

Supply from high priority sources

We are asking our business partners to have in place a proper system to track and report the origin of the timber contained in final products made from virgin fiber to verify that the timber has been harvested legally and is DCF. This is also to comply with the EU Timer Regulation. The following traceability information is therefore required for each wooden component of the product:

- Type of wood
- Scientific name of the tree species
- Country of origin of the wood

The implementation of the EU 2023/1115 Regulation on Deforestation-free Supply Chains (EUDR) will enhance the transparency into the PPP supply chains and enable us to handle DCF risky sources with particular care.

<u>Proportion of suppliers informed about the Forest Positive Suppliers approach and identified as priority</u> <u>for engagement</u>

As part of the implementation of METRO's Sustainable Packaging Policy and P&W Procurement Policy as well as the EUDR and our general DCF approach, we are in ongoing bilateral discussions with our suppliers to work towards DCF supply chains and generally inform about this on our <u>website</u>.

All METRO own brand suppliers are made aware of METRO's requirements and approach to DCF supply chains.

As part of the implementation of the METRO Procurement Policies, we are in ongoing discussions with our suppliers, with the priority to engage with those that are not supplying certified products or which under EUTR and upcoming EUDR are considered risky with regards to traceability of their raw materials.