

METRO Purchasing Policy for Palm oil

Purpose and scope:

Palm oil has become one of the most important vegetable oils in the fast moving consumer goods sector. Palm oil is used in many basic consumables – not only in foods, but also in cosmetics and cleaning agents. A cultivation of oil palms which is not sustainable can have negative effects on the environment and the climate. Deforestation and poor social conditions are two of the disastrous consequences. If valuable woodland areas are cleared to make place for plantations, this releases great amounts of CO₂ and harms the local biodiversity.

As part of its sustainability approach and through its membership in the Roundtable on Sustainable Palmoil (RSPO), METRO is committed to increase the use of sustainable palm oil along its value chain, whilst maintaining the highest quality and future availability.

This palm oil policy applies to all own brand products containing palm oil delivered to the METRO.

Policy:

METRO sees the Roundtable on Sustainable Palmoil (RSPO) and its certification methods as crucial and has the overall target of purchasing its own brand products containing palm oil with these methods by 2020 under consideration of the sales divisions individual own brand strategy.

Recommendation: METRO recommends preferring the Segregation method (if it is available). Within the framework of environmental protection and full traceability it provides the best benefit and is considered to be the preferable method.

The methods are described on the homepage of RSPO:

<http://www.rsपो.org/sites/default/files/RSPOcertification-systems.pdf>

METRO continually strives for:

- ÿ Exclusive use of sustainably produced palm oil in all products of the own brand assortment (Food and Near Food)
- ÿ Further development and distribution of standardised, internationally accepted and sustainable standards along the complete value chain
- ÿ Promotion of sustainable oil palm cultivation areas
- ÿ Optimisation of traceability of products containing sustainable palm oil
- ÿ Increase of the transparency for the customer
- ÿ Closer cooperation with suppliers and producers
- ÿ Regular exchange with partners from science and politics

Objectives, measures and responsibilities:

On the basis of this document, every affected sales division will prepare a sales division specific purchasing policy. In this context, this purchasing policy serves as a framework directive and orientation guide for these sales divisions. It is applicable on an international level and fixed through implementation plans that are adapted individually. All affected sales divisions will intensify the partnerships with their own brand suppliers to drive the implementation and will report progresses to METRO.

METRO will make this palmoil policy publicly available and will inform on the progress made through its annual Sustainability Report.

The progress against the overall goal mentioned in this policy will be measured on the basis of the following parameter:

Key Performance Indicators (KPI's)

- ÿ Bringing all of the palmoil using suppliers into a RSPO-certification system (latest by 2020)
- ÿ Reduce the percentage of own brand products which contain palm oil from non sustainable sources

Implementing the policy:

Metro Cash & Carry and Real are taking the lead. They are requested to make implementation plans based on this purchasing policy, latest 12 months after publication of it. After minimum two years of implementation experience they share guidelines and best practices with the other sales divisions.