

CLIMATE NEUTRAL BY 2040: METRO JOINS THE 'EU CODE OF CONDUCT ON RESPONSIBLE BUSINESS AND MARKETING PRACTICES' AND SHARPENS ITS OWN CLIMATE TARGET

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- METRO is among the first signatories of the Code of Conduct, which unites European stakeholders along the supply chain on a common path to a sustainable food economy
- The international wholesale specialist is tightening its own climate target and aims to make its global business operations climate-neutral by 2040
- To achieve this, METRO plans to invest around €1.5 billion, mainly in the renewal of energy, refrigeration and heating infrastructure

Düsseldorf, 5 July 2021 – Against the backdrop of the European Green Deal and the European Commission's 'Farm to Fork' strategy, the 'Code of Conduct' is a voluntary commitment by European stakeholders along the food supply chain. Its signatories share the view that joining forces is the only way to successfully transition to greater environmental protection, health and social compatibility in the food industry. They intend to shape this change together. With its commitment METRO has included 3 of its existing sustainability goals in the Code of Conduct. The wholesaler has also gone a step further and today upped its climate target: instead of halving its greenhouse gas emissions per square metre of sales and delivery space by 2030, METRO will now aim to make its own global business operations climate-neutral by 2040 – mainly through own investments.

'Climate change and its consequences pose risks for every company – but especially for those whose business model is based on natural resources. As an international wholesaler with over 16 million customers in the food service and retail industries, we have a huge lever to initiate sustainable change – not only for ourselves, but also for our customers and partners. We can contribute to a more sustainable supply chain with a resource-saving core business and even more efficient processes,' explains Dr Steffen Greubel, CEO of METRO AG. 'For this reason, we are joining the Code of Conduct with optimism and a tightened climate target for 2040.'

METRO has committed to the overarching goals of the Code of Conduct on Responsible Business and Marketing Practices, which include better and healthier nutrition, the careful use of food resources as well as closed loops for packaging. In addition, signatories can also add their own corporate tar-

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gets to the Code of Conduct, provided they guarantee transparent and regular reporting. METRO has decided to specifically report on the company's following existing targets as part of the Code of Conduct:

- CO₂ emissions (tightened target): METRO aims to achieve climate-neutral global business operations by 2040, mainly through its own efforts.
- Food waste: METRO aims to halve food waste in its own operations by 2025
- Sustainability within its own-brand assortment:
 - Reformulation: reworking suitable products with the aim of reducing fat, salt and sugar content and/or eliminating additives
 - Sustainable supply chains: METRO is working towards more sustainable supply chains with strict purchasing policies and efficient action plans, especially in the areas of fish & seafood, palm oil and soy.

Climate neutrality through innovation and investment

According to METRO's tightened target, its own global business operations will become climate-neutral by 2040, largely thanks to its own efforts. The international wholesale specialist is pushing ahead with an ambitious package of measures supported by investments in technology and innovation to achieve this. It plans to invest €1.5 billion between now and 2040. The core measures comprise:

- Energy saving
- Switching to natural refrigerants in cooling systems
- Phasing-out fossil heat
- Expansion of photovoltaic systems
- Electrification of the company car fleet
- Zero-emission model for new store construction.

METRO's ultimate goal is to avoid CO₂ emissions. It will offset any remaining emissions via Gold Standard certificates.

METRO first set itself the goal of halving its greenhouse gas emissions per square metre of sales and delivery space in 2015. In the base year 2011, the wholesaler's specific CO₂ emissions amounted to 376 kg, which it had already reduced by 34 % to 247 kg of CO₂ per square metre of sales and delivery space by the end of financial year 2019/20 – without offsetting. In financial year 2018/19, METRO also extended its climate target to the supply chain and became the first German retail company to set a recognised 'science-based target'.

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Today, METRO is once again tightening its own climate protection target: 'By 2040, we will put METRO on a climate-neutral basis – sustained by measures that take effect immediately, not just in the distant future,' emphasises Andrea Euenheim, Member of the Management Board of METRO AG, responsible for Human Resources and Sustainability. 'METRO has been pursuing an ambitious sustainability strategy for more than 2 decades. Our next goal must be the climate-neutral supply chain "from farm to fork". This is a massive task that requires not only innovation, but also radical cooperation across company boundaries. For this reason, too, the Code of Conduct and its broad acceptance throughout the European food industry right from the start is an important and pioneering signal.'

Food logistics as a challenge

METRO's climate target covers the areas of energy, heating, cooling, paper consumption, company car fleet and business trips. Of the specific greenhouse gas emissions per square metre of sales and delivery space, 93 % is attributable to energy, heating and cooling.

In line with its recognised science-based target, which confirms the wholesaler's 'well-below-2°C target', METRO classifies its emissions into:

- Scope 1, which includes emissions from refrigerant leaks or the company car fleet's fuel consumption;
- Scope 2, which includes purchased heating and electricity; and
- Scope 3, which includes business travel, as well as upstream supply chain processes. METRO has committed to working with its suppliers to reduce emissions in these upstream processes by 15 % between 2018 and 2030. In light of this, in 2020 alone, 120 suppliers provided climate disclosures as part of the 'CDP Supply Chain Programme Climate', which records suppliers' greenhouse gas emissions.

METRO is currently working on its own climate target for its global logistics fleet. The German logistics fleet includes over 80 diesel trucks that meet the Euro6 standard as well as 6 more climate friendly CNG (compressed natural gas) trucks. At present, there is no technology that enables the sustainable and cost-efficient use of alternative drive systems for heavy-duty trucks over 7.5 tons – particularly cooling trucks, which are especially relevant for METRO.

An impact assessment conducted by METRO compared the economic, ecological and social effects of its growing food service distribution (FSD) business with those of its stationary business. This assessment found that the environmental impact of the delivery business is no greater than that of conventional store visits. Direct delivery saves customers time, avoids cold chain interruption and enables transport routes to be efficiently combined –

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this reduces CO₂ emissions and avoids food waste. The sustainability balance shows that FSD offers additional positive effects for customers, society and the environment amounting to €68 per €1,000 in sales compared with the conventional cash & carry business – and the trend is upward.

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To ensure transparency, METRO reports its CO₂ target clearly and publicly: <https://responsibility.metroag.de/focus-areas/climate-action>

METRO is a leading international wholesale company with food and non-food assortments that specialises in serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 16 million customers, who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO also supports the competitiveness of entrepreneurs and independent businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been listed in the Dow Jones Sustainability Index for 7 consecutive years. The company operates in 34 countries and employs more than 97,000 people worldwide. In financial year 2019/20, METRO generated sales of €25.6 billion.

In addition, in our online magazine MPULSE.de, we also report on the things that affect our customers, employees, partners and suppliers – and the things that we do for them.

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