

METRO GROUP 2012
OUR
APPROACH

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SUPPLY CHAIN AND PRODUCTS



SAFEGUARDING QUALITY – CREATING TRANSPARENCY



Our core business is providing private and commercial customers around the world with high-quality, safe products. Further, an increasing proportion of our product range is produced, processed, distributed and utilised in a way that conserves resources and is socially responsible. As a retail and wholesale company that operates sustainably, we acknowledge our responsibility along the entire supply chain – starting with our handling of raw materials and the selection of agricultural growers and producers through transport, storage and distribution right up to the consumer. One thing that is important for us is to keep losses of raw materials and food to a minimum at all stages of the supply chain.

Our supply chain and product management implements measures that create transparency across the entire supply chain, generating added value for our customers. We want to

offer safe, high-quality products and reliable services. At the same time, our mission is to ensure traceability in the use of resources and the procurement of goods.

In the Supply Chain and Products field of action we concentrate in particular on safeguarding socially responsible working conditions at our suppliers. A further focus is the responsible handling of raw materials such as paper, wood and palm oil as well as the world's fish stocks and food. By devising and implementing guidelines for sustainable purchasing and also monitoring compliance with social and quality standards, we strengthen our procurement channels and contribute to improving the quality and sustainability of our products.



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SUSTAINABLE PROCUREMENT

An increasing number of consumers are not simply interested in the quality and safety of the products they buy – they also want to know about their social and ecological compatibility. METRO GROUP acts responsibly in this field of action by defining production conditions, raising awareness among buyers and making its procurement as environmentally friendly and as socially compatible as possible. This is fundamentally based on our purchasing guidelines, which METRO Cash & Carry, Real and Galeria Kaufhof each developed for their own specific needs in 2012 based on the Group-wide fish purchasing policy adopted in 2011. A Group-wide general purchasing policy for all products is scheduled for 2013 and will stipulate the principles of the sustainable procurement of products containing important resources and raw materials, such as wood and paper, palm oil, cocoa and soya.



FAIR WORKING CONDITIONS

Complying with social standards is an integral part of our sustainability activities. Accordingly, METRO GROUP makes sure it complies with the key labour standards of the International Labour Organization (ILO) and with the OECD Guidelines for Multinational Enterprises. We also contractually oblige our suppliers to honour fundamental human rights and maintain fair working conditions. To prove compliance, our supply contracts stipulate an audit according to the requirements of the BSCI (Business Social Compliance Initiative) standard or an equivalent thereof. We make this requirement of suppliers who produce our end products in risk countries and import them to the EU. All the manufacturers of nonfood items supplied to the EU via our subsidiary MGB Hong Kong were audited accordingly and 62 percent of them passed the audit with a good mark. Suppliers who do not yet make the grade have the option to be supported over the course of their development process until they satisfy the requirements. We are also working towards introducing the BSCI standard or an equivalent social

standard system to suppliers of nonfood products sourced through local importers by 2015.



EFFICIENT TRADE STRUCTURES

Among other things, we guarantee the high quality and safety of our products by means of efficient procurement structures. Well-organised logistics also reduces the volume of food lost during the various stages of our supply chain. We therefore make targeted investments in our business processes. 4 centralised purchasing offices oversee the purchasing of specific product groups. METRO Cash & Carry also sets up local collection centres for farmers in the vicinity of the cultivation areas, and this reduces the time between harvesting and delivery of the produce to the stores. In addition, the sales line is using its Fast Inventory Turnaround project to reduce its product inventories and storage times.



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SUPPLY CHAIN TRANSPARENCY

Sustainability calls for supply chain transparency that can be guaranteed by means of product-based traceability. The purpose of this is to be able to trace products back to their origins and to be aware of the conditions under which they were produced. This is the only way in which to pinpoint potential risks and need for improvement, both in terms of the product quality and social and ecological standards. A prime example of this is the need to protect the fish stocks in the world's oceans. Illegal fishing cannot be stopped unless there is targeted traceability from the fish counter to the fisherman. For a number of years now, METRO GROUP has therefore been actively working in tandem with industry partners and political decision-makers in order to achieve supply chain transparency. METRO GROUP is currently working with GS1, a competence and service centre for the optimisation of internal and external business processes, and other renowned partners to develop a global all-encompassing solution that can be applied to all prod-

uct groups in the future. The approach revolves around decentralised data storage that makes data access easier and more reliable, thereby creating greater transparency throughout the supply chain in the long term, right the way up to the end consumer.



ALL-ENCOMPASSING APPROACH

In order to offer high-quality and safe products in India, for example, METRO Cash & Carry works closely with the agricultural producers there and supports improvements being made to the supply structures. Having already established collection centres for agricultural produce in a number of Indian provinces, the wholesale expert opened a further 2 platforms for fresh fish in 2012. The local fishermen's catches are bought here and processed in readiness for shipment elsewhere. Everybody involved in this benefits: the fishermen are given access to the market and have calculable incomes, while METRO Cash & Carry benefits from efficient logistics, which guarantees it

good availability and high quality of products. The farmers who bring their produce to the collection centres have "pay direct cards", which give them instant payment for their goods. METRO Cash & Carry was the first company in India to introduce this method of payment, which is similar to a German EC (electronic cash) card and which allows for secure and fast financial transactions.

METRO Cash & Carry also supports its Indian suppliers with expertise given to them during training programmes. For example, in the reporting year the sales line's Quality Assurance division trained more than 25 meat suppliers in innovative processing solutions, food safety and hygiene. In this way, METRO Cash & Carry improves product quality and the suppliers' ability to earn, and reduces food loss at the first stage of the supply chain.



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RESPONSIBLE CONSUMPTION

METRO GROUP assists consumers in being more conscious about their consumer behaviour and in choosing to buy more sustainable products. And this doesn't just apply to food. Since October 2012, Media-Saturn has a stake in the leading recommerce company FLIP4NEW and has thus added a modern service to the conventional marketing of consumer electronics and electrical appliances via speciality stores. Customers can exchange electrical items and media that they no longer need for a voucher via the Saturn online shop and in an ever-increasing number of stores. FLIP4NEW tests the used goods and then sells them via online platforms, thereby extending the lives of these elaborately manufactured products. Media-Saturn plans to roll this business model out internationally. The sales line also gives consideration to sustainability when it comes to the new appliances it adds to its product range, and Saturn's portfolio now includes a wide array of energy-efficient electronic products and home appliances. To make it as easy as possible for people to locate these prod-

ucts, in its online shop and soon also in its stores, Saturn is using the label "Utopia empfiehlt" (Utopia recommends) to mark the appliances that are the most energy-efficient, the most environmentally friendly and the cheapest to operate according to the EcoTopTen lists published by the independent Öko-Institut e. V. organisation. Additionally, products that are especially worthy of recommendation because, for example, they are the most popular choice among customers are given the label "Utopia Produkt" (Utopia product). Also, the sales line gives information on the intelligent and economical use of electricity in a section of its website entitled "Energiesparen mit Saturn" (Saving energy with Saturn).



SUSTAINABLE TEXTILES

In the reporting year, Galeria Kaufhof and Real have expanded the number of sustainable products in their textile product ranges. Our Galeria Kaufhof sales line continues to increase its portfolio of textiles that are particularly environmentally

friendly or socially ethical in their manufacture. Customers in Galeria Kaufhof department stores can identify children's wear, linen and household textiles made of skin-friendly organic cotton in accordance with the Global Organic Textile Standard (GOTS) and winter sportswear that complies with the bluesign standard thanks to the logo "natürlich GALERIA" (naturally GALERIA). At the end of 2012, almost 1,500 different textile items of the sales line's own brands and also of the manufacturers' brands complied with one of the sustainability standards as defined by "natürlich GALERIA". In 2012, Real added cotton products made as part of the "Cotton made in Africa" (CmiA) initiative to its range. This initiative supports African farmers by trading in sustainably grown cotton. In the reporting year, Real was already offering 20 items with the CmiA logo, and had sold around 133,000 of them. Further initiatives are set to follow.

ENERGY AND RESOURCE MANAGEMENT



REDUCING EMISSIONS – CONSERVING RESOURCES



To ensure that we can successfully operate our core business and meet our customers' requirements we need to utilise energy and natural resources – now and in the future. But neither are unlimited in their availability. This means costs for our Company and also an impact on both the environment and our climate.

As a retail and wholesale company, we accept responsibility for protecting the climate and resources for those segments of the supply chain in which we can exert a direct influence: from warehousing, refrigeration of products and transport to operation of our stores and administrative sites across the world. To achieve this, we are pursuing 2 key goals: firstly, we intend to reduce climate-related emissions throughout our commercial operations. Thus, by 2020 we aim to reduce our

greenhouse gas emissions per square metre of selling space to a level 20 percent lower than in 2011. And secondly, we intend to reduce our consumption of resources.

To achieve both of these goals, we are concentrating – in the area of energy – on making ourselves more energy-efficient. The basis for this approach is a systematic energy data management, which allows us to identify efficiency potential and optimise our energy usage. As far as resource management is concerned, we are looking to reduce our reliance on paper as well as cut down on emissions caused by the use of refrigerants. In this way, we will not only be making a valuable contribution to climate and environmental protection but also reducing our operational expenses.



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NEW CLIMATE PROTECTION GOAL

METRO GROUP has decided on a new, Group-wide climate protection target: by 2020 we aim to reduce our specific greenhouse gas emissions to a level 20 percent lower than in 2011. This corresponds to a reduction from 323 to 258 kilograms of CO₂ equivalents per square metre of selling space. In 2012, we managed a reduction of 2.5 percent emissions compared with the previous year. Our specific emissions per square metre were 315 kilograms.

METRO GROUP has been publishing its carbon footprint since 2008 as part of its commitment to climate protection. To achieve an even higher level of transparency regarding the directly and indirectly caused greenhouse gas emissions, in the financial year 2011 we substantially expanded our reporting on our carbon footprint and correspondingly reworked and adapted our climate protection target. With our new target, we are concentrating even more on the emissions that are fundamental for us and that we, as a retail and wholesale

group, can directly influence (see chapter “METRO GROUP’s carbon footprint”, pp. 57–58).



EFFICIENT USE OF ENERGY

The major part of our energy demand is down to lighting and the heating and cooling technology used in our stores and outlets. To further reduce our consumption, we followed up on our energy-saving programmes in the reporting year. The measures involved included, primarily, exchanging fluorescent tubes at METRO Cash & Carry and Galeria Kaufhof for LED lamps with a lower energy consumption and equipping freezer units and refrigerated displays with sliding doors. In almost all of its stores, Media-Saturn is compiling data on its electricity, gas, district heating, district cooling, heating oil and water consumption via smart metering systems and using it to optimise the on/off cycles and the control parameters of its heating and ventilation systems. The introduction of the smart metering systems was a compo-

nent of the 2009–2012 project Saving Energy. This project has helped the sales line to reduce electricity consumption by 250,000 MWh at almost 600 stores and consequently save more than €30 million. In 2012, METRO GROUP’s energy consumption for electricity and heating was 433 kWh per square metre of selling space. We reduced consumption by 3.4 percent over the previous year.



LESS PAPER

The manufacture of paper demands large quantities of wood, water and energy. To help conserve these resources, we have been advocating a more economical use of paper for many years. Our strategy includes reducing the amount of paper purchased and also increasing the percentage of ecologically optimised paper. With this in mind, the company responsible for buying our paper, METRO GROUP Advertising (MGA), ensures that the proportion of recycled paper is as high as possible and that any virgin fibre paper purchased is, where possible, chlorine-free and FSC®-certified. Over 80 percent



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of the paper procured by MGA already fulfils these criteria.



NATURAL COOLING

Losses of refrigerants due to leaks in cooling systems are a major source of emissions of greenhouse gases and also a significant cost factor. Therefore, we have made it our goal to reduce our top-up rates for refrigerants. Since 2012, in addition to remote monitoring for the refrigeration systems, we have been carrying out at least 4 instead of the previous 2 leak-tightness inspections per year on the seals on all refrigeration systems at Real and Galeria Kaufhof. Since METRO GROUP committed itself to exclusively using natural refrigerants such as carbon dioxide in all of its new stores from 2015 onwards as part of its involvement in the Consumer Goods Forum, we have already seen a number of positive results: in 2012, we installed corresponding refrigeration systems in 5 other stores. Natural refrigerants have a much lower global warming potential than the traditionally used gases. Due to climatic

reasons or because of safety aspects, however, existing installations cannot simply be converted and thus it is not possible to use natural refrigerants at all locations without extensive refitting.



MORE EFFICIENT REFRIGERATION

Uninterrupted refrigeration or freezing of products is one of the fundamental prerequisites for quality and freshness. For this reason, it is necessary for the refrigeration systems in our stores to run around the clock. Nevertheless, there are still possibilities for reducing electricity consumption. METRO Cash & Carry has come up with a simple, yet highly effective measure: the sales line is replacing the ventilator in its refrigeration units with energy-saving fans. In Germany alone, METRO Cash & Carry has been able to reduce its electricity requirements by more than 3,000 MWh by using around 17,000 energy-saving ventilators. This corresponds to the annual consumption of 850 German households.



IDEAS AND ACTION WANTED

Environmentally aware behaviour on the part of employees offers another source of potential savings. To make targeted use of this potential, METRO Cash & Carry prepared its Energy Awareness Programme (EAP) in 2012. It was launched on International Energy Saving Day on 5 March 2013. The sales line's goal is to inspire and motivate its employees worldwide to use energy more efficiently.

The EAP is structured in 2 phases: During the first phase, the employees will be challenged to come up with energy-savings potential in their own homes. The Best Home Energy Saver will receive an award from METRO Cash & Carry at the end of 2013. The second phase will involve getting the employees to realise savings measures in the wholesale stores. Every location will be assigned a set reduction target that takes specific factors such as the local climate into account. All employees are encouraged to contribute their ideas and to make a conscious effort to change their behaviour in the workplace in order to save energy.



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The best suggestion and the wholesale store that makes the greatest level of savings will also be awarded a prize. In total, METRO Cash & Carry has made it its goal to reduce its energy consumption by August 2013 by 5 percent from its 2011 level and by 2015 by a total of 18 percent. This corresponds to an overall saving of €37 million.



LOW-ENERGY LIGHTING

How savings potentials can be realised in the area of lighting is well illustrated by the example of our warehouse in the German city of Hamm, which opened in 2011 and is operated by our subsidiary METRO LOGISTICS (MGL). During construction of the around 3,200-square-metre freezer warehouse, LED lighting was installed throughout. Compared with standard lights, LED lamps are considerably more energy-efficient. What is more, they can immediately produce 100 percent light output even at cold store temperatures of minus 24 degrees Celsius – unlike standard lamps. This reduces the

operational hours of the lighting. Standard lamps run for 24 hours as they need a certain amount of time to reach their maximum illumination at the cold temperatures. The warehouse in Hamm managed to reduce its electricity requirement for lighting by around 40 percent. Lighting accounts for around a quarter of the electricity consumption at the Hamm warehouse. Encouraged by this positive result, MGL is refitting a number of other locations.



A WIN-WIN SITUATION

Protecting the environment and cutting costs at the same time: that is the core idea of the municipal project Ökoprofit. 2 Galeria Kaufhof department stores in Düsseldorf am Wehrhahn and in Hanau both took part in the project and implemented a number of small-scale measures that, taken as a whole, have led to significant energy and cost savings. In Düsseldorf the lights on the escalators and in the advertising boards were replaced with LEDs and motion sensors were installed in the employees' stairways. The fresh-air circulation system is

now controlled using CO₂ sensors which deliver air as required. In this way, the department store has achieved annual electricity savings of 3 percent and thus a 5-figure sum off its bills. The new Energy Saver fluorescent tubes that are now being used to provide basic illumination in the store in Hanau require 30 percent less power. In some areas, such as escalator lighting and jewellery display cases, replacing the existing lights with LEDs has brought a saving of around 80 percent. By mid-2012, the escalator lighting in a further 67 outlets had been converted to LEDs.

EMPLOYEES AND SOCIAL AFFAIRS



PROMOTING VALUE ORIENTATION – REINFORCING WILLINGNESS TO PERFORM



A dwindling population, rising average age, increasing migration – demographic developments pose major challenges for the global economy and social systems. Our world of work is also undergoing dramatic changes: the age structure of our staff and the composition of our teams are changing, and the competition for specialists and managers will become even fiercer over the coming years. In order to generate enthusiasm for our Company among employees and motivate them in the long term, we need to offer them opportunities for development and an attractive working environment. It is also important for us to promote diversity amongst our employees. Against this background, flexible working models are becoming increasingly relevant.

Our employees make an essential contribution to the success of METRO GROUP. For us this means a high level of social responsibility, which we approach with forward-looking Human Resource policies and mutual trust in our inter-

actions with one another. By increasing our attractiveness as an employer, we invest in the future of our Company. The objective of our HR management is to promote and reinforce employees' satisfaction, willingness to perform and value orientation. By doing so, we create the prerequisites for our success today and in the future.

With this objective in mind we consistently support the further development of our employees. Central issues in this context are for instance management culture, entrepreneurial responsibility, customer orientation and awareness of sustainability. Through our active demographics and diversity management we reinforce the diversity in our teams and create a safe and positive working environment in which professional and family interests can be reconciled. International working standards and criteria as well as the values and principles of METRO GROUP and its sales lines form the strategic pillars.



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CHANGING THE CORPORATE CULTURE

METRO GROUP has set itself the goal of significantly increasing the added value it offers its customers. To realign our business, we need our employees to play their part in and actively live out this realignment. And this is founded on a change in our corporate culture. We aim to create a work environment characterised by open dialogue, diversity of opinions and the systematic implementation of decisions. Based on this, in the reporting year our sales line METRO Cash & Carry developed new guidelines for its employees and started to integrate them into its leadership development. The aim is to have incorporated all the employees into this process in the medium term. Working in groups, they are shown how they can apply the guidelines to their day-to-day work in specific terms. More than 2,600 employees from 22 countries already participated in such groups in 2012.



COMMITMENT TO GREATER DIVERSITY

We respect, appreciate and promote the diversity of our employees and we make a concerted effort to actively foster diversity within our Company. We committed ourselves to this in 2007 when we signed the "Charta der Vielfalt" (Diversity charter). Comprising more than 1,300 signatures, this is one of the highest-profile initiatives for the promotion of diversity in the business world. We also became a member of the association bearing the same name in early 2012. As a project sponsor, we want to play a part in further establishing active diversity management in the working world.



REORGANISATION OF THE GROUP HOLDING COMPANY

Although we made substantial savings in terms of material and project costs in the financial year 2012, we will have to make some workforce changes at our Company headquarters in Düsseldorf. But in re-

organising the Group holding company, METRO GROUP still considers its social responsibilities towards its employees. The change process will run until 2015 and will affect up to 105 members of METRO AG staff. There are no plans for redundancies. Instead, the employees will be made attractive offers early on to voluntarily terminate their contracts of employment. A consultancy company contracted by us will provide assistance to the employees with restarting their careers outside of METRO GROUP and will organise the necessary qualification measures. METRO AG will also explore other options to make the staff cuts socially acceptable, such as transferring employees to vacant positions elsewhere within the Group or making use of natural fluctuation.



FAIR WORKING CONDITIONS

Fair working conditions and social partnerships have been an integral part of our business principles since 2004. These principles stipulate our aim of creating a work environment characterised by respect, fairness and partnership. We ran



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a Group-wide campaign in 2012 designed to remind our employees of these principles and to make them aware of their content. This included producing a flyer which was translated into 26 languages and then distributed in all countries. The content of the principles was also incorporated into a Group-wide newsletter. And to reach as many employees as possible, we also published the key content in employee magazines and put it up in social rooms and on display boards in the stores.



EXCHANGE AMONG EXECUTIVES

In order to nurture a value-oriented leadership culture within our Company, we support our managers in the shape of tailored development and qualification programmes. One such example is METRO University's new EMBARK programme, which is our primary qualification platform. EMBARK is specifically targeted at executives at the business and section head levels who have only recently assumed their positions. In 2012, the 2-part programme focused on the issues

of added value for the customer and innovation. In the first module, the 26 participants were presented with the task of developing innovative business ideas that would offer the customers added value, such as METRO event services or organic ingredients for restaurateurs. Then, in the second module, the executives presented their results and discussed their ideas and findings with experts. In this way, we integrate strategic key topics into our leadership development and assist our managers in expanding their skills in a targeted manner.



SUPPORT IN CARING FOR FAMILY MEMBERS

Having a family member become dependent on care can often take you by surprise and calls for quick organisation to accommodate the new situation. Since 2012, German law has allowed employees to reduce their working hours down to as few as 15 hours a week for a maximum of 24 months, while retaining 75 percent of their salary. When they then return to their full hours, their salary is reduced

until the advance they received has been offset. Based on this, METRO GROUP is creating the necessary parameters for supporting its employees as they care for their family members. As early as in 2008, Galeria Kaufhof reached an agreement with the General Works Council regarding a family-friendly HR policy. Employees have been able to put their employer-employee relationship on hold in order to care for a family member, initially for a year and then, since 2011, for 2 years. Real has been offering this family care period since June 2012 too. This makes it easier for employees to reconcile their family and work duties.

Media-Saturn also plays its part, together with METRO AG. In 2012, the companies participated in the "Pflege & Eldercare" (Nursing and eldercare) model project initiated by famPlus GmbH, a provider of measures to support families. The aim of this project is to identify just the right care solutions for people in employment who have elderly relatives or family members dependent on care. Up to 10 Media-Saturn employees and a further 10 from METRO AG were able to sign up for the pilot phase to receive assistance in looking for a qualified carer.



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STORE TRAINING SESSIONS TO ACHIEVE TAILORED SERVICE

Regular exchange between our employees at our headquarters and at our wholesale stores is essential to having efficient and customer-oriented processes. We devised a 1-day store training session for executives and headquarter staff in order to actively foster dialogue, interconnection and customer orientation. Beforehand, the participants can carefully prepare themselves for the store-based date using various online training tools. The participants are taken on a tour of a METRO Cash & Carry wholesale store, during which the department heads present their respective areas and give an insight into the store's work processes. The colleagues from the headquarters also actively get involved, helping to stack shelves or work at the checkout. The first store training sessions were held in 2012 at the wholesale stores in Neuss, Krefeld, Dortmund and Recklinghausen, and further sessions are in the pipeline for 2013.



EXEMPLARY INCLUSION

It is our intention to have an inclusive work environment. This means we offer people with disabilities and limitations due to their health the opportunity to be a part of the working world. The diverse array of options offered by our sales lines demonstrates how we live up to this aspiration every day. At Real, having people with disabilities working in the stores is a matter of course, and has been for quite some time – even before “inclusion” became a concept. For example, the Real hypermarket in the German town of Hallstadt has been actively promoting the integration of people with disabilities since 2004 and has 9 such employees working at the checkout, on the switchboard and in the drinks shop. Based on this, the hypermarket was awarded an inclusion award by the “Paritätischer Wohlfahrtsverband Bayern” (Bavarian Welfare Association) in 2012. METRO Cash & Carry likewise specifically promotes inclusion. For example, since 2006 the sales line has been looking after the interests of disabled employees in France – not just within the company itself, but also of its service

providers and business partners. Galeria Kaufhof gives consideration to its employees and customers in equal measure with its all-encompassing approach to inclusion. For example, the sales line adapts the workplaces of blind employees or of wheelchair-bound colleagues specifically to their needs, thereby enabling each and every employee to make a valuable contribution to the Company. More than 7 percent of the employees are people with a severe disability. In October 2012, the department store company received the 2012 inclusion award bestowed by “Unternehmens-Forum e.V.”, an association that promotes the integration of people with disabilities.

SOCIAL POLICIES AND STAKEHOLDER DIALOGUE



SEEKING INTERACTION – NETWORKING WITH PARTNERS



Global challenges such as demographic change, conserving natural resources, safeguarding the world's food supply and sustainable consumption need ideas and proposed solutions from a range of social actors. One of these is METRO GROUP. The Company is not only an employer, buyer and supplier of goods and services but also a partner within the economic and sociopolitical discourse.

As a part of wider society we see how we can apply our commitment, expertise and experience in a number of fields of action. This includes in particular collaboration with partners and dialogue with customers, experts and stakeholders. Our aim is to establish a transparent interaction with our stake-

holder groups at the interface between producers and consumers and to take responsibility as a good corporate citizen.

Against this background we focus on 3 key areas in the field of social policies and stakeholder dialogue: compliance with codes of conduct and management principles, regular communication and reporting on social topics as well as charitable commitment in the form of donations and sponsoring activities that are a good fit with our core business in terms of their subject matter. In this way, we contribute to finding answers to big social challenges and improving the local quality of life of people around the world.



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PREVENTING WASTE

To prevent the large-scale loss and waste of food, a range of actors in society need to pull in the same direction. For that reason we discuss this topic intensively with our stakeholder groups – for example as part of the EU Retail Forum for Sustainability in Brussels. The forum brings together representatives from politics, retail and non-governmental organisations to discuss sustainable management in retail. In 2012 METRO GROUP had its own information booth at this event. A key topic was our holistic approach to reducing food losses along the entire supply chain. We and other retail companies signed an agreement on the prevention of waste at the forum. Under this agreement measures for consumer education and information on the prevention of waste will be rolled out by the middle of 2014.



GROUP-WIDE COMPLIANCE

METRO GROUP has been engaging systematically with the topic of compliance for some time – the observance of rules, laws and internal guidelines in the Company. Among other things this includes providing our employees with regular information about the significance of the topic and ensuring ongoing training on that topic. Further, the question as to what specific contribution each individual can make in their day-to-day work was the central topic of a Group-wide Compliance Day in 2012. Under the motto “Compliance & You” employees in almost all countries, sales lines and service companies were invited to a range of initiatives. These included for example group discussions, the presentation of training videos and a competition.



LOCAL PRESENCE IN THE MARKET

METRO GROUP has set up the Store Visits project along with other German companies to demonstrate the economic significance of retail to representatives from politics and associations and to reinforce understanding of the complexity of the sector. Store visits are conducted to enable insights into current issues and innovations in the trade sector. Around 40 decision-makers from European institutions and representatives of government, associations and companies around the world have already taken advantage of this offer. The destinations of these visits were various METRO Cash & Carry wholesale stores and the Real Future Store in Tönisvorst, which sees our sales line blazing a new trail into customer communication and the layout of the store and product range.



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ALLIANCE FOR CONSUMER EDUCATION

From the mobile phone contract through security on the Internet right up to healthy eating: the consumer competence of children and young people is being tested in a whole host of ways. In order to reinforce the topic of consumer education whilst still at school, the “Deutsche Stiftung Verbraucherschutz” (German Foundation for Consumer Protection) has set up an alliance for consumer education, the “Bündnis für Verbraucherbildung”. METRO GROUP is one of the supporters of this initiative with further actors from commerce, politics, the academic sector and civil society. In the reporting year we have signed the resolution “Verbraucherkompetenzen frühzeitig fördern – mehr Verbraucherbildung in die Schulen” (Promote consumer competence early on – more consumer education in schools). One of the ways in which we are supporting the initiative is making sure it is discussed with representatives of regional governments with a view to them including it in their school curriculums.



ACHIEVING IMPROVEMENTS TOGETHER

Constructive dialogue and responsible supplier management pay dividends in the long run, which can be seen for example in our relationship with Asia Pulp and Paper (APP). The Asian pulp and paper manufacturer has been one of our suppliers for many years. Because the company had come under fire for clearing rain forests in Indonesia, we engaged in a series of discussions with APP along with various non-governmental organisations and other companies. This effort is now showing positive results: on 5 February 2013 APP publicly declared that it was drawing up a new forest policy and managing already cleared areas to minimise greenhouse emissions. The implementation of the measures is to be monitored by an independent party.



GREATER ENERGY EFFICIENCY TOGETHER

Since 2012 our sales brand Saturn has been cooperating with Utopia, Germany's leading Internet platform for sustainable consumption, with a view to making it easier for their customers to take sustainable purchasing decisions. To increase the proportion of low-energy and resource-saving products in households, the initiative aims to provide clear and targeted consumer information. The partners have developed a dedicated logo for this purpose: in the Saturn online shop the “Utopia empfiehlt” (Utopia recommends) logo indicates washing machines, fridge-freezers, TVs, tumble driers, dishwashers and coffee machines that are particularly energy-saving and therefore recommended. In future Saturn intends to extend the rating to other categories and to expand the initiative to include stationary retailing.



SOCIAL POLICIES AND STAKEHOLDER DIALOGUE

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NEW FROM OLD

To reduce carbon emissions and electrical waste and at the same time create jobs for people with disabilities – this is the approach of the charitable company “Arbeit für Menschen mit Behinderungen” (Work for People with Disabilities, AfB). The integration-focused company collects used IT devices such as laptops, computers and printers from its cooperation partners, reconditions them and resells them at affordable prices. Our IT company METRO SYSTEMS also supports AfB and donates devices that are no longer needed by the Company that would otherwise cost money to dispose of. In the reporting year this came to around 700 computers, laptops and printers. In return the charitable organisation pledges to create one job for every 2,000 devices received. AfB aims to create 500 new jobs for people with disabilities in the coming years.



HEALTHY IN VIETNAM

High standards in the areas of hygiene and food safety need to be maintained along the entire supply chain to ensure high food quality. In some countries there is still room for improvement in the necessary conditions and structures. Aiming to enhance the quality and safety of food in conjunction with customers, suppliers and employees, METRO Cash & Carry Vietnam set up the “Healthy” programme in 2012. The 20-month-long project integrates the various actors along the supply chain and trains them individually: customers are instructed in handling food and food safety. Suppliers of fruit, vegetables and fish are given information about international supply chains, buyer expectations and the significance of measures for improving quality, hygiene and resource efficiency. In this way METRO Cash & Carry makes an essential contribution to improving the quality of life in Vietnam and at the same time secures the high quality standards of products across the entire supply chain.



COMMITMENT TO CHILDREN

A growing number of children from socially disadvantaged families or orphans cannot take toys at Christmas or equipment when they start school for granted. Along with social institutions, Galeria Kaufhof is committed to helping these children: in the run-up to Christmas 2012 our sales line again put up charity trees that were hung with children's wish lists in all outlets and at the head office. Customers and employees took the lists off the trees, fetched the gifts described on them and forwarded them to a central point. Galeria Kaufhof organises the initiative and steps in if any lists are left on the trees. In this way more than 15,000 dolls, picture books, soft toys, toy cars and balls find their way into children's bedrooms every year. In some outlets a similar initiative is held at the start of the school year. For example, in June 2012 50 children from the Theresien Kinder- und Jugendhilfzentrum in Offenbach were given gifts.