

METRO GROUP 2012
OUR
ATTITUDE

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METRO GROUP'S STRUCTURE

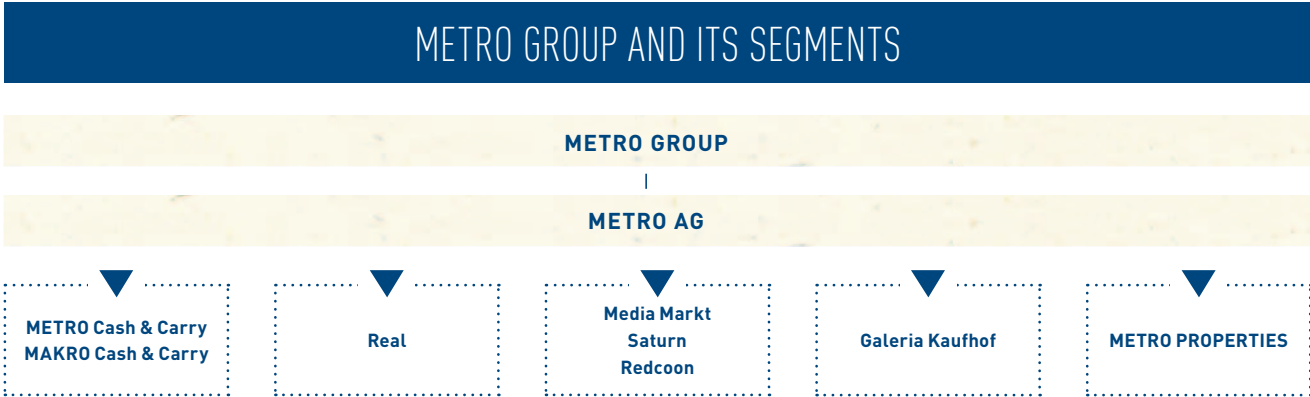
With approximately 280,000 employees in 32 countries, METRO GROUP is one of the world's leading retail and wholesale companies. The Group's parent company is METRO AG, its central management holding company. Our 4 sales lines are responsible for the operating business. They offer private and commercial customers comprehensive product ranges and services tailored to their specific shopping habits.

- METRO Cash & Carry is a leading international self-service wholesaler. Its range of products and services is geared specifically towards the needs of business owners.
- Real is one of Germany's leading hypermarket chains. All of its hypermarkets offer a large percentage of high-quality fresh produce, a varied nonfood range and optimum value for money.

— Media-Saturn is Europe's No. 1 consumer electronics retailer. A decentralised organisational structure, attractive offers, a diverse range of top brands and innovative marketing contribute to the sales line's success.

— Galeria Kaufhof is one of the leading department store operators in Europe. All of its outlets boast highly competitive, international product ranges and high-quality own brands.

Our Company's real estate portfolio is managed by our real estate subsidiary METRO PROPERTIES. Its prime objective is to increase the value of our real estate assets long term by means of active portfolio management. Its services include the selection of new sites, the construction and management of retail/wholesale properties and energy and facility management.



OUR SUSTAINABILITY VISION



Sustainability is an integral part of our business. Our goal is to identify answers to global social challenges and to actively contribute to the development of sustainable solutions. In this way, we create added value for our customers and other stakeholder groups, make an important contribution to risk management and ensure our own future as a company.

To provide our understanding of sustainability with a sound basis, representatives from the sales lines, the service companies and METRO AG have jointly developed a Group-wide sustainability vision. It offers answers to the question as to what we, as a company, hope to achieve in terms of sustainability. At the same time, the vision provides our employees with a framework and starting point for their own efforts and thoughts regarding the subject. In our communications with the Group's various stakeholders and in its public relations work, the vision helps to define our sustainability profile and clarify the METRO GROUP stance.

Our vision statement is:

METRO GROUP.
We offer quality of life.

— FOR OUR CUSTOMERS

by providing them with safe quality products and services where they live, around the world, constantly improving our processes. And with products that are made, processed and recycled in a socially responsible, environmentally sound, resource-conserving manner. This lets us secure our future.

— FOR OUR EMPLOYEES

by at all times respecting, protecting and helping them grow professionally, and by building trusted relationships with them. This lets us create an attractive working environment.

— FOR ALL WHO WORK FOR US

by doing business fairly and responsibly and providing good living and working conditions. This lets us demonstrate responsibility in the supply chain.

— FOR SOCIETY

by protecting the environment, conserving natural resources and minimising our effect on the climate. This lets us help ensure a sound footing for the retailing of tomorrow.

The vision defines the direction in which our sustainability commitment must develop and is the basis for our strategic alignment. Our sustainability aims, as well as the related measures and projects, all contribute towards the realisation of our vision over the long term. This holistic approach helps

to integrate the vision into our core business – via sales line-specific strategies and on into our operating business.

The strategic alignment that derives from our vision is reflected in our fields of action and can be sketched as follows.

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Supply Chain
and Products



Energy- and
Resource Management



Employees and
Social Affairs



Social Policies and
Stakeholder Dialogue

OUR SUSTAINABILITY MANAGEMENT

As a responsible company we aim to make a contribution to tackling major social challenges and to meet the needs of different groups. We see this as a strategic task that we tie into our sustainability management. It kicks in where our influence over the effects associated with our core business is greatest. The starting point is a regular evaluation of social needs. The subjects of safeguarding food supplies, conserving resources, demographic change and sustainable consumption are particularly relevant for the retail sector. In order to tackle these socially relevant topics in a structured manner, we have defined 4 fields of action within the Group: Supply Chain and Products, Energy and Resource Management, Employees and Social Affairs, and Social Policies and Stakeholder Dialogue. Within each of these fields we set core areas for concrete measures and projects that we regularly inspect and adapt as necessary. This is done on the basis of analyses and in consultation with experts. We develop recommended solutions to the core areas across the Group and in cooperation with external partners. We also get involved in specialist committees.

How we handle the challenges within the 4 fields of action is described in chapter "Our approach" (from page 22). The results of the relevance evaluation can also be found there.

The organisational level reflects the processes described. The top decision-making authority for sustainability management is our Sustainability Board. It takes up guidelines, standards and strategies from our sustainability vision and formulates goals. It is assisted by 4 working groups – one for each field of action. Their job is to develop measures for goal achievement within the thematic core areas, to form responsible project groups, to pursue the implementation of projects and to report on progress to the Sustainability Board. Members of the working groups are experts from the staff units, sales lines and companies of METRO GROUP, supported by METRO AG's Sustainability Department. Operational implementation, in turn, is the responsibility of the sales lines and companies, coordinated and supported by their own sustainability officers. In this way ecological and social criteria are integrated systematically and effectively into the working processes and decisions.

SUSTAINABILITY BOARD

Chair: Members of the Management Board of METRO AG Heiko Hutmacher and Frans W. H. Muller
Members: CEOs of the sales lines and METRO PROPERTIES, representatives from Corporate Communications and the Sustainability Department

takes up guidelines, standards and strategies from the sustainability vision and formulates goals

PREPARATORY COMMITTEE

Working group leaders and sustainability representatives of the sales lines, the service companies and METRO AG



WORKING GROUP 1

Supply Chain
and Products



WORKING GROUP 2

Energy and
Resource Management



WORKING GROUP 3

Employees and
Social Affairs



WORKING GROUP 4

Social Policies and
Stakeholder Dialogue

develop plans of action, monitor implementation, report and advise

TOPIC-SPECIFIC PROJECT GROUPS

consisting of experts from METRO GROUP

SALES LINES AND SERVICE COMPANIES

delegate experts to working and project groups, are responsible for operational implementation, develop systems for internal sustainability management

METRO **makro**

real-

MediaMarkt
SATURN **redcoon**

GALERIA
KAUFTOPF

METRO PROPERTIES

FIVE ENTREPRENEURS – ONE GOAL

Within METRO GROUP each sales line is implementing sustainability in its own specific way under the auspices of the common sustainability vision. This is the best way to satisfy operational business requirements and to get people to identify with the topic. As representatives of their companies, the sales lines' individual CEOs explain what this involves in concrete terms.



FRANS W. H. MULLER

CEO of METRO Cash & Carry

"In order to offer our customers real added value in the long run, as a leading international player in self-service wholesale we are actively driving forward the strategic realignment of METRO Cash & Carry. This entails not only improving our operating business but also achieving a fundamental shift in our corporate culture. In this respect, each and every employee has the opportunity to initiate change in their everyday decisions. We can contribute to solving not only business but also global challenges by taking sustainability into account in our core line of business and by acting responsibly. In terms of protect-

ing resources, for example, we do everything we can to maintain the oceans as an ecosystem and as a source of food. We also use optimised processes and supplier training to prevent food waste. And compliance with social standards in the supply chain is an integral part of our procurement processes. Also, we achieve measurable results in the reduction of our energy consumption by means of, for example, our Energy Awareness Programme."



DIDIER FLEURY

CEO of Real

"Every day more than 40,000 employees are committed to serving our customers in our 312 hypermarkets across Germany. Our strengths include top quality, excellent service, unsurpassed freshness and outstanding value for money. The topic of sustainability is becoming ever more important to us along the entire supply chain. In concrete terms this means that the products we provide are manufactured according to socially and environmentally sound principles, allowing our customers to enjoy and consume them with a clear conscience. We also treat resources such as paper and water carefully and are involved in

charity projects. And so we are actively doing our bit to conserve the livelihoods of this and future generations.”



HORST NORBERG
CEO of Media-Saturn

“Only companies that plan ahead and work efficiently make it to the very top of European consumer electronics retailing. Companies like us. Efficiency drives not only our working processes but also how we handle resources. For that reason, we launched a Company-wide energy-saving programme in 2009, since which time we have installed smart metering systems in our stores. In future we want to promote sustainability as an even more integral component of our activities. Every day we relish the challenge of acknowledging sustainable principles in our decisions and in our business processes and relationships so that we can turn them into concrete acts. That way we lead by example.”



LOVRO MANDAC
CEO of Galeria Kaufhof

“Our customers expect us to make it easier for them to do good not only for themselves but also for other people and the environment. That’s why we have again raised the requirements on the quality and manufacturing conditions of our own brands. We are expanding our range of the products manufactured in a particularly environment-friendly and socially compatible manner, especially in those product groups where customers increasingly demand them. For ease of identification, we put our ‘natürlich GALERIA’ (naturally GALERIA) label on those articles. We step up to the demographic challenges by making shopping more pleasant and barrier-free for everyone. Three-quarters of our outlets in Germany are already very generation-friendly. This also sets the course for our future success.”



JEAN-CHRISTOPHE BRETXA
CEO of METRO PROPERTIES

“As the real estate entity of METRO GROUP, METRO PROPERTIES is mandated to build, equip, repair and maintain the sites operated by the sales lines worldwide. We are fully aware of our responsibility towards future generations: if we want to offer quality of life, our stores have to be designed, developed and managed on the grounds of preserving natural resources and ecosystems. Therefore, we choose our sites with great care, challenging each square metre regarding the aspect of land use. In the selection of the material, we take the embodied energy into account. Water and energy efficiency as well as responsible waste management are ingrained in our Company. Even the possible future use of the premises is assessed beforehand by our real estate experts. Being one integrated entity with a comprehensive mandate gives us a significant advantage: we take control of the full life cycle of our buildings and therefore can actively minimise their environmental impact.”

RESPONSIBLE CORPORATE GOVERNANCE

METRO GROUP endorses responsible corporate governance. For us, legal compliance, integrity and transparency are important principles in our dealings not only with one another, but also with customers, suppliers and business partners. That is why we have developed consistent guidelines, standards and processes for management and firmly established them across the Group. This helps us guard against potential risks due to impropriety or ignorance and we emphasise the importance of taking responsibility for one's individual conduct.

Standards for acting sustainably

Our activities are subject to laws, legislative provisions and self-imposed standards of conduct. To support our employees in complying with these rules, we have established a Group-wide compliance management system. At its core are METRO GROUP's 8 business principles. These are supplemented by standards of conduct, including primarily those relating to competition law and the anti-corruption guidelines introduced across the Group in 2011. To prevent corruption and gaining unfair personal advantages, the mandatory check of business partners regarding their compliance with laws and guidelines was introduced in risk areas. This supplemented the existing elements for ensuring compliance in the supply chain. Further, our operational business processes are increasingly being subjected to a minimum standard of internal controls.

Information, consultation and training

We regularly notify our employees of the relevant guidelines, standards and processes. To do so, we use different communication formats that clearly explain our business principles. We further support the employees in complying with the guidelines and standards and the resulting obligations by way of mandatory training courses and consultation sessions. By the end of 2012, for example, we had familiarised over 10,000 employees with the anti-corruption guidelines in classroom-based courses. Further, in the reporting period we started to roll out a Group-wide e-training platform for computer-based training. Employees in 13 of the national companies are already undergoing e-training on corruption prevention. A training module on competition law will be added in 2013. The topic will further attract a lot of attention thanks to the Group-wide Compliance Day. Managers will also regularly receive the Compliance Newsletter.

Group-wide compliance organisation

Compliance Officers are at hand as points of contact in the sales lines and the service and national companies of METRO GROUP. Their head, the Chief Compliance Officer of METRO GROUP, reports directly to the Chairman of the Management Board of METRO AG, Olaf Koch. Not only all employees but also customers, suppliers and other business partners can communicate breaches – if necessary anonymously – to the METRO GROUP Compliance Hotline.